Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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CASE No. 217 of 2024

In the matter of

Case of Maharashtra State Electricity Distribution Co. Ltd. for Truing-up of Aggregate Revenue Requirement (ARR) for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR and Tariff for FY 2025-26 to FY 2029-30 for its Distribution Business in accordance with the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024

Coram

Sanjay Kumar, Chairperson

Anand M. Limaye, Member

Surendra J. Biyani, Member

ORDER

Date: 28 March, 2025

Maharashtra State Electricity Distribution Company Limited ("MSEDCL" or "Petitioner") having its office at "Prakashgad", Anant Kanekar Marg, Bandra (East), Mumbai has filed a Multi-Year Tariff Petition on 30 November, 2024 for Final Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR and Tariff for the 5th Control Period FY 2025-26 to FY 2029-30 for its Distribution Business. Subsequently, the revised Petition was filed on 21 January, 2025.

The Petition has been submitted in accordance with the MERC (Multi Year Tariff) Regulations, 2019 ("MYT Regulations, 2019") for Final Truing up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and MERC (Multi Year Tariff) Regulations, 2024 ("MYT Regulations, 2024") approval of ARR and Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30.

The Commission, in exercise of the powers vested in it under Sections 61, 62 and 86 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 MSEDCL, and in the public consultation process, and all other relevant material, has approved the Final Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR and Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30 in this Order.

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LIST OF ABBREVIATIONS

Abbreviation	Expansion
A&G	Administration and General
AAD	Advance Against Depreciation
ABR	Average Billing Rate
ABT	Availability Based Tariff
ACoS	Average Cost of Supply
AFC	Annual Fixed Cost
AG	Agriculture
AIIB	Asian Infrastructure Investment Bank
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Programme
APML	Adani Power Maharashtra Ltd.
APPC	Average Power Purchase Cost
ARR	Aggregate Revenue Requirement
AS	Accounting Standard
ASC	Additional Surcharge
AT&C	Aggregate Technical and Commercial
ATE/APTEL	Appellate Tribunal for Electricity
AUX	Auxiliary
BESS	Battery Energy Storage System
BEST Undertaking	Brihan-Mumbai Electric Supply & Transport Undertaking
BG	Bank Guarantee
BPL	Below Poverty Line
BPO	Business Process Outsourcing
BSC	Base Station Controllers
CA	Chartered Accountant
CAG	Comptroller and Auditor General
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CBA	Cost Benefit Analysis
CC	Capacity Credit
CCCC	Centralized Customer Care Center
CDF	Cluster Development Fund
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGPL	Coastal Gujarat Power Limited
CGRF	Consumer Grievances Redressal Forum
CGS	Central Generating Stations
CIL	Coal India Ltd.
CMA	Cost and Management Accountant

Abbreviation	Expansion
COD	Commercial Operation Date
Commission/MERC	Maharashtra Electricity Regulatory Commission
COS	Cost of Supply
CPD	Coincident Peak Demand
CPI	Consumer Price Index
CPP	Captive Power Plant
CPPA	Captive Power Producers Association
CR	Consumer Representative
CSD	Consumer Security Deposit
CSS	Cross-Subsidy Surcharge
CT	Current Transformer
CTU	Central Transmission Utility
CUF	Capacity Utilisation Factor
CVC	Central Vigilance Commission
CWIP	Capital Work in Progress
CYMDIST	CYME Distribution System Analysis Package
DA	Dearness Allowance
DCL	Distribution Commercial Loss
DDF	Dedicated Distribution Facility
DDUGJY	Deen Dayal Upadhyay Gram Jyoti Yojana
DELP	Demand Efficient Lighting Programme
DF	Distribution Franchisee
DFA	Distribution Franchise Agreement
DIC	Directorate of Industries and Commerce
DISCOM	Distribution Company
DL	Distribution Licensee
DOA	Distribution Open Access
DPC	Delay Payment Charges
DPDC	District Planning and Development Council
DPR	Detailed Project Report
DSM	Demand Side Management
DTC	Distribution Transformer Centre
EA 2003/Act	Electricity Act, 2003
ED	Electricity Duty
EDP	Embedded Display Port
EHV	Extra High Voltage
EPA	Energy Purchase Agreement
EPS	Electric Power Survey
ERP	Enterprise Resource Planning
EV	Electric Vehicle

Abbreviation	Expansion
FAC	Fuel Adjustment Charge
FBSM	Final Balance Settlement Mechanism
FDRE	Firm and Dispatchable Renewable Energy
FSA	Fuel Supply Agreement
FY	Financial Year
G<>T	Generation to Transmission
GC	Generation Charge
GEC	Gross Energy Consumption
GENCOs	Generation Companies
GEOA	Green Energy Open Access
GFA	Gross Fixed Assets
GIS	Geographic Information System
GOI	Government of India
GoM	Government of Maharashtra
GR	Government Resolution
GSA	Gas Supply Agreement
GSC	Grid Support Charges
GST	Goods and Services Tax
GTPS	Gas Turbine Power Station
GW	Giga Watt
HANA	High-Performance Analytic Appliance
HEP	Hydro Electric Project
HP	Horse Power
HPO	Hydro Purchase Obligation
HT	High Tension
HVDS	High Voltage Distribution System
IBSM	Interim Balancing Settlement Mechanism
IC	Installed Capacity
ICAI	Institute of Chartered Accountants of India
IDC	Interest During Construction
IEX	Indian Energy Exchange Ltd
IIT	Indian Institute of Technology
Ind AS	Indian Accounting Standards
InSTS	Intra-State Transmission System
IoWC	Interest on Working Capital
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
ISTS	Inter State Transmission System
IT/ITES	Information Technology/ Information Technology Enabled Services

Abbreviation	Expansion
KAPP	Kakrapar Atomic Power Project
KhSTPS	Khargone Super Thermal Power Station
KSTPS	Korba Super Thermal Power Station
KUSUM-C	Kisan Urja Suraksha evam Utthan Mahabhiyan - Component C
kV	Kilo-Volt
kVA	Kilo-Volt Ampere
kVAh	Kilo-Volt Ampere Hour
kW	Kilo Watt
kWh	Kilo Watt Hour / Unit
KYC	Know Your Customer
LC	Letter of Credit
LEC	Licensed Electrical Contractor
LF	Load Factor
LoA	Letter of Award
LOLP	Loss of Load Probability
LT	Low Tension
LTA	Long Term Access
LTAGD	LT Agriculture Domestic
LT-NRAP	Long-term National Resource Adequacy Plan
LTOA	Long Term Open Access
LTSDT	LT Small Domestic Tariff
LTSPP	LT Street Light Public Purpose
LV	Low Voltage
MAHAGENCO	Maharashtra Generation Company
MBPL	Mundra Power Limited
MCLR	Marginal Cost of fund-based Lending Rate
MCP	Market Clearing Price
MDAS	Meter Data Acquisition System
MDDL	Minimum Drawdown Level
MEITY	Ministry of Electronics and Information Technology
MERC	Maharashtra Electricity Regulatory Commission
MERC RA	Maharashtra Electricity Regulatory Commission Resource Adequacy
MGP	Mumbai Grahak Panchayat
MIDC	Maharashtra Industrial Development Corporation
MIS	Management Information System
MJP	Maharashtra Jeevan Pradhikaran
MoD	Merit Order Despatch
MoP	Ministry of Power
MoU	Memorandum of Understanding

Abbreviation	Expansion
MPEB	Madhya Pradesh Electricity Board
MPECS	Mula Pravara Electric Cooperative Society Limited
MRI	Meter Reading Instrument
MSEB	Maharashtra State Electricity Board
MSEBHCL	Maharashtra State Electricity Board Holding Co. Ltd.
MSEDCL	Maharashtra State Electricity Distribution Co. Ltd.
MSETCL	Maharashtra State Electricity Transmission Co. Ltd.
MSKVY	Mukhyamantri Saur Krushi Vahini Yojana
MSLDC	Maharashtra State Load Despatch Centre
MSPGCL	Maharashtra State Power Generation Co. Ltd.
MSW	Municipal Solid Waste
MT-DRAP	Medium Term Distribution Resource Adequacy Plan
MTOA	Medium Term Open Access
MTR	Mid Term Review
MU	Million Units
MW	Mega Watt
MWp	Mega Watt Peak
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCDP	New Coal Distribution Policy
NCRMP	National Cyclone Risk Mitigation Project
NENS	Normalized Energy not Served
NLDC	National Load Despatch Centre
NMET	National Mineral Exploration Trust
Non-DPR (NDPR)	Non-Detailed Project Report
NPCIL	Nuclear Power Corporation of India Limited
NTP	National Tariff Policy
NTPC	National Thermal Power Corporation Limited
NVVN	NTPC Vidyut Vyapar Nigam Limited
NVVNL	Nabinagar Vidyut Utpadan Nigam Limited
O&M	Operation and Maintenance
OA	Open Access
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturer
OH	Overhead
Opex	Operational Expenditure
OTSP	Other Tribal Sub Plan
P&L	Profit and Loss
P:IE	Project for Intensive Electrification

Abbreviation	Expansion
P:SI	Project for System Improvement
PAF	Plant Availability Factor
PD	Permanent Disconnected
PF	Power Factor
PFC	Power Finance Corporation
PGCIL	Power Grid Corporation of India Limited
PHSP	Pumped Hydro Storage Plant
PLF	Plant Load Factor
PMA	Project Management Agency
PMAY	Pradhan Mantri Awas Yojana.
PoC	Point of Connection
POM	Points of Observation Memorandum
PPA	Power Purchase Agreement
PRM	Planning Reserve Margin
PSA	Power Supply Agreement
PSDF	Power System Development Fund
PSP	Pumped Storage Project
PT	Potential Transformer
PVTG	Particularly Vulnerable Tribal Groups
PWW	Public Water Works
PXIL	Power Exchange India Limited
QTR	Quarter
R&M	Repair and Maintenance
RA	Resource Adequacy
RAPDRP	Restructured Accelerated Power Development and Reforms Program
RAR	RA Requirement
RBI	Reserve Bank of India
RDSS	Revamped Distribution Sector Scheme
RE	Renewable Energy
REC	Renewable Energy Certificates
RECL	Rural Electrification Corporation Ltd.
RF DCU	Radio Frequency Data Concentrator Unit
RGGVY	Rajeev Gandhi Grameen Vidyutikaran Yojana
RGPPL	Ratnagiri Gas and Power Private Limited.
RInfra	Reliance Infrastructure Limited
RIPL	Rattanindia Power Limited
RLC	Regulatory Liability Charge
RLDC	Regional Load Despatch Centre
RoE	Return on Equity

Abbreviation	Expansion
RPO	Renewable Purchase Obligation
RRAS	Reserve Regulation Ancillary Services
Rs.	Indian Rupees
RSD	Reserve Shutdown
RTC	Round The Clock
RTS	Rooftop Solar
SAP	Systems, Applications & Products in Data Processing
SARIMA	Seasonal Autoregressive Integrated Moving Average
SBAR	State Bank Advance Rate
SBI	State Bank of India
SBLC	Stand By Letter of Credit
SCADA	Supervisory Control and Data Acquisition
SCC	Service Connection Charges
SCOD	Scheduled Commercial Operation Date
SCP	Special Component Plan
SD	Security Deposit
SD Wan	Software-Defined Wide Area Network
SERC	State Electricity Regulatory Commission
SEZ	Special Economic Zone
SIDBI	Small Industries Development Bank of India
SIM	Subscriber Identity Module
SIPAT TPS	Sipat Thermal Power Station
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Dispatch Centre
SMD	Simultaneous Maximum Demand
SMK	Shil, Mumbra & Kalwa
SMS	Substation Monitoring System
SoC	Schedule of Charges
SOP	Standards of Performance
SRS	System Requirement Specification
SSP	Sardar Sarovar Project
ST	Short Term
ST-DRAP	Short Term Distribution Resource Adequacy plan
STOA	Short-Term Open Access
ST-NRAP	Short-term National Resource Adequacy Plan
STP	Sewage Treatment Plant
STU	State Transmission Utility
T&D	Transmission and Distribution
T<>D	Transmission to Distribution
TAPP	Tarapur Atomic Power Project

Abbreviation	Expansion
TBIA	Thane Belapur Industries Association
TC	Transmission Charge
ToD	Time-of-Day
TOSE	Tax on Sale of Electricity
TPC	The Tata Power Company Ltd.
TPL	Torrent Power Limited
TQA lab	Testing, Quality Assurance Laboratory
TSO	Temporary Supply Others
TSP	Tribal Sub Plan
TSR	Temporary Supply Religious
TSSIA	Thane Small Scale Industries Association
TSU	Transmission System User
TTSC	Total Transmission System Cost
TVS	Technical Validation Session
UDID	Unique Disability Id Card
UG	Underground
UI	Unscheduled Interchange
ULDC	Unified Load Dispatch and Communication
UMPP	Ultra Mega Power Projects
UOM	Unit of Measurement
USO	Universal Service Obligation
V-CoS	Voltage-wise Cost of Supply
VIA	Vidarbha Industries Association
VRS	Voluntary Retirement Scheme
VSTP	Vindhyachal Super Thermal Power Station
VTS	Vehicle Tracking System
Wef	With effect from
WPI	Wholesale Price Index
WRLDC	Western Regional Load Dispatch Centre
WRPC	Western Region Power Committee
y-o-y	Year on Year

1 Introduction

1.1 Background

1.1.1 MSEDCL is a Company formed under Government of Maharashtra (GoM) Resolution No. ELA – 1003/P.K.8588/Bhag-2/Urja-5 dated 24 January, 2005 from 6 June, 2005 according to the provisions of Part XIII of the EA, 2003. The provisional Transfer Scheme was notified under Section 131(5)(g) of the EA, 2003 on 6 June, 2005, which resulted in the creation of the following four successor Companies from out of the erstwhile Maharashtra State Electricity Board (MSEB), namely,

- MSEB Holding Co. Ltd.
- Maharashtra State Power Generation Co. Ltd. (MSPGCL)
- Maharashtra State Electricity Transmission Co. Ltd. (MSETCL)
- Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)

1.1.2 **Review petition before the Commission and Appeal No. 280 of 2019 before the APTEL, New Delhi:** MSEDCL submitted that on 29 October, 2018, it has filed Petition for review of certain aspects of the MTR Order. The Commission disposed of the said Petition vide its Order No.321 of 2018 dated 24 December 2018 and partly allowed the certain contentions of MSEDCL. However, aggrieved by the rulings of the Commission, MSEDCL filed appeal before the Hon'ble APTEL, New Delhi (Appeal No.280 of 2019) on following grounds:

- Non-consideration of MSEDCL proposal for revision in definition of Billing Demand;
- Capping Cross Subsidy Surcharge to 20% of Average Tariff
- Non-consideration of approved trajectory of distribution loss for computation of sharing of Gains & Losses for FY 2016-17;
- Non-consideration of MSEDCL's submission for mandatory standby arrangement for SEZ and Deemed Licensees;
- Difference in opening normative equity for FY 2015-16 as submitted in MTR Petition and as approved in the MTR Order

1.1.3 MSEDCL submitted that this MYT Petition is without prejudice to any of its rights and contentions in said Appeal and that MSEDCL reserves its right to again approach the Commission depending upon the final decision of the APTEL, New Delhi in the said Appeal.

1.1.4 **Multi Year Tariff Regulations, 2019:** The Commission notified the MYT Regulations, 2019 on 1 August, 2019 and notified the first amendment on 10

February, 2023 These are applicable for determination of Tariff for the 4th Control period, from 1 April, 2020 up to 31 March, 2025.

1.1.5 **Multi Year Tariff (MYT) Order (Case No. 322 of 2019)** MSEDCL filed its MYT Petition for Final True Up for FY 2017-18 & FY 2018-19, Provisional True Up of ARR for FY 2019-20 and approval for forecast of Multi Year Tariff for FY 2020-21 to FY 2024-25 on which the Commission has passed its Order dated 30 March 2020.

1.1.6 **Review Petition before the Commission and Appeal No. 65 of 2022 before the APTEL, New Delhi:** MSEDCL had filed Petition for review of certain aspects of the MYT Order dated 30 March 2020 in Case No. 322 of 2019. The Commission disposed of the said Petition vide its Order dated 30 June 2020 and partly allowed certain contentions of MSEDCL. Aggrieved by non-consideration of all the aspects, MSEDCL has preferred an Appeal No. 65 of 2022 (DFR No. 318 of 2020) against the Commission Review Order dated 30 June 2020 as well as against MYT Order dated 30 March 2020 on following major grounds:

- Revision in Ag sales estimation for FY 2017-18 and FY 2019-20;
- Ag Sales re-assessment for the year prior to FY 2019-20;
- Relative reduction of Ag sales for FY 2019-20 than that for FY 2018-19;
- Grant of consequential impact on Gross Fixed Assets (GFA) i.e., depreciation, interest on loan and equity from FY 2007-08 onwards.

1.1.7 MSEDCL submitted this MYT Petition is without prejudice to any of its rights and contentions in said Appeal and that MSEDCL reserves its right to again approach the Commission depending upon the final decision of the APTEL, New Delhi in the said Appeal.

1.1.8 **Mid Term Review (MTR) Order: (Case No. 226 of 2022):** MSEDCL filed its Petition in Case No. 226 of 2022 for Final Truing-Up of Aggregate Revenue Requirement (ARR) for FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing-Up of ARR for FY 2022- 23 and revised estimates of ARR and Tariff for FY 2023-24 and FY 2024-25 on which the Commission passed its Order dated 31 March 2023.

1.1.9 **Review Petition before the Commission:** MSEDCL filed a Review Petition for an Order dated 31 March 2023 in Case No. 226 of 2022 in the matter of final True-up of Aggregate Revenue Requirement (**ARR**) of FY 2019-20, FY 2020-21 & FY 2021-22, Provisional True Up of ARR of FY 2022-23 and Revised Tariff and Projections of ARR for FY 2023-24 to FY 2024-25 (Impugned MTR Order) on which the Commission passed its Order dated 31 December 2024.

1.1.10 **Multi Year Tariff Regulations, 2024:** The Commission notified the MYT Regulations, 2024 on 19 August 2024. This is applicable for determination of Tariff for the 5th Control period, from 1 April 2025 up to 31 March, 2030

1.1.11 **Suo- Motu Order by the Commission**: The Commission issued the Suo-Motu proceedings dated 22 January 2025 in Case No. 4/SM/2024 for reviewing status of compliance of various directions given in MTR Order dated 31 March 2023.

1.1.12 MSEDCL submitted its original MYT Petition on 30 November 2024 for Final True Up for FY 2022-23 and FY 2023-24, Provisional True Up of ARR for FY 2024-25 and projections for ARR and Tariff for the 5th Control Period from FY 2025-26 to FY 2029-30.

1.1.13 On 10 December 2024, the Commission raised preliminary data gaps (Data Gaps Set-1). MSEDCL submitted its replies to data gaps vide letter dated 20 December 2024.

1.1.14 Technical Validation Session (TVS) to discuss the data gaps/ deficiencies, was held on 26 December 2024. Further data gap in the petition were explained to MSEDCL and MSEDCL was directed to submit the replies along with the revised Petition.

1.1.15 The Commission sought certain additional information / clarifications vide additional Data Gaps Set - 2 on 17 December, 2024, Data Gaps Set - 3 on 25 December, 2024, Data Gaps Set - 4 on 4 January, 2025, Data Gaps Set - 5 on 17 January, 2025, Data Gaps Set - 6 on 22 January, 2025, Data Gaps Set - 7 on 6 March 2025, and Data Gaps Set - 8 on 8 March, 2025. MSEDCL submitted its replies to Data Gaps Set- 2 vide letter dated 24 December 2024, Data Gaps Set-3 &4 vide letter dated 10 January 2025, Data Gaps Set-5 vide letter dated 17 January, 2025.

1.1.16 MSEDCL submitted its revised petition on 21 January, 2025 incorporating replies to the data gaps.

1.2 Admission of the Petition and Regulatory Process

1.2.1 On 21 January, 2025, MSEDCL submitted its Petition with the following prayers:

- To admit the MYT Petition as per the provisions of the MERC (MYT) Regulations 2024 and consider present Petition for further proceedings before the Commission.
- To approve the total recovery of Aggregate Revenue Requirement and revenue gap for FY 2022-23 to FY 2029-30 along with other claims as proposed by MSEDCL.

- To allow the carrying cost on the proposed recovery required during the balance years of this control period.
- To approve mechanism for recovery of computed revenue gap along with carrying cost and Tariff Schedule considering the Tariff Design principles and other suggestions proposed by MSEDCL.
- To determine a separate cost of supply for agriculture category.
- To approve revised ToD tariff structure and allow MSEDCL to approach itself each year of 5th Control period regarding changes in ToD charges and slabs.
- To approve levy of Grid Support Charge as calculated by MSEDCL.
- To approve kVAh based billing for LT consumers above 20 kW.
- To direct SEZs and Deemed Licensees situated in MSEDCL license area to enter into standby arrangement with MSEDCL and approve standby charges as requested by MSEDCL.
- To allow MSEDCL to recover financial burden on account of wheeling charges and wheeling loss from MSETCL due to non-establishment of EHV infrastructure.
- To approve revised methodology for billing of residential consumers with Rooftop Solar System.
- To approve revised "Green Tariff" and Green RTC power for sunshine industries like data centres and semi-conductor.
- To approve discount in Demand Charges for Single Shift operation of HT-Industry which are operational for at-least 8 hours during solar hours.
- To approve proposal of additional demand charges for consumers availing multiple sources of supply.
- To approve proposed increase in reactive charge from RE generators and Open Access Consumers.
- To allow the revision in definition of Billing Demand as proposed by MSEDCL.
- To approve Cross Subsidy Surcharge and all such other charges including wheeling charges and wheeling losses for Open Access consumers as proposed for the Control Period.
- To approve the suggested categorization for different type of activities as proposed by MSEDCL.
- To consider the incentives/rebates proposed as part of ARR.

- To rationalize the incentives and penalties as proposed by MSEDCL.
- To approve the schedule of charges as proposed by MSEDCL.
- To approve the CAPEX and Capitalisation as submitted by MSEDCL.
- To approve the OPEX schemes and expenses as proposed by MSEDCL.
- To grant any other relief as the Hon'ble Commission may consider appropriate.
- To pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
- To allow shortfall in compliance of RPO for past period till FY 2029-30.
- To allow revisit the RPO compliance for segregated Ag and Non-Ag business vertical at the time of MTR filing.
- To condone any error/omission and to give opportunity to rectify the same.
- To permit MSEDCL to make further submissions, addition and alteration to this Petition as may be necessary from time to time.

1.2.2 The Commission admitted the revised MYT Petition on 22 January, 2025. As required under the Section 64 of the EA, 2003, MSEDCL issued Public Notices in two English Newspapers (The Times of India and The Hindustan Times) and two Marathi (Lokmat and Sakal) newspapers on 24 January 2025 inviting suggestions and objections on its Petition. The Petition and Executive Summary (in English and Marathi) were made available for inspection or purchase at MSEDCL's offices. The Petition was also available on MSEDCL's website (www.mahadiscom.in) free of cost in downloadable format. The Executive Summary of the Petition and the Public Notice were also made available on the websites of the Commission (www.mercindia.org.in) / (http://www.merc.gov.in/www.merc.gov.in) in downloadable format. The Public Notice specified that the suggestions and objections, in English or Marathi, be filed in writing by uploading it through 'E-Public Consultation' Tab on MERC Website (www.merc.gov.in/e-public-consultation).

1.2.3 The Commission held E-Public Hearings by setting up E-facilitation Centres at Navi Mumbai, Pune, Nashik, Chatrapati Sambhaji Nagar, Amravati and Nagpur from 25 February, 2025 to 4 March, 2025 as per the schedule given in the Table below, during which several Public Representatives, Consumer Representatives, other stakeholders and members of the public were heard. The Commission also received several written suggestions and objections. The list of persons who submitted written suggestions and objections and/or attended the Public Hearings is at **Appendix-2**.

Table 1: Schedule of Public Hearings

Sr. No.	Place / Venue of E- facilitation Centre	Time	Date of Hearing
1.	**Navi Mumbai** Conference Hall, 7th Floor, CIDCO Bhavan, CBD, Belapur, Navi Mumbai	10.30 am	25 February, 2025
2.	**Pune** Auditorium, Government College of Engineering, Shivaji Nagar, Pune.	10.30 am	27 February, 2025
3.	**Nashik** Niyojan Bhavan, Collector Office Campus,Old Agra Road, Nashik	10.30 am	28 February, 2025
4	**Chhatrapati Sambhaji Nagar** ASCDL HQ OCC Hall Aurangabad Smart City Development Corporation Limited, Chhatrapati Sambhaji Nagar	10.30 am	1 March 2025
5.	**Amravati** DPDC Hall, Amravati, District - Amravati.	10.30 am	3 March 2025
6.	**Nagpur** District Planning Committee, Behind Sadar Police Station, Nagpur.	10.30 am	4 March 2025

1.2.9 The Commission has ensured that the due process contemplated under law was followed at every stage to ensure transparency and public participation. Adequate opportunities were given to all to present their responses. Various suggestions and objections raised on the Petition, both orally at the Public Hearings and in writing, along with MSEDCL's responses and the Commission's Rulings have been summarised in Section 2 of this Order.

1.3 Organisation of the Order

1.3.1 This Order includes the following Sections:

- **Section 1** – provides a brief background of the process undertaken by the Commission.
- **Section 2** – summarises the written and oral suggestions and objections raised. These are followed by the responses of MSEDCL and the rulings of the Commission.
- **Section 3** – covers final true-up of ARR for FY 2022-23 & FY 2023-24
- **Section 5** – covers the provisional true-up of ARR for FY 2024-25
- **Section 6** – covers the Multi Year Tariff projections for 5th Control Period (FY 2025-26 to FY 2029-30)

- **Section 7** – sets out the Commission's Tariff Philosophy and the category-wise tariffs, including determination of Wheeling Charges and Cross-Subsidy Surcharge and applicable conditions thereof.
- **Section 8** – covers the Schedule of Charges,
- **Section 9** – covers the compliance of Directives of the Commission
- **Annexures** - The approved Tariff Schedule at Annexure I, schedule of Revenue at the revised tariffs at Annexure II to VI and Monthly Approved Stack for FY 2025-26 to FY 2029-30 at Annexure VII to Annexure XI.

2 Suggestions / Objections, MSEDCL's Response and Commission's Rulings

2.1 Background

2.1.1 The suggestions/objections received from Stakeholders and the Commission's views thereon have been summarized in the following paragraphs. It may be noted that all the suggestions given by the stakeholders upto 18 February, 2025 as per Public Notice issued by MSEDCL, suggestions/objection stated during E-Public Hearings or otherwise submissions made as directed by the Commission have been considered, and the Commission has attempted to discuss all the suggestions as well as the Commission's decisions on each suggestion, however, in case any suggestion is not specifically discussed, it does not mean that the same has not been considered.

2.2 Agricultural Consumption, Tariff for Agriculture and Distribution Loss

Objection's/Suggestions

2.2.1 Shri Satej Patil and Shri. Arun Lad Members of Maharashtra Legislative Assembly strongly raised concerns over Distribution Losses of MSEDCL. Adjoining states are having 7% to 9% distribution losses whereas MSEDCL has 15% distribution losses.

2.2.2 The projected distribution losses over the next five years are unacceptable, as there is no reduction in energy losses, contradicting efficiency improvement objectives. Loss to be realistically restated. Higher losses of other regions shall not burden consumers of regions whose distribution losses are lower as compared to others. Thus, Region-wise or Circle wise distribution losses may be estimated by the Commission and tariff be decided accordingly.

2.2.3 Smt. Shweta Gandhi stated that distribution losses exceed the prescribed targets by nearly 5%, amounting to 31,015 MU, whereas MSEDCL has acknowledged only 26,329 MU, excluding EHV and OA sales. Instead of imposing an undue financial burden on prosumers, MSEDCL must prioritize mitigating these significant inefficiencies. The total distribution losses translate to approximately Rs. 15,755 Crore, equating to Rs. 877 Crore per 1% loss, whereas MSEDCL estimates this at Rs. 745 Crore per 1% loss as per the actual purchase cost. Conversely, the estimated revenue from Grid Support Charges (**GSC**) for FY 2023-24 is Rs. 889.86 Crore, calculated as (3302 MU × Rs. 1.93) + (1754 MU × Rs. 1.44). Notably, the financial impact of distribution losses is approximately 1770% (17.7 times) greater than the estimated revenue from GSC.

2.2.4 As a matter of prudent financial management, MSEDCL must prioritize the reduction of distribution losses instead of unjustly shifting its inefficiencies onto consumers through GSC or ToD tariffs. A mere 1% reduction in distribution losses would yield a financial impact equivalent to the proposed GSC revenue, warranting an immediate course correction towards efficiency improvements rather than imposing additional charges on consumers.

2.2.5 M/s. Veej Grahak Samiti Nashik submitted that the Commission has not conducted an independent audit of agricultural consumption for over a decade, despite ongoing discussions since 2012. The methodology adopted by MSEDCL, particularly the Extra High Voltage (EHV) input method, is challenged for misrepresenting actual agricultural consumption data. In Case No. 64/2014, consumer-objectors provided concrete evidence of inflated agricultural consumption estimates, leading to the withdrawal of the proposal without any valid legal justification.

2.2.6 MSEDCL has proposed an arbitrary methodology without accounting for cropping patterns, irrigated land distribution, and seasonal consumption variations. The methodology lacks transparency and does not align with past MERC orders.

2.2.7 Shri Mahaveer Jain and others objected that the unmetered AG consumers to be converted to metered connections. MSEDCL discloses the number of unmetered connections issued during the periods from 01 January 2015 to 31 March 2020 and 01 April 2020 to 01 December 2024. Furthermore, no administrative or penal action has been taken against the responsible officers, despite their duty to adhere to legal and regulatory mandates. MSEDCL has changed the methodology for AG sales estimation and deviated from the methodology developed by the MERC. Further number of sample feeders are increased by MSEDCL, and the actual AG sales shall be approved.

2.2.8 Shri Mayur Pande and others submitted that the total actual sales have exceeded the approved sales for both FY 2022-23 and FY 2023-24, primarily due to a substantial increase in agricultural sales. The sharp rise in agricultural consumption, despite adverse weather conditions, has resulted in actual sales surpassing approved sales for two consecutive years. This necessitates stringent regulatory monitoring to ensure that the increasing energy demand does not impose an excessive burden on the power infrastructure, thereby maintaining system stability and long-term energy sustainability. In FY 2023-24, agricultural sales accounted for 28% of the total energy sales by MSEDCL. Agricultural consumers are significantly cross-subsidized by other high-paying consumer categories, including industrial and non-residential/commercial consumers. However, due to socio-political and financial constraints, farmers have been unable to inculcate payment discipline, resulting in outstanding receivables exceeding Rs. 60,000 Crore as of the latest available data. The Commission has, over the years, disapproved agricultural sales as submitted by MSEDCL for true-up years.

2.2.9 Ichalkaranji Power loom Association and several other stakeholders have raised concerns regarding the AG demand estimation by MSEDCL, asserting that it deviates from the Commission approved methodology. MSEDCL has reported agricultural demand that is 35% higher than the figures sanctioned by the Commission for FY 2023 and 47% higher for FY 2024. Some stakeholders stated that the increase in agricultural sales may correspond with the addition of new connections as well as possibilities of theft in rural areas. Furthermore, agricultural sales have seen a substantial increase. It is essential for MSEDCL to prioritize the enhancement of sales rather than turning to higher tariffs.

2.2.10 Prayas Energy Group stated that AG sales for FY 2024 were estimated at 28,177 MU, whereas MSEDCL's true-up petition indicates sales of 41,314 MU, resulting in a deviation of 47%. This significant variance is attributed to MSEDCL's methodology, particularly its selection of feeders, where the number of sampled AG feeders increased from 529 to 1,697. However, 1,168 of these additional feeders operate between 3,000 and 4,000 hours annually, which MERC had previously considered outliers. Consequently, the estimated pump operation hours increased from 1,724 to 2,153, thereby inflating AG demand projections.

2.2.11 Prayas Energy Group further submitted that, MSEDCL has assumed technical losses of 9.1% for AG feeders, whereas the Commission's approved methodology considered significantly higher losses. MSEDCL justifies its assumption based on CYMDIST software calculations but has not clarified whether the dataset covers all months or select periods. This underestimation of losses further contributes to an exaggerated AG sales estimation, leading to an overstatement of approximately 10,000 MU annually. Consequently, distribution losses are understated for true up and control period. A proper restatement of these losses could reduce power purchase requirements, potentially saving Rs. 15,200 Crore in variable power purchase costs.

2.2.12 To mitigate distribution losses, it is recommended that a stringent loss reduction target be imposed, with MSEDCL's distribution loss required to be reduced from the current 17.95% to 10.95% by FY30. This is justified by MSEDCL's claim that 92% of AG feeders and 16.5% of distribution transformers (DTs) are already equipped with smart meters, with full deployment planned by February 2025.

2.2.13 M/s Urja Shayog, Kolhapur Jilha Sahakari Pani Puravatha Sansthancha Sahakari Sangh and others suggested that there shall be no differentiation in tariffs between LT-AG and HT-AG consumers and the actual AG sales shall be approved. MSEDCL has proposed separate ACoS from FY 2025-26 onwards and requested to approve separate cost supply for agriculture category. Unmetered AG consumers to be converted to metered. Sales of AG is inflated for covering loss. MSEDCL has changed the methodology for AG sales estimation and deviated from the methodology developed by MERC. Further number of sample feeders are increased by MSEDCL.

2.2.14 Shri Barhate submitted that due to subsidy from Government to AG consumers, AG consumers are not interested in opposing tariff hikes. In such scenario, MSEDCL is dumping sales on such consumers. Metering of AG consumers should be done, and Loss reduction should be the first priority.

MSEDCL's Reply

2.2.15 It is submitted that, MSEDCL's Petition is based on the actual sales recorded by MSEDCL for True-up years. For projecting AG sales for ensuing years, MSEDCL has taken the actual historical AG sales recorded in previous years and projected them based on CAGR.

2.2.16 Further as regards to AG Sales estimation, MSEDCL had filed an Appeal No. 65 of 2022 (DFR No. 318 of 2020) against the Commission's Review Order dated 30th June 2020 in Case No. 84 of 2020 as well as against the MYT Order dated 30th March, 2020 in Case No. 322 of 2019 on various AG sales related issues. MSEDCL submitted its MYT petition without prejudice to any of its rights and contentions taken by MSEDCL in said Appeal.

2.2.17 Regarding query on illegal issue of new unmetered AG connections, MSEDCL submits that Hon'ble Commission has already dealt the issue in its Suo-Motu hearing in Case no 04/SM/2024 and passed the order dated 22 January 2025.

2.2.18 With respect to the AG demand estimation, MSEDCL submitted that the estimation of agricultural sales has been a subject of significant discussion and directions from MERC. MSEDCL's efforts to improve the accuracy of its agricultural sales estimation methodology have been undertaken in close consultation with the directives laid out in various orders.

2.2.19 Specifically, MSEDCL's appeal, Appeal No. 65 of 2022 (DFR No. 318 of 2020) filed against the Commission review order of 30th June 2020 in Case No. 84 of 2020 and its MYT Order dated 30th March 2020 in Case No. 322 of 2019, remains relevant in the context of these proceedings.

2.2.20 MSEDCL has made significant progress in converting agricultural feeders into feeder input-based index billing, with phased installation of AMR meters and inclusion of additional feeders. This initiative improves agricultural consumption data accuracy and supports technical loss estimation. The use of CYMDIST software helps calculate technical losses more precisely.

2.2.21 Regarding selection of additional Feeders, MSEDCL has submitted that the methodology adapted by the Commission on FY 2022-23 data is followed. The feeders with initial outliers of below 500 Hrs and above 4000 Hrs were excluded from selection and further feeders having data consistency through AMR / MRI sources were selected. Regarding the query about duration of data considered for technical loss calculation, MSEDCL clarified that monthly data of peak load period i.e. Jan / Feb/ Mar / Apr/ May 2024 is considered.

2.2.22 Further, MSEDCL acknowledges the demand for reliable daytime power supply for farmers. MSEDCL has launched Mukhyamantri Saur Krishi Vahini Yojana 2.0 which aims to develop 16,000 MW of decentralized solar power capacity. Under this scheme, solar power projects are being rapidly developed, with 9,155 MW capacity expected to be operational by December 2025. This initiative will provide daytime power supply to farmers, reduce agricultural electricity costs and strengthen MSEDCL's power distribution network.

2.2.23 MSEDCL submitted that energy accounting is conducted at the sub-division, division, circle, and zone levels. Based on this, specific targets are set to reduce distribution losses, and periodic reviews are conducted by the corporate office. MSEDCL is making rigorous efforts in metering, billing, and various other areas to minimize distribution losses, which will ultimately help reduce electricity costs and increase revenue. Monthly reviews of energy accounting and distribution loss targets are conducted at all levels.

2.2.24 Although an increase in electricity tariffs may sometimes be inevitable, MSEDCL is taking all necessary measures to minimize tariff hikes. These include reducing distribution losses, ensuring accurate billing through proper meter readings, improving collection efficiency, utilizing new technologies, and implementing management strategies. Such tariff revisions are necessary to fulfil financial obligations and maintain MSEDCL's financial sustainability

Commission's Ruling

2.2.25 Issue of Energy Accounting related to AG Consumption and Tariff applicable to Agriculture category is dealt with in Section 3 of this Order and corresponding references are made in Section 4 and 5.

2.2.26 With regards to releasing unmetered AG connections, the Commission in its Order dated 22 January 2025 in Case No.4/SM/2024 ruled following:

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> *8.3.7 While issuing the MTR Order, the Commission has specifically directed MSEDCL to initiate internal enquiry on release of unmetered AG connections and submission of Zone wise report. But instead of compliance, MSEDCL has attempted to justify the action under the shelter of GoM Resolution dated 18 December 2020.*
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> *8.3.8 It is the responsibility of MSEDCL as a Licensee to meter all consumers as per Section 55 of the Electricity Act, 2003. It is highlighted that the Commission in its Order dated 13 October 2006 in Case No.13 of 2006 had rejected MSEDCL's prayer for extending statutory time limit (2 years from the notification of the Electricity Act,*

2003) to five years for installing correct meters for Agricultural consumers. Since then, the Commission has issued various Orders directing metering of AG connections.

8.3.9 On one side, MSEDCL is striving hard to convert unmetered AG connections into metered connections. On the contrary, also releasing unmetered connections. Being a Government owned Distribution Licensee, it is responsibility of MSEDCL to point out correct legal propositions to the Government of Maharashtra, while framing of GRs/ implementing GRs. MSEDCL's submission shows apathetic approach toward AG metering. Hence, the Commission finds it appropriate to levy fine of Rs.1,00,000/- for non-compliance of its directive to release new connecting with meter only."

2.2.27 The Commission has already penalized MSEDCL for non-compliance. Henceforth, it is expected that, MSEDCL will not release/report any new unmetered connection. Failing which the Commission will compel to deduct Rs. 1 Crore from MSEDCL's ARR for such default as per Regulation 5.2 of MYT Regulations 2024. The Commission will revisit the number of unmetered connections in next tariff filing.

2.2.28 The Commission vide data gaps had sought meter data of 502 feeders for Truing up years which were considered by the Commission while conducting the AG study. MSEDCL also informed that, it has considered additional AG feeders more than 1100 nos. in the sampling while calculating the AG consumption norms for FY 2023-24. However, the Commission, based on the meter data received from MSEDCL (including the newly added feeders) has reassessed the AG sales as per the methodology specified in the MYT Order of 4th Control Period and considered re-computation of total sales, distribution losses and sharing of gain/losses. The detailed ruling on this issue and analysis is in para 4.1 of this Order.

2.2.29 The Commission notes the submission of MSEDCL that it has filed appeal before the Hon'ble APTEL against the methodology adopted by the Commission for assessing the AG sales. However, the Commission in its MTR Order had clarified that, the MSEDCL was expected to follow the methodology specified by the Commission as the Hon'ble APTEL has not granted stay to the Commission's MYT Order in Case 322 of 2019.

2.2.30 The Commission also notes that, MSEDCL in its methodology for assessment of distribution loss has provided some clarifications on consideration of normative consumption of the sample AG feeders (including additional feeders selected by MSEDCL), however, the Commission during scrutiny was not able to reconcile the AG sales and distribution loss as assessed by MSEDCL.

2.2.31 With regards to forming separate company for supplying electricity to Agriculture consumers, the Commission has noted that, MSEDCL has submitted the Average Cost of Supply (ACoS) and Average Billing Rate (ABR) of key categories for AG and Non-AG companies for broader assessment of impact on the tariff of other categories. The Commission appriciate the step taken by MSEDCL and considered the proposal of MSEDCL while determining the Tariff for the 5th MYT Control Period in this Order in subsequent Sections.

2.3 Time of Day (ToD) Tariff

Objection's/Suggestions

2.3.1 Shri. Satej Patil, MLA stated that ToD will disincentivizes rooftop solar consumers so choosing the right time slot is going to be the 'KEY'. Shri Rajabhau Waje, Member of Parliament, Member of Parliamentary Standing Committee on Industry, Nashik stated that, the ToD structure shall be applicable to consumers with a connected load equal to or more than 10 kW, wherein the tariff rates shall vary based on the designated time slots. Specifically, for the period between 00:00 to 06:00 hours, a rebate shall be applicable, with the tariff set at 80% of the normal Energy Charge. During the hours of 06:00 to 16:00, an additional charge of 120% of the normal Energy Charge shall be levied. Subsequently, from 16:00 to 22:00 hours, the tariff shall be 110% of the normal Energy Charge, reflecting an additional charge. Thereafter, for the duration between 22:00 to 00:00 hours, the tariff shall revert to 80% of the normal Energy Charge, thereby providing a rebate during this period.

2.3.2 Shri Samir Gandhi submitted that the proposal by MSEDCL is contrary to the interests of solar power developers. He mentioned that under PM Suryaghar Muft Bijli Yojana, consumers were assured that their electricity bill would be nearly Zero for consumption up to 300 units upon installing a 3kW rooftop solar system. This was widely publicized as the equivalent of receiving 300 free units under the scheme. The newly proposed ToD structure designates the 10 AM to 5 PM slot as the off-peak period, meaning that any surplus solar energy injected into the MSEDCL grid by prosumer will now be adjusted only during this period. Domestic electricity consumption is highest during 6 AM-10 AM and 6 PM-10 PM. With proposed ToD structure, injected solar units will no longer offset usage in these high-consumption slots, effectively breaking the assurance given under PM Suryaghar Muft Bijli Yojana.

2.3.3 Further, such a discriminatory tariff structure undermines the banking regulations governing the State's electricity market and has the potential to cause financial detriment to the renewable energy sector, thereby discouraging future investments in solar power generation. It is imperative to recognize that discriminatory tariff impositions on solar energy production shall result in increased reliance on conventional energy sources, escalating costs for consumers and impeding Maharashtra's transition towards sustainable energy practices. It is requested to reject ToD structure and instead ensure the continuation of an equitable ToD framework that facilitates renewable energy growth, safeguards consumer interests, and aligns with Maharashtra's energy demand patterns.

2.3.4 The imposition of rebates, additional charges, and penalties during peak hour lacks sufficient justification, as it escalates the tariff burden on consumers and introduces cost uncertainties in power management. The proposed ToD structure under MYT 2024 is anticipated to negatively impact the deployment of solar capacity within the state, thereby conflicting with the Central Government's target of achieving 175 GW of renewable energy (RE) installation The disproportionate impact on solar energy projects under the revised ToD framework creates regulatory uncertainties, which pose challenges for GENCOs in the sizing and financial feasibility of solar power projects. The rising cost of solar projects, compounded by the imposition of Banking Charges, is likely to result in project closures. The ToD framework for 2024 lacks a sound economic rationale and has the effect of discouraging investments in Maharashtra's solar energy sector, thereby restricting industrial growth and renewable energy development.

2.3.5 Furthermore, as per Clause 20.4 of the 2nd Amendment of the Distribution Open Access Regulation 2023, it is stipulated that, "Banking charges shall be adjusted in kind at 8% of the energy banked." This high banking charge imposes a substantial financial burden on generators, with the potential to render projects non-performing assets (NPAs). Given the saturation in the RE sector, where demand and generation are nearly equal during daylight hours, IPPs are experiencing difficulties in achieving an optimal Capacity Utilization Factor (CUF) for solar and wind project. Additionally, if IPPs are required to compensate MSEDCL's with 8% of their energy output in addition to the applicable ToD tariff, their financial sustainability will be severely compromised, posing a significant threat to the viability of RE investments within the state. It is proposed that, minimum transition period of two to two-and-a-half years to be provided for all stakeholders before implementing any revised ToD rules.

2.3.6 Shri Vivek Velankar, Shri. Blase Martin Dsouza, Ramanand Sharma, M/s Steel Manufacturers Association of Maharashtra, and many stakeholders stated that the existing ToD tariff structure negatively impacts both existing and upcoming projects, creating financial and operational uncertainties. The proposed ToD incentives of Rs. 2.15/unit from 9 AM - 5 PM and Rs. 2 per unit for the 10 PM to 6 AM time slot discourage solar energy utilization, disincentivizing RE adoption. The proposed ToD time zones by MSEDCL are not aligned with the

MYT Regulations, Ministry of Power (MoP) Rules, and prevailing industry standards, thereby discouraging solar power usage. The alteration of peak and off-peak pricing without modifying the existing DOA Regulations effectively renders banking for solar generators redundant, violating Sec 8 of the EA, 2003, MoP Rules, 2023, MYT Regulations, 2024, and DOA Regulations. This results in the unfair devaluation of solar power and discouragement of RE generation.

2.3.7 Prayas Energy Group, ReNew Green Energy Solutions Pvt. Ltd., JSW Steel Limited (JSWSL), National Solar Energy Federation of India and many others proposed that, ToD imposes restrictions on banking for open access consumers due to slot-wise limitations under MERC Green Energy Open Access Regulations. The removal of night-time rebates and neutral tariff zones restricts banking to solar hours, adversely impacting GEOA and net metering consumers. Banking charges shall be cost-reflective, at Rs. 3.5/unit, aligning with storage service costs.

2.3.8 Further, ToD slot-wise banking restrictions for small net metering consumers (under 10 kW) shall be relaxed using Regulation 16 -power to relax of the Grid Interactive Rooftop RE Generating Systems. The suggested modifications to ToD tariffs shall be advocating for increased rebates up to Rs. 3/unit by 2030 and seasonal variations in non-solar ToD surcharges to reflect demand shifts. The ToD tariffs shall be structured separately for monsoon and non-monsoon months so they suggested that daytime ToD rebates (9 AM - 5 PM) shall be increased, encouraging solar energy consumption and night-time surcharges (10 PM - 6 AM) shall be reduced in monsoon months to align with lower demand. As per the 2nd Proviso to Regulation 115.2 of MYT Regulations 2024, distribution licenses must propose their ToD timeslots and tariffs (slot-wise rebate and penalty) in compliance with MoP Rules 2023. Accordingly, MSEDCL is required to submit its ToD proposal strictly as per Rule 8A of MoP Rules 2023, including the limitation on Peak-Hour duration. Thus, MoP Rules 2023 impose a clear limitation that peak hours cannot exceed eight (8) hours per day. This ensures that power banked during solar hours can only be withdrawn/utilized during the remaining period of the day, excluding the eight (8) peak hours.

2.3.9 Advocate Smt. Deepa Chawan representing M/s Sunsure Energy Private Limited, Tata Power Renewable Energy Ltd., BluPine Energy Private Limited, Bajaj FinServ, Smt. Shweta Gandhi and others suggested to reject MSEDCL's proposal, maintain existing ToD structures, and ensure that any changes are applied prospectively to protect the interests of existing solar projects and promote RE generation in accordance with statutory obligations. A revised TOD tariff structure for industrial consumers, introducing four TOD slots wherein only one slot (0900 hrs to 1700 hrs) offers a rebate, while the other three impose additional charges. MSEDCL must withdraw the proposal and ensure that domestic consumers continue to receive a full set-off against injections throughout the day. Therefore, it is proposed that ToD tariffs shall not be imposed on the domestic sector.

2.3.10 This restructuring contradicts the fundamental objective of TOD tariffs, which is to incentivize consumers to shift electricity consumption from peak to off-peak hours to reduce grid stress. The proposed changes lack empirical justification and rely on unverified assumptions, such as an anticipated 5% demand shift and a reduction in power procurement costs due to a projected 20 GW solar capacity addition over five years. Moreover, data (Table No. 182) contradicts MSEDCL's claim of promoting consumption during solar hours, as the highest demand is recorded during those very hours. Regulation 20.2 of the MERC MYT Regulations 2019 defines "peak period" as a block of three or more continuous hours representing maximum power demand. However, MSEDCL's proposal fails to specify peak and off-peak hours as required by Regulation 20.3 of the Distribution Open Access (DOA) Regulations, 2016.

2.3.11 The continuation of peak and off-peak hours as approved in MERC Orders dated 28.04.2000 (Case No. 01 of 1999) and 30.03.2020 (Case No. 322 of 2019) suggests that MSEDCL has not justified any changes to these hours. Furthermore, any modifications to TOD slots must apply prospectively, as neither the MoP Rules, 2023 nor the MYT Regulations, 2024 confer the authority to enact retrospective changes. The revised TOD structure also significantly alters the banking and drawal mechanism for solar power generators. Under the existing TOD framework, surplus solar power banked during the morning peak hours (0900 hrs to 1200 hrs) can be flexibly utilized in night off-peak hours (2200 hrs to 0600 hrs) and off-peak hours (0600 hrs to 0900 hrs & 1200 hrs to 1800 hrs), thereby allowing for optimal utilization of banked energy. However, the proposed structure introduces four distinct time slots: night off-peak (2200 hrs to 0600 hrs), morning off-peak (0600 hrs to 0900 hrs), solar hours (0900 hrs to 1700 hrs), and evening peak (1700 hrs to 2200 hrs).

2.3.12 This reclassification imposes additional charges on three out of the four slots, significantly restricting the effective utilization of banked energy. Financially, this results in increased charges for industrial consumers during key consumption periods, particularly in the morning off-peak and evening peak slots, which now bear additional tariff surcharges. Under the existing banking mechanism, surplus energy generated during peak solar hours could be efficiently consumed in off-peak and night-off-peak periods. However, under the proposed structure, surplus energy generated during 0900 hrs to 1700 hrs is rendered unusable, leading to an absolute lapse of banked energy, thereby adversely affecting the economic viability of solar power generation.

2.3.13 A quantitative assessment for a 10 MW Round-The-Clock (RTC) consumer with a 40 MWp PPA illustrates that approximately 24.54 MUs of surplus solar power, which could otherwise have been banked and utilized, will now be entirely lost due to the restrictive framework of the revised TOD slots. Additionally, the changes undermine the effectiveness of power banking under Regulation 20.3 of the DOA Regulations, 2016, which permits banked energy during off-peak slots to be utilized during peak slots, ensuring operational flexibility for solar power consumers. By restricting the utilization of banked energy, nearly 50% of annual generation for RE generators would be rendered unviable, contradicting Sections 61(h) and 86(1)(e) of the Electricity Act, 2003, which mandate renewable energy promotion. From a regulatory perspective, the proposed modifications appear to contravene the provisions of Regulation 20.3 of the DOA Regulations, 2016, which explicitly allow for banked energy from peak slots to be drawn during non-peak slots.

2.3.14 The proposed framework, by imposing restrictions on the utilization of banked energy outside solar hours, effectively negates the purpose of renewable energy banking and utilization. Additionally, the artificial classification of multiple peak slots results in a disproportionate increase in costs for industrial consumers, thereby discouraging investment in solar energy infrastructure and undermining policy objectives aimed at promoting renewable energy adoption.

2.3.15 The restrictive nature of the proposed TOD structure is likely to disrupt the optimal utilization of solar capacity, causing economic losses to generators and consumers alike. The proposed structure amounts to an abuse of MSEDCL's dominant position under Section 60 of the Electricity Act, restricting competition from Open Access generators.

2.3.16 Similar attempts by MSEDCL to revise TOD slots and remove night-time TOD rebates have been rejected by the MERC in Case No. 116 of 2008 (Order dated 17.08.2009), Case No. 121 of 2014 (Order dated 26.06.2015), and Case No. 322 of 2019 (Order dated 30.03.2020) due to lack of data justification. Given these legal and regulatory inconsistencies, MSEDCL's MYT Petition must be rejected to ensure consistency with the DOA Regulations, 2016, the EA, 2003, and the established regulatory precedents. This analysis highlights that the proposed TOD tariff framework not only creates financial and operational hardships for consumers but also conflicts with established regulatory provisions, warranting a reconsideration of its implementation to ensure compliance with the existing legal framework and renewable energy banking principles.

2.3.17 M/s Meenakshi Ferro Ingots Pvt Ltd, Thane small scale industry, ReNew Green Energy Solutions Pvt. Ltd and many others submitted that with the proposed ToD, tariff increases for such industries are 4.36% (FY25-26), 5.50% (FY26-27), 6.89% (FY27-28), 7.81% (FY28-29), and 5.32% (FY29-30), whereas Tata

Power proposes a net benefit of 4.58%. Additionally, MSEDCL prays for permitting industries to exceed Contract Demand up to 120% during off-peak solar hours (9 AM to 5 PM) without penalty, aligning with practices in Chhattisgarh, Madhya Pradesh, and Orissa, where such excess consumption is considered for Load Factor Incentives. Given Maharashtra's stringent 92.5% Load Factor requirement, industries face practical challenges in maintaining such levels consistently.

2.3.18 To prevent misuse, consumers reducing existing Contract Demand by 20% shall be restricted from availing this benefit. Furthermore, instead of selling surplus power at Rs. 3/unit on Power Exchanges, incentivizing industrial consumption during solar hours would be mutually beneficial. Also Changes to ToD timings will result in an additional cost of approximately 36 to 42 paise per unit for consumers.

2.3.19 Shri. Rajendrakumar B Goenka and others, stated that the proposed ToD tariff structure violates MYT Regulations by modifying ToD slots and tariffs, resulting in a substantial increase in energy charges for consumers. Additionally, MSEDCL seeks to categorize night hours (10 PM – 6 AM) as peak hours, restricting the utilization of banked energy under rooftop solar regulations, compelling consumers to export surplus power at a generic tariff of Rs. 3/unit and imposing a grid support charge of Rs. 1.93/unit.

2.3.20 The Times of India, Sakal Media, Lokmat, Ajinkya Gokhale and other stakeholders from printing media suggested that in printing media the night consumption is around 60-75% the current ToD proposal is against printing industry. The paper industry works between 6.00 pm to 6.00 am, due to ToD, printing industry will be most affected. The proposed ToD tariff structure is causing a significant impediment to the operations of the printing industry, given that most of its working hours fall during nighttime. Investments in Solar will get stranded and their decisions will not be able to reach the RoI expected.

MSEDCL's Reply

2.3.21 MSEDCL submitted that ToD rebates and charges act as signal to consumer to shift its demand from time where there is lower supply vis-à-vis demand or supply comes from a source with costly variable cost to a time where there is surplus supply vis-à-vis demand or incremental supply comes from source with cheaper incremental variable cost. ToD charges encourage consumers to consume less during such a period and shift its load to a time period when there is applicability of ToD rebate. With the proposed ToD slabs, during non-solar hours demand of commercial consumers would reduce and the reduction in demand during non-solar hours would be compensated by rise in demand by same quantum during solar hours where the consumers can avail the rebate. Further, to incentivize domestic category which form majority of MSEDCL's consumers to opt for ToD enabled meters to avail the ToD rebate.

2.3.22 MSEDCL in its tariff proposal has submitted a lower ToD charge for Industrial consumers during nighttime (10 pm to 6 am) as compared to evening peak or morning peak. Stakeholders have to look at the broader objectives of the proposal, which are designed to optimize the use of renewable energy and align with the regulatory requirements. MSEDCL has contracted a significant amount of RE, particularly solar power, to meet its Renewable Purchase Obligation (RPO) as stipulated by the Commission. These RE contracts, especially in solar, have been made at competitive rates that benefit consumers by reducing overall procurement costs. The contention that the revised ToD structure leads to unjust enrichment for MSEDCL is based on a misunderstanding of the proposed changes. The objective of the proposed ToD structure is to ensure optimal consumption during solar hours when excess solar power is available. If the banking of energy is restricted or removed sell surplus solar power at lower rates in the power exchange. This would, in turn, increase MSEDCL's overall procurement costs and could potentially result in a higher retail tariff for consumers.

2.3.23 Moreover, during non-solar hours, MSEDCL would have to rely on more expensive thermal generation to meet the increased demand resulting from the ToD rebates. This higher reliance on thermal generation during peak hours would increase the cost of procurement, which would then be passed on to consumers. The proposed structure, by incentivizing demand during the day and evening when solar power is abundant, ultimately aims to avoid these inefficiencies, ensuring that both renewable energy is optimally used, and consumers benefit from a more sustainable and cost-effective energy system.

Commission's Ruling

2.3.24 The Commission appreciates submissions of stakeholders on proposed ToD Tariff Structure. The Commission notes that, the comments received are representing all sectors covering industrial, residential, consumers taking RE open access etc. Perspective of the ToD Tariff structure is different for different consumers.

2.3.25 The Commission has conducted a study on this issue and a report of the same is available on MERC website which indicates needs to change ToD structure in Maharashtra.

2.3.26 With regards to changing ToD framework, the Commission in its MTR Order ruled following:

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> *2.20.5 The Commission appreciates suggestion of Prayas and MSEDCL's justification for the need of changing ToD Tariff Structure. The Commission has conducted study on this issue and report of the same is available on MERC website which indicates needs to change*

ToD structure in Maharashtra. However, in the present Petition, MSEDCL has not proposed any change in ToD structure. Although, the Commission can do it sumoto, but it would be proper if it is undertaken after due public consultation process. Also, MSEDCL has proposed installation of Smart meters under RDSS scheme to its consumers. Smart meters would help implementation in ToD tariff structure and changes in time slots for absorbing RE. Hence, the Commission directs MSEDCL to propose changes in ToD tariff structure during next tariff filling process."

2.3.27 Meanwhile the Commission notes that, MoP has notified the Rights of Consumer Rules 2023 dated 14 June 2023 wherein MoP has added new provision in the rule to include TOD related provision after rule 8 as below:

"

(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:

Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:

Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.

***Explanation:- For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission**."*

2.3.28 Further, the Commission in the Statement of Reasons (SOR) to the MERC MYT Regulations 2024 had clarified that, the Distribution Licensees should propose the revised TOD tariff structure in line with the provisions of the MoP Rules 2023.

2.3.29 The Commission notes the rationale submitted by MSEDCL for proposing the maximum rebate during day time to encourage the consumers to shift their load during day time and utilise the solar energy maximum during real time to minimise the storage requirement.

2.3.30 However, the stakeholders contended that, most of the consumers, mainly residential consumers would not be able to shift their load during day time considering the nature of load. Industry also has certain administrative costs involved, when they shift the load. Consumers using solar rooftop systems or taking solar GEOA are highly dependent of the Banking facility provided under Net Metering and MERC DOA Regulations 2016 and amendments thereof .

2.3.31 As regards MSEDCL's proposal to apply additional charges for ToD consumption during night hours, the Commission is of the view that Time of Day tariffs were introduced as a Demand Side Management measure to flatten the load curve, and over the years, the tariff differential between peak and off-peak hours has been increased, which has achieved good results. The Commission is of the view that most of the load that could have been shifted to off-peak hours would have already shifted. However, if the off-peak rebate during night off-peak hours is removed, then there is a possibility of this load shifting and load concentration during day off-peak, where MSEDCL has proposed higher rebate. It should be appreciated that night operations do involve certain hardships for the consumers, and if sufficient incentive is not given/retained, the load may shift to other hours of the day. There is a possibility that night-time load may drive below the technical minimum of contracted thermal generators.

2.3.32 Solar power generation is inherently variable due to changes in solar radiation caused by cloud cover, seasonal variations and time of the day. This variability also presents grid management challenges in terms of frequency regulation, voltage fluctuations and power balancing. To compensate for sudden drops in solar outputs, grid require fast responding reserves like batteries or spinning reserves. Presently, Maharashtra power system has Koyna Generation, which provides power balancing services. Other Energy storage projects are still under planning stage; hence it will be premature to drive off nighttime load during day time.

2.3.33 Further, the Commission observes that, many objectors raised the concerns about, "TOD structure proposed by MSEDCL allows to offset the banked solar energy during daytime only which is practically not possible. Majority of the solar energy would not be able to net off as all the TOD slots except daytime slots will be treated as peak hours for energy settlement and banked energy settlement would be difficult for OA consumers and Rooftop system owners.

This would adversely impact on the investment made by consumers on the Solar systems.

2.3.34 Further, the Commission notes that in response to objections raised during Public Hearing, MSEDCL has clarified that proposed revision will not impact the benefits of Net-metering available under PM-Surya Ghar scheme to domestic consumers and the fears expressed by objectors and stakeholders that MSEDCL's proposal is against PM-Surya Ghar Rooftop PV scheme are unfounded. The relevant extract of the MSEDCL's additional submissions post public hearing filed on 11 March 2025 is as under:

> *During the hearing it was accepted by Solar Power Developers that new tariff is impacting their business as during solar hour the tariff has been reduced by MSEDCL. Most of the consumers who were opting for Open Access are now finding MSEDCL's tariff better than tariff they are offering and so their business is impacted.* ***They have also wrongly represented that MSEDCL has removed the benefit of net banking to domestic consumers.***

2.3.35 Accordingly, the Commission has proposed the revised TOD Tariff structure in the Section 7.13 of this Order and also defined the Solar hours as 9.00 AM to 5PM (8 hrs) considering the provisions of the MoP Rules, 2023.

2.4 Reverse Telescopic Tariff

Objection's/Suggestions

2.4.1 Shri Ambadas Danve, Leader of Opposition, Maharashtra Legislative Council objected to the proposal and submitted that consumers have put their own capital to install solar project. Reverse telescopic billing is an attempt made by MSEDCL to indirectly charge the captive consumption.

2.4.2 Sunenergy Solar, Code Green Energy Private Ltd. And other commented that they have invested in solar installation within their premises, power generated and consumed by them shall not be accounted for the monthly consumption of prosumer. MSEDCL shall only raise the bill for the power supplied by them as per the approved tariff slabs. The increase in energy charges and the telescopic tariff structure for domestic consumers shall have negatively impact the adoption of solar energy, discouraging investment in renewable energy solutions

2.4.3 Cogeneration Association of India, Shri Shrikant Shinde and others proposed that the revised telescopic billing structure, with higher energy charges for consumption above 100 units, will further strain household budgets, especially for middle`- and lower-income families. MSEDCL have not made any financial or infrastructural investments in on-site solar PV installations owned by consumers. Such an increase in energy charges will disproportionately impact middle- and lower-income households, thereby undermining the principles of affordability and equitable access to electricity as enshrined under the Electricity Act, 2003, and the National Tariff Policy. It is, therefore, imperative that the Commission ensures a fair and just tariff framework that does not unduly disadvantage consumers, particularly those belonging to economically vulnerable sections of society

2.4.4 Prayas Energy Group and others suggested a reverse telescopic tariff structure for energy drawn by domestic net metering consumers, wherein the first 100 units of drawl would be charged at the higher slab rate of Rs. 15.49/unit (proposed for FY 2026), applicable to the 300-500 units slab, and any additional consumption would be charged at Rs. 17.63/unit, applicable to the above 500 units slab. This structure applies universally, including to small consumers with Surya Ghar Installations. It is in favour to charge higher rates for the lowest slab (0-100 units), particularly considering the proposed reduction of tariffs for this category and the exemption of many domestic consumers from GSC, it is submitted that consumers with a sanctioned load or maximum demand of less than 2 kW shall be exempted from such charges. It has proposed a modification of the slab structure to ensure ease of implementation and a cost-reflective approach rather than a penal tariff mechanism. It is suggested that slabs shall be restructured as follows: 101-300 units for the first 200 units, 301-500 units for the next 200 units, and so on which will ensure fairer distribution of tariffs while maintaining cost-reflective compensation. Also clarify the applicability of the proposed tariff structure for domestic consumers with a sanctioned load above 2 kW availing net metering, to avoid ambiguity and implementation challenges.

MSEDCL's Reply

2.4.5 MSEDCL submitted that residential consumers are billed on telescopic tariff. In such a scenario, residential consumers who have installed RTS system under net-metering arrangement are billed on net input energy i.e. total energy consumed subtracted by energy generated by RTS. This result in the consumer being billed at lower consumption slab rather than the actual consumption slab under which it would have otherwise fallen (based on gross consumption). MSEDCL would further like to submit that most of the general public from economically weaker sections falls in 0-100 units consumption slab as they have limited electrical appliances installed in their household. Therefore, MSEDCL has proposed ABR for the 0-100 units consumption slab significantly lower than its ACoS, so as to protect interest of economically weaker section. The lower ABR is cross subsidised by other consumer categories. However, due to netting-off energy generated by RTS, it is plausible that consumers which are not intended to be the beneficiary of lower telescopic tariff (0-100 units slab) would also get advantage of the same, thereby increasing cross subsidy on subsidizing categories. Hence, MSEDCL has proposed changes in telescopic billing for Residential consumers with RTS.

2.4.6 MSEDCL has proposed reverse telescopic charges for energy drawn by domestic net metering consumers. This tariff is applicable to all consumers, even consumers with Surya Ghar Installations.

Commission's Ruling

2.4.7 The Commission notes the submissions of the stakeholders and replies of MSEDCL on the applicability of reverse telescopic slabs for netting off solar generation from RTPV Solar systems.

2.4.8 With regards to energy settlement from RTPV, MERC Net metering Regulations 2019 provides as below:

> *"*
>
> *11.4 The energy generated by the Renewable Energy Generating Station shall be offset against the energy consumption of the consumer from the Distribution Licensee in the following manner:*
>
> *a) If the quantum of electricity exported exceeds the quantum imported during the Billing Period, the excess quantum shall be carried forward to the next Billing Period as credited Units of electricity;*
>
> *b) If the quantum of electricity Units imported by the Eligible Consumer during any Billing Period exceeds the quantum exported, the Distribution Licensee shall raise its invoice for the net electricity consumption after adjusting the credited Units;"*

2.4.9 Intent of Regulation is clear that adjustment shall be effected first and then billing at retail tariff be made. Now while billing, MSEDCL is intending consider offset units for accounting billing slabs.

2.4.10 The Commission does not agree with the rationale provided by MSEDCL that consumers with RTPV system benefitting from cross-subsidized tariff for consumption from MSEDCL. But at the same time, application of higher tariff slabs, which is cross subsidising lower ones is also not appropriate. On this front, MSEDCL's justification is not tenable. Moreover, the proposed adjustment by MSEDCL for netting off solar generation from RTPV Solar systems would adversely impact on the purpose of the installation of solar rooftop system under net metering arrangement.

2.4.11 The above provision of the Regulations clarifies that, MSEDCL is required to issue the bill for net electricity consumption only as per the applicable tariff for that consumer category. MSEDCL is not expected to change the solar energy settlement principle under net metering Regulations arbitrarily without changing the provisions of the Regulations by the Commission.

2.4.12 Further MSEDCL's proposal of applying reverse telescopic tariff to consumers with rooftop solar PV will discriminate these consumers from other consumers which is not permissible under Section 62(3) of the EA 2003. Also, tariff approved by the Commission is for electricity supplied by MSEDCL. Energy generated by rooftop Solar PV installed by consumer is not supplied by MSEDCL and hence it would be unfair to count such energy in total consumption for purpose of arriving consumption slab for levy of tariff.

2.4.13 Accordingly, the Commission has not considered the proposal of the MSEDCL for settlement of solar energy under Net metering arrangement. The existing methodology of the settlement of solar energy under Net metering shall be continued and MSEDCL shall bill only net energy to the consumer after adjusting the solar energy as per the provisions of the MERC Net Metering Regulations and applicable Tariff to that consumer category.

2.5 Grid Support Charges (GSC)

Objection's/Suggestions

2.5.1 Advocate Smt. Deepa Chawan representing Sunsure Energy Private Limited, Tata Power Renewable Energy Ltd., and BluPine Energy Private Limited have stated that as per Regulation 11.5 of the Rooftop Solar Regulations 2019, GSC can only be approved upon adequate justification by the Licensee, which MSEDCL has failed to provide. The proposal is speculative, lacking estimated timelines for reaching 5000 MW. The 2nd Provision to Regulation 11.5 explicitly prohibits the imposition of GSC before cumulative rooftop capacity reaches 5000 MW. MSEDCL has itself acknowledged that the current installed capacity is 2635 MW, rendering the proposal premature. Premature approval of GSC would violate the Rooftop Solar Regulations 2019 and contravene the Supreme Court's decision in *PTC India Ltd. v. CERC (2010) 4 SCC 603*, which mandates regulatory orders to align with existing regulations. The Commission, in its order dated 30 March 2020 had approved GSC at Rs. 0.72/kWh for HT consumers but exempted rooftop solar systems until capacity reached 2000 MW, considering MSEDCL's minimal commercial impact and the need to incentivize solar adoption.

2.5.2 Shri Vinit Gupta stated that as the Solar Rooftop Regulations 2019 already exempted GSC imposition until 5000 MW, any determination of GSC by the Commission shall be held in abeyance to align with its previous approach and support sectoral growth. Clause 1(b) of Part 1 of the Non-Conventional Energy Generation Policy-2020 mandates an exclusive target of 2000 MW for rooftop solar, separate from previous policies. The Commission may defer GSC imposition until this specific target is achieved. Imposing GSC on existing projects would create financial distress for investors who relied on stable regulatory policies. Therefore, operational rooftop solar projects shall be exempted from any future GSC imposition to ensure investor confidence.

2.5.3 Prayas Energy Group supported GSC charges. It is recommended that the effective date for GSC implementation be clearly defined to avoid sudden financial implications for consumers. It is suggested that GSC be levied from 1 April 2027, by which time RTPV capacity in MSEDCL's supply area will exceed 5 GW. Further, clarity is sought on whether GSC will apply to systems installed before the effective date, as net metering is concessional and increases the cross-subsidy burden on other consumers. It is proposed that GSC be applicable to all net-metering consumers with a sanctioned load above 10 kW, irrespective of installation date. But the proposed levy of banking charges shall be rejected until the applicability of GSC is warranted, as the interim banking arrangement will create significant implementation challenges. The lack of clarity regarding the applicability of the 30% banking restriction and whether banking will be permitted monthly adds to the uncertainty, it has submitted that the Commission reject the proposal for an interim banking charge until GSC is duly enforced.

2.5.4 Shri Mahaveer Kumar Jain and others submitted that MSEDCL has sought approval for GSC, whereas AEML-D, which is also governed by the same regulatory framework, has not claimed such charges. This raises a serious question of regulatory parity and non-discriminatory treatment among Distribution Licensees operating within the same jurisdiction. It is submitted that if AEML-D is not levying GSC under the same regulatory provisions, then MSEDCL's request to impose such charges must be examined on the grounds of fairness, transparency, and uniformity. The Commission is urged to ensure that no undue advantage or burden is placed upon consumers served by one MSEDCL while others remain exempt from similar obligations. The Commission should ensure uniformity in the applicability of GSC across all Distribution Licensees, including but not limited to BEST, AEML-D, and TPC-D, and establish a consistent approach to the recovery of such charges.

2.5.5 M/s JSW Steel Limited, National Solar Energy Federation of India, Greensun Solutions, Deshmukh Developers & Constructions and others and many other stakeholders objected not to levy of GSC. GSC shall not be imposed on RE projects and their consumers, as MSEDCL's request for GSC approval lacks adequate justification as mandated under Regulation 11.5 of the MERC Rooftop Solar Regulations 2019. The 2nd Provision to Regulation 11.5 of the Rooftop Solar Regulations 2019 explicitly states that GSC shall not be levied until the total installed capacity under rooftop arrangements in the State reaches 5000 MW.

2.5.6 Further, the Commission, in its previous orders, had deferred the imposition of GSC to promote rooftop solar adoption and shall continue to hold it in abeyance. The formula for GSC calculation, as prescribed by the Commission, pertains only to the power exported and not to the power generated. Any interpretation extending its scope beyond exported power would be inconsistent with regulatory intent. Additionally, the applicability of GSC is restricted to power capacities ranging from 10 kW to 999 kW, whereas larger power plants are exempt from such charges. This selective imposition is discriminatory in nature, warranting the scraping of the GSC.

2.5.7 Higher charges shall be given to consumers for the export of generation from residential RTPV systems. Hybrid policy (Solar + BESS) shall be developed by the Government. Consumers will be able to export excess energy during peak hours in grid. It will be helpful to reduce the financial burden on MSEDCL due to the higher Power Procurement Cost at peak hours.

2.5.8 The MNRE has allocated approximately Rs. 4,950 Crore for the adoption of Rooftop Solar (RTS) by MSEDCL being a major beneficiary due to the increasing adoption of RTSPV systems. Under the PM Suryaghar Muft Bijli Yojana (MBY), MSEDCL targets over 20,00,000 installations, anticipating an incentive of Rs. 1,000 Crore, excluding additional non-subsidy projects. Despite receiving substantial financial support for RTS promotion, MSEDCL's proposal to impose GSC directly contradicts the policy objective of incentivizing solar adoption. Furthermore, MSEDCL has failed to disclose these benefits while attempting to burden consumers with GSC.

MSEDCL's Reply

2.5.9 MSEDCL has referred the provision of Regulation 11.5 of the MERC Net metering Regulations and submitted that, based on the provision of the Regulation, MSEDCL has proposed Grid support charges in MYT Petition which would be applicable on RTS generated units to both HT & LT consumers having sanctioned load above 10 kW. Thus, GSC would not be applicable to consumers with a 5-kW load.

2.5.10 Further, currently the total rooftop solar installation in MSEDCL licensee area has already reached more than 2,500 MW. Therefore, it is very well expected that cumulative rooftop solar (RTS) capacity in MSEDCL license area would exceed 5,000 MW soon and hence MSEDCL has requested the Commission to approve grid support charges so that they are made applicable once total RTS capacity reaches 5,000 MW.

2.5.11 On grid support charges, MSEDCL also submits that it operates across the state with a larger and more diverse geographic area w.r.t other distribution licensees like Adani which operates in small geography of Mumbai only. Moreover, the Commission in its MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) (Second Amendment) Regulations, 2024 provides that *"Residential consumer in multi storied building can setup Renewable Energy*

Generating System at any place located within same Distribution Licensee's area of supply", this offers users of MSEDCL greater prospects for solar rooftop project installation in the licensee area. Even though the on-grid rooftop consumers avail solar power in daytime, however, MSEDCL still must keep its readiness for supplying of power to the users. Therefore, implementing Grid Support Charges is crucial for MSEDCL to avoid further financial impact.

Commission's Ruling

2.5.12 The Commission notes the provision of the Regulation 11.5 of MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and as amended in 2023 & 2024, which reads as below:

> *"11.5 The Commission may determine in the retail Tariff Order such Grid Support Charges to be levied on the generated energy under Net Metering systems which shall cover balancing, banking and wheeling cost after adjusting RPO benefits, avoided distribution losses and any other benefits accruing to the Distribution Licensee. These Grid Support Charges would be determined consumer tariff category wise, based on the proposal of the Distribution Licensee in its retail supply Tariff Petition, supported by adequate justification:*
>
> *Provided that the consumers of all Categories having* ***Sanctioned Load up to 10 kW shall be exempted*** *from payment of Grid Support Charges for Net Metering systems;*
>
> *Provided further that the Grid Support Charges shall not be levied till installations under rooftop arrangement in the State* ***reach 5000 MW****:*
>
> *Provided also that till the Grid Support Charges as envisaged in the Regulations stay exempted, Distribution Licensees may approach the Commission with specific Petition for recovery of banking charges, and in case, the recovery of banking charges has already been approved by the Commission prior to notification of these Regulations, the same shall continue."* ……………

2.5.13 The Commission is aware of the need of the Grid support charges with increased installed capacity of the Solar rooftop systems under Net metering arrangement. The Commission has discussed the same in detail while finalising the MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019.

2.5.14 However, the Commission while finalising the first amendment to MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019, has clarified that, levy of Grid Support Charges may work as a dampener and hinder the growth in penetration of Net Metering installations. Hence, after careful consideration, the Commission in its first amendment Regulations decided that Grid Support Charges shall not be levied till installations under rooftop arrangement in the State reach 5000 MW.

2.5.15 As per the data available before the Commission, the current installed capacity of Rooftop system under Net metering arrangement in MSEDCL area is 2,500 MW. Clearly stage has not reached for deciding GSC. The Commission would review the same at the time of MTR Petition. If in meantime the Net metering installations crosses the capacity mark of 5,000 MW as specified the Regulations, then MSEDCL has option open to file a separate Petitions with all relevant data for determination of GSC through public consultation process akin to tariff proceeding.

2.6 Power Procurement Plan and Costs

Objection's/Suggestions

2.6.1 Prayas Energy Group submitted that, MSEDCL's assumption of 2% annual escalation in coal costs is unrealistic, given the historical escalation rate of 8% per annum from FY20 to FY24. A comparative analysis of cost escalation projections across various sources indicates significant discrepancies. For MSPGCL, the actual escalation rate was 10%, whereas the projected rate is only 3%. Similarly, NTPC's actual escalation rate was 5%, but the projection assumes just 1%, for Independent Power Producers (IPPs) also experienced an actual escalation of 8%, yet the projection accounts for only a 1% increase. The cost of non-renewable power purchases is expected to increase by 17% during the control period. Additionally, the fuel adjustment charge is projected to exceed Rs. 0.20 per unit due to underestimated variable costs. Despite the integration of RE procurement, the total power purchase cost is still anticipated to rise by 2.5% annually.

2.6.2 The MERC may direct MSEDCL to submit quarterly status reports detailing RE capacity that has been Commissioned, contracted, or tendered. Additionally, MSEDCL shall disclose CUF data monthly, providing explanations for any shortfalls, and publish an annual bidding calendar for RE procurement.

2.6.3 For Bhusawal Unit 6 (660 MW), a fixed cost (AFC) discrepancy of 7% to 10% has been noted between the projections of MSPGCL and MSEDCL, while the energy charge (ECR) variation ranges from 1% to 7% over the control period. Similarly, for the 1600 MW IPP project under Section 63 (Case No. 155 of 2024), there is a significant difference between MERC-approved tariffs and MSEDCL projections. While MERC has approved a fixed charge of Rs. 3.67 per unit and an energy charge of Rs. 1.72 per unit, MSEDCL has projected a fixed charge of Rs. 1.95 per unit and an energy charge of Rs. 3.85 per unit. Such misalignment in cost projections could distort the Merit Order Dispatch

(MoD) framework, leading to potential misrepresentation of energy dispatch priorities and incorrect fixed cost assumptions.

2.6.4 Shri. Goenka and others submitted that although MSPGCL is not part of this petition, even then there was a mismanagement in the power purchase rates of MSPGCL which remain unapproved by the Commission, and any calculations must be revised post-tariff determination. MSPGCL's power procurement cost is the highest, and there have been prior complaints regarding mismanagement in coal purchases, affecting GCV levels. The Commission is urged to ensure MSEDCL procures power, including from MSPGCL, through competitive bidding instead of a cost-plus tariff. As per MYT Regulation 2024, distribution licensees must align power procurement with approved plans, considering MERC guidelines, RPO, ESO, EE, EC, and DSM principles, while the MOD principle shall not apply to RE power procurement.

2.6.5 The Commission may direct MSEDCL to provide detailed information on the prompt payment discount availed, including the eligible amount, the amount on which the discount was availed, and the corresponding discount amount for each month. Additionally, MSEDCL shall disclose the reasons for not availing of the prompt payment discount in instances where it was not utilized, to ensure transparency and regulatory compliance.

MSEDCL's Reply

2.6.6 MSEDCL submitted that, increase in power purchase cost is primarily due to Change in Law obligations, increased costs from MAHAGENO and PGCIL, NPCIL, change in consumer mix, increase in coal procurement costs due to the central government's directive on coal blending, necessitated by the unavailability of adequate quality domestic coal. It may be noted that MSEDCL has no control over the above cost increases. MSEDCL procures power from different sources on MOD Principle for optimum utilization of the sources at least cost. MSEDCL has projected the power requirement applying hourly MOD.

2.6.7 MSEDCL has forecasted the yearly MOD stack for which the variable rates of generators have been projected considering, the variable cost for thermal/gas generators of NTPC stations is forecasted based on the CAGR of the last 5 years. If the CAGR exceeds 5%, it is capped at 5%. For MSPGCL stations, the variable cost used is based on the figures provided in their MYT petition for the 5th control period. For IPPs, there are various components such as escalable charges, non-escalable charges, Change in Law, etc. The non escalable energy charges, transportation charges, fuel handling charges etc. are considered as per PPA. The escalable energy charges, transportation charges, fuel handling charges etc. CAGR of 5 years i.e. Sept-19 to Sept-24 is considered for projection.

2.6.8 For CIL T&D, CIL Coal Shortfall and CIL Fly Ash transportation rates as per MoD of Oct-24 is considered and a CAGR of 3% is added for projection. For USD $ rate, the CAGR of 3.29% is considered in the Case of CGPL & JSW. For GMR & CGPL being inter-state power purchase, average transmission loss of 3.25% is considered and rates are grossed up accordingly. Based on these forecasts, the yearly MOD stack is prepared for power dispatch in alignment with the monthly requirements.

2.6.9 RE procurement as envisaged by MSEDCL for the 5th Control Period are done through a transparent process of competitive bids via the reverse auction mechanism on the ETS portal. The discovered tariffs are either approved by CERC or adopted by MERC for competitive bidding and are fixed for the PPA term. MSEDCL signs long term PPA with Central/State/IPPs sources for procuring power for a period of 25 years. The PPAs' terms are governed by the standard contractual terms, with appropriate safeguard clauses for the off takers to monitor the RE project efficiency. RE contracts executed with the IPPs are fixed for the PPA term with fixed capacities to be contracted. The CUF of the projects are also pre-defined, within an available band for deviations. The PPAs have appropriate penalty clauses for the RE generators, in case the RE generator deviates from the agreed quantum of RE supply.

2.6.10 MSEDCL acknowledges the submissions made by Prayas Energy group for displaying the annual bidding calendar and related information on its website. MSEDCL will be willing to abide by the directives of the Commission in this regard.

Commission's Ruling

2.6.11 The current Petition of MSEDCL includes actual power procurement for the true up period and projections for 5th Control Period. The Commission has undertaken the prudence for the submissions made by MSEDCL including power procurement as per the provisions of the MERC MYT Regulations. The Commission notes that, for true up, MSEDCL has submitted sample power purchase bills and other relevant documents towards power purchase for scrutiny. Entire power purchase cost of MSEDCL is thoroughly checked with the bills submitted by MSEDCL. The Commission has approved the power purchase expenses only after prudence check, which included reconciliation of cost with MSPGCL Audited Accounts and verification of bills and supplementary bills for various Generating Stations.

2.6.12 With regards to Change in Law compensation, the Commission has verified the claims of MSEDCL with reference to various Orders of the competent Authorities and confirmed that, only legitimate claims have been paid or accepted by MSEDCL for generators. The Commission has taken due care that power purchase for ensuing years will be strictly as per MoD principles to reduce power purchase cost of MSEDCL, and approval of the power purchase expenses are as per the provisions of the MYT Regulations 2019 and 2024. The detailed analysis of power procurement carried out by the Commission is discussed in the subsequent Sections of this Order.

2.6.13 The Commission welcomes the suggestion of Prayas and directs MSEDCL to maintain the quarterly status reports detailing RE capacity that has been Commissioned, contracted, or tendered. MSEDCL shall also publish an annual bidding calendar for RE procurement. The report shall also include CUF data.

2.6.14 With regards to suggestions of the Shri Goenka, the Commission is of the view that, the detailed information on the prompt payment discount availed is part of the MSEDCL's petition and covers under provisions of the MYT Regulations, 2024 which Commission verifies during due diligence of the Tariff Petition.

2.7 kVAh Billing

Objection's/Suggestions

2.7.1 Shri Ambadas Danve, Leader of Opposition, Maharashtra Legislative Council submitted that small consumers do not have technical expertise to maintain power factor.

2.7.2 Maha Cold Storage Association states that MSEDCL is increasing the billing unit for LT consumers from kWh to kVAh billing. They argued that if the rates are not reduced to compensate for power factor incentives, consumers with higher power bills will be penalized. The proposal to change the billing unit from kWh to kVAh is considered unlawful.

2.7.3 Shri Chinmayee Mestry, Wada Industries Association, Steel Manufacturers Association of Maharashtra and many others submitted that small LT consumers with sanctioned load from 20 kVA to 100 kVA are large in numbers and the technical skill at such consumers is very less. It is very difficult for them to maintain a power factor above 0.95. Putting Automatic Power Factor Correction (APFC) at such small loads is also difficult. Hence, kWh billing shall continue for LT consumers. More difficult is the case with LT domestic category. Hence LT billing shall continue on kWh only.

2.7.4 Shri Mangesh, All India Renewable Energy Association (AIREA) objected the implementation of kVAh -based billing for LT consumers, wherein kVAh, being the apparent power, is derived as the vector sum of active power (kW) and reactive power (KVAR). While kVAh billing has been previously permitted for industrial consumers, who possess the requisite technical expertise and infrastructure to monitor and maintain power factor, extending the same requirement to LT consumers, particularly those with a sanctioned load of 10 kW to 50 kW, is unreasonable. These consumers, including small businesses and residential users now brought under the ToD regime, lack the technical knowledge and resources to effectively manage power factor, thereby leading to unintended financial burdens and potential losses. Imposing kVAh - based billing on such consumers would be inequitable and detrimental, as it fails to account for their technical limitations and disproportionately impacts non-industrial users. It is therefore submitted that the Commission should reject the proposed kVAh billing for LT consumers, as it imposes an undue hardship on those lacking the necessary expertise and infrastructure.

2.7.5 Shri Ashish Chandarana submitted that LT consumers should be given a three-month grace period to install capacitor banks without facing penalties or additional charges before kVAh billing is implemented.

MSEDCL's Reply

2.7.6 MSEDCL submitted that, in its MYT Petition for the 4th Control Period (Case No. 322 of 2019), it had requested the Commission to introduce kVAh-based billing for HT consumers to encourage maintaining a unity power factor. Accordingly, the Commission acknowledged MSEDCL's submissions and allowed kVAh billing for all HT consumers effective 1 April 2020 and further, during MTR order directed to submit proposal for applicability of kVAh billing for LT consumers above 20 kW.

Commission's Ruling

2.7.7 The Commission has noted the objection and reply submitted by MSEDCL. The Commission has introduced the kVAh billing for HT consumers from 1 April 2020 as per the provisions of the MYT Regulations, 2019. Further the Commission has taken consistent approach for introduction of kVAh billing in its earlier Orders.

2.7.8 The prime objective of kVAh based billing is to encourage the consumers to maintain near unity Power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile. Additionally, due to improvement of Power Factor (nearer to unity), the consumer's demand may get reduced and the kVAh bill will correspondingly reduce in turn due to improved system voltage. The improvement in Power Factor will further reduce the Licensee's expenditure on Power Purchase and thereby the consumers are expected to be benefited with lower tariff.

2.7.9 Further with regards to preparedness of MSEDCL for introduction of kVAh billing to LT category above 20kW, the Commission has dealt separately in the Section 7 of this Order.

2.8 Wheeling Charges

Objection's/Suggestions

2.8.1 Meenakshi Ferro Ingots Pvt Ltd, Thane small scale industry, Ashok Pendse of TBIA and others submitted the Commission to determine wheeling charges separately for EHT, 33kV, 22kV, 11kV, and LT levels. It is noted that for the fiscal year 2024-25, the wheeling charge is set at Rs. 0.60 per kWh. The APTEL previously ruled that the 33kV, 22kV, and 11kV voltage levels shall be treated separately from HT levels. The objector contends that the Commission shall have mandated all Distribution Companies to submit data necessary for the segregation of these voltage levels, rather than contravening statutory provisions.

2.8.2 Furthermore, MSEDCL continues to apply wheeling losses for an additional five years based on an outdated methodology, specifically the application of the Wire Business formula to Retail Business Consumers. Regulation 73.2 pertains to Wire Business (Infrastructure); however, MERC has unjustifiably imposed this regulation on Retail Consumers. This has resulted in the merging of wheeling charges into a single charge of 57 paise per unit, consequently leading to an increase in power tariffs for consumers at the 33kV and 22kV levels. It is imperative to note that wheeling charges shall be determined based on the Gross Fixed Assets (GFA) data; however, the latest data has never been compiled or made available for review. The Commission is requested to rectify these discrepancies to ensure fair and equitable tariff determination in accordance with the provisions of the EA, 2003.

2.8.3 Shri Mandar Bhat and others objected that, increase in wheeling charges from Rs. 1.17 per unit to a range of Rs. 1.47 to Rs. 1.71 per unit without specifying the current charge for different voltage levels. He requested for removal of unfair wheeling charges and restoration of voltage-wise tariffs, however highlighted that, there is no specific legal framework or act to support the request.

2.8.4 Alloy Steel Producers Association of India and others requested to retain wheeling losses at 7.50%, arguing that losses have declined from 30% in FY 07 to below 15% from FY19 onwards, yet MSEDCL continues to apply outdated loss figures. This contradicts the principle of scientific approval of technical losses by the Commission. Additionally, the objector opposed the incremental increase in wheeling charges, which rises from Rs. 0.54/kVAh in 2024-25 to Rs. 0.88/kVAh in 2029-30, severely impacting OA consumers and industrial sustainability. MSEDCL's cost segregation methodology suppresses actual wheeling costs for industrial consumers, rendering the proposed wheeling charges unjustified and arbitrary. Therefore, they prayed MERC for the rejection of MSEDCL's proposal to increase wheeling charge.

2.8.5 Shri Ashish Chandarana submitted that, in accordance with the third proviso of Regulation 3.2(f) of the MERC Regulations, 2021, the exemption of wheeling charges for consumers availing supply at a lower voltage despite being eligible for a higher voltage, as specified in the second proviso of Regulation 3.2(f), requires reconsideration. Prima facie, the waiver of wheeling charges for such consumers appears to be inconsistent with the regulatory framework and may necessitate a review to ensure compliance with the principles of equitable cost allocation and regulatory consistency.

MSEDCL's Reply

2.8.6 MSEDCL submitted that, the Commission in MYT order in Case No 48 of 2016, first time, unbundled the Variable Charges component (earlier termed as Energy Charges) of the tariff into a Wheeling Charge component and Energy (Supply) Charge component. As per the Regulation 72 & 73 of MERC MYT Regulations 2019 and as per Regulations 90 & 91 of MERC MYT Regulations 2024, the wheeling charges are payable for usage of distribution wires of a Distribution Licensee by a Distribution System User. Wheeling charges are levied for usage of distribution infrastructure irrespective of the consumer being an OA consumer or a non-OA consumer. Further, OA consumers are separately billed with Wheeling charges, CSS and Additional Surcharges as per their eligible conditionality. The consumers are levied wheeling charges which are cost-reflective amount for the usage of distribution facilities to avail of electricity supply. MSEDCL submitted that it has computed the proposed Wheeling charges by following the methodology specified by the Commission.

2.8.7 Wheeling 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, sub-transmission lines, or transformers to ensure the reliable delivery of power.

Commission's Ruling

2.8.8 The Commission notes the provision of the MERC MYT Regulations 2024 as below:

> *"**97.1** The Commission shall determine the Wheeling Charges for High Tension (HT) and Low Tension (LT) voltage level for the Distribution Wires Business in terms of the following formula:*
>
> *Wheeling Charges for HT Consumers*
>
> *(INR/kVAh) =* $WARR\,(HT) * 10\; EWHT$
>
> *Where,*
>
> $WARR\,(HT)$ *= ARR of Distribution Wires Business pertaining to HT level in INR Crore.*

$EWHT$ = Projected Wheeling Energy pertaining to HT level in Million kVAh or M kVAh.

Wheeling Charge for LT Consumers

$$\text{(INR/kWh) or (INR/kVAh)} = \frac{W_{ARR\,(LT)} * 10}{EW_{LT}}$$

Where,

$WARR\,(LT)$ = ARR of Distribution Wires Business pertaining to LT level in INR Crore.

EW_{LT} = Projected Wheeling Energy pertaining to LT level in Million kWh or MU or MkVAh as the case may be.

Provided that in case the Commission adopts the kVAh based Tariff at LT level, the Wheeling Charges for LT Consumers shall then be determined in INR/kVAh.

***97.2** The Distribution Licensee shall submit the actual allocation of its voltage wise assets in accordance with the Guidelines stipulated in Annexure III, as part of its Tariff Petition:*

Provided that the Annual Revenue Requirement of the Distribution Wires Business pertaining to HT and LT voltage level may be allocated by considering such actual voltage wise asset details submitted by the Distribution Licensee."

2.8.9 The MYT Regulations 2024 have been notified after the process of previous publication as contemplated under the Electricity Act, 2003. The Regulations include provision of determining separate Wheeling Charges for EHV, HT and LT level i.e. the Commission would determine three different wheeling charges corresponding to their voltage level to reflect voltage wise cost of supply. Having further breakup of Wheeling Charges within HT level has practical difficulty. All voltage levels within HT (11 kV, 22 kV and 33 kV) are not available uniformly across the State. Therefore, even though consumers are eligible for getting supply at specified voltage level, due to historical construction practices, such voltage may not be available in its area. This was created discrimination amongst consumers and hence, the Commission has decided to have HT wheeling Charges.

2.8.10 The Commission is aware of the fact that all the EHV/HT levels (i.e. EHV, 11 kV, 22 kV and 33 kV) are not available in all the areas of MSEDCL and hence in MYT Order dated 30 March 2020 and subsequent Clarificatory Order dated 30 April 2020 has ruled as follows:

> *"In case of non-availability of requisite voltage level, wheeling charges to the consumers shall be applicable as per the billing demand recorded. To avoid misuse of this concession, the applicability shall be subject to MSEDCL internally certifying the non-availability of the requisite voltage level. Consumer needs to maintain billing demand as per the requisite voltage level for 75% of bills actually raised during*

the Financial Year. Above ruling of the Commission in MYT Order and subsequent orders will continue for future periods also."

2.8.11 The Commission is repeatedly directing MSEDCL to provide voltage-wise assets data, which MSEDCL has not provided in the current Petition also. Hence, the Commission is constraint to continue with the current methodology for determination of wheeling charges. The Commission has discussed this issue in Section 8 of this Order.

2.8.12 The Commission once again directs MSEDCL to provide voltage-wise asset data during MTR proceedings failing which the Commission will compel to deduct Rs. 1 Crore from MSEDCL's ARR for such default as per Regulation 5.2 of MYT Regulations 2024.

2.9 Issues related to Open Access

Objection's/Suggestions

2.9.1 UltraTech Cement Ltd. submitted that, with substantially lower tariffs during solar hours and no effective banking during non-solar hours, could lead to a significant shift in demand to MSEDCL procurement, stranding existing and future solar generation capacity supplying under open access or captive routes. This as an unfair financial windfall for MSEDCL at the expense of solar generators and an act of expropriation. OA consumers would be forced to procure expensive power from MSEDCL during non-solar hours with additional ToD charge.

2.9.2 Shri Goenka stated that, MSEDCL's submission that OA consumers with poor power factors in kVAh terms cause voltage drops and damage the distribution network is not correct. Consequently, MSEDCL is seeking penal reactive charges of Rs. 0.32/kVAh for OA consumers whose reactive energy consumption exceeds 10% of active energy, like the charges proposed for RE generators. The proposal contradicts the objective of procuring competitive power through OA and negatively impacts GEOA. It imposes a double penalty as billing is already based on kVAh, incorporating reactive power charges. MSEDCL should execute PPA covering both active and reactive power from generators and provide a separate energy balance of reactive power in its petition. Shri Devi Prasad Mishra submitted that banking facility shall not be withdrawn.

2.9.3 Advocate Smt. Deepa Chawan representing Sunsure energy commented that a 10 MW Round-The-Clock (RTC) consumer would suffer financial losses of approximately Rs. 16.31 Crore due to the inability to utilize 24.54 MU of banked power. This estimation is based on a solar power procurement rate of Rs. 3.60/kWh and MSEDCL's post-Open Access grid tariff of Rs. 11.37/kWh. The aggregated financial impact across the Commercial & Industrial (C&I)

sector will be exponentially higher, leading to increased cost burdens and operational inefficiencies. The restriction on banking will render substantial RE capacity unutilized, directly resulting in financial and revenue losses to RE Generators. This will, in turn, impact their ability to service debt obligations, raising concerns over project viability and financial sustainability. The viability of MTOA and LTOA was premised on the availability of banking. Curtailment of the banking facility will fundamentally alter the contractual and operational framework under which these agreements were executed. Consequently, Open Access consumers and RE Generators will be exposed to the imposition of substantial Relinquishment Charges, as MTOA/LTOA capacities will inevitably require reduction due to the inability to utilize banked power.

2.9.4 The proposed modifications are in direct contravention of the Distribution Open Access (DOA) Regulations, 2016, particularly Regulation 20.3, which explicitly permits the utilization of banked energy in non-solar hours, ensuring operational flexibility for OA consumers. The financial and regulatory uncertainty stemming from this proposal undermines the core principles of OA under S. 42 and 86(1)(e) of the EA, 2003, which mandate the promotion of competition and RE. Given these implications, the proposed ToD tariff revisions must be reconsidered to prevent distortion of the OA framework and ensure consistency with established regulatory provisions. The proposed changes to banking provisions under the DOA Regulations, as suggested by MSEDCL, are likely to have severe financial and legal implications for existing RE Generators and OA Consumers.

2.9.5 Historically, while implementing modifications under Regulation 20 of the DOA Regulations, the Commission prudently safeguarded the interests of RE Generators with existing OA Agreements by ensuring the applicability of the amended provisions only on a prospective basis. Specifically, the Second Proviso to Regulation 38.3 of the DOA Regulations 2016 stipulated that banking under the unamended Principal DOA Regulations would continue to apply for existing agreements until the expiry of their approved period. Therefore, any modifications arising from MSEDCL’s MYT Proposal must also adhere to the principle of prospective application to prevent undue interference with existing contractual obligations.

2.9.6 Moreover, RE Generators availing OA in Maharashtra are currently subjected to excessive tariffs for auxiliary power consumption by MSEDCL, in violation of the applicable Tariff Order. As per the existing Tariff Order, demand charges for start-up power should be levied at 25% of the applicable tariff, while energy charges should be levied at the standard applicable rate. However, contrary to these provisions, MSEDCL is imposing significantly higher rates, leading to an unjust financial burden on RE Generators.

2.9.7 Additionally, MSEDCL mandates RE Generators to contract a minimum demand pegged at 2% of the installed capacity, irrespective of actual requirements. For example, a project with an installed capacity of 13.5 MW is being forced to avail a minimum Contract Demand of 270 kVA, resulting in unnecessary financial liabilities. Further, MSEDCL is imposing full demand charges at 100% of the applicable tariff instead of the prescribed 25%, thereby violating the Tariff Order.

2.9.8 Comparatively, other states such as Madhya Pradesh and Andhra Pradesh levy a single-part tariff of Rs. 10.07/kWh and Rs. 12.25/kWh, respectively, on start-up power. Maharashtra's cost structure would align with these states if demand charges were imposed in accordance with the existing Tariff Order provision i.e., at 25% of the applicable rates.

2.9.9 In light of these concerns, it is imperative that the Commission issue a clarification ensuring that the reduced demand charges (25% of applicable rates) are uniformly applied to RE plants drawing auxiliary power during non-generation hours, as is already provided for start-up power. Furthermore, MSEDCL must be directed to determine Contracted Demand based on actual requirements rather than arbitrarily enforcing a minimum 2% threshold. Additionally, MSEDCL must ensure full compliance with the Tariff Order and cease the erroneous imposition of excessive demand charges on RE Generators.

2.9.10 Sanyo Special Steel, Shri Goenka and others objected that the penalty for reactive energy is already embedded in KVAh-based billing, which accounts for both load and lag components of reactive power. Imposing additional reactive charges would result in a double penalty for consumers. Furthermore, transmission and wheeling charges for OA consumers are already levied based on KVAh billing, ensuring that those with a poor power factor are penalized accordingly. Therefore, applying an additional penalty for reactive power would be an unjustified financial burden on OA consumers. Considering this, the objector requests the Commission to reject the proposal for approving reactive charges for RE generators and OA consumers.

2.9.11 It is submitted that, MSEDCL does not enter into power purchase agreements (PPA) for any specific consumer category but instead procures power to supply all consumers collectively. The MYT Regulations, 2024, do not mandate signing PPAs for specific consumer categories. Additionally, MSEDCL has projected an increase in sales throughout the control period, ensuring that any currently stranded power capacity will be utilized, eliminating the justification for increasing the Additional Surcharge (ASC) for open access consumers.

2.9.12 CIE Automotive India, Shri. Vaibhav Warule and others has objected to the proposed CSS hike, emphasizing that it unfairly penalizes industries relying on open access. It is submitted that such an increase will hinder industrial competitiveness and contradict the principles laid down in the Electricity Act, 2003, and the NTP, 2016. The Cross Subsidy Surcharge (CSS) imposed on HT consumers has been compared with the charges proposed by MSEDCL in its MYT Petition. The proposed CSS for FY 2025-26 to FY 2029-30 ranges from Rs. 2.18/kVAh to Rs. 2.12/kVAh, in contrast to the current CSS of Rs. 1.60/kVAh to Rs. 1.68/kVAh. As per Proviso 4 of Section 42(2) and Section 61(g) of the Electricity Act, 2003, cross-subsidies shall be progressively reduced to ensure that tariffs reflect the cost of supply. Clause 8.5 of the NTP, 2016 prescribes a surcharge formula and stipulates that CSS shall not exceed 20% of the tariff applicable to consumers seeking open access. The surcharge shall not be structured in a manner that eliminates competition in generation and supply.

2.9.13 Further, the NTP, 2016 mandates that a roadmap be established to bring tariffs within ±20% of the average cost of supply. The imposition of higher CSS conceals inefficiencies and operational losses within MSEDCL, and open access consumers shall not bear the burden of such inefficiencies. Therefore, it is prayed that the Commission reject any further increase in CSS, ensure compliance with the progressive reduction of cross-subsidies, and determine a roadmap for the elimination of CSS within the next control period.

2.9.14 Moreover, there is no stranded capacity due to open access, as evident from MSEDCL's load-shedding circulars, which indicate that even agricultural consumers are not receiving 24x7 power supply. Until uninterrupted supply is ensured for all consumers, the approval of ASC for open access power is unjustified. MSEDCL's general license condition mandates 24x7 power supply, yet its reliance on energy exchanges and short-term power purchases proves there is no surplus capacity stranded due to open access users. Additionally, open access consumption by industrial consumers in Maharashtra remains minimal due to high charges and restrictions. Hence, the claim of stranded capacity leading to additional surcharge approval is unwarranted.

MSEDCL's Reply

2.9.15 MSEDCL submitted that, Open Access is driven by the objective of Section 42 of the Electricity Act-2003 which mandates the Distribution Licensee to provide Open Access to all the eligible consumers, subject to payment of CSS, ASC and other applicable charges. Accordingly, the consumers who opted for OA need to be charged for the compensation of current level of CSS, which prevailed during that period and in order to avoid the burden of the same being passed on the other consumers who are with the Distribution Licensees.

2.9.16 Regarding Reactive charges, as per the provisions of MERC DOA Regulations, 2016, specifies determination of reactive charges applicable to OA consumers and RE generators connected to distribution grid. MSEDCL submitted that there has been exponential increase in OA sales as well as RE generators connected to MSEDCL grid. These consumers as well as generators, generates reactive power which lead to voltage drop or rise (more than the standard limit). This leads to increase in technical losses, as well as damage to the distribution network. There has been no escalation in reactive charges applicable to RE generators for more than a decade. Reactive energy charges act as a penalty for grid participants which make economic sense for them to limit their VAR drawl/generation. If the charges are not revised for a long duration, its efficacy in inducing grid participants to limit their VAR drawl/generation would decrease as cost of implementing required changes would become more than reactive energy charges.

2.9.17 MSEDCL submitted that the Cross-subsidy surcharge is imposed and levied on the consumers as per section 42 (2) of the Electricity Act-2003 and as approved by the Commission. Further MSEDCL is guided by section 61(g) of the Electricity Act-2003 that the tariff progressively reflects the cost of supply of electricity and reduces the cross-subsidies in the manner specified by the Commission.

2.9.18 Regarding the road map for reduction of cross-subsidies, MSEDCL is implementing various schemes such as DDUGY, RDSS etc., which include the separation of Ag and Non-Ag feeders which reduces the burden on industrial consumers, thus reducing the cross-subsidies. the Section 43 of the EA 2003 casts Universal Service Obligation (USO) on MSEDCL. As the number of open access consumers rises year-on-year, the burden of fixed capacity charges in MSEDCL increases, necessitating a higher Additional Surcharge to recover these costs. MSEDCL submits that the increase in Additional Surcharge is due to stranded contracted capacity with generators caused by consumers opting out of MSEDCL's network in favor of Open Access.

2.9.19 In view of the above, MSEDCL has proposed an Additional Surcharge to OA consumers as per the provisions of EA 2003 and as per the provisions of the Commission's Regulations. With the implementation of MERC DOA Regulations, 2023, GEOA consumers who pay fixed charges are exempted from paying the Additional Surcharge.

Commission's Ruling

2.9.20 The Commission has noted the submissions of the stakeholders and replies of MSEDCL. The Commission has determined the applicable OA charges as per the provisions of the OA Regulations, MOP Rules and provision of the EA 2003. The As per the provisions of the EA 2003, the Commission is mandated for promotion of OA. Recently, the Commission has amended its OA Regulations to facilitate the Green Energy OA in line with the provisions of the MOP Rules and FOR Model Regulations for GEOA charges. Further, the Commission has noted the changes proposed by MSEDCL in TOD slabs which would have negative impact on the banked energy settlement. The Commission has specified the TOD structure in this tariff Order in the Section 7 of this Order.

2.9.21 With regards to determination of CSS and Additional Surcharge, the Electricity Act, 2003 mandated the State Commission to determine the CSS to meet the requirement of current level of cross subsidy. The Commission is conscious of the need to gradually reduce cross-subsidy. The Commission in present MYT Order has affected a reduction in cross-subsidy, as it can be seen in the Section 7 of this Order.

2.9.22 The Commission has determined CSS as per formula stipulated in Tariff Policy and applied ceiling of 20% of ACoS in line with stipulations in Electricity (Amendment) Rules, 2022. Detailed computation is in Section 7 of this Order. The Commission in its MYT Order lays down road map for reduction in cross-subsidy for control period, which needs to be realigned, if required, during MTR process for allowing recovery of past gaps.

2.9.23 With regards to applicability of Additional Surcharge for the OA consumers in the 5th Control Period, the Commission has reviewed the proposal of MSEDCL and discussed in detail in Section 7 of this Order.

2.9.24 The Commission also notes the submission of OA consumers regarding, imposition of higher demand charges by MSEDCL, leading to an unjust financial burden on RE Generators. The Commission is of the view that, MSEDCL should implement the provisions of the Tariff Orders in letter and spirit. It should not lead to any ambiguity in implementation. The Commission directs MSEDCL to address the issue of applicability of Demand charges raised by the consumers in the above specific cases and submit the compliance within one month from the date of issue of this Order with intimation to those consumers.

2.9.25 To have larger visibility on Cross-subsidy reduction roadmap and its implication on consumer tariff, the Commission had directed MSEDCL to submit 5/10-year roadmap for Cross subsidy reduction and its implication on subsidised categories in this MYT Petition. The Commission notes that, MSEDCL has proposed Cross Subsidy reduction trajectory for next 5 years. MSEDCL has submitted that, major portion of cross subsidy in earlier years were directed towards agricultural consumers. In the present Petition, MSEDCL has also calculated separate CoS for LT agriculture consumers on basis of dedicated and distributed renewable energy sources and has determined tariff for the category in accordance with the calculated CoS. This has led to reduction in cross subsidy requirement for remaining categories and bring them with limit of 20% as per MERC MYT Regulations 2024. For further 5 years, MSEDCL has proposed same cross subsidy trajectory as for FY 2029-30. The Commission has considered the submission of MSEDCL while determining the tariff with limiting the cross subsidy within +/-20% as per the provisions of the MOP Rules and Tariff Policy.

2.9.26 With regards to contention of double penalty of Reactive power charges, the Commission is of the view that, there are two different issues. RE Generator's reactive power compensation is governed by the MERC RE Tariff Regulations and RE Tariff Orders and provisions of the Grid Code of the Commission. However, in case of captive open access consumers who are above 20kW are billed on kVA basis and no need to provide any reactive compensation or pay any reactive power charges separately. The Commission has further dealt with this issue in Section 7 of this order.

2.10 Tariff Revision

Objection's/Suggestions

2.10.1 Shri Vikas Thakare, MLA opposed the tariff hike proposed by MSEDCL. He suggested that by enabling solar energy option, consumers can get rid of higher tariffs.

2.10.2 Hariom Biotech Agro farming and many others stated that here has already been a 49% increase in LT and 53% in HT tariffs for 2024-25 compared to 2022-23. The accumulated tariff increases over the years (since 2016) have been excessive and unsustainable for industries.

2.10.3 Tata Power Renewable Energy, JSW Steel and other stakeholders objected to the high electricity costs in Maharashtra, stating that it makes the steel industry uncompetitive against other states and global markets. Power costs constitute approximately 40% of total production costs in the steel sector, and the proposed tariff hikes will further harm industrial growth.

2.10.4 Kolhapur Municipal Corp and others stated that the current petition is increasing tariff for the agriculture category. The association is against MSEDCL's proposal to increase fixed charges for all categories to recover expenses from fixed charges. They are also concerned about the increase in variable costs.

2.10.5 Shri Vijay Ugale suggested the electricity tariff applicable to institutions operating under Gram Panchayats, Municipalities, Panchayat Samitis, and Zila Parishads shall remain unchanged. Furthermore, rebates or incentives shall be granted for timely payment of electricity bills under LT-AG, LT-PWW, and LT streetlight categories.

2.10.6 Shri Salil Devant and others submitted that the Commission shall direct MSEDCL to ensure that power procurement is carried out at the least cost to maintain economic viability. Measures shall be implemented to prevent electricity theft and reduce distribution losses. Procurement of power from private entities shall be undertaken at competitive rates to avoid financial strain.

Solar power generation shall be promoted for agricultural consumers to ensure cost-effective and sustainable supply. MSPGCL shall enhance its operational efficiency, and the availability of high-quality coal shall be ensured for its generation units. Energy meters shall be installed for agricultural pumps, with consumption recorded based on actual meter readings, and timely billing shall be ensured for agricultural consumers. MSEDCL shall provide necessary training to its employees to maintain uninterrupted power supply. Additionally, MSEDCL shall establish a cost data framework for awarding contracts, ensuring alignment with prevailing market conditions.

2.10.7 Shri Mahaveer Jain prayed for tariff reductions, improved financial transparency, regulatory action against violators, and better consumer services. MSEDCL imposes high industrial tariffs, charging Rs. 9/unit to industries while selling surplus power at Rs. 3/unit, and excessive cross-subsidization violates the National Tariff Policy. Weak internal financial controls, KYC compliance issues, and the need for uniform tariff policies across Maharashtra. MSEDCL installed solar panels in its offices to reduce costs and demands accountability for regulatory violations, improved consumer services, and tariff reductions.

2.10.8 Shri Yudhishthir Varma and others commented the projection for 5 years is not viable and trustworthy so requesting to have 1 or 2 years of tariff schedule. For mushroom cultivators, agricultural tariffs shall be applicable. The cost of productions needs to be recovered. The tariff shall be kept as it is.

2.10.9 Stakeholders are concerned about rising electricity tariffs as they are higher than in other states. It is essential to implement uniform fixed charges across all categories to ensure fairness and consistency in tariff structure. Fixed charges for MSEDCL are about Rs. 400, but MSEDCL is charging Rs. 600 fixed charges. The tariff has increased by 5%, while power purchase costs have risen by 30%, along with high energy and demand charges. Despite initially setting a lower tariff, MSEDCL increases it during mid-term revisions, making the initial reduction meaningless.

2.10.10 There is a continuous decline in electricity sales, necessitating a review of tariff structures and demand forecasts. Only 50% demand charges shall be levied on additional connection in case of multiple supply to industries. The proposed gap is due to MSEDCL's inefficiencies. A fixed tariff helps industry to properly load their products.

2.10.11 Thane Small Scale Industries Association, Balaji Electro Smelters Pvt. Ltd. submitted that an overall increase in tariff due to increase in Demand Charges/ Fixed charges, wheeling charges, energy charges, ToD tariff will impose financial burden on industries. The HT Tariff of all adjoining states is at 20% to 40% less than Maharashtra. MSEDCL may also consider the Industrial policy of state while determining tariff. Subsidies available to Vidarbha and

Marathawada shall be available to all part of State. Maharashtra is purchasing power from APML, JSW, and NTPC Kawa Station at high rates, whereas states like Gujarat, Telangana, and Madhya Pradesh procure power at lower costs. So there is a demand of uniform tariff is demanded across the state and oppose subsidies.

2.10.12 Bhagwati Steels stated that the tariff shall be less as compared to other states as different districts have different tariff. Shri Mushtak Ahmad Mohd. Nazim, Vidharbha Industries Association has submitted that the power purchase cost has not been fixed for the past five years and that it ought to be determined on the basis of kW rather than kVAh. Furthermore, he has observed that the applicable slabs for Income Tax and Sales Tax have not been incorporated into the relevant framework. Various states provide different forms of power rebates, whereas Maharashtra already imposes one of the highest electricity tariffs in India. Any increase in fixed charges would further impact affordability, particularly for small and medium enterprises (SMEs) and residential consumers. A comparative analysis indicates that the proposed fixed charges by MSEDCL are significantly higher than those in neighbouring states such as Telangana, where the fixed charges are Rs. 500 per kVA per month. Such a disparity could adversely affect Maharashtra’s industrial competitiveness.

2.10.13 Regarding query on implementation of KYC, MSEDCL submits that Hon’ble Commission in its Suo-Motu hearing in Case no 04/SM/2024 has given directives for KYC implementation which shall be completed within the stipulated timeframe.

2.10.14 Cellular Operators Association of India, representing the Indian telecom industry prayed to not consider/approve electricity tariff hike applicable to the Telecom Industry. The proposed increase in energy rates and fixed charges will place a significant financial strain on the telecom industry, affecting its ability to maintain and grow vital digital infrastructure.

MSEDCL’s Reply

2.10.15 Even though revision in Tariff of various categories of consumers is inevitable due to various reasons and other essential legitimate expenses, MSEDCL takes appropriate precautions/measures to limit the rise in tariff rates by reducing Distribution losses, accurate billing by proper meter reading of utilized energy, increasing collection efficiency, limiting operations and maintenance expenses to possible extent and implementing latest technology for efficient Management schemes.

2.10.16 The said petition is essential to recover all the legitimate costs of MSEDCL which are necessary for providing satisfactory consumer services and to ensure financial viability of Sector.

Commission's Ruling

2.10.17 The Commission has analysed in detail the MSEDCL's proposal for power purchase and other costs before determining the Tariff revision in this Order. It has allowed power purchase and O&M expenses as against those proposed after carrying out the prudence check and allowed the reasonable cost as per the provisions of the Regulations. The Commission has verified the consumer mix of MSEDCL and tried to follow the Tariff philosophy of ACoS ± 20%, to the extent possible, while determining cross subsidy for various consumer categories and accordingly notified Tariff revision. The Commission has discussed parameter wise prudence and dealt with category-wise tariff in Section 7 of this Order.

2.11 Applicability of Bulk Consumption Rebate

Objection's/Suggestions

2.11.1 Shri. Sudhir Ketkar and others stated that Bulk Consumption Rebate should be extended to all Tariff Categories and not limited to just Industry Category. The proposal to restrict bulk consumption rebates only to full-demand consumers violates Regulation 81.4 of MYT Regulations 2019 and Regulation 100.4 of MYT Regulations 2024, as these Regulations do not differentiate based on partial or full supply. Denying rebates to Patrial Open Access consumers discourage RE procurement.

2.11.2 M/s All India Renewable Energy Association (AIREA) and others submitted that, MSEDCL has proposed a condition under Para 6.11.3 that for availing the bulk consumption rebate, consumers ought to consume at least 50% of their overall electricity consumption during solar hours (9:00 AM to 5:00 PM) within the billing cycle. However, this condition is practically unfeasible, as power plants are designed to optimize consumption during solar hours while also generating surplus energy for banking, subject to available rooftop space. Compliance with this condition would be impossible unless the rooftop space is severely limited relative to consumption. Consequently, consumers with consumption exceedingly twice the generation capacity of their available rooftop space would inevitably shift to 'Behind the Meter' solutions, rendering the proposed condition ineffective and arbitrary.

2.11.3 JSW Steel and others opposed the condition requiring industries to consume at least 50% of power during solar hours to qualify for the Bulk Consumption Rebate, calling it impractical.

MSEDCL's Reply

2.11.4 MSEDCL submitted that it has proposed that to avail the bulk consumption rebate, at least 50% of the total consumption should occur during solar hours (9:00 AM to 5:00 PM) as this is when the maximum solar power would be available. This would help in consumption of peak solar generation, thereby supporting sustainability and reducing the reliance on conventional power sources.

Commission's Ruling

2.11.5 The Commission has noted the objection and the submission of MSEDCL in the matter of Rebate on bulk consumption. The Commission has dealt with issue of base line consumption for incremental consumption rebate and introduced the bulk consumption rebate in the MTR Order. Such rebates shall be available only on electricity supplied by MSEDCL.

2.11.6 The Commission is of the view that, such rebates should be provided with ample clarity in implementation framework. The intention of the rebate should be balance interest of both MSEDCL and consumers. The Commission is of the view that, the TOD structure will take care of necessary incentivisation to the consumers to shift the load during day time. Hence, the Commission is not inclined to restrict the bulk consumption rebate where at least 50% of the total consumption occurs during solar hours (9:00 AM to 5:00 PM). The Commission has discussed the applicability of bulk consumption rebate in Section 7.20 of this Order.

2.12 Tariff Re-Categorisation (Hotels, Power looms, milk processing farmers, Tissue Culture, Khawa Industry etc)

Objection's/Suggestions

2.12.1 Shri. Alok Chandewar stated that the mid-size hotels shall not be compared and equated with a five-star hotel. His hotel received industrial status certificate on 5 October 2023. He is also operating Agro Tourism Centre. He insisted to create a separate tariff category for Agro tourism units with tariffs at par with farmers electricity tariffs/rates.

2.12.2 Real Powerloom Association, Adv. Momin Ahmed and power loom stakeholders urged that the power looms in Bhiwandi, Ichhalkaranji are going out of state due to the rise in tariff. A working committee to be formed by MERC for analysis of issues of Industrial consumers and study possible solutions. The Committee shall also include a few members from Industries.

2.12.3 Smt. Archana Barabade and others commented that the proposed tariff modification unjustly differentiates between privately operated and government-run milk collection centre and chilling plants, despite their identical functional roles in preserving perishable agricultural produce. This differentiation contradicts the principle of parity, as cold storage units for agricultural produce already fall under the agricultural tariff category. Furthermore, the imposition of higher tariffs on private entities violates the principles of fair competition, disproportionately burdening farmers and discouraging private investment in dairy infrastructure.

2.12.4 The Hon'ble APTEL in Case No. 230 of 2024 upheld that tariff differentiation must be based on legitimate parameters under Section 62(3) of the Electricity Act, 2003, which allows differentiation based only on factors such as load factor, power factor, voltage, total consumption, time of supply, geographical position, nature of supply, and purpose of supply. The proposed differentiation, based solely on ownership, is arbitrary, discriminatory, and legally unsustainable, directly contravening the principles set forth in the Act and the APTEL ruling. Moreover, the negligible financial impact on MSEDCL does not justify the adverse consequences this tariff change would have on farmers, rural livelihoods, and the dairy sector's long-term sustainability.

2.12.5 All Milk Chilling Plants of Vidarbha & Marathwada, Dairy development Project, Ankush Dive and others submitted that the proposed tariff revision for privately operated milk collection centers and chilling plants imposes an unjust financial burden on dairy farmers and small-scale entrepreneurs, threatening the sustainability of the dairy sector. Increased operational costs will reduce profitability, discourage new entrants, and deter private investment in dairy infrastructure, which is critical for rural economic development. This revision directly contradicts PM Suryaghar Muft Bijli Yojana (MBY) and various Central and State Government schemes, including the Support to State Dairy Cooperative & Farmers Producers Organization (SDCFPO) scheme and the Animal Husbandry Infrastructure Development Fund, which are designed to increase farmers' income and promote dairy farming. The financial strain imposed by higher tariffs negates the intended benefits of these programs, undermining the government's objective of doubling farmers' income. Furthermore, the proposed classification fails to recognize the functional equivalence of milk chilling plants and cold storage facilities for agricultural produce, which are already categorized under agricultural tariffs. The differentiation based on ownership rather than operational purpose is arbitrary and legally unsustainable, violating Section 62(3) of the EA 2003, which prohibits undue preference in tariff determination.

2.12.6 Maha cold storage stated that cold storage is critical in rationalizing agricultural produce and should not be overlooked. Facilities storing non-food and pharmaceutical items shall continue to be categorized under the Industrial Tariff. Requested the Commission to classify all cold storage storing food products under a uniform tariff category, excluding those storing non-food and pharmaceutical items.

2.12.7 Weikfield Foods Pvt. Ltd. and other cultivators stated that energy charges for HT V (B): HT-Agriculture-Others is proposed to increase by 25% in present year and sought to be 14% higher than newly proposed Industrial tariff.

Similarly, the LT IV (C): Agriculture-Others category tariff is proposed to be increased by more than 35% and brought to a level almost same as LT-Industry. Fixed charges proposed for LT Agriculture (Others) Consumers has increased from Rs. 40/kW/month to Rs. 60/kW/month, and energy charges from Rs. 4.30/kWh to Rs. 5.50/kWh and for HT Agriculture (Others) Consumers Fixed charges has increased from Rs. 250/kVA/month to Rs. 350/kVA/month, and energy charges from Rs. 4.10/kWh to Rs. 5.30/kWh. The proposed increase represents an approximate 28%–35% rise in electricity expenses, significantly affecting high-tech agricultural sectors. Mushroom farming, fisheries, and tissue culture operations rely heavily on continuous power supply for climate control, aeration, incubation, and other essential processes. GOI and Maharashtra have introduced various initiatives to promote Agro-based industries and sustainable farming, including subsidies and incentives for modern agriculture and the proposed tariff hike contradicts these policies, as it discourages technological advancements in agriculture and increases the cost of production. A special tariff category for high-tech agriculture (mushroom farming, fisheries, and tissue culture) shall be introduced, ensuring fair pricing and economic sustainability. The Commission may consider subsidies, incentives, or concessional tariffs like those granted to conventional agriculture to promote modern farming techniques.

2.12.8 S P Agrocare, HariOm Biotech Agro farming and along with others submitted that Tissue Culture activity is charged under HT-V (B) but based on usages, it is required to be considered in HT- V Agriculture (Metered). It’s 65% energy consumption is for the nursery section. Objectors urged the Commission to classify Tissue culture, Nurseries and Green Houses under LT-IV(B) Agriculture (metered) and HT V (A) Agriculture. Classification of tissue culture businesses under LT-IV (C) and HT-V (B) is inappropriate, as these units include both nursery operations and tissue culture labs. The proposed tariff structure has led to fragmentation of business operations, adversely impacting viability. In alignment with the nature of operations and the Government’s Biotechnology Policy. Tissue Culture units be reclassified under LT-IV (B) and HT-V (A).

2.12.9 Shri. Goenka has repeatedly sought the separation of the residential tariff category into two distinct segments: one comprising consumers using up to 300 units and another for those exceeding 300 units. It is contended that the first category should fall under the cross-subsidized bracket, whereas the second category should serve as the cross-subsidizing segment. However, the proposed tariff structure imposes an excessive financial burden on the cross-subsidizing category, rendering the tariff unreasonably high. Furthermore, the current classification erroneously considers consumers exceeding 300 units as part of the subsidized category, while simultaneously increasing their tariff instead of aligning it closer to a rationalized and equitable structure. This results in a departure from the established principles of tariff rationalization and cross-subsidy reduction as envisaged under the Electricity Act, 2003. Shri. Goenka, therefore, seeks appropriate modifications to the tariff framework to ensure a just and reasonable classification in line with regulatory norms.

2.12.10 Balaji Electro Smelters Pvt Ltd., Meenakshi Ferro Ingots Pvt Ltd., Thane Small Scale Industries Association, Indrayani Ferrocast Pvt Ltd and others submitted that F.Y. saw a huge increase in FAC, causing Power Intensive Consumers to suffer and their cost of production to go up substantially. Some States, such as Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Bihar, and Meghalaya, created separate categories for Power Intensive Industries like Ferro Alloys, Steel etc. to ensure their survival. Such option needs to be explored. MSEDCL is adding FAC and then calculating hike in Energy Charges, which is unreasonable and unjustifiable. Ferro Alloys and Steel industries are continuous process industries that operate 24/7, consuming a considerable amount of power and contributing to the stabilization of the grid. Providing with affordable power would ensure their continued operation and grid support.

2.12.11 L& T construction submitted that construction sites use electricity for operating (1) Ready-Mix concretes by using Batching plants, (2) Tower cranes and Boom placers for concrete, steel and form work shifting, (3) Onsite Residents of labor’s, (4) Administrative Offices, Canteen, and equipment, street and common area lighting, Research and Development units, etc, (5) Mining, Quarrying and Stone Crushing units, (6) Hot Mix Plants. Currently different tariffs are applied to above usages. L&T suggested that Semi-Commercial tariff category may be devised for application of Construction Sites.

2.12.12 Shri. Hire suggested that Z.P school should be charges at Residential tariffs instead of Public Service category. Further, there should not be any discrimination in tariff charged to private education institutes and Government educational institutes.

2.12.13 Macrotech Developers Ltd. Submitted that for integrated Township projects, MSEDCL is charging LT I (B) residential tariffs to common area (streetlight, water pumping, club etc.) even though connections released at HT level. The right tariff applicability is HT VI: Group Housing Society (Residential).

2.12.14 During the Public Hearing at Chattrapati Sambhaji Nagar, Shri. Bhushan Kulkarni and Shri. Barhate urged the Commission to redefine the BPL category in this Tariff Order.

2.12.15 Shri Ashish Chandarana submitted that under the existing tariff structure, domestic consumers with an annual consumption of up to 3,600 units (300 units per month) are permitted to conduct commercial activities using the same meter while being billed under the residential tariff. It is proposed that this consumption ceiling be increased to 6,000 units per annum (500 units per month), as this revision would not only provide relief to consumers by eliminating the requirement for a separate commercial connection but also positively impact revenue collection. Furthermore, the proposed residential tariff for consumption exceeding 100 units is set at a higher rate than the commercial tariff, which would adversely affect specific consumer categories such as places of worship, women's hostels, and STD PCOs operated by differently abled individuals. These categories were previously classified under the residential tariff to provide financial relief, but they will now be subjected to a higher tariff than commercial consumers, defeating the intended purpose of concessions. Additionally, the commercial tariff category for consumers with a sanctioned load of 0-20 kW should be further subdivided into two distinct classes: (i) consumers with consumption up to 200 units and (ii) consumers with consumption exceeding 200 units. In light of these concerns, it is imperative that these consumer classes be appropriately categorized to ensure fairness in tariff determination and uphold the intended relief measures.

2.12.16 Nirmal Milk Product Association submitted that there is a growing demand to process of khawa preparation through solar based induction machines to save deforestation and tree cutting of almost around 5 lakhs trees annually. This would also prevent air pollution caused by traditon of khawa making using wood-fired furnaces. The barrier for large scale adoption of cleaner electric induction based khawa making is the applicable electricity tariff and its categorization thereof. Typical, electric based induction machine would require 25 kW capacity and if classified under Industrial category would attract fixed charges apart from the higher energy charges. Hence, the objector requested to classify it under Agriculture (Others) category which would enable cleaner form of khawa making and mitigate resultant the pollution and also generate employment opportunities in the rural areas.

MSEDCL's Reply

2.12.17 The tariff applicability to hotels is defined appropriately by the MERC in MTR order in Case No. 226 of 2022 dated 31.03.2023 as follows:

> *"Thus, the Commission hereby rules the applicability of tariff in respect of hotels, independent villas/bungalows rent for accommodation under tourism/commercial activity and home-stay type accommodation as outlined below:*
>
> *Hotels and Independent Villas/bungalows rented for accommodation for tourism/commercial activity shall be covered under the commercial category."*

2.12.18 Accordingly, the commercial tariff applied to hotels is appropriate. Electricity Tariffs & Charges are determined by MERC through a transparent process of public consultations and MSEDCL levies the charges as per MERC tariff Order.

2.12.19 Regarding incentives to industrial consumers compared to other state it is to mention that the Commission has continued the concessions on billing demand for steel and Ferro alloy industries and has retained the Rebate on incremental consumption and Bulk Supply Rebate. All other incentives including Load Factor Incentive, Prompt Payment Discount and Time of Day rebate mechanism are retained, which would further benefit such consumers.

2.12.20 In response to the applicant's request regarding the creation of a new category for power intensive Ferro Alloys and Steel Industries, MSEDCL submits that, during the tariff determination for 4th control period (Case No. 322 of 2019) Hon'ble commission has adopted the philosophy for rationalization of tariff categories & slabs within tariff categories and undertaken merging of few categories. Relevant part of the said order is reproduced as,

> *"The draft Tariff Policy 2018 has also advocated rationalisation of Tariff categories and suggested not more than five major categories such as Domestic, Commercial, Agriculture, Industrial, Institutional with allowance for sub-categorisation based on supply voltage at LT/HT. Accordingly, the Commission has undertaken merging of few consumer categories and rationalisation of consumption slabs/sub-categories."*

2.12.21 Accordingly, MSEDCL submitted that creating a separate/ new category/ subclass/ category would not be in line with the overall philosophy of rationalisation and simplification of tariff categories and tariff slabs adopted by Hon'ble commission in its earlier tariff orders. However, the Commission has provided aforementioned additional benefits to the Steel Industries.

2.12.22 MSEDCL submitted that it has proposed applicability of Tariff after analysis, feedback from field offices covering comprehensive usage. However, MSEDCL will do needful regarding the applicability of the tariffs to the various categories as per the directions of the Commission vide its MYT Order.

2.12.23 Further it is to mention that MSEDCL has proposed applicability of Tariff covering comprehensive usage and tariffs to the various categories will be applied by MSEDCL based on Final approval of the Commission.

Commission's Ruling

2.12.24 Issue of Tariff categorisation has been dealt with in Section 7 of this Order.

2.13 Separation of AG and Non-AG company

Objection's/Suggestions

2.13.1 M/s Urja Shayog, Shri Amit Deotale, Shri Mayur Pande and many others prayed for the separation of AG and Non-AG companies. It is proposed that a new agricultural distribution company be established as a subsidiary of MSEB Holding Company, similar to MSEDCL. This entity would own and operate 11 kV agricultural feeders, covering 2,752 existing substations and additional substations constructed under RDSS and other multilateral-funded projects. It is respectfully submitted that solar plant capacities, developed primarily for subsidy cost reduction and agricultural feeder supply shall not be considered while determining charges for regular consumer categories, including residential, industrial, commercial, and public service consumers.

MSEDCL's Reply

2.13.2 MSEDCL has not filed any specific reply on this issue.

Commission's Ruling

2.13.3 The Commission has discussed the issue of separate company for AG supply in the Section 7.6 of this Order.

2.14 Prepaid and Smart Meters

Objection's/Suggestions

2.14.1 Shri. Salil Devkant raised the concerns over hidden financial burdens on consumers, particularly regarding prepaid meter installations. MSEDCL is reportedly installing prepaid smart meters costing approximately Rs. 14,500 per unit without upfront charges to consumers, raising questions about how these costs are being recovered. If these expenses are embedded in the MYT petition under increased fixed charges, infrastructure costs, or higher per-unit rates, full disclosure is necessary. Additionally, if any private entity is supplying these meters, MSEDCL must clarify the total procurement cost, contract allocation process, and impact on consumer tariffs. A clear response from MSEDCL is requested on these objections.

2.14.2 Prayas Energy Group commented that smart metering implementation are unclear, even though it is essential for the enforcement of ToD tariffs, the reduction of distribution losses, and the enhancement of revenue collection. Although a roll-out plan has been submitted to the Commission, it does not include comprehensive details about the deployment of smart meters by category and circle, especially for the Rs. 2.29 Crore LT customers who are expected to receive smart meters by May 2026. Additionally, it is unclear from the plan whether smart meters will operate on a post-payment or pre-payment systems. Additionally, MSEDCL has proposed a revision of smart meter installation charges in accordance with the rates discovered through tenders under the RDSS scheme. It is unclear whether the revised charges will apply to all replacement meters or only to consumers who choose smart meters. Discrepancies have also been observed between the actual status of smart metering implementation, as reported in the petition, and the data recorded in the National Smart Grid Mission Dashboard.

2.14.3 This inconsistency raises concerns regarding the accuracy and reliability of the data presented by MSEDCL. Smart metering is real-time data monitoring, especially for EV charging. However, MSEDCL has not given enough details about where the 50 charging stations will be or how much they will cost. MSEDCL has also suggested expanding SIM-based services to enable intelligent prepaid metering for agricultural customers. The MYT Petition does not provide clear details on the plan, implementation, or costs for smart prepaid metering in agriculture.

2.14.4 Smart metering, along with MSEDCL’s proposed capital expenditure of Rs. 62,870 Crore for system strengthening, shall facilitate this loss reduction. If achieved, it could generate additional revenue of Rs. 17,036 Crore without increasing consumer tariffs. MSEDCL’s Smart Prepaid Metering proposal for AG consumers under is vague on implementation and cost details.

2.14.5 Shri Ashok Pendse from TBIA and others stated as per RDSS guidelines issued by GOI on 29.07.2021, funding is contingent on MSEDCL operating smart meters in prepayment mode as per the uniform approach prescribed by GOI. All installed meters are in postpaid mode, resulting in no grant sanction. The total smart metering allocation is approximately Rs. 15,000 Crore for Rs. 2.6 Crore consumers. MSEDCL's ability to transition such a large consumer base to prepaid meters is uncertain, with consumer resistance evident. Adani and Tata MSEDCL’s, which have not availed RDSS grants, are not bound by this condition, creating a discriminatory scenario. MERC shall disallow this expense unless funded by the GoM. The presence of unmetered connections leads to inaccurate billing, revenue loss, and inefficiencies in energy accounting, necessitating proper metering and regulation. Revenue losses due to electricity theft in rural areas remain a significant concern and require strict enforcement measures.

2.14.6 Rooftop and smart meters are proving ineffective, and household installations shall be thoroughly inspected to prevent unauthorized connections to LT consumer lines and electricity theft. Feeder-wise monitoring shall be conducted, and power supply regularization measures shall be implemented to ensure efficiency and accountability. Bulk operational feeder- 50% condition is not viable to shift to solar. The feeder system needs to be implemented across the whole state. Electricity Bills to be reader friendly and Metering testing charges shall not be increased.

2.14.7 Shri Harshad Kenjale, Shri Yogesh Chaure , Shri Pratik Bhoite and other sugarcane farmers submitted that, as per the EA Act, 2003, the collection of electricity bills is the exclusive function of the MSEDCL. Furthermore, as per the GoM's policy, electricity charges for agricultural consumption have been waived off, and no outstanding bills are reflected on the MSEDCL portal for the concerned farmers. The actions of the sugar factory owners are therefore arbitrary, unauthorized, and in contravention of established legal and regulatory provisions. They prayed for Immediate cessation of unauthorized collections by sugar factory owners and a directive prohibiting such actions.

2.14.8 The Commission may direct MSEDCL to release the quarterly reports that show the installation process of smart categories and circle clearly identifying pre-paid and post-paid meters, and indicating whether installation is required or dependent on customer opt-in. Since smart metering has a significant effect on customer service, MERC must create regulations controlling smart meter installation and operation to handle implementation issues. It's also important to make sure that customers are engaged and communicate effectively. Notably, comparable regulatory recommendations have already been released by other SERCs. To guarantee that consumer complaints and difficulties are sufficiently addressed, it is crucial that such regulatory directives be finalised only following appropriate public comment and hearings.

MSEDCL's Reply

2.14.9 Ministry of Power, Govt. of India has informed that existing postpaid meters are to be replaced by ToD pre-payment meters within next 3 years and all New Service Connections are to be released with ToD pre-payment meters or pre-payment meters. Further, informed that faulty meters are also required to be replaced with ToD pre-payment meters or pre- payment meters. Rural Electrification Corporation Ltd. (RECL) forwarded the Standard Bidding Document (SBD).

2.14.10 Accordingly, MSEDCL floated open tenders for appointment of AMISP (supply, installation and providing reading) for a contract period of 10 years on e-tendering website of MSEDCL. Against each tender approx. 4 to 5 bids received. E-Reverse Auction for all L-1 bidders was also carried out to further reduce their offer prices. After receipt of the reduced offers, the orders have been placed on successful bidders following a fair and transparent tendering process. The lifecycle cost (10 years) for ToD Meters is Rs. 11,970/-. This is a life cycle cost which includes the cost of Energy Meters, Head End System (HES), Meter Data Management (MDM), SIM card charges, Data Concentrator Unit (DCU) charges (in case of RF Network) and charges towards providing meter reading monthly. The Grant of lump sum amount of Rs.900/- per consumer meter and lump sum amount of 15% of discovered cost per meter for System meter (Feeder & DT) is being received from the MoP, GOI. The implementation of ToD metering will lead to reduction in commercial losses which in turn increase the revenue of MSEDCL. The expenses towards implementation of ToD metering will be fulfilled from increased revenue due to reduction in commercial loss. The consumers will not be burdened for any hidden costs.

2.14.11 ToD Meters will provide reading automatically to the MSEDCL billing system without human interference / human error. This will ensure correctness and timely issuance of bills to consumers which in turn reduce billing complaints. ToD Meters will provide Real Time information to consumers on a 24 x 7 basis. The Mobile App for monitoring the same has been developed which will enable the consumers to optimize the consumption and save the bill amount.

2.14.12 In near future Solar Energy will be available on a large scale. Since the Mobile App indicates time zone of energy consumption, the consumers can utilize the electricity at lower rates when the same is available at cheaper rate. Similarly, when the electricity is available at a higher rate the consumer can limit its usage. The said facility will in turn help the consumers to save on the electricity bills. Implementation of ToD metering will lead to reduction in commercial losses which in turn increase the revenue of MSEDCL. The expenses towards implementation of ToD metering will be fulfilled from the increase in revenue. If the meter becomes faulty after installation, the AMISP will replace it without any cost for next 10 years.

2.14.13 As on date there is no increase in tariffs of Residential / Commercial consumers on account of implementation of ToD Meters. Due to the availability of energy consumption patterns the utilities can manage its available resources to full effect. The same will help utilities in providing quality services to its consumers.

Commission's Ruling

2.14.14 The Commission notes that although cost of smart meter is high it has number of advantages which reduces O&M expenses of Distribution Licensees. Hence, smart meter/ToD meters need to be promoted.

2.14.15 Further, the Commission in Suo-motu Order dated 25 January 2025 in Case No. 4/SM/2024 has addressed the issue of smart meters as below;

> *"8.8.5 The Commission notes that RDSS Office Memorandum categorically mentioned that the sunset date for the scheme is 31 March 2026, the works executed beyond this date will not be eligible for release of Central Government Grant.*
>
> *8.8.6 In present case, MSEDCL has committed to a May 2025 as deadline for the replacement of meters for consumers with loads above 20 kW. In this case, MSEDCL will need to replace the meters of such consumers on a top priority. Meanwhile, MSEDCL shall provide a separate update on the metering progress for consumers with loads over 20 kW in its six-month status report as suggested by the*

stakeholders in the above comments, the Commission directs MSEDCL."

2.14.16 Further, Commission takes the clarification of MSEDCL on record that, "the expenses towards implementation of ToD metering will be fulfilled from increased revenue due to reduction in commercial loss. The consumers will not be burdened for any hidden costs."

2.14.17 The Commission directs MSEDCL to submit the detailed report on the status of smart meter roll out plan and revised timelines within 3 months from the date of this Order.

2.15 Green Tariff

Objection's/Suggestions

2.15.1 Prayas Energy Group and others suggested that Green Tariffs at Rs. 0.25/unit, significantly lower than the Rs. 0.66/unit applicable in the 4th Control Period. Additionally, for industries classified as sunshine industries, such as data centres and semiconductor industries, Round-the-Clock (RTC) green power is proposed to be supplied without any additional Green Tariff. The availability of RTC green power, especially on a block-wise basis, is contingent upon MSEDCL's planned capacity addition and procurement of energy storage. The supply of such specialized green power without additional charges constitutes a subsidized benefit, effectively creating a cross-subsidy borne by other MSEDCL consumers. It is submitted that RTC Green Power, if made available, shall be provided to industrial consumers at an additional "RTC Green Tariff" of Rs. 1/unit to ensure cost-reflective pricing and avoid undue cross-subsidization.

2.15.2 ABB India Ltd. suggested reducing the green tariff for the 5th Control period from 0.25 Rs/kWh to 0.15 Rs/kWh. This will be beneficial to MSEDCL from scalability point of view and industries will have the easy green energy option available by MSEDCL.

MSEDCL's Reply

2.15.3 MSEDCL in its Petition has proposed Green Tariff at Rs. 0.25/unit, much lower than the Rs. 0.66/unit in the 4th Control Period. However, for sunshine industries like data centres and semiconductor industries, RTC green power will be provided without any additional green tariff. A special concession has been provided to Sunshine Industries to give them leverage in lieu of specific research and investments they are bringing in the state.

Commission's Ruling

2.15.4 The Commission has specified the Green Tariff for 5th Control Period in the Section 7.18 of this Order.

2.16 Not issuing Energy Bills to AG consumers:

Objection's/Suggestions

2.16.1 Prayas Energy Group submitted that, the GoM has waived the electricity bills of agricultural consumers from 1 April 2024. However, the outstanding dues of agricultural consumers prior to this date are still pending.

2.16.2 The Commission, in its order dated 30 September 2020 in Case No. 26 of 2020 and 27 of 2020, has given directions regarding the signing of the Memorandum of Understanding (MoU) for the co-generation plants whose agreements were terminated 13 years ago. Similarly, in its order dated 21 January 2021 in Case No. 2 of 2021, the Commission has given directions regarding the signing of the MoU for new co-generation power purchase agreements.

2.16.3 In the said orders, the Commission has directed that co-generation plants shall be responsible for recovering the electricity dues of low-tension agricultural consumers.

2.16.4 As per the above-mentioned orders of the Commission, if sugar factories fail to achieve the target of recovering outstanding agricultural electricity bills, they will be subjected to 95% of the tariff rate determined under the MoU for power purchase agreements. Accordingly, the sugarcane producers or members supplying sugarcane to sugar factories are required to pay their outstanding electricity bills for the previous period.

2.16.5 Shri Pranit Jagtap and Shri Pratik Bhoite submitted that after grant of subsidy by Government of Maharashtra, MSEDCL has not raised any energy bills on them, but Sugar Factories are insisting on payment of energy bills. In absence of energy bills, Sugar factories cannot insist on payment of energy bills.

2.16.6 Shri Rajendra Goenka further pointed out that energy bills for AG pumps are not available on web-portal of MSEDCL.

MSEDCL Reply

2.16.7 The Commission in its Order dated 30 September 2020 in Case No. 26 of 2020 and 27 of 2020 and 21 January 2021 in Case No. 2 of 2021, directed Sugar factories to recover the energy bills from electricity dues of low-tension agricultural consumers. MSEDCL is following up with the directives of the Commission.

Commission's Ruling

2.16.8 The Commission has taken note of the submission of the consumers. The issue raised by Prayas is related to the subsidy given by GOM under Section 65 of the EA 2003 which is out of the purview of this proceedings. MSEDCL is required to make all efforts for recovery of the outstanding dues in case it does not receives the subsidy from GOM for the past period.

2.16.9 MSEDCL reply is silent on non-issuance of energy bills to AG consumers.

2.16.10 The consumer will get true picture of their consumption after receipt of energy bills. Consumers in different regions have pointed out that energy bills for AG consumers are not generated and not made available on web portal. The Commission expresses displeasure on MSEDCL for not issuing energy bills to Agricultural consumers and this is leading to trust deficit.

2.16.11 It is pertinent to note that the Commission in its order dated 30 September 2020 in Case No. 26 of 2020 and 27 of 2020, has given directions regarding the signing of the Memorandum of Understanding (MoU) for the co-generation plants whose agreements were terminated 13 years ago. Similarly, in its order dated 21 January 2021 in Case No. 2 of 2021, the Commission has given directions regarding the signing of the MoU for new co-generation power purchase agreements. In the said orders, the Commission has directed that co-generation plants shall be responsible for recovering the electricity dues of low-tension agricultural consumers. For efficiency recovery of energy dues, MSEDCL need to co-ordinate with Sugar factories and improve billing and bill distribution.

2.17 Commercial tariff on Advocate Office

Objection's/Suggestions

2.17.1 Dr. Sunil Deshmukh, Ex. MLA, Veej Grahak Samiti Nashik, Bar Council of Maharashtra & Goa and other advocates has objected to MSEDCL's continued classification of lawyers' offices under the commercial tariff. The Bombay High Court's Order in Writ Petition No. 15666 of 2023, barred commercial billing to Advocates premises.

2.17.2 Dr. Sunil Deshmukh cited the Supreme Court's ruling that 'commercial' and 'non-domestic' are not interchangeable, reinforcing that lawyers' offices should not be categorized under commercial tariffs. The Commission has not issued specific instructions to MSEDCL to comply with the court's ruling, which is necessary to uphold the legal directive.

2.17.3 The Advocates Association of Aurangabad prayed to classify advocates' offices under domestic tariff rather than commercial tariff. On 20 December 2023 in writ Petition No. 15666 of 2023, the Bombay High Court ordered that no further bills shall be issued treating lawyers' offices as commercial establishments. Despite this order, MSEDCL has continued to file Petitions categorizing lawyers' offices as commercial.

MSEDCL's Reply

2.17.4 As per the provisions of the Electricity Act 2003, the Commission is vested with the authority of regulating the power sector in the State inter alia including determination of tariff for electricity consumers of the utilities in the State.

Electricity Tariffs & Charges are determined by MERC through transparent process of public consultations and MSEDCL levies the charges as per MERC tariff Order. MSEDCL does not have any authority to make any changes in the same.

2.17.5 MSEDCL has proposed applicability of Tariff covering comprehensive usage and tariffs to the various categories will be applied by MSEDCL based on Final approval of the Commission.

Commission's Ruling

2.17.6 The Commission has dealt the Tariff related issues in Section 8 of this Order. The Commission has categorised office of the Lawyers under Public Service category.

2.18 RPO Compliance

Objection's/Suggestions

2.18.1 M/s Rathi Udyog MSEDCL has failed to meet its Renewable Purchase Obligation (RPO) targets, having commissioned only 10,487 MW (29%) out of the 36,564 MW of renewable energy agreements executed. This non-compliance increases financial liabilities, including potential penalties and the necessity to procure Renewable Energy Certificates (RECs), ultimately burdening consumers with higher costs. Furthermore, MSEDCL's procurement of renewable energy is financially suboptimal, with bagasse-based power purchased at Rs. 5.89/unit, wind energy at Rs. 4.49/unit, and solar power at Rs. 3.57/unit, despite significantly lower prevailing market rates. Such inefficiencies in procurement contravene the principles of economic prudence and least-cost power procurement. MERC is, therefore, urged to examine these inefficiencies and ensure that RPO compliance is achieved without unjustified financial burden on consumers.

MSEDCL's Reply

2.18.2 For meeting Solar RPO targets of FY 2023-24, MSEDCL had floated tenders in FY 2021-22 to 2022-23 for capacity around 12,050 MW for procurement of Solar Power. Against the same 1,499 MW Solar Power were contracted by MSEDCL and 25.66 MW capacity has been commissioned as on 31 March 2023. Further, during FY 2022-23, 3,250 MW tenders were cancelled due to discovery of high tariff rate.

2.18.3 Regarding non-solar RPO targets, MSEDCL submitted that due to natural factors beyond the control of MSEDCL viz. Changes in climate and operational factors of RE Generators, the actual resulting CUF / PLF is not at par with the normative CUF / PLF, which eventually affects the actual generation from non-solar RE-sources and leads towards shortfall in meeting RPO target. MSEDCL further submitted that it has contracted sufficient RE power for fulfilment of cumulative RPO shortfall.

Commission's Ruling

2.18.4 The Commission has dealt with RPO compliance of FY 2022-23 and FY 2023-24 and estimation of RE power procurement for meeting RPO compliance for the 5th MYT control period in power procurement section of respective years in this Order and issued necessary directions in the matter.

2.19 Financial Mismanagement

Objection's/Suggestions

2.19.1 Shri Mahaveer Kumar Jain and others submitted that the statutory auditors have persistently issued reports with significant qualifications, highlighting severe lapses in corporate governance and financial management. Despite being accountable for compliance, the officers, including those at the Director level, have failed to take effective measures, leading to increased operational costs and potential revenue leakage.

2.19.2 In Case No. 4/SM/2024, MSEDCL submitted an external consultant's report on billing. However, the internal financial control report of the auditors remains qualified on revenue aspects, indicating an attempt to mislead the Commission and divert attention from core issues. The auditor's main report identifies critical deficiencies, including the absence of proper records for Property, Plant & Equipment (PPE), delayed capitalization and retirement of assets, lack of verification mechanisms, inadequate provision for liabilities, and unexplained balance classifications also Internal audit system is not commensurate with the size and nature of its business.

2.19.3 The Commission's Regulations explicitly state that failure to submit separate Accounting Statements from FY 2020-21 onwards may result in the rejection of Petitions filed by the Generating Company, Licensee, or MSLDC, subject to providing a reasonable opportunity to be heard. Despite this provision, MSEDCL's Petition has been admitted without adherence to these compliance requirements. MSEDCL has repeatedly failed to comply with regulatory requirements by not submitting mandatory documents for the MYT petitions.

2.19.4 Therefore, it is requested the Commission to fix accountability on MSEDCL's internal officers responsible for ensuring compliance, direct MSEDCL to immediately make the Cost Audit Reports publicly available for transparency and hold MSEDCL accountable for its consistent failure to submit required documents in past and present MYT petitions. The failure of MSEDCL to comply with these regulatory requirements undermines transparency and due process and, therefore, seeks necessary directions from the Commission to ensure strict adherence to the Regulations.

2.19.5 MSEDCL has persistently failed to address statutory audit qualifications. Despite repeated adverse remarks from auditors, key deficiencies remain unrectified.

2.19.6 The maintenance of excessive current account balances (Rs. 2,126 Crore in March 2024) while utilizing OD/CC facilities at 10% interest, leading to avoidable financial loss. Non-compliance with Section 61(d) of the EA 2003, causing a cumulative 36% per annum financial burden due to lost prompt payment discounts and delayed payment charges. ERP implementation delays despite Rs. 200-300 Crore in expenditures; billing/collection still outside ERP, causing Rs. 2,200 Crore write-offs in FY 2014-15, Rs. 300 Crore inventory losses, and Rs. 65 Crore security deposit discrepancies.

2.19.7 Weak Internal Financial Controls per Section 143(3) of the Companies Act, 2013, with no corrective action since FY 2015-16, increasing fraud risk. The repeated allotment of internal audit contracts (Rs. 30-40 lakh annually) without transparent tendering. The exclusion of financial control, taxation, and statutory compliance from internal audits, violating ICAI-prescribed norms. He further suggested to impose penalties under Section 142 of EA 2003 for regulatory non-compliance. He also suggested to mandate a CA-certified audit of bank balances for FY 2022-23 and FY 2023-24 and enforce 100% ERP integration and auto-transfer of idle funds to reduce financial losses and ensure rectification of IFC deficiencies in the FY 2024-25 audit report. He further demanded to hold responsible officers accountable through penal and administrative action to prevent further financial irregularities. Strengthening IFC is mandatory to prevent further financial irregularities and to protect consumer interests.

2.19.8 Under the Supply Code Regulations 2021, MSEDCL is mandated to install Power Quality Meters, develop a centralized database, and create a web-based interface within a three-year timeline. The current implementation status is unclear. A detailed compliance report and timeline for full execution are demanded, with accountability fixed on responsible officers. Non-compliance should warrant regulatory action under the EA 2003.

2.19.9 M. Jain further objected that MSEDCL has not conducted physical verification of Property, Plant & Equipment (PPE), except for vehicles, raising concerns about the accuracy and accountability of assets.

2.19.10 Additionally objected that MSEDCL has failed to make provisions for significant financial obligations, including compensation for incremental coal costs amounting to approximately Rs. 468.30 Crore and a liability payable to Ratnagiri Gas Power Private Limited (RGPPL) of around Rs. 5,979.65 Crore.

The lack of provisions raises concerns about financial transparency and the potential impact on future expenses.

2.19.11 Basant Agro Tech Ltd. objected that MSEDCL has failed to publish audited financial reports for FY 2023-24 on its official website and has not submitted the same to the Ministry of Corporate Affairs (MCA), raising serious concerns regarding transparency and accountability. Furthermore, there exist material discrepancies between the financial data presented in MSEDCL's annual report and the data submitted to the Commission. Considering these inconsistencies, it is imperative that an independent audit and verification of the submitted financial data be conducted prior to the consideration and approval of the present Petition.

2.19.12 Powerloom Owners Association submitted that forensic audit needs to be done before passing of MYT Order.

MSEDCL's Reply

2.19.13 MSEDCL submitted Cost audit report for FY2022-23. At present the cost statements are prepared in Excel Spread sheets manually by extracting relevant data from SAP. Further, considering the vast spread of administrative offices and profit centres, considerable time is required for completion of audit of cost records to the Cost Auditors. As such, the company is facing difficulty in timely completion of cost audit. Necessary system development for auto generation of cost records in SAP is under process.

2.19.14 Cost Audit records are maintained in excel format and provided to cost auditor for audit on annual basis. Circle-wise cost records are available upto FY 2022-23 and cost record compilation for FY 2023-24 is completed & cost audit is in process. Cost audit report for FY 2022-23 was provided to Statutory auditors.

2.19.15 MSEDCL submitted that it is taking note of auditor's opinion, negative comments and improving in areas highlighted by the statutory auditors. The reporting format for the Internal Audit is modified each year. Internal Audit covering all the accounting offices in the field and all sections at head office, i.e. 209 circles and divisions and around 28 sections in Head office are covering into the internal audit. Provisions of the ICAI guidelines for compliance by the members of the Institute are as below;

> *"(i) A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services în areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where the minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants"*

2.19.16 MSEDCL does not follow a tender process for internal audits but instead empanels audit firms through a structured selection process conducted every three years. Only firms meeting specific criteria are empaneled, and currently, 214 firms have been selected for EY 2023-24, 2024-25, and 2025-26. Audit firms are appointed on a rotational basis and based on geographical proximity to ensure efficiency. The financial audit fees for field offices are approved by the Audit Committee and the Board of Directors, with Rs. 40,000 allocated for O&M Circle/Division and Rs. 35,000 for Civil Circle/Division. At the head office, four audit firms are engaged to audit 28 sections, with a total fee of Rs. 800,000 distributed among them, while IFC audit fees amount to Rs. 340,000, also shared among the four firms.

2.19.17 The Internal Audit, conducted periodically, includes financial audits on a half-yearly basis, HT & LT billing audits annually, and year-end inventory assessments, covering control, review, analysis, taxation, statutory compliance, and financial improvements. It encompasses compliance and revenue audits, ensuring comprehensive financial oversight. The scope and reporting format of the Internal Audit are shared in advance with statutory auditors, who have not raised concerns regarding these aspects. The Internal Audit criteria align with Section 138 of the Companies Act, 2013 and are reviewed and refined periodically in consultation with relevant sections to enhance audit quality consistently.

2.19.18 From the year 2010-11 MSEDCL has empanelled the CA/CMA firms for conducting Internal Audit to meet out the Statutory requirements. MSEDCL Board of Directors has approved the empanelment of 214 (CA/CMA)-professionally qualified external Internal Audit Firms for conducting Internal Audit throughout the State of Maharashtra for the period 2023-2026. The Internal Audit is conducted through the Empanelled Internal Auditors.

2.19.19 The Audit Methodology adopted for conducting internal Audits consist of entry meeting, issuance of POM, draft audit report, reply to draft audit report, exit meeting, issuance of final audit report, Action Taken Reports, closer report by auditor. Additionally, Dashboard has been developed in–house by Internal Audit Section for monitoring and review of Progress of internal Audit in timely & smooth manner. All the Audit Reports along with physical Inventory verification Report is available on Internal Audit Dashboard. In view of above, considering the methodology of Audit, frequency of Audit, the matters Reported by Internal Auditors and Number of Firms appointed, MSEDCL's internal audit system is commensurate with the size and nature of its business.

2.19.20 Further query on Internal Financial Control, MSEDCL submitted that, the Risk Control Matrix (RCM) document w.r.t Internal Financial Controls. (IFC) was prepared w.r.t. IFC in from FY 2019-20 by the external professional Chartered Accountant Firm, the firm is also empanelled with MSEDCL. The same were again reviewed and modified in FY 2021-22 by another Professional firm empanelled with MSEDCL. Both times the professional firm has drafted and reviewed RCM documents in consultation with the Head of Department and concern team of each Section. Thus, MSEDCL is taking steps to strengthen Internal Control mechanism.

2.19.21 The RCM prepared is reviewed each year and modified accordingly, wherever required. The RCM document is validated every year by the empanelled Internal Auditors conducting Internal Audit of Head office. The testing of RCM is also done through empanelled independent Internal Auditor. In each year the RCM document, the RCM Certificate and RCM testing certificate is also submitted to the Statutory Auditors, well in advance for their review.

2.19.22 The ineffective controls are communicated by the concerned section/offices for corrective actions to take the necessary corrective action. Further, the Statutory Auditors has also agreed that the company has established framework for IFC with reference to standalone Financial Statements in their Auditors Report. In view of above, it is evident that MSEDCL is taking continuous efforts for strengthening Internal Control mechanism.

2.19.23 MSEDCL follows a structured verification process, including joint measurement certification (JMC) after project completion and third-party inspections by agencies such as REC and PFC. Due to the continuous nature of electricity supply operations, network assets like lines, cables, and substations are monitored as part of regular business activities. Physical verification of land and vehicles has already been completed, and verification of buildings and IT equipment will begin in the next financial year. Other assets will be verified in a phased manner, prioritizing high-value assets for regular checks. Additionally, the upcoming Substation Monitoring System and GIS mapping under PM Gati Shakti will provide real-time visibility of substations and network assets.

Commission's Ruling

2.19.24 The Commission notes the serious comments and allegations of the consumers on the financial indiscipline and auditor's adverse remarks in the Audited Reports. The Commission also notes that, MSEDCL's submission on the issues raised by consumers is not satisfactory and to the points. The Commission in MTR Order had directed MSEDCL to submit point wise reply to such objection to the objectors and submit the action plan to take corrective action on all the adverse remarks, qualification and references within six months of the MTR Order.

2.19.25 Accordingly, the Commission initiated the Suo-motu proceedings in Case No. 4/SM/2024 to monitor the compliance of directives given to MSEDCL is various Orders. The Commission passed the Order dated 25 January 2025 wherein the Commission has discussed the issue of financial mismanagement and adverse remarks of the statutory auditors. The Commission has concluded that, MSEDCL has not taken the directive of the Commission seriously and not complied with it. Further the Commission has treated it as non-compliance of directives under Section 142 of the Electricity Act, 2003 and imposed the Penalty of Rs. 1,00,000/- levied upon MSEDCL for non-compliance of these directives.

2.19.26 The Commission also notes that, as per the PFC Report of February 2025, MSEDCL has been ranked as last amongst 52 utilities rated by PFC with a rating of “C-” which is unwarranted. MSEDCL has slipped down further from its earlier ranking of “C” in the FY 2022-23 report published by PFC. The key reasons for reduction in ranking are reduction in AT&C losses, decrease in billing efficiency, days receivables have decreased from 202 days in FY 2022-23 to 200 days in FY 2023-24, Collection Efficiency has decreased from 97.27% in FY 2022-23 to 90.47% in FY 2023-24. Many of these parameters are directly impacting the working capital requirements thus resulting in MSEDCL needing to borrow significant quantum of working capital loans, thus increasing the interest payable. This is not a desirable situation and MSEDCL needs to devise ways to improve the financial position. As evident from the PFC report, adverse opinion of the Auditor has been one of the important factors impacting the rating of MSEDCL. The adverse observations are pertaining to various issues in the audited accounts of MSEDCL covering aspects like capitalisation related aspects (e.g. Property, Plant & Equipment - non-availability of proper record, non-capitalisation or delayed capitalisation, lack of mechanism for identification of operational expenses for capitalisation, non-availability of details pertaining to likely completion dates, cost overrun details, etc.), These are very serious observations highlighting issues with regards to lack of fiscal and operational discipline in case of MSEDCL.

2.19.27 The poor rating also impacts the credit worthiness of the company impacting its ability to source cheaper funds for meeting both capital expenditure and working capital funding requirements. MSEDCL needs to introspect and find ways to improve the performance over a short period of time. Deterioration in performance further will impact MSEDCL adversely and its issue with cash management will only further increase.

2.19.28 The Commission directs MSEDCL to undertake compliance of the audit observations in a timebound manner and submit the action taken report within 6 months from the date of this Order. Any delay in adhering to these directions will attract penal action against the concerned senior officials of the company.

2.19.29 The Commission acknowledges that certain issues are having legacy issues from MSEB era/trifurcation period. Considering the same, with regards to financial management, the Commission in its Order dated 22 January 2025 has provided directives with explicit timelines. MSEDCL is directed to adhere to the said timelines and report the Compliance. Status of compliance will be taken up appropriately for public consultation and necessary Orders.

2.20 Increase in Fixed Charges

Objection's/Suggestions

2.20.1 All India Renewable Energy Association (AIREA) and others submitted that for HT consumers, the minimum billing demand is proposed to be raised from 75% to 85% of the contract demand, while for LT consumers, the fixed charge is sought to be increased by 50%. This proposal assumes that consumers can accurately predict their demand; however, several industries and businesses experience fluctuating demand patterns that cannot be precisely forecasted. Even when seasonal variations are anticipated, the existing process for modifying contract demand under MSEDCL is cumbersome and time-consuming, often taking months for implementation. The proposed increase in minimum fixed charges for both HT and LT consumers is therefore unreasonable, arbitrary, and shall not be approved.

2.20.2 Smt. Archi T. Agarwal prayed to reject the proposal for slab-wise fixed charges and retain a uniform fixed charge structure for all LT 1-Ph consumers. An increase in fixed charges for LT 1-Ph consumers from the existing Rs. 128 per month to Rs. 130–Rs. 160 per month, varying across different slabs of consumption. Introducing slab-wise fixed charges will create unnecessary confusion among consumers and add complexity to electricity bills. A uniform fixed charge for all slabs will ensure transparency and simplicity in billing.

2.20.3 Basant Agro Tech stated that in the last MTR Order, only 1.8% of fixed costs were permitted to be recovered through fixed charges. However, MSEDCL now seeks to recover 55% of fixed costs through fixed charges, which represents a sudden, excessive, and unjustified increase, contrary to the principles of gradualism and consumer affordability. Such an abrupt escalation in fixed cost recovery is inconsistent with past regulatory decisions and merits reconsideration.

2.20.4 Shri Mahaveer Kumar Jain submitted that, while AEML-D, TPC-D, and BEST levy Fixed Charges, MSEDCL applies Demand Charges for consumers with a connected load above 20 kW. This creates an unjustified disparity between consumers in Mumbai city and the rest of Maharashtra. Such differential treatment raises concerns regarding regulatory consistency and equitable tariff principles. Consumers across Maharashtra are entitled to uniform tariff structures without discrimination. It is, therefore, imperative that this discriminatory practice be discontinued, and Demand Charges be applied uniformly to ensure adherence to load control measures across all establishments.

2.20.5 Balaji Electro Smelters Pvt Ltd., Meenakshi Ferro Ingots Pvt Ltd., Thane Small Scale Industries Association, Indrayani Ferrocast Pvt Ltd and others submitted that the introduction of the Regulatory Regime in FY 2000-01, particularly regarding 100% metering, Energy Accounting, and Energy Audits, as well as the submission of voltage-wise network costs and GFA since FY 2005-06. Despite Regulation 112.1 of MERC MYT Regulations, 2024, allowing for a gradual increase in Fixed/Demand Charges, MSEDCL has proposed an excessive hike making it one of the highest in India. A comparative analysis of state-wise tariffs reveals that MSEDCL's charges are significantly higher than those of Tata Power (Rs. 400/kVAh), Adani Distribution (Rs. 400/kVAh), Punjab (Rs. 215-Rs. 315/kVAh), Karnataka (Rs. 340/kVAh), Assam (Rs. 360/kVAh), Chhattisgarh (Rs. 375/kVAh), Telangana (Rs. 475/kVAh), and even Madhya Pradesh, which imposes Rs. 384/kVAh at 11kV but rises to Rs. 704/kVAh at 132kV.

2.20.6 Given this disproportionate financial burden on Maharashtra consumers, it is essential that the Commission should reject the proposed hike and rationalizes Demand Charges in line with other DISCOMs across India. Further, it is requested that MERC should use its special regulatory powers to ensure just and competitive tariff structures, thereby preventing unfair financial discrimination against Maharashtra consumers.

MSEDCL's Reply

2.20.7 The Commission in its first Tariff Order 5 May 2000 had ruled that fixed costs shall primarily be recovered via fixed charges and shall be gradually increased over time. The fixed charges are recovered against the costs for installed infrastructure for generation (for 24X7 Supply) and keeping the generation capacity ready all the time. Therefore, the fixed charges need to be levied.

2.20.8 Further, fixed charges to power generators, transmission costs, depreciation, and employee costs, are fixed and must be paid regardless of sales volume. These costs shall ideally be recovered through Fixed and Demand charges. Even after the increase in fixed cost as against the ratio of fixed cost to total ARR of 55%, the revenue recovery through Fixed/Demand charges is less than 15%.

2.20.9 Regarding query on recovery of fixed charges, MSEDCL submitted that as per MERC MYT Regulations 2024, Tariff for retail supply may comprise of fixed/demand charges. Further, distribution infrastructure is developed based on the connected load of all consumers, and additionally, MSEDCL also contracts power purchase agreements (PPAs) as per the connected load of all consumers. Therefore, charging consumers demand charges instead of fixed charges may be unfair to those with lower connected loads. Implementing demand-based charges ensures that consumers pay based on their actual demand rather than a fixed cost, promoting efficient load management and grid stability.

Commission's Ruling

2.20.10 The Commission notes that, several consumers have objected to MSEDCL's proposal of a steep increase in Fixed Charges in most of the categories. The Commission has elaborated the rationale for levy of Fixed Charges and Demand Charges in previous Tariff Orders, i.e. to the extent possible, recovery of fixed costs should come from the Fixed Charge component of Tariff. That is also in accordance with the EA, 2003 and the National Tariff Policy.

2.20.11 Recovery of fixed costs through fixed/demand charges at present is low. Only a part of the fixed costs is recovered through fixed/demand charges and the balance fixed costs are recovered through energy charges, which are linked to the actual energy sold to consumers. The Distribution Licensee is entitled to some level of assurance regarding the recovery of fixed costs. In consideration of consumers with low consumption levels the entire fixed costs are not recovered through fixed/demand charges, however such fixed costs are required to be recovered through fixed cost, to a reasonable extent.

2.20.12 Given the surplus situation of availability of power now in the State, the Commission has decided to rationalise and increase the Fixed/Demand Charges for all categories of consumers so as to gradually move towards the mandate of recovery of fixed cost through Fixed /Demand charges. The Commission has also expressed similar views in its Statement of Reasons to MERC MYT Regulations 2024.

2.20.13 Moreover, with the rationalization of Energy Charges elaborated in Section 8 of this Order, the revision in Fixed Charge is unlikely to burden consumers significantly. The fixed/demand charges for each category are determined keeping in view the existing fixed/demand charges, the Average Billing Rate (ABR), and the cross-subsidy ratio.

2.20.14 The Commission is rationalising the fixed/demand charges for all Distribution Licensees in Maharashtra, including MSEDCL, keeping in view the share of fixed costs in the total ARR and the existing recovery of fixed costs through fixed/demand charges.

2.21 Increase in Energy Charges

Objection's/Suggestions

2.21.1 Smt. Archi T. Agarwal and others objected to the proposed increase in energy charges by MSEDCL, arguing that it would unfairly burden consumers. For LT-1B residential consumers from the second slab onwards for the FY 2025-26, resulting in an escalation of tariff rates across various consumption categories. While the tariff for the first slab (1-100 units) has been marginally reduced from Rs. 4.71 to Rs. 4.37 per unit (a decrease of 7.2%), the charges for higher slabs have been increased, with rates rising by Rs. 0.85 per unit (8.26%) for the 101-300 unit slab, Rs. 0.94 per unit (6.46%) for the 301-500 unit slab, and Rs. 0.99 per unit (5.95%) for consumption exceeding 500 units. These rates are exclusive of the FAC, which is a variable component. It is contended that MSEDCL has misleadingly compared the existing and proposed tariffs by incorporating the FAC into the current rate, thereby creating a false impression of reduced energy charges. As FAC will continue to be levied separately, any increase in fuel costs will further elevate consumer electricity expenses. The proposed revision in energy charges, which already reflects an increment of 6% to 8%, coupled with the additional FAC, will impose an unjustified financial burden on consumers. It is therefore requested the Commission to reject the proposed tariff revision as it would result in an undue increase in electricity bills, adversely impacting residential consumers.

2.21.2 Basant Agro Tech submitted that in several other states, various power rebates are provided, further reducing the effective energy cost for industries. A comparative analysis reveals that energy charges in other states for FY 2024-25, excluding power rebates, are significantly lower. For instance, the KVAh tariff for EHV consumers in Maharashtra stands at Rs. 9.01/unit, whereas in Gujarat, the HTP-I category ranges between Rs. 3.55/unit and Rs. 4.30/unit, and in Chhattisgarh, the HV-3 category at 220 KV is Rs. 6.55/unit, demonstrating a stark contrast. Similarly, in Madhya Pradesh, the HV 3.1 category at 220 KV > 50% Load Factor is Rs. 5.40/unit, while in Telangana, the KVAh tariff at 132 KV is Rs. 6.65/unit. Other states, including Karnataka, Goa, Andhra Pradesh, Tamil Nadu, Odisha, and Jharkhand, also maintain substantially lower energy charges compared to MSEDCL, making Maharashtra's tariffs unreasonably high. Furthermore, Maharashtra's demand charges and wheeling charges further burden industrial consumers, making energy costs uncompetitive with Tata Power Company and Adani Distribution within the state itself. The excessive financial strain on industries due to these high charges affects business viability and discourages industrial investments in Maharashtra.

2.21.3 Balaji Electro Smelters Pvt Ltd., Meenakshi Ferro Ingots Pvt Ltd., Thane Small Scale Industries Association, Indrayani Ferrocast Pvt Ltd and others submitted that the electricity tariffs for various voltage levels and consumer categories in Maharashtra, Gujarat, Chhattisgarh, and Madhya Pradesh are governed by the provisions of the EA 2003, along with the applicable tariff orders issued by the respective SERCs. These tariffs are determined in accordance with the tariff Policy, 2016 and the NEP 2005, ensuring cost-reflective pricing based on consumer categories, voltage levels, and load factors.

2.21.4 In Maharashtra, MSEDCL follows a KVAh tariff structure, where energy charges are set at 901 paise/kWh for EHV consumers, while for consumers at

33 KV, 22 KV, and 11 KV, the tariff is 961 paise/kWh. In Gujarat, under the HTP-1 KVA tariff, energy charges range from 400 to 430 paise/kWh for different consumer categories based on contract demand, while at higher voltage levels (33 KV, 66 KV, and 132 KV), tariffs range between 305 to 355 paise/kWh. For Chhattisgarh, the HV-3 KVAh tariff applies to different voltage levels, with energy charges at 655 paise/kWh for 220 KV, 670 paise/kWh for 132 KV, and varying rates for 33 KV and 11 KV based on load factors. Consumers with a load factor above 15% at 33 KV and 11 KV pay 695 and 735 paise/kWh, respectively, whereas those with a load factor below 15% are subject to higher tariffs of 745 and 765 paise/kWh.

2.21.5 Similarly, power-intensive industries (HV-4 tariff category), including Ferro Alloys and Steel, have lower energy charges, with 595 paise/kWh for 220 KV, 610 paise/kWh for 132 KV, and varying rates for 33 KV and 11 KV based on load factor. In MP the HV 3.1 KVA tariff distinguishes between high and low load factors. Consumers at 220/400 KV with a load factor above 50% are charged 540 paise/kWh, whereas those below 50% pay 640 paise/kWh. Similarly, at 132 KV and 33 KV, consumers with a higher load factor benefit from lower tariffs (586 and 621 paise/kWh, respectively), while lower load factor consumers are subject to higher rates (685 and 765 paise/kWh, respectively). These tariff structures are framed in compliance with Sections 61, 62, and 64 of the EA 2003, which empower regulatory commissions to determine tariffs based on economic efficiency, consumer category differentiation, and sustainable energy pricing. The variations in tariffs across states reflect regional cost structures, generation costs, transmission charges, and distribution expenses. Additionally, the tariff differentiation based on load factor aims to encourage efficient energy consumption, rewarding high-load-factor consumers with lower energy charges.

MSEDCL's Reply

2.21.6 MSEDCL submitted that the revision in energy charges for the 5th Control Period (FY 2025-26 to FY 2029-30) is essential to bridge the revenue gap and ensure the financial sustainability of the power sector. The proposed tariff revision accounts for inflation and increased costs arising from factors such as higher power purchase expenses, coal blending due to domestic coal shortages, and statutory claims under changes in law. Additionally, cost escalations from entities like MSPGCL, PGCIL, and NPCIL have contributed to the necessity of this adjustment. Furthermore, the present Petition factors in the accumulated past period unrecovered revenue gap, the impact of the Review Petition, and the projected shortfall for true-up and APR, effectively covering six years of recovery. The carrying cost incurred due to delays in recovering legitimate expenses is also included in the revenue gap. Therefore, the increase in energy charges is necessary to recover legitimate costs, maintain service quality, and ensure a stable and reliable power supply for consumers.

Commission's Ruling

2.21.7 The Commission has dealt with this issue in tariff philosophy Section No. 7 of this Order.

2.22 FAC (Fuel Adjustment Charges)

Objection's/Suggestions

2.22.1 Shri Goenka submitted that the existing methodology for recovering Fuel Adjustment Charges (FAC) is based on computing the FAC amount for the "n+2th" month but levying it on the units consumed in the "n" month. This practice introduces significant uncertainty in revenue recovery, resulting in consistent over-recovery or under-recovery due to fluctuations in consumption during the "n" month. Any discrepancies in recovery are carried forward to subsequent months, further increasing financial unpredictability. Additionally, the possibility of carrying forward recovery into the "n+2th" month persists, as it is based on computations from the "n-4th" month, leading to uncertainty and substantial variations in FAC charges, ranging from Rs. 0.10 to Rs. 1.00 per kWh. To mitigate this issue, it is proposed that FAC for the "n+2th" month should be calculated and billed in the "n" month, but should instead be based on the actual consumption of the "n-2th" month. This adjustment would eliminate the risks of under-recovery, over-recovery, and additional carrying costs. Consumers migrating to OA or receiving Permanent Disconnection (PD) status in the "n" month are currently still liable to settle FAC payments for past consumption before account closure, which creates additional financial burdens. Furthermore, new consumers who did not consume electricity in the "n-2th" month are unfairly charged FAC in the "n" month for a period when they were not active consumers. By aligning FAC calculation with the "n-2th" month's consumption, the process will become more predictable, eliminating unnecessary financial adjustments, and resulting in a stabilized FAC rate ranging between Rs. 0.30 to Rs. 0.40 per kWh.

2.22.2 Thane Small Scale Industries, MIDC Industries Association, Chandrapur and others raised objection that the Commission has been reviewing MSEDCL's submissions for FAC liability monthly, granting prior or post-facto approvals to cover power purchase shortfalls without awaiting the final True-Up process. If the power purchase cost is lower than the approved cost, FAC should be refunded to consumers. However, MSEDCL has not issued any refunds despite collecting excessive FAC charges during FY 2022-23, including carrying costs for under-recovery. FAC charges ranged from 15 Paise/Unit (April-May 2022) to 135 Paise/Unit (June 2022 - March 2023) for HT-Industrial Consumers, amounting to Rs. 14,923.70 Crore comparable to the additional power purchase cost. Despite this, MSEDCL has proposed a True-Up requirement of Rs. 14,882.85 Crore for the same period, raising concerns over transparency.

Furthermore, MSEDCL is not permitted to pass on interest and expenses for delayed payments to generators. It is to be prayed to the Commission to conduct a thorough assessment of the necessity of this additional True-Up requirement post-FAC collections.

MSEDCL's Reply

2.22.3 As per the provisions of the regulations, if MSEDCL incurs additional power purchase costs due to factors beyond its control (such as changes in laws, unforeseen circumstances, etc.), the Commission allows the recovery of this additional cost through the FAC. Therefore, the FAC is an integral part of the electricity tariff. Hence, while comparing electricity tariffs, it is essential to include the FAC in the calculation.

2.22.4 Under the ARR methodology, FAC collections form part of the revenue under the head "Revenue from Sale of Power," while increases in power purchase costs due to higher demand and prices are accounted under the expenditure section of ARR under head “Power Purchase Expense”. These two components are distinct and should not be confused.

2.22.5 It is important to note that the FAC collection is not intended to directly compensate for the rise in power purchase expenses. Therefore, any assumption that the FAC collected is being used to offset the power purchase cost should be clarified as incorrect. The FAC is a mechanism to recover shortfalls in fuel and power purchase costs and is calculated based on various factors such as the fuel cost incurred by MSEDCL, but it is not a direct replacement for the overall power purchase expense

2.22.6 Regarding the concerns raised on FAC collections and true-up claims, MSEDCL assures that all FAC amounts collected are in accordance with the prescribed methodology and approved by the Commission. The Commission allows every component of ARR viz. Power Purchase Cost, Revenue from Sale of Power etc. after prudent check.

Commission's Ruling

2.22.7 FAC mechanism envisages levy / refund of charges if power purchase cost undergoes a change from that approved in the Tariff Order. Per unit rate of power purchase is dependent on power purchase quantum, source mix and rate of each source. The Commission is scrutinizing all FAC computation of Distribution Licensee while granting approval to levy of FAC to consumers. FAC mechanism allows pass through of variation in power purchase cost without waiting for next tariff revision. This minimizes the impact of annual tariff revision. However, the Commission notes that the impact of frequent variation in rate on account of FAC needs to be minimized to the extent possible.

2.22.8 MYT framework is also a method for achieving a consistency in Tariff. In Order to address this issue to the extent possible, the Commission in its earlier MYT Order had slightly modified FAC mechanism to avoid frequent variations in the monthly bills on account of FAC charges. The Commission notes that, this has helped to absorb the monthly FAC variations to great extent during the 4th control period. There was no FAC levied to the consumers during first 2.5 years of 4th Control Period.

2.23 Separate Construction Meter

Objection's/Suggestions

2.23.1 Basant Agro Pvt. Ltd., Shri. Gaurav Wani, Shri. Vijay Wani and others has raised concerns regarding MSEDCL's proposal to mandate a separate temporary meter under the LT-II category for consumers renovating or reconstructing buildings. This requirement would place an additional financial burden on small residential consumers who would otherwise continue using their existing meters under the residential tariff. It is strongly objected that consumers with single-phase meters should be exempted from this rule to avoid unnecessary costs.

2.23.2 Furthermore, MSEDCL's proposal for mandatory temporary construction meters should not apply to individual consumers as it imposes an undue burden. Additionally, load factor incentives should be extended to all consumer categories, and incremental consumption rebates should apply to lower consumption slabs to ensure fair and non-discriminatory benefits.

2.23.3 Shri Ashish Chandarana submitted that residential consumers undertaking renovation and consuming more than 500 units of electricity should not be mandated to install a separate meter for construction purposes. Given that the residential tariff for consumption exceeding 500 units is already higher than the commercial tariff, imposing an additional requirement for a separate construction meter would be redundant and unnecessarily burdensome. Such a provision would introduce procedural complexities, causing undue hardship to consumers without yielding any significant regulatory or financial benefits. Therefore, it is recommended that the requirement for a separate construction meter in such cases be reconsidered.

MSEDCL's Reply

2.23.4 MSEDCL submitted that as per present tariff applicability in case of residential LT consumer with consumption up to 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises is not required to apply for a separate temporary connection and would be billed at Residential tariff rate. However, MSEDCL has proposed that consumer who demolishes existing structure/building and is making a new structure/building should apply for temporary connection and should be billed under "LT-II: LT Non-Residential" category as the same is not being used for residential purposes.

Commission's Ruling

2.23.5 The Commission notes that in Pune and other District places, there is large scale redevelopment activities are going on. The activity of renovation and rebuilding of structures are distinct in nature. The Commission hereby clarifies that if building/structure is demolished, and new structure is being developed then in such case new separate temporary connection is warranted. The consumer can retain the old connections in case of renovation in existing premises.

2.24 Demand Side Management (DSM) Program

Objection's/Suggestions

2.24.1 Prayas Energy Group submitted that as per MERC (DSM/DF) Regulations, 2024, the distribution licensee is entitled to recover costs for DSM and Demand Flexibility (DF) measures, including Load Research (LR), which must be submitted within one year of regulation notification. However, the MYT Petition lacks provisions for these expenditures, and the Commission shall direct the licensee to account for them in the ARR. Further, the DSM/DF Regulations require a safe disposal mechanism for inefficient appliances. While the licensee has proposed replacing 16,848 inefficient ceiling fans, no disposal mechanism has been specified. The Commission shall seek clarity on this aspect. Additionally, discrepancies in cost-benefit analysis for DSM projects need rectification, as the project cost varies from Rs. 75 Crore to Rs. 4.54 Crore, and estimated savings (162%) appear inconsistent with actual savings (60%). The Commission may direct the licensee to provide corrected calculations for transparency.

2.24.2 Shri. Mahaveer Jain submitted that the Forum of Regulators (FoR), stated in its report on DSM and Energy Efficiency, issued directives for regulatory interventions to ensure effective DSM implementation, emphasizing consumer-utility partnerships and appropriate electricity pricing. The SERCs were mandated to direct distribution utilities to establish DSM Cells, designate personnel for DSM management, and submit DSM plans alongside tariff petitions. Training programs were recommended for capacity building among regulators, utility staff, and state government representatives.

2.24.3 The recovery of DSM program costs was to be allowed as a pass-through in tariff calculations, with SERCs prescribing a percentage of the ARR for DSM initiatives. Regulatory mechanisms such as time-of-day tariffs, power factor incentives, load management charges, and rebates for energy-efficient appliances were suggested to promote DSM adoption. SERCs were advised to consider higher returns on equity for DSM investments and provide incentives for utility management and staff. Distribution utilities were encouraged to establish energy service companies as unregulated entities.

MSEDCL's Reply

2.24.4 Regarding the query on DSM, MSEDCL appreciates detailed suggestions regarding DSM and is taking proactive steps as per the guidelines/ directives given by the Commission from time to time regarding the implementation of DSM schemes.

Commission's Ruling

2.24.5 **The Commission appreciates the suggestions on implementation of DSM program. The Commission has made specific provisions in the MERC MYT Regulations 2024 for implementation of DSM measures as below;**

"104 Implementation of Demand Side Management Measures

104.1 *The Distribution Licensee shall consider the implementation of Energy Efficiency Schemes under the provision of the MERC (Approval of Capital Investment Schemes) Regulations, 2022 as amended from time to time.*

104.2 *The Distribution Licensee shall endeavour to reduce its self-consumption by implementing Energy Efficiency/Conservation measures which shall include but not limited to Distribution Transformer efficiency improvement schemes, deployment of LED bulbs and deployment of energy efficiency fans (BLDC fans, etc.), deployment of five star rated air conditioning units at its offices and other substations related establishments, schemes for voltage management measures and Power Factor improvement, Energy Efficiency monitoring and analytical hardware and software tools.*

104.3 *The Distribution Licensee shall submit its existing level of own energy consumption and Energy Conservation measure at the beginning of the Control Period and provide the trajectory for the reduction of such own energy consumption through the implementation of Energy Efficiency improvement scheme/plan under Capital Expenditure or Opex Expenditure as part of the MYT Petition alongwith the target of Energy Efficiency related savings, and monitoring plan in line with principles provided the MERC (Demand Side Management Implementation Framework) Regulations, 2010 as amended from time to time.*

Provided that, the Distribution Licensee shall submit its Energy Efficiency Programmes'/Scheme's Cost Effectiveness Assessment for the expected trajectory.

104.4 *The Commission shall specify the Energy Conservation Trajectory for the Control Period for the Distribution Licensee and shall review the actual performance at the time of truing-up, subject to prudence check."*

2.24.6 The Commission vide its DSM Regulations 2024, has directed to Distribution licensee to submit its existing level of own energy consumption and provide the trajectory for the reduction of such own energy consumption.

2.24.7 The Commission notes the submission in this Petition that, MSEDCL is in planning replacement Conventional pumps by BEE-5 star (BLDC) efficient fan to MSEDCL offices and proposed the saving of 2000 MUs during the 5th Control Period. The Commission is allowing the cost proposed by MSEDCL for implementation of DSM Program in the Section 5 of this Order.

2.24.8 The above provisions mandate the distribution licensee to implement the DSM measures to reduce its own consumption. The Commission also notes that, MSEDCL is in a process of installing the Solar rooftop plants on their buildings to reduce their own consumption. Further MSEDCL has also proposed to replace the existing fans with energy efficient BLDC fans to save around 2000 MUs during 5th Control Period. The Commission directs MSEDCL to reduce its base line consumption (FY 2024-25) as per the trajectory given by the Commission in Section 5.27 during the 5th Control Period.

2.25 Wire and Retail Business

Objection's/Suggestions

2.25.1 A separate account is proposed for wire and retail supply businesses. Tariff charges shall be decided only retail supply business expenditure shall be considered as Wire business expenditure is approximately 12% and retail business 88%.

2.25.2 Thane small scale industry commented that in compliance with the MERC (MYT) Regulations, 2024, the Retail Supply Tariff and Cross-Subsidy must be determined based on the Average Cost of Supply (ACoS) derived exclusively from the Retail Supply Business. Adani Power Distribution and Tata Power Company have adhered to these regulatory provisions by segregating ACoS for Wire and Retail Supply Business. However, MSEDCL has deviated from this regulatory mandate by computing ACoS for Non-Agricultural consumers in a manner that artificially inflates Cross-Subsidy burdens on Retail Supply consumers, thereby resulting in an unjustified increase in power tariffs for subsidizing consumers, particularly industrial consumers.

2.25.3 A detailed analysis of ACoS, of Mumbai Distribution Companies, reveals a significant disparity between total supply and retail supply businesses. The differentiation in costs between total supply and retail supply highlights the necessity of fair and transparent Cross-Subsidy allocation as per the MERC (MYT) Regulations, 2024. MSEDCL's approach of increasing Cross-Subsidies for Retail Supply Consumers violates the Electricity Act, 2003, and the National Tariff Policy. It is imperative that MSEDCL aligns its ACoS calculations with the regulatory principles laid down by MERC, ensuring equitable Cross-Subsidy distribution and adherence to cost-reflective tariff structures.

MSEDCL's Reply

2.25.4 As per the provisions of Regulations 89.2 of MERC (MYT) Regulations, 2024, in case complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the Aggregate Revenue Requirement of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with the Allocation Matrix provided in the said regulations. Accordingly, MSEDCL has segregated the expenses based on the allocation matrix as provided in the MYT Regulations 2024

Commission's Ruling

2.25.5 The Commission has considered the provisions of Regulations 89.2 of MERC (MYT) Regulations, 2024 while providing separate ARR for wire and supply business.

2.26 Virtual Net Metering

Objection's/Suggestions

2.26.1 Cleanhedge Verde Pvt. Ltd. requested to issue guidelines for MSEDCL to implement the Virtual Net Metering Regulations. Despite eight months having passed, MSEDCL have not passed any operative circular.

2.26.2 Meenakshi Ferro Ingots Pvt. Ltd., Raghunath Kaparthi (Balaji Electro Smelters) and others submitted that Virtual Net Metering Regulations shall be amended to include both residential and commercial users with a connected load of less than 20 kW, facilitating broader adoption of rooftop solar systems.

MSEDCL's Reply

2.26.3 MSEDCL has operationalized online web-based portal for Virtual Net Metering.

Commission's Ruling

2.26.4 The Commission in its MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) (Second Amendment) Regulations, 2024 has provided for deemed approval to technical feasibility in respect of RE systems up to 10 kW capacity and web-portal based application process.

2.26.5 It is noted that, MSEDCL has operationalised online web-based portal for Virtual Net Metering. This should facilitate the permissions for virtual net metering without any further delay. The Commission is already dealing with this non-compliance matter in Case No.222 of 2024. MSEDCL is directed expedite the approval process for processing of Rooftop net metering / virtual net metering applications.

2.27 Installation of Battery Energy Storage Systems (BESS) by Industries

Objection's/Suggestions

2.27.1 First Energy Pvt. Ltd and Shri. Nitin Kabara of Bhagyalaxmi Rolling Mills Pvt. Ltd suggested that Battery Energy Storage Solutions (BESS) be encouraged for industries with clear tariff incentives. The incentives received by MSEDCL from the government shall be utilized for battery infrastructure development to address peak demand shortfalls of 1-2% effectively.

2.27.2 Large industries would invest in BESS or other energy storage solutions to manage peak demand. Industries shall be allowed to store energy during off-peak hours at a discounted rate and utilize it during peak hours, thereby reducing stress on the grid. However, for such an investment to be viable, a return on investment (ROI) of 3 to 5 years must be ensured, considering the high capital cost of energy storage devices.

2.27.3 It is further suggested that MSEDCL should introduce a differential pricing mechanism, ensuring a minimum price variation of Rs. 5 per unit between off-peak and peak hours to justify storage investment. Large industrial consumers maintain a steady load factor exceeding 94% throughout the year and cannot concentrate 50% of their consumption within a limited time frame. The current methodology and seeks a more practical structure for bulk consumption incentives that considers real-time industry demand patterns.

2.27.4 Prior to February 2017, industrial consumers were allowed to adjust their demand utilization more flexibly, enabling them to expand consumption during non-peak hours. This provision was arbitrarily withdrawn, even though industries maintained a high load factor of 90-91% earlier, which has now increased to 95-96% even under restrictions. The restoration of this flexibility, which would enable efficient power utilization without compromising grid stability.

2.27.5 Shri. Abhijeet Shukla emphasized the need for the Commission to prioritize electronic waste management Policy, considering the anticipated increase in waste generation due to the widespread adoption of battery storage systems in the near future. Additionally, he highlighted India's complete reliance on imported lithium-ion batteries, stressing the importance of addressing this dependency to ensure self-sufficiency and reduce reliance on foreign sources.

MSEDCL's Reply

2.27.6 MSEDCL submitted that it is actively engaged and exploring in Energy Storage System like Pump Storage & BESS to optimize energy usage. It is pertinent to mention here that there would be additional cost element associated with these options which ultimately burdens the consumer and in current scenario ToD Tariff is the optimum solution.

Commission's Ruling

2.27.7 The Commission welcomes the suggestions of the consumers on installation of de-centralised BESS plants by industrial consumers and support Distribution Licensees to storge the excess energy generated by RE sources. The existing Regulations of the Commission related to Renewable Energy allows the consumers to install the Storage systems with Rooftop systems to maximise the benefits. Further the Commission is of the view that, revised TOD structure proposed by the Commission in this Order would provide attractive Energy Arbitrage for industrial and commercial consumers to install Storage systems. The Commission in its DSM Regulations, 2024, has recognised behind-the-meter battery energy storage systems, solutions as one of the Demand Flexibility (DF) programme. Considering the same, the Commission directs, MSEDCL to prepare DF programme within (6) months of this Order and submit the same for consideration of the Commission.

2.28 Capital Expenditure

Objection's/Suggestions

2.28.1 Prayas Energy Group suggested that MSEDCL has projected substantial capital investment for the control period, with 40% to 60% of funding expected through grants, of which 60% to 80% are under RDSS. The availability of RDSS grants is contingent on MSEDCL's compliance with financial and operational performance conditions. Failure to meet these conditions may lead to funding shortfalls, requiring investment recovery through the ARR, potentially increasing it by Rs. 10,000 Crore between FY 2026 and FY 2030. Non-execution of capital works would reduce GFA and O&M costs. Therefore, the Commission must monitor RDSS implementation and MSEDCL's adherence to grant conditions.

2.28.2 Further incomplete records and delayed Capitalization of Property, Plant & Equipment (PPE) - There is a lack of proper documentation and records for PPE, leading to inefficiencies in capitalization, delayed retirement of assets, and an inadequate mechanism for identifying employee, administrative, and general expenses for capitalization.

2.28.3 During public hearing at Nagpur, Shri Amit Deotale pointed out that financial closure of MIDC interest free scheme is yet to be done.

MSEDCL's Reply

2.28.4 MSEDCL has implemented SAP-based solutions to maintain and retrieve relevant records. Efforts have been made to organize complete records for land and vehicles, with a phased plan for other assets like transformers, lines, cables, and substations. The asset capitalization process has been automated, ensuring immediate accounting upon work completion.

2.28.5 Financial WCRs are generated automatically based on technical WCRs, and SAP now facilitates access to supporting documents such as JMCs, invoices, and WCRs. Capitalization delays are closely monitored, and manual adjustments for depreciation are made when necessary. MSEDCL follows a policy of capitalizing 15% of relevant costs, with plans to review and refine this methodology in FY 2024-25. Additionally, the Treasury & Risk Management module is being introduced in SAP to improve interest cost capitalization.

Commission's Ruling

2.28.6 For capital expenditure and capitalisation in this MYT Order, the Commission has considered only those schemes which have been in-principally approved by the Commission based on the DPRs submitted by MSEDCL. Further, the Commission has also carried out scrutiny of the actual capitalisation submitted by MSEDCL while considering the same in GFA addition for Truing up each year.

2.28.7 Capitalisation towards non-DPR schemes has been allowed only up to the threshold limit of 30% of the capitalisation towards DPR schemes. The Commission has disallowed 100% of the IDC of those schemes whose capitalisation has exceeded the in-principle approval. The Commission's observations regarding the capitalisation in excess of the costs approved in principle are elaborated in subsequent chapters dealing with True-up and ARR components.

2.28.8 The Commission notes the submission of the objectors and replies of MSEDCL. The Commission in its Regulation 16 of the Capex Regulations for in-principle approval to the Capital Expenditure has provisions for submission of six-monthly reports by the utility for project progress and capitalisation report at the end of the completion of the project. The Commission monitors the progress of capex schemes through progress reports.

2.28.9 With regards to RDSS schemes, the Commission has discussed the same in details while approving capex expenditure for the 5th MYT control period.

2.28.10 As far as financial closure of MIDC interest free loan scheme is concerned, MSEDCL shall take holistic review of scheme and close the scheme with appropriate provisioning in anticipation of contractual litigation/disputes, if any.

2.29 Working Capital

Objection's/Suggestions

2.29.1 Prayas Energy Group submitted that as per MYT Regulations, actual interest on working capital borrowing is subject to gain and loss sharing, while carrying cost is allowed for delays in recovery of legitimate dues. This results in consumers effectively bearing interest costs on both accounts. It is proposed that carrying cost be netted from actual interest on working capital borrowing while determining gain and loss sharing. Implementing this correction for FY 2023 and FY 2024 would reduce consumer passthrough of interest costs by Rs. 1500 Crores. The Commission is urged to adopt this approach in the tariff order to align with the intent of MYT regulations.

MSEDCL's Reply

2.29.2 MSEDCL has been claiming efficiency loss on interest on working capital borrowings as per MERC MYT Regulations, 2024.

Commission's Ruling

2.29.3 The Commission notes the submission of the Prayas Energy Group. The Commission is following the methodology for computation of sharing of gains and losses as specified in the MERC MYT Regulations 2024. The computation of IOWC is for that particular year whereas computation of carrying cost is for the future years for the amount not paid earlier. The netting of carrying cost with actual interest on working capital borrowing may not be appropriate.

2.30 Operation & Maintenance Expenses (O&M)

Objection's/Suggestions

2.30.1 Prayas Energy Group stated that O&M expenses for the control period shows an unjustified and substantial increase, rising from Rs. 9,000 Crore (8% of ARR) in FY24 to Rs. 21,000 Crore (11% of ARR) by FY30. This escalation primarily stems from a revision in the methodology for estimation of norms under the applicable MYT Regulations, shifting from inflation-linked escalation to norms based on consumer growth and GFA expansion. However, MSEDCL has failed to provide a detailed break-up of wires and supply GFA, as well as the rationale for consumer-based projections, thereby lacking transparency in cost estimation.

2.30.2 Furthermore, MSEDCL has not outlined any concrete plans to ensure that the increased O&M expenses result in tangible improvements in supply quality and consumer service. In the absence of clear efficiency measures and service enhancement strategies, there is a likelihood that MSEDCL will retain financial gains from the revised norms without corresponding consumer benefits. It sought clarity on MSEDCL's O&M estimation methodology and ensure accountability in service quality improvements before granting approval.

2.30.3 Shri Vivek Velankar prayed to the Commission to take immediate action to improve the quality of electricity supply and reduce the increasing number of power interruptions and outages affecting consumers as they are not spending enough on the O&M. MSEDCL has consistently spent less than the mandated 20% of O&M expenses on R&M in the years 2022-23 and 2023-24, with expenditures of only 13.5% and 15% due to which consumers across state are getting more and more deteriorated quality of service and a greater number of interruptions across state. Also, MSEDCL's alleged practice of not publishing reliability indices on their website, despite the Commission Orders to do so, and questions the role of MSEDCL's top management in improving service quality

MSEDCL's Reply

2.30.4 MSEDCL has projected the O&M expenses in concurrence with the norms and guidelines defi ned in the Regulation 93 and 103 of the MERC MYT Regulations, 2024, which provides for the procedure/methodology to calculate O&M Expenses for Distribution Wires Business and Retail Supply of electricity respectively.

2.30.5 MSEDCL is committed to enhancing service quality and reliability, focusing on upgrading infrastructure, reducing interruptions, and addressing critical maintenance needs. As submitted in the petition, R&M expenses have increased by 57% from Rs. 1,140.34 Cr. in FY 2022-23 to Rs. 1,791.95 Cr. In FY 2023-24, this demonstrates our commitment toward better maintenance of the network assets for sustainability and service reliability. MSEDCL has undertaken multiple projects (like Enterprise GIS and Network Analysis solutions, Sub-sta on monitoring system, Etc.) and is continuously working towards aligning R&M expenditure with the directions of the Commission.

Commission's Ruling

2.30.6 The Commission has noted the submissions on the poor quality of O&M and services to the consumers by MSEDCL. The Commission in MYT Regulations 2024 has proposed the O&M expenses on the output norms. O&M is linked with GFA and no of consumers of distribution licensees. The O& M will increase only if the GFA or assets base is increased, or actual number of consumers are increased. The Commission is of the view that, it will bring the required improvement in the services. With reference to lesser expenses on R&M the Commission has exercised the provisions of the MERC MYT Regulations 2019 for True up of the FY 2022-23 and FY 2023-24 and disallowed the O&M cost if minimum 20% is not spent on R&M by MSEDCL. As far as reliability indices data is concerned, the Commission notes that MSEDCL is reporting the same in accordance with Supply Code Regulations, 2021, but credibility or correctness of these data is in doubt as such data is being prepared based on historical methods. State level data is creating rosy picture, and it is needed to identify Circles with poor reliability. Hence, the Commission directs, MSEDCL to benchmark RI data of its Circles. Further, details of provided in the relevant sections of this Order.

2.31 Tariff for Co-operative Water Users Associations having HT connections

Objection's/Suggestions

2.31.1 Shri. Sukumar Shankar Mali, Narhari Wakarekar, Bhimrao Bhelake, Bhikaji Shinde and other small landholding farmers, operating cooperative irrigation societies like Shree Ram Upasa Jalsinchan Sanstha Maryadit, strongly object to the proposed electricity tariff hike. Many of these cooperatives rely on high-tension (HT) electricity connections for irrigation, with significant power loads such starting from 50 HP to 2000 HP. Over the years, farmers have observed severe leakages in irrigation pipelines, leading to substantial maintenance costs, which have already placed a heavy financial burden on them. An increase in electricity tariffs would further escalate these costs, making irrigation unaffordable for small farmers and threatening their agricultural viability. Instead, they urge the Commission to focus on improving electricity supply efficiency, preventing unnecessary power wastage, and addressing infrastructure issues. By ensuring proper management of power distribution and minimizing energy losses, the need for purchasing additional electricity can be reduced, ultimately benefiting farmers and reducing financial strain.

2.31.2 Shri. Nana Akhare stated that the Government has given free electricity for AG water pumps upto 7.5 HP but for the water cooperative societies there is no such incentive. There are approximately 24 lakh water pump users, yet only 1 to 1.5 lakh users are equipped with a metering system and that needs to be addressed. Additionally, the efficiency of agricultural production is highly dependent on the timing of water supply to farms. Therefore, it is essential to provide electricity during the daytime to enable optimal irrigation. Supplying electricity at night often leads to significant water wastage, further emphasizing the need for a reliable daytime power supply for farmers.

MSEDCL's Reply

2.31.3 MSEDCL stated that to provide electricity to farmers at a lower cost, MSEDCL has planned to increase its capacity to 40,000 MW by 2035 through decentralized sources, including 16,000 MW under the Mukhyamantri Saur Krishi Vahini Yojana 2.0, as per the resource adequacy plan.

2.31.4 MSEDCL acknowledges the demand for reliable daytime power supply for farmers. To achieve this, the Mukhyamantri Saur Krishi Vahini Yojana 2.0 aims to develop 16,000 MW of decentralized solar power capacity and expand this capacity to 40,000 MW by 2035. This initiative will provide daytime power supply to farmers and reduce agricultural electricity costs and strengthen MSEDCL 's power distribution network

2.31.5 For the successful implementation of this scheme, MSEDCL is strengthening its electricity distribution network. While increasing capacity, factors such as wind energy, energy storage systems, and demand response measures have been considered to optimize power generation efficiently and reduce power purchase costs. Once implemented, this scheme will provide farmers with an abundant and reliable daytime power supply while also helping to reduce their electricity bills.

Commission's Ruling

2.31.6 The Commission notes that MSEDCL in its Petition has proposed modalities for Solarisation of lift irrigation schemes. The Commission has dealt with the same in Section 7 of this Order.

2.32 Standby Charges

Objection's/Suggestions

2.32.1 M/s Jawaharlal Nehru Port Authority (JNPA) objected to the imposition of standby charges on SEZ/Deemed Distribution Licensees, contending that MSEDCL's claim of SEZs drawing power from the grid lacks factual basis. It asserts that the State pool is contributed to by all Distribution Licensees and is not solely borne by MSEDCL. Further, there exists no legal mandate for SEZs to maintain a standby arrangement with MSEDCL, MSLDC has implemented a robust system ensuring visibility of injection/drawl data through ABT meters. JNPA highlighted that prior the Commission decisions allowing SEZs to arrange standby power through alternate means. If JNPA procures power from contracted generators and the power exchange, it shall not be subjected to standby charges. Further, JNPA challenged the methodology adopted by MSEDCL for determining wheeling charges, citing inconsistencies in the application of formulas and violations of Section 42 of the Electricity Act, 2003.

2.32.2 MBPPL, KRCIPPL, and GEPL strongly objected that the standby charges for SEZ are unreasonable and impose an unfair financial burden on consumers. They contend that MSEDCL is attempting to create confusion among consumers within the SEZ area even though MBPPL, KRCIPPL, and GEPL have ensured the availability of reliable standby power through a 200% DG backup, which operates independently of the grid. The objectors further argue that MSEDCL’s proposal seeks to mandate SEZs or Deemed Licensees to compulsorily avail standby power from MSEDCL at an exorbitant, unreasonable, and uncompetitive cost, thereby placing an unjustifiable financial burden on consumers within the SEZ License Area. They emphasize that alternative options are available to Deemed Licensees to meet their power demand without reliance on MSEDCL’s standby power, including the maintenance of adequate standby provisions within the power grid, in compliance with MERC DSM Regulations, 2019, as well as access to Real-Time Market (RTM) and Ancillary Services. The objectors highlight that they had previously opposed similar standby charges proposed by MSEDCL in Case No. 322 of 2019 on the grounds that such charges would have an adverse impact on the competitiveness of SEZs in Maharashtra.

2.32.3 They expressed concern that MSEDCL is attempting to challenge the very framework of SEZ infrastructure and, therefore, seek a direction from the Commission instructing MSEDCL to confine its concerns to its own licensee area. The imposition of standby charges on SEZ consumers, according to the objectors, runs counter to the objective of fostering a conducive environment for a competitive power sector as envisaged under the Electricity Act, 2003. Any disruption to the existing power supply arrangement would undermine the competitiveness of SEZs in Maharashtra vis-à-vis other states, thereby posing the risk of businesses relocating outside the state. Consequently, they pray that the burden of MSEDCL’s standby power arrangement shall not be imposed on SEZ consumers. It is further submitted that the objector is a Deemed Distribution Licensee for an IT/ITES SEZ area, wherein the maximum recorded demand to date stands at approximately 16 MW, which constitutes a mere 0.06% of the total state pool.

MSEDCL’s Reply

2.32.4 MSEDCL submitted that, even assuming power trading and exchanges could alleviate the need for standby arrangements, there is still no clear plan to manage shortfalls in the immediate 4–8-time blocks after a failure of an input or generation source. During this period, distribution licensees would only be drawn from the State Grid, leading to overdrawal and overstressing the grid. To mitigate this, MSLDC utilizes MSEDCL’s contracted resources, such as the Koyna Hydro-Electric Power Plant, to stabilize supply. Without an explicit standby arrangement, utilities may continue to access MSEDCL's cheaper contracted resources without incurring standby charges.

2.32.5 The standby arrangement has been a longstanding practice in Mumbai's distribution areas, originating from the recommendations of the Central Electricity Authority (CEA) and the Maharashtra Government's letter dated 19 January 1998. The Commission has approved such arrangements in multiple MYT Petitions and Tariff Orders over the years. The number of Distribution Licensees, SEZs, and Deemed Distribution Licensees continues to increase, necessitating the continuation of these arrangements.

2.32.6 MSEDCL stated that, Distribution Licensees including SEZs like MBPPL, continue to draw power from the DSM pool, even after tripping of its contracted generator and SLDC does not ask these licensees to curtail their corresponding load till restoration of their resource or till starting of their DG Set. MSLDC should strictly implement the curtailment of the respective licensee's load. The DSM pool cannot be used as source of power in the absence of contracted power.

Commission's Ruling

2.32.7 The Commission in its order in Case No.322 of 2019 dated 30 March 2020 has clarified as below:

> *"2.17.10 The Commission notes the submission of the SEZs and MSEDCL.* ***There is no legal mandate on SEZ for the Standby arrangement.*** *In the ordinary course, in pursuance of its obligations under Section 33 of the EA, 2003, MSLDC would have been expected to ask the Distribution Licensees including SEZ's to curtail its load to match the reduced availability of its contracted Generator.* ***SEZs are at liberty to source stand-by power through a Diesel Generator Set or a separate arrangement with any other Generator or entity which it considers to be more financially beneficial to it. Therefore, the Commission does not see any reason to apply the standby charges on SEZs."***

2.32.8 The logic provided by the Commission in its Order dated 30 March 2020 in Case No.322 of 2019 still hold good and the Commission is not inclined consider the MSEDCL's submission for levy of stand by charges. This issue is further dealt with in Section 7.

2.33 Tariff for EV Charging

Objection's/Suggestions

2.33.1 Dr. Amol Anokar and Shri Mahaveer Kumar Jain stated that increased electricity costs will inflate operational expenses for industries, small businesses and startups, stifling economic growth. The hike in EV charging tariffs contradicts government initiatives promoting clean energy and green mobility. The MoP guidelines dated 17 September 2024, issued in the

Installation and Operation of Electric Vehicle Charging Infrastructure 2024, outlining provisions applicable to EV Charging Infrastructure Manufacturers, Owners, and Operators across private, semi-restricted, public spaces, highways, and expressways, as well as power utilities and state/central agencies.

2.33.2 The tariff for electricity supply to EV Charging Stations shall be single-part and shall not exceed the ACoS until 31 March 2028. The Distribution Licensee shall apply 0.7 times ACoS during solar hours (9:00 AM to 4:00 PM) and 1.3 times ACoS during non-solar hours. Furthermore, separate metering arrangements are mandated to ensure accurate consumption recording and appropriate tariff application. It is imperative that the above provisions be fully implemented to align with national policy objectives. The current definition of EV tariff is restrictive, and the guidelines scope must be fully enforced to ensure compliance with the regulatory framework.

MSEDCL's Reply

2.33.3 MSEDCL submitted that it is committed to supplying electricity at an optimal tariff for its consumers. GOI has issued guidelines for installation and operation of EVs dated 17 September-2024. As per these guidelines, the tariff for supply of electricity to EV Charging Stations shall be single part and shall not exceed ACoS and ToD Charges for EV Charging Station would be applicable.

2.33.4 Accordingly, MSEDCL has proposed a single-part tariff for electricity supply to EV Charging Stations, ensuring that it does not exceed the ACoS. MSEDCL has proposed only a 7-8% increase in the ABR for EV Charging stations for 5th Control Period, and aligns with the issued guidelines by GoI

Commission's Ruling

2.33.5 The Commission notes that the MoP has issued the guidelines on 17 September 2024, for Installation and Operation of Electric Vehicle Charging Infrastructure 2024, outlining provisions applicable to EV Charging Infrastructure. Further the Maharashtra EV Policy, 2021 dated 23 July 2021 is also in operation with an objective to promote sustainable transport system along with other policy objectives. One of the strategic drivers for the Policy is promotion of creation of dedicated infrastructure for charging of EVs through subsidization of investment.

2.33.6 The Commission has considered the provisions of the policies appropriately while providing the tariff for EV category in the Tariff Schedule for the 5th Control Period. It is further clarified that consumers are allowed to charge their own Electric Vehicle at their premises with the Tariff applicable to such premises falling under the respective consumer category.

2.33.7 The Commission has also provided the option to EV owner to apply for fresh connection for EV charging or charge its EV from existing connection. In case separate connection is applied then tariff for EV Charging category shall be made applicable to such connection.

2.34 Resource Adequacy Planning

Objection's/Suggestions

2.34.1 Prayas Energy Group submitted that as MSEDCL's RA plan has inconsistencies. One of the primary inconsistencies pertains to distribution losses wherein the RA plan has considered losses that are 1.3 percentage points lower than those specified in the MSEDCL Petition for each year. This deviation has direct implications for energy demand forecasting and capacity planning, potentially affecting procurement decisions and grid stability. Additionally, the RA plan projects a variation in sales figures ranging between 0.2% and 5% when reconciled with the Petition, even after adjustments mandated by the Commission for clarity. Such variations could impact demand projections and revenue calculations, necessitating further scrutiny to align them with regulatory benchmarks.

2.34.2 There is a noticeable difference in energy charges between the RA Plan and the MYT Petition. While the Petition assumes energy charges will increase over time, the RA Plan predicts a decrease. This difference is important because it impacts the order in which power sources are used and the overall cost to consumers. The compounded annual growth rate (CAGR) projections also vary, with the MYT Petition. These discrepancies in cost considerations necessitate regulatory intervention to ensure that realistic and justifiable cost assumptions are adopted in the RA plan.

2.34.3 885 MW of thermal capacity has been considered for existing planned portfolio but is absent from the contents of MT-DRAP capacity (in MW) contract requirement for future. This omission remains unexplained and raises concerns regarding the transparency and accuracy of capacity planning undertaken by MSEDCL.

2.34.4 The most critical issue is that about 17,945 MW of planned/contracted capacity by 2030 is not considered while estimating additional requirement in the RA plan. This missing detail, when evaluated, changes the requirement projections for different energy sources, including thermal, solar, hybrid RE, and PSP. The additional requirement projections, as presented in the RA plan, indicate a net reduction of 1,885 MW in thermal capacity despite the presence of 1,600 MW of pipeline capacity, resulting in a total discrepancy of 3,485 MW. Similarly, the projected solar capacity is 8,000 MW, but leaving out 11,881 MW of pipeline capacity creates a gap of 3,881 MW. For hybrid RE, leaving out 1,464 MW affects planning, while PSP capacity needs 4,027 MW, but with 3,000 MW not counted from the pipeline, the actual extra need is 1,027 MW. These gaps impact procurement, costs, and supply reliability, requiring regulatory action for a clear and accurate capacity plan. Till RA plan is approved, no new capacity shall be approved for procurement by the Commission.

2.34.5 There is a due process even though the timeline for RA compliance does not coincide with the tariff process. Approval of new projects shall be provided with clear demonstration in the RA plan that this would be the least cost option to meet demand and reliability requirements. MSPGCL has sought board approval for Chandrapur 10 (800 MW) and Paras 5 (800 MW). This clarity is also required for 3,225 MW of PSPs being planned by MSPGCL along with SJVNL. Such capacity addition will have serious and long-term cost implications for MSEDCL consumers. MSEDCL must submit the revised the RA plan.

MSEDCL's Reply

2.34.6 MSEDCL has replied that the RA plan was developed based solely on the contracted capacities for MSEDCL and does not account for capacities that are currently in the pipeline or being planned for future development. Therefore, the capacities considered for the plan represent only those that are contracted, excluding any pipeline projects under consideration.

2.34.7 The 228 MW of thermal capacity is anticipated to be commissioned by the end of FY 2028-29, with its full availability throughout the year expected to be realized starting from FY2030. Additionally, the 855 MW of thermal capacity, which was listed in Table 9 of the Resource Adequacy (RA) Plan, was a typographical error. This figure was intended to reflect capacities for future years, not FY 2029-30.

2.34.8 The exclusion of pipeline capacities from the Resource Adequacy (RA) plan is a deliberate and strategic decision, based on the current status of these capacities, which are still under development or in the pipeline. By not including these pipeline capacities in the RA plan, it is ensured that the outcomes of the RA analysis are not skewed. This approach allows for a more accurate and realistic evaluation of the actual energy needs and optimal resource mix for the future, rather than assuming that the pipeline capacities will be immediately available or viable.

Commission's Ruling

2.34.9 The Commission notes the submission of Stakeholders on RA plan. The Commission has notified MERC RA Regulations for the 5th Control Period and utilities are required to plan their power procurement as per the provisions of the MERC RA Regulations. The Commission also notes the national level developments on CEA guidelines on RA planning and methodologies to be specified by CEA for determination of Capacity Credit, Planning Reserve Margin etc. The CEA has recently come out with guidelines which discusses consideration of Capacity credits of RE sources separately for Solar and Non-

Solar hours. The Commission has considered the MSEDCL's submissions on RA plans, actual power procurement already approved by the Commission for the 5th Control Period and the CEA's guidelines and the RA plan holistically and in detail are provided in power procurement Section 5 of this Order.

2.35 Improvement in Consumer Services

Objection's/Suggestions

2.35.1 Shri Mahaveer Jain submitted that through various initiatives by GoI, has progressively moved away from inspector raj to enhance efficiency in public service delivery. He pointed out that requests pertaining to name changes, contract demand modifications, and load adjustments must be mandatorily processed within seven days, ensuring adherence to principles of timely service and administrative efficiency.

2.35.2 Post-COVID advancements in automation and digital governance necessitate a reduction in processing time for such requests to enhance service quality. While online submission should be encouraged for efficiency, offline/hardcopy submissions must also be processed within the same prescribed timeline, ensuring accessibility for all consumers. Given that online applications enable consumers to provide requisite information directly, thereby minimizing procedural delays, it is imperative to mandate a shorter processing timeframe for digital submissions, fostering efficiency and compliance with service obligations.

2.35.3 Shri. Bhushan Kulkarni and Shri. Shashikant Kewte submitted that MSEDCL needs to promote IT enabled services and opt for paperless work environment.

MSEDCL's Reply

2.35.4 Regarding query for processing of online request, MSEDCL submitted that it has implemented several initiatives to enhance efficiency, accuracy, and consumer convenience in processing online requests. These include centralized billing and invoicing to ensure timely and accurate billing while holding meter reading agencies accountable for errors and delays.

2.35.5 Effective consumer communication through email and SMS provides real-time billing details and supports revenue recovery. Consumers can also submit meter readings via a mobile app, with photo verification ensuring billing accuracy. Additionally, a first bill audit verifies tariff applicability and meter accessibility. To strengthen complaint resolution, MSEDCL offers a 24x7 call center, a web portal, a mobile app for complaint registration, and a feedback mechanism to ensure consumer satisfaction.

2.35.6 To improve digital adoption and facilitate seamless consumer transactions, MSEDCL is gradually implementing various initiatives. Awareness drives are being conducted in high-impact areas with low digital adoption, complemented by the development and distribution of user-friendly guides in local languages to help consumers navigate digital platforms. A dedicated helpline has been introduced to address customer queries related to digital transactions, while training programs in collaboration with local organizations and self-help groups (SHGs) aim to enhance digital literacy. Additionally, incentive schemes are being introduced to promote digital payments and reduce cash dependency. Regular surveys and feedback mechanisms help identify gaps in digital awareness, enabling continuous improvements. To further support consumers, digital literacy centres are being established in rural areas, and ongoing platform enhancements are being made based on user feedback to improve overall usability and accessibility. These initiatives collectively aim to streamline processes, enhance consumer engagement, and ensure a more efficient and transparent billing system. The suggestion to make online submission optional with hard copy is noted.

Commission's Ruling

2.35.7 The Commission notes the submission of Objector and reply of MSEDCL. It is noted that MSEDCL developed an online portal for application processing and various support services to the consumers.

2.35.8 The Commission in its Suo-Motu Order dated 22 January 2025 in Case No.4/SM/2024 has dealt with the issue of services to the consumers as per supply code provisions and automatic compensation against in case of failure of MSEDCL to provide the necessary services in specified time period. The Commission notes that MSEDCL has implemented automatic compensation provisions for various services. The Commission expects that this will improve the service quality.

2.35.9 The Commission in its Supply Code Regulations, 2021 categorically provided the option of hard copy or online web portal or mobile application for making applications. For applications received in hard copy, the Supply Code provides that the same shall be digitized by the Distribution Licensee as soon as it is received. For online application, consumer is not expected to submit any hard copy or visit office of MSEDCL. All communication should be through online portal. MSEDCL should ensure that its field Offices are complying these in its letter and spirit.

2.36 Accounting of MSEDCL's Own Consumption

Objection's/Suggestions

2.36.1 Shri Mahaveer Kumar Jain and Shri Hemant Kapadia highlighted that MSEDCL operates numerous offices across its jurisdiction, all of which consume electricity. It is crucial to ascertain whether MSEDCL is appropriately accounting for its own electricity consumption under a metered and auditable mechanism. If such measurement is being undertaken then there shall be a clarity on the methodology, location, and process by which MSEDCL records and reports its self-consumption. All consumers within the distribution network are mandatorily subject to metering, billing, and tariff based charges, and there should be no exception for MSEDCL's own usage. The absence of proper accounting may lead to an undue financial burden being passed onto other consumers, which would be against the principles of fair tariff determination and cost management.

2.36.2 Shri Mahaveer Kumar Jain further suggested that the MSEDCL shall be directed to implement solar power generation across all its offices to reduce its own electricity consumption costs. This measure will lead to substantial long-term savings, ultimately benefiting the public by reducing the financial burden on the distribution system. The adoption of solar energy by MSEDCL will align with the principles of cost efficiency and sustainability, ensuring prudent utilization of resources. In view of the larger public interest, the Commission is requested to issue necessary directions to MSEDCL to adopt solar power generation for all its offices, thereby contributing to long-term cost reduction and overall energy efficiency.

MSEDCL's Reply

2.36.3 MSEDCL submitted the detailed information on its electricity consumption (for true-up period) of its field and H.O establishments is accounted for under the Public Services (PS) category.

2.36.4 In the FY 2022-23, 5,992 offices recorded an annual consumption of 24.80 MUs with a billed amount of Rs. 23.41 Crore. For 2023-24, the number of offices has increased to 6,020, with an annual consumption of 24.67 MUs and a billed amount of Rs. 24.79 Crore. As of 25 February 2025, the number of offices stands at 6,046, with an annual consumption of 24.22 MUs and a billed amount of Rs. 26.08 Crore.

2.36.5 Under Industrial category (Ind) the FY 2022-23, 4,121 substations recorded an annual consumption of 8.61 MUs with a billed amount of Rs. 7.53 Crore. For 2023-24, 4,175 substations recorded an annual consumption of 8.25 MUs with a billed amount of Rs. 7.51 Crore. As of 25 February, 2025, 4,199 substations recorded an annual consumption of 8.12 MUs with a billed amount of Rs. 7.85 Crore.

2.36.6 MSEDCL submitted that to optimize operational costs and promote renewable energy usage, it is actively implementing solar power generation across all its offices. MSEDCL has conducted a detailed survey of all its offices across Maharashtra, assessing free rooftop areas, sanctioned load, type of electrical connection, and annual energy consumption. Further, MSEDCL has floated Tender for installation and comprehensive operation and maintenance for 5 years of Grid Connected Rooftop Solar Photovoltaic Power systems on MSEDCL owned buildings. The issuance of 'Letter of Empanelment' / Work Orders is in progress.

Commission's Ruling

2.36.7 The Commission notes that the MSEDCL is metering its own consumption and billing as per the provisions of the Regulations.

2.36.8 The Commission notes the provision of the MERC MYT Regulations 2024 as below;

"104 Implementation of Demand Side Management Measures

104.2 *The Distribution Licensee shall endeavour to reduce its self-consumption by implementing Energy Efficiency/Conservation measures which shall include but not limited to Distribution Transformer efficiency improvement schemes, deployment of LED bulbs and deployment of energy efficiency fans (BLDC fans, etc.), deployment of five star rated air conditioning units at its offices and other substations related establishments, schemes for voltage management measures and Power Factor improvement, Energy Efficiency ionitoring and analytical hardware and software tools.*

104.3 *The Distribution Licensee shall submit its existing level of own energy consumption and Energy Conservation measure at the beginning of the Control Period and provide the trajectory for the reduction of such own energy consumption through the implementation of Energy Efficiency improvement scheme/plan under Capital Expenditure or Opex Expenditure as part of the MYT Petition alongwith the target of Energy Efficiency related savings, and monitoring plan in line with principles provided the MERC (Demand Side anagement Implementation Framework) Regulations, 2010 as amended from time to time.*

Provided that, the Distribution Licensee shall submit its Energy Efficiency Programmes'/Scheme's Cost Effectiveness Assessment for the expected trajectory.

104.4 *The Commission shall specify the Energy Conservation Trajectory for the Control Period for the Distribution Licensee and shall review the actual performance at the time of truing-up, subject to prudence check.*"

2.36.9 The above provisions mandate the distribution licensee to implement the DSM measures to reduce its own consumption. The Commission also notes that, MSEDCL is in a process of installing the Solar rooftop plants on their buildings to reduce their own consumption. Further MSEDCL has also proposed to replace the existing fans with energy efficient BLDC fans to save around 2,000

MUs during 5th Control Period. The Commission directs MSEDCL to reduce its base line consumption (FY 2024-25) during the 5th Control Period as elaborated in Section 5.27.

2.37 Functioning of Forums:

Objection's/Suggestions

2.37.1 During the public consultation process, Advocate Shri. Siddharth Soni pointed out that non-compliance matters are higher in Nashik area and CGRF is not expeditiously resolving the matters. Shri Hemant Kapadia highlighted that MSEDCL is unnecessarily creating cycle of litigation. Shri Shreeram Satpute suggested that CGRF needs to be formed at Taluka level.

MSEDCL's Reply

2.37.2 MSEDCL is silent on the above issues.

Commission's Ruling

2.37.3 The Commission is monitoring the performance of CGRF through periodic report as per the provisions of the MERC CGRF Regulations. The Commission takes the note of the issue raised by objectors. The Commission would request the Ombudsman, Mumbai to look into issues related to CGRF Nashik.

2.38 Compulsion to opt for Solar Pump connections:

Objection's/Suggestions

2.38.1 During the hearing, Sakharam Patil, Vice President, Karveer Taluka Sahakari Dharan & Pani Puravatha Sansthancha Sahakari Sangh submitted that MSEDCL is not releasing conventional AG connections. Instead, it has made compulsory to opt for Solar pump connection. It is pertinent to note that in river side areas, compulsory solar pump option is not practical, and area is likely to get submerge.

MSEDCL's Reply

2.38.2 MSEDCL is silent on the above issues.

Commission's Ruling

2.38.3 The Commission clarifies that, Solar pump program is off-grid program which is not in the purview of the present tariff proceedings. MSEDCL being Distribution Licensee is mandated to fulfil universal service obligation under the EA 2003. Providing off-grid solar pump is one of the methods of fulfilling such obligation. Further, such scheme is being funded by the Government reduces cross-subsidy requirement in the ARR. However, while issuing such off-grid connections, MSEDCL needs to take into consideration geographical specific issues such as possibility of sub-mergence of solar panel and take appropriate decision.

2.39 Schedule of Charges:

Objection's/Suggestions

2.39.1 Shri. Sourabh Kulkarni, CREDAI- Pune Metro submitted that the charges for road cutting by local bodies should be incorporated under MSEDCL's infrastructure policy and applied uniformly, regardless of which agency undertakes the cable-laying work. The Mandate requiring developers to maintain infrastructure for five years should be removed. Once infrastructure is handed over to MSEDCL, its maintenance and upkeep should be sole responsibility of MSEDCL. He further submitted that proposed schedule of charges for new service connections is exorbitant, and it should be normative. Group connections in buildings need different approach for preparation of estimate. He mentioned that MSEDCL is giving discriminatory treatment to certain consumers while roll out of NSC scheme.

2.39.2 Mahanagar Gas Limited submitted that MSEDCL has proposed a significant increase in both processing fees and operating charges for Open Access consumers. A low-end consumer having contract demand less than 1000 kVA opting for GEOA having monthly consumption of ~15000 units have higher impact to the tune of Rs.3.33/kWh. The proposed charges will make GEOA uneconomical for small consumers.

2.39.3 At public hearing in Nagpur, Shri Anand C. Sangai pointed out that MSEDCL does not have smart meter testing labs.

MSEDCL's Reply

2.39.4 No specific submission by MSEDCL

Commission's Ruling

2.39.5 The Commission notes that MSEDCL in its Petition has proposed revision in Schedule of Charges. The Commission has dealt with issues raised above in Section 9 of this Order.

3 True-up of FY 2022-23 and FY 2023-24

3.1 Background

3.1.1 MSEDCL has sought Truing-up of the ARR for FY 2022-23 and FY 2023-24 considering actual expenditure and revenue as per the Audited Accounts and in accordance with the MYT Regulation, 2019. It has submitted reasons for differences between the actual expenses for FY 2022-23 and FY 2023-24 as compared to those approved in MTR Order in Case No. 226 of 2022 dated 31 March 2023.

3.1.2 MSEDCL in present Petition has proposed to true up of its expenses and revenues based on the said Audited Accounts for FY 2022-23 and FY 2023-24.

3.1.3 The analysis underlying the Commission's approval for true-up of FY 2022-23 and FY 2023-24 is set out in the following sections.

3.2 Category Wise Sales for FY 2022-23 and FY 2023-24

MSEDCL's Submission:

3.2.1 MSEDCL has submitted category wise actual sales for FY 2022-23 and FY 2023-24 in the following table:

Table 2: Category Wise Sales for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (MUs)

Category	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Deviation	MTR Order	MYT Petition	Deviation
Residential	25,696.02	23,044.43	(2,651.59)	26,255.04	24,521.57	(1,733.47)
Commercial	8,404.94	7,371.76	(1,033.18)	8,702.51	8,197.82	(504.68)
HT Industrial	38,520.88	36,591.78	(1,929.10	39,613.85	38,147.76	(1,466.09
LT-Industrial	9,657.76	9,212.63	(445.13)	9,804.15	10,083.35	279.20
PWW	2,716.83	2,701.49	(15.34)	2,783.58	2,791.97	8.38
Streetlight	896.33	1,089.07	192.75	896.33	1,098.08	201.75
Agriculture	27,953.45	37,666.04	9,712.59	28,176.63	41,314.34	13,137.70
Public Services	1,877.95	1,810.52	(67.43)	1,943.77	2,012.36	68.59
Railways	107.77	101.91	(5.86)	111.15	133.21	22.06
EV	54.68	59.54	4.86	60.15	100.22	40.07
Others	832.39	797.09	(35.30)	870.14	625.53	(244.60)
Total Excl. DF	**1,16,719.00**	**1,20,446.2**	**3,727.27**	**1,19,217.30**	**1,29,026.2**	**9,808.91**
Add: Energy Sales in DF						
a. Bhiwandi	3,364.62	3,555.09	190.47	3,425.38	3,541.62	116.25
b. Malegaon	741.32	782.88	41.56	754.21	831.88	77.67

Category	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Deviation	MTR Order	MYT Petition	Deviation
c. Thane	545.76	522.47	(23.29)	558.32	590.05	31.73
Total Sales Incl. DF	**1,21,370.70**	**1,25,306.7**	**3,936.02**	**1,23,955.20**	**1,33,989.7**	**10,034.56**
Add: OA Sales (Conventional)	4,631.00	4,353.64	(277.36)	4,863.00	4,505.94	(357.06)
Add: OA Sales (Renewable)	1,988.00	1,992.12	4.12	2,825.00	3,072.36	247.36
Add: Solar Offset Units	0.00	159.65	159.65	(0.38)	202.66	203.04
Total Energy Sales MSEDCL	**1,27,989.70**	**1,31,812.1**	**3,822.43**	**1,31,642.82**	**1,41,770.7**	**10,127.90**

3.2.2 MSEDCL submitted that at the time of filing of MTR Petition, it had submitted the provisional information available for FY 2022-23 and revised projections for FY 2023-24.

3.2.3 MSEDCL's actual sales for FY 2022-23 and FY 2023-24 have been recorded as 1,31,812.12 MUs and 1,41,770.73 MUs, respectively.

3.2.4 MSEDCL has made all possible efforts to meet the energy needs of its consumers in its License area. The sales have shown consistent growth over the years, increasing from 99,664 MUs in FY 2016-17 to 1,41,771 MUs in FY 2023-24, at an overall CAGR of approximately 5%.

3.2.5 The total actual sales for both FY 2022-23 and FY 2023-24 had exceeded the approved sales figures, primarily due to an increase in agricultural sales. The Government of Maharashtra (GoM) had introduced the "AG Policy 2020" on 20 December 2020. Under this policy, provisions were made to release pending agricultural connections within a period of three years. Accordingly, MSEDCL had released 3,24,409 agricultural connections between FY 2021-22 and FY 2023-24.

3.2.6 In light of the above, MSEDCL had requested the Commission to approve the actual sales for FY 2022-23 and FY 2023-24.

Agriculture (AG) Sales:

3.2.7 MSEDCL has submitted the AG sales for FY 2022-23 and FY 2023-24 as below:

Table 3: AG sales for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (MUs)

Category	FY 2022-23	FY 2023-24
AG (Metered)	22,552	24,116
AG (Feeder Index)	1,579	4,604
Total AG (Metered)	**24,132**	**28,706**
AG (Unmetered)	**12,503**	**10,629**

Category	FY 2022-23	FY 2023-24
Total AG (Metered + Unmetered)	**36,635**	**39,349**

3.2.8 MSEDCL submitted that, the Commission vide Order in Case No. 84 of 2020 and 226 of 2022 has directed MSEDCL to assess the AG Sales based on AG Index as determined based on identified 502 feeders. Further, the Commission has also directed MSEDCL to add more feeders in the AG index methodology after careful diligence of all the steps outlined in the Order in Case No. 322 of 2019. The relevant abstract in Case no. 226 of 2022 is as under:

"8.10.14 – The Commission observes that the process/methodology for selection of feeders for AG Index methodology has been amply elaborated with associated conditions under MYT Order in Case No. 322 of 2019 and any deviation from the same is not appropriate. Besides, the addition of more feeders in the AG index methodology will have to be undertaken upon careful diligence of all the steps outlined therein and certainly not in substitution /replacement of identified 502 feeders, just because significant discrepancy in actual billed sale and estimated sale is noticed or it is inconvenient to use such identified 502 feeders."

3.2.9 For compliance of the directives in Case no. 226 of 2022 dated 31st March 2023, MSEDCL had planned to convert all AG feeders to feeder input-based index billing in phase wise manner by installation of AMR meters to all Ag feeders. In first phase i.e., in FY 2023-24, 2,000 AG feeders (including earlier 502 + 27 MERC AG working group selected AG feeders) were targeted to include in index billing. Accordingly, MSEDCL initiated installation of AMR meters on all the selected 2,000 Ag feeders.

3.2.10 Further, MSEDCL has submitted, as per MERC directives in Case No. 322 of 2019, Case No. 84 of 2020 & Case No. 226 of 2022,

- Follow the feeder input-based AG index methodology as basis for estimation of AG Sales.
- This is the basis for approval of AG sales for future trajectory.
- To extend this methodology to all AG feeders, MSEDCL to follow process for selection of additional feeders for AG Index methodology as elaborated under MYT Order in Case 322 of 2019 and any deviation from the same is not appropriate.
- Further, the Commission directs MSEDCL to complete technical loss computation of 502 selected feeders and till the feeder wise actual technical losses are not available, the Commission allows MSEDCL to use 18% as Technical Loss for implementing feeder input-based billing to Agriculture consumer connected on 502 selected feeders.

3.2.11 MSEDCL has followed these directives and taken following actions,

- From June 2020, MSEDCL has implemented feeder input-based AG index methodology on 502 selected feeders.
- In Sept 2023, MSEDCL added 1168 additional feeders by following the process of selection as elaborated in Case no. 322 of 2019. The same is provided in section 2.5.9.
- The details of AG sales based on feeder input-based methodology and index is given as below. Hence, MSEDCL request that Commission to consider these additional feeders as basis for estimation of AG Sales.

Table 4: AG Index 502 feeders as submitted by MSEDCL

Period	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	Sale (MUs)	Load (HP)	Index	Sale (MUs)	Load (HP)	Index	Sale (MUs)	Load (HP)	Index	Sale (MUs)	Load (HP)	Index
Q1	397	1,191,508	334	398	1,260,484	316	413	1,287,885	321	424	1,320,406	321
Q2	200	1,191,422	167	272	1,278,716	213	197	1,262,382	156	313	1,321,144	237
Q3	376	1,240,305	303	342	1,267,277	270	391	1,285,523	304	461	1,327,091	347
Q4	490	1,251,969	391	511	1,273,716	401	527	1,290,843	408	511	1,343,815	380
Annual Index			**1196**	**Annual Index**		**1199**	**Annual Index**		**1189**	**Annual Index**		**1286**

Table 5: 502+ Additional feeder AG Index (from Sept 2023 Quarter) as submitted by MSEDCL

Period	FY 2023-24		
	Sale (MUs)	Load (HP)	Index
Q1	424	1,320,406	321
Q2	1,043	3,898,927	268
Q3	1,457	3,898,016	374
Q4	1,600	3,940,519	406
Annual Index			**1,368**

3.2.12 MSEDCL submitted that, it has adopted various Engineering analysis tools and taken major initiatives for improvement of 33kV & 11kV power sub-transmission & distribution network performance. The network analysis tools which are complying with SRS document advised by MOP & CEA for shortlisting & procurement of the Network Analysis. The present available network analysis tool is being used by most of the Power Utilities in India and inducted in system after techno-commercial evaluation of Network Analysis solutions.

3.2.13 As per the Commission's directives, work of DTC metering on MERC AG feeder has already been started and provided the details for the same and assure that the balance work will be completed within short period of time.

3.2.14 Additionally, MSEDCL submitted that, consideration of Feeder Input based AG index including Additional Feeders. From the above average technical losses of 535 feeders as per CYMDIST software comes to be 9.1% as against 18% considered by Commission. Hence it is requested to consider the 9.1% technical loss for Feeder Input based AG Index methodology.

Table 6: AG Index as per 9.1% Technical loss for FY 2022-23 and FY 2023-24 as submitted by MSEDCL

MERC feeders		
	18% Loss	**9.1% loss**
FY 2022-23	1,189	1,319
MERC + Additional feeders		
FY 2023-24	1,368	1,518

3.2.15 MSEDCL has further, provided the methodology selected for additional feeders. The methodology of selecting additional feeder is as below.

3.2.16 All AG Feeders including Mix feeders are considered for initial selection. The total AG feeders considered are 11001 nos. The Initial outliers of 500 to 4000 working Hrs criteria are applied on these feeders. The feeders outside the criteria are excluded. The feeders selected are 10380 nos. These feeders are arranged in descending order of total AG sale on these feeders. Then after these feeders are split into 04 quartile with 2595 feeders in each quartile. Then % share of AG Sale, AG Consumers and AG Load in each quartile is calculated as Ag intensity. For Example, if 5000 no. feeder to considered for selection then 2131 no. of Quartile 1 feeders are to be considered for selection. In this manner every 06th feeder is excluded from the selection in quartile 1. Likewise for all other quartile.

3.2.17 After this selection, it is seen that the data of such selected feeders is not received through AMR/MRI sources. From the selected feeder only 577 nos. of feeder have consistent data through AMR/MRI source. Hence 577 nos. of feeders are selected for feeder index Billing. These feeders are in addition to 524 nos. of Initial selected MERC feeders. Other than these 577 nos. of selected feeders, to increase the scope of Feeder index Billing further for AG consumers additional 616 nos. of Ag feeders are proposed that are having data consistency through AMR/MRI sources.

3.2.18 In total 1193 nos. of AG feeders are hereby proposed for Feeder index billing in addition to present 524 no. of AG feeders. In Total 1717 no. of feeders are to be considered for AG feeder index billing from next AG Billing cycle. After confirmation from Field offices, 1168 additional feeders are finally considered for Feeder index methodology.

Commission's Analysis and Rulings

True-up of Non-AG Sales for FY 2022-23:

3.2.19 For true-up of sales for FY 2022-23, the Commission has reviewed the actual sales reported by MSEDCL for FY 2022-23. There is significant variation of (3,540) MUs, (1,343) MUs and (2,298) MUs in actual sales of LT Residential, Commercial (HT and LT) and HT Industrial, respectively, vis-à-vis that provisionally approved in the MTR Order in Case No. 226 of 2022.

3.2.20 The Commission directed MSEDCL to submit month-wise details of sales in respect of these three categories (viz. Residential, Commercial, HT-Industry) for FY 2022-23 and justification and rationale behind significant reduction in the sales in Residential, Commercial and HT-Industry categories.

3.2.21 MSEDCL, in response to the data gaps submitted the month-wise details of sales in respect of these three categories (viz. Residential, Commercial, HT-Industry) for FY 2022-23. With regards to the reduction in sales in these categories, MSEDCL submitted that the Residential, Commercial and HT-Industry sales have been higher as compared to actual sales for FY 2021-22 approved by the Commission.

3.2.22 For true-up of Non-AG sales for FY 2022-23, the Commission has verified actual Non-AG Sales as claimed by MSEDCL vis-à-vis its audited annual accounts and month wise sales submitted as per the prescribed formats under the MYT petition and found it to be in order.

3.2.23 Further, the Commission notes that MSEDCL has preferred an Appeal No. 65 of 2022 (DFR No. 318 of 2020) against the Commission Review Order dated 30 June 2020 as well as against MYT Order dated 30 March 2020 regarding the estimation of AG sales. While the judgement from Hon'ble APTEL on the said matter is awaited, there is no stay on the methodology of Feeder Input based AG sales estimation outlined by the Commission under its MYT/ MTR Order. Thus, the Commission has undertaken the prudence check of estimation of AG sales for FY 2022-23 and FY 2023-24 as per the principles outlined in its earlier Order.

True-up and Estimation of AG Sales for FY 2022-23:

3.2.24 Regarding true-up of AG Sales for FY 2022-23, the Commission has elaborated its approach in subsequent sections upon detailed scrutiny of MSEDCL's submissions on the estimation of AG sales.

3.2.25 The Commission observes that there is a significant variation of 9,712.59 MUs in agriculture sales w.r.t. the sales approved in MTR Order in Case no. 226 of 2022.

3.2.26 The Commission vide data gaps directed MSEDCL to justify the significant increase in AG sales with appropriate details regarding the methodology used for computation of AG sales and directed to provide break up of deviation in sales to metered category and deviation to unmetered category. The Commission also sought the following data from MSEDCL:

- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)
- Circle-wise consumption recorded on Feeders with SDT
- Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)
- Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)
- Circle-wise and month-wise details (for FY 2022-23) of no. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered)

3.2.27 MSEDCL was to submit the feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2022-23. Further, the Commission also reminded MSEDCL about the directives given in the MTR Order in the Case No. 226 of 2022 to incorporate such feeder wise data as a part of MYT Petition and also to publish such feeder wise data on its website.

3.2.28 MSEDCL vide its response to the data gaps submitted the circle wise data and feeder wise annual consumption data of feeders selected for AG study conducted by the Commission. Additionally, MSEDCL has submitted it has published the feeder wise quarterly AG sales & index data on its website and also submitted the same as Annexure 2.1 with the revised MYT Petition.

3.2.29 The Commission has observed that, for FY 2022-23, MSEDCL has provided AG Index for 502 Feeders as 1,189/HP/annum. However, considering the LT agriculture load (234.64 Lakh HP – Metered + Unmetered) as submitted in the MYT Excel Formats by MSEDCL and AG Index of 1,189/HP/annum, the derived agriculture sales works out to 27,899 MUs which is lower than the total agriculture sales of 36,635 MUs submitted by MSEDCL under MYT petition.

3.2.30 Additionally, MSEDCL has also requested to consider the AG Index of 1,319/HP/annum derived considering the technical loss of 9.1%, observed in CYMDIST software, instead of norm of 18% as approved under Feeder Input Based AG Index Methodology approved by the Commission in the earlier order. The Commission observes that even after considering the AG Index of 1,319 Unit/HP/annum at 9.1% of technical loss, the estimated sales for FY 2022-23 works out to 30,949 MUs which are still lower than agriculture sales of 36,635 MUs as claimed by MSEDCL in its MYT petition.

3.2.31 Hence, the Commission can't rely on the sales proposed by MSEDCL in the MYT petition. This discrepancy raises concerns about the reliability of the index provided by MSEDCL for calculating AG sales. As a result, the Commission has not considered the index provided by MSEDCL to determine AG sales.

3.2.32 Further in the clause 4.2.22 of MYT order 322 of 2019, the Commission has directed to extend Feeder Input Based AG Index Methodology to cover more number of feeders over the period of time. Accordingly, MSEDCL has submitted the data of 514 number of feeders in Q4 of FY 2022-23 as Annexure 2.1 of MYT petition.

3.2.33 The Commission has scrutinised the AG sales data submitted by MSEDCL as Annexure 2.1 with revised the MYT petition for the analysis of Ag Index for FY 2022-23. The Commission has analysed the data of feeders on quarterly basis. Computation of Ag index for FY 2022-23 as approved by the Commission is shown below:

Table 7: Computation of AG index for FY 2022-23 as approved by the Commission

Quarter	No. of Feeders	AG Load (HP)	AG Consumption (kWh)	Index (kWh/HP)
Q 1	506	12,87,885	41,77,18,065	324
Q 2	507	12,62,382	21,08,03,692	164
Q 3	510	12,85,523	39,56,91,110	308
Q 4	514	12,90,842	54,33,12,312	420
Annual Index				**1,216**

3.2.34 **The Commission has considered AG Index of 1216.73 MUs/HP/Annum for FY 2022-23. Accordingly, the Commission has Approved AG Sales of 28,758 MUs for FY 2022-23 including Distribution Franchisee (DF) sales as against MSEDCL's claim of LT AG sales of 36,635 MUs.**

<u>True-up of Non-AG Sales for FY 2023-24:</u>

3.2.35 For true-up of sales for FY 2023-24, the Commission has reviewed the actual sales reported by MSEDCL for FY 2023-24 in its Petition. There is significant variation of (1735) MUs, (487) MUs and (1513) MUs in actual sales of LT Residential, Commercial (HT and LT) and HT Industrial respectively, vis-à-vis that provisionally approved under the MTR Order in Case No. 226 of 2022.

3.2.36 The Commission directed MSEDCL to submit month-wise details of sales in respect of these three categories (viz. Residential, Commercial, HT-Industry) for FY 2023-24 and justification and rationale behind significant reduction in the sales in Residential, Commercial and HT-Industry categories.

3.2.37 MSEDCL in response to the data gaps submitted month-wise details of sales in respect of these three categories (viz. Residential, Commercial, HT-Industry) for FY 2023-24. With regards to the reduction in sales in these categories, MSEDCL justified its rational comparing the actual sales of FY 2023-24 to the actual sales of FY 2022-23 wherein it is observed that the Residential, Commercial and HT-Industry sales demonstrate an increasing trend as compared to actual sales approved by the Commission in FY 2022-23.

3.2.38 For true-up of Non-AG sales for FY 2023-24, the Commission has verified actual Non-AG Sales as claimed by MSEDCL vis-à-vis its audited annual accounts and month wise sales submitted as per the formats prescribed under the MYT petition and found it to be in order.

True-up and Estimation of AG Sales for FY 2023-24:

3.2.39 Regarding true-up of AG Sales for FY 2023-24, the Commission has elaborated its approach in subsequent sections upon detailed scrutiny of MSEDCL's submissions on the estimation of AG sales.

3.2.40 The Commission observes that there is a significant variation of 13,137.70 MUs in agriculture sales vis-à-vis the sales approved in MTR Order in the Case no. 226 of 2022.

3.2.41 The Commission directed MSEDCL to justify the significant increase in AG sales with appropriate details of methodology used for computation of Ag sales and directed to provide break up of deviation in sales to metered category and deviation to unmetered category. Further the Commission also sought details of the circle wise consumption of AG feeders as mentioned above.

3.2.42 Further, the Commission also directed MSEDCL to submit the feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2023-24. Further, the Commission also reminded MSEDCL about the directives given in the MTR Order in the Case No. 226 of 2022 to incorporate such feeder wise data as a part of MYT petition and also to publish such feeder wise data on its website.

3.2.43 MSEDCL in its response to the data gaps submitted the circle wise data and feeder wise annual consumption data of feeders selected for AG study conducted by Commission. Additionally, MSEDCL has submitted it has published the feeder wise quarterly AG sales & index data on its website and the same has also been submitted as Annexure 2.1 with revised MYT Petition.

3.2.44 The Commission has observed that, for FY 2023-24, MSEDCL has provided AG Index for 502 Feeders as 1,286/HP/annum. However, considering the LT agriculture load (240.66 Lakh HP – Metered + Unmetered) as submitted in the MYT Excel Formats by MSEDCL and AG Index of 1,286/HP/annum, the derived agriculture sales works out to 30,949 MUs which is lower than the total agriculture sales of 39,561 MUs submitted by MSEDCL under MYT petition. Further, as per the direction in the MYT Order in Case No. 322 of 2019, MSEDCL has selected additional feeders for computation of AG Index. The combined AG index of Commission selected feeders and additional selected feeders is 1,368/HP/annum. Considering the LT agriculture load (240.66 Lakh HP – Metered + Unmetered) as submitted in the MYT Excel Formats by MSEDCL and AG Index of 1,368/HP/annum, the derived agriculture sales works out to 32,922 MUs which also are lower than the actual sales of 39,561 MUs as submitted by MSEDCL in its MYT petition.

3.2.45 Additionally, MSEDCL has also requested to consider the AG Index of 1,518/HP/annum derived considering the technical loss of 9.1%, observed in CYMDIST software, instead of norm of 18% as approved under Feeder Input Based AG Index Methodology approved by the Commission in the earlier order. The Commission observes that even after considering the AG Index of 1,518 Unit/HP/annum, the estimated sales for FY 2023-24 works out to 36,532 MUs which are still lower than agriculture sales of 39,561 MUs as claimed by MSEDCL in its MYT petition.

3.2.46 Hence, the Commission can't rely on the sales proposed by MSEDCL in the MYT petition. This discrepancy raises concerns about the reliability of the index provided by MSEDCL for calculating AG sales. As a result, the Commission has not considered the index provided by MSEDCL to determine AG sales.

3.2.47 The Commission has noted the submission of feeder wise quarterly data provided by MSEDCL as Annexure 2.1 with revised MYT petition. MSEDCL has submitted feeder data for 524 number of feeders for Quarter 1 and additional 1,168 feeders data for remaining three Quarters of FY 2023-24.

3.2.48 The Commission has noted the submission of MSEDCL regarding the consideration of additional 1,168 feeders (in addition to 529 MERC AG feeders) for feeder input-based index AG billing in September 2023 quarter.

3.2.49 For the computation of AG index for FY 2023-24, the Commission directed MSEDCL to submit the data of feeders selected for AG study conducted by Commission. MSEDCL submitted the same in the revised MYT petition. The Commission has analysed the data of feeders on quarterly basis. It is observed that, MSEDCL, in addition to the initial MERC feeders, has also considered the additional 1,168 feeders for feeder input-based index AG billing in September 2023 quarter. For the first quarter of FY 2023-24, only MERC feeders have been considered for computation of AG index. From the second quarter onwards, additional 1,168 feeders have also been considered for computation of AG index.

3.2.50 The Commission has computed the AG Index of MERC feeders and Additional feeders separately and observed that the AG Index of additional feeders is much higher than the MERC feeders. The computation of AG Index for MERC feeders and Additional feeders are shown in table below:

Table 8: Computation of AG index for MERC Feeders for FY 2023-24 by the Commission

MERC Feeders				
Quarter	No. of Feeders	AG Load (HP)	AG Consumption (kWh)	Index (kWh/HP)
Q 1	524	13,20,405	43,19,92,618	327
Q 2	524	13,21,028	32,42,63,105	245
Q 3	525	13,29,966	47,36,66,158	356
Q 4	529	13,43,679	53,32,33,260	397
			Annual Index	**1,326**

Table 9: Computation of AG index for Additional Feeders for FY 2023-24 by the Commission

Additional Feeders				
Quarter	No. of Feeders	AG Load (HP)	AG Consumption (kWh)	Index (kWh/HP)
Q 1*	-	-	-	-
Q 2	1,164	25,77,526	74,16,35,174	288
Q 3	1,164	25,67,733	1,03,87,06,690	405
Q 4	1,168	25,96,443	1,15,01,93,088	443
			Annualised Index	**1,513**

**Additional Feeder data not provided by MSEDCL for Q1 of FY 2023-24.*

3.2.51 The Commission observes that the high AG Index of the additional feeders is attributed to the disproportionate zone-wise selection of these feeders compared to the MERC selected feeders. A significant number of additional feeders are concentrated in zones where the AG Index is typically higher, leading to an overall elevated AG Index. The details of zone wise selection of MERC Feeders and Additional Feeders are shown below:

Table 10: Zonal wise selection of MERC Feeders for FY 2023-24 as submitted by MSEDCL

Zone	Jun-2023	Sep-2023	Dec-2023	Mar-2024
Akola zone	6.68%	6.68%	6.67%	6.62%
Amaravati zone	4.77%	4.77%	4.76%	4.73%
Baramati zone	18.89%	18.89%	19.05%	18.90%
Ch. Sambhaji Nagar zone	6.30%	6.30%	6.29%	6.24%
Gondia zone	0.76%	0.76%	0.76%	0.76%
Jalgaon zone	12.02%	12.02%	12.00%	11.91%
Kolhapur zone	7.82%	7.82%	7.81%	7.75%
Latur zone, Latur	12.02%	12.02%	12.00%	11.91%
Nagpur zone	2.86%	2.86%	2.86%	2.84%
Nanded zone	5.92%	5.92%	5.90%	5.86%
Nasik zone	20.99%	20.99%	20.95%	21.55%
Pune zone	0.95%	0.95%	0.95%	0.95%

Zone	Jun-2023	Sep-2023	Dec-2023	Mar-2024
Grand total	**100%**	**100%**	**100%**	**100%**

Table 11: Zonal wise selection of Additional Feeders for FY 2023-24 as submitted by MSEDCL

Zone	Jun-2023*	Sep-2023	Dec-2023	Mar-2024
Akola zone		0.95%	0.95%	0.94%
Amaravati zone		3.78%	3.78%	3.77%
Baramati zone		25.69%	25.69%	25.60%
Ch. Sambhaji Nagar zone		2.66%	2.66%	2.65%
Chandrapur zone		4.38%	4.38%	4.37%
Gondia zone		1.03%	1.03%	1.03%
Jalgaon zone		7.56%	7.56%	7.53%
Kolhapur zone		17.18%	17.18%	17.29%
Latur zone, Latur		5.24%	5.24%	5.22%
Nagpur zone		6.01%	6.01%	5.99%
Nanded zone		3.44%	3.44%	3.42%
Nasik zone		17.70%	17.70%	17.81%
Pune zone		4.38%	4.38%	4.37%
Grand total		**100%**	**100%**	**100%**

**Additional Feeder data not provided by MSEDCL for Q1 of FY 2023-24.*

3.2.52 The process/methodology for the selection of feeders under the AG Index methodology has been comprehensively detailed in the past MYT Order in Case No. 322 of 2019 and MTR Order in Case No. 226 of 2022, and any deviation from the same without any logical justification is not appropriate. Furthermore, the inclusion of an additional 1,168 feeders in the AG Index methodology must be undertaken with due diligence, adhering to all the steps outlined in the MYT Order. The Commission observes that these 502 feeders were so selected upon extensive exercise of field survey, mapping of DTs and AG consumers and connected load thereon based on rigorous stratified random sample-based feeder selection approach. Any addition to the sample feeders will have to strictly follow all the steps outlined under MYT Order in Case No. 322 of 2019 and part substitution/replacement of such identified 502 feeders without valid reasons/justification is not envisaged. However, it is observed that, MSEDCL has considered the significant number of additional feeders which are concentrated in zones where the AG Index is typically higher. **The Commission considers the current selection of feeders is not appropriate.**

3.2.53 In this context, the Commission would like to highlight its observations from earlier order in Case No. 322 of 2019 (MYT Order) and Case No. 226 of 2022 (MTR Order) regarding operationalization of Feeder Input based Methodology and determination of AG Index for the purpose of assessment of AG Sales. The relevant extract of the same are reproduced hereunder:

*"**8.10.9** Under MYT Order in Case 322 of 2019 in Para 4.2.20 to Para 4.2.26, the Commission has extensively deliberated on the need for Feeder Input based estimation of AG Sales, the methodology and meticulous process to be followed for selection of feeders and care to be taken for implementation of such Feeder input based AG estimation. Merely increasing sample size of feeders without ensuring appropriate steps for verification, validation, mapping of DTC, indexing of consumers and updation of records of the connected load of such consumers connected on the feeder in the register aligned with ground reality upon field survey, will not be proper.*

***8.10.10** Further, ascertaining of the technical loss/commercial loss on such feeder is pre-requisite for ascertaining the AG sales using AMR based feeder input mechanism. In this context, the Commission reiterates its observations and ruling outlined under MYT Order in Case 322 of 2019 that in order to have a credible arrangement of feeder input based methodology, (through operationalising the feeder input based methodology), it is important that feeder-based energy accounting data based on AMR/MRI is maintained and made available in automated manner without manual intervention and without need for assessment due to any reason (including but not limited to CT/PT errors, mapping errors, communication errors etc.). Further, estimation of feeder-wise technical losses (by segregating losses on account on wrong/non billing and unauthorised consumption (if any), mapping of AG and Non-AG consumers on the feeder, updating master data thereof and timely publishing this information in transparent manner on regular basis is essential, which will boost the confidence level of all stakeholders in ascertain a better estimation of actual AG consumption in the state using Feeder Input based methodology, in the absence of actual metering of entire AG consumers*."

3.2.54 **The Commission directs MSEDCL to follow the methodology laid down by the Commission in MYT Order in Case No. 322 of 2019 for selection of feeders in future. The feeders if at all to be added, shall be selected only by following the same rigorous sampling process discussed by the Commission in its AG Report and the past Orders.**

3.2.55 To address the current issue, the Commission has considered the following approach for estimation of the AG Index for FY 2023-24:

- The Commission has selected additional 525 from the list of 1,168 feeders shared by MSEDCL in proportion to the zone-wise distribution of the MERC-selected feeders to double sample size of feeders in each zone so that the proportionate distribution of sample feeders remains the same.

- From the list of available feeders from each zone, the Commission has selected the feeders with the highest AG load (ascending order).
- These 525 additional feeders shortlisted by the Commission have been considered in addition to the MERC-selected feeders for 3 quarters in FY 2023-24 for the computation of the AG Index for FY 2023-24.

3.2.56 The AG Index for the selected feeders is computed as 1,377 units/HP/annum. The computation of AG index for FY 2023-24 is shown below:

Table 12: Computation of Ag index for MERC Feeders and Proportionate Additional Feeders for FY 2023-24 by the Commission

MERC Feeders + Proportionate Additional Feeders				
Quarter	**No. of Feeders**	**AG Load (HP)**	**AG Consumption (kWh)**	**Index (kWh/HP)**
Q 1*	524	13,20,406	43,19,92,619	327
Q 2	1,048	27,46,720	70,66,84,714	257
Q 3	1,050	27,56,345	1,04,27,20,717	378
Q 4	1,054	27,81,870	1,15,22,45,554	414
			Annual Index	**1,377**

**Same as MERC Feeders as no data for additional feeders provided by MSEDCL for Q1 of FY 2023-24.*

3.2.57 **The Commission has computed AG Index of 1,377 MUs/HP/Annum for FY 2023-24 and approved AG Sales of 33,326 MUs for FY 2023-24 including DF sales.**

3.2.58 During the Public Hearing, several objectors have raised objections regarding the methodology followed by MSEDCL for estimation of AG Sales and non-compliance of Commission's directions to adopt feeder-based input methodology, and delay in sharing feeder-based input data to be put out in public domain in timely manner for verification/validation by stakeholders. Even the specific objections of the objectors in this regard have not been responded to in an appropriate manner by MSEDCL and only generic reply has been provided at times.

3.2.59 The Commission understands that improvements in the feeder-based input methodology, enhancement of sample size, selection of feeders is a continuous process for further refinements in assessment of AG sales, which MSEDCL should continue. Further, the Commission notes that while MSEDCL has tried to enhance the sample size, it has not followed the principles and methodology laid down by the Commission in the MYT Order in Case No. 322 of 2019.

3.2.60 The Commission directs MSEDCL to complete the conversion all AG feeders to a feeder input-based indexed billing system by installation of AMR meters within one year from issuance of the Order. Further, MSEDCL should submit the present status report of AMR meter installation within three months from the issuance of this order. Further, MSEDCL should submit a quarterly progress report to the Commission. MSEDCL shall publish the Quarterly progress reports on its website incorporating the status of implementation as part of next MTR filing. This transparency will boost stakeholders' trust in the data and the process, allowing them to provide valuable feedback and suggestions. This feedback can be used to make necessary adjustments and corrections in a timely manner. Accordingly, the Commission shall consider the same at the time of next MTR process while truing up the sales for prospective periods.

3.2.61 Further, the Commission has observed that MSEDCL has released 1,61,556 unmetered connections for FY 2022-23 and FY 2023-24 which is strictly not acceptable. MSEDCL attributed the release of such unmetered connection to the "AG Policy 2020" introduced by the Government of Maharashtra. The Commission in past vide MYT Order for the 3rd Control period in Case No. 19 of 2012 had directed MSEDCL to stop releasing unmetered AG connections and convert the existing unmetered connections to metered AG connections. Subsequent Orders issued by the Commission also categorically directed MSEDCL to ensure that new unmetered AG connections should not be released.

3.2.62 In a recent Order issued by the Commission in the matter of “Suo-Motu Hearing on Review of status of compliances of various directions issued by the Commission in its order dated 31 March 2023 in Case No. 226 of 2022” dated 22 January 2025, the Commission has stated the following:

“Commission’s Ruling

8.3.7 While issuing the MTR Order, the Commission has specifically directed MSEDCL to initiate internal enquiry on release of unmetered AG connections and submission of Zone wise report. But instead of compliance, MSEDCL has attempted to justify the action under the shelter of GoM Resolution dated 18 December 2020.

8.3.8 It is the responsibility of MSEDCL as a Licensee to meter all consumers as per Section 55 of the Electricity Act, 2003. It is highlighted that the Commission in its Order dated 13 October 2006 in Case No.13 of 2006 had rejected MSEDCL’s prayer for extending statutory time limit (2 years from the notification of the Electricity Act, 2003) to five years for installing correct meters for Agricultural consumers. Since then, the Commission has issued various Orders directing metering of AG connections.

8.3.9 On one side, MSEDCL is striving hard to convert unmetered AG connections into metered connections. On the contrary, also releasing unmetered connections. Being a Government owned Distribution Licensee, it is responsibility of MSEDCL to point out *correct legal propositions to the Government of Maharashtra, while framing of GRs/ implementing GRs. MSEDCL's submission shows apathetic approach toward AG metering. Hence, the Commission finds it appropriate to levy fine of Rs.1,00,000/- for non-compliance of its directive to release new connecting with meter only."*

3.2.63 Accordingly, the Commission has clearly taken a stand in the matter of release of new unmetered connection to any consumers including AG consumers. MSEDCL was expected to follow the directions of the Commission issued through various Orders in letter and spirit. Accordingly, the Commission is of the view that, releasing unmetered connections instead of converting unmetered to metered connection, is non-compliance of the Commission's directions. The Commission expresses its displeasure for non-compliance by MSEDCL with regards to the directions of the Commission. Accordingly, the Commission directs MSEDCL to appraise the Government about its directives and to refrain from releasing any unmetered connections in the future. The Commission will be constrained to initiate stringent action for any non-compliance with the directions of the Commission.

3.2.64 Accordingly, the summary of the approved Sales for FY 2022-23 and FY 2023-24 for the purpose of Truing-up is provided as under:

Table 13: Sales of FY 2022-23 and FY 2023-24 as approved by the Commission (MU)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
HT Sales	45,196	42,953	42,953	46,472	45,598	45,598
LT Sales (Excl. LT AG Sales)	44,356	40,672	40,672	45,363	43,890	43,890
LT AG Sales	27,167	36,821	28,736	27,382	39,538	33,326
Total Sales (Excl. DF)	**1,16,719**	**1,20,446**	**1,12,361**	**1,19,217**	**1,29,026**	**1,22,815**
Energy Sales in Bhiwandi DF Area	3,364.62	3,555.09	3,555.09	3,425.38	3,541.62	3,541.62
Energy Sales in Malegaon DF Area	741.32	782.88	782.88	754.21	831.88	831.88
Energy Sales in Thane DF Area	545.76	522.47	522.47	558.32	590.05	590.05
Total Energy Sales (Incl. of DF Sales)	**1,21,371**	**1,25,307**	**1,17,221**	**1,23,955**	**1,33,990**	**1,27,778**

3.3 Distribution Losses for FY 2022-23 and FY 2023-24

MSEDCL's Submission:

3.3.1 MSEDCL has submitted that the actual distribution loss (excluding EHV sales) achieved by MSEDCL for FY 2022-23 and FY 2023-24 are 16.49% and

17.95%, respectively, as against the approved figure of 14.00% and 13.00%, respectively, in the MTR Order in Case no. 226 of 2022. The details are provided in the table below:

Table 14: Distribution Loss for FY 2022-23 and 2023-24 as submitted by MSEDCL (%)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Distribution Loss	14.00%	16.49%	13.00%	17.95%

3.3.2 MSEDCL has submitted that it endeavoured for taking Distribution Losses to the lowest possible level. MSEDCL has taken various initiative to limit the rise in tariffs rates by curtailing Distribution Loss, accurate billing of proper reading of unutilized energy, increasing collection efficiency, limiting Operations and Maintenance expenses and implementing latest technology for efficient management for reduction of Distribution losses.

3.3.3 MSEDCL submitted that it has taken initiatives to convert all AG feeders to feeder input based index billing in phase wise manner by installation of AMR meters to all Ag feeders. In first phase i.e., in FY 2023-24, 2,000 nos. of AG feeders (including earlier 502 + 27 MERC Ag working group selected AG feeders) were targeted to include in index billing. Accordingly, MSEDCL initiated installation of AMR meters on all the selected 2,000 Nos. Ag feeders.

3.3.4 Further, in addition to the initial 529 nos., additional 1,168 feeders have been considered for feeder input based index Ag billing where metering data is received through AMR/MRI which are included after careful consideration of all the steps outlined in Case No. 322 of 2019. After correction of Consumer indexing on these 1,168 feeders (in addition to 529 Ag feeders), the same have been considered for feeder input based Index based Ag billing in Sept 2023 quarter.

3.3.5 MSEDCL submitted that the Commission, in its Clarificatory Order No. 79 of Case 2020 dated 30th March 2020, issued the following directive:

> *"21. Therefore, till the feeder-wise actual technical losses are not available, the Commission allows MSEDCL to use 18% as Technical Loss for implementing feeder input-based billing to Agricultural consumers connected on 502 selected feeders. Further, this billing method (billed for units consumed arrived based on feeder input) will be applicable to all Agricultural Consumers (metered or unmetered) connected on that feeder."*

3.3.6 In compliance with the above directive and directives of the Commission in Case No. 322 of 2019, Case no. 84 of 2020 & Case No. 226 of 2022, MSEDCL has adopted an 18% technical loss assumption for estimating the Feeder AG Index. This index is then applied for determining AG sales of unmetered agricultural consumers spread across various divisions under MSEDCL's jurisdiction. MSEDCL has submitted that, due to the adoption of this revised methodology, the estimated AG sales of unmetered consumers have significantly reduced, which in turn has affected the overall distribution loss computation of MSEDCL.

3.3.7 MSEDCL submitted that, considering an 18% technical loss assumption for estimating the Feeder AG Index, the AG Index for FY 2022-23 for 502 feeders is 1189 HP/Unit, while for FY 2023-24, including the additional feeders along with 502 feeders, the AG Index comes out to 1368 HP/Unit.

3.3.8 MSEDCL has further submitted that, in order to accurately estimate distribution losses, it has initiated the computation of technical losses using advanced software, CYME DIST, for the 502 selected feeders. The software considers all critical feeder parameters, including the length and conductor size of HT/LT lines, the capacity of distribution transformers, the number of agricultural consumers with their connected load, and real-time feeder loading data.

3.3.9 MSEDCL submitted that, as per the Commission's directives, the work of DTC metering on MERC AG feeders has been commenced. Feeders where 100% of the work has been completed are listed in the table below. MSEDCL stated that the remaining work will be completed within a short period. A comparison of feeder losses up to the DTC level (based on metering and recorded readings) with the total feeder losses as per CYMDIST has been carried out, and the losses are found to be within an acceptable range.

Table 15: DT metering status as submitted by MSEDCL

Zone	Circle	Substation Name	Feeder Name	Total Metered DTC	HT Length	LT Length	% Feeder Technical losses	% Feeder Loss (Up to DTC)
Amravati	Amravati	33 kV TONDGAON	11 kV Tondgaon	67	24	80	4.3	3%
Baramati	Solapur	33/11 kV KHANDALI SUB STATION	11 kV DATTANAGAR	28	10	13	2.8	1%
Kolhapur	Sangli	33/11 kV NAGAON	11 kV POKHARNI AG	33	12	52	11.1	8%
Nasik	Malegaon	GAVANDGAON SUB STATION	11 kV KAUTKHEDA	25	10	19	6.4	4%
Nasik	Ahmednagar	33/11 kV PUNTAMBA	11 kV BAJARANG	19	10	27	10.6	6%

3.3.10 MSEDCL submitted that, from the above average technical losses of 535 feeders as per CYMDIST software comes to be 9.1% as against 18% considered by Commission. Hence MSEDCL requested to consider the 9.1%

technical loss for Feeder Input based AG Index methodology and distribution losses for FY 2023-24 as 16.90%.

Commission's Analysis and Rulings

3.3.11 Based on the methodology for computation of Distribution Loss by considering the approved sales at the distribution periphery excluding EHV sales, the Distribution Loss level stipulated for FY 2022-23 and FY 2023-24 in the last MTR Order was 14% and 13 %, respectively. However, MSEDCL has now submitted a Distribution Loss level of 16.49% and 17.95 % for FY 2022-23 and FY 2023-24 respectively, which is higher than the provisionally approved figures under MTR Order.

3.3.12 Further, the Commission has elaborated in earlier paragraphs regarding estimation of AG sales which itself is range bound and its consequent impact on distribution loss would also be range bound.

3.3.13 For the purpose of Energy Balance and assessment of distribution loss for FY 2022-23 and FY 2023-24 under this Order, the Commission has now approved revised Energy Sales of 1,25,121 MU for FY 2022-23 against the claim of 1,33,206 MU and Energy Sales of 1,35,559 MU for FY 2023-24 against the claim of 1,41,568 MU, including DF Sales, OA Sales and Solar offset Units. Based on these approved sales and the power purchase approved in the Order, the Commission has approved the Distribution Loss for FY 2022-23 and FY 2023-24 as shown in the Table below:

Table 16: Distribution Losses for FY 2022-23 & FY 2023-24 as approved by Commission

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Distribution Loss	14.00%	16.49%	22.47%	13.00%	17.95%	22.04%

3.3.14 **Accordingly, the Commission approves a Distribution loss of 22.47% and 22.04% for FY 2022-23 and FY 2023-24, respectively**.

3.4 Energy Balance for FY 2022-23 & FY 2023-24

MSEDCL's Submission

3.4.1 For calculating the total energy balance, the sale to the consumers within the Distribution Franchisee area has also been considered. Accordingly, Energy available for sale for FY 2022-23 & FY 2023-24 are computed as below:

Table 17: Energy Sales for FY 2022-23 & FY 2023-24 as submitted by MSEDCL (MU)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Deviation	MTR Order	MYT Petition	Deviation
Total Excl. DF	116,719.00	120,446.27	3,727.27	119,217.30	129,026.21	9,808.91
Add: Energy Sales in DF						
a. Bhiwandi	3,364.62	3,555.09	190.47	3,425.38	3,541.62	116.25
b. Malegaon	741.32	782.88	41.56	754.21	831.88	77.67
c. Thane	545.76	522.47	(23.29)	558.32	590.05	31.73
Total Sales Incl. DF	**121,370.70**	**125,306.71**	**3,936.02**	**123,955.20**	**133,989.76**	**10,034.56**
Add: OA Sales (Conventional)	4,631.00	4,353.64	(277.36)	4,863.00	4,505.94	(357.06)
Add: OA Sales (Renewable)	1,988.00	1,992.12	4.12	2,825.00	3,072.36	247.36
Add: Solar Offset Units	0	159.65	159.65	(0.38)	202.66	203.04
Total Energy Sales MSEDCL	**127,989.70**	**131,812.12**	**3,822.43**	**131,642.82**	**141,770.73**	**10,127.90**

3.4.2 MSEDCL submitted that it is procuring power from various sources including MSPGCL, CGS including Nuclear power plants, Traders, IPPs and RE Sources. It would be very difficult to differentiate which power is coming from which source at the transmission periphery. Hence, an average Inter-State loss for the whole year is considered for power sourced from outside the State.

3.4.3 MSEDCL submitted that data of metered energy is available at 3 points: At bus bar of the generating station i.e. G<>T, at T<>D interface i.e., at Distribution Periphery and sales at consumer end. It is further submitted that MSEDCL considered metered energy to calculate Distribution Loss.

3.4.4 MSEDCL submitted that power purchased or scheduled from ISTS network is scheduled by Western Region Load Dispatch Centre. The power purchase from Inter State networks can be grouped under following categories.

Table 18: Category of Power Generators as submitted by MSEDCL

Type	Purchase Include power from
ISGS (Inter State Generating Station)	NTPC, NPCIL, SSP, Pench, CGPL
Long Term Access (LTA) i.e., IPP	EMCO
Short Term Open Access (STOA)	Short term bilateral power purchase, Power purchase through Power Market like IEX, Banking Arrangement

3.4.5 MSEDCL submitted that based on the power scheduled at generator bus for Maharashtra, it is scheduled on WRLDC web-based scheduling software. Similarly, power scheduled at Maharashtra state periphery is available as Net drawl schedule on WRLDC web-based scheduling software. Tarapur Atomic

Power Station of NPCIL (TAPS 1&2) which is considered as ISGS station, however, is connected to Maharashtra State STU network for power evacuation. Hence, for scheduling of power to Maharashtra no PoC / scheduling loss is considered. Similarly, EMCO Warora is located in Maharashtra, but this generating station is connected to ISTS network. Hence, power is scheduled by WRLDC.

3.4.6 MSEDCL submitted that it purchased power from power market mainly Indian Energy Exchange (IEX) as per the requirement to meet the demand or for cost optimization. The power purchase from IEX is at regional periphery and drawl losses are applicable for energy purchased from IEX to compute energy available at Maharashtra State periphery.

3.4.7 Further, MSEDCL also had agreements for banking of power from states like Haryana, Himachal Pradesh, Punjab. In banking arrangement, transactions are settled at regional periphery and concerned DISCOMs has to bear drawal loss when receiving power from other DISCOM and has to bear injection loss when delivering power to other DISCOM.

3.4.8 The surplus power traded at Exchange is billed at regional periphery and bilateral power traded is billed at STU periphery. The quantum of 1,394 MUs & 536.73 MUs shown under “Surplus Energy Traded” is the actual energy traded by MSEDCL at STU periphery during FY 2022-23 & FY 2023-24. MSEDCL has considered the ISTS losses as 3.57% for FY 2022-23 and 3.54% for FY 2023-24 to compute the energy received at STU periphery from these reports.

3.4.9 MSEDCL has considered InSTS losses at 3.22% for FY 2022-23 and 3.19% for FY 2023-24 for Maharashtra system including computation of input for OA consumption.

3.4.10 The following table shows the energy balance for FY 2022-23 & FY 2023-24.

Table 19: Energy Balance for FY 2022-23 as submitted by MSEDCL

Sr. No	Particulars	Calculation	UoM	MYT Petition
1	LT Agriculture Sales (Including D.F)	a	MU	36,634.99
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	44,915.45
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	31,136.11
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,12,686.55**
5	OA Sales (Renewables)	e	MU	1,992.12
6	OA Sales (Conventional)	f	MU	4,353.64
7	Retail Energy Sale to Consumers (Excluding EHV Sales)	A=d+e+f	MU	1,19,032.31
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	1,394.09
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,20,426.40**

Sr. No	Particulars	Calculation	UoM	MYT Petition
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,55,095.74**
11	Power Purchase Quantum from Intra-State sources	g	MU	98,956.96
12	Power Purchase Quantum from Inter-State sources	h	MU	56,138.78
13	Inter-State Losses	i	%	3.57%
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	54,134.84
	Add: FBSM		MU	
15	Power Quantum handled at Maharashtra Periphery	k=g+j	MU	1,53,091.80
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	2,058.36
17	Input for OA Consumption	m=f/(1-q)	MU	4,498.40
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,59,648.56**
19	Surplus Power Traded	o=B	MU	1,394.09
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,58,254.47**
21	Intra-State Transmission Loss	q	%	3.22%
22	Intra-State Transmission Loss	r=p*q	MU	5,092.86
23	**Net Energy requirement at T<>D Periphery**	**s=p-r**	**MU**	**1,53,161.61**
24	EHV Sales	t	MU	12,779.81
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,40,381.80
26	Energy injected and drawn at 33kV	v	MU	1,105.96
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	**1,41,487.76**
28	Energy Available for Sale including Surplus traded (excluding OA Sales)	F=E-l-m	MU	1,34,931.00
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**G=F-d**	**MU**	**22,244.45**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**16.49%**

Table 20: Energy Balance for FY 2023-24 as submitted by MSEDCL

Sr. No	Particulars	Calculation	UoM	MYT Petition
1	LT Agriculture Sales (Including D.F)	a	MU	39,560.62
2	LT Sales excluding Agriculture Sales (Incl. D.F)	b	MU	48,022.22
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	32,794.95
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,20,377.79**
5	OA Sales (Renewables)	e	MU	3,072.36
6	OA Sales (Conventional)	f	MU	4,505.94
7	**Retail Energy Sale to Consumers (Excl. EHV Sales)**	**A=d+e+f**	**MU**	**1,27,956.09**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	-
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,27,956.09**

Sr. No	Particulars	Calculation	UoM	MYT Petition
				-
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,66,970.40**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,09,954.95
12	Power Purchase Quantum from Inter-State sources	h	MU	57,015.45
13	Inter-State Losses	i	%	3.54%
14	**Power Purchase Quantum from Inter-State sources at MS Periphery**	**j=h*(1-i)**	**MU**	**54,997.68**
	Add: FBSM		MU	-
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	**MU**	**1,64,952.62**
				-
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	3,268.47
17	Input for OA Consumption	m=f/(1-q)	MU	4,793.56
18	**Total Power Purchase Quantum Handled**	**n=k+l+m**	**MU**	**1,73,014.65**
19	Surplus Power Traded	o=B	MU	536.73
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,72,677.92**
				-
21	Intra-State Transmission Loss	q	%	3.19%
22	Intra-State Transmission Loss	r=p*q	MU	5,509.14
23	**Net Energy requirement at T<>D Periphery**	**s=p-r**	**MU**	**1,67,168.78**
24	EHV Sales	t	MU	13,611.97
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,53,556.81
26	Energy injected and drawn at 33kV	v	MU	1,212.01
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	**1,54,768.82**
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**F=E-l-m**	**MU**	**1,46,706.79**
				-
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**G=F-d**	**MU**	**26,329.00**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**17.95%**

3.4.11 MSEDCL requested the Commission to approve the Energy Balance for FY 2022-23 & FY 2023-24 as submitted in the table above.

Commission's Analysis and Ruling

3.4.12 The Commission notes that the Energy Balance submitted by MSEDCL for FY 2022-23 and FY 2023-24 is as per Form 1.4 approved for 4^{th} MYT Control Period, in which Distribution Loss has been estimated excluding EHV sales.

3.4.13 The Commission has considered the conventional Open Access Sales and RE Open Access Sales as submitted by MSEDCL. The data has been verified from the submissions made in response to queries raised. Accordingly, the submission of OA sales is found to be in order.

3.4.14 Based on the revised estimation of LT sales by the Commission as approved in this Order, the approved sales including the DF sales and the open access sales units as available for Energy Balance of FY 2022-23 and FY 2023-24 is shown in the Table below.

Table 21: Energy Available for Sale for FY 2022-23 and FY 2023-24 as approved by the Commission

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Total Excl. DF	1,16,719.00	1,20,446.27	1,12,361.05	1,19,217.30	1,29,026.21	1,22,814.80
Add: Energy Sales in DF						
a. Bhiwandi	3,364.62	3,555.09	3,555.09	3,425.38	3,541.62	3,541.62
b. Malegaon	741.32	782.88	782.88	754.21	831.88	831.88
c. Thane	545.76	522.47	522.47	558.32	590.05	590.05
Total Sales Incl. DF	**1,21,370.70**	**1,25,306.71**	**1,17,221.49**	**1,23,955.20**	**1,33,989.76**	**1,27,778.35**
Add: OA Sales (Conventional)	4,631.00	4,353.64	4,353.64	4,863.00	4,505.94	4,505.94
Add: OA Sales (RE)	1,988.00	1,992.12	1,992.12	2,825.00	3,072.36	3,072.36
Add: Solar Offset Units	0	159.65	159.65	-0.38	202.66	202.66
Total Energy Sales	**1,27,989.70**	**1,31,812.12**	**1,23,726.90**	**1,31,642.82**	**1,41,770.73**	**1,35,559.31**

3.4.15 The Commission has considered the energy injected and drawn at 33 kV as submitted by MSEDCL, as this information about energy injected and drawn at 33 kV is maintained at circle offices of MSEDCL.

3.4.16 The Commission has considered the InSTS loss of 3.22% for FY 2022-23 and 3.19% for FY 2023-24, which is also the actual InSTS losses as reported by MSLDC for FY 2022-23 for FY 2023-24.

3.4.17 The Commission has considered the Surplus Energy Trade of 1394 MUs for FY 2022-23 and 537 MUs for FY 2023-24 same as submitted by MSEDCL.

3.4.18 Accordingly, the Commission has considered the Net Energy Requirement at T<>D Periphery as claimed by MSEDCL for FY 2022-23 and FY 2023-24 for calculating Distribution Loss.

3.4.19 The Distribution Losses arrived at for FY 2022-23 and FY 2023-24 in the Energy Balance are consequent to the above changes.

Table 22: Energy Balance for FY 2022-23 as approved by the Commission

Sr. No	Particulars	Calculation	UoM	FY 2022-23		Approved in this Order
				MTR Order	MYT Petition	
1	LT Agriculture Sales (Including D.F)	a	MU	26,981	36,635	28,550
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	48,390	44,915	44,915
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	32,617	31,136	31,210
4	Total Sales including D.F (Excluding EHV Sales)	d=a+b+c	MU	1,07,988	1,12,687	1,04,675
5	OA Sales (Renewables)	e	MU	1,988	1,992	1,992

Sr. No	Particulars	Calculation	UoM	FY 2022-23		Approved in this Order
				MTR Order	MYT Petition	
6	OA Sales (Conventional)	f	MU	4,631	4,354	4,354
7	Retail Energy Sale to Consumers (Excluding EHV Sales)	A=d+e+f	MU	1,14,607	1,19,032	1,11,021
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	-	1,394	1,394
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,14,606**	**1,20,426**	**1,12,415**
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,45,437**	**1,55,096**	**1,55,096**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,03,903	98,957	98,957
12	Power Purchase Quantum from Inter-State sources	h	MU	41,534	56,139	56,139
13	Inter-State Losses	i	%	3.10%	3.57%	3.57%
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	40,245	54,135	54,135
	Add: FBSM		MU	272	0	0
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	**MU**	**1,44,420**	**1,53,092**	**1,53,092**
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	2,053	2,058	2,058
17	Input for OA Consumption	m=f/(1-q)	MU	4,783	4,498	4,498
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,51,256**	**1,59,649**	**1,59,649**
19	Surplus Power Traded	o=B	MU	-	1,394	1,394
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,51,256**	**1,58,254**	**1,58,254**
21	Intra-State Transmission Loss	q	%	3.18%	3.22%	3.22%
22	Intra-State Transmission Loss	r=p*q	MU	4,808	5,093	5,093
23	**Net Energy requirement at T<>D Periphery**	**s=p-r**	**MU**	**1,46,448**	**1,53,162**	**1,53,162**
24	EHV Sales	t	MU	13,383	12,780	12,706
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,33,065	1,40,382	1,40,456
26	Energy injected and drawn at 33kV	v	MU	905	1,106	1,106
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	**1,32,161**	**1,41,488**	**1,41,561**
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**F=E-l-m**	**MU**	**1,25,542**	**1,34,931**	**1,35,005**
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**G=F-d**	**MU**	**17,554**	**22,244**	**30,330**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**14.0%**	**16.5%**	**22.5%**

Table 23: Energy Balance for FY 2023-24 as approved by the Commission

Sr. No	Particulars	Calculation	UoM	FY 2023-24		Approved in this Order
				MTR Order	MYT Petition	
1	LT Agriculture Sales (Including D.F)	a	MU	27,164	39,561	33,137
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	49,495	48,022	48,234
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	33,518	32,795	32,998
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,10,178**	**1,20,378**	**1,14,369**
5	OA Sales (Renewables)	e	MU	2,825	3,072	3,072
6	OA Sales (Conventional)	f	MU	4,863	4,506	4,506
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,17,866**	**1,27,956**	**1,21,947**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	0	-	
9	Retail Energy Sale including surplus traded (Excluding EHV Sales)	C=A+B	MU	1,17,865	1,27,956	1,21,947
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,46,395**	**1,66,970**	**1,66,970**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,09,124	1,09,955	1,09,955
12	Power Purchase Quantum from Inter-State sources	h	MU	37,270	57,015	57,015
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.54%**	**3.54%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	35,947	54,998	54,998
15	Power Quantum handled at Maharashtra Periphery	k=g+j	MU	1,45,913	1,64,953	1,64,953
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	2,920	3,268	3,268
17	Input for OA Consumption	m=f/(1-q)	MU	5,023	4,794	4,794
18	Total Power Purchase Quantum Handled	n=k+l+m	MU	1.53,855	1,73,015	1,73,015
19	Surplus Power Traded	o=B	MU	0	537	537
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,53,856**	**1,72,678**	**1,72,678**
21	Intra-State Transmission Loss	q	%	3.18%	3.19%	3.19%
22	Intra-State Transmission Loss	r=p*q	MU	4,890	5,509	5,509
23	**Net Energy requirement at T<>D Periphery**	**s=p-r**	**MU**	**1,48,965**	**1,67,169**	**1,67,169**
24	EHV Sales	t	MU	13,778	13,612	13,612
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,35,188	1,53,557	1,53,557
26	Energy injected and drawn at 33kV	v	MU	905	1,212	1212
27	Total Energy Available for Sale at 33kV	E=u+v	MU	1,34,283	1,54,769	154769
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**F=E-l-m**	**MU**	**1,26,595**	**1,46,707**	**1,46,707**
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**G=F-d**	**MU**	**16,417**	**26,329**	**32,338**

Sr. No	Particulars	Calculation	UoM	FY 2023-24		Approved in this Order
				MTR Order	MYT Petition	
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**13.00%**	**18.00%**	**22.04%**

3.5 Power Purchase Expenses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.5.1 MSEDCL submitted that it procures power from following sources of firm power to meet the power requirement for its customers:

- Maharashtra State Power Generation Company Limited (MSPGCL)
- Purchase from Central Generating Stations
- IPPs (JSW (Ratnagiri), CGPL, Adani Power Limited, Rattan India Limited, EMCO Power Limited, Sai Wardha, etc.)

3.5.2 MSEDCL also submitted that it buys power from other sources such as Sardar Sarovar and Pench Hydro project, RE sources including Hydro, Wind, Bagasse, MSW, and Solar.

3.5.3 It is also stated that in addition to the above sources, in case of any shortfall from approved sources, when demand exceeds availability or for cost optimization, MSEDCL sources power from exchange/Traders or other sources at the market price through competitive bidding in accordance with the Guidelines of MoP.

<u>FY 2022-23</u>

MSEDCL's Submission

3.5.4 Following table summarizes the source wise power purchase done by MSEDCL during the FY 2022-23.

Table 24: Power Purchase Expenses for FY 2022-23 as submitted by MSEDCL

Source of Power	PP Quantum (MUs)			PP Cost (Rs. Crore)			PP Cost (Rs./kWh)		
	Approved in MYT Order	Actual	Deviation	Approved in MYT Order	Actual	Deviation	Approved in MYT Order	Actual	Deviation
MAHAGENCO	60,026.5	53,351.4	(6,675.2)	26,139.4	28,310.3	2,171.0	4.35	5.31	0.95
NTPC	30,044.5	38,050.69	8,155.1	12,858.1	16,577.53	3,785.7	4.28	4.36	0.08
NPCIL	4,233.1	4,434.6	201.6	1,331.7	2,054.2	722.5	3.15	4.63	1.49
SSP	1,213.3	1,180.5	(32.7)	248.7	242.0	(6.7)	2.05	2.05	(0.00)
Pench	136.9	117.9	(19.0)	28.1	24.2	(3.9)	2.05	2.05	0.00
Dodson		19.3	19.3	9.5	9.5	0.0		4.91	4.91
JSW		647.2	647.2	82.6	464.8	382.2		7.18	7.18
CGPL	3,507.8	1,481.9	(2,025.9)	1,935.3	1,139.0	(796.2)	5.52	7.69	2.17

Source of Power	PP Quantum (MUs)			PP Cost (Rs. Crore)			PP Cost (Rs./kWh)		
	Approved in MYT Order	Actual	Deviation	Approved in MYT Order	Actual	Deviation	Approved in MYT Order	Actual	Deviation
Adani Power	13,288.7	21,349.4	8,060.7	8,051.1	15,571.0	7,520.0	6.06	7.29	1.23
EMCO Power	1,373.8	1,509.0	135.2	535.8	654.5	118.7	3.90	4.34	0.44
Rattan India	9,794.5	8,387.6	(1,406.9)	3,928.6	3,716.5	(212.1)	4.2	4.43	0.42
Sai Wardha		1,644.51	1644.51		745.51	745.51		4.53	4.53
Renewables	19,881.6	20,259.9	378.2	9,121.6	8,945.5	(176.1)	4.59	4.42	(0.17)
REC			-			-			-
Short Term	1,823.9	4,073.8	2,249.9	1,075.0	1,808.5	733.6	5.89	4.44	(1.45)
FBSM	23.0	(1,570.9)	(1,593.9)	1.9	(219.2)	(221.1)	0.83	1.40	0.57
MPEB	4.2	10.1	5.9	3.0	8.8	5.8	7.14	8.70	1.56
PGCIL Charges			-	3,661.9	3,801.8	139.9			-
Other			-		14.9	14.9			-
Total	**145,351.8**	**155,095.7**	**9,743.9**	**69,012.0**	**83,935.8**	**14,923.7**	**4.75**	**5.41**	**0.66**

3.5.5 In the following paragraphs, MSEDCL has submitted the detailed reasons for variation in the approved power purchase quantum by 9,743.90 MUs and variation power purchase cost by Rs. 14,923.70 Crore against that approved under MYT Order in Case No. 322 of 2019.

3.5.6 **MSPGCL**: The cost of power from MSPGCL's generating station has increased due to blending of imported coal as per Ministry of Power's notification dated 28th April 2022 (to import at least 10% of requirement of coal for blending). Hence, high-cost generating stations—Bhusawal 4 & 5, Khaparkheda 1 to 4, Nashik 3, 4 & 5, and GTPS Uran were excluded from the MoD principles. Hence, MSEDCL has purchased less power than approved from these stations. The power purchase cost of these sources is higher than approved cost.

3.5.7 **Central Sector**: Peak demand reached 25,144 MW due to a heat wave and increased agricultural pumping, while 4,200 MW of capacity was unavailable due to outages. To manage the shortfall, 672.99 MW from surrendered shares of NTPC stations was reallocated to MSEDCL from 28 March to 15 June 2022, with approval granted on 25 April 2022. Solar power was available only during the day, making thermal plants essential for evening and night demand. Additionally, TAPS 1 & 2 remained shut since 8 January 2020, forcing MSEDCL to procure power from plants outside the approved MoD stack, increasing purchase costs.

3.5.8 **Coastal Gujarat Power Limited (CGPL)**: The rates decided by committee under Section 11 of EA 2003 were considerably higher as compared to the rates under PPA and accordingly, stood higher at MoD stack and accordingly was scheduled. Hence, the power scheduled from CGPL was lower than estimated and accordingly paid lesser.

3.5.9 **JSW**: The rates decided by committee under Section 11 of EA 2003 were more than the rates under PPA. Accordingly, cost was also increased as compared to approved cost.

3.5.10 **Adani Power Maharashtra Limited (APML)**: MSEDCL has paid against domestic coal shortfall claims of APML. Increased price of Imported coal and shortfall in domestic coal has led to excess burden beyond approved cost.

3.5.11 **EMCO Power (GMR)**: A payment of Rs. 13.95 Crores was made due to a new change in law event, including transportation of fly ash for manufacturing of bricks, construction of roads, banking of rivers, cement manufacturing, backfilling of mines, etc., with generators bearing the transportation cost up to 300 km as per CERC order dated 22nd October 2021 in Petition No. 174/MP/2020. Additionally, Rs. 34 Crores was paid towards taxes and duties on coal due to ARB GCV (Supreme Court Order dated 3rd March 2023 in Civil Appeal No. 6927/2021). The deviation in scheduled units is due to increased demand

3.5.12 **Rattan India Power Ltd. (India Bulls) RPL**: Due to the decrease in quoted non-escapable energy charges, RPL was ranked lower and scheduled for more units. Payments included Rs. 312.15 Crores (Supreme Court order, 14 February 2022) for NCDP SHAKTI coal shortfall and taxes, Rs. 101.41 Crores (A.No.118 of 2021) for Evacuation Facility charges by Coal India Ltd., and Rs. 27.77 Crores (MERC order, 6 February 2023) due to changes in Paryavaran Upkar & Vikas Upkar.

3.5.13 **SWPGL (Sai Wardha Power Generation Private Limited):** The deviation in the power purchase cost is attributed to a payment of Rs 10.40 Crores made in compliance with the MERC order dated 09 June 2022 (Case No. 150 of 2021) and Rs 14.24 Crores paid towards alternate coal costs as per the MoP's circular for blending coal.

3.5.14 **Short Term**: Peak demand reached 25,144 MW due to post-COVID economic recovery, summer heat, and monsoon dry spells. Coal supply issues reduced generation availability, leading MSEDCL to procure more power from the short-term market to ensure supply stability.

Commission's Analysis and Rulings

3.5.15 The Commission has noted the submissions of MSEDCL for the purpose of truing-up of FY 2022-23. There is no deviation observed in power purchase cost for FY 2022-23 as per Note 32 of Audited Accounts and the amount claimed by MSEDCL in the petition.

3.5.16 Accordingly, the Commission has considered the power purchase quantum and cost based on Form 2 considered for scrutiny and prudence check.

MSPGCL:

3.5.17 Regarding the power purchase from MSPGCL, the Commission has considered the resulting deviation in power purchase costs due to significant rise in generation costs at MSPGCL stations. This is due to the increase in blending imported coal as per the Ministry of Power notification dated 28 April 2022. Accordingly, the Commission has approved the power purchase quantum and cost based on Form 2 as presented below:

Table 25: Power Purchase Quantum and Cost of MSPGCL Stations for FY 2022-23 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)
MAHAGENCO	60,026.50	26,139.40	4.35	53,351.40	28,310.30	5.31	53,351.40	28,310.30	5.31

NTPC and NPCIL:

3.5.18 The Commission in its MTR Order had projected the quantum of energy purchased from NTPC stations based on Merit Order Despatch principles for FY 2022-23. However, due to lesser availability of solar power during evening hours in FY 2022-23, MSEDCL had to procure the peak power from NTPC generating stations. Accordingly, an increase of 8006.19 MUs was observed for NTPC generators to cater the state peak demand of 25,144 MW.

3.5.19 In the case of NPCIL generating stations, the Commission admitted an increase in deviation of per unit power purchase costs due to non-availability of TAPP 1 & 2.

Table 26: Power Purchase Quantum and Cost of NTPC and NPCIL stations for FY 2022-23 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)
NTPC	30,044.50	12,858.10	4.28	38,050.69	16,577.53	4.36	38,050.69	16,577.53	4.36
NPCIL	4,233.10	1,331.70	3.15	4,434.60	2,054.20	4.63	4,434.60	2,054.20	4.63

IPPs:

3.5.20 MSEDCL was asked to provide detailed submission on the claimed amount of Rs 7,708 Crore against NCPD, Shakti Policy & Deallocation of Lohara coal Block and Rs. 7,791 Crore against the Domestic Coal Shortfall for the APML generators. Further the Commission directed MSEDCL to provide detailed computation for the amount claimed under Change in Law submissions. In response MSEDCL submitted the amount accepted by MSEDCL against claimed by the generators.

3.5.21 The Commission observed that MSEDCL has accepted a lower amount as claimed by the generator. Further, the Commission has scrutinized the audited accounts and noted that, the power purchase where, there is ambiguity in the method of computation of CIL by Generator, such amount is booked as non-provision under the financial statement and same has not been considered for power purchase expenses for that year.

3.5.22 For JSW, the Commission observed that change in rates under Section 11 of EA 2003 leads to a rise in the power procurement cost against the approved cost.

3.5.23 With regards to the EMCO Power (GMR), the Commission observes a significant increase in the power purchase cost per unit. Further, the Commission approved Change in law claims of Rs. 13.95 Crore as per CERC order dated 22nd October 2021 in Petition No. 174/MP/2020 and Rs. 34.00 Crore on account of Supreme Court Order dated 3rd March 2023 in Civil Appeal No. 6927/2021.

3.5.24 In case of Sai Wardha, the Commission observed the rise in the per unit power procurement costs on account of Change in Law payments made by MSEDCL of Rs. 10.40 Crore to comply with MERC Order dated 9 June 2022 and Rs. 14.24 Crores for blending circular.

3.5.25 For the purpose of truing-up of IPPs, the Commission has sought monthly bills on a sample basis for all the IPPs for detailed scrutiny of the power purchase cost as claimed by MSEDCL. In response to this MSEDCL has provided the sample copies of energy bills, CIL Bills and other bills for all the IPPs.

3.5.26 The Commission has undertaken the scrutiny of the bills submitted by MSEDCL and founds the same in line with Form 2. Accordingly, the Commission has approved the power purchase quantum and cost of IPPs as shown in Table below.

Table 27: Power Purchase Quantum and Cost of IPPs for FY 2022-23 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)
JSW		82.6		647.2	464.8	7.18	647.2	464.8	7.18
CGPL	3507.8	1935.3	5.52	1481.9	1139	7.69	1481.9	1139	7.69
Adani Power	13288.7	8051.1	6.06	21349.4	15571	7.29	21349.4	15571	7.29
EMCO Power	1373.8	535.8	3.90	1509	654.5	4.34	1509	654.5	4.34
Rattan India	9794.5	3928.6	4.20	8387.6	3716.5	4.43	8387.6	3716.5	4.43
Sai Wardha	0	0	0	1644.51	745.51	4.53	1644.51	745.51	4.53

Short-term Power Purchase:

3.5.27 The Commission noted the submission of MSEDCL regarding the short-term power purchase due to significant rise in electricity demand and reduction in generation from contracted generators due to coal supply issues result in procurement of more power from short-term market to stable the supply.

3.5.28 Further, the Commission has sought the detailed procedure followed for selecting traders for bilateral/trader purchases. In response, MSEDCL submitted that it has procured power in accordance with the Guidelines issued by MoP for Procurement of Power for short term by Distribution Licensee through Tariff based Competitive Bidding and floated short-term power purchase tenders on DEEP-Bidding portal. As per the guidelines, the tenders were processed on DEEP Portal and LOAs were issued to successful Bidders.

3.5.29 MSEDCL has submitted the month-wise short-term power procured with the monthly average rate and quantum during FY 2022-23 as detailed below:

Table 28: Short-term Power Purchase in FY 2022-23 as submitted by MSEDCL

Month	Power Exchange		Bilateral Purchase (Tenders)	
	MU	Rs/Unit	MU	Rs/Unit
Apr-22	415.77	8.64	0.00	0.00
May-22	103.44	6.28	0.00	0.00
Jun-22	220.88	3.65	0.00	0.00
Jul-22	429.90	4.75	0.00	0.00
Aug-22	507.40	5.74	0.00	0.00
Sep-22	146.47	5.11	0.00	0.00
Oct-22	182.88	4.33	64.85	7.44
Nov-22	239.88	4.50	0.00	0.00
Dec-22	490.80	4.66	0.00	0.00
Jan-23	415.77	4.63	0.00	0.00
Feb-23	223.99	5.58	0.00	0.00
Mar-23	139.29	4.44	188.94	7.44
Total	**3516.47**	**5.32**	**253.79**	**7.44**

3.5.30 The Commission has scrutinized the submission of MSEDCL and further observes that the average yearly per unit short-term for FY 2023-24 comes out to be Rs. 5.32/Unit for Purchase through Power Exchange and Rs. 7.44/Unit for Bilateral Purchase which is under the Ceiling tariff of Rs. 7.44/unit for FY 2022-23 in accordance with Case No. 148 of 2022.

DSM Bills:

3.5.31 The Commission asked MSEDCL to submit the year-wise revenue/costs towards DSM. MSEDCL submitted the details of DSM charges on weekly basis bills raised by MSLDC as per the Orders of the Commission as below:

Table 29: DSM Charges for FY 2022-23 as submitted by MSEDCL (Rs. Crore)

Particular	FY 2022-23
DSM Charges	(219.21)

3.5.32 The Commission has scrutinized the DSM bills submitted by MSEDCL and found it in Order. Accordingly, the Commission has approved the DSM expenses as claimed by MSEDCL for FY 2022-23

PGCIL Charges:

3.5.33 As sought by the Commission, MSEDCL submitted the monthly bills against ISTS charges issued PGCIL for FY 2022-23. The Commission verified and found that the summation of the monthly bills for FY 2022-23 is equal to the claimed value for PGCIL charges by MSEDCL for FY 2022-23. Based on the above verification, the Commission approves the PGCIL charges as claimed by the MSEDCL for FY 2022-23.

3.5.34 Accordingly, upon scrutiny and verification, the Commission has approved the actual power purchase expenses for the purpose of truing-up of FY 2022-23. The approved Power Purchase is as shown below:

Table 30: Power Purchase Quantum and Cost for FY 2022-23 as approved by the Commission

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
KAPP	1,118.76	901.95	8.06	1,118.76	901.95	8.06
TAPP 1&2	(10.07)	0.24	(0.23)	(10.07)	0.24	(0.23)
TAPP 3&4	3,325.95	1,152.05	3.46	3,325.95	1,152.05	3.46
SSP	1,180.51	242.00	2.05	1,180.51	242.00	2.05
Pench	117.87	24.16	2.05	117.87	24.16	2.05
Dodson I	-	-	-	-	-	-
Dodson II	19.28	9.47	4.91	19.28	9.47	4.91
Renewable: Non-solar	12,065.05	5,988.00	4.96	12,065.05	5,988.00	4.96
Renewable: Solar	8,194.81	2,957.51	3.61	8,194.81	2,957.51	3.61
Hydro (Ghatghar)	3,930.76	773.60	1.97	3,930.76	773.60	1.97
Bhusawal - 3	640.29	425.32	6.64	640.29	425.32	6.64
Bhusawal - 4	2,899.27	1,623.78	5.60	2,899.27	1,623.78	5.60
Bhusawal - 5	2,899.27	1,623.78	5.60	2,899.27	1,623.78	5.60
Khaparkheda - 1 to 4	3,901.39	2,022.19	5.18	3,901.39	2,022.19	5.18
Khaparkheda - 5	3,264.47	1,766.79	5.41	3,264.47	1,766.79	5.41
Nashik- 3,4 & 5	2,244.88	1,498.81	6.68	2,244.88	1,498.81	6.68
Chandrapur - 3 to 7	7,496.04	3,806.86	5.08	7,496.04	3,806.86	5.08
Paras - 3	1,387.45	665.10	4.79	1,387.45	665.10	4.79

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
Paras - 4	1,387.45	665.10	4.79	1,387.45	665.10	4.79
Parli - 6	1,228.16	794.18	6.47	1,228.16	794.18	6.47
Parli - 7	1,228.16	794.18	6.47	1,228.16	794.18	6.47
Koradi - 6	1,187.23	539.15	4.54	1,187.23	539.15	4.54
GTPS Uran	1,461.39	995.01	6.81	1,461.39	995.01	6.81
Parli Replacement U 8	1,000.38	728.24	7.28	1,000.38	728.24	7.28
Chandrapur - 8	3,139.02	1,710.78	5.45	3,139.02	1,710.78	5.45
Chandrapur - 9	3,139.02	1,710.78	5.45	3,139.02	1,710.78	5.45
Koradi R U-8	3,420.36	1,624.44	4.75	3,420.36	1,624.44	4.75
Koradi 9	3,420.36	1,624.44	4.75	3,420.36	1,624.44	4.75
Koradi10	3,420.36	1,624.44	4.75	3,420.36	1,624.44	4.75
IEPL	655.65	220.17	3.36	655.65	220.17	3.36
KSTPS	4,975.61	1,290.15	2.59	4,975.61	1,290.15	2.59
KSTPS III	881.82	268.63	3.05	881.82	268.63	3.05
VSTP I	3,077.73	868.72	2.82	3,077.73	868.72	2.82
VSTP II	2,589.05	698.20	2.70	2,589.05	698.20	2.70
VSTP III	2,063.52	473.83	2.30	2,063.52	473.83	2.30
VSTP IV	2,471.60	802.00	3.24	2,471.60	802.00	3.24
VSTP V	1,277.41	416.33	3.26	1,277.41	416.33	3.26
Kawas	1.64	184.34	1,126.50	1.64	184.34	1,126.50
Gandhar	2.65	165.00	622.16	2.65	165.00	622.16
KhSTPS-II	1,084.77	543.16	5.01	1,084.77	543.16	5.01
SIPAT TPS 2	2,107.39	649.71	3.08	2,107.39	649.71	3.08
SIPAT TPS 1	3,932.83	1,524.95	3.88	3,932.83	1,524.95	3.88
Mauda I	2,735.71	1,643.23	6.01	2,735.71	1,643.23	6.01
Mauda II	3,610.24	2,355.20	6.52	3,610.24	2,355.20	6.52
NTPC Solapur	3,824.56	2,834.44	7.41	3,824.56	2,834.44	7.41
Lara	2,084.95	941.31	4.51	2,084.95	941.31	4.51
Gadarwara	903.89	603.55	6.68	903.89	603.55	6.68
Khargone	425.33	346.46	8.15	425.33	346.46	8.15
RRAS (Thermal)	-	(12.94)	-	-	(12.94)	-
RRAS (Gas)	-	(18.74)	-	-	(18.74)	-
NTPC NVVN Coal	148.87	66.24	4.45	148.87	66.24	4.45
Inter State (MPEB)	10.11	8.80	8.70	10.11	8.80	8.70
JSW	647.15	464.81	7.18	647.15	464.81	7.18
CGPL	1,481.92	1,139.04	7.69	1,481.92	1,139.04	7.69
APML 125 MW	641.92	679.21	10.58	641.92	679.21	10.58
APML 1320 MW	9,556.64	6,418.85	6.72	9,556.64	6,418.85	6.72
APML 1200 MW	9,566.85	6,714.11	7.02	9,566.85	6,714.11	7.02
APML 440 MW	1,584.03	1,758.88	11.10	1,584.03	1,758.88	11.10
EMCO Power	1,509.04	654.50	4.34	1,509.04	654.50	4.34

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
RIPL 450 MW	3,145.36	1,393.69	4.43	3,145.36	1,393.69	4.43
RIPL 750 MW	5,242.27	2,322.81	4.43	5,242.27	2,322.81	4.43
Sai Wardha	1,644.51	745.57	4.53	1,644.51	745.57	4.53
Short Term	4,073.80	1,808.52	4.44	4,073.80	1,808.52	4.44
DSM	(1,570.95)	(219.22)	1.40	(1,570.95)	(219.22)	1.40
Others		14.88		-	14.88	-
PGCIL Charges		3,801.82		-	3,801.82	-
Total Power purchase	**1,55,095.74**	**83,935.75**	**5.41**	**1,55,095.74**	**83,935.75**	**5.41**

3.5.35 Following table summarizes the source wise power purchase submitted by MSEDCL during the FY 2023-24.

Table 31: Power Purchase Expenses for FY 2023-24 as submitted by MSEDCL

Source	Power Purchase Quantum (MUs)			Power Purchase Cost (in Rs. Crore)			Power Purchase Cost (Rs. /Unit)		
	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation
MSPGCL	58,087.51	57,146.78	-940.73	29,567.31	29,110.14	1,052.99	5.09	5.09	0.27
NTPC	27,474.68	39,003.97	11,529.29	11,224.71	16,294.57	5,069.86	4.09	4.18	0.09
NPCIL	4,372.41	5,226.91	1,006.23	1,389.40	1,969.50	646.12	3.18	3.77	0.61
SSP	1,213.26	921.69	-291.56	248.75	188.95	-59.80	2.05	2.05	0.00
Pench	136.89	122.35	-14.54	28.06	25.08	-2.98	2.05	2.05	0.00
Dodson	116.04	23.47	-92.57	27.68	19.01	-8.67	2.39	8.10	5.71
JSW	-	1,831.05	1,831.05	164.67	926.00	761.33	-	5.06	5.06
CGPL	1,518.07	4,404.53	2,886.46	1,189.97	2,206.49	1,016.52	7.84	5.01	-2.83
Adani Power	10,750.55	20,095.74	9,784.09	6,811.56	11,401.89	4,590.33	6.34	5.67	-0.66
EMCO Power	1,373.82	1,548.97	175.15	551.03	727.41	176.38	4.01	4.70	0.69
Rattan India	8,242.91	8,975.78	732.88	3,319.58	3,257.13	-62.45	4.03	3.63	-0.40
Sai Wardha	1,551.61	1,967.50	415.89	748.53	836.77	88.25	4.82	4.25	-0.57
Subhansari Hydro	774.75	-	-774.75	348.64	-	-348.64	4.50	-	-4.50
Renewable Power	30,767.78	19,781.58	-10,986.19	13,810.36	8,697.32	-4,483.05	4.28	4.40	0.11
PGCIL Charges	-	-	-	3,845.01	3,539.07	-305.94	-	-	-
FBSM/DSM		-1,967.00	-1,967.00		-272.44	-272.44	-	1.39	1.39
MPEB		10.68	10.68		8.50	8.50	-	7.96	7.96
Short Term Power Purchase		7,724.53	7,724.53		4,357.31	4,357.31	-	5.64	5.64
Other		-	-	-	-1.56	-1.56	-	-	-
Total Power Purchase	**146,380.37**	**166,970.40**	**20,590.02**	**72,645.25**	**84,867.33**	**12,222.08**	**4.96**	**5.08**	**0.12**

3.5.36 In the following paragraphs, MSEDCL has submitted the detailed reasons for variation in the approved power purchase quantum by 20,590.02 MUs and variation power purchase cost by Rs. 12,222.08 Crore against that approved under MYT Order in Case no. 322 of 2019.

3.5.37 **MSPGCL**: Due to MoP notifications mandating imported coal blending (6% from 9 January 2023 and 4% from 1 September 2023), MSPGCL's power costs increased. Additionally, reduced rates under Section 11 of EA, 2003 for CGPL and JSW led MSEDCL to procure power from these stations as per MoD principles, even though plants were not part of the approved MoD stack.

3.5.38 **Central Sector**: Peak demand reached 25,410 MW due to low rainfall, increased agricultural pumping, and reduced MSPGCL generation capacity. TAPS 1 & 2 remained shut, while MSEDCL procured power from KAPS 3&4 as per MoP's allocation. A petition was filed for PPA approval, which was granted on 11 November 2024. Renewable energy availability remained unpredictable, with solar power limited to daytime. Reduced water levels in Koyna Dam led to restrictions on hydro generation, with saved water reserved to meet summer peak demand.

3.5.39 **JSW**: Continuously available and scheduled considering demand and paid at a rate decided by committee under Section 11 of EA 2003.

3.5.40 **Coastal Gujarat Power Limited (CGPL):** Considered the demand position, schedule of CGPL was increased and accordingly cost was also increased.

3.5.41 **Adani Power Maharashtra Limited (APML):** MSEDCL made payments for domestic coal shortfall as per SC judgments. Higher imported coal prices and domestic coal shortfall led to excess costs. Payments were also made for Evacuation Facility Charges. Rs. 3,594 Crore was considered under "Change in Law" for domestic coal shortfall, including Rail not GCV equivalence of APL.

3.5.42 **EMCO Power (GMR)**: An amount of Rs. 80.43 Crore paid towards utilization of As-Is-Where-Is-Basis coal and Washery coal as an alternate coal to compensate NCDP coal shortfall (CERC order dt. 17 May 2024 in Petition No. 25/MP/2020). The deviation in scheduled units is due to increased demand

3.5.43 **Rattan India Power Ltd (RPL) (IndiaBulls)**: A total of Rs. 263.84 Crore was paid for New Coal Distribution Policy (NCDP) & Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI) coal shortfall and taxes under "Change in Law," along with Rs. 43.69 Crore for Unit-1 capacity charges, Rs. 26.08 Crore for Evacuation Facility charges, and Rs. 55.27 Crores for "Change in Law" costs before SCOD. Despite these payments, actual costs reduced due to a decrease in quoted non-scalable energy charges and a 0% escalation rate for domestic coal. The deviation in scheduled units is due to increased demand.

3.5.44 **Sai Wardha Power Generation Private Limited (SWPGL)**: A payment of Rs. 2.46 Crore was made to SWPGL as per MERC order dated 4 December 2023 (Case No. 77/AD/2023), along with Rs. 79 Crore for change in law-related taxes and duties and Rs. 8.27 Crore for open market coal costs. The deviation in scheduled units is due to increased demand.

3.5.45 **Short Term**: The delayed monsoon and intermittent dry spells increased electricity demand. Inadequate rainfall also lowered Koyna Dam's water level below MDDL, restricting hydro generation. Hence, MSEDCL had to procure more power from the short-term market to meet demand.

Commission's Analysis and Rulings

3.5.46 The Commission has noted submissions of MSEDCL for true-up of FY 2023-24. There is no deviation observed in power purchase cost for FY 2023-24 as per Note 32 of Audited Accounts and the amount claimed by MSEDCL in the petition. Further, the Commission observed the significant deviation in power purchase quantum and cost due to rise in peak demand of Maharashtra state.

MSPGCL:

3.5.47 Regarding the power purchase from MSPGCL, the Commission has noted that there is a reduction in power purchase quantum approved by the Commission during MTR Order vis-à-vis power purchase quantum submitted by MSEDCL in present MYT petition for FY 2023-24. The reduction in power purchase quantum is mainly due to higher per unit power purchase cost of MSPGCL generators as elaborated in Section 3.5.37 which resulted into procurement from other generators have lower per unit power purchase costs. Accordingly, the Commission has approved the power purchase quantum and cost based on Form 2 as provided below:

Table 32: Power Purchase Quantum and Cost of MSPGCL for FY 2023-24 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs. / kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs. / kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs. / kWh)
MAHAGENCO	58,087.51	29,567.31	5.09	57,146.78	29,110.14	5.09	57,146.78	29,110.14	5.09

NTPC and NPCIL:

3.5.48 The Commission noted the significant rise in procured power purchase quantum and cost from NTPC generating stations due to lesser availability of **renewable energy**, especially solar power, which is limited to daytime hours, resulting in a **heavier reliance on NTPC thermal power plants during evening and night peak hours to cater the peak demand.**

3.5.49 Further, the Commission observed that MSEDCL had **initiated power procurement from KAPS 3 & 4,** following **MoP allocation dated 29 May 2023,** and has also **received regulatory approval** to sign a PPA, as per the **Commission's order dated 11 November 2024.**

Table 33: Power Purchase Quantum and Cost of NTPC and NPCIL stations for FY 2023-24 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs/kWh)
NTPC	27,474.68	11,224.71	4.09	39,003.97	16,294.57	4.18	39,003.97	16,294.57	4.18
NPCIL	4,372.41	1,389.40	3.18	5,226.91	1,969.50	3.77	5,226.91	1,969.50	3.77

IPPs:

3.5.50 For JSW, the Commission observed that MSEDCL has considered the rates decided by Central Government Committee under Section 11 of Electricity Act, 2003.

3.5.51 The Commission observed that the increased schedule of CGPL due to rise in electricity demand, resulted in significant increase in power procurement cost from CGPL generating station.

3.5.52 The Commission also observed a rise in per unit power purchase cost of EMCO Power (GMR) in line with the submissions change in law claims of Rs. 80.43 Crore under NCDP coal shortfall.

3.5.53 Regarding Rattan India, the Commission accepted the change in law claims of Rs. 263.84 Crore under NCDP Coal shortfall and SHAKTI Policy, Rs. 43.69 Crore for capacity charges under Case No. 26 of 2021, Rs. 26.08 Crore under Hon'ble Supreme Court judgement (CA No. 4089 of 2022) and Rs. 55.27 Crore under APTEL and MERC judgements. Despite all these payments, the Commission observed the significant decline in per unit power procurement costs due to reduction in non-escalable energy charges from Rs. 0.5 to Rs 0.4 per unit and 0% escalation rate of domestic coal.

3.5.54 In case of APML, MSEDCL has paid Rs. 3,594 Crore towards Change in Law claims for Domestic Coal Shortfall and various Supreme Court judgements. The Commission asked MSEDCL to submit the amount claimed under Change in Law towards various Supreme Court Judgements and impact due to taxes and duties.

3.5.55 In response to this query, MSEDCL submitted the computation of a payable amount of Rs. 3,594 Crore towards Domestic Coal Shortfall for FY 2023-24. Additionally, MSEDCL has also paid Rs. 916 Crore on account of the impact of taxes or duties which includes the payment for previous period also.

3.5.56 The Commission accepted the Change in Law claims of Rs. 4,510 Crore made by MSEDCL considering the excess use of imported coal (in case of domestic coal shortfall) which led to an increase in the energy charges and per unit cost of power procured from APML stations.

3.5.57 In the case of Sai Wardha, the Commission observes that MSEDCL has already factored in Rs. 88 Crore towards MERC order dated 4 December 2023 in Case No. 77/AD/2023, impact of taxes and duties and open market coal costs.

3.5.58 Accordingly, the Commission has approved the power purchase quantum and cost for IPPs as submitted by MSEDCL which is presented in the table given below:

Table 34: Power Purchase Quantum and Cost of IPPs for FY 2023-24 as approved by the Commission

Particulars	MTR Order			MYT Petition			Approved in this Order		
	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)	PP Quantum (MUs)	PP Cost (Rs. Crore)	PP Cost (Rs./kWh)
JSW	-	164.67	-	1,831.05	926	5.06	1,831.05	926.00	5.06
CGPL	1,518.07	1,189.97	7.84	4,404.53	2,206.49	5.01	4,404.53	2,206.49	5.01
Adani Power	10,750.55	6,811.56	6.34	20,095.74	11,401.89	5.67	20,095.74	11,401.89	5.67
EMCO Power	1,373.82	551.03	4.01	1,548.97	727.41	4.70	1,548.97	727.41	4.70
Rattan India	8,242.91	3,319.58	4.03	8,975.78	3,257.13	3.63	8,975.78	3,257.13	3.63
Sai Wardha	1,551.61	748.53	4.82	1,967.50	836.77	4.25	1,967.50	836.77	4.25

Short-term Power Purchase:

3.5.59 The Commission has noted the submission of MSEDCL regarding the short-term power purchase that higher quantum is purchased due to Minimum Water level of Koyna Dam leads to decrease the generation of Koyna generating station.

3.5.60 MSEDCL has filed a petition for approval and adoption of Tariff determined through transparent bidding process for procurement of short-term power for FY 2023-24 (October 23 to March 24) and FY 2024-25 vide Case no. 190 of 2023 and approval for increase in ceiling rate for short-term power purchase at higher cost than the ceiling rate approved by Commission in its MTR Order. The relevant para of the Order is reproduced below:

> *"9.7. MSEDCL has also requested to fix appropriate ceiling tariff for all future short term power procurement. The Commission notes that power procurement envisaged in present Petition falls under two tariff years i.e., FY 2023-24 (October-2023 and March-2024) and FY 2024-25 (April-2024 & May-2024).* ***Considering current market trends, the Commission is considering revising ceiling tariff, for FY 2023-24 and FY 2024-25. The highest quoted tariff in ET-109 and ET-113 is Rs.***

7.90/kWh, the same shall act as ceiling tariff for procurement of short-term power through competitive bidding process for FY 2023-24 and FY 2024-25. *Any tariff discovered below such a ceiling shall be considered as deemed adopted as per provisions of competitive bidding guidelines notified by the Central Government for short-term power procurement."*

3.5.61 In reply to the data gap, MSEDCL has provided the monthly quantum and rate for short-term power purchase during FY 2023-24 as shown in the table given below:

Table 35: Short-term Power Purchase for FY 2023-24 as submitted by MSEDCL

Month	Power Exchange		Bilateral Purchase (Tenders)	
	MU	Rs. / kWh	MU	Rs. / kWh
Apr-23	329.06	4.52	245.92	7.85
May-23	242.41	4.69	221.85	8.06
Jun-23	969.76	5.68	0.00	0.00
Jul-23	209.68	4.07	0.00	0.00
Aug-23	452.93	6.80	0.00	0.00
Sep-23	508.45	6.12	0.00	0.00
Oct-23	1100.98	6.28	266.27	7.64
Nov-23	966.18	4.30	0.00	0.00
Dec-23	234.67	5.03	0.00	0.00
Jan-24	170.61	7.40	0.00	0.00
Feb-24	264.67	6.22	166.57	6.69
Mar-24	171.22	4.13	408.21	8.47
Total	**5620.61**	**5.53**	**1308.82**	**7.89**

3.5.62 In view of the above, the Commission has approved the short-term power purchase for FY 2023-24 as submitted by MSEDCL given the average cost of short-term is below the ceiling tariff of Rs. 7.90/kWh.

DSM Bills:

3.5.63 The Commission had asked MSEDCL to submit year-wise DSM Charges. MSEDCL has submitted the details of weekly DSM charges, raised by MSLDC as per the Orders of the Commission as below:

Table 36: DSM Charges for FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particular	FY 2023-24
DSM Charges	(272.44)

3.5.64 The Commission has scrutinized the bills submitted by MSEDCL and found in Order. The Commission has approved the DSM charges as claimed by MSEDCL for FY 2023-24.

PGCIL Charges:

3.5.65 As sought by the Commission, MSEDCL submitted the monthly bills against ISTS charges by PGCIL for FY 2023-24. The Commission verified the bills and found that the summation of the monthly bills for FY 2023-24 is equal to the claimed value for PGCIL charges by MSEDCL for FY 2023-24. Accordingly, the Commission approves the PGCIL charges as claimed by the MSEDCL for FY 2023-24.

3.5.66 Accordingly, upon scrutiny and verification, the Commission has approved the actual power purchase expenses for FY 2023-24 for the purpose of Truing up of FY 2023-24. The approved Power Purchase is as shown below:

Table 37: Power Purchase Expenses for FY 2023-24 as approved by the Commission

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)
KAPP 1 & 2	1,123.65	420.36	3.74	1,123.65	420.36	3.74
KAPP 3 & 4	1,143.78	503.26	4.40	1,143.78	503.26	4.40
TAPP 1&2	-11.50	0.11	-0.09	-11.50	0.11	-0.09
TAPP 3&4	2,970.97	1,045.77	3.52	2,970.97	1,045.77	3.52
SSP	921.69	188.95	2.05	921.69	188.95	2.05
Pench	122.35	25.08	2.05	122.35	25.08	2.05
Dodson I	-	-		-	-	-
Dodson II	23.47	19.01	8.10	23.47	19.01	8.10
Renewable - non-Solar	10,773.89	5,484.30	5.09	10,773.89	5,484.30	5.09
Renewable - Solar	9,007.69	3,213.02	3.57	9,007.69	3,213.02	3.57
Hydro (Ghatghar)	3,290.00	734.98	2.23	3,290.00	734.98	2.23
Bhusawal - 3	900.12	547.94	6.09	900.12	547.94	6.09
Bhusawal - 4	3,059.62	1,652.74	5.40	3,059.62	1,652.74	5.40
Bhusawal - 5	3,059.62	1,652.74	5.40	3,059.62	1,652.74	5.40
Khaparkheda - 1 to 4	4,169.11	2,018.43	4.84	4,169.11	2,018.43	4.84
Khaparkheda - 5	3,365.22	1,595.29	4.74	3,365.22	1,595.29	4.74
Nashik- 3,4 & 5	2,294.19	1,495.84	6.52	2,294.19	1,495.84	6.52
Chandrapur - 3 to 7	8,107.42	4,042.36	4.99	8,107.42	4,042.36	4.99
Paras - 3	1,616.74	769.71	4.76	1,616.74	769.71	4.76
Paras - 4	1,616.74	769.71	4.76	1,616.74	769.71	4.76
Parli - 6	1,241.20	905.56	7.30	1,241.20	905.56	7.30
Parli - 7	1,241.20	905.56	7.30	1,241.20	905.56	7.30
Koradi - 6	1,232.44	676.16	5.49	1,232.44	676.16	5.49
Koradi - 7	-	-	-	-	-	-
GTPS Uran	1,724.34	1,154.19	6.69	1,724.34	1,154.19	6.69
Parli Replacement U 8	1,136.16	940.71	8.28	1,136.16	940.71	8.28
Chandrapur - 8	3,387.08	1,741.02	5.14	3,387.08	1,741.02	5.14

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)
Chandrapur - 9	3,387.08	1,741.02	5.14	3,387.08	1,741.02	5.14
Koradi R U-8	3,642.28	1,766.28	4.85	3,642.28	1,766.28	4.85
Koradi 9	3,642.28	1,766.28	4.85	3,642.28	1,766.28	4.85
Koradi10	3,642.28	1,766.28	4.85	3,642.28	1,766.28	4.85
IEPL	1,391.66	467.32	3.36	1,391.66	467.32	3.36
KSTPS	4,844.53	1,184.04	2.44	4,844.53	1,184.04	2.44
KSTPS III	1,027.25	276.39	2.69	1,027.25	276.39	2.69
VSTP I	3,177.36	835.27	2.63	3,177.36	835.27	2.63
VSTP II	2,629.69	640.07	2.43	2,629.69	640.07	2.43
VSTP III	2,295.25	581.84	2.53	2,295.25	581.84	2.53
VSTP IV	2,263.02	1,128.60	4.99	2,263.02	1,128.60	4.99
VSTP V	1,221.56	505.72	4.14	1,221.56	505.72	4.14
Kawas	55.26	220.65	39.93	55.26	220.65	39.93
Gandhar	58.93	226.48	38.43	58.93	226.48	38.43
KhSTPS-II	1,143.77	450.59	3.94	1,143.77	450.59	3.94
SIPAT TPS 2	2,175.31	595.10	2.74	2,175.31	595.10	2.74
SIPAT TPS 1	4,063.38	1,237.45	3.05	4,063.38	1,237.45	3.05
Mauda I	2,932.49	1,556.44	5.31	2,932.49	1,556.44	5.31
Mauda II	3,558.85	1,916.67	5.39	3,558.85	1,916.67	5.39
NTPC Solapur 2	4,159.40	3,328.81	8.00	4,159.40	3,328.81	8.00
NTPC Solapur	-	-	-	-	-	-
Lara	2,053.84	725.69	3.53	2,053.84	725.69	3.53
Gadarwara	725.59	444.93	6.13	725.59	444.93	6.13
Khargone	618.50	442.15	7.15	618.50	442.15	7.15
RRAS (Thermal)	-	-0.87	-	-	-0.87	-
RRAS (Gas)	-	-1.45	-	-	-1.45	-
NTPC NVVNL Coal	151.84	66.01	4.35	151.84	66.01	4.35
RGPPL	-	1,510.16	-	-	1,510.16	-
MPEB	10.68	8.50	7.96	10.68	8.50	7.96
JSW	1,831.05	926.00	5.06	1,831.05	926.00	5.06
CGPL	4,404.53	2,206.49	5.01	4,404.53	2,206.49	5.01
APML 125 MW	588.52	379.30	6.44	588.52	379.30	6.44
APML 1320 MW	8,990.59	4,753.37	5.29	8,990.59	4,753.37	5.29
APML 1200 MW	9,052.58	5,310.76	5.87	9,052.58	5,310.76	5.87
APML 440 MW	1,464.05	958.46	6.55	1,464.05	958.46	6.55
EMCO Power	1,548.97	727.41	4.70	1,548.97	727.41	4.70
RIPL 450 MW	3,365.92	1,221.42	3.63	3,365.92	1,221.42	3.63
RIPL 750 MW	5,609.86	2,035.71	3.63	5,609.86	2,035.71	3.63
Sai Wardha	1,967.50	836.77	4.25	1,967.50	836.77	4.25
REC	-	-	-	-	-	-
Short Term	7,724.53	4,357.31	5.64	7,724.53	4,357.31	5.64

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase (ex-bus) (MUs)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)	Energy Purchase (ex-bus) (MU)	Total Cost (Rs. Crore)	Rate of power procured (Rs/kWh)
DSM	-1,967.00	-272.44	1.39	-1,967.00	-272.44	1.39
Others	-	-1.56	-	-	-1.56	-
PGCIL Charges	-	3,539.07	-	-	3,539.07	-
Total Power purchase	**1,66,970.40**	**84,867.33**	**5.08**	**1,66,970.40**	**84,867.33**	**5.08**

3.6 Transmission Constraints Leading to Increase in the Power Purchase Cost

MSEDCL's Submission

3.6.1 Backing down of thermal generation due to transmission constraints such as line loading and low voltages leads to unnecessary strain on Koyna hydro generating station. MSEDCL makes plan in advance to utilize Koyna in peak hours and in peak season as only 67.5 TMC water is available for generation during water year. Due to which MSEDCL needs to procure costly power and there is no compensation is available for such use of Koyna. MSEDCL is incurring continuous burden against additional cost of water from Koyna hydro due to transmission constraint. Hence, MSEDCL is requested to the Commission to take effective measures to address the transmission constraints.

3.6.2 The overloading of the 220kV Nasik-Bhabhaleswar line forces load shedding in Nashik or the use of costly Nashik generation, leading to MOD violations and increased costs for consumers. The overloading also limits the pumping mode operation of the Ghatghar Hydroelectric project particularly during daytime.

3.6.3 MSEDCL request the Commission to direct STU to take appropriate measures to develop required infrastructure to overcome the transmission constraint, so that pumping mode operation of all 2x125 MW machines will be possible during any time of the day.

Commission's Analysis and Rulings

3.6.4 The Commission has noted the submissions of MSEDCL regarding transmission constraints which results in an increase in Power Purchase Cost. In accordance with Case No. 178 of 2024, the Commission directs MSETCL to implement remedial measures to resolve the overloading of existing network. The relevant para from the order is extracted below:

"2.7.5 *The Commission has noted the submissions of MSEDCL and the response on MSETCL. It is important for MSETCL to ensure that such issues faced due to overloading of existing network must be resolved at the earliest through implementation of remedial measures. The schemes planned by MSETCL to alleviate this issue needs to be implemented on priority and within* *the planned timelines. The progress on these schemes should be included in the half yearly progress report being submitted by MSETCL to the Commission. Any delay in implementation of the schemes may lead to stringent action by the Commission as deemed appropriate."*

3.6.5 Further, the Commission has observed that STU has made submission on overloading of double circuit Babhaleshwar-Nashik Line in the Case No 208 of 2024 while addressing the similar objection of MSEDCL. STU has submitted that, to resolve the issue of overloading of Double Circuit Babhaleshwar-Nashik Line, MSETCL has proposed establishment of 400/220kV Pimpalgaon S/s in the year 2025-26 which will provide the relief to overloading of 220kV Babhleshwar-Nasik GCR D/C line. LOI placed on 14.10.2024. The Target date of completion is Dec 2026.

3.6.6 STU further submitted that to resolve the overloading of above line MSETCL has also proposed for replacement of existing conductor of 220kV Babhleshwar-Nasik GCR D/C line by high performance conductor and the same is also included in STU Plan for the year 2025-26. The scheme is under approval. Capacitor banks scheme Phase-VI is also sanctioned, and tender is in process for acceptance. At 132 kV Shah Sub-station transformer augmentation 2x50 MVA, 132/33 kV T/F is taken up. 1st transformer commissioned on 20.12.2024 and 2nd transformer work is being initiated. STU believes that the above measures proposed by MSETCL will address the issues cited by MSEDCL.

3.6.7 With regards to issue of Line loading of 400kV Chakan-Talegaon Line, STU submitted that the replacement of existing conductor of 400kV Talegaon PG-Chakan S/C line by high ampacity conductor is included in the Ten-Year STU Plan for the year 2025-26 and tender is under process. 220kV Talegaon PG-Chakan MIDC phase II D/C line with HTLS conductor - 6 kms is also proposed in the year 2025-26 to give load relief to 400kV Talegaon PG-Chakan line. Work is in progress and the target date is March 2026. Link lines viz. 220 kV DC line from 765 kV Shikrapur PG to 220 kV Khed City - 18 kms, Work is in Progress. Target date of completion is Mar 2026. Link lines viz. 400kV LILO - Lonikand-I Jejuri at 765kV Shikrapur PG - 30km approx. Tender is under process. Target date of Completion is Mar 2027. Capacitor banks scheme Phase-VI is also sanctioned, and tender is in process for acceptance. STU believes that the above measures taken by MSETCL will address the issues cited by MSEDCL.

3.6.8 With the above status as submitted by STU in Case No. 208 of 2024, the Commission is of the view that the STU is taking appropriate measures to address the issues of line overloading in the 5th control period. The Commission in Case No. 178 of 2024 has also directed MSETCL to submit a monthly progress report covering critical schemes to the Commission with copy to

MSEDCL outlining details of progress achieved in the project till date, project activities envisaged in the upcoming month and over the overall duration of the project. Any delay in implementation of the schemes will lead to stringent action by the Commission while approving the capitalization, subject to necessary prudence check.

3.7 RPO Compliance for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.7.1 As per Regulation 7.1 of MERC RPO regulation 2019, RPO target to be achieved for FY 2022-23 is 8% for Solar & 11.5% for Non-Solar (out of its total procurement of electricity from all sources excluding energy from Hydro power in a year).

3.7.2 MSEDCL submitted that the approved RPO target for FY 2023-24 is 10.5% for Solar and 11.5% for Non-Solar technology. Further, Regulation 3.1 of MERC RPO regulation, 2019 stipulates that the RPO target is calculated based on total consumption of electricity within the area of Distribution licensee.

3.7.3 MSEDCL submitted that its consumption is inclusive of energy consumption by open access consumers. It has considered Gross Energy Consumption (GEC) for FY 2022-23 after excluding Hydro and Open Access units.

Table 38: Details of Gross Energy Consumption for FY 2022-23 (as per MSLDC report)

Sr. No.	Particular	FY 2022-23
1	MSEDCL GEC for FY 2022-23 at T<>D interface (MUs)	1,52,532
2	MSEDCL GEC for FY 2022-23 at G<>T interface (MUs)	1,57,669
3	Less Conventional Open Access Units (MUs)	4,658
4	Less RE Open Access Units at G<>T interface (MUs)	2,071
5	Less Major Hydro Generation units (MUs)	5,249
6	Net GEC of MSEDCL (MUs) for FY 2022-23	1,45,690

3.7.4 MSEDCL provided the total RE purchase in FY 2022-23, via various RE technology is provided in the table below.

Table 39: Bifurcation of RE Sources for FY 2022-23 as submitted by MSEDCL

Sr. No.	Source	FY 2022-23	
		Quantum (MU)	Cost (in Rs. Crore)
1	Wind	6,206.67	2,787.22
2	Hydro (NCE)	886.63	263.34
3	Bagasse based Cogen.	4,736.87	2,793.53
4	Biomass	234.43	143.70
5	MSW	0.45	0.22
6	Non-Solar RECs	-	-

Sr. No.	Source	FY 2022-23	
		Quantum (MU)	Cost (in Rs. Crore)
7	Total Non - Solar	12,065.05	5,988.00
8	Solar (SPV)	8,080.47	2,889.89
9	Solar Thermal	-	-
10	Procurement from Solar PV under Net-metering (Solar Rooftop)	114.34	37.60
11	Solar REC	-	-
12	Total Solar	8,194.81	2,927.48
13	Mini/Micro Hydro	-	-
14	Total RE	20,259.86	8,915.48

3.7.5 MSEDCL has submitted the reasons for shortfall and efforts taken in meeting the RPO targets (FY 2022-23):

Solar RPO targets:

3.7.6 It is submitted that as per the CUF specified by Commission, the Solar Capacity required for fulfilment of RPO (11,655 MUs) is 4,752 MW (@ 28% CUF). MSEDCL, as on 31st March 2023, has contracted 5,933 MW Solar Power, against which 4,159 MW power has been commissioned.

3.7.7 Further, in its endeavour towards meeting the Solar RPO targets of FY 2022-23, MSEDCL had floated tenders in FY 2018-19 to 2021-22 for capacity around 12,100 MW for procurement of Solar Power. Against the same 3,361 MW Solar Power were contracted by MSEDCL and against this 2,151 MW capacity has been commissioned as on 31st March 2022. Further, during this period from 2018-19 to 2021-22, 862 MW PPA were terminated due to non-compliance of the Bid terms. Apart from this, the Solar Rooftop capacity installed as on 31st March 2023 is 1,437 MW.

3.7.8 MSEDCL submitted that it has contracted the required Solar Capacity to meet the Solar RPO for FY 2022-23.

Non-Solar RPO targets:

3.7.9 It is submitted that the required Non-Solar Capacity for fulfilment of RPO is 6,375 MW (@ 30% CUF-weighted average. MSEDCL, as on 31st March 2023, has contracted 6,820 MW Non-Solar power, against which 6,485 MW power capacity has been commissioned.

3.7.10 MSEDCL submitted that it has contracted capacity of RE sources for Solar & Non-solar RPO was well sufficient for fulfilment of Non-Solar RPO Compliance. However, due to natural factors beyond control of MSEDCL viz. changes in climate and operational factors of RE Generators, the actual resulting CUF / PLF is not at par with the normative CUF / PLF, which eventually affects the actual generation from non-solar RE sources and leads towards shortfall in meeting RPO target.

3.7.11 Following table shows the contracted and commissioned non-solar capacity and expected generation vs actual generation.

Table 40: Non-Compliance of Non-Solar Capacity for FY 2022-23 as submitted by MSEDCL

Sr. No.	Source	Contracted Capacity in MW as on 31.03.2023	Commissioned capacity in MW as on 31.03.2023	CUF specified by MERC	Expected generation as per commissioned capacity (in MUs)	Actual Generation received at T<>D (in MUs)
1	Wind	3,478	2,805	25%	7,895	6,124
2	Bagasse	2,631	2,488	35%	5,016	4,807
3	Biomass	77	77	80%	540	239
4	Small Hydro	317	311	30%	817	559
5	Municipal Solid waste	17	4	79%	28	0.45
6	Wind-Solar Hybrid	300	0	30%	0	0
Total non-solar		**6,820**	**6,485**		**14,295**	**11,729**

3.7.12 From the table above, MSEDCL submitted that the actual generation received is lesser than the expected generation as per CUF specified by MERC. The expected generation is 14,295 MUs, however only 11,729 MUs received. Hence, there is shortfall of 2,566 MUs for fulfilling the Non-Solar RPO targets.

3.7.13 Further, this is submitted that, since 2019, MSEDCL has floated post expiry to EPA tenders for procurement of wind power for the capacity of 1,400 MW @ Rs 2.52 to 2.65/kWh. However, only 386 MW capacity received and contracted against these tenders.

3.7.14 Further, MSEDCL has executed Power Sale Agreement with SECI for procurement of 500 MW wind power, out of which only 58 MW has been receiving against the said PSA. Balance 442 MW of wind power was terminated by SECI. Also, only 274 MW wind power projects are commissioned against MSEDCL's 500 MW wind tender, balance capacity of 226 MW is not commissioned and is under litigation. Despite MSEDCL's effort, the RE Power could not be procured due to delay/non-commissioning/no or poor response to the bid floated by MSEDCL.

3.7.15 In addition to above, it is submitted that, the O & M contract disputes, Right of Way (ROW) issues, low wind & major breakdown are primary reasons for reduced generation from wind dry outs.

3.7.16 MSEDCL mentioned that it had awarded 300 MW and 200 MW to ACME Solar Holdings Pvt. Ltd (ASHPL) and renew respectively.

<u>Reasons for shortfall and efforts taken in meeting the RPO targets of FY 2023-24:</u>

3.7.17 As per Regulation 7.1 of MERC RPO regulation 2019, approved RPO target to be achieved for FY 2023-24 is 10.5% for Solar & 11.5% for Non-Solar technology. Further, Regulation 3.1 of MERC RPO regulation, 2019 stipulates that the RPO target is calculated based on total consumption of electricity within the area of Distribution licensee. MSEDCL's consumption is inclusive of energy consumption by open access consumers. MSEDCL has considered GEC for FY 2023-24 after excluding Hydro and Open Access units.

Table 41: Gross Energy Consumption for FY 2023-24 as submitted by MSEDCL (MUs)

Sr. No.	Particular	FY 2023-24
1	MSEDCL GEC for FY 2023-24 at T<>D interface (MUs)	1,66,406
2	MSEDCL GEC for FY 2023-24 at G<>T interface (MUs) (Loss adjusted)	1,72,034
3	Less Conventional Open Access Units (MUs)	4,817
4	Less RE Open Access Units at G<>T interface (MUs)	3,193
5	Less Major Hydro Generation units (MUs)	4,364
6	**Net GEC of MSEDCL (MUs) for FY 2023-24**	**1,59,660**

3.7.18 MSEDCL has submitted that as per the CUF specified by the Commission, the Solar Capacity required for fulfilment of RPO is 6,835 MW (@ 28% CUF) and Non-Solar Capacity required will be 6,987 MW (@ 30% CUF-weighted average).

3.7.19 Actual RE procurement done in FY 2023-24 via various RE technologies is provided in the table below:

Table 42: RE procurement bifurcation FY 2023-24 as submitted by MSEDCL

Sr. No.	Source	FY 2023-24	
		Quantum (in MU)	Cost (in Rs. Crore)
1	Wind	5,992.10	2,752.29
2	Hydro (NCE)	783.75	246.59
3	Bagasse based Cogen.	3,733.23	2,284.44
4	Biomass	264.55	200.84
5	MSW	0.28	0.13
6	Non-Solar RECs	0	0
7	Total Non - Solar	10,773.89	5,484.30
8	Solar (SPV)	8,856.35	3,162.33
9	Solar Thermal	0	0
10	Procurement from Solar PV under Net-metering (Solar Rooftop)	151.35	50.69
11	Solar REC	0	0
12	Total Solar	9,007.69	3,213.02
13	Mini/Macro Hydro	0	0
14	**Total RE**	**19,781.59**	**8,697.32**

3.7.20 MSEDCL has submitted the reasons for shortfall and efforts taken in meeting the RPO targets for FY 2023-24:

Solar RPO targets:

3.7.21 MSEDCL has provided that it has contracted 8,724 MW Solar Power, against which 4,331 MW power has been commissioned. Further, for meeting Solar RPO targets of FY 2023-24, MSEDCL had floated tenders in FY 2021-22 to 2022-23 for capacity around 12,050 MW for procurement of Solar Power. Against the same 1,499 MW Solar Power were contracted by MSEDCL and 25.66 MW capacity has been commissioned as on 31st March 2023. Further, during FY 2022-23, 3,250 MW tenders were cancelled due to discovery of high tariff rate.

3.7.22 Further, submitted that the Solar Rooftop capacity installed as on 31st March 2024 is 1,951 MW.

Non-Solar RPO targets:

3.7.23 MSEDCL submitted that it has contracted 8,382 MW Non-Solar Power, against which 6,669 MW power has been commissioned. The contracted capacity of RE sources for Non-solar RPO is well sufficient for fulfilment of Non-Solar RPO Compliance. However, due to natural factors beyond the control of MSEDCL viz. Changes in climate and operational factors of RE Generators, the actual resulting CUF / PLF is not at par with the normative CUF / PLF, which eventually affects the actual generation from non-solar RE-sources and leads towards shortfall in meeting RPO target.

3.7.24 Following table shows the contracted and commissioned non-solar capacity and expected generation vs actual generation:

Table 43: Actual Vs Expected Generation from Non-Solar Capacity for FY 2023-24 as submitted by MSEDCL

Sr. No.	Source	Contracted Capacity in MW as on 31.03.2023	Commissioned capacity in MW as on 31.03.2023	CUF specified by MERC	Expected generation as per commissioned capacity (in MUs)	Actual Generation received at T<>D (in MUs)
1	Wind	3,451	3,623	25%	7,935	5,947
2	Bagasse	2,791	2,690	35%	5,424	3,733
3	Biomass	37	37	80%	259	265
4	Small Hydro	317	314	30%	826	783
5	Municipal Solid waste	17	4	78.90%	28	0.28
6	Wind-Solar Hybrid	300	0	30%	0	0
7	RTC/Storage	1,468	0		0	0
Total Non-Solar		**8,382**	**6,669**		**14,471**	**10,728**

3.7.25 From above table, it is submitted that the actual generation received is lesser than the expected generation as per CUF specified by MERC. The expected generation is 14,471 MUs, however only 10,728 MUs is received. Hence, there is shortfall of 3,743 MUs for fulfilling the Non-Solar RPO targets.

3.7.26 Further, MSEDCL provided the executed Power Sale Agreement with SECI for procurement of 500 MW wind power, out of which only 58 MW has been received against the said PSA. Remaining balance wind power of 442 MW is terminated by SECI. Also, only 274 MW wind power projects are commissioned against MSEDCL's 500 MW wind tender, balance capacity of 226 MW is not commissioned. Despite MSEDCL's effort, the RE Power could not be injected due to delay/non commissioning/no or poor response and infirm nature of RE sources to the bid floated by MSEDCL.

3.7.27 From above table, it is submitted that, there is cumulative shortfall of 37,156 MUs towards fulfilment of RPO targets. Out of 37,156 MUs, there is shortfall of 11,856 MUs towards fulfilment of Solar RPO targets and shortfall of 25,300 MUs towards fulfilment of Non-Solar RPO targets. Hence, the required capacity for fulfilment of Solar RPO shortfall is 4,834 MW (calculated at 28% CUF, as determined by Commission) and Non-Solar RPO shortfall is 12,034 MW (calculated at average 24% CUF for Non-Solar).

3.7.28 Accordingly, MSEDCL requested in extension of timeline by proposing the Amendment in Regulation 6 of the MERC (RPO, its Compliance and Implementation of REC Framework) (First Amendment) Regulations, 2024 as follows:

*"The Operating Period of the RPO framework specified under these Regulations shall commence from 1st April 2020 and **shall be valid until 31st March 2030**."*

Further, MSEDCL submitted that if the Control Period shall be valid till 2030, then the MSEDCL will be able to fulfil this cumulative RPO shortfall.

3.7.29 MSEDCL requested the Commission to approve power purchase expenses as per Audited Accounts and to allow fulfilment of this past period cumulative shortfall till 31.03.2030 due to the above stated reasons.

Commission's Analysis and Rulings

3.7.30 As per the RPO Regulations, 2019, each distribution licensee has to meet 19.50% and 22.00% of its requirement through RE sources in FY 2022-23 and FY 2023-24 respectively, including 8.00% through solar sources and 11.50% through non-solar sources for FY 2022-23 and 10.50% through solar sources and 11.50% through non-solar sources for FY 2023-24.

3.7.31 Accordingly, the Commission has sought for the details of power purchase from non-conventional energy with the list of sources wise RE PPAs, PPA tenure, capacity with estimated energy generation and tariff rates. In response to this, MSEDCL has submitted the same in the reply to the data gap. Further, it has also submitted the reasons for not complying with the RPO target in FY 2022-23 and FY 2023-24, which are elaborated in subsequent sections.

3.7.32 The Commission notes from the submission of MSEDCL that it has a non-solar contracted capacity of 6820 MW and 8382 MW as on 31 March 2023 and 31 March 2024 respectively.

3.7.33 Further, the Commission sought for the actual status of compliance of the RPO target during FY 2022-23 and FY 2023-24 in the data query. In response to this, MSEDCL has provided the RPO target versus achieved quantum (Actual) in the tables given below:

Table 44: RPO Compliance during FY 2022-23 and FY 2023-24 as submitted by MSEDCL in MUs

Particulars	FY 2022-23		FY 2023-24	
	Target	Actual	Target	Actual
Solar	11,655.22	10,481.00	16,764.30	11,640.00
Non-Solar	16,754.38	12,539.00	18,360.90	11,113.00
Total	28,409.61	23,020.00	35,125.20	22,753.00

3.7.34 Accordingly, MSEDCL requested an extension in timeline for fulfilling RPO Compliance up to FY 2029-30. However, the Commission in the MTR Order in Case No. 226 of 2022, dated 31st March 2023, has provided the extension for compliance of RPO shortfall for FY 2020-21 & FY 2021-22 till the end of 4th Control Period. The relevant para 4.5.91 from the Order is reproduced below:

> *"4.5.91 Accordingly, **the Commission directs MSEDCL to carry forward standalone shortfall** of Solar RPO compliance of 60.40 MUs and shortfall of Non-Solar RPO of 3883.01 MUs for FY 2020-21 in up to FY 2024-25. Further the Commission also directs MSEDCL to carry forward shortfall of Solar RPO compliance of 1176.57 MUs and shortfall of Non-Solar RPO of 3838.43 MUs for FY 2021-22 up to FY 2024-25. The Commission also directs that, MSEDCL shall meet of the above shortfall of RPO compliance for FY 2020-21 and FY 2021-22 along with earlier shortfall and standalone RPO compliance of respective years of the forth control period. Further, the Commission emphasizes that, MSEDCL needs to take all efforts to enter into PPAs with RE generators **to meet its shortfall of RPO compliance by the end of this control period.** The Commission is not inclined to give any further carry forward for meeting RPO shortfall of this control period in the next control period."*

3.7.35 Additionally, the Commission approved the Cumulative shortfall of 19,394 MUs till FY 2021-22 which includes 5,558 MUs from solar and 13,836 MUs from non-solar in the MTR order in Case No. 226 of 2023 which will be carried forwarded up to FY 2024-25.

3.7.36 In view of the directions given in Case No. 226 of 2023, the allows MSEDCL to carry forward the standalone shortfall of Solar RPO Compliance of 6,298.52 MUs and Non-solar RPO of 11,463.48 MUs for FY 2022-23 and FY 2023-24 up to FY 2024-25. Further the Commission also allows MSEDCL to carry forward the Cumulative shortfall of 37,156 MUs (which includes 11,856 MUs from Solar and 25,300 MUs from Non-Solar) from FY 2020-21 up to FY 2024-25. The Commission shall deal with the cumulative shortfall of the RPO compliance from FY 2020-21 up to FY 2024-25 at the time of final true-up for FY 2024-25 during MTR exercise.

Table 45: Cumulative Shortfall of MSEDCL till FY 2023-24 allowed to carry forward as approved by the Commission

Particulars	Gross Energy Consumption	Solar		Non-Solar		Total		Cumulative (Surplus) Shortfall till end of FY 2023-24
	MUs	%	MUs	%	MUs	%	MUs	MUs
(Surplus)/(Shortfall) till FY 2021-22			5,558.00		13,836.00		19,394.00	19,394.00
FY 2022-23								
Target	1,45,690.30	8.00%	11,655.22	11.50%	16,754.38	19.50%	28,409.61	
Actual		7.19%	10,481.00	8.61%	12,539.00	15.80%	23,020.00	
Shortfall		0.81%	1,174.22	2.89%	4,215.38	3.70%	5,389.61	5,389.61
FY 2023-24								
Target	1,59,660.00	10.50%	16,764.30	11.50%	18,360.90	22.00%	35,125.20	
Actual		7.29%	11,640.00	6.96%	11,113.00	14.25%	22,753.00	
Shortfall		3.21%	5,124.30	4.54%	7,247.90	7.75%	12,372.20	12,372.20
Cumulative (Surplus) /Shortfall till end of FY 2023-24			**11,856.52**		**25,299.28**			**37,155.81**

3.8 InSTS Charge and MSLDC Charge for FY 2022-23 and FY 2023-24

3.8.1 MSEDCL submitted the actual transmission charges and SLDC charges paid to MSETCL and MSLDC. The details are as follows:

Table 46: Transmission Charges for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Deviation	MTR Order	MYT Petition	Deviation

InSTS Charges	5,885.89	6,038.18	152.29	8,562.96	8,640.34	77.38
MSLDC Charges	29.18	29.18	-	30.76	26.43	(4.33)
Total	**5,915.07**	**6067.35**	**152.29**	**8,593.72**	**8,666.77**	**73.05**

3.8.2 MSEDCL submitted that it has paid the transmission charges to STU as per the InSTS Order issued by the Commission from time to time. MSEDCL requested the Commission to approve the actual Transmission and MSLDC Charges as per the Audited Accounts.

Commission's Analysis and Rulings

3.8.3 The Commission vide data gaps sought reconciliation of MSLDC Charges and the InSTS Charges with the Audited accounts of FY 2022-23 and FY 2023-24.

3.8.4 In reply to the data gaps MSEDCL has submitted the reconciliation statement. Upon review of the reconciliation statement the Commission noted that, MSEDCL has paid higher InSTS charges and MSLDC charges than what the Commission has approved in the Case No. 284 of 2022 and Case No. 283 of 2022. Therefore, for FY 2022-23 and FY 2023-24, the Commission has considered the Transmission Charges and SLDC charges actually paid by MSEDCL for the purpose of truing up of FY 2022-23 and FY 2023-24.

3.8.5 Accordingly, InSTS charges and MSLDC Charges as approved by the Commission for the purpose of true-up for FY 2022-23 and FY 2023-24 is summarized below:

Table 47: InSTS Charges and MSLDC Charges for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
InSTS Charges	5,885.89	6,038.18	6,038.18	8,562.96	8,640.34	8,640.34
MSLDC Charges	29.18	29.18	29.18	30.76	26.43	26.43
Total	**5,915.07**	**6067.35**	**6067.35**	**8,593.72**	**8,666.77**	**8,666.77**

3.9 O&M Expenses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

Actual O&M Expenses

3.9.1 MSEDCL has submitted the O&M expenses on actual basis as per the Annual Audited Accounts for FY 2022-23 and FY 2023-24 respectively, as shown in table below:

Table 48: Actual O&M Expenses for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Employee Expenses (Net)	6,273.12	8,694.97
A&G Expenses (Net)	864.01	935.67
R&M Expenses	1,140.34	1,791.75
O&M Expenses	**8,277.66**	**11,422.02**

Table 49: Comparison of actual O&M Expenses for FY 2022-23 and FY 2023-24 as per Regulatory form and Annual Accounts as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Actuals as per Regulatory form*	8,277.66	10,426.02
Actuals as per Accounts	8,276.26	11,011.14

**Excluding Opex and Wage Revision*

3.9.2 MSEDCL's reconciliation of O&M expenses for the FY 2022-23 indicates that the actual claims surpass the audited figures and are attributable to supplementary claims submitted in the regulatory formats. The details are provided in the table below:

Table 50: O&M expenses as per Accounts for FY 2022-23 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particular	FY 2022-23
1	**Employee Expense as per Accounts**	**6,213.82**
1.1	Add: Other Comprehensive Income	55.49
1.2	Add: Employee Cost Previous years	3.82
	Total as per MYT Format	**6,273.12**
2	**Admin and General Expense as per Accounts**	**924.40**
2.1	Add: Lease related payments	47.19
2.2	Less: Opex considered in Format 3.5	60.57
2.3	Less: A& G Expenses previous year	35.01
2.4	Less: Rent to Mula Pravara	12.00
	Total as per MYT Format	**864.01**
3	**Repair and Maintenance as per Accounts**	**1,138.03**
3.1	Less: Rs. 0.19 Crore in Opex	(0.19)
3.2	Add: R&M Expenses Prior Period	2.5
	Total as per MYT Format	**1,140.34**

Note: *Employee Expense:*

1) *Pay Fixation not applicable for FY 2022-23*
2) *Employee cost for previous year is added back as true up already done for FY 2021-22*

3.9.3 MSEDCL's reconciliation of O&M expenses for the FY 2023-24 reveals that variations in Employee and Administrative and General **(A&G)** expenses have led to the variance between the audited figures and the actuals submitted in regulatory formats. Specifically, an amount of Rs. 432.25 Crore from other comprehensive income and Rs. 619.28 Crore from the reallocation of outsourcing expenses to Employee expenses have been incorporated to compute the Employee expense for regulatory formats as shown in the table below.

Table 51: Employee expense as per Accounts for FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particular	FY 2023-24
Total employee expenses as per Accounts	7,643.44
Add: Other Comprehensive Income	432.25
Add: Outsourcing Expenses from A&G	619.28
Total as per MYT formats	**8,694.97**

3.9.4 In A&G expenses, the total amount as per the Audited Account is Rs. 1,575.95 Crore, whereas as per the MYT format, it is only Rs. 935.56 Crore. The reconciliation of the differences is presented in the table below:

Table 52: Details of A&G Expenses as per Accounts as submitted by MSEDCL for FY 2023-24 (Rs. Crore)

Particular	FY 2023-24
Total A&G expense as per Audited Accounts	1,575.95
Add: Expenditure shown separately in MYT (in accounts considered as reduction from sales)	0.00
Add: Lease related payments	46.18
Less: Payment of rent to Mula Pravara	12.00
Less: Opex considered in Format 3.5	48.41
Less: Incentive to Distribution Franchisee considered in Format 6B	6.89
Less: Outsourcing charges considered in Employee Cost	619.28
Total as per MYT format	**935.56**

3.9.5 The Repairs and Maintenance (R&M) expense as per the Audited Accounts for the FY 2023-24 is Rs. 1,791.75 Crore, which is consistent with the MYT formats. Overall, there is an increase of Rs. 3,131.56 Crore in O&M expenses from FY 2022-23 to FY 2023-24, primarily driven by the settlement of pay revision arrears in FY 2023-24, which has an impact of Rs. 996.36 Crore on a standalone basis.

3.9.6 The following table summarizes the reasons for changes in the major components of Operation and Maintenance (O&M) expenses for FY 2023-24 compared to FY 2022-23, and FY 2022-23 compared to FY 2021-22.

Table 53: Reasons for change in major components of O&M expenses for FY 2022-23 over FY 2021-22 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2021-22	FY 2022-23	Difference	Remark
1	**Employee Cost**				
1.1	Basic Salary	2,965.99	2,795.42	(170.57)	Basic salary decreased in FY 2022-23 due to increase no of retirements in FY 22-23, expenditure on salary is reduced in FY 22-23 as compared to FY 21-22. {Pay Revision Agreement attached as Annexure 2.1 to this petition}
1.2	Dearness Allowance (DA)	656.58	1,028.20	371.62	Rate of DA increased from 17% in FY 21-22 to 34% in FY 22-23. {DA circulars attached as Annexure 2.2 to this petition}
1.3	Earned Leave Encashment	414.90	266.57	(148.33)	Claims for Earned Leave Encashment for regular employees for FY 22-23 were released in the upcoming financial year, i.e. FY 23-24. Hence, the claims were considered in the next year's budget.
1.4	Provident Fund Contribution	694.62	460.71	(233.91)	In FY 2021-22, provision for Investment Loss of CPF Board amounting Rs 285.18 Crore was made. But no such provision was made in FY 2022-23. Hence reduction observed.

Table 54: Reasons for change in major components of O&M expenses for FY 2023-24 over FY 2022-23 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference	Remark
1	**Employee Cost**				
1.1	Basic Salary	2,795.42	3,329.03	533.61	Provision made for Pay Fixation Arrears in FY 2023-24. Provision for Basic arrears is Rs 513.40 Crore
1.2	Dearness Allowance (DA)	1,028.20	1,486.75	458.55	DA Rate has increased from 34% to 46% in FY 23-24. {DA circulars attached as Annexure 2.3 to this petition}
1.3	Earned Leave Encashment	266.57	1,161.60	895.03	Leave encashment claims were not released in FY 22-23 due to Covid Period. Later in FY 23-24, it was

Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference	Remark
					released. Amount includes retirement leave encashment.
1.4	Provident Fund Contribution	460.71	668.52	207.81	Provision made for Pay Fixation Arrears of Rs 87.73 Crore. In FY 2023-24. Also, provision made for shortfall of Interest earned on CPF Trust Investment and Interest payable on CPF contributions to employees of Rs 89.02 Crore

3.9.7 MSEDCL requested the Commission to allow the actual O&M expenses for FY 2022-23 and FY 2023-24 as provided in the Regulatory Formats.

3.9.8 Regarding claim of Other Comprehensive Income as a part of Employee Expenses, MSEDCL submitted that, MSEDCL's financial statements comply with the Companies Act, 2013, and the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs. Ind AS 1 specifies that Other Comprehensive Income (**OCI**) includes items not recognized in profit or loss, such as remeasurement of defined benefit plans, contributing to total comprehensive income which reflects the company's overall earnings.

3.9.9 For employee benefits, MSEDCL has followed Ind AS 19, which requires complex actuarial assumptions for defined benefit plans, leading to potential actuarial gains and losses. These are disclosed separately in OCI and included in the revenue requirements of utilities, ensuring compliance with Accounting Standards.

3.9.10 For FY 2022-23 and FY 2023-24, MSEDCL has accounted for and disclosed these actuarial gains or losses in OCI, detailed in Note 39 of the financial statements. MSEDCL requests that the Commission consider OCI as part of its Operations and Maintenance **(O&M)** expenses for these fiscal years.

Table 55: Other Comprehensive Income for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particular	FY 2022-23	FY 2023-24
Other Comprehensive Income	55.49	432.25

3.9.11 MSEDCL requests the Commission to consider the Other Comprehensive Income as part of its Operations and Maintenance expenses for the respective financial years.

Normative Operation and Maintenance Expenses for FY 2022-23 and FY 2023-24

3.9.12 MSEDCL has submitted that Regulation 75 and Regulation 84 of the MYT Regulations, 2019 provides for the O&M Expenses norms for Distribution Wires Business and Retail Supply of electricity respectively**.**

3.9.13 As per the said Regulations relating to the Truing-up of O&M expenses:

"75.2 ….

Provided also that at the time of true-up for each Year of this Control Period, the Operation and Maintenance expenses shall be derived on the basis of the Final Trued-up Operation and Maintenance expenses after adding/deducting the sharing of efficiency gains/losses, for the base year ending March 31, 2020, excluding abnormal expenses, if any, subject to prudence check by the Commission, and shall be considered as the Base Year Operation and Maintenance expenses.

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

Provided further that the efficiency factor shall be considered as zero, in case there is an increase in the number of consumers including Open Access consumers connected to the Distribution Wires of at least 2 percent annually over the last 3 years:

Provided also that in case such increase in the number of consumers is lower than 2 percent annually over the last 3 years, then the reduction in *efficiency factor shall be considered in proportion to the percentage growth in the number of consumers."*

3.9.14 Considering the average WPI and CPI and provisions of the MYT Regulations 2019, MSEDCL has calculated the O&M escalation factor. As per MYT Regulations, 2019 quoted above, if the number of consumers of Distribution Licensee have increased by more than 2% annually over the last 3 years, efficiency factor shall be considered as zero. Accordingly, considering the escalation factor with zero efficiency factor, MSEDCL has computed the normative O&M expenses for FY 2022-23 and FY 2023- 24. Accordingly, the escalation factor derived for FY 2022-23 and FY 2023- 24 are 5.86% and 5.53% respectively.

3.9.15 MSEDCL has calculated O&M expenses for FY 2022-23 and FY 2023-24, factoring in the impact of sharing gains/losses. These expenses are allocated between the Wires Business (65%) and Retail Supply Business (35%) based on the allocation matrix in MYT Regulations, 2019.

3.9.16 MSEDCL submitted that calculated O&M expenses are allocated between the Wires Business and Retail Supply Business (in the ratio of allocation matrix provided in the MYT Regulations, 2019), i.e., 65% to Wires Business and 35% to Supply Business. The same is shown in following table.

Table 56: O&M Expenses for Wires and Supply Business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
O&M Expenditure for Wire Business	5,099.66	5,138.76	5,357.66	6,070.42
O&M Expenditure for Retail Supply Business	2,745.97	2,767.02	2,884.89	3,268.69
Total O&M Expenses*	**7,845.63**	**7,905.78**	**8,242.55**	**9,339.11**

**Including wage revision of Rs. 996.36 Crore in the FY 2023-24.*

3.9.17 Further, as per Regulations 75.6 and 84.6 of the MYT Regulations, 2019 in case the expenditure on Repairs and Maintenance falls below 20% of total O&M expenses allowed under these Regulations, then such savings in R&M shall not be set off against other heads of O&M expenses. The relevant extract of the Regulations is reproduced below

"75.6 In case the expenditure on Repairs and Maintenance falls below 20% of total O&M expenses allowed under these Regulations, then such savings in Repairs and Maintenance shall not be set off against other heads of O&M expenses. Provided that this limitation shall not be applicable for Deemed Distribution Licensees for the first five years after commencement of operations as a Distribution Licensee."

3.9.18 MSEDCL submitted that the Repair and Maintenance (R&M) expenses accounted for 13.6% (as a percentage of total O&M expense) in FY 2022-23 and have increased to 15.5% in FY 2023-24, reflecting a 2% growth in expenditure. MSEDCL intends to continue increasing R&M expenses to ensure optimal infrastructure performance and service reliability going forward.

3.9.19 In view of these increased R&M commitments, MSEDCL requested to kindly relax the current regulatory constraints on R&M expenses for FY 2022-23 and FY 2023-24, as these regulations impacted a portion of the respective fiscal years.

Commission's Analysis and Ruling

3.9.20 The Commission observed that MSEDCL has claimed O&M expenses for FY 2022-23 and FY 2023-24 on normative basis while considering the same as controllable expense and shared the impact of efficiency gain/loss on account of its variation w.r.t actual/audited O&M expense during the year.

3.9.21 The Commission further observed that the actual O&M expense for FY 2022-23 and FY 2023-24 is higher than the normative O&M expenses. The Commission has verified the actual O&M expense claimed by MSEDCL from the Audited Accounts for FY 2022-23 and FY 2023-24.

Employee Expenses

3.9.22 The Commission notes that employee expense is the major component of MSEDCL's O&M expenses (75% to 77% of the total O&M expense). The Commission noted that actual R&M expense of MSEDCL are lower than 20% of total O&M in FY 2022-23 (~14%) and FY 2023-24 (~16%) and MSEDCL is not able to meet the regulatory requirement of spending minimum 20% of the O&M expenses towards R&M work. The Commission is of the view that, MSEDCL being a Government owned company should align their salaries as per the pay bands accepted by the Government of Maharashtra and ensure that necessary expenditure towards R&M works does not suffer and the same is undertaken in accordance with the norms.

3.9.23 It is observed that actual employee expense in the Audited Accounts of FY 2022-23 and FY 2023-24 are Rs. 6,213.81 Crore and Rs. 7,643.43 Crore, respectively as compared to Rs. 6,273.12 Crore and Rs. 8,694,96 Crore for the respective years, claimed in the petition.

3.9.24 The Commission vide data gaps sought the clarification regarding breakup of actual O&M expense as per Audited Accounts and reconciliation of actual claimed O&M expense submitted by MSEDCL in petition.

3.9.25 The Commission notes that, employee expense is major head in total O&M consisting of 75% to 89% of actual expense. In data gaps, the Commission has sought clarification on the claim of past period employee cost of Rs. 3.82 Crore for FY 2022-23. In reply to the data gap raised, MSEDCL submitted that Material prior period errors are corrected retrospectively by restating comparative amounts for the periods in which the errors occurred. Errors before the earliest period presented are adjusted in the opening balances of assets, liabilities, and equity. Errors below 0.5% of turnover (as per Section 2(91) of the Companies Act, 2013) are not restated. In the Annual Accounts of FY 2022-23, prior period errors from FY 2021-22 are restated in comparative amounts, and errors from periods before FY 2021-22 are adjusted in the opening balances. These errors, not previously considered in the truing-up of FY 2021-22 and earlier periods, are now accounted for in FY 2022-23.

3.9.26 The Commission, in line with the approach adopted in the past Orders, has allowed prior period employee cost of Rs. 3.82 Crore for FY 2022-23 although true up has been completed for the past period.

3.9.27 The Commission further sought detailed break-up and clarification of increased comprehensive income for FY 2023-24. In reply, MSEDCL submitted the breakup in the table given below:

Table 57: Detailed break-up and clarification of increased comprehensive income for FY 2023-24 (Rs. Crore)

Particulars	Amount	Remarks
Change in Discount Rate	88.50	Increase in Liability due to change in Discount rate from 7.49% to 7.21%
Change in Salary Escalation Rate	193.81	The salary rate has changed to Next year 19% thereafter 3% (with 18% increase in every 5th year)
Impact due to Salary Experience	106.82	Salary for continuing employees has increased by 9% against an assumption of 3% for the year.
Impact due to Experience - Others	44.09	Actual vs Expected Attrition
Pension	-0.97	
Total	**432.25**	

3.9.28 The Commission has validated the breakup of other comprehensive income submitted by MSEDCL for FY 2023-24. MSEDCL has also submitted the actuary reports in support of its claim made towards Other Comprehensive Income. Hence, in line with the treatment given in the Review Order in Case No. 102 of 2023 dated 31 December 2024, the Commission has allowed Other Comprehensive Income of Rs. 432.25 Crore for FY 2023-24.

3.9.29 The Commission has scrutinized the claim of employee expenses and validated the reasons submitted by MSEDCL for increase in the employee expense. The Commission noted the submission of MSEDCL that, increase in employee expenses for FY 2022-23 and FY 2023-24 in mainly due to increase in basic arrears, increase in DA rate and increase in amount paid by MSEDCL towards leave encashment. **Hence, upon overall scrutiny of employee expenses, the Commission has allowed Rs. 6,273.12 Crore and Rs. 8,684.96 Crore for FY 2022-23 and FY 2023-24 as employee expense.**

3.9.30 MSEDCL has claimed Rs. 996.36 Crore as a wage revision for FY 2023-24. In data gaps query, the Commission also mentioned that, in the MYT Petition, MSEDCL stated that *"Significant increase in O&M expenses in FY 2023-24 was primarily due to Pay revision arrears settled in FY 2023-24. The pay revision impact in FY 2023-24, on standalone basis is Rs 996.36 Crores."*. In reply to the data gap, MSEDCL has submitted the agreement of wage revision.

3.9.31 However, the Commission noted that the wage revision impact is not reflected separately in the Audited Accounts of FY 2023-24. Further, Wage Revision Agreement provided by MSEDCL states that the revised renumeration is applicable w.e.f. date of agreement i.e. 07.07.2024. Additionally, it has mentioned that 1st instalment of arrears from April 2023 to August 2023 shall be paid in the month of October 2024. In data gaps, the Commission has sought detailed categorization of its employees, including no. of employees in each category (Permanent + Contract Basis), based on their positions equivalent to the 7th Pay Commission scales. In reply to the data gaps, MSEDCL submitted the breakup of amount payable to employees on permanent and contract basis. Accordingly, overall breakup of Rs. 996.26 Crore is submitted by MSEDCL.

3.9.32 On the query raised by the Commission regarding execution of agreement for wage revision and payment schedule of wage revision, MSEDCL submitted that the Revised pay scale was made applicable from the date when it was due i.e. 01.04.2023. However, wage revision agreement is executed on 07.07.2024. As the pay revision amount was due from 01.04.2023 and till the date of closure of books as on 31.03.2024, the amount was not disbursed, but the provision was made for whole 12 months of Rs. 996.23 Crore and the same is included in audited accounts in Note 33 Employee Benefit Expenses.

3.9.33 MSEDCL submitted that, the actual payment of the pay revision is started with the disbursement of the first instalment of arrears for 5 months made in October 2024. The second instalment of 5 months will be disbursed in March 25 & third instalment in Sept 25. Further as amount due for FY 2023-24 is already booked as expenditure in FY 2023-24 through provision on accrual basis, no further booking will be done in next financial year for FY 2023-24 arrears amount. The Commission has noted the submission made by MSEDCL regarding claim of wage revision.

3.9.34 Regarding wage revision, the relevant extract from MYT Regulation, 2019 is as quoted below:

"75.4 The impact of Wage Revision, if any, may be considered at the time of true-up for any Year, based on documentary evidence and justification to be submitted by the Petitioner:

Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent:

Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.

75.5 Provisioning of wage revision expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered."

3.9.35 Based on the regulatory provision, the Commission has disallowed the wage revision for FY 2023-24 as the same is not actually paid out and MSEDCL has made provision for it in Audited Account under the head of Employee Expenses. Hence, the actual amount towards wage revision claimed in FY 2023-24 will be approved at the time of truing of FY 2024-25 and FY 2025-26 when it will be actually paid out. MSEDCL, in response to the data gaps raised by the Commission regarding the actual payment of wage revision arrears, has informed the Commission that the actual payment of the pay revision has started with the disbursement of the first instalment of arrears for 5 months in October 2024. The second instalment of 5 months is due in March 2025 and the third instalment in due in September 2025. Considering that the actual payment of wage revision arrears has already started and the remaining instalments are imminent in March 2025 and September 2025 and also to avoid the burden of carrying cost on these amounts during the truing up of FY 2024-25 and FY 2025-26, the Commission deems it appropriate to allow recovery of these wage revision arrears payments over and above the normative expenses approved by the Commission for FY 2024-25 and FY 2025-26 in this Order. MSEDCL has not provided the details of the quantum of the wage revision arrears per instalment. Considering that each instalment pertains to 5 months arrears, the total wage revision arrears of Rs. 996.36 Crore is split into three equal instalments of Rs. 332.12 Crore each. Accordingly, the Commission has considered approval wage revision arrears of Rs. 664.24 Crore in FY 2024-25 and Rs. 332.12 Crore in FY 2025-26.

Administration & General Expenses

3.9.36 The Commission has noted the submission of MSEDCL regarding A&G expenses. The Commission has verified the A&G expense from Audited Accounts and breakup of A&G expense in Form 3.3. of MYT formats. The Commission has noted that, MSEDCL has claimed Rs. 44.25 Crore and Rs.

37.93 Crore toward legal charges and audit fees. The Commission has observed that, legal charges and audit fees of MSEDCL are increasing year on year.

3.9.37 Thus, the Commission opines that it is important to scrutinise the expenses for prudence check so that no unreasonable/un-justified expense is passed onto consumers/beneficiaries by way of sharing of loss/gains. The Commission has approved the legal charges and audit fees as claimed by MSEDCL for FY 2022-23 and FY 2023-24, whereas the Commission directs that MSEDCL shall try to reduce increasing legal charges and audit fees from FY 2024-25 onwards.

3.9.38 In case of prior period A&G expenses, the Commission has allowed Rs. 35.01 Crore for FY 2022-23 in line with the treatment given in past Orders.

3.9.39 The actual A&G expenses approved by the Commission are given in the table below:

Table 58: Actual A&G Expenses for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in the Order	MYT Petition	Approved in the Order
Rent Rates & Taxes	79.26	79.26	85.59	85.59
Insurance	0.78	0.78	0.58	0.58
Telephone and Postage, etc.	14.70	14.70	13.64	13.64
Legal charges and Audit fee	44.25	44.25	37.93	37.93
Professional, Consultancy, Technical fee	8.23	8.23	8.54	8.54
Conveyance and Travel	12.11	12.11	20.30	20.30
Electricity charges	34.90	34.90	37.52	37.52
Water charges	6.21	6.21	6.19	6.19
Security Measures for Safety and Protection	185.34	185.34	217.70	217.70
Fees and subscription	17.45	17.45	45.43	45.43
Printing and Stationery	11.82	11.82	13.38	13.38
Advertisements	10.15	10.15	6.17	6.17
Vehicle running Expenses	6.11	6.11	5.17	5.17
Vehicle Hiring Expenses	57.05	57.05	59.29	59.29
Expenditure on Computer Billing	381.18	381.18	379.39	379.39
Commission/Collection charges	74.48	74.48	75.15	75.15
Miscellaneous Expenses	0.43	0.43	0.24	0.24
Expenditure on meetings/conference	2.69	2.69	2.61	2.61
Expenditure on upkeep of office premises	22.27	22.27	26.67	26.67
Others	6.27	6.27	(7.40)	(7.40)
Payment to MPECS	19.39	19.39	16.38	16.38

Particular	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in the Order	MYT Petition	Approved in the Order
Gross A &G Expenses	**995.08**	**995.08**	**1,050.48**	**1,050.48**
Less: Expenses Capitalised	34.73	34.73	66.65	66.65
Net A &G Expenses	**960.35**	**960.35**	**983.84**	**983.84**
Less: Prior Period A& G Expenses	35.01	35.01	0.00	0.00
Total A&G Expenses (Incl. MPECS and OPEX Exp.)	**925.34**	**925.34**	**983.84**	**983.84**
Less: Payment to MPECS	31.39	31.39	28.38	28.38
Less: Opex Expenses	29.75	29.75	19.79	19.79
Total A&G Expenses (excl. MPECS)	**864.20**	**864.20**	**935.67**	**935.67**

3.9.40 **Accordingly, the Commission has approved Rs. 864.20 Crore and Rs. 935.67 under A&G expenses for FY 2022-23 and FY 2023-24.**

<u>Repair & Maintenance Expenses</u>

3.9.41 The Commission noted that R&M expense as percentage of actual O&M expense varies from 14% to 17% against the stipulated norm of 20% as per the Regulation 75.6 and Regulation 84.6 of MYT Regulation, 2019.

3.9.42 The Commission is of the view that R&M expense need to be increased so as to ensure better power quality to the consumers. The present expenses on R&M are on the lower side which may be adversely impacting the power quality. The low spending on R&M activities is a matter of concern, as it directly affects the reliability and upkeep of the Distribution network which in-turn has a bearing on quality service to the consumers. During the Public Consultation process, many Consumers have complained about the quality and reliability of power supply of MSEDCL. Considering the importance of incurring adequate R&M expenses, the Commission has already specified norms for R&M expenses in the MYT Regulations, 2019. Further, the Regulation 75.6 of MYT Tariff Regulation states that if Repair and Maintenance expense is less than total O&M expense allowed then the saving in R&M expense shall not be set off against other heads of O&M expense. The relevant regulation is reproduced for reference:

> *"75.6 In case the expenditure on Repairs and Maintenance falls below 20% of total O&M expenses allowed under these Regulations, then such savings in Repairs and Maintenance shall not be set off against other heads of O&M expenses"*

3.9.43 Considering the feedback received from the consumers regarding the quality and reliability of power supply during Public Consultation process, the need to ensure adequate expenditure on R&M related activities and the provisions of the MYT Regulations, 2019, the Commission is constrained to disallow the setoff of the saving in the R&M expenses against other heads of the O&M expenses.

3.9.44 MSEDCL must maintain R&M expense of at least 20% of allowed O&M expenses during any year. Currently, R&M expenses are lower than 20% of actual O&M expenses and hence, Commission has considered the impact of lower R&M expenses in subsequent section under sharing of gains/ losses for FY 2022-23 and FY 2023-24 as per the provisions of the MYT regulations, 2019.

3.9.45 R&M expenses are claimed as per Audited Accounts along with prior period claim. In line with the treatment given by the Commission in past Orders and Employee expenses and A&G expenses for FY 2022-23 in above sections, the Commission approved actual O&M expenses as per Audited Accounts for FY 2022-23 and FY 2023-24 along with the prior period impact for FY 2022-23.

3.9.46 The summary of actual O&M expenses approved by the Commission is as given in table below:

Table 59: Actual O&M Expenses for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Employee Expenses	7,845.63	6,273.12	6,273.12	8,242.55	8,694.96	8,694.96
A&G Expenses		864.20	864.20		935.67	935.67
R&M Expenses		1,140.34	1,140.34		1,791.75	1,791.75
Total Operation and Maintenance Expenses	**7,845.63**	**8,277.66**	**8,277.66**	**8,242.55**	**11,422.37**	**11,422.37**

Normative O&M Expense

3.9.47 The Commission has applied the norms specified in Regulations 75 and 84 of the MYT Regulations, 2019 for approval of O&M Expenses for the Wires Business and Supply Business respectively. The relevant extract of the regulation is as given below for easy reference:

> *"75.2 The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-up Operation and Maintenance expenses after adding/deducting the share of efficiency gains/losses, for the three Years ending March 31, 2019, excluding abnormal Operation and Maintenance expenses, if any, subject to prudence check by the Commission:*
>
> *Provided that the average of such Operation and Maintenance expenses shall be considered as Operation and Maintenance expenses for the Year ended March 31, 2018, and shall be escalated at the respective*

escalation rate for FY 2018-19 and FY 2019-20, to arrive at the Operation and Maintenance expenses for the base year ending March 31, 2020:

Provided further that the escalation rate for FY 2018-19 and FY 2019-20 shall be computed by considering 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau, Government of India:

3.9.48 As per the above provisions of MYT Regulations, 2019, the normative O&M expenses for FY 2021-22 shall be escalated by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index (WPI) of the past five financial years and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index (CPI) for Industrial Workers (all-India) of the past five financial years, as reduced by an efficiency factor of 1% to arrive at the permissible O&M expenses for each year of the Control Period. It is noted that MSEDCL has used WPI series of 2012-13 for the truing up years.

3.9.49 Further, considering that the increase in the number of consumers including open access consumers is more than 2 percent annually over the last 3 years, the efficiency factor is considered to be 0% for FY 2022-23 and FY 2023-24, respectively.

3.9.50 Considering the year-on-year variations in CPI and WPI and escalation factor as approved by the Commission is shown in the following table.

Table 60: Normative O&M Expenses for FY 2020-21 and FY 2021-22 (Wires + Supply) as approved by Commission (Rs. Crore)

Year	WPI	WPI Inflation	CPI	CPI Inflation
FY 2014-15	113.88		250.83	
FY 2015-16	109.72	-3.65%	265.00	5.65%
FY 2016-17	111.62	1.73%	275.92	4.12%
FY 2017-18	114.88	2.92%	284.42	3.08%
FY 2018-19	119.79	4.28%	299.92	5.45%
FY 2019-20	121.80	1.68%	322.50	7.53%
FY 2020-21	123.38	1.29%	338.69	5.02%
FY 2021-22	139.41	13.00%	356.06	5.13%
FY 2022-23	152.53	9.41%	377.62	6.05%
FY 2023-24	151.42	-0.73%	397.20	5.19%
Average from FY 2018-19 to FY 2022-23		5.93%		5.84%
Weight		30%		70%

Year	WPI	WPI Inflation	CPI	CPI Inflation
Escalation Factor				5.86%
Efficiency Factor				0.00%
Efficiency Factor = zero, in case of increase in the number of consumers including Open Access consumers of at least 2 percent annually over the last 3 years				
Escalation Factor for FY 2022-23 net of Efficiency Factor				**5.86%**
Average from FY 2019-20 to FY 2023-24		4.93%		5.78%
Weight		30%		70%
Escalation Factor				5.53%
Efficiency Factor				0.00%
Efficiency Factor = zero, in case of increase in the number of consumers including Open Access consumers of at least 2 percent annually over the last 3 years				0.00%
Escalation Factor for FY 2023-24 net of Efficiency Factor				**5.53%**

3.9.51 The Commission has computed the escalation factor as specified according to the above provision of the MYT Regulations, 2019 and the same works out to 5.86% and 5.53% for FY 2022-23 and FY 2023-24 respectively. Thus, for the purpose of working out normative O&M expenses for FY 2022-23 and FY 2023-24, an escalation factor of 5.86% and 5.53% has been considered.

3.9.52 To derive normative O&M expense for FY 2022-23, the Commission has escalated net entitled O&M expenses of FY 2021-22 with 5.86% for arrive at O&M expense norms for FY 2021-22 and to derive normative O&M expense for FY 2023-24, the Commission escalated 5.53% on the normative O&M expenses of FY 2022-23. The normative O&M expense approved for the purpose of truing up of FY 2022-23 and FY 2023-24 for Wires Business and Retail Supply of electricity is shown in following table.

Table 61: Normative O&M Expenses for FY 2022-23 and FY 2023-24 (Wires + Supply) approved by Commission (Rs. Crore)

Particular	F.Y. 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
O&M Expenditure for Wires business	5,099.66	5,138.76	5,138.76	5,357.66	5,422.79	5,422.79
O&M Expenditure for Retail Supply business	2,745.97	2,767.02	2,767.02	2,884.89	2,919.96	2,919.96
Impact of Wage Revision	0.00	0.00	0.00	0.00	996.36	0.00
O &M Expenses (Wires + Supply)	**7,845.63**	**7,905.78**	**7,905.78**	**8,242.55**	**9,339.11**	**8,342.76**

3.9.53 **The Commission approves normative O&M expense of Rs. 7,905.78 Crore on Truing-up of ARR for FY 2022-23 and Rs. 8,342.76 Crore on Truing-up of ARR for FY 2023-24.**

3.10 Opex Schemes expenses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.10.1 MSEDCL submitted that as per the Regulations 75.7 and 84.7 of the MYT Regulations, 2019 the distribution licensee is allowed to undertake Opex schemes for wires and supply business for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses.

3.10.2 Based on the approval accorded in the MTR Order in Case no. 226 of 2022, MSEDCL has incurred actual expenses of Rs. 60.57 Crore and Rs. 48.41 Crore in FY 2022-23 and FY 2023-24 as against the approved expenses of Rs. 70.05 Crore and Rs. 84.45 Crore, respectively.

3.10.3 MSEDCL submitted that expenses towards Annual Technical Support (**ATS**) and Substation Monitoring System (**SMS**) charges should be considered under Opex schemes rather than A&G, as these are operational expenses paid to OEMs like Oracle and SAP for support services that enhance performance and assist in timely bill payments. Therefore, MSEDCL requested to allow these expenses as part of the Opex schemes. Following table outlines the actual Opex Schemes expenses for FY 2022-23 and FY 2023-24.

Table 62: Opex Scheme Expenses for FY 2022-23 and 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
OPEX Scheme for Wire and Supply business	70.05	60.57	84.45	48.41

3.10.4 MSEDCL submitted detailed justification for expenses under Opex schemes along with the cost benefit analysis under Section 15 of the admitted Petition. The breakup of Opex expenses claimed by MSEDCL under Wires and Supply business is shown in table below:

Table 63: Opex Scheme Expenses - Wire business as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
1	Substation Monitoring System (SMS)	21.30	5.23	36.00	0.75
2	MSEDCL Cloud Project	7.98	7.06	7.97	6.63

Sr. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
3	IT Application Redevelopment	0.00	0.00	0.00	0.00
4	Vehicle Tracking System	0.77	0.10	0.26	0.01
5	SMS services	0.00	7.32	0.00	2.89
6	Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	0.00	7.56	0.00	7.01
	Total	**30.05**	**27.26**	**44.23**	**17.28**

Table 64: Opex Scheme Expenses - Supply business as submitted by MSEDCL (Rs. Crore)

Sr. No	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
1	Customer Care Center	26.46	9.75	27.20	14.50
2	RF-DCU (Expression of Interest and Tender)	4.80	1.53	4.80	0.10
3	MSEDCL Cloud Project	7.98	7.06	7.97	6.63
4	Vehicle Tracking System	0.77	0.10	0.26	0.01
5	SMS services	0.00	7.32	0.00	2.89
6	Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	0.00	7.56	0.00	7.01
	Total	**40.01**	**33.31**	**40.23**	**31.13**

Commission's Analysis and Ruling

3.10.5 As per the Regulation 75.7 and 84.7 of the MYT Regulations, 2019, the Distribution Licensee is allowed to undertake Opex schemes for wires and supply business for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses. The relevant extract of the regulations is reproduced below:

For Wire Business:

"75.7 A Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and, such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any."

For Retail Supply Business:

"84.7 A Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc, and, such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any."

3.10.6 The Commission vide data gaps sought details of schemes proposed under OPEX along with monetary benefits. Further, the Commission validated if the schemes proposed under OPEX qualify the provisions of Regulation 75.7 and 84.7 of MYT Regulations, 2019. The Commission has also enquired about the approach adopted for selection of service provider for roll-out of OPEX schemes through queries in data gaps. In response to Commission's queries, MSEDCL has submitted the projects wise Cost Benefits Analysis carried out for implementation of OPEX schemes.

3.10.7 Based on the reply to data gaps and scheme wise details shared by MSEDCL, it is observed that MSEDCL has not spent amount towards Vehicle Tracking System in FY 2022-23. Further, the Commission notes that expenses proposed on scheme such as SMS Services and annual technical support of SAP/HANA/Oracle Software Licenses are recurring expenses and is in nature of A&G expenses. The Commission's intend of introducing Opex scheme in MYT Regulations is to promote licensees to take service from service providers instead of investing as capital expenditure. Although schemes mentioned are important initiatives and needs to be promoted, it needs to be categorized under O&M expenses. It is also a fact that these are not new schemes and MSEDCL is already booking expenses on these schemes in O&M expenses. Same needs to be continued for future also.

3.10.8 Considering MSEDCL submission, provisions under MERC (Approval of Capital Investment Schemes) Regulations, 2022 ("**Capex Regulations, 2022**") and provisions of Regulation 75.7 and 84.7 of MYT Regulation 2019, the Commission has approved OPEX schemes as claimed by MSEDCL as shown in following table below:

Table 65: Opex Scheme Expenses (Wires + Supply) for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opex Schemes (Wires Business)						

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Substation Monitoring System (SMS)	21.30	5.23	5.23	36.00	0.75	0.75
MSEDCL Cloud Project	7.98	7.06	7.10	7.97	6.63	6.63
Vehicle Tracking System	0.77	0.10	0.00	0.26	0.01	0.01
SMS services	0.00	7.32	0.00	0.00	2.89	0.00
Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	0.00	7.56	0.00	0.00	7.01	0.00
Subtotal – Wires Business	**30.05**	**27.26**	**12.33**	**44.23**	**17.28**	**7.39**
Opex Scheme (Retail supply)						
Customer Care Center	26.46	9.75	9.75	27.20	14.50	14.50
RF-DCU (Expression of Interest and Tender)	4.80	1.53	1.53	4.80	0.10	0.10
MSEDCL Cloud Project	7.98	7.06	7.10	7.97	6.63	6.63
Vehicle Tracking System	0.77	0.10	0.00	0.26	0.01	0.01
SMS services	0.00	7.32	0.00	0.00	2.89	0.00
Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	0.00	7.56	0.00	0.00	7.01	0.00
Subtotal – Retail Supply	**40.01**	**33.31**	**18.38**	**40.23**	**31.13**	**21.24**
Total	**70.05**	**60.57**	**30.71**	**84.45**	**48.41**	**28.62**

3.10.9 **Thus, the Commission has approved Rs. 30.71 Crore and Rs. 28.61 Crore under the head of OPEX Scheme Expenses for FY 2022-23 and FY 2023-24 respectively.**

3.11 Capitalisation for FY 2022-23 and FY 2023-24

3.11.1 MSEDCL has submitted that it has achieved a capitalization of Rs. 3,322.73 Crore in FY 2022-23 and Rs. 4,899.07 Crore in FY 2023-24 respectively as against the approved capitalisation of Rs. 3,532.32 Crore and Rs. 3,618.64 Crore in MTR Order in Case no. 226 of 2022. The break-up of capitalization proposed towards DPR and Non-DPR schemes is given in the table below:

Table 66: Capitalisation for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
1	DPR Scheme (A)	3,431.43	2,683.21	3,554.30	3,958.07
2	Non DPR Scheme				
2.1	DDF / Non-DDF Scheme	44.00	600.21	0.00	914.63
2.2	Other Non DPR Schemes	56.89	39.31	64.34	26.37
3	**Sub Total Non DPR Scheme (B)**	**100.89**	**639.52**	**64.34**	**941.00**
4	**Total Capitalization (DPR + Non-DPR)**	**3,532.32**	**3,322.73**	**3,618.64**	**4,899.07**
5	**% of Non-DPR to DPR***	**2.94%**	**1.46%**	**1.81%**	**0.67%**

** % Non- DPR schemes excluding DDF/ Non-DDF schemes*

3.11.2 MSEDCL submitted that, actual capitalization for FY 2022-23 and FY 2023-24 is less than that of approved capitalization in MTR Order in Case no. 226 of 2022, whereas actual capitalization towards non-DPR schemes increased drastically in FY 2022-23 and FY 2023-24 as compared to the approved capitalization.

3.11.3 Further, the increase in non-DPR capitalization is due to increase in Dedicated Distribution Facility (**DDF**) / Non-DDF schemes which are consumer funded, or investment is done on accrual basis as per the request from consumers. Therefore, excluding the capitalization on account of DDF / Non-DDF scheme from non-DPR schemes, the ratio of Non-DPR / DPR is far below than the limits specified by the Commission. It is submitted that, MSEDCL implements DDF / Non-DDF Scheme for individual or group of applicant/consumers that are on the same/contiguous premise/s and requesting power supply through DDF / Non DDF as per provisions of MERC Supply Code Regulations, 2021.

3.11.4 As per Regulation 24.7 of MYT Regulation, 2019, the Commission may allow capitalization against non-DPR schemes beyond 20% threshold based on a justified request from the licensee. Hence, MSEDCL requested the Commission to approve capitalization claimed towards non-DPR schemes as submitted.

3.11.5 As per the Annual Accounts of FY 2022-23 and FY 2023-24, the addition to Gross Fixed Assets (GFA) is Rs 3,378.51 Crore and Rs 4,971.74 Crore, respectively, whereas in Form 4 of the excel formats MSEDCL has shown Capitalization as Rs 3,322.73 Crore and 4,899.07 Crore for the FY 2022-23 and FY 2023-24, respectively. MSEDCL submitted that in Form 4.2, only scheme wise details have been shown whereas in Annual Accounts the Addition to GFA is shown in total including land and land rights, buildings, etc. as shown in the following table.

Table 67: Addition to GFA as per Annual Accounts for FY2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	**Capitalization as per Note of the Accounts**	**3,378.51**	**4,971.74**
2	Capitalization as per Form 4	3,322.73	4,899.07
3	Land	21.22	3.11
4	Buildings	10.79	13.42
5	Vehicles	1.19	5.37
6	Furniture and Fixtures	4.24	5.28
7	General Assets	5.03	23.81
8	Other Civil Works	11.52	20.92
9	Computer Software	0.00	0.00
10	Lease Hold Land	1.78	0.76
11	**Total Capitalisation (2 to 10)**	**3,378.51**	**4,971.74**

3.11.6 MSEDCL submitted the additional details of General Assets as are summarized in the table below:

Table 68: General Assets as per Annual Accounts for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No	Particulars	FY 2022-23	FY 2023-24
1	Hydraulic Works	0.07	0.00
2	Batteries and Charging	0.21	0.03
3	Communication Equipment	0.51	0.90
4	IT Equipment	19.95	22.84
5	Office Equipment	(15.71)	0.03
6	**Total**	**5.03**	**23.81**

3.11.7 The Commission in MTR Order in Case no. 226 of 2022 has allowed capitalization towards schemes not forming part of any specific scheme and the Commission has accordingly revised the GFA to that extent as well. Therefore, MSEDCL requested the Commission to approve capitalization as per the Audited Accounts and revise the GFA accordingly.

Commission's Analysis and Ruling

3.11.8 The Commission noted that MSEDCL has submitted capitalization of Rs. 3,322.74 Crore for FY 2022-23, as against the capitalization of Rs. 3,532.32 Crore approved in MTR Order in Case No. 226 of 2022. The Commission has examined the details provided by MSEDCL regarding the actual capitalisation achieved in the FY 2022-23 and FY 2023-24 and approves the capitalisation considering the provisions of the MYT Regulations, 2019 and Capex Regulations, 2022, as applicable.

3.11.9 The Commission notes that for certain schemes MSEDCL has claimed an excess capitalisation over and above their in-principal approval cost. The scheme wise excess capitalisation is provided in the table below:

Table 69: Excess Capitalisation claimed by MSEDCL in FY 2020-21 and FY 2021-22 (Rs. Crore)

Schemes	Excess Capitalization in FY 2022-23	Excess Capitalisation in FY 2023-24
Infra Plan Works - II	1,140.23	1,155.00
DTC Metering Phase-III	78.51	78.66
SPA:PE	1,740.50	1,743.71
P:SI	189.18	194.05
P:IE	329.91	330.79
DPDC / Non-Tribal	2,231.37	2,878.00
DPDC / SCP (Loan up to 2012-13)	1,226.88	1,394.03
DPDC / TSP + OTSP	1,522.58	1,693.14

3.11.10 The Commission notes that in MSEDCL's CAPEX basket above mentioned schemes have exceeded the project timeline and cost of the scheme is also increased beyond the in-principal approval of the scheme. Further, from CAPEX and Capitalisation sheets of the Regulatory formats, it is evident that few schemes are still within the in-principal approval limit but are delayed in project execution.

3.11.11 As emphasized in earlier orders in case of schemes with time over run excess interest gets incurred which finally gets capitalised as IDC. Due to excess capitalisation, an undue burden of excess IDC is being passed on to consumers, which is not justifiable. MSEDCL in its claim of capitalisation did not reduce IDC and claimed actual capitalisation. In case of schemes with excess capitalisation over and above the in-principle approved capital cost, the Commission has disallowed 100% IDC on these schemes. The Commission has verified the DPR schemes submitted by MSEDCL in MYT petition and has disallowed Rs. 0.12 Crores in FY 2022-23 and Rs. 0.08 Crores and FY 2023-24.

3.11.12 The Commission has scrutinized the DPRs submitted to the Commission against DPR schemes and observed that some of the schemes viz., RDSS-Raynagar Colony Solapur -PMAY, Sukanu Samiti for 2019-20 are not yet approved by the Commission. Accordingly, the capitalisation against DPR Schemes allowed by the Commission is shown in the table below:

Table 70: Capitalisation against DPR Schemes for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Schemes	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Infra Plan Works - II	20.57	20.57	14.77	14.77
RAPDRP B	20.45	20.45	8.26	8.26
SCADA Part A	12.65	12.65	4.96	4.96
SPA:PE	3.46	3.46	3.21	3.21
P:SI	0.94	0.94	4.87	4.87
P:IE	0.58	0.58	0.88	0.88
Agriculture Metering	0.47	0.47	0.73	0.73
DDUGJY	0.89	0.89	1.65	1.65
IPDS	4.60	4.60	1.01	1.01
DPDC / non-tribal	352.84	352.84	646.62	646.62
DPDC / SCP (Loan up to 2012-13)	150.6	150.6	167.15	167.15
DPDC / TSP + OTSP	128.94	128.94	170.57	170.57
New consumers	328.14	328.14	491.38	491.38
Ag Special Package for Vidarbha /Marathwada and maha	7.30	7.30	91.00	91.00
Shet Tale	4.93	4.93	0.27	0.27
Evacuation of Power from EHV Substation	21.93	21.93	1.39	1.39
Saubhagya Scheme	1.92	1.92	0.65	0.65
HVDS Scheme	1,022.55	1,022.55	294.07	294.07
Mukhyamantri Saur Vahini Yojana Phase I	25.38	25.38	6.86	6.86
High Loss Feeder	38.07	38.07	14.87	14.87
System strengthening work in Metropolitan Area	39.93	39.93	24.69	24.69
Incomer Metering-IM	3.00	3.00	0.98	0.98
AG Policy -2020	476.4	476.4	1,770.04	1,770.04
MIDC Network Strengthening	11.26	11.26	39.33	39.33
Underground works of extended area of Baramati Municipal Corporation	5.42	0.00	13.09	0.00
Reactive Power Management Scheme (PSDF)	0.00	0.00	99.37	99.37
System Improvement Scheme	0.00	0.00	0.96	0.00
System Strengthening (MSKVY 2.0)	0.00	0.00	18.2	0.00
TSP Grant substation scheme	0.00	0.00	10.08	0.00
Sukanu Samiti for 2019-20	0.00	0.00	0.25	0.00
RDSS-Raynagar Colony Solapur - PMAY	0.00	0.00	11.86	0.00
RDSS-Loss Reduction Part A Feeder Separation Works	0.00	0.00	5.23	5.23

Schemes	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
RDSS-Loss Reduction Part B	0.00	0.00	20.52	20.52
Underground works under System Strengthening in Gondia, Bhandara and Nagpur 1st Phase	0.00	0.00	17.94	17.94
DELP	0.00	0.00	0.17	0.00
DTC Metering Phase-III	0.00	0.00	0.15	0.15
Elimination of 66 kV Line	0.00	0.00	0.06	0.06
Total	**2,683.22**	**2,677.8**	**3,958.09**	**3,903.48**

3.11.13 The Commission has also examined the capitalisation claimed against the non-DPR scheme considering the provisions of the MYT Regulations, 2019 and Capex Regulations, 2022, as applicable. The Regulation 10.1 of the Capex Regulations, 2022 states the following:

"10.1 All Non-DPR Schemes shall be required to be registered with the Commission on quarterly basis in physical form, till the commencement of the web-portal referred in Regulation 19 of these Regulations, after which the Schemes shall be registered on the web portal:

Provided that the Format specified in Appendix 1 for submission of DPR Schemes shall be applicable for Non-DPR Schemes also, to be filled-up as applicable/relevant:

Provided further that the registration of the Non-DPR Schemes shall only be acknowledged by the Commission in accordance with the Format specified in Appendix 4, and shall not be construed as approval by the Commission:

Provided also that the Commission shall not consider Non-DPR Schemes that have not been registered with the Commission, for Final approval of completed cost in accordance with these Regulations."

3.11.14 As can be seen from the above extract, all the non-DPR schemes are required to be registered with the Commission on a quarterly basis and only such registered schemes will be considered for approval of capitalisation claimed by the Licensees. It is observed that MSEDCL has registered only some of the non-DPR schemes which were executed in FY 2022-23 and FY 2023-24, as applicable and against which MSEDCL has sought approval of the capitalisation. However, considering that the requirement of registering the non-DPR schemes has been prescribed for the first time, the Commission has not insisted on the registration of the schemes while approving the capitalisation for FY 2022-23 and FY 2023-24. However, MSEDCL should ensure that all the non-DPR Schemes proposed to be implemented going forward should be registered with the Commission in line with the provisions of the Capex Regulations, 2022, failing which the Commission will be constrained to not approve capitalisation against such non-registered scheme during the truing up of the relevant years.

3.11.15 Further Regulation 24.7 of MYT Regulations, 2019 specifies limit on capitalisation of non-DPR schemes that are allowable.

"The Provided that the Commission may allow capitalisation against non-DPR schemes for any Year in excess of 20% or such other limit as may have been stipulated by the Commission through Order, on a request made by the Generating Company or Licensee or MSLDC."

3.11.16 In line with the above Regulations, capitalisation towards non-DPR schemes has been allowed considering that threshold level. Accordingly, the capitalisation approved by the Commission for FY 2022-23 and FY 2023-24 is as follows:

Table 71: Capitalisation for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Sr. No.	Particulars	FY 2022-23			FY 2023-24		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
1	DPR Scheme	3,431.43	2,683.21	2,677.80	3,554.30	3,958.07	3,903.48
2	Non DPR Scheme						
2.1	DDF / Non-DDF Scheme	44.00	600.21	600.21	0.00	914.63	914.63
2.2	Other Non DPR Schemes	56.89	39.31	39.31	64.34	26.37	26.37
3	**Total Capitalization**	**3,532.32**	**3,322.73**	**3,317.31**	**3,618.64**	**4,899.07**	**4,844.48**
4	**% of Non-DPR to DPR***	**2.94%**	**1.46%**	**1.47%**	**1.81%**	**0.67%**	**0.68%**

3.11.17 Accordingly, the total capitalisation approved for FY 2022-23 and FY 2023-24 is summarized as shown below:

Table 72: Capitalisation for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2022-23			FY 2023-24		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
1	Total Capitalization	3,532.32	3,322.73	3,317.31	3,618.64	4,899.07	4,844.48

3.11.18 **Accordingly, the Commission approves the actual capitalization of Rs. 3,317.31 Crore for FY 2022-23 and Rs 4,844.48 Crore for FY 2023-24.**

3.12 Depreciation for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.12.1 MSEDCL has submitted that, the Opening GFA as per MSEDCL's Audited Accounts for FY 2022-23 and FY 2023-24 excludes the impact of Final Transfer Scheme/Restructuring Plan and subsequent revaluation. Accordingly, the depreciation has been reworked on a pro-rata basis on the revised Opening GFA for FY 2022-23 and FY 2023-24 for the purpose of True-Up which is summarized below.

Table 73: Depreciation for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	Opening GFA (Actual)	70,864.95	74,243.46
2	Opening GFA as per MERC	58,869.77	60,514.50
3	**Add**: Capitalisation during the year	3,378.52	4,971.74
4	**Less**: Consumer Contribution and Grants	1,733.78	2,089.81
5	**Net Opening GFA**	**60,514.50**	**63,396.44**
6	**Depreciation (Actual)**	**3,333.85**	**3,343.70**
7	**Depreciation (Claimed in proportion to Actual)**	**2,769.53**	**2,725.39**

Commission's Analysis and Ruling

3.12.2 The Commission has worked out allowable depreciation considering the approved Opening Gross Fixed Assets (**GFA**) for FY 2022-23 and FY 2023-24 and based on the revised capitalisation approved during the respective year.

3.12.3 Further, as per provision of MYT Regulations, 2019, consumer contribution and grants has been deducted from GFA while working out depreciation. The relevant Regulations is reproduced as under.

"26.2 The expenses on such capital works shall be treated as follows :—

(a) normative O and M expenses as specified in these Regulations shall be allowed;

(b) the debt-equity ratio, shall be considered in accordance with Regulation 27, after deducting the amount of such financial support received;

(c) provisions related to depreciation, as specified in Regulation 28, shall not be applicable to the extent of such financial support received;

(d) provisions related to return on equity, as specified in Regulation 29 shall not be applicable to the extent of such financial support received;

(e) provisions related to interest on loan capital, as specified in Regulation 30 shall not be applicable to the extent of such financial support received."

3.12.4 MSEDCL has reported retirement of assets worth Rs. 140.41 Crore in FY 2022-23. The provisions of the Regulation

"28.1 The Generating Company, Licensee, and MSLDC shall be permitted to recover depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:

Provided that depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalized assets."

3.12.5 Accordingly, the Commission has considered the retirement of assets of Rs. 140.41 Crore while computing the depreciation for FY 2022-23. The Commission has considered the opening GFA of Rs. 58,869.77 Crore and Rs. 60,371.52 for FY 2022-23 and FY 2023-24 respectively.

3.12.6 MSEDCL submitted that the impact of account restatement of FY 2020-21 and FY 2021-22 in GFA is Rs. 40.69 Crore. Considering the approach adopted by the Commission in past Orders, the Commission has approved Rs. 40.96 Crore for FY 2022-23 due to account restatement.

3.12.7 In data gaps, the Commission raised a query regarding variation in depreciation claimed in the petition and depreciation booked in Audited Accounts of MSEDCL. As per the submission of MSEDCL, depreciation of Rs 2,769.53 Crore is claimed for FY 2022-23 which does not align with the depreciation in Audited Accounts (Note 37) of Rs 3,661.40 Crore. In replies to data gaps, MSEDCL submitted that the Opening Gross Fixed Assets (**GFA**) as per MSEDCL's Audited Accounts is Rs. 70,864.95 Crore, excluding the impact of the Final Transfer Scheme/Restructuring Plan and subsequent revaluation. Accordingly, depreciation has been recalculated on a pro-rata basis on the revised Opening GFA for FY 2022-23 for the purpose of True-Up.

Table 74: Working of GFA for Depreciation of FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars		FY 2022-23	FY 2023-24
Opening GFA	A	58,869.77	60,371.52
Add: Capitalisation approved in a year	B	3,317.31	4,844.48
Less: Consumer Contribution and grants*	C	1,735.12	2,157.48
Restatement of FY 2020-21 and FY 2021-22	D	40.69	-
Less: De-capitalisation of assets	E	140.41	(1.72)
Closing GFA	**F=A+B-C+D-E**	**60,371.52**	**63,060.24**

**(Excluded for the purpose of depreciation computation as per Regulations)*

3.12.8 Based on the GFA addition during the year after deducting consumer contribution, grants and decapitalization of assets, the Commission has computed depreciation in proportion to actual depreciation claimed by MSEDCL as per regulatory provisions. The Commission has also taken cognisance of the restatement of FY 2020-21 and FY 2021-22 considered by MSEDCL in its computation. The composite weighted average rate of depreciation is 4.88% and 4.50% for FY 2022-23 and FY 2023-24 respectively. Accordingly, the depreciation approved for FY 2022-23 and FY 2023-24 is as follows:

Table 75: Summary of Depreciation for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Sr. No.	Particulars	FY 2022-23			FY 2023-24		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
1	Depreciation	2,688.58	2,769.53	2,719.47	2,762.36	2,725.38	2,587.07

3.12.9 **Thus, the Commission approves depreciation of Rs. 2,719.47 Crore and Rs. 2,587.07 Crore for FY 2022-23 and FY 2023-24 respectively.**

3.13 Funding Arrangement for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.13.1 MSEDCL has submitted that as per the Regulation 27.1 of the MYT Regulations, 2019, the debt : equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission. The said Regulation also provides that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff.

3.13.2 The funding pattern for FY 2022-23 and FY 2023-24 for the capitalization achieved by MSEDCL, in proportion to the funding pattern of capital Expenditure, is presented in the following table:

Table 76: Funding of Capitalisation for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	**Total Capitalisation**	**3,322.73**	**4,899.07**
2	Less: Consumer Contribution	730.62	639.86
3	Less: Grants	1,003.16	1,449.95
4	**Balance to be funded**	**1,588.95**	**2,809.26**
5	Equity	1,060.01	2,065.71
6	Debt	528.93	743.55
7	**Equity**	**66.71%**	**73.53%**

Sr. No.	Particulars	FY 2022-23	FY 2023-24
8	**Debt**	**33.29%**	**26.47%**

3.13.3 MSEDCL has submitted for approval of the debt:equity ratio as per Regulation 27 of the MYT Regulations, 2019. The Regulation mandates a 70:30 debt: equity ratio for approved capital costs after the Commission's prudence check. However, MSEDCL's financial records indicate that equity deployment exceeds the normative 30% level, resulting in a debt-equity ratio of 33.29:66.71 for FY 2022-23 and 26.47:73.53 for FY 2023-24. MSEDCL requested the Commission to approve a capitalization structure with a debt-equity ratio exceeding the normative limit and to consider the excess equity portion as normative debt for tariff determination.

Commission's Analysis and Ruling

3.13.4 The Commission has ensured debt equity ratio is 70:30 and that equity is not claimed more than 30%, in the event of which the equity more than 30% shall be considered as normative loan. . The funding pattern for FY 2022-23 and FY 2023-24 for the capitalisation is approved by the Commission, in proportion to the funding pattern of capital expenditure adopted by MSEDCL and considering the approved capitalisation for the respective year. The approved funding pattern is presented in the following table:

Table 77: Funding of Capitalisation approved by Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	Amount	Funding Mix (%)	Amount	Funding Mix (%)
Total Capitalisation	3,317.31		4,844.48	
Consumer Contribution	731.18		660.65	
Grants received during the year	1,003.94		1,496.83	
Balance to be funded	**1,582.19**		**2,687.00**	
Equity amount	1,052.84	66.54%	2,055.62	76.50%
Debt amount	529.35	33.46%	631.38	23.50%
Normative Equity	474.66	30.00%	806.10	30.00%
Normative Debt	1,107.54	70.00%	1,880.90	70.00%

3.13.5 **The Commission has approved debt:equity of Rs. 1,107.54 Crore and Rs. 474.66 Crore for FY 2022-23 and Rs. 1,880.90 Crore and Rs. 806.10 Crore for FY 2023-24 as per regulatory provisions in the ratio of 70:30.**

3.14 Interest Expenses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.14.1 MSEDCL has submitted that the computation of interest expenses on normative basis linked to the normative opening loan and normative loan addition during the year.

3.14.2 MSEDCL submitted that the Regulation 30.5 of the MYT Regulations 2019 provides that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long term loan portfolio during the concerned year shall be considered as the rate of interest. Accordingly, for arriving at the interest rate, MSEDCL has considered the weighted average interest rate of actual long term loan portfolio of FY 2022-23 and FY 2023-24. The computation of weighted average interest rate of actual long term loan portfolio is shown in following table.

Table 78: Computation of weighted avg. interest rate for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	Formula	FY 2022-23	FY 2023-24
Outstanding loan at the start of the year	a	14,030.28	12,702.76
Loan drawal during the year	b	1,045.25	1,413.08
Loan repayment during the year	c	2,372.77	1,812.88
Balance outstanding at the end of the year	d=a+b-c	12,702.76	12,302.96
Average loan for the year	**e= Avg (a,d)**	**13,366.52**	**12,502.86**
Interest expense incurred during the year	**f**	**1,262.82**	**1,189.00**
Weighted average interest rate	**g=f/e**	**9.45%**	**9.51%**

3.14.3 MSEDCL has submitted that Regulation 30.3 of the MYT Regulations, 2019 provides for loan repayment during a year equal to depreciation allowed.

3.14.4 MSEDCL has considered the normative opening loan, normative loan addition during the year, loan repayment equal to depreciation and the weighted average interest rate of actual loan portfolio to compute the normative interest expenses as summarized in table below:

Table 79: Interest Expenses for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particular	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Normative Outstanding loan at the beginning of the year	10,235.87	10,235.87	9,028.11	8,578.60
Less: Reduction of Normative loan due to retirement of assets	0.00	0.00	0.00	0.00
Loan Drawal	1,480.82	1,112.26	1,482.05	1,966.48
Loan Repayment	2,688.58	2,769.53	2,762.36	2,725.39
Normative Balance Outstanding at the end of the year	9,028.11	8,578.60	7,747.80	7,819.69
Average Balance of Net Normative loan	9,631.99	9,407.24	8,387.96	8,199.15
Interest Rate	**9.85%**	**9.45%**	**9.85%**	**9.51%**

Particular	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Interest Expenses	**948.70**	**888.76**	**826.17**	**779.72**

3.14.5 MSEDCL has submitted that Commission had approved funding of Capitalization based on the approved capitalization in the MTR Order in Case No. 226 of 2022 for FY 2022-23 and FY 2023-24. However, actual capitalization is lower than the approved capitalization for FY 2022-23 and FY 2023-24. Hence, the normative loan drawl is also lower than that approved in MTR Order.

3.14.6 Accordingly, MSEDCL requested to approve the normative interest expenses of Rs. 888.76 Crore and Rs. 779.72 Crore for FY 2022-23 and FY2023-24, respectively, as submitted in the computation above.

Commission's Analysis and Ruling

3.14.7 The Commission has allowed the interest expenses on normative basis linked to the normative opening loan approved in the MTR Order in Case no. 226 0f 2022and normative loan addition approved during the year in the present Order. Further, for arriving at the interest rate, the Commission has considered the weighted average interest rate of actual loan portfolio during the FY 2022-23 and FY 2023-24 in accordance with Regulation 30.5 of the MYT Regulations, 2019. Regulation 30.5 of MYT Regulations, 2019 is reproduced as below:

"30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year: Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual loan portfolio during the concerned year shall be considered as the rate of interest:"

3.14.8 The Commission has noted that, MSEDCL has submitted the opening and closing balance of loan from different banks. Accordingly, summary of opening and closing balance of loan from different banks is shown in below table:

Table 80: Summary of opening and closing balance of loan from different banks as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
REC		
Opening Balance of Loan	10,997.99	9,330.13
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	58.91	62.22
Loan Repayment during the year	1,726.77	1,682.06
Closing Balance of Loan	9,330.13	7,710.29
Average Loan Balance	0.00	0.00

Particulars	FY 2022-23	FY 2023-24
Applicable Interest Rate (%)	7.06-10.96	7.45% - 10.85%
Interest Expenses	999.92	864.77
PFC		
Opening Balance of Loan	1.743.61	1,738.59
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	638.91	505.60
Loan Repayment during the year	643.93	97.87
Closing Balance of Loan	1.738.59	2,146.32
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	9.00-11.25	9.00-11.25
Interest Expenses	166.24	204.28
MIDC		
Opening Balance of Loan	123.52	123.52
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	0.00	0.00
Loan Repayment during the year	0.00	0.00
Closing Balance of Loan	123.52	123.52
Average Loan Balance	123.52	0.00
Applicable Interest Rate (%)	0.00	0.00
Interest Expenses	0.00	0.00
Other Loan: Punjab National Bank		
Opening Balance of Loan	699.24	768.86
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	69.76	50.48
Loan Repayment during the year	0.14	31.02
Closing Balance of Loan	768.86	788.32
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	8.65	0.09
Interest Expenses	58.52	70.24
		-
Punjab and Sind Bank		-
Opening Balance of Loan	455.35	543.02
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	87.67	37.11
Loan Repayment during the year	0.00	0.00
Closing Balance of Loan	543.02	580.13
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	8.50	0.09
Interest Expenses	37.15	48.93
		-
GOM		-
Opening Balance of Loan	10.57	8.64
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00

Particulars	FY 2022-23	FY 2023-24
Addition of Loan during the year	0.00	0.00
Loan Repayment during the year	1.93	1.93
Closing Balance of Loan	8.64	6.71
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	10.50	0.11
Interest Expenses	0.99	0.78
GoM (MIDC)		
Opening Balance of Loan	0.00	190.00
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	190.00	0.00
Loan Repayment during the year	0.00	0.00
Closing Balance of Loan	190.00	190.00
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	0.00	0.00
Interest Expenses	0.00	0.00
GoM (CM Solar)		
Opening Balance of Loan	0.00	0.00
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	0.00	757.67
Loan Repayment during the year	0.00	0.00
Closing Balance of Loan	0.00	757.67
Average Loan Balance	0.00	0.00
Applicable Interest Rate (%)	0.00	0.00
Interest Expenses	0.00	0.00
Total		
Opening Balance of Loan	14,030.28	12,702.76
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00
Addition of Loan during the year	1,045.25	1,413.08
Loan Repayment during the year	2,372.77	1,812.88
Closing Balance of Loan	12,702.76	12,302.96
Average Loan Balance	13,366.52	12,502.86
Applicable Interest Rate (%)	0.09	0.10
Interest Expenses	**1,262.82**	**1,189.00**

3.14.9 Considering the above, the Commission approves the interest expenses for FY 2022-23 and FY 2023-24 as given in the table below:

Table 81: Interest Expenses for FY 2022-23 and FY 2023- 24 approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Opening Balance of Net Normative Loan	10,235.87	10,235.87	10,235.87	9,028.11	8,578.60	8,623.94
Addition of Normative Loan due to capitalisation during the year	1,480.82	1,112.26	1,107.54	1,482.05	1,966.48	1,880.90
Repayment of Normative loan during the year	2,688.58	2,769.53	2,719.47	2,762.36	2,725.38	2,587.04
Closing Balance of Net Normative Loan	0.00	0.00	-	0.00	0.00	-
Average Balance of Net Normative Loan	9,631.99	9,407.24	9,429.90	8,387.96	8,199.15	8,270.85
Weighted average Rate of Interest on actual Loans (%)	9.85%	9.45%	9.45%	9.85%	9.51%	9.51%
Interest Expenses	**948.70**	**888.76**	**890.90**	**826.17**	**779.72**	**786.54**
Financing Charges	0.00	0.00	-	0.00	0.00	-
Total Interest and Financing Charges	**948.70**	**888.76**	**890.90**	**826.17**	**779.72**	**786.54**

3.14.10 **Thus, the Commission approves Interest on Loan Capital of Rs. 890.90 Crore and Rs. 786.54 Crore for FY 2022-23 and FY 2023-24 respectively.**

3.15 Interest on Working Capital and Interest on Security Deposit for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.15.1 MSEDCL has submitted that the Regulations 32.3 and 32.4 of the MYT Regulations, 2019 provides for Interest on Working Capital for Distribution Wires business and Retail Supply of electricity business, respectively. Further, the MYT Regulations, 2019 also provides that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points.

3.15.2 MSEDCL requested the Commission to allow the Interest on Working Capital along with the Interest on Security Deposit for wire business as shown in table below.

Table 82: Interest on Working Capital and Interest on SD for Wire business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Computation of Working Capital (Wire Business)				
O&M expenses for a month	424.97	428.23	446.47	505.87
Maintenance spares at 1% of GFA	529.83	529.83	544.06	560.23
1.5 months of expected revenue from charges for use of Distribution wires	1,295.07	1,341.36	1,325.40	1,465.53
Less: Amount held as SD from Distribution System Users	(951.63)	(1,060.18)	(999.21)	(1,231.80)
Total Working Capital Requirement	1,298.25	1,239.24	1,316.73	1,299.82
Rate of Interest (% p.a)	**9.55%**	**9.29%**	**9.55%**	**10.06%**
Interest on Woking Capital	123.98	115.18	125.75	130.82
Actual Working Capital Interest	**0.00**	**268.29**	**0.00**	**545.20**
Interest on Security Deposit				
Rate of Interest (% p.a)	4.25%	4.23%	4.25%	5.61%
Interest on Security Deposit	**40.44**	**44.80**	**42.47**	**69.09**

3.15.3 MSEDCL has calculated the interest on working capital considering the interest rate of 9.29% and 10.06% for FY 2022-23 and FY 2023-24, respectively- and paid interest on security deposit at an average rate of 4.23% and 5.61% for FY 2022-23 and FY 2023-24, respectively. Further, the IoWC and interest on amount held as security deposit from consumers for retail supply business computed by MSEDCL for FY 2022-23 and FY 2023-24 are provided in the table below:

Table 83: Interest on Working Capital and Interest on SD for Retail Supply business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
O&M expenses for a month	228.83	230.59	240.41	272.39
Maintenance spares at 1% of GFA	58.87	58.87	60.45	62.25
1.5 months of the expected revenue from sale of electricity at the prevailing tariff and including revenue from CSS and Additional Surcharge.	12,644.28	11,796.73	11,425.40	14,314.74
Less: Amount held as SD from Distribution System Users	(8,564.63)	(9,541.61)	(8,992.86)	(11,086.24)
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	(6,247.16)	(7,500.26)	(6,769.91)	(7,794.51)
Total Working Capital Requirement	(1,879.81)	(4,955.68)	(4,036.51)	(4,231.36)
Rate of Interest (% p.a)	**9.55%**	**9.29%**	**9.55%**	**10.06%**

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Interest on Woking Capital	0.00	0.00	0.00	0.00
Actual Working Capital Interest	0.00	2,414.65	0.00	4,906.83
Interest on Security Deposit				
Rate of Interest (% p.a)	**4.25%**	**4.23%**	**4.25%**	**5.61%**
Interest on Security Deposit	**364.00**	**403.22**	**382.20**	**621.84**

Commission's Analysis and Ruling

3.15.4 Regulations 32.3 and 32.4 of the MYT Regulation, 2019 provides for IoWC for Wire business and Supply business of electricity. The relevant extract is reproduced below:

32.3 (b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points:" 32.4 (b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points:"

3.15.5 The Commission has reworked the rate of interest in line with the provisions of the MYT Regulations, 2019 and considered the rate of interest as 9.30% and 10.07%.

3.15.6 The Commission has worked out the working capital requirement on a normative basis, which is based on the approved parameters as per this Order. Considering the negative impact of security deposit, the normative working capital requirement works out to be negative and considered as nil for supply business.

3.15.7 As per Regulation 30.11 of MYT Regulation, 2019 provides for interest on Security Deposit at Bank Rate. The relevant extract is reproduced below:

"30.11 Interest shall be allowed only on the amount held in cash as security deposit from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the Year for which the interest is payable:"

3.15.8 As regards Consumer Security Deposit, the Commission has considered Regulation 30.11 of MYT Regulations, 2019 for computation of interest on security deposit and the rate of interest on security deposit is computed as the MCLR on 16 March 2023 plus 150 Basis points. Accordingly, the interest rate on consumer security deposit computed is 4.23% for FY 2022-23 and 5.61% for FY 2023-24 applied on security deposit.

Table 84: IoWC and Security Deposit for Wires Business as approved by Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
O&M expenses for a month	424.97	428.23	428.23	446.47	505.87	451.90
Maintenance Spares at 1% of Opening GFA	529.83	529.83	529.83	544.06	560.23	543.34
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	1,295.07	1,341.36	1,308.46	1,325.40	1,465.52	1,340.25
Less: Amount held as Security Deposit from Distribution System Users	(951.63)	(1,060.18)	(1,060.18)	(999.21)	(1,231.80)	(1,231.80)
Total Working Capital Requirement	**1,298.25**	**1,239.24**	**1,206.34**	**1,316.73**	**1,299.82**	**1,103.69**
Computation of Working Capital Interest						
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	9.29%	9.30%	9.55%	10.06%	10.07%
Interest on Working Capital	**123.98**	**115.18**	**112.17**	**125.75**	**130.82**	**111.09**
Actual Working Capital Interest	0.00	268.29	200.39	0.00	545.20	236.11
Interest on Security Deposit						
Interest Rate (%) - Bank Rate	4.25%	4.23%	4.23%	4.25%	5.61%	5.61%
Interest on Security Deposit	**40.44**	**44.80**	**44.80**	**42.47**	**69.09**	**69.09**

Table 85: IoWC and Consumers' Security Deposit for Supply Business as approved by Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
O&M expenses for a month	228.83	230.59	230.59	240.41	272.39	243.33
Maintenance Spares at 1% of Opening GFA	58.87	58.87	58.87	60.45	62.25	60.37
One and half months equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	12,644.28	11,796.73	11,758.98	11,425.40	14,314.74	14,283.47
Less: Amount held as security deposit	(8,564.63)	(9,541.61)	(9,541.61)	(8,992.86)	(11,086.24)	(11,086.24)
Less: One month equivalent of cost of power purchase, transmission	(6,247.16)	(7,500.26)	(7,500.26)	(6,769.91)	(7,794.51)	(7,794.51)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
charges and MSLDC Charges						
Total Working Capital Requirement	(1,879.80)	(4,955.68)	(4,993.44)	(4,036.51)	(4,231.36)	(4,293.58)
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	9.29%	9.30%	9.55%	10.06%	10.07%
Interest on Working Capital	0.00	0.00	-	0.00	0.00	-
Actual Working Capital Interest	0.00	2,414.65	-	0.00	4,906.83	-
Interest on Security Deposit						
Interest Rate (%) - Bank Rate	4.25%	4.23%	4.23%	4.25%	5.61%	5.61%
Interest on Security Deposit	**364.00**	**403.22**	**403.22**	**382.20**	**621.84**	**621.84**

3.15.9 The IoWC and the Interest on Security Deposits from Consumers and Distribution System Users approved for FY 2022-23 and FY 2023-24 is as follows:

Table 86: IoWC for FY 2022-23 and FY 2023-24 (Wires + Supply) as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
IoWC (Wire)	123.98	115.18	112.17	125.75	130.82	111.09
IoWC (Supply)	0.00	0.00	0.00	0.00	0.00	0.00
IoWC (Wire + Supply)	**123.98**	**115.18**	**112.17**	**125.75**	**130.82**	**111.09**

Table 87: Interest on Security Deposit for FY 2022-23 and FY 2023-24 (Wires + Supply) as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Interest on CSD (Wire)	40.44	44.80	44.80	42.47	69.09	69.09
Interest on CSD (Supply)	364.00	403.22	403.22	382.20	621.84	621.84
Interest on CSD (Wire + Supply)	**404.44**	**448.02**	**448.02**	**424.66**	**690.93**	**690.93**

3.15.10 **Accordingly, the Commission approves IoWC of Rs. 112.17 Crore and Rs. 111.09 Crore for FY 2022-23 and FY 2023-24, respectively. Further, the Commission approves Rs. 448.02 Crore and Rs. 690.93 Crore interest on security deposit for FY 2022-23 and FY 2023-24, respectively.**

3.16 Other Finance Charges for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.16.1 MSEDCL submitted that the regulation 30.8 of the MYT Regulations, 2019 provides that the finance charges shall be allowed at the time of True-up.

3.16.2 MSEDCL submitted that it has incurred Other Finance Charges amounting to Rs 49.79 Crore and Rs. 43.71 Crore during the FY 2022-23 and FY 2023-24 respectively. The finance charges are incurred towards fund-raising charges i.e., Guarantee Charges, Finance Charges, Stamp Duty and Service Fee for which the details were submitted as following:

Table 88: Other Finance Charges for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23	FY 2023-24
1	Guarantee Charges (LC and BG)	19.48	31.07
2	Finance Charges (Note 1)	8.23	6.73
3	Stamp Duty	0.76	2.56
4	Service Fee (Fund-raising charges) (Note 2)	12.39	3.35
5	LC and BG Charges	0.00	0.00
6	**Finance Charges**	**40.86**	**43.71**
7	Add: Prior Period Interest and Finance Charges	8.93	0.00
8	**Total Finance Charges**	**49.79**	**43.71**

3.16.3 MSEDCL has further submitted that these charges depend on number of loans, LC required to be given to power suppliers, documentation for availing long term and working capital loans. It has hence claimed that these charges are beyond its reasonable control due to which MSEDCL requests commission to approve the charges on actual basis as provided in the Audited book of accounts.

Commission's Analysis and Ruling

3.16.4 The Commission has verified other finance charges with the Audited Accounts of MSEDCL. It is observed that the other finance charges are in order after reconciliation with the audited statement provided by MSEDCL. Further, the Commission has verified the finance charges breakup in replies to data gaps.

3.16.5 The Commission in the data gaps sought a breakup of Prior Period Interest and Finance Charges. In response to query raised in data gaps, MSEDCL has provided the breakup of prior period finance charges as below:

Table 89: Break up of Prior period Interest and Finance expenses for FY 2022-23 as submitted by MSEDCL (Rs. Crore)

Particulars	Amounts
Interest on deposit from consumers	8.09
Other Interest	0.01
Bank charges for Remittances	0.2
LC and BG charges	0.63
Total	**8.93**

3.16.6 The Commission, in line with the approach adopted in the past Orders, has allowed the Prior period gaps due to account restatement. Considering the same, the Commission has approved the prior period Interest and Finance Charges for FY 2022-23. Accordingly, the Other Finance Charges approved for the Commission for the FY 2022-23 and FY 2023-24 are given in the table below:

Table 90: Other Finance Charges for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Sr. No.	Particulars	FY 2022-23			FY 2023-24		
		MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
1	Other Finance Charges	0.00	49.79	49.79	0.00	43.71	43.71

3.16.7 **Thus, the Commission approves Rs 49.79 Crore and Rs. 43.71 Crore as Other Finance Charge for FY 2022-23 and FY 2023-24, respectively.**

3.17 Provision for Bad and Doubtful Debts for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.17.1 MSEDCL has submitted that Regulation 76 and 85 of the MYT Regulations, 2019 specifies that a provision of bad and doubtful debt may be allowed up to 1.5% of the amount shown as trade receivables or Receivables from Wheeling Charges in the latest Audited Accounts of the distribution licensee duly allocated for wires and supply business respectively.

3.17.2 The amount written off towards bad debt as submitted by MSEDCL is Rs. 905.88 Crore for FY 2022-23 and Rs. 983.71 FY 2023-24. MSEDCL has submitted the claim towards provision for Bad and Doubtful Debts based on the audited receivables for FY 2022-23 and FY 2023-24 as shown in table below:

Table 91: Provision for bad and doubtful debts for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Opening balance for Provision for bad and doubtful debts	0.00	1,395.02	210.88	1,780.64
Receivables for the year	48,701.59	86,100.65	48,701.59	1,01,881.75
Provision for bad and doubtful debts during the year (1.5%)	1.50%	1.50%	1.50%	1.50%
Provision for bad and doubtful debts during the year	730.52	1,291.51	730.52	1,528.23
Actual bad and doubtful debts written off	**1,059.63**	**905.88**	**1,111.06**	**983.71**
Closing balance for Provision for bad and doubtful debts	0.00	1,780.64	0.00	2,325.16
Closing balance as a percentage of receivables	**0.00%**	**2.07%**	**0.00%**	**2.28%**

3.17.3 MSEDCL requested the Commission to approve actual written off bad and doubtful debt as is Rs 905.88 Crore and Rs. 983.71 Crore FY 2022-23 and FY 2023-24 respectively.

Commission's Analysis and Ruling

3.17.4 Regulations 76 and 85 of the MYT Regulations, 2019 provides for the provision of bad and doubtful debts up to 1.5% of the amount shown as Trade Receivables or Receivables from Sale of Electricity excluding the provision made for unbilled revenue at the end of the year. The relevant extract of Regulation 76 and 85 of MYT Regulations, 2019 is provided below for reference purposes:

[Reg. 76, Wire Business]

"In the MYT Order, for each Year of the Control Period, the Commission may allow a provision for writing off of bad and doubtful debts up to 1.5% of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the latest Audited Accounts of the Distribution Licensee in accordance with the procedure laid down by the Licensee, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts during the year, subject to the above ceiling of 1.5% of the amount shown as Trade Receivables or Receivables from Wheeling Charges in the Audited Accounts of the Distribution Licensee for that Year, after prudence check:" [Reg. 76 for Wire Business]

[Reg. 85, Retail Supply Business]

"In the MYT Order, for each Year of the Control Period, the Commission may allow a provision for writing off of bad and doubtful debts up to 1.5% of the amount shown as Trade Receivables MERC or Receivables from Sale of Electricity in the latest Audited Accounts of the Distribution Licensee in accordance with the procedure laid down by the Licensee, subject to prudence check:

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts during the year, subject to the above ceiling of 1.5% of the amount shown as Trade Receivables or Receivables from Sale of Electricity in the Audited Accounts of the Distribution Licensee for that Year, after prudence check:

3.17.5 The Commission has noted that MSEDCL has claimed the actual Bad & doubtful debt written off for FY 2022-23 and FY 2023-24.

3.17.6 The actual bad and doubtful debts written off during the year are as per Note 38 of Audited Accounts. These amount to Rs. 905.88 Crore and Rs. 983.70 Crore for FY 2022-23 and FY 2023-24 respectively.

3.17.7 Further, as per Note 11 of Audited Accounts, the Trade Receivables are Rs. 50,255.46 Crore for FY 2022-23 and Rs. 60,024.84 Crore for FY 2023-24. As per Regulation 85 of MYT Regulations 2019 as reproduced above, the ceiling limit for writing off the bad and doubtful debts is 1.5% of the Trade Receivables amount. This amount works out for the wires and supply business as Rs 753.83 Crore and Rs. 900.37 Crore for FY 2022-23 and FY 2023-24, respectively. This is lower than the actual bad and doubtful debts written off by MSEDCL during the FY 2022-23 and FY 2023-24.

3.17.8 The Commission has sought detailed break up of Trade Receivables considered by MSEDCL considered for computing Provision of bad and doubtful debt. In replies to data gaps, MSEDCL submitted the heads taken for computing trade receivables viz., Unbilled Revenue, Interest on Trade Receivables, Considered Good- Unsecured, Significant increase in Credit Risk and Credit Impaired. During Review Order of Case No. 102 of 2023, the Commission noted that MSEDCL has considered Unbilled Revenue, Interest on Trade Receivables, Considered Good- Unsecured, Significant increase in Credit Risk and Credit Impaired as per note 14 of the Audited Accounts. Under scrutiny of bad debt claim under Review Order, the Commission mentioned the following:

"13.7 It is pertinent to note that the the allowance for credit losses method is a way of estimating the amount of money that a business may lose due to bad debts. IND AS 109 introduced expected credit loss approach. Credit losses are determined based on anticipated future

events and conditions. Provision for bad debts is for covering credit loss for year under consideration. In regulatory sense, future expected losses cannot be part of trade receivables. Hence, there is no error in deducting expected credit loss from trade receivables shown in books for allowing provision for bad debts as per provision of MYT Regulations. Hence, review on this aspect is rejected."

3.17.9 On similar lines, the Commission has computed bad and doubtful debt w.r.t. trade receivables as per Note 11 of the Audited Accounts and accordingly, the Commission has considered provision for Bad and doubtful debts for wires and supply business as Rs 753.83 Crore and Rs. 900.37 Crore for FY 2022-23 and FY 2023-24 as shown in table below.

Table 92: Provision for bad and doubtful debts for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Provision for Bad and Doubtful Debts	730.52	905.88	753.83	730.52	983.71	900.37

3.17.10 **Thus, the Commission approves Rs 753.83 Crore and Rs 900.37 Crore for FY 2022-23 and FY 2023-24 towards Provision for Bad Debts.**

3.18 Other Expenses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.18.1 MSEDCL has submitted that the other expenses of MSEDCL comprise of the expenditure on account of interest to suppliers/contractors, Incentive to distribution franchisee and other expenses viz. compensation for injuries to staff and outsiders.

3.18.2 Accordingly, the details of other expenses as claimed by MSEDCL for the True-up years are as provided in the Table below:

Table 93: Other Expenses for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Compensation for injuries, death of staff	1.45	2.92	1.53	0.38
Compensation for injuries, death of others	17.62	16.21	18.50	14.96

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Loss on obsolescence of fixed assets	1.90	0.00	1.99	0.00
Sundry debt balance written off	2.09	0.00	2.19	0.00
Non-Moving items	19.56	0.00	20.53	0.00
Provision for Non-Moving items	8.97	59.77	0.00	151.58
Other Sundry Expenses	0.00	337.77	9.41	94.74
Other Interest and Charges	0.00	34.50	0.00	14.12
Other Expenses for previous years	6.39	144.89	6.70	0.00
Write-off of WDV of scrapped assets	0.00	0.05	0.00	0.84
Less: Provision for Bad and doubtful debts for others	0.00	344.03	0.00	44.69
Total	**57.98**	**252.07**	**60.85**	**231.93**

3.18.3 MSEDCL requested to approve other expenses as Rs. 252.07 Crore for FY 2022-23 and Rs 231.93 Crore for FY 2023-24.

Commission's Analysis and Ruling

3.18.4 MSEDCL submitted reconciliation of other expense from the Audited Accounts in response to a query raised by the Commission. The Commission has verified the above Charges with the Audited Accounts.

3.18.5 The Commission has done a prudence check on various heads of other expenses submitted by MSEDCL in petition and Audited Accounts. As per Note 38 of Audited Accounts, "Other Expenses" comprises only miscellaneous losses and sundry expenses. Other expenses are shown in Note 38 of Audited Account as Rs. 72.34 Crore and Rs. 168.39 Crore for FY 2022-23 and FY 2023-24.

3.18.6 The Commission has observed that, in MYT format of MSEDCL, there are multiple heads under other expenses which were not approved at the time of MTR Order. Further, MSEDCL's claim towards expenses such as Other Sundry Expenses, and provision for non-moving items is higher resulting into higher claim of other expenses. The Commission has raised a query and directed MSEDCL to justify the claim towards Non-moving items, Other interest and charges, Interest on security deposit on bill collection agency etc.

3.18.7 In reply to the query raised by the Commission, MSEDCL submitted that the inventory is purchased for maintenance of electrical infrastructure of company for maintaining continuous supply of electricity. This is the provision for Inventory lying in stock for more than one year. MSEDCL submitted that the collection agencies are appointed for collection of revenue and deposit is taken from agency as security of non-performance and interest is paid as per rules and as per bank rate. The Commission while computing Non-Tariff income does not consider the interest earned on deposits made by the billing agency, hence to keep the ARR balanced the interest other interest and charges and interest on security deposit on bill collection agency should be approved under "Other Expenses" as part of ARR. Considering such interests as non-tariff income of MSEDCL in ARR and not considering the same as part of ARR would lead to reduction in justified ARR of MSEDCL. The Commission has noted the submission of MSEDCL, and justification given.

3.18.8 The Commission had sought detailed break-up of Prior Period Other Expenses for FY 2022-23 and reconciliation with Audited Accounts. In response to the query, MSEDCL submitted the breakup of the Prior Period Other Expenses for FY 2022-23 as per the below table:

Table 94: Break-up of Prior Period Other Expenses for FY 2022-23 as submitted by MSEDCL (Rs. Crore)

Particulars	Amount	Pertaining to FY	Remark
Miscellaneous Losses	1.84	F Y 2021-22	Comparative amount of FY 2021-22 are restated in FY 2022-23.
Sundry expense	0.25	F Y 2021-22	Comparative amount of FY 2021-22 are restated in FY 2022-23.
Loss on Obsolescence of Fixed assets	33.59	F Y 2021-22	Comparative amount of FY 2021-22 are restated in FY 2022-23.
Compensation for injuries/ death and Damages -outsiders	-0.09	Prior to FY 2020-21	The opening balance of Equity for the earliest period are restated in FY 2022-23
Expenditure of refund of RLC as per MERC order	109.31	Prior to FY 2020-21	The opening balance of Equity for the earliest period are restated in FY 2022-23
Other Sundry Expenses	-0.01	Prior to FY 2020-21	The opening balance of Equity for the earliest period are restated in FY 2022-23
Total	**144.89**		

3.18.9 Upon overall scrutiny, the Commission has approved Other expenses based on Audited Accounts and Prior Period Other Expenses for FY 2022-23 as Commission has given similar treatment in past period true up Orders. The Commission has not allowed amount submitted by MSEDCL towards Provision for Bad and Doubtful Debt as MSEDCL has not submitted any documentary evidence as well as it is not considered in Audited Accounts.

3.18.10 Accordingly, Commission has approved the other expenses as shown in table below.

Table 95: Other Expenses for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Compensation for injuries, death to staff	1.45	2.92	0.00	1.53	0.38	0.00
Compensation for injuries, death to others	17.62	16.21	0.00	18.50	14.96	0.00
Sundry debit balances written off	2.09	0.00	0.00	2.19	0.00	0.00
Loss on obsolescence of fixed Assets	1.9	0.00	0.00	1.99	0.00	0.00
Non-moving items	19.56	0.00	0.00	20.53	0.00	0.00
Provision for Non-moving items	8.97	59.77	59.77	0.00	151.58	151.58
Other Sundry Expenses	0.00	337.77	11.44	9.41	94.74	15.36
Other Expenses (Payable to DSL towards damages in terms of Arbitral Award dt. 18.06.2004)	0.00	0.00	0.00	0.00	0.00	0.00
Other Interest and Charges	0.00	34.50	34.50	0.00	14.12	14.12
Write-off of WDV of scrapped assets	0.00	0.05	0.05	0.00	0.84	0.84
Write-up of Scrapped Assets and Loss of Assets	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**51.59**	**451.22**	**105.77**	**54.15**	**276.63**	**181.90**
Add: Prior Period Other Expenses	6.39	144.89	144.89	6.7	0.00	0.00
Less: Provision for Bad and Doubtful Debts for others	0.00	344.03	0.00	0.00	44.69	0.00
Total Other Expenses	**57.98**	**252.07**	**250.66**	**60.85**	**231.93**	**181.90**

3.18.11 **Thus, the Commission approved the Other Expenses to the extent of Rs. 250.66 Crore for FY 2022-23 and Rs 181.90 Crore for FY 2023-24.**

3.19 Contribution to Contingency Reserves for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.19.1 MSEDCL has submitted that Regulation 35 of the MYT Regulation, 2019 provides for appropriation to Contingency Reserves of not less than 0.25 per cent and not more than 0.5 per cent of the original cost of Fixed Assets annually towards in the calculation of ARR.

3.19.2 MSEDCL has submitted that it has invested Rs. 96.11 Crore and Rs. 174.29 Crore towards contribution to contingency reserves for the FY 2022-23 and FY 2023-24 respectively. Accordingly, the same is being claimed in FY 2022-23 and FY 2023-24.

Table 96: Contribution to Contingency Reserve for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Contribution to Contingency Reserve	0.00	96.11	0.00	174.29

3.19.3 MSEDCL further submitted that the investment proof for the said amount has been submitted. The investment for FY 2022-23 was made on dated 16th Oct 2023. Delay was attributable to the peculiar financial position of the company. MSEDCL requested the Commission to condone the delay and allow the contribution to contingency reserves as submitted in above table.

Commission's Analysis and Ruling

3.19.4 Regulation 36 of the MYT Regulations, 2019 provides for appropriation to the Contingency Reserve of not less than 0.25 per cent and not more than 0.50 per cent of the original cost of Fixed Assets annually towards in the calculation of ARR. The amount is to be invested in securities authorized under the Indian Trusts Act, 1882 within six months of the close of the financial year. Relevant Regulation are shown below:

> *"35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:*
>
> *Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:*
>
> *Provided further that such contribution shall be invested in securities authorized under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.*
>
> *Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:*
>
> *Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities for two consecutive Years, then the contribution to Contingency Reserves shall not be allowed in the calculation of Aggregate Revenue Requirement from the subsequent Year onwards."*

3.19.5 The Commission noted that, MSEDCL had not made any investment during FY 2020-21 and FY 2021-22 and accordingly, the Commission had not allowed MSEDCL's claim against the contribution to Contingency Reserve in its MTR Order in Case No. 226 of 2022. Further, the Commission stated the following in the MTR Order in Case No. 226 of 2022 while approving the contribution to Contingency Reserve for FY 2022-23, FY 2023-24 and FY 2024-25.

"The Commission notes that, MSEDCL has not made any investment during last two consecutive years which attracts the implementation of the above proviso of Regulation 35.1 of MYT Regulations 2019. Accordingly, the Commission is not allowing any amount towards Contribution to contingency reserves as shown in the following table:

.....

5.17.9 Thus, the Commission has not approved any Contribution to Contingency Reserve for FY 2022-23 provisionally. The Commission shall consider subject to be prudence check at time of truing up of FY 2022-23."

"6.17.6 The Commission notes that, MSEDCL has not made any investment during last two consecutive years which attracts the implementation of the above proviso of Regulation 35.1 of MYT Regulations 2019. Accordingly, the Commission is not allowing any amount towards Contribution to contingency reserves as shown in the following table:………

6.17.7 Thus, the Commission has not approved any Contribution to Contingency Reserve for FY 2023-24 and FY 2024-25 respectively. The Commission shall consider subject to be prudence check at time of truing up of FY 2023-24 and FY 2024-25 respectively."

3.19.6 The Commission noted that MSEDCL has invested the amount against the contribution to Contingency Reserve for FY 2022-23 and FY 2023-24 as per the requirements of the Regulation 35.1 of the MYT Regulations, 2019. Further MSEDCL has also submitted that the investment for FY 2022-23 was made on dated 16 October, 2023 (as against the date prescribed in the MYT Regulations, 2019 of 30 September, 2023) and attributed the delay to the peculiar financial position of the company. The Commission has noted the submission and notes the marginal delay in investing the amount towards contribution to Contingency Reserve. While, the Commission is presently condoning the delay, MSEDCL should ensure that the amount should be invested within the prescribed timelines, failing which the Commission will be constrained to not consider the contribution to Contingency Reserve for approval during the concerned year. Accordingly, the Commission is allowing amount towards

Contribution to contingency reserves based on investment made by MSEDCL as shown in the following table:

Table 97: Contingency Reserve for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Contribution to Contingency Reserves	0.00	96.11	96.11	0.00	174.29	174.29

3.19.7 **Thus, the Commission has approved Rs. 96.11 Crore for FY 2022-23 and Rs. 174.29 Crore for FY 2023-24 as Contribution to Contingency Reserve.**

3.20 Income Tax for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.20.1 MSEDCL has submitted that the Regulation 34 of the MYT Regulations, 2019 provides for Income Tax.

3.20.2 MSEDCL has submitted that it has availed the option of taxation of domestic companies at lower rate u/s 115BAA of the Income Tax Act 1961, hence, there is no tax payable for FY 2022-23 and FY 2023 -24. Hence, it has not grossed up the Return on Equity by Income Tax.

Commission's Analysis and Ruling

3.20.3 As per Regulation 34 of MYT Regulation, 2019 provides for income tax, the RoE shall be grossed up at the rate of effective Tax rate, as applicable.

3.20.4 In line with provisions of MYT Regulations, 2019 and based on the fact that MSEDCL has not paid income tax in FY 2022-23 and FY 2023-24, the Commission has not considered any Income Tax for the purpose of true-up for FY 2022-23 and FY 2023 -24 and for the purpose of grossing up of Return on Equity.

3.20.5 **Thus, the Commission has not approved Income Tax for FY 2022-23 and FY 2023-24.**

3.21 Incentives and Discounts for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.21.1 MSEDCL submitted that during FY 2022-23 and FY 2023-24, it has paid Rs. 477.3 Crore and Rs. 561.63 Crore respectively towards incentives/discounts to the consumers for timely and digital payment of bills as per the details given in the table below.

Table 98: Incentives/discounts for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Incentive/Discount	367.37	477.37	385.73	561.63

3.21.2 Detailed break-up of Incentives and discounts of Rs. 477.38 Crore and Rs. 561.66 Crore for FY 2022-23 and FY 2023-24 is given in table below. MSEDCL submitted that, the incentives/ discount are included in amount of Rs. 1,521.03 Crore appearing under Note 30 in Audited Accounts under head Prompt Payment and discounts.

Table 99: Breakup for Incentive/Discount paid to be consumers in FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Discount to consumers for timely payment of bills	433.31	505.96
Covid 19 Discount to Consumer	0.12	0.00
Incentive to prepaid Consumers	0.02	(0.02)
Go Green Discount to Consumers	3.96	4.89
Digital Payment Discount	32.30	41.30
1.5% Rebate to distribution franchise	7.67	9.51
Total	**477.38**	**561.66**

3.21.3 MSEDCL has requested the Commission to allow the incentives/discounts as per the Audited Accounts for FY 2022-23 and FY 2023-24.

Commission's Analysis and Ruling

3.21.4 The Commission observed the trend of Incentives and Discount approved for the past years of FY 2020-21 and FY 2021-22 wherein an amount of Rs. 307.40 Crore and Rs. 367.37 Crore had been approved for respective years. Thus, it is observed that the present claim of MSEDCL is in line with the past trends.

3.21.5 The Commission sought further break-up of "Incentives/Discounts" from MSEDCL and its reference in Audited Accounts. In reply to data gap, MSEDCL submitted that incentives/ discounts are booked under "prompt payment and incremental discount" in the Audited Accounts. Further it is submitted that this amount is deducted from 'Revenue from sale of power' as per Note 30 of Audited Accounts. The Commission has verified the incentive/discounts from the Audited Accounts, which is majorly the prompt payment discount, and taken the actuals as submitted by MSEDCL for FY 2022- 23 and FY 2023-24.

Table 100: Incentives and Discounts for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Incentives and Discounts	367.37	477.37	477.37	385.73	561.63	561.63

3.21.6 **Thus, the Commission approves Rs 477.37 Crore and Rs 561.63 Crore for incentives/discounts in FY 2022-23 and FY 2023-24 respectively.**

3.22 RLC Refund for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.22.1 MSEDCL submitted that MSEDCL has made RLC a refund of Rs 1.42 Crore and Rs. 2.77 Crore for FY 2022-23 and FY 2023-24 respectively. MSEDCL has requested the Commission to allow the RLC Refund for FY 2022-23 and FY 2023-24 as per Audited Accounts.

Commission's Analysis and Ruling

3.22.2 The Hon'ble Supreme Court vide Order dated 10 December, 2021 in Civil Appeal No. 5074/5075 of 2019 directed that the total refund amount for RLC is expected to be refunded over multiple fiscal years.

3.22.3 The Commission has verified the RLC refund made by MSEDCL for the purpose of truing up of FY 2022-23 and FY 2023-24 from the Audited Accounts and has approved the same as given in the table below.

Table 101: RLC Refund for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
RLC refund	0.00	1.42	1.42	0.00	2.77	2.77

3.22.4 **Thus, the Commission approves Rs. 1.42 Crore and Rs. 2.77 Crore as RLC refund for FY 2022-23 and FY 2023-24.**

3.23 Additional Surcharge (ASC) Refund

MSEDCL's Submission

3.23.1 MSEDCL has requested the Commission to approve Rs. 163.82 Crore and Rs. 168.13 Crore for FY 2022-23 and FY 2023-24, respectively towards ASC refund.

Commission's Analysis and Ruling

3.23.2 The Hon'ble Supreme Court vide Order dated 10 December, 2021 in Civil Appeal No. 5074/5075 of 2019 directed to refund ASC for Group Captive Consumers. Given the huge liability on MSEDCL, such charges were to be adjusted in the future wheeling charges bills. The total refund amount for ASC is expected to be refunded over multiple fiscal years.

3.23.3 The Commission has verified the ASC Refund from Audited Accounts and considered the ASC Refund as submitted by MSEDCL for FY 2022-23 and FY 2023-24 as given in the table below.

Table 102: ASC Refund for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Additional Surcharge Refund	180.00	163.82	163.82	180.00	168.13	168.13

3.23.4 **Accordingly, the Commission approves the refund towards additional surcharge of Rs. 163.82 Crore for FY 2022-23 and Rs. 168.13 Crore for FY 2023-24.**

3.24 Return on Equity for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.24.1 MSEDCL has submitted that Regulation 29 of the MYT Regulations, 2019, provides for Return on Equity (RoE) for Distribution Licensee for both Wire and Supply Business.

3.24.2 MSEDCL has submitted that return on equity capital is allocated in the ratio of Fixed Assets between the Wires and Retail Supply Business, i.e., 90% to Wires Business and 10% to Supply Business. Therefore, the capital expenditure, grants, equity and capitalisation are divided into wires and supply business in the ratio of 90:10.

3.24.3 MSEDCL has not paid any income tax for FY 2022-23 and FY 2023-24 as explained in section 3.20. The return on equity has been computed as per the methodology specified in the MYT Regulations, 2019. Accordingly, MSEDCL has computed the RoE for Wires Business as shown in following tables:

Table 103: RoE for wires business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Return on Equity (Wire Business)				
Regulatory Equity at the beginning of the year	12,239.34	12,239.34	12,330.07	12,668.36
Equity portion of Assets Capitalisation	90.72	429.02	59.38	758.47
Equity portion of Assets Depreciated	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	12,330.07	12,668.36	12,389.44	13,426.83
Return on Computation				
Return on Regulatory Equity at the beginning of the year	1,713.51	1,713.51	1,726.21	1,773.57
Return on Normative Equity Portion of Assets Capitalisation	6.35	30.03	4.16	53.09
Total Return on Equity	**1,719.86**	**1,743.54**	**1,730.37**	**1,826.67**

Table 104: Additional ROE for Wire Business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
Wires Availability above 98% (95% for MSEDCL)	%	99.98	99.99
Additional Rate of Return on Equity for Wire Availability (a)	%	1.50%	1.50%
Additional Return on Equity Computation			
Return on Regulatory Equity at the beginning of the year	Rs Crore	183.59	190.03
Return on Regulatory Equity addition during the year	Rs Crore	3.22	5.69
Total Additional Return on Equity	**Rs Crore**	**186.81**	**195.71**

3.24.4 MSEDCL has computed the RoE for retail supply business as shown in following tables:

Table 105: RoE for Supply business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Return on Equity (Supply Business)				
Regulatory Equity at the beginning of the year	1,380.04	1,380.04	1,390.12	1,427.71
Capitalization During the year	158.16	158.89	154.80	280.92
Equity portion of Assets Capitalisation	10.08	47.67	6.60	84.27
Equity portion of Assets Depreciated	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	1,390.12	1,427.71	1,396.72	1,511.99

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Return on Equity Computation				
Return on Regulatory Equity at the beginning of the year	213.91	213.91	215.47	221.30
Return on Normative Equity Portion of Assets Capitalization	0.78	3.69	0.51	6.53
Total Return on Equity (RoE)	**214.69**	**217.60**	**215.98**	**227.83**

Table 106: Additional ROE for Supply Business for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
% of Assessed bills with respect to total bills issued during the year	%	14.10%	12.40%
Additional Rate of Return on Equity for Assessment of bills (a)	%	0.00%	0.85%
Collection Efficiency for the year	%	98.33	95.82
Additional Rate of Return for collection efficiency (b)	%	0.00%	0.00%
Total Additional Return on Equity (c) = (a) + (b)	%	0.00%	0.85%
Additional Return on Equity Computation			
Return on Regulatory Equity at the beginning of the year	Rs. Crore	0.00	12.14
Return on Regulatory Equity addition during the year	Rs. Crore	0.00	0.36
Total Additional Return on Equity	**Rs. Crore**	**0.00**	**12.49**

3.24.5 MSEDCL has requested to approve the computation of RoE for wires and retail supply business as submitted in the table above.

Commission's Analysis and Ruling

3.24.6 The opening equity for FY 2022-23 is considered at Rs. 12,239.34 Crore and Rs. 1,380.04 Crore for wire and supply business, respectively, same as that approved in the MTR Order in Case no. 226 of 2022. Similarly, the approved opening equity for FY 2023-24 is considered as Rs. 12,557.73 Crore and Rs. 1,415.42 Crore for wire and supply business, respectively, considering the approved additions to the Regulatory Equity during the FY 2022-23.

3.24.7 The Commission has approved the funding pattern based on the approved capitalisation for FY 2022-23 and FY 2023-24, as discussed in the earlier Section on interest expenses.

3.24.8 The Commission notes that MSEDCL has not paid Income tax in FY 2022-23 and FY 2023-24. Hence, the issue of grossing up of RoE with effective tax rate as envisaged in MYT Regulations 2019 does not arise.

3.24.9 The RoE approved for the purpose of truing up of FY 2022-23 and FY 2023-24 is as follows:

Table 107: RoE (Wires) for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Regulatory Equity at the beginning of the year	12,239.34	12,666.54
Equity portion of capitalisation during the year #	427.19	725.49
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00
Regulatory Equity at the end of the year	**12,666.54**	**13,392.03**
Return on Equity Computation (@ 14.00%)		
Return on Regulatory Equity at the beginning of the year	1,713.51	1,773.32
Return on Regulatory Equity addition during the year	29.90	50.78
Total Return on Equity	**1,743.41**	**1,824.10**

3.24.10 As per MYT Regulations 2019, additional RoE shall be approved at the time of truing up and it shall be equivalent to 1.5% for Distribution wire business on achieving wire availability of 95% (for MSEDCL). MSEDCL has claimed wire availability of 99.98% and 99.99% for FY 2022-23 and FY 2023-24, respectively. It is to be noted that, although MSEDCL has claimed wire availability of 99.98% and 99.99% for FY 2022-23 and FY 2023-24, several comments and objections were received during the Public Consultation process regarding the power quality, quality of supply across the State, performance on reliability indices and availability of power supply. It is important to ascertain performance for such important performance parameters through proper measurement of interruptions and devise procedure for automated recording of the supply availability and reliability indices thereof.

3.24.11 With deployment of smart meters, such measurements and reporting would be readily available for verification of supply availability claims and entitlement of additional RoE thereon. Regarding status of smart meters, MSEDCL submitted that MSEDCL has installed smart meters on 24,145 feeders out of total 27,826 feeder and smart metering of remaining 3,681 feeders will be completed by December 2024. The Commission has directed MSEDCL to complete smart metering of all the feeders at the earliest and significant capitalization is approved for it. Still, smart metering of 3,681 feeders is pending.

3.24.12 Until such mechanism is put in place, the Commission has not considered the claim of additional RoE for true up years presently. However, the Commission hereby directs MSEDCL to put in place a protocol for automated measurement and reporting of supply availability across various circles/ divisions and submit such records along with next tariff review exercise. Accordingly, the additional RoE of Wire Business is not approved by the Commission for FY 2022-23 and FY 2023-24.

3.24.13 The RoE of supply business approved by the Commission for the purpose of truing up of FY 2022-23 and FY 2023-24 is as follows:

Table 108: RoE (Supply) for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Regulatory Equity at the beginning of the year	1,380.04	1,427.51
Equity portion of capitalisation during the year	47.47	80.61
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00
Regulatory Equity at the end of the year	**1,427.51**	**1,508.12**
Return on Equity Computation (@15.50%)		
Return on Regulatory Equity at the beginning of the year	213.91	221.26
Return on Regulatory Equity addition during the year	3.68	6.25
Total Return on Equity	**217.59**	**227.51**

3.24.14 The Commission has noted submission of additional RoE claimed by MSEDCL for supply business based on collection efficiency and billing efficiency for FY 2022-23 and FY 2023-24. The Commission has done prudence check of collection efficiency and billing efficiency claimed by MSEDCL for FY 2022-23 and FY 2023-24. Accordingly, the additional RoE of Supply Business approved by the Commission for FY 2022-23 and FY 2023-24 is as follows:

Table 109: Additional RoE (Supply Business) for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
% of Assessed bills with respect total bills issued during the year	%	14.10%	12.40%
Additional Rate of Return on Equity for Assessment of bills (a)	%	0.00%	0.75%
Collection Efficiency for the year	%	98.33	95.82
Additional Rate of Return for collection efficiency (b)	%	0.00%	0.00%
Total Additional Return on Equity (c) = (a) + (b)	**%**	**0.00%**	**0.75%**
Additional Return on Equity Computation			
Return on Regulatory Equity at the beginning of the year	Rs. Crore	0.00	10.71
Return on Regulatory Equity addition during the year	Rs. Crore	0.00	0.30
Total Additional Return on Equity	**Rs. Crore**	**0.00**	**11.01**

Table 110: RoE for FY 2022-23 and FY 2023-24 (Wires+ Supply) as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
RoE for Wires Business	1,719.86	1,743.54	1,743.41	1,730.37	1,826.67	1,824.10
RoE for Retail Supply Business	214.69	217.60	217.59	215.98	227.83	227.51
Add. ROE for Wires Business	-	186.81	-	-	195.71	-
Add. ROE for Retail Supply Business	-	-	-	-	12.49	11.01
Total Return on Equity	**1,934.55**	**2,147.95**	**1,961.00**	**1,946.35**	**2,262.70**	**2,062.62**

3.24.15 **Thus, the Commission approves RoE of Rs. 1,961.00 Crore and Rs. 2,062.62 Crore for FY 2022-23 and FY 2023-24 respectively**.

3.25 Sharing of Efficiency Gains and Losses for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.25.1 MSEDCL has submitted it has done the sharing of efficiency gains and losses in accordance with the controllable/uncontrollable factors and the mechanism of sharing gains/losses for these factors as defined by Regulation 9, 10 and 11 of MYT Regulations, 2019. The relevant extracts of the Regulations are as provided below for reference purposes:

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

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

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

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

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

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

3.25.2 The parameters like O&M Expenses and IoWC etc., for which the norms for computation have been defined in the Regulations, have been computed by MSEDCL on normative basis.

3.25.3 **O&M Expenses:** MSEDCL has submitted that the actual O&M Expenses as per the Audited Accounts for FY 2022-23 and FY 2023-24 are higher than that on normative basis.

3.25.4 **Interest on Working Capital:** MSEDCL has submitted that the actual IoWC expense as per the Audited Accounts for FY 2022-23 and FY 2023-24 is higher than that on normative basis primarily due to short term payments for Late Payment Surcharge (LPS) and payments against Change in Law (New Coal Distribution Policy, Shakti Policy, De-allocation of LOHARA coal block etc.). MSEDCL has outlined the reasons for requirement of higher working capital requirement as follows:

a) Non-recovery from categories such as Agriculture, Public Water Works, Street Light, and Govt. departments and short recovery of demand reflects MSEDCL’s inability to convert revenue booked into cash inflow of the company.

b) Fast mounting of arrears from AG Consumers.

c) Payment obligations of old disputed power purchase liabilities.

d) Disallowances of certain expenses by the Commission like Delayed Payment Charges and excess interest on working capital.

e) Implementation of LPS Scheme for liquidation of arrears of State Power Generator & Transmission Company.

f) Time lag in realization of Regulatory Gap.

3.25.5 Due to above reasons, MSEDCL was forced to raise working capital loan in order to mitigate shortfall for smooth functioning. Further, MSEDCL also submitted that the Electricity (Late Payment Surcharge & Related Matters) Rules, 2022 was notified by Ministry of Power (MoP) on 03rd June 2022. As per the Clause no. 5 of the notification, the total outstanding dues including Late Payment Surcharge up to the date of the notification of these rules shall be rescheduled and the due dates redetermined for payment by a distribution licensee in the specified maximum number of equated monthly instalments. MSEDCL stated that they have adopted rules for payment of outstanding dues of MSPGCL and MSETCL from August 2022 onwards and monthly payment released against LPS rules is Rs. 400 Crore per month. This payment is released through the loan from PFC / REC/ FI and hence the corresponding interest portion has increased.

3.25.6 The Summary of sharing of gains/(loss) on account of O&M Expenses and IoWC is as given in the Table below:

Table 111: Sharing of Efficiency Gains/(Losses) on O&M and IoWC for FY 2022-23 and FY 2023-24 Expenses as submitted by MSEDCL (Rs. Crore)

Particulars	FY	Revised Normative	Actual	Gains/ (Loss)	2/3rd of Efficiency gains / Losses	1/3rd of Efficiency Gains / Losses	Net Entitlement after sharing
IoWC	FY 2022-23	115.18	2,682.94	(2,567.76)	(1,711.84)	(855.92)	971.10
O&M		7,905.78	8,277.66	(371.88)	(247.92)	(123.96)	8,029.74
IoWC	FY 2023-24	130.82	5,452.03	(5,321.21)	(3,547.47)	(1,773.74)	1,904.56
O&M		8,342.76	10,426.02	(2,083.26)	(1,388.84)	(694.42)	9,037.18

3.25.7 **Distribution Loss:** MSEDCL has submitted that the actual distribution loss (excluding EHV Sales) for FY 2022-23 and FY 2023-24 is higher than that approved in the MTR Order. The Summary of sharing of gains/(loss) on account of Distribution loss is as given in the Table below:

Table 112: Efficiency Gains/(Losses) due to lower Distribution Loss in FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
		Actual	Actual
Actual Distribution Loss	%	16.49%	17.95%
MYT approved Loss	%	14.00%	13.00%
Sales Excl. EHV sales	Mus	1,12,686.55	1,20,377.79
EHV Sales	Mus	12,779.81	13,611.97
Total Sales	**Mus**	**1,25,466.36**	**1,33,989.76**
Intra-STS loss	%	3.22%	3.19%
Power Requirement at Ex-Bus Periphery (Actual)	**Mus**	**1,52,622.42**	**1,65,602.16**
Power Requirement at Ex-Bus Periphery (Normative)	**Mus**	**1,48,592.61**	**1,56,985.74**
Additional/ (lower) Power purchase due to higher distribution loss	Mus	4,029.81	8,616.42
Rate of PP (At average Variable Cost)	Rs. /kWh	3.56	3.50
Additional/(Lower) Power purchase Cost due to higher distribution loss	Rs. Crore	1,433.96	3,017.11
Efficiency gain/(loss) to be borne by MSEDCL	Rs. Crore	(955.97)	(2,011.41)
Efficiency gain/(loss) to be borne by the consumers	Rs. Crore	(477.99)	(1,005.70)

3.25.8 The total impact of sharing of gains and losses of the three parameters as submitted by MSEDCL for FY 2022-23 and FY 2023-24 is as shown in table below:

Table 113: Impact of sharing of gains and losses for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Sharing of O&M	123.96	694.42
Sharing of IoWC	855.92	1,773.74
Sharing of Dist. Losses	(955.97)	(2,011.41)
TOTAL	**23.90**	**456.75**

Commission's Analysis and Ruling

3.25.9 As per the MYT Regulations 2019, two-third of the efficiency gain and one third of (loss) has to be passed on to consumers which means, one-third of the gains is allowed to be retained by MSEDCL, and two-thirds of the loss is required to borne by MSEDCL.

<u>Effect of sharing of Gains and Loss on O&M Expenses</u>

3.25.10 It is observed that actual R&M expenses of MSEDCL are lower than 20% of total O&M expenses in FY 2022-23 and FY 2023-24. Regulation 84.6 of MYT Regulations, 2019 specifies as below:

[Reg 75 Wire Business]

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

Provided that this limitation shall not be applicable for Deemed Distribution Licensees for the first five years after commencement of operations as a Distribution Licensee. …………………..

[Reg 84 Retail Supply Business]

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

3.25.11 As R&M expenses are lower than 20% of total O&M expenses, the sharing of gains and losses is computed as below:

Table 114: Impact on Sharing of Gains/Loss on O&M Expenses due to R&M less than 20% for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	Unit	FY 2022-23	FY 2023-24
Normative O&M Expenses	A	7,905.78	8,342.76
Actual O&M Expenses without Wage Revision	B	8,277.66	11,422.37
Impact of Wage Revision	C	0.00	0.00
Actual O&M Expenses with Wage Revision	**D = B + C**	**8,277.66**	**11,422.37**
Efficiency gain/(loss)	E = A-B	(371.88)	(3,079.62)
1/3rd of gains/ (loss)	F = 1/3* E	(123.96)	(1,026.54)
2/3rd of gains/ (loss)	**G = 2/3* E**	**(247.92)**	**(2,053.08)**
Net Entitlement after sharing of gains/ loss (I)	**H = A +C-F**	**8,029.74**	**9,369.29**
R&M Expenses - 20% of Actual Expenses without wage revision (as per Regulation above)	I = 20% * B	1,655.53	2,284.47
Actual R&M Expenses	J	1,140.34	1,791.75
Shortfall in R&M Expenses	**K = J - I**	**(515.19)**	**(492.73)**
1/3rd of loss due to lesser R&M	L = 1/3 * K	(171.73)	(164.24)
2/3rd of loss due to lesser R&M to be borne by MSEDCL	**M =2/3*K**	**(343.46)**	**(328.49)**
Total sharing of gain due to lesser O&M and loss due to lesser R&M	**N = L-F**	**(47.77)**	**862.30**

<u>**Effect of sharing of Gains and Loss on IoWC**</u>

3.25.12 The Commission had raised a query on monthly working capital requirement of MSEDCL during FY 2022-23 and FY 2023- 24. Based on the reply of MSEDCL on monthly working capital requirement, the Commission has derived actual IoWC for FY 2022-23 and FY 2023-24 based on working capital reflecting in Audited Accounts of FY 2022-23 and FY 2023-24. The Commission has observed that, MSEDCL has claimed significantly high actual interest on working capital in FY 2023-24 i.e. Rs. 5,452.03 Crore comparing to Rs. 2,682.94 Crore in FY 2022-23. The Commission has noted the reasons submitted by MSEDCL for increase in working capital requirement. But the Commission opines that the reasons submitted by MSEDCL cannot be treated as uncontrollable factors and hence, the burden of increase in working capital cannot be passed on to the consumers in sharing of gains/ losses.

3.25.13 The issues cited by MSEDCL as the reasons for increase in the working capital requirements can also be found in the 13th Annual Integrated Rating Report published by Power Finance Corporation **(PFC).** MSEDCL has been ranked as last amongst 52 utilities rated by PFC with a rating of “C-” which is very poor. MSEDCL has slipped down further from its earlier ranking of “C” in the FY

2022-23 report published by PFC. The key reasons which impacted the ranking of MSEDCL include the following:

a) AT&C Loss has increased from 17.38% in FY 2022-23 to 24.38% in FY 2023-24.

b) Billing Efficiency has decreased from 84.94% in FY 2022-23 to 83.59% in FY 2023-24.

c) ACS - ARR gap has improved by 0.67 paise / kWh in FY 2023-24 vs FY 2022- 23.

d) Days Receivables have decreased from 202 days in FY 2022-23 to 200 days in FY 2023-24.

e) Days Payable have decreased from 113 days in FY 2022-23 to 109 days in FY 2023-24.

f) Collection Efficiency has decreased from 97.27% in FY 2022-23 to 90.47% in FY 2023-24

3.25.14 The Commission also notes that, as per the PFC Report of February 2025, MSEDCL has been ranked as last amongst 52 utilities rated by PFC with a rating of “C-” which is unwarranted. MSEDCL has slipped down further from its earlier ranking of “C” in the FY 2022-23 report published by PFC. The key reasons for reduction in ranking are reduction in AT&C losses, decrease in billing efficiency, days receivables have decreased from 202 days in FY 2022-23 to 200 days in FY 2023-24, Collection Efficiency has decreased from 97.27% in FY 2022-23 to 90.47% in FY 2023-24. Many of these parameters are directly impacting the working capital requirements thus resulting in MSEDCL needing to borrow significant quantum of working capital loans, thus increasing the interest payable. This is not a desirable situation and MSEDCL needs to devise ways to improve the financial position. As evident from the PFC report, adverse opinion of the Auditor has been one of the important factors impacting the rating of MSEDCL. The adverse observations are pertaining to various issues in the audited accounts of MSEDCL covering aspects like capitalisation related aspects (e.g. Property, Plant & Equipment - non-availability of proper record, non-capitalisation or delayed capitalisation, lack of mechanism for identification of operational expenses for capitalisation, non-availability of details pertaining to likely completion dates, cost overrun details, etc.), These are very serious observations highlighting issues with regards to lack of fiscal and operational discipline in case of MSEDCL.

3.25.15 The poor rating also impacts the credit worthiness of the company impacting its ability to source cheaper funds for meeting both capital expenditure and working capital funding requirements. MSEDCL needs to introspect and find ways to improve the performance over a short period of time. Deterioration in performance further will impact MSEDCL adversely and its issue with cash flow management will only further increase.

3.25.16 MSEDCL needs to realign its cash outflow priorities by putting payment to generators and transmission payment and avail prompt payment discounts on the top. MSEDCL should at least clear undisputed amount to avail such discount. The Commission is of the view that, with such changes in priority, the expenses which do not have any cost implication on deferment (if required) such as employee expenses can be put at lower level of priorities. The MSEDCL is directed to avail the benefits of prompt payment discount available under the PPA/EPA/BPTA to reduce the overall ARR in the consumer's interest, failing which the Commission may reduce the notional amount of such prompt payment discount from power purchase costs at the time of true-up.

3.25.17 **The Commission directs MSEDCL to undertake compliance of the audit observations in a timebound manner and submit the action taken report within 6 months from the date of this Order. Any delay in adhering to these directions will attract penal action against the concerned senior officials of the company.**

3.25.18 Accordingly, the Commission has derived sharing of gains/ losses on account of IoWC for FY 2022-23 and FY 2023-24 as below:

Table 115: Sharing of Gains/Loss on IoWC Expenses, approved by Commission (Rs. Crore)

Particulars	FY	Revised Normative	Actual	Gains/ (Loss)	2/3rd of Efficiency gains / Losses	1/3rd of Efficiency Gains / Losses	Net Entitlement after sharing
IoWC	FY 2022-23	112.17	2,003.86	(1,891.68)	(1,261.12)	(630.56)	742.74
	FY 2023-24	111.09	2,361.15	(2,250.06)	(1,500.04)	(750.02)	861.11

Effect of sharing of Gains and Loss on Distribution Loss

3.25.19 Variation in Distribution Loss is considered as a controllable parameter under MYT Regulations. Accordingly sharing of gains and loss on account of the same has been carried out every year at the time of true-up.

3.25.20 The Commission has approved AG sales for FY 2022-23 and FY 2023-24 as discussed in above Para 3.2.27 and Para 3.2.45 of energy sales and observed that, actual distribution loss level is 22.47% and 22.04% for FY 2022-23 and FY 2023-24, respectively, which is higher than distribution loss approved in MTR Order in Case No. 226 of 2022 dated 31 March 2023.

3.25.21 For truing up of FY 2022-23 and FY 2023-24, the Commission is considering average variable cost of MSEDCL power procurement, for computation cost of procurement of higher power quantum on account of higher distribution loss level of 22.47% and 22.04% for FY 2022-23 and FY 2023-24, respectively.

3.25.22 The table below shows the effect of sharing of loss on account of variation in Distribution loss considering the reassessed distribution loss level for FY 2022-23 and FY 2023-24. The Commission has considered loss level of 22.47% and 22.04% for FY 2022-23 and FY 2023-24, respectively, with rate of power purchase at Marginal Variable Cost; and loss sharing ratio 2/3rd :1/3rd between MSEDCL and consumer, in accordance with provision of MYT Regulations, 2019 respectively.

Table 116: Efficiency Gains/Losses due to lower Distribution Loss in FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	Units	FY 2022-23	FY 2023-24
		Actual	Actual
Actual Distribution Loss	**%**	**22.47%**	**22.04%**
MYT approved Loss	**%**	**14.00%**	**13.00%**
Sales Excl. EHV sales	MUs	1,04,515.39	1,14,166.38
EHV Sales	MUs	12,706.00	13,611.97
Total Sales	**MUs**	**1,17,221.39**	**1,27,778.35**
InSTS loss	%	3.22%	3.19%
Power Requirement at Ex-Bus Periphery (Actual)	MUs	1,52,409.50	1,65,328.90
Power Requirement at Ex-Bus Periphery (Normative)	MUs	1,38,699.06	1,49,610.90
Additional/ (lower) Power purchase due to higher distribution loss in Mus	MUs	13,710.43	15,718.00
Rate of PP (At average Variable Cost)	Rs. /kWh	3.56	3.50
Additional/(Lower) Power purchase Cost due to lower distribution loss	Rs. Crore	4,878.70	5,503.78
Efficiency gain/(loss) to be borne by MSEDCL	**Rs. Crore**	**(3,252.47)**	**(3,669.19)**
Efficiency gain/(loss) to be borne by the consumers	**Rs. Crore**	**(1,626.23)**	**(1,834.59)**

3.25.23 Total impact of additional power purchase to be borne by MSEDCL is estimated as Rs 3,252.47 Crore and Rs. 3,669.19 Crore for FY 2022-23 and FY 2023-24 (2/3rd of estimated avoided power purchase cost at average variable cost).

3.25.24 Accordingly, the total impact of sharing of gains and losses of the three parameters approved by the Commission for FY 2022-23 and FY 2023-24 is as shown in table below:

Table 117: Net Impact of sharing of gains and losses FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Sharing of O&M	(47.77)	862.30
Sharing of IoWC	630.56	750.02
Sharing of Distribution Losses	(3,252.47)	(3,669.19)
TOTAL	**(2,669.68)**	**(2,056.87)**

3.26 Impact of payment to MPECS for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.26.1 MSEDCL has submitted that the Commission in the MTR Order had approved Rs. 31.14 Crore and Rs. 28.13 Crore for FY 2022-23 and FY 2023-24, respectively. MSEDCL has claimed Rs. 31.39 Crore and Rs. 28.38 Crore towards the actual payments to MPECS for FY 2022-23 and FY 2023-24, respectively, as per the Audited Accounts.

Table 118: Impact of Payment of MPECS for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Impact of Payment to MPECS	31.14	31.39	28.13	28.38

Commission's Analysis and Ruling

3.26.2 The Commission has verified the payment to MPECS by MSEDCL from the Audited Accounts and found that MSEDCL has paid Rs 31.39 Crore in FY 2022-23 and Rs 28.38 Crore in FY 2023-24 to MPECS. Accordingly, the payment to MPECS approved by the Commission is as given in the table below.

Table 119: Impact of payment to MPECS for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Impact of Payment to MPECS	31.14	31.39	31.39	28.13	28.38	28.38

3.26.3 **Thus, the Commission allows Rs 31.39 Crore in FY 2022-23 and Rs 28.38 Crore in FY 2023-24 as impact of payment to MPECS.**

3.27 Incremental Consumption and Bulk Consumption Rebate for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.27.1 MSEDCL has submitted that the Commission in the MTR Order dated 31 March 2023 has approved cost towards incremental rebate.

3.27.2 MSEDCL has claimed Rs. 1,043.67 Crore and Rs. 1,030.40 Crore towards Incremental Consumption and Bulk consumption rebate for FY 2022-23 and FY 2023-24, respectively, as per the Audited Account as against Rs. 546.44 Crore and Rs. 426.45 Crore as approved by the Commission for years FY 2022-23 and FY 2023-24, respectively.

Table 120: Incremental Consumption Rebate for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Incremental Consumption Rebate	546.44	1,043.67	426.45	1,030.40

Commission's Analysis and Ruling

3.27.3 The Commission has noted MSEDCL's submission and verified the amounts booked in the Audited Accounts for FY 2022-23 and FY 2023-24. Accordingly, the Commission has approved MSEDCL's claim for incremental consumption and bulk consumption rebate for FY 2022-23 and FY 2023-24.

3.27.4 Commission had sought detailed breakup of Incremental and Bulk Consumption Rebate in data gaps. In response to the query, MSEDCL submitted that incremental consumption rebate and bulk consumption rebate amounting to Rs. 1,043.67 Crore is considered under Note 30 - Revenue from Operations, under the head "Prompt Payment and Incremental Discount" (Rs. 1,521.03 Crore – Rs. 477.37 Crore = Rs. 1,043.67 Crore) in the Audited Accounts. The amount of Rs. 477.37 Crore represents incentives and discounts given to consumers.

Table 121122: Incremental Consumption and Bulk consumption Rebate as approved by Commission for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Incremental and Bulk Consumption Rebate	546.44	1,043.67	1,043.67	426.45	1,030.40	1,030.40

3.27.5 **Thus, the Commission approves Rs. 1,043.67 Crore and Rs. 1,030.40 Crore against Incremental consumption and Bulk Consumption Rebate for FY 2022-23 and FY 2023-24, respectively.**

3.28 Revenue from sale of electricity for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.28.1 The revenue from sale of electricity has been considered by MSEDCL based on the audited book of accounts and consists of revenue from operations which includes various revenue items. However, being not part of revenue from sale of power at retail tariff and as per practice in vogue, MSEDCL has shown certain items of revenue separately.

3.28.2 Revenue from sale of electricity as per Audited book of accounts is as shown in the table below:

Table 123: Revenue from Sale of power for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Revenue from Sale of Power	1,00,328.63	93,201.33	1,06,990.00	1,13,373.15

Commission's Analysis and Ruling

3.28.3 The Commission has verified the revenue from Note 30 of Annual Accounts for FY 2022-23 and FY 2023-24.

3.28.4 The category-wise revenue for FY 2022-23 and FY 2023-24 is as shown in the table below.

Table 124: Revenue for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
LT-I BPL & Domestic	18,838.56	23,127.74
LT II Commercial	7,365.98	8,801.03
LT III PWW	463.70	585.07
LT IV Agriculture	12,843.72	18,475.02
LT V Industrial	7,964.14	9,125.82
LT-IV(A) - Grampanchayat Street Light	857.51	986.99
LT VII -(B)Temporary Others	0.00	0.00
LT X -(A)Public Service	661.87	833.97
LT XI Charging Station	1.64	7.39
HT II Commercial	2,685.61	3,135.06
HT I Industrial	33,268.42	38,239.04
HT III Railway Traction	118.42	173.38

Particulars	FY 2022-23	FY 2023-24
HT IV PWW	1,560.07	1,840.74
HT V Agriculture	643.15	1,296.86
HT VI Group Housing/Commercial Complex	190.99	245.85
HT IX Public Service	1,355.59	1,641.44
HT-Electric Vehicle	30.12	71.93
HT Auxillary Consumer	-1.29	-0.04
Open Access Category	157.17	270.85
Recoveries from Theft of Power/Malpractice	273.17	266.31
Sale of traders	310.04	288.51
Sale of energy to Distribution Franchisee	3,436.63	3,776.89
Standby charges	396.01	459.84
Miscellaneous charges from consumers	299.79	363.31
Total Revenue	**93,721.00**	**1,14,013.01**
Less: Income from Open Access Charges (CSS)	157.17	270.85
Less: Income from Trading of Surplus Power	310.04	288.51
Less: Income from Additional Surcharge	52.46	80.50
Less: Standby charges	198.01	250.20
Total Revenue Approved	**93,003.32**	**1,13,122.95**

3.28.5 The reduction in revenue approved by the Commission w.r.t. claim of MSEDCL is due to sharing of standby charges for Mumbai Distribution Area. As per MTR Order of Case No. 226 of 2022, MSEDCL has received standby charges from TPC-D and BEST Undertaking as Rs. 197.99 Crore and Rs. 209.64 Crore in FY 2022-23 and FY 2023-24 as against the total approved amount of Rs. 396 Crore and Rs. 459.84 Crore in FY 2022-23 and FY 2023-24 respectively. Accordingly, the Commission has considered Rs. 198.01 Crore and Rs. 250.20 Crore in FY 2022-23 and FY 2023-24 respectively towards sharing of standby charges.

3.28.6 Regarding standby charges from AEML-D, AEML-D had filed before the Hon'ble APTEL, IA No. 844 of 2023 in Appeal No. 516 of 2023 against the MTR Order seeking stay of the MTR Order to the extent that AEML-D was directed to make payment of standby charges of Rs. 185.04 Crore to MSEDCL for FY 2022-23. The Hon'ble APTEL issued Order dated 26 September 2023 setting aside the direction to AEML-D to make the payment of standby charges. The issue of standby arrangement will be adjudicated separately by the Commission in Case No.01/MP/2024.

3.28.7 Based on the above, the Commission approves the following actual revenue for FY 2022-23 and FY 2023-24.

Table 125: Revenue for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Revenue from Sale of Power	1,00,328.63	93,201.33	93,003.32	1,06,990.00	1,13,373.15	1,13,122.95

3.28.8 **Thus, the Commission approves Rs. 93,003.32 Crore and Rs. 1,13,122.95 Crore as Revenue from sale of electricity for FY 2022-23 and FY 2023-24.**

3.29 Non-Tariff Income for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.29.1 MSEDCL has submitted that it has certain sources of Non-Tariff Income, viz. interest on arrears of consumers, DPC, interest on staff loans and advances, sale of scrap, interest on investments, rebate on power purchase, etc

3.29.2 MSEDCL has claimed a Non-Tariff Income of Rs. 652.85 Crore as against Rs. 317.96 Crore approved by the Commission for FY 2022-23 and Rs. 504.92 Crore as against Rs. 333.86 Crore approved by the Commission for FY 2023-24. The comparison of actual Non-Tariff Income as submitted by MSEDCL and earlier approved by the Commission is presented in the table below:

Table 126: Non-Tariff Income for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Sr. No.	Particulars	FY 2022-23		FY 2023-24	
		MTR Order	MYT Petition	MTR Order	MYT Petition
1	Rents	0.96	1.08	1.00	1.10
2	Other/Miscellaneous receipts	240.41	390.15	252.43	360.74
3	Interest on Other investments	0.00	26.01	0.00	29.05
4	Interest from power generators	0.00	77.17	0.00	0.00
5	Sale of Scrap	43.74	45.75	45.93	25.20
6	sale of Tender forms	4.95	8.70	5.19	15.04
7	Revenue from subsidy and grant	0.50	0.00	0.53	73.79
8	Interest on Contingency Reserve investments	27.41	0.00	28.78	0.00
9	Total	317.97	548.86	333.86	504.92
10	Add: Prior Period Other Income	0.00	104.00	0.00	0.00
11	**Total Non Tarriff Income**	**317.97**	**652.85**	**333.86**	**504.92**

3.29.3 MSEDCL has submitted that as per Regulation 37.3 of MYT Regulation, 2019 it has not considered delayed payment charge and Interest on Delayed Payment as part of Non-Tariff Income.

3.29.4 MSEDCL has also not considered the income from grants and contribution reported under non-tariff income for FY 2022-23 and FY 2023-24 as the treatment to the same is already considered while computing the depreciation for respective years.

Commission's Analysis and Ruling

3.29.5 The Commission notes that break-up of non-tariff income claimed by MSEDCL as provided under Form-9 of the Petition. The Commission has further verified the same from the Audited Accounts for FY 2022-23 and FY 2023-24.

3.29.6 The Commission has not considered the Prior Period Other Income as the Commission believes that true up has been done for the prior period.

3.29.7 The Commission has approved the non-tariff income based on Audited Accounts and details submitted by MSEDCL in its response to data gaps. Thus, the Commission has considered Rs 548.85 Crore for FY 2022-23 and Rs 504.92 Crore for FY 2023-24 as non-tariff income.

3.29.8 Based on the reconciliation of Audited Accounts and documentary evidence submitted in response to the data gaps, the Commission approved non-tariff income for FY 2022-23 and FY 2023-24 as per the table below:

Table 127: Non-Tariff Income for FY 2022-23 and FY 2023-24, as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Rents	0.96	1.08	1.08	1.00	1.10	1.10
Other/Miscellaneous receipts (**Note 5)**	240.41	390.15	390.15	252.43	360.74	360.74
Interest on Contingency Reserve Investments	27.41	26.01	26.01	28.78	29.05	29.05
Sale of Scrap	43.74	45.75	45.75	45.93	25.20	25.20
Sale of Tender forms	4.95	8.70	8.70	5.19	15.04	15.04
Revenue from subsidy and grant	0.5	0.00	0.00	0.53	73.79	73.79
Income Transfer from Deferred income (Note 3)	0.00	0.00	0.00	0.00	0.00	0.00
Interest from power generators	0.00	77.17	77.17	0.00	0.00	0.00
Total	**317.97**	**548.86**	**548.86**	**333.86**	**504.92**	**504.92**
Add: Prior Period Other Income	0.00	104.00	0.00	0.00	0.00	0.00
Total Non Tarriff Income	**317.97**	**652.85**	**548.85**	**333.86**	**504.92**	**504.92**

3.29.9 **Thus, the Commission approves Non-Tariff Income of Rs. 548.85 Crore and Rs. 504.92 Crore for FY 2022-23 and FY 2023-24, respectively.**

3.30 Income from Open Access Charges for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.30.1 MSEDCL submitted that it has received an income from OA Charges of Rs. 157.17 Crore as against Rs. 216.69 Crore approved by the Commission for FY 2022-23 and Rs. 270.85 Crore as against for Rs. 214.76 Crore approved by the Commission for FY 2023-24.

Table 128: Income from Open Access Charges for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Income from Open Access Charges	216.69	157.17	214.76	270.85

3.30.2 MSEDCL has submitted the details of income from Open Access in the following Table.

Table 129: Details of Income Open Access Charges for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23	FY 2023-24
Energy Charges Open Access	3.96	2.54
F.C.A Charges Open Access	0.22	(0.04)
Additional Charges Open Access	0.41	0.44
Adjustment to past billing Open Access	(64.85)	(37.83)
Cross Subsidy Surcharge Open Access	77.71	102.29
Wheeling Charge Open Access	117.56	175.54
Transmission Charge Open Access	0.00	0.00
Operating Charges Open Access	20.04	26.84
Additional Surcharge Open Access	1.32	0.00
Threshold penalty Open Access	0.72	1.09
Penal Charges Open Access	0.08	0.00
Income from Open Access Charges	**157.17**	**270.85**

3.30.3 Hence, MSEDCL requested to the Commission to approve the Income from Open Access Charges as per the Audited Accounts.

Commission's Analysis and Ruling

3.30.4 The Commission has verified the income from Open Access Charges from the Audited Accounts.

3.30.5 The Commission had directed MSEDCL to provide details of the income from Open Access Charges booked under the Audited Accounts and reconcile the claim. In response to the data gaps, MSEDCL has submitted that it is shown the income from Open Access under head "Revenue from Operation" of Audited Accounts for FY 2022-23 and FY 2023-24.

3.30.6 Further, the Commission notes the submission of MSEDCL on details of Open Access charges collected for FY 2022-23 and FY 2023-24 as shown in the above table. The Commission after reconciliation of submission of MSEDCL and considering the regulatory provisions, approves the income from Open Access charges as Rs. 157.17 Crore for FY 2022-23 and Rs. 270.85 Crore for FY 2023-24. The details of the income from Open Access Charges is given in the table below.

Table 130: Income from OA Charges for FY 2022-23 and FY 2023-24 as approved by the Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Income from Open Access Charges	216.69	157.17	157.17	214.76	270.85	270.85

3.30.7 **Thus, considering above submission of MSEDCL, the Commission approves Rs. 157.17 Crore for FY 2022-23 and Rs. 270.85 Crore for FY 2023-24 as Income from Open access**.

3.31 Income from Trading of Surplus Power for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.31.1 MSEDCL submitted that it has received income of Rs. 310.04 Crore from trading of surplus power, as against Rs. 175.49 Crore approved earlier by the Commission for FY 2022-23. The actual income from trade of Surplus power for FY 2023-24 is Rs. 288.51 Crore.

3.31.2 The comparison of actual income from trade in Surplus power with the approved Income in the MTR Order is as shown in table below:

Table 131: Income from Trading of Surplus Power for FY 2022-23 and FY 2023-24 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Income from Trading of Surplus Power	175.49	310.04	0.00	288.51

Commission's Analysis and Ruling

3.31.3 The Commission upon verification of the Audited Accounts has considered the income from trading of surplus power as submitted by MSEDCL for the purpose of truing up of ARR of FY 2022-23 and FY 2023-24.

3.31.4 The Commission has sought a clarification from MSEDCL regarding the accounting head under which the income from Trading of Surplus Power has been booked in the Audited Accounts. In response to the data gaps, MSEDCL submitted that Income from Trading of Surplus Power of Rs 310.04 Crore for FY 2022-23 and Rs. 288.51 Crore for FY 2023-24 is considered under Note 30 - Revenue from Operations under head Sale to Traders in Audited Accounts. The Commission noted the reply to data gap submitted by MSEDCL and reconciled the income from trading of surplus power with Note 30 of Audited Accounts. Accordingly, the Income from Trading of Surplus Power as approved by the Commission is given in the table below.

Table 132: Income from Trading Surplus Power for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Income from Trading Surplus Power	175.49	310.04	310.04	0.00	288.51	288.51

3.31.5 **Thus, the Commission approves Rs 310.04 Crore and Rs. 288.51 Crore as Income from Trading Surplus Power for FY 2022-23 and FY 2023-24.**

3.32 Income from Additional Surcharge for FY 2022-23 and FY 2023-24

MSEDCL's Submission

3.32.1 MSEDCL has submitted that it has earned an income of Rs. 52.46 Crore and 80.50 Crore from additional surcharge during FY 2022-23 and FY 2023-24 respectively.

Table 133: Income from Additional Surcharge for FY 2022-23 and FY 2023-24 (Rs. Crore)

Particulars	FY 2022-23		FY 2023-24	
	MTR Order	MYT Petition	MTR Order	MYT Petition
Income from Additional Surcharge	115.52	52.46	112.63	80.50

Commission's Analysis and Ruling

3.32.2 The Commission has verified Income from additional surcharge from Audited Accounts of MSEDCL for FY 2022-23 and 2023-24. For truing-up, the Commission approves the income from Additional Surcharge as per the Audited Accounts.

3.32.3 The Commission had sought clarification in data gaps regarding the accounting head under which the income from Additional Surcharge had been booked in the Audited Accounts. In response to the data gap, MSEDCL submitted that Additional Surcharge of Rs. 52.46 Crore for FY 2022-23 and Rs. 80.50 Crore for FY 2023-24 is considered under Note 30 - Revenue from Operations under head Sale to Traders in Audited Accounts. The Commission noted the reply to data gap submitted by MSEDCL and reconciled the income from additional surcharge with Note 30 of Audited Accounts. Accordingly, the Income from Additional Surcharge as approved by the Commission is given in the table below.

Table 134: Income from Additional Surcharge for FY 2022-23 and FY 2023-24 as approved by Commission (Rs. Crore)

Particular	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in the Order	MTR Order	MYT Petition	Approved in the Order
Income from Additional Surcharge	115.52	52.46	52.46	112.63	80.50	80.50

3.32.4 **Thus, the Commission approves Rs. 52.46 Crore and Rs. 80.50 Crore as Income from Additional Surcharge for FY 2022-23 and 2023-24 respectively.**

3.33 Aggregate Revenue Requirement for FY 2022-23 and FY 2023-24

3.33.1 Based on the analysis in preceding paragraphs of the Order, the summary of ARR for the Wires Business and Supply Business, as claimed by MSEDCL and as trued-up by the Commission for FY 2022-23 is presented in the tables below.

Table 135 ARR for Wires Business for FY 2022-23 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Operation and Maintenance Expenses	5,099.66	5,138.76	5,138.76	39.10
Depreciation	2,419.72	2,492.58	2,447.52	27.80
Interest on Loan Capital	853.83	799.89	801.81	(52.02)
Interest on Working Capital	123.98	115.18	112.17	(11.81)
Interest on deposit from Consumers and Distribution System Users	40.44	44.80	44.80	4.36
Other Finance Charges	0.00	4.98	4.98	4.98

Particulars	FY 2022-23			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Provision for bad and doubtful debts	73.05	90.59	75.38	2.33
Opex Schemes	30.05	27.26	12.33	(17.72)
Contribution to contingency reserves	0.00	86.50	86.50	86.50
Income Tax	0.00	0.00	0.00	0.00
Return on Equity Capital	1,719.86	1,930.35	1,743.41	23.55
Aggregate Revenue Requirement from Wire	**10,360.59**	**10,730.88**	**10,467.67**	**107.08**

Table 136: ARR for Supply Business for FY 2022-23 as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Power Purchase Expenses (including Inter-State Transmission Charges)	69,050.90	83,935.75	83,935.75	14,884.85
Operation and Maintenance Expenses	2,745.97	2,767.02	2,767.02	21.05
Depreciation	268.86	276.95	271.95	3.09
Interest on Loan Capital	94.87	88.88	89.09	(5.78)
Interest on Working Capital	0.00	0.00	0.00	0.00
Interest on Consumer Security Deposit	364.00	403.22	403.22	39.22
Other Finance Charges	0.00	44.81	44.81	44.81
Provision for bad and doubtful debts	657.47	815.29	678.45	20.98
Other Expenses	57.97	252.07	250.66	192.69
Income Tax	0.00	0.00	0.00	0.00
Intra-State Transmission Charges	5,915.07	6,067.35	6,067.35	152.28
Incentives/Discounts	367.37	477.37	477.37	110.00
Contribution to contingency reserves	0.00	9.61	9.61	9.61
DSM Expenses	0.00	0.00	0.00	0.00
Return on Equity Capital	214.69	217.60	217.59	2.90
RLC refund	0.00	1.42	1.42	1.42
Additional Surcharge Refund	180.00	163.82	163.82	(16.18)
Effect of sharing of gains/ losses	0.00	23.91	(2,669.68)	(2,669.68)
Past Period Surplus	0.00	0.00	0.00	0.00
Revenue Gap Recovery Allowed	4,018.00	4,018.00	4,018.00	0.00
Impact of payment to MPECS in future years	31.14	31.39	31.39	0.25
Opex Scheme	40.01	33.31	18.38	(21.63)
Incremental Consumption Rebate	546.44	1,043.67	1,043.67	497.23
Total Revenue Expenditure	**84,552.74**	**1,00,671.45**	**97,819.87**	**13,267.13**

Table 137: ARR for FY 2022-23 (Wires + Supply) as approved by the Commission (Rs. Crore)

Particulars	FY 2022-23			
	MTR Order	MYT Petition	Approved in the Order	True-up requirement
Power Purchase Expenses	69,050.90	83,935.75	83,935.75	14,884.85
Operation and Maintenance Expenses	7,845.63	7,905.78	7,905.78	60.15
Depreciation Expenses	2,688.58	2,769.53	2,719.47	30.89
Interest on Loan Capital	948.70	888.76	890.90	(57.80)
Interest on Working Capital	123.98	115.18	112.17	(11.81)
Interest on Consumers Security Deposit	404.44	448.02	448.02	43.58
Other Finance Charges	0.00	49.79	49.79	49.79
Provision for bad and doubtful debts	730.52	905.88	753.83	23.31
Other Expenses	57.97	252.07	250.66	192.69
Income Tax	0.00	0.00	0.00	0.00
Intra-State Transmission Charges MSLDC charge	5,915.07	6,067.35	6,067.35	152.28
Incentives/Discounts	367.37	477.37	477.37	110.00
Contribution to Contingency Reserves	0.00	96.11	96.11	96.11
Opex Scheme	70.05	60.57	30.71	(39.34)
DSM expenses	0.00	0.00	0.00	0.00
Return on Equity Capital	1,934.55	2,147.95	1,961.00	26.45
RLC refund	0.00	1.42	1.42	1.42
Additional Surcharge Refund	180.00	163.82	163.82	(16.18)
Effect of sharing of gains/losses	0.00	23.91	(2,669.68)	(2,669.68)
Past Period Adjustment by Commission	0.00	0.00	0.00	0.00
Revenue Gap Recovery Allowed	4,018.00	4,018.00	4,018.00	0.00
Add: Impact of payment to MPECS in future years	31.14	31.39	31.39	0.25
Incremental and Bulk Consumption Rebate	546.44	1,043.67	1,043.67	497.23
STU Charges	0.00	0.00	0.00	0.00
Aggregate Revenue Requirement	**94,913.34**	**1,11,402.33**	**1,08,287.54**	**13,374.21**
Revenue from Sale of Power	1,00,328.63	93,201.33	93,003.32	(7,325.31)
Non-Tariff Income	317.96	652.85	548.85	230.89
Income from Open Access Charges	216.69	157.17	157.17	(59.52)
Income from Trading of Surplus Power	175.49	310.04	310.04	134.55
Income from Wheeling Charges	0.00	0.00	0.00	0.00
Income from Additional Surcharge	115.52	52.46	52.46	(63.06)
Total Revenue	**1,01,154.28**	**94,373.85**	**94,071.84**	(7,082.44)
Revenue Gap/(Surplus)	**(6,240.94)**	**17,028.49**	**14,215.71**	**20,456.65**

3.33.2 Based on the analysis of ARR for Truing-up of accounts for FY 2023-24 the summary of ARR components as approved by the Commission as shown in the Tables below:

Table 138: ARR for Wires Business for FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Operation and Maintenance Expenses	5,357.66	6,070.42	5,422.79	65.13
Depreciation	2,486.12	2,452.85	2,328.36	(157.76)
Interest on Loan Capital	743.55	701.75	707.89	(35.66)
Interest on Working Capital	125.75	130.82	111.09	(14.66)
Interest on deposit from Consumers and Distribution System Users	42.47	69.09	69.09	26.63
Other Finance Charges	0.00	4.37	4.37	4.37
Provision for bad and doubtful debts	73.05	98.37	90.04	16.98
Opex Schemes	44.23	17.28	7.39	(36.84)
Contribution to contingency reserves	0.00	156.86	156.86	156.86
Income Tax	0.00	0.00	0.00	0.00
Return on Equity Capital	1,730.37	2,022.38	1,824.10	93.73
Aggregate Revenue Requirement from Wire	**10,603.19**	**11,724.20**	**10,721.97**	**118.78**

Table 139: ARR for Supply Business for FY 2023-24 as approved by the Commission (Rs. Crore)

Particulars	FY 2023-24			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Power Purchase Expenses (including Inter-State Transmission Charges)	72,645.22	84,867.33	84,867.33	12,222.11
Operation and Maintenance Expenses	2,885.00	3,268.69	2,919.96	35.07
Depreciation	276.24	272.54	258.71	(17.53)
Interest on Loan Capital	82.62	77.97	78.65	(3.96)
Interest on Working Capital	0.00	0.00	0.00	0.00
Interest on Consumer Security Deposit	382.20	621.84	621.84	239.64
Other Finance Charges	-	39.34	39.34	39.34
Provision for bad and doubtful debts	657.47	885.34	810.34	152.86
Other Expenses	60.87	231.93	181.90	121.03
Income Tax	0.00	0.00	0.00	0.00
Intra-State Transmission Charges	8,593.72	8,666.77	8,666.77	73.05
Incentives/Discounts	385.73	561.63	561.63	175.90
Contribution to contingency reserves	0.00	17.43	17.43	17.43
DSM Expenses	0.00	0.00	0.00	0.00
Return on Equity Capital	215.98	240.32	238.52	22.54
RLC refund		2.77	2.77	2.77

Particulars	FY 2023-24			
	MTR Order	MYT Petition	Approved in the order	True-Up
	(a)	(b)	(c)	(d) = (c) - (a)
Additional Surcharge Refund	180.00	168.13	168.13	(11.87)
Effect of sharing of gains/losses	0.00	456.75	(2,056.87)	(2,056.87)
Past Period Surplus	0.00	4,925.00	4,925.00	4,925.00
Revenue Gap Recovery Allowed	5,585.00	5,585.00	5,585.00	0.00
Impact of payment to MPECS in future years	28.13	28.38	28.38	0.25
Opex Scheme	40.23	31.13	21.24	(18.99)
Incremental Consumption Rebate	426.45	1,030.40	1,030.40	603.95
Total Revenue Expenditure	**92,444.74**	**1,11,978.68**	**1,08,966.45**	**16,521.71**

Table 140: ARR for FY 2023-24 (Wires + Supply) as approved by Commission (Rs. Crore)

Particulars	FY 2023-24			
	MTR Order	MYT Petition	Approved in the Order	True up requirement
Power Purchase Expenses	72,645.22	84,867.33	84,867.33	12,222.11
Operation & Maintenance Expenses	8,242.55	9,339.11	8,342.76	100.21
Depreciation Expenses	2,762.36	2,725.38	2,587.07	(175.29)
Interest on Loan Capital	826.17	779.72	786.54	(39.63)
Interest on Working Capital	125.75	130.82	111.09	(14.66)
Interest on Consumers Security Deposit	424.66	690.93	690.93	266.27
Other Finance Charges	0.00	43.71	43.71	43.71
Provision for bad and doubtful debts	730.52	983.71	900.37	169.85
Other Expenses	60.87	231.93	181.90	121.03
Income Tax	0.00	0.00	0.00	0.00
Intra-State Transmission Charges MSLDC charge	8,593.72	8,666.77	8,666.77	73.05
Incentives/Discounts	385.73	561.63	561.63	175.90
Contribution to Contingency Reserves	0.00	174.29	174.29	174.29
Opex Scheme	84.45	48.41	28.62	(55.83)
DSM expenses	0.00	0.00	0.00	0.00
Return on Equity Capital	1,946.35	2,262.70	2,062.62	116.27
RLC refund	0.00	2.77	2.77	2.77
Additional Surcharge Refund	180.00	168.13	168.13	(11.87)
Effect of sharing of gains/losses	0.00	456.75	(2,056.87)	(2,056.87)
Past Period Adjustment by Commission	4,925.00	4,925.00	4,925.00	0.00

Particulars	FY 2023-24			
	MTR Order	MYT Petition	Approved in the Order	True up requirement
Revenue Gap Recovery Allowed	5,585.00	5,585.00	5,585.00	0.00
Add: Impact of payment to MPECS in future years	28.13	28.38	28.38	0.25
Incremental and Bulk Consumption Rebate	426.45	1,030.40	1,030.40	603.95
STU Charges	0.00	0.00	0.00	0.00
Aggregate Revenue Requirement	**1,07,972.93**	**1,23,702.88**	**1,19,688.43**	**11,715.50**
Revenue from Sale of Power	1,06,990.00	1,13,373.15	1,13,122.95	6,132.95
Non-Tariff Income	333.86	504.92	504.92	171.06
Income from Open Access Charges	214.76	270.85	270.85	56.10
Income from Trading of Surplus Power	0.00	288.51	288.51	288.51
Income from Wheeling Charges	0.00	0.00	0.00	0.00
Income from Additional Surcharge	112.63	80.50	80.50	(32.14)
Total Revenue	**1,07,651.25**	**1,14,517.93**	**1,14,267.73**	**6,616.48**
Revenue Gap/(Surplus)	**321.68**	**9,184.95**	**5,420.70**	**5,099.02**

3.33.3 **Accordingly, the Commission approved the ARR** of Rs**.** 1,08,287.54 Crore for FY 2022-23 and Rs. 1,19,688.43 Crore for FY 2023-24. Revenue gaps/(surplus) identified at the end of the year is allowed for recovery along with the ARR for FY 2025-26 considering the associated carrying / (holding) cost as well.

3.33.4 **The variation in ARR submitted by MSEDCL and approved by the Commission is mainly due to reduction in depreciation, interest on loan, return on equity, provision for bad & doubtful debt and other expenses based on reconciliation from Audited Accounts.**

4 Provisional True-up for FY 2024-25

4.1 Category Wise Sales for FY 2024-25

MSEDCL's Submission

4.1.1 MSEDCL submitted that it has estimated the sales of FY 2024-25 considering 6 months actuals (H1 sales) and 6 months projections (H2 sales). 6 months projections for H2 have been considered based on 5-year CAGR growth rate for historical sales for H2.

4.1.2 The estimated sales for the FY 2024-25 excluding the sales in the areas of the Distribution Franchisee is provided as per the table below:

Table 141: Category wise Sales for FY 2024-25 as submitted by MSEDCL (MUs)

Particulars	MTR Order	MYT Petition	Deviation
Residential	26,826.47	26,012.09	-814.38
Commercial	9,011.21	9,108.64	97.45
HT-Industries	40,737.83	39,257.80	-1,480.03
LT-Industries	9,952.75	11,412.30	1,459.55
PWW	963.28	972.60	9.31
Streetlight	896.33	1,117.50	221.18
Agriculture	27,768.18	37,624.24	9,856.06
Public Services	775.54	879.67	104.13
Railways	114.64	146.74	32.10
Others	4,928.53	5,439.74	511.19
MSEDCL Excl. DF	**1,21,974.76**	**1,31,971.32**	**9,996.56**

4.1.3 MSEDCL has provided the details of month wise sales as in the MYT Regulatory Formats. MSEDCL requested the Commission to approve the Sales for FY 2024-25 as submitted in this Petition.

Commission's Analysis and Ruling

<u>Provisional True-up of Non-AG Sales for FY 2024-25:</u>

4.1.4 For provisional true-up of sales for FY 2024-25, the Commission has reviewed the actual sales of first half i.e. H1 (April, 2024 to September, 2024) as well as the estimated sales for H2 (October, 2024 to March, 2025) based on the historical sales trends claimed by MSEDCL vis-à-vis that approved in the MTR Order in Case No. 226 of 2022 except the claim for AG Sales.

4.1.5 The variation in the revised sales estimate vis-à-vis that projected under MTR Order is 9,996.56 MUs, as there is increase across few consumer categories and reduction in some of the categories. The variation in projected sales is mainly on account of variation in Sales of HT-Industrial, Residential, LT-Industrial i.e. (1,480.03) MUs, (814.38) MUs, 1459.55 MUs, respectively and variation in LT AG Sales (Metered and Un- metered) of 9,856.06 MUs as compared to that approved under MTR Order. For the purpose of Provisional True-up, the Commission has provisionally accepted the actual sales reported for first half (April to September) for Non-AG consumer categories, whereas for the projection of sales for second half (October to March), the Commission has re-estimated category wise sales based on the historical trend in sales as provided by MSEDCL.

4.1.6 The Commission notes that, the sales of streetlight connection is driven by new connections request by local bodies. It is observed that, MSEDCL has shown substantial increase in sale in True up year FY 2022-23 and FY 2023-24. MSEDCL is directed to demonstrate the streetlight sales vis-à-vis no of connections during True up for FY 2024-25 corroborated with historical data.

Provisional True-up of AG Sales for FY 2024-25:

4.1.7 As discussed in the earlier sections true-up for FY 2022-23 and FY 2023-24, the Commission has elaborated the computation of AG index for FY 2023-24. The same AG Index is taken to estimate the provisional AG Sales for FY 2024-25.

4.1.8 Based on the above, the approved Sales for the purpose of provisional true-up for FY 2024-25 is as summarised in the table below:

Table 142: Sales for FY 2024-25 as provisionally approved by the Commission (MU)

Particulars	MTR Order	MYT Petition	Approved in this Order
HT Sales	47,788	46,700	48,302
LT Sales- Excluding AG Sales	46,419	47,647	46,780
LT Sales - AG Sales	27,768	37,624	33,729
Total Sales (Excl. DF)	**1,21,975**	**1,31,971**	**1,28,812**
Energy Sales in Bhiwandi DF Area	3,492.00	3,589.63	3,734.04
Energy Sales in Malegaon DF Area	767	862.32	888.65
Energy Sales in Thane DF Area	571	612.84	602.71
Total Energy Sales (Incl. of DF Sales)	**1,26,805**	**1,37,036**	**1,34,037**

4.2 Distribution Losses for FY 2024-25

4.2.1 MSEDCL has submitted that in the MTR order in Case No. 226 of 2022, the Commission had approved Distribution Loss of 11.96% (excluding EHV Sales and OA Sales) for FY 2024-25.

4.2.2 The actual Distribution loss for H1 of FY 2024-25 is recorded as 16.09%. The Distribution loss for H2 is derived from the estimated Energy Balance of H2 of FY 2024-25. MSEDCL has accordingly estimated the Distribution Loss of 16.71% for FY 2024-25 as shown in the following table.

Table 143: Distribution Loss for FY 2024-25 as submitted by MSEDCL (%)

Particulars	MTR Order	MYT Order	Deviation
Distribution Loss (Excluding EHV)	11.96%	16.71%	4.75%

Commission's Analysis and Ruling

4.2.3 The Commission had stipulated the trajectory for reduction of Distribution Loss in its MYT Order for 4th control period in Case No. 322 of 2019. Based on the revised formats and methodology for computation of Distribution Loss by considering the sales at the distribution periphery excluding EHV sales, the Distribution Loss level stipulated for FY 2024-25 was 11.96% in the MYT Order. Accordingly, the Commission had also approved the same value of Distribution Loss of 11.96% in its revised projections in the latest MTR Order. This has formed the basis for estimated approval of the Energy Balance in the previous MTR Order for that year. Further, MSEDCL now has submitted a Distribution Loss level of 16.71% for FY 2024-25 which is higher than the estimated target. The Commission has elaborated in earlier paragraphs regarding estimation of AG sales and its consequent impact on distribution loss.

4.2.4 Accordingly, for the purpose of Energy Balance and assessment of distribution loss for FY 2024-25 under this Order, the Commission has now approved revised Energy Sales of 1,41,801 MU for FY 2024-25 against the claim of 1,44,799 MU including DF Sales, OA Sales and Solar Offset Units. Based on this, the approved Distribution Loss for FY 2024-25 is as shown in the Table below:

Table 144: Distribution Loss for FY 2024-25 as approved by the Commission (%)

Particulars	MTR Order	MYT Petition	Approved in this Order
Distribution Loss (Excluding EHV)	11.96%	16.71%	11.96%

4.3 Energy Balance for FY 2024-25

MSEDCL's Submission

4.3.1 MSEDCL has submitted that while calculating energy balance of MSEDCL, the sale to the consumers of the Distribution Franchisee area has also been considered. Further, MSEDCL has to consider the loss within the Franchisee area for Energy balance. Therefore, estimated energy balance for FY 2024-25 is computed as below:

Table 145: Energy Sales for MSEDCL for FY 2024-25 as submitted by MSEDCL (MUs)

Particulars	MTR Order	MYT Petition	Deviation
Sales excl. DF	1,21,975.00	1,31,971.00	9,996.56
Sales (Bhiwandi DF)	3,492.00	3,589.63	97.63
Sales (Malegaon DF)	767	862.32	95.32
Sales (Thane DF)	571	612.84	41.84
Total Sales	**1,26,805.00**	**1,37,035.79**	**10,230.79**
Add: OA Sales (Conventional)	5,106.00	4,019.00	-1,087.00
Add: OA Sales (Non - Conventional)	3,826.00	3,744.00	-82.00
Add: Energy Sales due to surplus	-0.13	-	
Total Energy Sales	**1,35,736.87**	**1,44,798.79**	**9,061.92**

4.3.2 MSEDCL has submitted that the total energy sales estimated for FY 2024-25 is 1,44,798.79 MUs as compared to 1,35,736.87 MUs which was approved by the Commission in MTR order dated 31st March 2023.

4.3.3 MSEDCL has submitted that considering the principles discussed in energy balance for FY 2022-23 and FY 2023-24 MSEDCL has computed the energy balance for FY 2024-25 as summarised in the following table.

Table 146: Energy balance for FY 2024-25 as submitted by MSEDCL

Sr. No.	Particulars	Calculation	UOM	MTR Order	MYT Petition
1	LT Agriculture Sales (Including D.F)	a	MU	27,533.29	37,647.63
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	50,640.13	51,870.99
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	34,446.31	33,822.34
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,12,619.73**	**1,23,340.96**
5	OA Sales (Renewables)	e	MU	3,826.00	3,744.03
6	OA Sales (Conventional)	f	MU	5,106.00	4,019.15
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,21,551.73**	**1,31,104.14**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	-0.13	-
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,21,551.60**	**1,31,104.14**
10	**Total Power Purchase**	**D=g+h**	**MU**	1,48,136.57	1,68,448.00
11	Power Purchase Quantum from Intra-State sources	g	MU	1,12,458.55	1,15,500.46
12	Power Purchase Quantum from Inter-State sources	h	MU	35,678.02	52,947.54
13	**Inter-State Losses**	**i**	**%**	3.55%	3.55%
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	34,411.45	51,067.90
15	Add: FBSM		MU	826.00	-827.00

Sr. No.	Particulars	Calculation	UOM	MTR Order	MYT Petition
16	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	**MU**	**1,47,696.00**	**1,66,568.36**
17	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	3,953.57	3,875.00
18	Input for OA Consumption	m=f/(1-q)	MU	5,273.63	4,159.75
19	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,56,923.20**	**1,74,603.11**
20	Surplus Power Traded	o=B	MU	-0.13	-
21	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,56,923.33**	**1,74,603.11**
22	**Intra-State Transmission Loss**	**q**	**%**	3.18%	3.38%
23	Intra-State Transmission Loss	r=p*q	MU	4,987.91	5,901.59
24	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,51,935.42	1,68,701.52
25	EHV Sales	t	MU	14,185.42	13,691.69
26	Net Energy Available for Sale at 33kV	u=s-t	MU	1,37,750.00	1,55,009.83
27	Energy injected and drawn at 33kV	v	MU	904.61	1,105.96
28	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	**1,36,845.39**	**1,56,115.79**
29	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	**1,27,913.39**	**1,48,081.04**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**# G=E-A**	**MU**	**15,293.66**	**24,740.08**
31	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**11.96%**	**16.71%**

4.3.4 MSEDCL has requested the Commission to approve the Energy Balance as shown in the table above.

Commission's Analysis and Rulings

4.3.5 The Energy Balance submitted by MSEDCL for FY 2024-25 is as per Form 1.4 approved for the 4th Control Period, in which Distribution Loss has been estimated excluding EHV Sales.

4.3.6 The Commission has considered the conventional Open Access Sales and RE Open Access Sales as submitted by MSEDCL. The actual data up to September 2024 and estimated power Purchase quantum and cost was made available by MSEDCL. Accordingly, the submissions by MSEDCL are extrapolated further for FY 2024-25.

4.3.7 The Commission has discussed its approach for estimation of AG sales in true up section of this Order, same has been considered for the purpose of AG sales, Energy Balance and assessment of distribution losses thereof for provisional true-up of FY 2024-25.

4.3.8 Based on the revised estimate of LT AG Sales by the Commission as approved in this Order, the approved sales including the DF sales, OA sales and solar offset units as available for the Energy Balance of FY 2024-25 is as shown below.

Table 147: Energy Available for Sale for FY 2024-25 as approved by the Commission (MU)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Sales excl. DF	1,21,975.00	1,31,971.00	1,28,812.91
Sales (Bhiwandi DF)	3,492.00	3,589.63	3,734.04
Sales (Malegaon DF)	767	862.32	888.65
Sales (Thane DF)	571	612.84	602.71
Total Sales	**1,26,805.00**	**1,37,035.79**	**1,34,038.31**
Add: OA Sales (conventional)	5,106.00	4,019.00	4,019.00
Add: OA Sales (non-conventional)	3,826.00	3,744.00	3,744.00
Add: Energy Sales due to surplus	-0.13	0.00	0.00
Total Energy Sales	**1,35,736.87**	**1,44,798.79**	**1,41,801.31**

4.3.9 The Commission has followed a bottom-up approach while provisionally approving the Energy Balance for FY 2024-25. The Quantum of sales to consumers is projected first. This energy requirement provides the basis for further grossing-up for Distribution Loss, Intra-state loss and Inter-state loss to arrive at the actual energy input requirement to be procured.

4.3.10 The Commission has considered the energy injected and drawn at 33 kV as submitted by MSEDCL as this information is energy injected and drawn at 33 kV is maintained at circle offices of MSEDCL. The Commission has considered the InSTS loss of 3.38% for FY 2024-25. The Commission has considered the Surplus Energy Trade of 826 Mus, same as submitted by MSEDCL.

4.3.11 For provisional truing-up of FY 2024-25, the Energy Balance reported by MSEDCL and approved by the Commission for FY 2024-25 is presented in the Table below:

Table 148: Energy Balance for FY 2024-25 as approved by the Commission

Sr. No.	Particulars	Calculation	UOM	FY 2024-25		Approved in this Order
				MTR Order	MYT Petition	
1	LT Agriculture Sales (Incl. D.F)	a	MU	27,533	37,648	33,538
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	50,640	51,871	51,350
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	34,446	33,822	34,872
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,12,620**	**1,23,341**	**1,19,760**
5	OA Sales (Renewables)	e	MU	3,826	3,744	3,744
6	OA Sales (Conventional)	f	MU	5,106	4,019	4,019
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,21,552**	**1,31,104**	**1,27,523**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	-0.13	-	

Sr. No.	Particulars	Calculation	UOM	FY 2024-25		Approved in this Order
				MTR Order	MYT Petition	
9	**Retail Energy Sale including surplus traded (Excl. EHV Sales)**	**C=A+B**	**MU**	**1,21,552**	**1,31,104**	**1,27,523**
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,48,137**	**1,68,448**	**1,56,917**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,12,459	1,15,500	1,05,048
12	Power Purchase Quantum from Inter-State sources	h	MU	35,678	52,948	51,869
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.55%**	**3.55%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	34,411	51,068	50,027
15	Add: DSM		MU	826	-827	-826
16	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	**MU**	**1,47,696**	**1,66,568**	**1,54.249**
17	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	3,954	3,875	3,871
18	Input for OA Consumption	m=f/(1-q)	MU	5,274	4,160	4,155
19	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,56,923**	**1,74,603**	**1,62,276**
20	Surplus Power Traded	o=B	MU	0	-	0
21	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,56,923**	**1,74,603**	**1,62,276**
22	**Intra-State Transmission Loss**	**q**	**%**	**3.18%**	**3.38%**	**3.38%**
23	Intra-State Transmission Loss	r=p*q	MU	4,988	5,902	5,323
24	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,51,935	1,68,702	1,56,953
25	EHV Sales	t	MU	14,185	13,692	14,274
26	Net Energy Available for Sale at 33kV	u=s-t	MU	1,37,750	1,55,010	1,42,679
27	Energy injected and drawn at 33kV	v	MU	905	1,106	1,376
28	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	**1,36,845**	**1,56,116**	**1,44,055**
29	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	**1,27,913**	**1,48,081**	**1,36,029**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**# G=E-A**	**MU**	**15,294**	**24,740**	**16,269**
31	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**11.96%**	**16.71%**	**11.96%**

4.4 Power Purchase Expenses for FY 2024-25

MSEDCL's Submission

4.4.1 MSEDCL submitted that it has considered the actual power purchase till September 2024 and estimated the power purchase for remaining 6 months of FY 2024-25 based on Monthly MOD Principle. The total estimated power purchase expense for FY 2024-25 is Rs. 80,747.35 Crore. The following table summarizes the source wise power purchase estimated by MSEDCL for FY 2024-25.

Table 149: Source Wise estimated Power Purchase for FY 2024-25 as submitted by MSEDCL

Source	Power Purchase Quantum (MUs)			Power Purchase Cost (in Rs. Crore)			Power Purchase Cost (Rs. /kWh)		
	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation
MAHAGEN CO	52,553.19	56,194.00	3,640.81	28,734.86	31,453.00	2,718.14	5.47	6.26	0.79
NTPC	25,475.68	38,226.00	12,750.32	10,519.27	15,874.00	5,354.73	4.13	5.57	1.44
NPCIL	4,945.95	7,632.00	2,686.05	1,618.92	2,736.00	1,117.08	3.27	2.88	(0.39)
SSP	1,213.26	1,135.90	(77.36)	248.75	232.86	(15.89)	2.05	2.05	0.00
Pench	136.89	134.68	(2.21)	28.05	27.61	(0.45)	2.05	2.05	0.00
Dodson	116.04	99.57	(16.47)	32.95	24.29	(8.67)	2.84	2.44	(0.40)
JSW	-	2,052.39		192.64	1,019.35	826.71		4.97	4.97
CGPL	-	5,014.96	5,014.96	-	2,414.19	2,414.19		4.81	4.81
Adani Power	12,053.60	17,689.00	5,635.40	7,793.72	10,351.00	2,557.28	6.47	7.48	1.01
EMCO Power	1,373.82	1,490.64	116.82	556.25	624.8	68.55	4.05	6.72	2.67
Rattan India	8,242.91	8,668.00	425.09	3,383.31	3,141.00	(242.31)	4.10	3.62	(0.48)
Sai Wardha	1,551.61	1,851.50	299.89	756.88	801.72	44.84	4.88	4.33	(0.55)
Renewables	35,398.91	20,451.00	(14,947.91)	14,541.62	9,024.00	(5,517.62)	4.11	5.16	1.05
Hydro	4,285.91	3,639.04	(646.87)	835.79	796.82	(38.97)	1.95	2.19	0.24
Subhansari Hydro	774.75	183.17	(591.58)	348.64	91.58	(257.06)		5.00	5.00
Short Term	-	2,579.15	2,579.15	-	1,638.27	1,638.27		6.35	6.35
IEPL	-	1,406.36	1,406.36	-	496.85	496.85		3.53	3.53
MPEB									
Traders									
REC									
Other Adjustments	-	-	-	-			-	-	-
PGCIL Charges	-	-	-	4,037.00		(4,037.00)	-	-	-
FBSM	-	-	-	-	-	-	-	-	-

Source	Power Purchase Quantum (MUs)			Power Purchase Cost (in Rs. Crore)			Power Purchase Cost (Rs. /kWh)		
	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation	Approved in MTR order	Actual	Deviation
Total Power Purchase	**1,48,122.52**	**1,68,447.36**	**20,324.84**	**73,628.67**	**80,747.35**	**7,118.68**	**4.97**	**4.79**	**(0.18)**

4.4.2 MSEDCL has requested the Commission to approve the power purchase as submitted in the above table.

4.4.3 MSEDCL submitted that details of RE Purchase for FY 2024-25 are provided in following table.

Table 150: RE Purchase for FY 2024-25 as submitted by MSEDCL

Generator Name	Energy Purchase at Bus Bar (MUs)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs./kWh)
Solar	10,575.86	3,881.34	3.67
Wind	5,202.02	2,335.71	4.49
Bagasse based Co-gen	3,855.61	2,413.61	6.26
Biomass	125.30	104.48	8.34
Small Hydro	317.83	106.15	3.34
MSW	374.45	182.73	4.88
Total	20,451.07	9,024.02	4.41

Commission's Analysis and Rulings

4.4.4 The Commission observes that MSEDCL has estimated higher power purchase Quantum against the approved under MTR order (deviation of 20,324.84 MUs). However, after detailed scrutiny of estimates of Energy Sales, the Commission observes that deviation is mainly because of higher requirement of power Purchase quantum against the agricultural consumption as discussed in true up section of this Order.

4.4.5 Accordingly, based on the total power purchase at G<>T periphery approved by the Commission in Table 148. The power purchase cost has been estimated based on the MoD principles after undertaking the detailed scrutiny of the submissions/claims made by MSEDCL and sought clarification on various counts as presented in the subsequent paragraphs.

MSPGCL:

4.4.6 The Commission has considered the Fixed cost, Energy Charge rate, availability and auxiliary consumption as provisionally approved by the Commission in the MSPGCL MYT Order in Case No. 187 of 2024.

4.4.7 Accordingly, based on the MoD principle, the power purchase quantum for FY 2024-25 is estimated as 53,342 MU as against 56,194 MU as estimated by

MSEDCL. Further, the power purchase cost from MSPGCL units is estimated as Rs. 30,026 Crore as against Rs. 31,452 Crore as estimated by MSEDCL.

NTPC:

4.4.8 The Commission has sought for the sample copies of bills paid for NTPC till September 2024 in the data query and upon verification of the sample bills, the Commission found it in order.

4.4.9 Accordingly, the Commission has considered the Variable Cost of FY 2024-25 as submitted by MSEDCL. In addition, the Commission has considered the availability of NTPC stations as per MTR Order in Case No. 226 of 2022 and ISTS loss at 3.55% to arrive at ex-bus energy to the total energy available at State Periphery.

4.4.10 Accordingly, after applying MOD principle for all available resources, the Commission has estimated the power purchase quantum from NTPC stations as 37,144 MU as against 38,226 MU as estimated by MSEDCL. Further, power purchase cost from NTPC units is estimated as Rs. 14,935 Crore as against Rs. 15,874 Crore as submitted by MSEDCL.

IPPs:

4.4.11 The Commission has sought for the Sample copies of bills till September 2024 in the data gap query and upon verification of the sample bills, the Commission found it in order.

4.4.12 Accordingly, the Commission has considered the Variable Cost for IPPs for FY 2024-25 as submitted by MSEDCL as it has already factored in the impact of actual rate of Change in Law claims made by respective IPPs. Further, availability and auxiliary consumption is considered as approved by the Commission in MTR Order in Case No. 226 of 2024.

4.4.13 In line with above consideration and after applying MOD principle, the power purchase quantum for IPP stations is 32,057 MUs as against 38,173 MUs as estimated by MSEDCL. Further, power purchase cost from IPPs is Rs. 16,081 Crore as against Rs. 18,849 Crore as estimated by MSEDCL.

RPO Compliance:

4.4.14 In accordance with the MERC RPO Regulations, 2024, the following are the RPO targets for FY 2024-25 as specified by the Commission as follows:

Table 151: RPO Targets for FY 2024-25 as specified by the Commission (%)

Financial Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2024-25	0.67%	0.38%	1.50%	27.35%	**29.91%**

4.4.15 The Commission asked MSEDCL to submit the RPO Shortfall/Surplus and plan to mitigate the shortfall for the FY 2024-25. In response, MSEDCL submitted the target quantum of RE purchase vis-à-vis achieved RE quantum for FY 2024-25.

Table 152: RPO Compliance for FY 2024-25 as submitted by MSEDCL

Particulars	Target		Achievement		Surplus/ Shortfall (-)
	%	MU	%	MU	MU
Wind RPO	0.67%	1,139.49	0.23%	212.00	-927.49
HPO	0.38%	646.27	0.26%	424.21	-222.06
Distributed RPO	1.50%	2,551.10	4.68%	6,391.00	3,839.90
Other RPO	27.35%	46,514.97	15.18%	25,340.43	-21,174.53
Total RPO	**29.91%**	**50,851.83**	**20.55%**	**32,367.64**	**-18,484.18**

4.4.16 The Commission noted that MSEDCL has not complied with the stand alone RPO target of 29.91% for FY 2024-25 as there is a shortfall of 18,484.48 MU. Therefore, the Commission sought details of the steps undertaken by MSEDCL towards meeting the cumulative shortfall and plans to address the same.

4.4.17 In response to this, MSEDCL submitted that it has a total contracted capacity of 47,670 MW out of which 27,127 MW capacity comes from Solar power and 20,543 MW capacity of Non-Solar Power as on November 2024. However, the total capacity commissioned as on November 2024 is 16,309 MW. The source-wise contracted capacity as submitted by MSEDCL are as follows:

Table 153: Contracted v/s Commissioned Capacity as on Nov 2024 as submitted by MSEDCL (MW)

Sr. No.	Source	Contracted Capacity	Commissioned Capacity
1	Wind (commissioned before 31.03.2024)	3,386	2,759
2	Bagasse based Co-generation	2,827	2,690
3	Biomass	37	37
4	Small Hydro	307	304
5	Solar (Centralized)	14,206	3,706
	Solar (MSKVY)	1,531	614
	Solar (Kusum A)	196	4
	Solar (Kusum C)	108	89
	Solar (MSKVY 2.0)	8,150	55
	Total Solar	**24,191**	**4,468**
6	Wind-Solar Hybrid	4,331	225
7	RTC/Storage	1,468	-
8	Municipal Solid waste	17	4
Sub-Total A		**36,565**	**10,487**
9	Major Hydro commissioned before 31.03.2024	2,636	2,636
10	HPO- Major Hydro contracted and commission after 31.03.2024	709	-
11	Pumped Storage Hydro including Battery Energy Storage System	4,824	250

Sr. No.	Source	Contracted Capacity	Commissioned Capacity
12	Solar Pumps	374	374
13	Rooftop Solar	2,562	2,562
Sub-Total B		**11,105**	**5,822**
Grand Total		**47,670**	**16,309**

4.4.18 Further, MSEDCL submitted that to achieve RPO target, the tenders are being aggressively called through transparent bidding during the last two years. Tenders of 5799 MW are floated to fulfil the wind purchase obligations during FY 2024-25. Similarly, to fulfil the hydro purchase obligations, MSEDCL has given consent for procurement of 526 MW of hydro power and 4,074 MW of pumped storage capacity. Also, MSEDCL has issued LoA for 750 MW capacity of BESS to meet the energy storage obligations. To meet the Distributed RPO targets, MSEDCL has contracted 9,985 MW capacity from various schemes such as MSKVY, MSKVY 2.0, KUSUM A and KUSUM C.

4.4.19 From the above submission, the Commission has observed that MSEDCL has a sufficient RE contracted capacity available for fulfilment of RPO targets. In case of Non-solar RE, the Commission notes the submission of MSEDCL that, the variation in actual CUF/PLF with normative CUF/PLF, would affect the actual generation from non-solar RE and may lead to shortfall in meeting RPO target.

4.4.20 In view of the above, as the Commission is undertaking provisional true-up of FY 2024-25, the Commission has noted the submissions of MSEDCL on status of RPO compliance of FY 2024-25. Further, the Commission has allowed carry forward to MSEDCL for RPO compliance from FY 2020-21 to FY 2023-24 by FY 2024-25.

4.4.21 In view of the above, the Commission shall review the RPO Compliance of MSEDCL for FY 2024-25 at the time of final True up for FY 2024-25.

<u>Short-term Power Purchase:</u>

4.4.22 In accordance with the paragraph quoted under the truing up Section for FY 2023-24 of this order, the Commission has approved the Ceiling tariff of Rs. 7.90 per kWh for FY 2024-25.

4.4.23 In reply to the data gap, MSEDCL has provided the monthly quantum and rate for short term power purchase till October 2024 as shown in the table given below:

Table 154: Short-term Power Purchase in FY 2024-25 H1 as submitted by MSEDCL

Month	Power Exchange	
	MU	Rs./kWh
Apr-24	341.70	5.09
May-24	118.67	5.93

Month	Power Exchange	
	MU	Rs./kWh
Jun-24	137.36	5.38
Jul-24	0.00	0.00
Aug-24	14.24	2.84
Sep-24	0.00	0.00
Oct-24	577.95	4.54
Total	**1,189.92**	**4.91**

4.4.24 The Commission notes that till October 2024, MSEDCL has procured 1189.92 MUs at an average rate of Rs. 4.91 per kWh which is under the ceiling tariff of Rs. 7.90 per kWh for FY 2024-25 in Case No. 190 of 2023.

PGCIL Charges:

4.4.25 The Commission has provisionally approved Rs. 3,539.07 Crore for the purpose of provisional true-up of FY 2024-25 as estimated by MSEDCL. However, the same shall be subject to scrutiny and prudence check at the time of True-up of FY 2024-25.

4.4.26 Accordingly, the Commission provisionally approves following power purchase expenses for FY 2024-25 as below:

Table 155: Power Purchase Expenses for FY 2024-25 as approved by the Commission

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
KAPP	1,007	367	3.65	1,007	367	3.65
KAPP 3 & 4	2,837	1,256	4.43	2,837	1,256	4.43
TAPP 1 & 2	553	-	-	553	-	-
TAPP 3 & 4	3,236	1,113	3.44	3,236	1,113	3.44
SSP	1,136	233	2.05	1,136	233	2.05
Pench	135	28	2.05	135	28	2.05
Dodson II	100	24	2.44	100	24	2.44
Subhansari Hydro	183	92	5.00	183	92	5.00
Hydro (Ghatghar)	3,639	797	2.19	3,639	797	2.19
Renewable - Solar	10,576	3,881	3.67	10,576	3,881	3.67
Renewable - Wind	5,202	2,336	4.49	5,202	2,336	4.49
Renewable - Bagasse based Co-gen	3,856	2,414	6.26	3,856	2,414	6.26
Renewable - Biomass	125	104	8.34	125	104	8.34
Renewable - Small Hydro	318	106	3.34	318	106	3.34
Renewable - MSW	374	183	4.88	374	183	4.88
Bhusawal - 3	661	508	7.69	439	397	9.05
Bhusawal - 4 & 5	6,268	3,666	5.85	6,268	3,666	5.85
Bhusawal - 6	2,450	1,071	4.37	2,450	1,071	4.37

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
Khaparkheda - 1 to 4	5,049	2,506	4.96	5,049	2,506	4.96
Khaparkheda - 5	3,490	1,717	4.92	3,490	1,717	4.92
Nashik- 3,4 & 5	1,960	1,511	7.71	1,198	1,115	9.30
Chandrapur - 3 to 7	10,003	5,416	5.41	9,461	5,184	5.48
Chandrapur - 8 & 9	6,249	3,465	5.55	6,249	3,465	5.55
Paras - 3 & 4	2,968	1,717	5.79	2,968	1,717	5.79
Parli - 6 & 7	1,702	1,355	7.96	1,069	1,031	9.64
Parli Replacement U 8	856	824	9.63	573	679	11.84
Koradi - 6	1,229	713	5.81	1,229	713	5.81
Koradi - 8 to 10	11,690	5,840	5.00	11,690	5,840	5.00
GTPS Uran	1,619	1,143	7.06	1,209	925	7.65
KSTPS	5,180	1,207	2.33	5,180	1,207	2.33
KSTPS III	988	257	2.60	988	257	2.60
VSTP I	3,272	946	2.89	3,272	946	2.89
VSTP II	2,766	708	2.56	2,766	708	2.56
VSTP III	2,219	601	2.71	2,219	601	2.71
VSTP IV	2,628	831	3.16	2,628	831	3.16
VSTP V	1,366	503	3.68	1,366	503	3.68
KhSTPS-II	1,122	401	3.58	1,122	401	3.58
SIPAT TPS 1	4,423	1,244	2.81	4,423	1,244	2.81
SIPAT TPS 2	2,335	660	2.83	2,335	660	2.83
Mauda I	2,856	1,644	5.75	2,856	1,644	5.75
Mauda II	2,878	1,553	5.40	2,878	1,553	5.40
NTPC Solapur	2,239	2,251	10.05	1,760	1,978	11.24
Lara	1,296	953	7.36	1,296	953	7.36
Gadarwara	1,202	562	4.68	1,202	562	4.68
Khargone	679	429	6.31	679	429	6.31
NVVNL Coal	126	56	4.45	77	34	4.45
Kawas	327	514	15.74	44	189	42.81
Gandhar	325	553	17.01	54	235	43.64
JSW	2,052	1,019	4.97	2,052	1,019	4.97
CGPL	5,015	2,414	4.81	5,015	2,414	4.81
APML 125 MW	466	349	7.48	306	262	8.55
APML 1320 MW	8,659	4,757	5.49	5,838	3,509	6.01
APML 1200 MW	7,305	4,218	5.77	4,693	3,039	6.48
APML 440 MW	1,260	1,027	8.15	736	772	10.49
GMR Energy	1,491	625	4.19	1,491	625	4.19
RIPL 450 MW	3,250	1,178	3.62	3,250	1,178	3.62
RIPL 750 MW	5,417	1,963	3.62	5,417	1,963	3.62
SWPGL 240 MW	1,852	802	4.33	1,852	802	4.33
IEPL	1,406	497	3.53	1,406	497	3.53

Generator Name	MYT Petition			Approved in this Order		
	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)	Energy Purchase at Bus Bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs/kWh)
Short Term	2,579	1,638	6.35	1,097	697	6.35
PGCIL Charges		3,539			3,539	
Total	**1,68,448**	**84,286**	**5.00**	**1,56,917**	**78,211**	**4.98**

4.4.27 **Accordingly, the Commission provisionally approves the energy purchase at bus bar of 1,56,917 MUs at an average power purchase rate of Rs. 4.98/kWh. The total provisionally approved cost of power purchase is Rs, 78,211 Crore for FY 2024-25 which is subject to prudence check at the time of truing up**.

4.5 Transmission Charges for FY 2024-25

4.5.1 The Commission has approved MSEDCL's share of InSTS Charges and MSLDC Charges for FY 2024-25 based on the respective MTR Orders of the Commission approving the InSTS Charges in Case No. 284 of 2022 and the AFC of MSLDC in Case No. 233 of 2022.

4.5.2 MSEDCL has considered the InSTS charges same as approved by the Commission for FY 2024-25 in the MTR Order for InSTS and the AFC of MSLDC.

4.5.3 Based on the above submission, the comparison of the approved and the estimated transmission charges for FY 2024-25 as shown below:

Table 156: Transmission Charges for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition	Deviation
Intra-State Transmission Charges	8,605.77	8,605.77	-
MSLDC Charges	33.01	33.01	-
Total	**8,638.78**	**8,638.78**	**-**

Commission's Analysis and Rulings:

4.5.4 For FY 2024-25, the Commission has considered the actual Transmission Charges and MSLDC charges paid by MSEDCL as per the Case No. 284 of 2022 and Case No. 233 of 2022 respectively for the purpose of provisional truing up of FY 2024-25.

4.5.5 Accordingly, InSTS charges and MSLDC charges as approved by the Commission for the purpose of provisional true-up for FY 2024-25 is summarized below:

Table 157: Transmission Charges for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Intra-State Transmission Charges	8,605.77	8,605.77	8,605.77
MSLDC Charges	33.01	33.01	33.01
Total	**8,638.78**	**8,638.78**	**8,638.78**

4.5.6 **Accordingly, the Commission provisionally approves the InSTS charges of Rs. 8,605.77 Crore and MSLDC charges of Rs. 33.01 Crore for FY 2024-25 which is subject to prudence check at the time of truing up**.

4.6 O&M Expenses for FY 2024-25

MSEDCL's Submission

4.6.1 MSEDCL submitted that it has estimated the O&M Expenses on normative basis for FY 2024-25 based on the provisions of Regulation 75 and 84 of MYT Regulations, 2019 which prescribes the O&M expenses norms for Distribution Wires and Retail Supply Business of electricity, respectively.

4.6.2 MSEDCL has submitted that for computation of revised normative O&M expenses for FY 2024-25, revised normative O&M expenses for FY 2023-24 has been escalated by the escalation factor of 5.53% derived for FY 2024-25.

4.6.3 MSEDCL has submitted that the calculated O&M expenses are allocated between the Wires Business and Retail Supply Business in the ratio specified in the allocation matrix provided in the MYT Regulations, 2019, i.e., 65% to Wires Business and 35% to Retail Supply Business.

4.6.4 Accordingly, MSEDCL has computed the O&M expense for Wires Business and Retail Supply Business of electricity for FY 2024-25 as shown in table below.

Table 158: Operation and Maintenance Expenses for FY 2024-25, as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
O&M Expenditure for Wires Business	5,628.71	6,405.95
O&M Expenditure for Supply Business	3,030.84	3,449.36
Operation and Maintenance Expenses	**8,659.55**	**9,855.31**

4.6.5 MSEDCL requested the Commission to approve Rs. 9,855.31 Crore as normative O&M expenses on a provisional basis for wires and supply business.

Commission's Analysis and Ruling

4.6.6 The Commission has applied the norms specified in Regulations 75 and 84 of the MYT Regulations, 2019 for approval of O&M Expenses for the Wires Business and Supply Business for FY 2024-25. The relevant extract of the regulation is as given below:

> *"75.3...*
>
> *Provided that, in the Truing-up of the Operation and Maintenance expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year." Provided further that the efficiency factor shall be considered as zero, in case there is an increase in the number of consumers including Open Access consumers connected to the Distribution Wires of at least 2 percent annually over the last 3 years:*

4.6.7 The Commission has computed the escalation factor for FY 2024-25 as specified in the above provisions of the MYT Regulations, 2019 and the same works out to 5.53%. No adjustment of efficiency factor has been considered while determining the escalation factor as the increase in the number of consumers including open access consumers has been more than 2 percent annually over the last 3 years. In accordance with the same, the revised normative O&M expenses as approved under this order for FY 2023-24 has been considered for deriving normative O&M expense of FY 2024-25.

4.6.8 For the purpose of deriving the escalation rate, CPI and WPI for the period FY 2019-20 to FY 2023-24 has been considered along as shown below.

Table 159: O&M expense escalation rate for FY 2024-25 as approved by the Commission (%)

Year	WPI	CPI
Average from FY 2019-20 to FY 2023-24	4.93%	5.78%
Weight	30.00%	70.00%
Escalation Factor		**5.53%**
Efficiency Factor		0.00%
Escalation Factor for FY 2024-25 net of Efficiency Factor		**5.53%**

4.6.9 The Commission has approved the revised Normative O&M Expenses FY 2023-24 as Rs. 8,342.76 Crore while Truing-up of FY 2023-24 in the Section

4 of this Order. Accordingly, as per the provision of the Regulations discussed above, the Commission has applied escalation of 5.53% on revised normative O&M expenses approved for FY 2023-24 in this Order, to arrive at O&M Norms for FY 2024-25 which works out to Rs. 8,803.89 Crore. The allocation between the Wires Business and Retail Supply Business in considered in the ratio of 65% to Wires Business and 35% to Retail Supply Business as specified in the allocation matrix provided in the MYT Regulations, 2019.

4.6.10 Further as explained in truing up of FY 2023-24, the Commission has decided to allow impact of payment of wage revision arrears in FY 2024-25 and FY 2025-26 based on payment schedule of 3 instalments as submitted by MSEDCL. Accordingly, the Commission has considered that 2/3rd of the wage revision arrears amount will be paid by MSEDCL to the employees in FY 2024-25. Accordingly, the Commission has approved Rs. 664.24 Crore towards wage revision in FY 2024-25 for provisional truing up.

Table 160: O&M Expenses for FY 2024-25 (Wires + Supply) approved by the Commission (Rs. Crore)

Particulars	MTR Order	MYT Petition	Approved in the Order
Normative O&M Expenditure for Wires Business	5,628.71	6,405.95	5,722.53
Normative O&M Expenditure for Supply Business	3,030.84	3,449.36	3,081.36
Wage revision	0.00	0.00	664.24
Normative Operation & Maintenance Expenses	**8,659.55**	**9,855.31**	**9,468.12**

4.6.11 **Thus, the Commission provisionally approves Rs. 9,468.12 Crore including wage revision as normative O&M Expense for FY 2024-25, which shall be subject to prudence check at the time of final true-up**.

4.7 Opex Schemes for FY 2024-25

MSEDCL's Submission

4.7.1 As per the Regulation 75.7 and 84.7 of the MYT Regulations, 2019 the distribution licensee is allowed to undertake OPEX schemes for Wires and Supply Business for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses.

4.7.2 MSEDCL submitted that it has considered the expenses till September 2024 (provisional) and projected expenses for remaining six months of FY 2024-25 which work out to Rs. 113.22 Crore as against Rs 120.45 Crore approved by the Commission in the MTR Order in Case no. 226 of 2022. Further, MSEDCL is also proposing certain new schemes for inclusion under the Opex schemes. Following table shows the estimated Opex Schemes expenses for FY 2024-25.

Table 161: Opex Scheme Expenses for FY 2024-25 as submitted by MSEDCL (Rs. Crores)

Particulars	FY 2024-25	
	MTR Order	MYT Petition
OPEX schemes (Wire business)		
Substation Monitoring System (SMS)	72.00	2.84
MSEDCL Cloud Project	7.97	10.86
Annual technical Support of SAP/HANA/Oracle	0.00	3.50
Vehicle Tracking System	0.26	1.13
Demand forecasting	0.00	1.21
GIS	0.00	3.00
Network Analysis	0.00	0.00
SAP H4 Hana	0.00	11.79
SD Wan	0.00	0.25
IT Application redevelopment	0.00	0.75
SMS Services	0.00	12.37
Sub-Total	**80.23**	**47.69**
OPEX schemes (Retail Supply business)		
Customer Care Centre	27.20	20.68
RF DCU (Expression of interest of tender)	4.80	0.00
MSEDCL Cloud Project	7.97	10.86
Annual technical Support of SAP/HANA/Oracle	0.00	3.50
VTS (Vehicle Tracking System)	0.26	1.13
Demand forecasting	0.00	1.21
GIS	0.00	3.00
Network Analysis	0.00	0.00
SAP H4 Hana	0.00	11.79
SD Wan	0.00	0.25
IT Application Redevelopment	0.00	0.75
SMS Services	0.00	12.37
Sub-Total	**40.23**	**65.53**
Total	**120.46**	**113.22**

4.7.3 Accordingly, MSEDCL has requested the Commission to approve OPEX expenses of Rs. 113.22 Crore on provisional truing up of FY 2024-25 as against Rs. 120.46 Crore approved during the MTR Order of Case No. 226 of 2022.

Commission's Analysis and Ruling

4.7.4 As per the Regulation 75.7 and 84.7 of the MYT Regulations, 2019 the distribution licensee is allowed to undertake OPEX schemes for wires and supply business for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses.

4.7.5 The Commission enquired regarding details of schemes proposed under OPEX along with monetary benefits envisaged. The Commission also inquired if the schemes proposed under OPEX meet the conditions prescribed in Regulations 75.7 and 84.7 of MYT Regulations, 2019. Further, the Commission also enquired about the eligibility for selection of service provider for roll-out of OPEX schemes. In response to the data gaps, MSEDCL submitted the details of project wise Cost Benefit Analysis of OPEX schemes. MSEDCL also clarified that the selection of service provider for various OPEX scheme projects is done through competitive bidding process. The RFP / tenders are processed through e-tender portal of MSEDCL. The cost competitiveness is ensured in each OPEX scheme project, by awarding project to L1 bidder only, after ensuring rate reasonability.

4.7.6 It is observed that, MSEDCL has proposed new schemes under OPEX from FY 2024-25 onwards which were not approved in MYT Order in Case No. 226 of 2022. In replies to data gaps, MSEDCL has submitted scheme wise details, cost benefit analysis and year wise revenue requirements for the proposed schemes. The Commission has noted the details of each scheme and projection amount submitted by MSEDCL towards each scheme from FY 2022-23 to FY 2029-30. Accordingly, scheme wise OPEX is approved by the Commission. In case of Substation Monitoring System, the revenue disbursement shown for FY 2024-25 is only Rs. 0.03 Crore. Hence, the Commission approved the same on provisional basis. Further, as elaborated in Section 3.10.7, the Commission has disallowed Opex expense claimed towards SMS services and Annual technical support. Accordingly, the schemes under OPEX approved by the Commission are as follows:

Table 162: OPEX Scheme for FY 2024-25 (Wires + Supply) as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
OPEX scheme (Wires Business)			
Substation Monitoring System (SMS)	72.00	2.84	0.03
MSEDCL Cloud Project	7.97	10.86	10.86
IT Application Redevelopment	0.00	0.75	0.75
Vehicle Tracking System	0.26	1.13	1.13
Demand forecasting	0.00	1.21	1.21
GIS	0.00	3.00	3.00
Network analysis	0.00	0.00	0.00
SAP s4 hana	0.00	11.79	11.79
SD wan	0.00	0.25	0.25
SMS services	0.00	12.37	0.00
Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	0.00	3.50	0.00

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Sub Total	**80.23**	**47.68**	**29.01**
OPEX Scheme (Retail supply)			
Customer Care Center	27.20	20.68	20.68
RF-DCU (Expression of Interest and Tender)	4.80	0.00	0.00
MSEDCL Cloud Project	7.97	10.86	10.86
IT Application Redevelopment	0.00	0.745	0.75
Vehicle Tracking System	0.26	1.13	1.13
Demand forecasting	0.00	1.205	1.21
GIS	0.00	2.995	3.00
Network analysis	0.00	0.00	0.00
SAP s4 hana	0.00	11.79	11.79
SD wan	0.00	0.25	0.25
SMS services	0.00	12.37	0.00
Annual Technical Support of existing SAP/HANA(balance) licenses and Oracle Software Licenses	0.00	3.50	0.00
Sub Total	**40.23**	**65.53**	**49.66**
Total	**120.45**	**113.21**	**78.66**

4.7.7 **Thus, the Commission provisionally approves Rs. 78.66 Crore as Opex expenses pertaining to OPEX schemes for FY 2024-25 which shall be subjected to prudence check during Truing-up of FY 2024-25. It is to be noted that for approval of these schemes during the truing-up process, MSEDCL needs to show resultant saving in O&M expenses as per the requirement prescribed in the MYT Regulations, 2019, as amended from time to time.**

4.8 Capitalisation for FY 2024-25

MSEDCL's Submission

4.8.1 MSEDCL has submitted that it has estimated the Capitalization for FY 2024-25 as Rs. 12,673.90 Crore which is as shown in the table below:

Table 163: Capitalization for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition	Deviation
Total Capitalization	2,386.54	12,673.90	10,287.36

4.8.2 MSEDCL has submitted that total Capitalization of Rs. 12,673.90 Crore includes Rs. 11,639.70 Crore of DPR schemes and Rs. 1,034.20 Crore of Non-DPR schemes. Out of total Rs 1,034.20 Crore of Non-DPR schemes, Rs. 928.84 Crore is against the DDF/ Non DDF schemes. Major schemes covered under DPR includes DPDC schemes, RDSS Loss reduction schemes, RDSS system strengthening and Modernisation schemes, System Strengthening (MSKVY 2) etc. Scheme wise details of the capitalisation are provided in the Regulatory Formats.

4.8.3 MSEDCL submitted that the Commission in the past order had approved capitalization towards schemes not forming part of any specific scheme. Accordingly, the Commission had revised the GFA to that extent. Hence MSEDCL has now requested the Commission to approve the Capitalization as submitted above.

Commission's Analysis and Rulings

4.8.4 The Commission noted that MSEDCL has estimated capitalization of Rs. 12,673.90 Crore for FY 2024-25, whereas the Commission has approved Capitalisation for FY 2024-25 is Rs 2,386.54 Crore in its MYT Order in Case No. 226 of 2022.

4.8.5 Regulation 24.2 of MYT Regulations, 2019 specifies the provisions to be referred while allowing Capitalisation.

> *"The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff:*
>
> *Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan including the choice and manner of funding, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of Tariff."*

4.8.6 Further the Capex Regulations, 2022 also states that all the capital investment schemes with capital cost higher than the threshold limit prescribed in the Capex Regulations, 2022 require "in-principle" approval from the Commission to be considered as part of the capital investment schemes for the purpose of recovery of the cost through the ARR. The relevant extract from the Regulation is reproduced below for reference:

> *"3.19 The indicative list of various categories of Schemes that **shall not be allowed as Capital Investment Schemes (DPR as well as Non-DPR)** for Generating Companies/ Businesses or Transmission Licensees/Businesses or Distribution Licensees/Businesses/ MSLDC is as follows:*
>
> *……..*
>
> *(t) **Schemes that have not obtained the Commission's in-principle approval, unless they are exempted** :"*

4.8.7 As part of the approval process, the Commission has checked if DPRs for all the schemes for which approval of the capitalisation has been sought by

MSEDCL have "in-principle" approval of the Commission. In this regard, it is observed that MSEDCL has submitted capitalisation against schemes such as Infra Plan Works II, RAPDRP B, SCADA, DPDC, AG Special Package for Vidarbha/ Marathwada, HVDS, RDSS Loss Reduction etc. It is observed that the DPRs against many of these schemes are not approved by the Commission. This is in contravention to the requirements specified in the Capex Regulations, 2022 and MYT Regulations, 2019 which clearly specify that capital investment schemes (DPR schemes) of value beyond the notified threshold limit need to have "in-principle" approval of the Commission to be considered as part of the capital investment schemes in the ARR. The Commission has also observed that MSEDCL has not been seeking approval for DPRs for schemes in the past as well include schemes like the RDSS scheme which also have a grant funding component before executing the schemes. It is reiterated that, for the Commission to consider any DPR scheme as part of the Capital Investment Plan of the Licensee for approval of the capitalisation, it is mandatory that the scheme should have "in-principle" approval of the Commission. In absence of the "in-principle" approval of the DPR schemes, the Commission is constrained to not consider such schemes for the purpose of approval of capitalisation. In the present submission as well, there are various schemes which do not have the necessary "in-principle" approval of the Commission.

4.8.8 Accordingly, considering the above requirements, the Commission has approved capitalization for the FY 2024-25 only against the schemes whose DPRs have "in-principle" approval of the Commission. The DPR Schemes against which capitalisation has been provisionally approved by the Commission are shown below in table:

Table 164: Capitalisation against DPR Schemes in FY 2024-25 as approved by the Commission (Rs. Crore)

Schemes	FY 2024-25	
	MYT Petition	Approved in this Order
Infra Plan Works - II	81.39	81.39
RAPDRP B	3.81	3.81
SCADA Part A	0.04	0.04
SPA:PE	12.32	12.32
P:SI	1.52	1.52
P:IE	0.40	0.40
Agriculture Metering	1.29	1.29
DDUGJY	5.90	5.90
IPDS	1.97	1.97
DPDC / Non-Tribal	850.00	448.94
DPDC / SCP (Loan up to 2012-13)	250.00	163.95
DPDC / TSP + OTSP	150.00	136.92

Schemes	**FY 2024-25**	
	MYT Petition	**Approved in this Order**
New consumers	800.00	800.00
Ag Special Package for Vidarbha /Marathwada & maha	105.50	105.50
Shet Tale	23.42	23.42
Evacuation of Power from EHV Substation	40.00	40.00
Saubhagya Scheme	6.58	6.58
HVDS Scheme	138.43	138.43
Mukhyamantri Saur Vahini Yojana Phase I	6.75	6.75
High Loss Feeder	8.07	8.07
System strengthening work in Metropolitan Area	45.00	45.00
Incomer Metering-IM	10.00	10.00
Underground works of extended area of Baramati Municipal Corporation	20.00	0.00
AG Policy -2020	237.99	237.99
MIDC Network Strengthening	75.00	75.00
Underground works under System Strengthening in Gondia, Bhandara and Nagpur 1st Phase	40.00	40.00
RDSS (PMA)	13.00	13.00
RDSS-Loss Reduction Part A Feeder Separation Works	3,000.00	3,000.00
RDSS-Loss Reduction Part B	1,200.00	1,200.00
RDSS-System Strengthening & Modernization	2,500.00	0.00
RDSS-Raynagar Colony Solapur -PMAY	18.00	0.00
RDSS-Cyclone Resilient Network NCRMP Works	340.00	0.00
RDSS-Dvp of Particular Vulnerable Tribal Grp (PVTG)	20.00	0.00
Reactive Power Management Scheme (PSDF)	33.20	33.20
System Improvement Scheme	0.03	0.00
System Strengthening (MSKVY 2.0)	740.00	0.00
TSP Grant substation scheme	102.00	0.00
Meter Replacement	0.02	0.00
Off-Grid Solar Photovoltaic Water Pumping Systems & Agricultural Feeder Solarisation Project with Conventional AG Connections. (Funded by AIIB) **Component AA**	100.00	0.00
Nagpur OH to UG	8.00	0.00
SIDBI Cluster Development Fund (CDF)	40.00	0.00
Special Assistance-Nagpur & Pune System Strengthening	16.00	0.00
New Consumers 2025-2030	0.00	0.00
Evacuation of Power from EHV Substation (Phase-III)	20.00	0.00
Evacuation of Power from EHV Substation (Phase-IV)	4.00	0.00
Approval for installation of Rooftop solar at MSEDCL owned Building such as offices, substations, stores, Rest house and CFC's for total pf 50MW	85.00	0.00
MSKVY 2.0 Under RDSS	298.70	0.00

Schemes	FY 2024-25	
	MYT Petition	Approved in this Order
Substation Monitoring System	186.36	0.00
Total	**11,639.69**	**6,641.39**

4.8.9 As regards the non-DPR schemes, the Commission has provisionally approved the capitalisation as submitted by MSEDCL as the same is within the limit of 20% of approved DPR capitalisation prescribed in the MYT Regulations, 2019.

4.8.10 Further, the Commission notes that MSEDCL in its reply to data gaps dated. 13 March 2025 has mentioned that the actual capitalization till February 2025 is Rs. 3,482.79 Cr. However, this actual capitalization figure is significantly lower than MSEDCL's proposed capitalization of Rs. 12,673.89 Cr. for FY 2024-25. This substantial discrepancy raises concerns about MSEDCL's overestimation of its capital expenditure requirements.

4.8.11 The Commission expects MSEDCL to provide more accurate and realistic projections. MSEDCL could have revised its capitalization projection in its Revised Petition submitted in January 2025, considering the actual capitalization incurred until December 2024. Based on the above discussion, the capitalization provisionally allowed for FY 2024-25 is as follows:

Table 165: Capitalization for FY 2024-25 as approved by Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
DPR Capitalisation amount (a)	2,361.46	11,639.69	6,641.39
Non-DPR	25.08	1,034.20	1,034.20
Allowable Non-DPR Capped (b)	25.08	1,034.20	1,034.20
Total Capitalization (c = a+b)	**2,386.54**	**12,673.89**	**7,675.59**

4.8.12 Summary of Capitalisation approved by the Commission is as follows:

Table 166: Summary of Capitalisation approved by Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Capitalisation	2,386.54	12,673.89	7,675.59

4.8.13 **Thus, for provisional truing up, the Commission approves the Capitalisation of Rs. 7,675.59 Crore for FY 2024-25, which shall be subject to prudence check at the time of final true-up.**

4.9 Depreciation for FY 2024-25

MSEDCL's Submission

4.9.1 MSEDCL has submitted that depreciation for FY 2024-25 has been computed by considering the opening GFA arrived at by excluding grants and Consumer contribution. Depreciation rate used for computation for FY 2024-25 is actual weighted average rate for FY 2023-24.

4.9.2 The depreciation computed by MSEDCL for FY 2022-23, and claimed for provisional true-up is as shown in the table below:

Table 167: Depreciation for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Depreciation for FY 2024-25	MTR Order	MYT Petition
Net opening GFA (regulatory)	61,999.42	63,396.34
Depreciation (excluding consumer contribution and grants)	2,820.60	3,603.44
% Depreciation (Excluding consumer contribution and grants)	4.56%	5.6%

4.9.3 MSEDCL has requested to allow the depreciation as submitted in the above table.

Commission's Analysis and Rulings

4.9.4 The Commission has considered the Opening GFA as the closing GFA approved for FY 2023-24 in Truing Up for computing the depreciation, and on the revised capitalization approved during FY 2023-24. Further, as per Regulation 26.2 (c) of the MYT Regulations, 2019, the Commission has excluded contribution from grants and consumer contribution for the purpose of computation of depreciation for FY2024-25. The relevant Regulations is reproduced as under.

"25.2 The expenses on such capital works shall be treated as follows:—

(a) normative O and M expenses as specified in these Regulations shall be allowed;

(b) the debt-equity ratio, shall be considered in accordance with Regulation 27, after deducting the amount of such financial support received;

(c) provisions related to depreciation, as specified in Regulation 28, shall not be applicable to the extent of such financial support received;

(d) provisions related to return on equity, as specified in Regulation 29 shall not be applicable to the extent of such financial support received;

(e) provisions related to interest on loan capital, as specified in Regulation 30 shall not be applicable to the extent of such financial support received."

4.9.5 The Commission sought yearly depreciation and GFA (with Asset class-wise break-up) having accumulated depreciation less than 70%, between 70% and

90% and greater than 90%. MSEDCL in its reply to data gap submitted the details of depreciation as an Annexure to data gap and the same was reviewed. It is directed that, MSEDCL should maintain details of Depreciation and GFA in the same manner and should be furnished along with all future tariff Petitions. Accordingly, the Commission has approved opening GFA of Rs 63,060.24 for FY 2024-25. As regards Depreciation rate for computation for FY 2024-25, it is considered as actual weighted average rate for FY 2023-24. Depreciation for FY 2024-25 are shown in table below:

Table 168: Depreciation approved for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Opening GFA	61,999.42	63,396.34	63,060.24
Depreciation	2,820.60	3,603.44	2,730.03
% Depreciation	4.56%	5.36%	4.33%

4.9.6 Summary of depreciation approved by the Commission is as follows:

Table 169: Summary of Depreciation for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Depreciation	2,820.60	3,603.45	2,730.03

4.9.7 **Thus, for provisional truing up of FY 2024-25, the Commission approves Depreciation expense as Rs. 2,730.03, which shall be subject to prudence check at the time of final true-up.**

4.10 Funding Pattern for FY 2024-25

MSEDCL's Submission

4.10.1 As per the Regulation 27.1 of the MYT Regulations, 2019, the debt: equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission. The said Regulation also provides that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff.

4.10.2 The funding pattern for FY 2024-25 for the capitalization estimated by MSEDCL, in proportion to the funding pattern of capital Expenditure, is presented in the following table:

Table 170: Funding Pattern for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particular	Amount
Total capitalization	**12,673.90**
Less: Consumer Contribution	519.81
Less: Grants	5,081.34
Balance to be funded	**7,072.75**
Equity	1,132.78
Debt	5,939.97
Equity	16.02%
Debt	83.98%

Commission's Analysis and Rulings

4.10.3 The Commission has considered the funding pattern for capitalization for FY 2024-25 in the same ratio as for the funding of proposed capital expenditure, in line with the methodology adopted by MSEDCL and after considering the approved quantum of capitalization as presented in the following table, subject to prudence check and review during the truing-up exercise.

Table 171: Funding Pattern approved by Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25
Total Capitalisation	**7,675.59**
Less: Consumer Contribution	600.00
Less: Grants received during the year	3,972.07
Balance to be funded	**3,103.51**
Equity amount	301.51
Debt amount	2,802.00
Equity (%)	9.72%
Debt (%)	90.28%

4.10.4 The Commission has provisionally approved the funding pattern in the above table and the same is subject to prudence check during the truing up for FY 2024-25.

4.11 Interest Expenses for FY 2024-25

MSEDCL's Submission

4.11.1 MSEDCL has submitted that the interest on long term loan for FY 2024-25 has been computed on normative basis linked to the normative loan addition during the year. Further, MSEDCL has considered the weighted average interest rate of actual loan portfolio of FY 2023-24.

4.11.2 MSEDCL has referred to Regulation 30.3 of MYT Regulations, 2019, stating that the loan repayment shall be considered as equal to depreciation

4.11.3 Considering the normative opening loan, normative loan addition during the year and loan repayment equal to depreciation and the weighted average interest rate of actual loan portfolio for FY2023-24, MSEDCL has computed the interest expenses for FY 2024-25 on normative basis as summarized in table below:

Table 172 Interest Expenses for FY 2024-25, as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Normative Outstanding loan at the start of the year	7,747.80	7,819.69
Less: Reduction of normative Loan due to retirement of assets	0.00	0.00
Loan drawl	932.00	5,939.97
Loan repayment	2,820.60	3,603.44
Normative Balance outstanding at the end of the year	**5,859.20**	**10,156.20**
Average Balance Outstanding at the end of the year	**6,803.52**	**8,987.90**
Interest Rate	9.85%	9.51%
Interest Expenses	**670.11**	**854.73**

4.11.4 Accordingly, MSEDCL has requested the Commission to approve interest expenses of Rs. 854.73 Crore for FY 2024-25.

Commission's Analysis and Rulings

4.11.5 Regulation 30.3 of the MYT Regulations, 2019 provides for loan repayment during a year equal to depreciation allowed. The relevant extract is reproduced below:

"30.3 The loan repayment during each year of the Control Period from FY 2020- 21 to FY 2024-25 shall be deemed to be equal to the depreciation allowed for that year."

4.11.6 The Commission has considered the funding pattern for capitalization for FY 2024-25 in the same ratio as for the funding of proposed capital expenditure, in line with the methodology adopted by MSEDCL and after considering the approved quantum of capitalization as presented in the following table, subject to prudence check and review during the truing-up exercise.

Table 173: Funding Pattern approved by Commission for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25
Total Capitalisation	**7,675.59**
Less: Consumer Contribution	600.00
Less: Grants received during the year	3,972.07
Balance to be funded	**3,103.51**
Equity amount	301.51
Debt amount	2,802.00
Equity (%)	9.72%

Particulars	FY 2024-25
Debt (%)	90.28%

4.11.7 Regulation 30.5 of MYT Regulations, 2019 is as below:

"30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year :

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for actual loan shall be considered:"

4.11.8 Accordingly, as per provisions under the Regulations, the Commission has considered last available rate i.e., the weighted average Rate of interest as approved for FY 2023-24 which is 9.51%. The same has been allowed provisionally. The Opening loan for FY 2024-25 is considered same as closing balance of FY 2023-24 as approved by the Commission. The interest expenses approved by the Commission for FY 2024-25 are as shown in table below:

Table 174: Interest Expenses for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Opening Balance of Net Normative Loan	7,747.80	7,819.69	7,917.77
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00
Addition of Normative Loan due to capitalization during the year	932.04	5,939.97	2,802.00
Repayment of Normative loan during the year	2,820.60	3,603.45	2,730.03
Closing Balance of Net Normative Loan	5,859.24	0.00	0.00
Closing Balance of Gross Normative Loan	5,859.24	10,156.21	7,989.74
Average Balance of Net Normative Loan	**6,803.52**	**8,987.95**	**7,953.75**
Weighted average Rate of Interest on actual Loans (%)	9.85%	9.51%	9.51%
Interest Expenses	**670.11**	**854.74**	**756.39**
Expenses Capitalized	0.00	0.00	0.00
Total Interest Expenses	**670.11**	**854.74**	**756.39**

4.11.9 **For provisional truing up of FY 2024-25, the Commission approves Rs. 756.39 Crore as Interest Expense, which shall be subject to prudence check at the time of final true-up.**

4.12 Interest on Working capital and Interest on SD for FY 2024-25

MSEDCL's Submission

4.12.1 MSEDCL has submitted that the IoWC for wires business has been computed in accordance with Regulation 32.3 of MYT Regulations, 2019. Further, the said Regulations provides that the Normative Rate of interest on working capital shall be Base Rate as on the date of filing of Petition plus 150 basis points according to the Regulation.

4.12.2 Accordingly, the rate of interest considered for computation of working Capital by MSEDCL for Wires Business is 10.24% (8.74%+1.50%).

4.12.3 MSEDCL submitted that the Regulation 30.11 of MYT Regulations, 2019 provides for Interest on Security Deposit at Bank Rate.

4.12.4 MSEDCL has estimated the security deposit considering a nominal growth of 8% over previous year. Accordingly, MSEDCL has calculated interest on consumer security deposit for FY 2024-25 at 6.75% for Wires Business. The computation of interest on working capital and interest on security deposit for Wire Business is given in table below:

Table 175: Interest on Working Capital and Interest on Security Deposit for Wire business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Computation of Working Capital (Wire Business)		
O&M expenses for a month	469.06	533.83
Maintenance spares at 1% of GFA	557.99	604.98
1.5 months of expected revenue from charges for use of Distribution wires	1,353.79	1,617.08
Less: Amount held as SD from Distribution System Users	(1,049.00)	(1,334.00)
Total Working Capital Requirement	**1,331.68**	**1,422.05**
Rate of Interest (% p.a)	9.55%	10.24%
Interest on Woking Capital	**127.18**	**145.64**
Actual Working Capital Interest	-	869.34
Interest on Security Deposit		
Rate of Interest (% p.a)	4.25%	6.75%
Interest on Security Deposit	**44.59**	**90.03**

4.12.5 MSEDCL has claimed that the IoWC for Retail Supply Business has been computed in accordance with Regulation 32.4 of MYT Regulation, 2019. Further, the said Regulations provides that the Normative Rate of interest on working capital shall be Base Rate as on the date of filing of Petition plus 150 basis points.

4.12.6 Accordingly, the rate of interest considered for computation of working Capital by MSEDCL for Retail Supply Business is 10.24% (8.74%+1.50%).

4.12.7 MSEDCL submitted that the Regulation 30.11 of MYT Regulations, 2019 provides for Interest on Security Deposit at Bank Rate.

4.12.8 MSEDCL has estimated the security deposit considering a nominal growth of 8% over previous year. Accordingly, MSEDCL has calculated interest on consumer security deposit for FY 2024-25 at 6.75% for Retail Supply Business.

4.12.9 The Computation of working capital interest for Retail Supply Business is as shown in the table below:

Table 176 Interest on Working capital and Interest on Security Deposit for Retail Supply business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Computation of Working Capital (Retail Supply Business)		
O&M expenses for a month	252.57	287.45
Maintenance Spares at 1% of Opening GFA	62.00	67.22
One and half months equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	11,628.94	16,300.20
Less: Amount held as security deposit	(9,442.50)	(12,005)
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	(6,855.64)	(7,743.73)
Total Working Capital Requirement	**(4,354.63)**	**(3,093.43)**
Interest Rate (% p.a.)	9.55%	10.24%
Interest on Working Capital	-	-
Actual Working Capital Interest		7,824.08
Interest on Security Deposit		
Interest Rate (%) - Bank Rate	4.25%	6.75%
Interest on Security Deposit	**401.31**	**810.31**

4.12.10 MSEDCL has requested the Commission to approve the IoWC for wires business and supply business as shown in the computation above.

Commission's Analysis and Rulings

4.12.11 Regulations 32.3 and 32.4 of the MYT Regulation, 2019 provides for IoWC for Wire Business and Retail Supply Business of electricity. The relevant extract is reproduced below:

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

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

4.12.12 Accordingly, the rate of interest considered for computation of working Capital by the Commission for Wires Business and Retail Supply Business is 10.50% (9.00%+1.50%).

4.12.13 The Commission has worked out the working capital requirement on a normative basis, which is based on the approved parameters as per this Order. Considering the negative impact of security deposit, the normative working capital requirement works out to be negative and considered as nil for Retail Supply Business.

4.12.14 As per Regulation 30.11 of MYT Regulation, 2019 provides for interest on Security Deposit at Bank Rate. The relevant extract is reproduced below:

"30.11 Interest shall be allowed only on the amount held in cash as security deposit from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the Year for which the interest is payable:"

4.12.15 As regards Consumer Security Deposit, the Commission has considered Regulation 30.11 of MYT Regulations, 2019 for computation of interest on security deposit and the rate of interest on security deposit is computed as the MCLR on 01 April 2024 plus 150 Basis points. Accordingly, the interest rate on consumer security deposit computed is 6.75% applied on security deposit for FY 2024-25 obtained by considering a nominal growth of 10% over the amount of consumer deposit collected from the consumers for the previous year.

4.12.16 The Commission has reworked the IoWC in accordance with the MYT Regulations, 2019 norms and based on parameters such as the O&M Expenses, Wires ARR and Supply ARR approved in this Order.

Table 177: IoWC and Security Deposit for Wires Business for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
O&M expenses for a month	469.06	533.83	512.86
Maintenance Spares at 1% of Opening GFA	557.99	604.98	567.54
One and half month's equivalent of the expected revenue from charges for use of Distribution Wires	1,353.79	1,617.11	1,460.17

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Less: Amount held as Security Deposit from Distribution System Users	(1,049.17)	(1,333.84)	(1,354.98)
Total Working Capital Requirement	**1,331.68**	**1,422.08**	**1,185.59**
Computation of Working Capital Interest			-
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	10.24%	10.50%
Interest on Working Capital	**127.18**	**145.91**	**124.49re**
Actual Working Capital Interest	0.00	869.34	869.34
Interest on Security Deposit			
Interest Rate (%) - Bank Rate	4.25%	6.75%	6.75%
Interest on Security Deposit	**44.59**	**90.03**	**91.46**

Table 178: IoWC and Consumers' Security Deposit for Supply Business for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
O&M expenses for a month	252.57	287.45	276.15
Maintenance Spares at 1% of Opening GFA	62.00	67.22	63.06
One and half month's equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	11,628.94	16,300.30	16,085.12
Less: Amount held as security deposit	(9,442.50)	(12,004.58)	(12,194.86)
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	(6,855.64)	(7,743.73)	(7,237.47)
Total Working Capital Requirement	**(4,354.63)**	**(3,093.33)**	**(3,008.00)**
Computation of Working Capital Interest			
Interest Rate (%) - SBI Base Rate +150 basis points	9.55%	10.24%	10.50%
Interest on Working Capital	**0.00**	**0.00**	**0.00**
Actual Working Capital Interest	0.00	7,824.08	7,824.08
Interest on Security Deposit			
Interest Rate (%) - Bank Rate	4.25%	6.75%	6.75%
Interest on Security Deposit	**401.31**	**810.31**	**823.15**

4.12.17 Accordingly, the IoWC and the Interest on Security Deposits from Consumers and Distribution System Users approved for FY 2024-25 is as follows:

Table 179: IoWC and Interest on Security Deposit for FY 2024-25 (Wires + Retail Supply) as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
IoWC (Wire + Supply)	127.18	145.91	124.45
Interest on CSD (Wire + Supply)	445.90	900.34	914.61

4.12.18 **Thus, the Commission approves IoWC and Interest on Consumer Security Deposit of Rs. 124.45 Crore and Rs 914.61 Crore, respectively, on provisional truing up of FY 2024-25.**

4.13 Other Finance Charges for FY 2024-25

MSEDCL's Submission

4.13.1 The Regulation 30.8 of the MYT Regulations, 2019 specifies that the finance charges shall be allowed at the time of True-up. The Commission in the MTR Order dated 31st March 2023 in Case no. 226 of 2022 also ruled that it shall consider the Other Finance Charges at the time of truing-up of the respective years of the 4th Control Period. Therefore, in line with the above regulations, MSEDCL has not projected any finance charges for FY 2024-25 and will claim the same during true-up.

Commission's Analysis and Rulings

4.13.2 Regulation 30.8 of the MYT Regulation, 2019 the finance charges shall be allowed at the time of True-up the relevant extract is reproduced below:

> *"30.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check."*

4.13.3 The Commission observes MSEDCL has not projected any finance charges for FY 2024-25. **Hence, the Commission shall approve the other financial charges, if any, subject to prudence checks, at the time of final true-up of FY 2024-25.**

4.14 Provision for Bad and Doubtful Debts for FY 2024-25

MSEDCL's Submission

4.14.1 MSEDCL has claimed provisioning towards Bad Debts for FY 2024-25 in line with Regulations 76 and 85 of the MYT Regulations 2019. The Regulation specifies that bad and doubtful debt may be allowed up to 1.5% of the amount claimed as trade receivables or receivables in the Audited Accounts of the distribution licensee duly allocated for Wires and Retail Supply Businesses, respectively.

4.14.2 MSEDCL has computed the provision for bad and doubtful debts for FY 2024-25 as per the provisions of the MYT Regulations, 2019 considering the estimated receivables for FY 2024-25. The receivables are taken as per provisional accounts till September 2024 in order to arrive at the receivables for FY 2024-25.

4.14.3 MSEDCL further submitted that for the interest part of receivables year on year increase of 2% and 10% is taken for Non-AG and AG, respectively. MSEDCL stated that the provision of bad debts claimed for FY 2024-25 shall only be written off after the approval of the Commission.

4.14.4 MSEDCL for estimation purpose has presently considered provisioning @1.50%. However, MSEDCL reserves its right to seek claim on bad-debts at the time of truing-up as per the provisions of the MYT Regulations, 2019. The computation of provision for bad debt for FY 2024-25 is shown in following table.

Table 180: Computation of Provision for bad and doubtful debts (Distribution Wires + Supply) business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Opening Balance of provision for bad and doubtful debts	0.00	2,325.16
Receivables for the year	48,701.59	1,01,308.33
Provision for bad and doubtful debts during the year (in %)	1.50%	1.50%
Provision for bad and doubtful debts during the year	730.52	1,519.62
Actual bad and doubtful debts written off	1,165.80	1,056.01
Closing balance of Provision for bad and doubtful debts	**0.00**	**2,788.78**
Closing balance as a % of receivables	**1.50%**	**2.75%**

4.14.5 MSEDCL submitted that the above computed provision for Bad Debts is further allocated between the Wires Business and Retail Supply Business (in the ratio of allocation matrix provided in the MYT Regulation, 2019), i.e. 10% to Wires Business and 90% to Supply Business.

4.14.6 MSEDCL has requested the Commission to allow provision for Bad Debt as shown in above table.

Commission's Analysis and Rulings

4.14.7 The Commission observed that there is significant increase in total receivable of MSEDCL in FY 2024-25 compared to previous years. As per Audited Accounts of FY 2023-24, Trade Receivables is Rs. 60,024.84 Crore and MSEDCL, for FY 2024-25, has estimated the Trade Receivables at Rs. 1,01,881.75 Crore, which are significantly higher.

4.14.8 The Commission observes that in view of the collection efficiency as reported by MSEDCL of around 95%, the estimated receivables for FY 2024-25 is very high. As can be observed the total receivable as projected by MSEDCL here is around Rs. 1,01,881.75 Crore which is almost 77% of the annual ARR projection of MSEDCL for FY 2024-25. This is an alarming situation. Regulatory accounting is on accrual basis, but the low collection efficiency will have an adverse impact on MSEDCL's cash flow and financial stability. With this regard, the Commission had given directive to MSEDCL in the MTR Order in Case No. 226 of 2022 to submit an action plan for improving collection efficiency. However, MSEDCL has not submitted the same and hence this is a non-compliance on the part of MSEDCL. The Commission would again like to highlight that MSEDCL needs to seriously work out an action plan for improving the collection efficiency. Such concrete plan should be submitted to the Commission within 3 months of this order, failing which the Commission would be constrained to initiate action against MSEDCL in line with the provisions of the applicable MYT Regulations. Further, the Commission also observes that during the Public Consultation process of the present Petition, many consumers had highlighted the mounting arrears/receivables position of MSEDCL and raised their concerns and objection on the same. In this context, for provisional truing up Commission has considered the receivables at Rs. 60,024.84 Crore for FY 2024-25, same as FY 2023-24 against Rs. 1,01,881.75 Crore as claimed by MSEDCL. However, the same shall be reviewed, subject to prudence check at the time of true-up exercise.

4.14.9 Accordingly, for the provisional truing-up of FY 2024-25 the Commission has approved the provision for Bad Debts for wire and supply business as given in table below:

Table 181: Computation of Provision for bad and doubtful debts (Wires) business for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MTR Petition	Approved in this Order
Opening Balance of Provision for bad and doubtful debts	-	232.52	54.00
Receivables for the year	4,870.16	10,130.83	6,002.48
Opening Balance of Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%
Provision for bad & doubtful debts during the year	73.05	151.96	90.04
Actual bad and doubtful debts written off	**116.58**	**105.60**	**90.04**
Closing Balance of Provision for bad and doubtful debts	-	278.88	54.00

Table 182: Computation of Provision for bad and doubtful debts (Supply) business for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MTR Petition	Approved in this Order
Opening Balance of Provision for bad and doubtful debts	-	2,092.65	1,255.51
Receivables for the year	43,831.43	91,177.50	54,022.36
Opening Balance of Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%
Provision for bad & doubtful debts during the year	657.47	1,367.66	810.34
Actual bad and doubtful debts written off	**1,049.22**	**950.41**	**810.34**
Closing Balance of Provision for bad and doubtful debts	-	2,509.90	1,255.51

Table 183: Provision for bad and doubtful debts (Wire + Supply) business for FY 2024-25 as approved by the Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MTR Petition	Approved in this Order
Provision for Bad & Doubtful Debts	1,165.80	1,056.01	900.37

4.14.10 **Thus, the Commission has provisionally approved Rs. 900.37 Crore (Wires + Supply business) towards provision for Bad & Doubtful Debts for FY 2024-25, subject to prudence check at the time of Truing up of FY 2024-25.**

4.15 Other Expenses for FY 2024-25

MSEDCL's Submission

4.15.1 MSEDCL has claimed 'Other Expenses' comprising expenditure on account of Non-moving items written off, interest to suppliers/contractors, Incentive to distribution franchisee and other expenses viz. compensation for injuries to staff and outsiders.

4.15.2 MSEDCL has estimated the other expenses for FY 2024-25 considering provisional figures for the first six months and projections for the remaining six months for FY 2024-25 as shown in the table below.

Table 184: Other Expenses for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Compensation for injuries, death to staff	1.60	0.40
Compensation for injuries, death to others	19.43	15.71
Sundry debit balances written off	2.30	-

Particulars	MTR Order	MYT Petition
Provision for Non-moving items	21.56	159.16
Other Sundry Expenses	9.88	99.48
Other Expenses (Payable to DSL towards damages in terms of Arbitral Award dt. 18.06.2004)	-	-
Other Interest and Charges	-	14.82
Write-off of WDV of scrapped assets	2.09	0.88
Add: Prior Period Other Expenses	7.04	-
Less: Provision for Bad and Doubtful Debts for others	-	-
Total Other Expenses	**63.91**	**290.46**

Commission's Analysis and Rulings

4.15.3 For provisional truing-up of FY 2024-25, the Commission has noted the past trend of "Other Expense" and accordingly escalated the previous year's approved Other Expenses (as per Audited Accounts of FY 2023-24) by 5% to project the Other expenses for FY 2024-25. Any variation in the same will be appropriately addressed at the time of final truing up for FY 2024-25.

4.15.4 Accordingly, the Commission has approved the Other Expenses as shown in the table below:

Table 185: Other Expenses for FY 2024-25 as approved by Commission (Rs. Crore)

Particulars	FY 2024-25		
	MTR Order	MYT Petition	Approved in this Order
Compensation for injuries, death to staff	1.60	0.40	0.00
Compensation for injuries, death to others	19.43	15.71	0.00
Sundry debit balances written off	2.30	0.00	0.00
Provision for Non-moving items	21.56	159.16	159.16
Other Sundry Expenses	9.88	99.48	16.13
Other Expenses (Payable to DSL towards damages in terms of Arbitral Award dt. 18.06.2004)	0.00	0.00	0.00
Other Interest and Charges	0.00	14.82	14.82
Write-off of WDV of scrapped assets	0.00	0.88	0.88
Loss on obsolescence of fixed Assets	2.09	0.00	0.00
Write-up of Scrapped Assets and Loss of Assets	0.00	0.00	0.00
TOTAL	**56.86**	**290.46**	**191.00**
Add: Prior Period Other Expenses	7.04	0.00	0.00
Less: Provision for Bad and Doubtful Debts for others	0.00	0.00	0.00
Total Other Expenses	**63.90**	**290.46**	**191.00**

4.15.5 **Thus, on provisional truing up, the Commission approves Rs 191.00 Crore as Other Expenses for FY 2024-25, subject to prudence check at the time of Turing up of FY 2024- 25.**

4.16 Contribution to Contingency Reserves for FY 2024-25

MSEDCL's Submission

4.16.1 MSEDCL has estimated the provision for contribution to contingency reserves as per Regulation 35 of MYT Regulations, 2019, provides for appropriation to Contingency Reserves of not less than 0.25 per cent and not more than 0.5 per cent of the original cost of Fixed Assets annually towards in the calculation of ARR.

4.16.2 MSEDCL has submitted that due to financial crunch owing to COVID-19 pandemic, MSEDCL had not made any investment during last two consecutive years which attracts the implementation of the above proviso of Regulation 35.1 of MYT Regulations 2019. Accordingly, the Commission did not allow any amount towards Contribution to contingency reserves. The Regulations state that in case of non-investment of amount of contribution to contingency reserves in authorised securities for two consecutive years, then the contribution to contingency reserves shall not be allowed in calculation of ARR from the subsequent year onwards.

4.16.3 Accordingly, the Commission did not approve any Contribution to Contingency Reserve for FY 2023-24 and FY 2024-25, respectively, in the MTR Order in Case no. 226 of 2022. However, Commission mentioned that same shall be considered at time of truing up of FY 2023-24 and FY 2024-25, respectively, subject to be prudence check. MSEDCL has now invested Rs. 96.11 Crore and Rs. 174.29 Crore for FY 2022-23 and FY 2023-24 respectively as per the provisions.

4.16.4 Accordingly, MSEDCL requests the Commission to allow the contribution to contingency reserves for FY 2024-25 by invoking its power to relax under Regulation 105 of the MYT Regulation, 2019. The amount claimed by MSEDCL towards contribution to contingency reserves for FY 2024-25 is as follows:

Table 186 Contingency Reserve for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Contribution to contingency reserve	0.00	198.04

4.16.5 MSEDCL submitted that it will make the actual investment once the approval of the Commission is received.

Commission's Analysis and Rulings

4.16.6 Regulation 35 of the MYT Regulations, 2019 provides for appropriation to the Contingency Reserve of not less than 0.25 per cent and not more than 0.5 per cent of the original cost of Fixed Assets annually towards in the calculation of ARR. The amount is to be invested in securities authorized under the Indian

Trusts Act, 1882 within six months of the close of the financial year. Relevant Regulation are shown below:

"35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorized under the Indian Trusts Act, 1882 within a period of six months of the close of the Year."

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:

<u>*Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities for two consecutive Years, then the contribution to Contingency Reserves shall not be allowed in the calculation of Aggregate Revenue Requirement from the subsequent Year onwards.*</u>

4.16.7 The Commission notes that, MSEDCL has made investment during FY 2022-23 and FY 2023-24 towards Contribution to Contingency Reserve and accordingly, the Commission has approved it while truing up of FY 2022-23 and FY 2023-24. The Commission would like to reiterate the importance of adhering to the provisions of the Regulations by MSEDCL to avoid disallowance of expenses during the tariff determination process and undue upfront burden on the beneficiaries in case MSEDCL fails to actually invest the funds. Considering that MSEDCL has invested funds towards contribution to Contingency Reserve in FY 2022-23 and FY 2023-24, the Commission has approved the contribution to contingency reserve on a provisional basis for FY 2024-25 subject to truing up.

4.16.8 Accordingly, the Commission is allowing the claim made towards Contribution to Contingency Reserves as shown in the following table:

Table 187: Contribution to Contingency Reserve for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Contribution to Contingency Reserves	0.00	198.04	175.17

4.16.9 **Thus, the Commission has provisionally approved Rs. 175.17 Crore as Contribution to Contingency Reserve for FY 2024-25. The Commission shall consider this, subject to be prudence check, at time of truing up of FY 2024-25.**

4.17 Income Tax for FY 2024-25

MSEDCL's Submission

4.17.1 MSEDCL has not claimed any Income Tax for FY 2024-25. MSEDCL submitted that Regulation 34 of the MYT Regulations, 2019 provides for Income Tax. Since there is no income tax claimed in FY 2022-23 and FY 2023-24, MSEDCL on similar lines has not claimed any Income Tax for FY 2024-25. Hence it has not grossed up the return on equity by income tax. MSEDCL submitted that in case there is tax liability for FY 2024-25 and any income tax is paid, it requests Commission to allow claim on grossing up of return on equity by effective tax rate as per the provisions of the MYT Regulations, 2019.

Commission's Analysis and Rulings

4.17.2 Regulation 34 of MYT Regulation, 2019 pertains to income tax to be allowed for a Regulated Business. It also provides that the RoE shall be grossed up at the rate of effective Tax rate, as applicable.

4.17.3 In line with provisions of MYT Regulations, 2019 and based on the fact that MSEDCL has not claimed income tax in FY 2024-25, the Commission has not considered any Income Tax for the purpose of provisional true-up for FY 2024-25 for the purpose of grossing up of Return on Equity.

4.17.4 **Thus, the Commission provisionally approves NIL Income Tax for FY 2024-25.**

4.18 Incentives and Discounts for FY 2024-25

MSEDCL's Submission

4.18.1 MSEDCL has estimated the Incentives and Discounts of Rs. 589.71 Crore for FY 2024-25, with the deviation of Rs. 184.69 Crore as compared to Rs. 405.02 Crore which was approved by the Commission for FY 2024-25 in MTR Order in Case no. 226 of 2022.

Table 188: Incentives/Discount for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Incentives and Discounts	405.02	589.71

4.18.2 MSEDCL has requested the Commission to allow the incentives/discounts as shown in above table.

Commission's Analysis and Rulings

4.18.3 The Commission noted the past trend of incentive and discount approved to MSEDCL. In truing up of FY 2022-23 and FY 2023-24, the Commission has approved Rs. 477.37 Crore and Rs. 561.63 Crore, respectively, upon prudence check from the Audited Accounts. The Commission found the present claim of Incentive and Discount for FY 2024-25 in line with the past trend. For FY 2024-25, Audited Accounts are not available at the time of issuance of Order. Thus, the Commission has provisionally approved incentives and discounts as shown in the below table, subject to prudence check at the time of truing-up.

Table 189: Incentives and Discounts approved for FY 2024-25 (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Incentives and Discount	405.02	589.71	589.71

4.18.4 **Thus, the Commission provisionally approves Rs 589.71 Crore against Incentives and Discount for FY 2024-25, subject to prudence check at the of Truing up of FY 2024-25.**

4.19 Return on Equity for FY 2024-25

MSEDCL's Submission

4.19.1 MSEDCL has submitted that Regulation 29.1 of MYT Regulations, 2019 provides for RoE for Distribution Licensee for both Wires and Supply Business.

4.19.2 As per the allocations matrix provided in Regulation 68 of MYT Regulations, 2019, MSEDCL has assigned the fixed assets in the ratio of 90% to 10% between wires and supply business for computation of RoE. Therefore, MSEDCL has submitted that capital expenditure, capitalization, grants and equity are also divided in the same ratio.

4.19.3 For wires business, considering the provisions of the MYT Regulations, 2019 MSEDCL has calculated the return on equity for wires business as shown in the tables below:

Table 190: RoE for Wires Business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Return on Equity (Wire Business)		
Regulatory Equity at the beginning of the year	12,389.44	13,426.86
Capitalisation during the year	844.64	6,365.47
Equity portion of capitalization during the year	5.80	1,019.50
Regulatory Equity at the end of the year	**12,395.25**	**14,446.34**
Return on Computation		
Return on Regulatory Equity at the beginning of the year	1,734.52	1,879.76
Return on Normative Equity Portion of Assets Capitalisation - 14%*(2)/2	0.41	71.37
Interest on Equity Portion above 30% Equity		
Total Return on Equity	**1,734.93**	**1,951.12**

4.19.4 For supply business, MSEDCL has computed the return on equity at 15.5% of average equity based upon the opening balance of equity and normative additions during the year in the table below:

Table 191: RoE for Retail Supply Business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2024-25 (Approved)	FY 2024-25 (Estimated)
Return on Equity (Supply Business)		
Regulatory Equity at the beginning of the year	1,396.72	1,511.99
Capitalisation during the year	93.85	707.27
Equity portion of capitalisation during the year #	0.64	113.28
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00
Regulatory Equity at the end of the year	**1,397.36**	**1,625.26**
Return on Regulatory Equity at the beginning of the year	216.49	234.36
Return on Regulatory Equity addition during the year	0.05	8.78
Total Return on Equity	**216.54**	**243.14**

Commission's Analysis and Rulings

4.19.5 The closing equity approved for FY 2023-24 is Rs. 13,392.03 Crore and Rs. 1,508.12 Crore, respectively, for Wires and Supply Business, details of which is explained in the Section 4 covering the Truing up of FY 2022-23 and FY 2023-24 in the Order.

4.19.6 Accordingly, the Commission has considered opening equity for FY 2024-25 same as the closing equity approved for FY 2023-24 at Rs. 13,392.03 Crore and Rs. 1,508.12 Crore for Wire and Supply Business, respectively.

4.19.7 The Commission has approved the funding pattern based on the approved capitalisation for FY 2024-25, as discussed in the Section 4.10 above for interest expenses.

4.19.8 No grossing up of RoE with effective Tax rate has been undertaken as MSEDCL has not paid any tax in FY 2023-24.

4.19.9 The RoE approved for the purpose of Provisional truing up of FY 2024-25 in accordance with the Regulation 29.1 of MYT Regulations, 2019, is as follows:

Table 192: RoE (Wires) for FY 2024-25 approved by the Commission (Rs. Crore)

Particulars	FY 2024-25
Regulatory Equity at the beginning of the year	13,392.03
Equity portion of capitalisation during the year	271.36
Reduction in Equity Capital on account of retirement / replacement of assets	0.00
Regulatory Equity at the end of the year	**13,663.39**
Return on Equity Computation	
Return on Regulatory Equity at the beginning of the year @14%	1,874.88
Return on Regulatory Equity addition during the year @ (14%/2)	19.00
Total Return on Equity	**1,893.88**

Table 193: RoE (Supply) for FY 2024-25 approved by Commission (Rs. Crore)

Particulars	FY 2024-25
Regulatory Equity at the beginning of the year	1,508.12
Equity portion of capitalisation during the year	30.15
Reduction in Equity Capital on account of retirement / replacement of assets	0.00
Regulatory Equity at the end of the year	**1,538.27**
Return on Equity Computation	
Return on Regulatory Equity at the beginning of the year @15.5%	233.76
Return on Regulatory Equity addition during the year @ (15.5%/2)	2.34
Total Return on Equity	**236.09**

Table 194: RoE (Wires + Supply) for FY 2024-25 approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
RoE for Wires Business	1,734.93	1,951.13	1,893.88
RoE for Retail Supply Business	216.54	243.14	236.09
Total Return on Equity	**1,951.47**	**2,194.26**	**2,129.97**

4.19.10 **Thus, on provisional truing up, the Commission approves Return on Equity of Rs. 2,129.97 Crore for FY 2024-25, subject to prudence check at the of Truing up of FY 2024-25.**

4.20 Revenue Gap Recovery Allowed for FY 2024-25

MSEDCL's Submission

4.20.1 MSEDCL has submitted Commission in the MYT Order had approved recover past revenue gap as shown in the Table below. MSEDCL has considered the same.

Table 195: Revenue Recovery allowed in MTR Oder for FY 2024-25 (Rs. Crore)

Particulars	Formula	FY 2024-25
ARR approved by the commission	A	1,16,029.35
Approved Revenue at existing tariff	B	1,16,358.61
Approved Revenue Gap	**C=A-B**	**(329.26)**
Projected Revenue at approved tariff	D	1,30,401.63
Additional Recovery from approved tariff	E=D-B	14,043.02
Previous Revenue Gap recovery allowed after adjustment of current year revenue Gap	**F=E-C**	**14,372.28**

Commission's Analysis and Rulings

4.20.2 The Commission has noted the submission of MSEDCL. The Commission as a part of its analysis has computed the past revenue gap to be recovered through the ARR in the 5th Control Period. The same has been discussed in detail in the subsequent sections of the Order.

4.21 Impact of payment to MPECS for FY 2024-25

MSEDCL's Submission

4.21.1 MSEDCL submitted that, as directed by Hon'ble APTEL and the Commission under various directives, MSEDCL has been paying user charges to MPECS and depositing balance payments to MERC together with interest accrued thereon be released to MPECS and consequently adjusted as user charges.

4.21.2 MSEDCL has paid Rs. 7.00 Crore to MPECS and Rs. 8.02 Crore to MERC (during the period April 24 to October 2024). MSEDCL has estimated a total payout of Rs. 21.14 Crore for FY 2024-25 against user charges to MPECS.

4.21.3 Accordingly, MSEDCL requested the Commission to approve its claim of Rs. 21.14 Crore towards the payments to MPECS for FY 2024-25.

Commission's Analysis and Rulings

4.21.4 Commission vide its Order dated 2 May 2016, has determined the monthly user charges to be paid to MPECS by MSEDCL. The Commission shall consider the actual amount towards this head at the time of truing up of FY 2024-25. For the purpose of provisional truing up, the Commission has accepted the submission of MSEDCL as given in the table below.

Table 196: Impact of payment to MPECS for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Impact of Payment to MPECS	21.14	21.14	21.14

4.21.5 **Thus, on provisional truing up, the Commission allows Rs 21.14 Crore as Impact of payment to MPECS for FY 2024-25, subject to prudence check at the time of truing up.**

4.22 Incremental Consumption and Bulk Consumption Rebate for FY 2024-25

MSEDCL's Submission

4.22.1 MSEDCL has submitted that the Commission in the MTR order of Case No. 226 of 2022 dated 31st March 2023, approved cost towards incremental consumption and bulk consumption rebate.

4.22.2 MSEDCL has estimated the incremental consumption and bulk consumption rebate at the same level as that of approved by the Commission.

Table 197: Incremental Consumption Rebate for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	MYT Petition
Incremental and Bulk Consumption Rebate	548.77	1,081.92

Commission's Analysis and Rulings

4.22.3 The Commission has noted the submission of MSEDCL. It is observed that MSEDCL has considered a 5% escalation over the actual incremental and bulk consumption rebate incurred in FY 2023-24 to estimate the amount for FY 2024-25. The Commission finds the claim of MSEDCL in line with the actual trend. In view of the same, the Commission has considered an escalation of 5% over the FY 2023-24 same as taken by MSEDCL to estimate the incremental consumption and bulk consumption rebate for FY 2024-25.

4.22.4 Accordingly incremental consumption and bulk consumption rebate approved by the Commission for FY 2024-25 is as shown in table below:

Table 198: Incremental consumption and bulk consumption rebate for FY 2024-25 as approved by the Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Incremental consumption and bulk consumption rebate	548.77	1,081.92	1,081.92

4.22.5 **Thus, Commission has provisionally approved Rs. 1,081.92 Crore as the incremental consumption and bulk consumption rebate for FY 2024-25, subject to prudence check at the time of truing up of FY 2024-25.**

4.23 RLC Refund for FY 2024-25

MSEDCL's Submission

4.23.1 MSEDCL has claimed an amount of Rs 16.68 Crore in FY 2024-25 against a proposed RLC refund during the year. The amount has been directly included as part of the table outlining the revised ARR for FY 2024-25 included as part of the Petition without any supporting write-up justifying the requirement.

Commission's Analysis and Rulings

4.23.2 The Commission vide its Tariff Order in Case No. 65 of 2006 dated 18 May, 2007 stated the following:

> *"Commission's Ruling*
>
> *The Commission, through its Order dated October 20, 2006, discontinued the Regulatory Liability Charges (RLC) w.e.f. October 1, 2006. In its Order dated October 20, 2006, in Case 54 of 2005, the Commission opined that the repayment of RLC should be linked to the loss reduction trajectory over the years and directed MSEDCL to provide the treatment of RLC return in the MYT petition.* ***Though MSEDCL has accepted its liability to refund this amount to the consumer categories that have contributed to the RLC, MSEDCL has indicated its inability to refund the RLC at present, citing higher losses****.* ***The total amount collected by MSEDCL under RLC over the period from December 2003 to September 2006, is around Rs. 3225 Crore.***
>
> *The Commission, in line with its directions in March 10, 2004 Tariff Order (Case 2 of 2003), while keeping in mind the principles of 'promissory estoppels', directs MSEDCL to refund Rs. 500 Crore of Regulatory Liability Charges (RLC) to the specified consumer categories in FY 2007-08, out of the total amount of around Rs. 3225 Crore collected by MSEDCL through RLC, which were like a loan given by these subsidizing categories to help MSEDCL tide over the financial crisis due to its heavy distribution losses. Being a refund of charges recovered; the amount has not been considered while determining the ARR. This is only a token amount, amounting to around 16% of the RLC collected from the selected consumer categories.* ***It is expected that with progressive improvement of MSEDCL's operations in future years, the balance amount will be refunded in the near short-term****."*

4.23.3 As evident from the above Order, it was expected that MSEDCL should refund the amount to the consumer categories in the near short-term considering progressive improvements in MSEDCL's operations in future years.

4.23.4 Subsequently, the Commission, vide its Clarificatory Order dated 24 August, 2007 in the matter of Case No. 26 of 2007 and Case No. 65 of 2006 has outlined the total amount of RLC collected from the different consumer categories. The Commission also computed the amount of RLC refund in paise/kWh for the respective consumer category, to ensure ample clarity on the matter of RLC refund to different categories. Accordingly, it was expected that MSEDCL will regularly refund the amount to various consumer categories thus ensuring that the total amount of Rs. 3,225 Crore collected by MSEDCL through RLC charges is refunded back to the consumer categories over a short period of time.

4.23.5 Further, the Commission, vide its Order dated 2 April, 2008 in Case Nos. 47 and 92 of 2007 on MSEDCL's review petition regarding refund of RLC, reiterated that MSEDCL needs to refund around Rs. 3,227 Crores collected through RLC during the period December 2003 to September 2006.

4.23.6 Considering the above, the Commission has considered approval of the projected amount towards refund of RLC as projected by MSEDCL.

4.23.7 However, it has been more than 15 years since the Commission had directed MSEDCL to refund the amounts to the consumers, however, the process has not yet been completed by MSEDCL, and the yearly claims continue. Further, the claims have been inconsistent in terms of frequency of claim (no claim in FY 2020-21 and FY 2021-22) and quantum of claim (Rs. 1.77 Crore in FY 2019-20; Rs. 1.42 Crore in FY 2022-23; Rs. 2.77 Crore in FY 2023-24; Rs. 16.68 Crore in FY 2024-25 and thereafter). In view of the above, MSEDCL needs to inform the Commission during the MTR process of its plan to refund the RLC over the upcoming Control Period so as to ensure timely compliance with the Commission's directive.

4.23.8 The details of the Commission's approval are given in the table below.

Table 199: RLC Refund for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
RLC refund	0.00	16.68	16.68

4.23.9 **Thus, the Commission provisionally approves RLC refund of Rs. 16.68 Crore for FY 2024-25, however, the same shall be considered, subject to prudence check at the time of truing up of FY 2024-25.**

4.24 Additional Surcharge (ASC) refund for FY 2024-25

MSEDCL's Submission

4.24.1 MSEDCL has stopped levy of additional surcharge to group captive consumers from since January 2022 and it has adopted methodology for refund of ASC. MSEDCL is refunding the ASC in every month to eligible consumers to the tune of Rs. 15 Crore. The refund burden is Rs. 168.13 Crore annually. Accordingly, the same is being claimed in the ARR for approval of the same.

Commission's Analysis and Rulings

4.24.2 The Commission has examined claim of MSEDCL towards Additional Surcharge Refund. The claim of Refund on account of Additional Surcharge is as per Hon'ble Supreme Court's Order dated 10th December 2021 in Civil Appeal No. 5074/5075 of 2019. In response to the data gaps raised by the Commission, MSEDCL has stated that amount claimed in FY 2024-25 is only a certain portion of the total liability and the remaining portion is envisaged to be processed over the period from FY 2025-26 onwards.

4.24.3 Accordingly, the amount considered by the Commission for approval in FY 2024-25 is given in the table below.

Table 200: Additional Surcharge Refund approved by Commission for FY 2024-25 (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
ASC refund	180.00	168.13	168.13

4.24.4 **Accordingly, the Commission provisionally approves Rs. 168.13 Crore as the refund towards additional surcharge for FY 2024-25, subject to necessary prudence check at the time of truing up of FY 2024-25.**

4.25 Revenue from sale of electricity for FY 2024-25

MSEDCL's Submission

4.25.1 MSEDCL has submitted that based on the available information for the six months for the financial year up till September 2024 and projection for the remaining 6 months, the revenue for FY 2024-25 has been estimated by MSEDCL as shown in the table:

Table 201: Revenue from Sale of Power for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Revenue from Sale of Power	1,15,682.00	1,29,458.45

4.25.2 MSEDCL has requested the Commission to approve Rs. 1,29,458.45 Crore towards revenue from sale of power for FY 2024-25.

Commission's Analysis and Rulings

4.25.3 The Commission observes that, the revenue for FY 2024-25 submitted by MSEDCL is unaudited, and is based on the six months actual revenue i.e. FY 2024-25 (H1) and estimation for the remaining six months i.e. FY 2024-25 (H2). Thus, for the purpose of the Provisional True-up, the Commission has accepted the first half yearly revenue submitted by MSEDCL and estimated the remaining six months revenue based on the approved Sales for FY 2024-25 as discussed in the earlier section of the MYT Order.

4.25.4 The revenue estimated by the Commission is allowed on provisional basis and shall be considered at actuals at the time of final true up, subject to prudence check. The summary of the provisionally approved Revenue for FY 2024-25 is given in the table below:

Table 202: Revenue from Sale of Power for FY 2024-25, as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Revenue from Sale of Power	1,15,682.00	1,29,458.45	1,27,736.94

4.25.5 **Thus, the Commission has approved Rs 1,27,736.94 Crore on provisional basis for FY 2024-25 and shall be considered at actuals at the time of final true up of FY 2024-25, subject to prudence check.**

4.26 Non-Tariff Income for FY 2024-25

MSEDCL's Submission

4.26.1 MSEDCL has submitted that it has certain sources of non-tariff income viz. interest on arrears of consumers, delayed payment charges, interest on staff loans and advances, sale of scrap, interest on investment etc.

4.26.2 MSEDCL has submitted that based on the information available for Non-Tariff Income for first six months and the projections for the remaining six months, Non-Tariff Income for FY 2024-25 has been estimated as given in the table below:

Table 203: Non-Tariff Income for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Rent of land or buildings	1.05	1.16
Sale of Scrap	48.23	26.46
Income from Sale of tender documents	5.45	15.79
Other /misc. receipts	265.05	378.77
Revenue from subsidy / grants	0.55	77.48
Interest on contingency reserves	30.21	30.51

Particulars	MTR Order	MYT Petition
Non-tariff Income	**350.55**	**530.17**

4.26.3 MSEDCL has submitted that in accordance with Regulation 37.3 of the MYT Regulations, 2019 it has not considered Delayed Payment Charges and Interest on DPC as non-tariff income.

4.26.4 MSEDCL has stated that it has not considered income from grants and contribution under non-tariff income as the treatment (i.e. excluded while calculating depreciation) to the same has already been considered while computing depreciation for FY 2022-23.

Commission's Analysis and Rulings

4.26.5 The Commission has examined various heads under which MSEDCL has proposed the Non-Tariff Income. As observed, these heads have been projected by MSEDCL based on the information available for Non-Tariff Income for first six months and the projections for the remaining six months Non-Tariff Income for FY 2024-25.

4.26.6 The Commission reviewed the past trend of major heads of Non-Tariff Income and found them to be mostly in line with the projections against those heads. In view of the above, the Commission has provisionally approved the following Non-Tariff Income for FY 2024-25 as given in the table below.

Table 204: Non-Tariff Income for FY 2024-25, as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Rents	1.00	1.16	1.16
Other/Miscellaneous receipts (**Note 5)**	252.43	378.77	378.77
Interest on Contingency Reserve Investments	28.78	30.51	30.51
Sale of Scrap	45.93	26.46	26.46
sale of Tender forms	5.19	15.79	15.79
Revenue from subsidy and grant	0.53	77.48	77.48
Income Transfer from Deferred income (Note 3)		0.00	0.00
Interest from power generators		0.00	0.00
Total	**333.86**	**530.17**	**530.17**
Add: Prior Period Other Income	0.00	0.00	0.00
Total Non Tarriff Income	**333.86**	**530.17**	**530.17**

4.26.7 **Thus, the Commission provisionally approves Rs. 530.17 Crore as Non-Tariff Income for FY 2024-25, subject to prudence check at the time of Truing up.**

4.27 Income from Open Access Charges for FY 2024-25

MSEDCL's Submission

4.27.1 MSEDCL has estimated income from OA Charges in FY 2024-25 by considering the available information. MSEDCL has estimated the income from open access as Rs. 300.80 Crore as against Rs. 216.60 Crore as approved by the Commission for FY 2024-25.

4.27.2 The Income from Open Access charges as submitted by MSEDCL is as shown in the table below:

Table 205: Income from Open Access Charges for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	MYT Petition
Income from Open Access Charges	216.60	300.80

Commission's Analysis and Rulings

4.27.3 The Commission noted that, MSEDCL has estimated income from OA Charges for FY 2024-25 by considering the available information for the first six months till September 2024 and estimating the income in the send half of the year by escalating the first half income by 5% and considering that as the income for second half. The Commission find the estimation to be reasonable and accordingly approved the income from Open Access as claimed by MSEDCL.

4.27.4 The present approval is on provisional basis and the same shall be true-up on actual basis, subject to prudence check. The approved income from Open Access Charges is as shown below.

Table 206: Income from Open Access Charges for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Income from Open Access Charges	216.60	300.80	300.80

4.27.5 **Thus, the Commission approves Rs. 300.80 Crore as Income from OA Charges on provisional truing up of FY 2024-25, subject to prudence check at the time of Truing up.**

4.28 Income from Trading of Surplus Power for FY- 2024-25

4.28.1 MSEDCL submitted that it will receive income of Rs 112.87 Crore from Trading of Surplus Power for FY 2024-25 as shown in table below:

Table 207: Income from Trading of Surplus Power for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25	
	MTR Order	MYT Petition
Income from Trading of Surplus Power	0.00	112.87

Commission's Analysis and Ruling

4.28.2 The Commission has approved the income from Trading of Surplus Power projected by MSEDCL on provisional basis. The approved Income from Trading Surplus is as shown below for FY 2024-25:

Table 208: Income from Trading Surplus for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Income from Trading Surplus	-	112.87	112.87

4.28.3 **Thus, the Commission provisionally approves Rs 112.87 Crore as Income from Trading surplus for FY 2024-25, subject to necessary prudence check at the time of truing up.**

4.29 Income from Additional Surcharge for FY 2024-25

MSEDCL's Submission

4.29.1 MSEDCL has submitted the Additional Surcharge for FY 2024-25 has been estimated by considering the actual income from additional surcharge for the first six months and has estimated it to remain for the remaining six months of the financial year. The income from additional surcharge as submitted MSEDCL for FY 2024-25 is as shown in the Table below:

Table 209: Income from Additional Surcharge for FY 2024-25 (Rs. Crore)

Particulars	MTR Order	MYT Petition
Income from Additional Surcharge	109.46	0.14

4.29.2 MSEDCL submitted that as per amendment to Regulation 14 in Distribution Open Access Second Amendment Regulation 2023 provides that additional surcharge shall not be applicable for Green Energy Open Access consumers, if fixed charges are being paid by such consumer. MSEDCL has accordingly estimated only Rs. 0.14 Crore as income from Additional Surcharge for FY 2024-25.

Commission's Analysis and Rulings

4.29.3 The Commission notes that, present projection of income from additional surcharge has been made on the basis of actual income during the first half of the financial year. The Commission notes the justification provided by MSEDCL in support of the projections and considers the same for the purpose of provisional approval of the expenses for FY 2024-25. Accordingly, the Commission approves the income from Additional Surcharge as projected by MSEDCL for FY 2024-25, subject to prudence check at the time of truing up.

Table 210: Income from Additional Surcharge for FY 2024-25, as approved by the Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Income from Additional Surcharge	109.46	0.14	0.14

4.29.4 **Thus, the Commission has provisionally approved Rs 0.14 Crore as Income from Additional Surcharge for FY 2024-25, subject to necessary prudence check at the time of truing up.**

4.30 Aggregate Revenue Requirement for FY 2024-25

MSEDCL's Submission

4.30.1 As per provisional information available and ARR projected by the Commission during MTR Order of Case No. 226 of 2022, overall ARR claimed by MSEDCL for Wire and Supply business for FY 2024-25 is presented in the Table below.

Table 211: ARR for Distribution Wires for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Operation & Maintenance Expenses	5,628.71	6,405.95
Depreciation	2,538.54	3,243.10
Interest on Loan Capital	603.10	769.30
Interest on Working Capital	127.18	145.63
Interest on deposit from Consumers and Distribution System Users	44.59	90.03
Other Finance Charges	0.00	0.00
Provision for bad and doubtful debts	73.05	105.60
Opex Schemes	80.23	47.68
Contribution to contingency reserves	0.00	178.23
Income Tax	0.00	0.00
Return on Equity Capital	1,734.93	1,951.12

Particulars	MTR Order	MYT Petition
Aggregate Revenue Requirement	**10,830.32**	**12,936.63**

Table 212 ARR for Supply Business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Power Purchase Expenses (including Inter-State Transmission Charges)	73,628.95	84,285.92
Operation and Maintenance Expenses	3,030.84	3,449.36
Depreciation	282.06	360.34
Interest on Loan Capital	67.01	85.47
Interest on Working Capital	0.00	0.00
Interest on Consumer Security Deposit	401.31	810.31
Other Finance Charges	0.00	0.00
Provision for bad and doubtful debts	657.47	950.41
Other Expenses	63.91	290.46
Income Tax	0.00	0.00
Intra-State Transmission Charges	8,638.78	8,638.78
Incentives/Discounts	405.02	589.71
Contribution to contingency reserves	0.00	19.80
DSM Expenses	0.00	0.00
Return on Equity Capital	216.54	243.14
RLC refund	0.00	16.68
Additional Surcharge Refund	180.00	168.13
Effect of sharing of gains/losses	0.00	0.00
Past Period Surplus	0.00	10,000.00
Revenue Gap Recovery Allowed	7,017.00	7,017.00
Impact of payment to MPECS in future years	21.14	21.14
Opex Scheme	40.23	65.53
Incremental Consumption Rebate	548.77	1,081.92
STU Charges	0.00	0.00
Total Revenue Expenditure	**95,199.03**	**1,18,094.10**

Table 213: ARR for Wires and Supply Business for FY 2024-25 as submitted by MSEDCL (Rs. Crore)

Particulars	MTR Order	MYT Petition
Power Purchase Expenses	73,628.95	84,285.92
Operation and Maintenance Expenses	8,659.55	9,855.31
Depreciation Expenses	2,820.60	3,603.44
Interest on Loan Capital	670.11	854.73
Interest on Working Capital	127.18	145.64
Interest on Consumers Security Deposit	445.90	900.34
Other Finance Charges	0.00	0.00
Provision for bad and doubtful debts	730.52	1,056.01
Other Expenses	63.91	290.46

Particulars	MTR Order	MYT Petition
Income Tax	0.00	0.00
Intra-State Transmission Charges MSLDC charge	8,638.78	8,638.78
Incentives/Discounts	405.02	589.71
Contribution to Contingency Reserves	0.00	198.04
Opex Scheme	120.45	113.21
DSM expenses	0.00	0.00
Return on Equity Capital	1,951.47	2,194.26
RLC refund	0.00	16.68
Additional Surcharge Refund	180.00	168.13
Effect of sharing of gains/losses	0.00	0.00
Past Period Adjustment by Commission	10,000.00	10,000.00
Revenue Gap Recovery Allowed	7,017.00	7,017.00
Add: Impact of payment to MPECS in future years	21.14	21.14
Incremental and Bulk Consumption Rebate	548.77	1,081.92
STU Charges	0.00	0.00
Aggregate Revenue Requirement	**1,16,029.35**	**1,31,030.75**
Revenue from Sale of Power	1,15,682.00	1,29,458.45
Non-Tariff Income	350.55	530.17
Income from Open Access Charges	216.60	300.80
Income from Trading of Surplus Power	0.00	112.87
Income from Wheeling Charges	0.00	0.00
Income from Additional Surcharge	109.46	0.14
Total Revenue	**1,16,358.61**	**1,30,402.43**
Revenue Gap/(Surplus)	**(329.26)**	**628.32**

Commission's Analysis and Rulings

4.30.2 Based on the component-wise analysis set out in earlier Sections, the summary of the ARR for the Wires Business and Supply Business, as claimed by MSEDCL and as provisionally approved by the Commission, for FY 2024-25 is presented in the Tables below.

Table 214: ARR for Wires Business for FY 2024-25, as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Operation and Maintenance Expenses	5,628.71	6,405.95	6,154.28
Depreciation	2,538.54	3,243.10	2,457.03
Interest on Loan Capital	603.10	769.26	680.75
Interest on Working Capital	127.18	145.64	124.49
Interest on deposit from Consumers and Distribution System Users	44.59	90.03	91.46

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Other Finance Charges	0.00	0.00	0.00
Provision for bad and doubtful debts	73.05	105.60	90.04
Opex Schemes	80.23	47.68	29.01
Contribution to contingency reserves	0.00	178.23	157.65
Income Tax	0.00	0.00	0.00
Return on Equity Capital	1,734.93	1,951.13	1,893.88
Aggregate Revenue Requirement	**10,830.32**	**12,936.64**	**11,678.54**

Table 215: ARR for Supply Business for FY 2024-25 as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Power Purchase Expenses (including Inter-State Transmission Charges)	73,628.95	84,285.92	78,210.91
Operation and Maintenance Expenses	3,030.84	3,449.36	3,313.84
Depreciation	282.06	360.34	273.00
Interest on Loan Capital	67.01	85.47	75.64
Interest on Working Capital	0.00	0.00	0.00
Interest on Consumer Security Deposit	401.31	810.31	823.15
Other Finance Charges	0.00	0.00	0.00
Provision for bad and doubtful debts	657.47	950.41	810.34
Other Expenses	63.91	290.46	191.00
Income Tax	0.00	0.00	0.00
Intra-State Transmission Charges	8,638.78	8,638.78	8,638.78
Incentives/Discounts	405.02	589.71	589.71
Contribution to contingency reserves	0.00	19.80	17.52
DSM Expenses	0.00	0.00	0.00
Return on Equity Capital	216.54	243.14	236.09
RLC refund	0.00	16.68	16.68
Additional Surcharge Refund	180.00	168.13	168.13
Effect of sharing of gains/losses	0.00	0.00	0.00
Past Period Surplus	0.00	10,000.00	10,000.00
Revenue Gap Recovery Allowed	7,017.00	7,017.00	7,017.00
Impact of payment to MPECS in future years	21.14	21.14	21.14
Opex Scheme	40.23	65.53	49.66
Incremental Consumption Rebate	548.77	1,081.92	1,081.92
STU Charges	0.00	0.00	0.00
Total Revenue Expenditure	**95,199.03**	**1,18,094.10**	**1,11,534.50**
Revenue from Sale of Power	92,354.94	1,29,458.45	1,27,736.94
Non-Tariff Income	350.55	530.17	530.17
Income from Open Access Charges	109.46	300.80	300.80
Income from Trading of Surplus Power	0.00	112.87	112.87

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Income from Wheeling Charges	216.60	0.00	0.00
Income from Additional Surcharge	0.00	0.14	0.14
Total Revenue	**93,031.55**	**1,30,402.43**	1,28,680.92
Revenue Gap	**2,167.47**	**(12,308.33)**	**(17,146.42)**

Table 216: Combined ARR for FY 2024-25 (Wires + Supply), as approved by Commission (Rs. Crore)

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Power Purchase Expenses	73,628.95	84,285.92	78,210.91
Operation and Maintenance Expenses	8,659.55	9,855.31	9,468.12
Depreciation Expenses	2,820.60	3,603.45	2,730.03
Interest on Loan Capital	670.11	854.74	756.39
Interest on Working Capital	127.18	145.64	124.49
Interest on Consumers Security Deposit	445.90	900.34	914.61
Other Finance Charges	0.00	0.00	0.00
Provision for bad and doubtful debts	730.52	1,056.01	900.37
Other Expenses	63.91	290.46	191.00
Income Tax	0.00	0.00	0.00
Intra-State Transmission Charges MSLDC charge	8,638.78	8,638.78	8,638.78
Incentives/Discounts	405.02	589.71	589.71
Contribution to Contingency Reserves	0.00	198.04	175.17
Opex Scheme	120.45	113.21	76.66
DSM expenses	0.00	0.00	0.00
Return on Equity Capital	1,951.47	2,194.26	2,129.97
RLC refund	0.00	16.68	16.68
Additional Surcharge Refund	180.00	168.13	168.13
Effect of sharing of gains/losses	0.00	0.00	0.00
Past Period Adjustment by Commission	10,000.00	10,000.00	10,000.00
Revenue Gap Recovery Allowed	7,017.00	7,017.00	7,017.00
Add: Impact of payment to MPECS in future years	21.14	21.14	21.14
Incremental and Bulk Consumption Rebate	548.77	1,081.92	1,081.92
STU Charges	0.00	0.00	0.00
Aggregate Revenue Requirement	**1,16,029.35**	**1,31,030.75**	**1,23,213.04**
Revenue from Sale of Power	1,15,682.00	1,29,458.45	1,27,736.94
Non-Tariff Income	350.55	530.17	530.17
Income from Open Access Charges	216.60	300.80	300.80
Income from Trading of Surplus Power	0.00	112.87	112.87
Income from Wheeling Charges	0.00	0.00	0.00
Income from Additional Surcharge	109.46	0.14	0.14
Total Revenue	**1,16,358.61**	**1,30,402.43**	**1,28,680.92**

Particular	FY 2024-25		
	MTR Order	MYT Petition	Approved in the Order
Revenue Gap/(Surplus)	**(329.26)**	**628.32**	**(5,467.88)**

4.30.3 Accordingly, the Commission has provisionally approved the ARR of Rs. 1,23,213.04 Crore for FY 2024-25 and the resultant revenue gaps/(surplus) for the year is Rs. (5,467.88) Crore. The revenue gaps/(surplus) identified at the end of the year is allowed for recovery along with the ARR for FY 2025-26 considering the associated carrying / (holding) cost as well.

4.30.4 **The variation in ARR submitted by MSEDCL and approval by the Commission is mainly due to reduction in power purchase cost and capitalisation along with its consequential impacts on depreciation, interest on loan, and return on equity. Further, the Commission has also not allowed contribution to contingency reserves during FY 2024-25 and has approved lower provision for bad & doubtful debt and Other Expenses based on scrutiny of submissions made by MSEDCL**.

5 Projection of ARR for 5th Control Period from FY 2025-26 to FY 2029-30

5.1 Approach for Sales Projection for Control Period

MSEDCL's Submission

5.1.1 MSEDCL has submitted that it serves the major consumer categories; Domestic, Commercial, LT Industries, HT Industries, Public Water Works (PWW), Streetlight, and Agriculture. Historically the Annual Demand for MSEDCL has been growing at the rate of ~ 4.8% (10 Year CAGR) for Peak demand.

5.1.2 MSEDCL has projected sales for the 5th Control Period based on the Short-term and Medium-term Distribution Resource Adequacy Plans (ST-DRAP and MT-DRAP) (hereinafter referred to as RA Plan), submitted to the Commission on October 15, 2024, in accordance with the MERC (Framework for Resource Adequacy) Regulations, 2024 (MERC RA Regulations, 2024). The RA Plan outlines a framework to ensure reliable power supply for consumers for the 5th Control Period (FY 2025-26 to FY 2029-30).

5.1.3 MSEDCL has submitted that the Resource Adequacy plan submitted to the Commission provides a comprehensive analysis of MSEDCL's demand forecast, generation resources, capacity credits, and strategies to meet Resource Adequacy Requirement (RAR) over the short-term and medium-term horizons, including integration of renewable energy source and compliance with RPO.

5.1.4 MSEDCL has referred Regulation 6.1. of the MERC RA Regulations, 2024 which entails the scope of demand forecasting for MSEDCL. Following Regulation 6.4 of the MERC RA Regulations, 2024, the demand forecasting has been conducted by utilizing the category wise consumption data for various categories. The category-wise demand has been projected based on a combination of SARIMA and econometric methodologies.

5.1.5 MSEDCL has submitted that the RA plan has envisaged its overall consumption to grow at a CAGR of 5.07%. Consumer category wise CAGR considered for forecasting the consumption is provided in the table below.

Table 217: CAGR for annual forecasted category consumption for Individual consumer category

CAGR	Domestic	Commercial	Agriculture	LT industries	HT Industries	PWW	Streetlight / Others	Total
FY 2025-35	4.31%	3.50%	4.17%	7.23%	6.14%	3.18%	2.05%	5.07%

Sales projections for Fifth Control Period

5.1.6 MSEDCL referred Regulation 101.1 of the MERC (MYT) Regulations, 2024, wherein Distribution Licensee is required to submit a month-wise forecast of the expected sales of electricity to each tariff category/ sub-category and to each Tariff slab within such Tariff category / sub-category. The relevant extracts of the regulation are reproduced below.

> *"101.1 The Distribution Licensee shall submit a month-wise forecast of the expected sales of electricity to each Tariff category/sub-category and to each Tariff slab within such Tariff category/sub-category to the Commission for approval along with the Multi-Year Tariff Petition, as specified in these Regulations:*
>
> *Provided that the Distribution Licensee shall submit relevant details regarding category-wise sales separately for each Distribution Franchisee area within its Licence area, as well as the aggregated category-wise sales in its Licence area."*

5.1.7 MSEDCL has considered the sales projected in the RA Plan as the base for projecting the sales for the MYT Control Period. The sales projected in the RA Plan is inclusive of Open Access sales, which has been excluded to arrive at the projected sales for the MYT Petition purpose.

5.1.8 Further, MSEDCL submitted that the sales projected in the RA plan did not include the sales against EVs, Solar Roof top and Solar Pump sets. MSEDCL has accordingly included the sales against EVs, Solar Rooftop and Solar Pump sets in the sales projected for RA Plan to arrive at the sales projection for MYT Petition. The adjustments against EVs, Solar Rooftop and Solar Pump sets have been adjusted/ corrected against the sales of various consumer categories wherever it is observed that the trend is unreasonable, or these is any recent developments which may require such adjustments, so that the total Sales (excluding OA) as per RA Plan is aligned with the Sales projected for MYT Control Period. Further, MSEDCL submitted that it has envisaged growth in specific consumer category driven by following factors.

5.1.8.1 **Residential:** Going forward MSEDCL envisages an overall increase of ~4% in the Residential sector sales. However, driven by going green ambitions, the higher slab residential consumer (consumers in the slab 301-500 units and above 500 units) is expected to migrate to solar roof top RE procurement schemes.

5.1.8.2 **Commercial:** MSEDCL has envisaged a marginal increase in the sales trajectory for Commercial sector (~1.5% in HT Commercial and ~3.8% in LT Commercial), driven by growth in economic activities in the future.

5.1.8.3 **Industrial:** MSEDCL has taken efforts towards rationalising the Tariffs for Industrial customers to retain its existing Industrial customer base and tap the additional potential with sunshine Industries. Subsequent to segregation AG customer base from non-AG (including Industries), MSEDCL expects a decent rise in the Industrial sales (~5%) in this Control Period.

5.1.8.4 **Agriculture:** MSEDCL has not envisaged any new consumer addition in the agriculture sector. The projected sales growth in the sector is the organic growth from the existing Agriculture consumers.

5.1.8.5 The Sales projections for the HT Category (ex. DF) as submitted by MSEDCL is shown in the following table:

Table 218: Sales Projections (HT category ex DF) for the 5th Control Period as submitted by MSEDCL (MUs)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT-I Industries	43,594	45,974	48,334	50,751	53,246
HT-II Commercial	2,060	2,132	2,168	2,190	2,193
HT III Railways	139	142	145	148	151
HT IV-PWW	2,012	2,092	2,173	2,254	2,336
HT V Agricultural	2,011	2,114	2,206	2,291	2,381
HT VI Bulk Supply (Housing Complex)	240	251	260	268	275
HT Temporary	-	-	-	-	-
HT-IX Public services	1,245	1,265	1,287	1,309	1,332
MSPGCL AUX SUPPLY	357	365	373	380	388
HT EV Charging Stations	998	1,606	2,414	3,574	5,116
Total -HT Sales	**52,656**	**55,941**	**59,359**	**63,166**	**67,418**

5.1.9 Based on the above growth trajectory, MSEDCL has estimated that HT category will witness a CAGR growth of ~6% during the Control Period.

5.1.10 The sales projections of LT Categories (ex. DF) for the fifth control period as submitted by MSEDCL are shown in the following table:

Table 219: Sales Projections (LT Category ex. DF) for 5th Control Period as submitted by MSEDCL (in MUs)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT I -BPL	38	40	42	44	46
LT I Domestic	28,715	30,324	31,686	32,804	33,692
LT II Non-Domestic	8,035	8,535	8,868	9,132	9,330
LT III PWW	999	1,034	1,070	1,105	1,141
LT IV Agriculture	38,076	38,470	38,784	39,043	39,837
LT V Powerloom	2,135	2,178	2,221	2,266	2,311
LT V Industrial General	11,415	12,949	14,483	16,048	17,668
LT VI Streetlight	1,132	1,158	1,183	1,208	1,234
LT VII- Temporary Connection	-	-	-	-	-

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT VIII Advertisement & Hoardings	-	-	-	-	-
LT Public Services	836	854	872	890	907
LT XI EV Charging Stations	234	386	587	877	1,262
Total LT Sales	91,616	95,928	99,796	1,03,417	1,07,427
Total Sales	**1,44,271**	**1,51,869**	**1,59,155**	**1,66,583**	**1,74,846**

5.1.11 Based on the above growth rate, MSEDCL has estimated that LT category as well as overall sales will witness a CAGR growth of ~5% during the Control Period.

5.1.12 MSEDCL further submitted that the Commission had introduced kVAh based billing for HT consumers with effect from 1st April 2020. In view of the same, for the purpose of determination of revenue from proposed kVAh based tariff, MSEDCL has converted the kWh sales into kVAh sales for HT category considering category wise power factors.

<u>Sales projections for Distribution Franchisees for Control Period</u>

5.1.13 MSEDCL submitted that it has taken a strategic decision to appoint a Distribution Franchisee for a certain period in the specific area having high distribution losses, less electricity bill recovery rate, need to improve the distribution system and all other inclusive aspects. MSEDCL has three Distribution Franchise:

5.1.13.1 **Bhiwandi DF**: M/s. Torrent Power Ltd. (TPL) had been appointed as Distribution Franchise for Bhiwandi circle and Distribution Franchise Agreement (DFA) was signed between MSEDCL & M/s TPL on 20 December 2006. Distribution operations of Bhiwandi circle were handed over to M/s TPL on 26 January 2007. The initial term of agreement was ten years and got expired on 26 January 2017. As per article 3.2 of DFA, the said agreement has been renewed and extended for 10 Years i.e. up to 25 January 2027. Currently, MSEDCL envisages to continue its partnership with TPL for the Bhiwandi area going forward.

5.1.13.2 MSEDCL requested the Commission to allow them to revisit the decision on renewal of DF agreement at the time of Mid-Term Review for the Control Period.

5.1.13.3 **Thane DF SMK area:** M/s. Torrent Power Ltd. (TPL) has been appointed as Distribution Franchise for Shil, Mumbra & Kalwa (SMK) sub-divisions under Thane Urban Circle. DFA dated 11 February 2019 is effective for the period commencing from 1 March 2020 to 1st March 2040. Distribution operations of designated DF area were handed over to M/s. TPL on 1st March 2020.

5.1.13.4 **Malegaon DF**: M/s. CESC Limited has been appointed as Distribution Franchise for Malegaon area comprising Malegaon Urban-I, II and III Sub-divisions and 5 villages of Malegaon Rural sub-divisions under Malegaon Circle. DFA dated 29 May 2019 is effective for the period commencing from 1 March 2020 to 1 March 2040. Distribution operations of designated DF area were handed over the M/s. CESC on 1 March 2020.

5.1.14 MSEDCL, in MYT Regulatory Formats "F1 MSEDCL Yearly Sales Forecast", it has shown category wise sales of MSEDCL including Distribution Franchisee. MSEDCL submitted that the category wise sales for Distribution Franchisee have been calculated in the respective form using the same methodology and CAGR for respective category used for MSEDCL.

5.1.15 Considering the projected sales and estimated loss levels, MSEDCL has projected the input level sales of said DFs for the Control Period is shown in following table.

Table 220: Input Sales for DF Area for 5th Control Period as submitted by MSEDCL (in MUs)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Sales by MSEDCL	**1,44,271**	**1,51,869**	**1,59,155**	**1,66,583**	**1,74,846**
Add: Category wise sales in DF area (Bhiwandi)	3,639	3,691	3,745	3,801	3,859
Add: Category wise sales in DF area (Malegaon)	894	927	961	997	1,034
Add: Category wise sales in DF area (Thane)	637	661	687	714	742
Energy Sales including DF	**1,49,441**	**1,57,148**	**1,64,549**	**1,72,094**	**1,80,481**
Add: OA Sales (Conventional)	4,026	4,034	4,042	4,049	4,057
Add: OA Sales (non-conventional)	4,941	6,196	7,313	8,332	9,154
Total Energy Sales	**1,58,408**	**1,67,379**	**1,75,904**	**1,84,475**	**1,93,692**

5.1.16 MSEDCL submitted that it has projected an incremental growth for OA (non-conventional) sales keeping in view the availability of cheaper power fuelled by significant capital investment envisaged in RE sector in the forth coming years coupled with the increasing environmental and corporate compliances guidelines.

5.1.17 MSEDCL has requested the Commission to approve the input sales for the Distribution Franchisee for the Control Period.

Approach for No. of Consumers Projection for 5th Control Period

5.1.18 MSEDCL has adopted the historical trend method for projecting category wise no. of consumers of MSEDCL. The Break-up of category wise no. of consumers and the 5-year CAGR growth rate is for the period between FY 2018-19 & FY 2023-24 while the 3-year CAGR growth rate is for the period between FY 2020-21 & FY 2023-24 whereas year on year is for FY 2023-24 over FY 2022-23. MSEDCL submitted that wherever it has observed that the trend is unreasonable or unsustainable, the growth factors have been corrected to arrive at more realistic projections.

5.1.19 Historical trend in No. of Consumers in HT Category for MSEDCL (incl. Distribution Franchisee) is given in following table.

Table 221: Historical Growth and CAGR No. of Consumers (HT Category)

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5 Year CAGR	3 Year CAGR	Y-o-Y Growth
HT-I Industries	14,353	14,614	14,954	14,945	15,228	15,494	1.54%	1.19%	<1.75%
HT-II Commercial	3,165	3,242	3,125	3,076	3,185	3,204	0.2%	0.8%	0.6%
HT III Railways	82	88	93	101	113	116	7.2%	7.6%	2.7%
HT IV-PWW	983	1,004	1,026	1,027	1,033	1,077	1.8%	1.6%	4.3%
HT V Agricultural	1,446	1,463	1,468	1,419	1,408	1,375	-1%	-2%	-2.3%
HT VI Bulk Supply (Housing Complex)	266	266	265	262	361	369	6.8%	11.7%	2.2%
HT Temporary	11	29	-	-	-	-	-100%		
HT-IX Public services	1,357	1,405	1,479	1,517	1,563	1,644	3.9%	3.6%	5.2%
MSPGCL AUX SUPPLY	27	27	28	28	29	30	2.1%	2.3%	3.4%
HT EV Charging Stations	2	3	5	6	14	25	66%	71%	79%
Total -HT Consumers	**21,692**	**22,141**	**22,443**	**22,381**	**22,934**	**23,334**	**1.5%**	**1.3%**	**1.7%**

5.1.20 Historical trend in No. of Consumers in LT Category for MSEDCL (incl. Distribution Franchisee) is given in following table.

Table 222: Historical Growth and CAGR No. of Consumers (LT Category)

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5 Year CAGR	3 Year CAGR	Y-oY Growth
LT I: LT - Residential Total	1,97,78,094	2,07,52,910	2,12,89,251	2,15,43,082	2,20,75,938	2,29,30,466	3%	2.5%	3.9%
LT II: LT - Non-Residential	19,04,557	19,88,489	20,44,058	20,56,116	21,50,250	22,58,153	3.5%	3.4%	5%
LT III PWW	52,808	54,880	56,057	56,108	56,778	58,939	2.2%	1.7%	3.8%
LT IV Agriculture	42,44,685	43,20,830	43,82,159	45,12,918	46,48,925	47,76,168	2.4%	2.9%	2.7%
LT V (A) Powerloom	67,653	57,644	58,491	56,864	56,036	57,810	-3.1%	-0.4%	3.2%

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5 Year CAGR	3 Year CAGR	Y-oY Growth
LT V (B) Industrial General	3,15,673	3,45,753	3,72,968	3,81,297	3,91,509	4,05,334	5.1%	2.8%	3.5%
LT VI Streetlight	96,466	99,322	1,01,296	1,02,641	1,04,601	1,05,979	1.9%	1.5%	1.3%
LT VII-Temporary Connection	6,028	10,748	-	-	-	-	-100%		
LT VIII: LT - Advertisements and Hoardings	2,742	3,163	-	-	-	-	-100%		
LT IX: LT - Crematorium and Burial Grounds	229	268	-	-	-	-	-100%		
LT X- Public Services – Total	1,04,129	1,18,667	1,28,319	1,34,260	1,59,517	1,70,017	10%	10%	7%
LT XI – Electric Vehicle Charging Station	-	28	66	145	455	1,590		189%	249%
LT Prepaid	10,809	9,467	12,670	7,454	6,736	6,178	-10.6%	-21.3%	-8.3%
Total LT Consumers	2,65,83,873	2,77,62,169	2,84,45,335	2,88,50,885	2,96,50,745	3,07,70,634	3%	2.7%	3.8%
Total Consumers	**2,66,05,565**	**2,77,84,310**	**2,84,67,778**	**2,88,73,266**	**2,96,73,679**	**3,07,93,968**	**3%**	**2.7%**	**3.8%**

CAGR considered for Projection of Nos. Consumer for 5th Control Period

5.1.21 MSEDCL has considered CAGR methodology for projections. Wherever it is observed that the trend is unreasonable or unsustainable, the growth factors have been corrected to arrive at more realistic projections considering year on year growth rate.

5.1.22 Following table provides the CAGRs considered for projecting the number of consumers for fifth control period along with rationale as submitted by MSEDCL.

Table 223: CAGR considered for HT Consumer Projection

Category	CAGR Considered	Reason or Justification
HT-I Industries		
HT-IND 11 kV	1 %	Total 3 Yr CAGR of category as whole is considered
HT-IND 22 kV	1 %	Total 3-Yr CAGR of category as whole is considered
HT-IND 33 kV	1 %	Total 3 Yr CAGR of category as whole is considered
HT-IND EHV	1 %	Total 3 -Yr CAGR category as whole is considered
HT-SEASONAL 11 AND 22 kV	1 %	As Y-o-Y growth is in -ve
HT-SEASONAL 22 kV	1 %	Realistic Since CAGR is -ve

Category	CAGR Considered	Reason or Justification
HT-SEASONAL 33 kV	1 %	Realistic Since CAGR is -ve
HT-SEASONAL EHV	1 %	Realistic Since CAGR is -ve
HT-II Commercial	1 %	
HT-COMM 11 kV	1 %	Total 3-Yr CAGR
HT-COMM 22 kV	1 %	3-Yr CAGR
HT-COMM 33 kV	1 %	Total 3-Yr CAGR
HT-COMM EHV	1 %	3-Yr CAGR
HT-III RAILWAYS/Metro/Mono		
HT RAILWAY/METRO/MONO 11 kV	5 %	Realistic CAGR 3 years
HT RAILWAY/METRO/MONO 22 kV	5 %	Realistic CAGR 3 years
HT RAILWAY/METRO/MONO 33 kV	5 %	Realistic CAGR 3 years
HT RAILWAY/METRO/MONO EHV	5 %	Realistic CAGR 3 years
HT-IV Public Water Works (PWW)		
HT-PWW 11 kV	2 %	5-year CAGR
HT-PWW 22 kV	2 %	5-year CAGR
HT-PWW 33 kV	2 %	5-year CAGR
HT-PWW EHV	2 %	CAGR is zero, realistic growth of 2% is taken
HT-V Agricultural		
HT-AGRICULTURE 11 kV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE 22 kV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE 33 kV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE EHV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE OTHERS 11 kV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE OTHERS 22 kV	0 %	-ve CAGR, hence realistic growth taken
HT-AGRICULTURE OTHERS 33 kV	0 %	-ve CAGR, hence realistic growth taken
HT-VI GROUP HOUSING SOCIETY		
HT-GROUP HOUSING 11 kV	2 %	Y-o-Y growth
HT-GROUP HOUSING 22 kV	2 %	Y-o-Y growth
HT-GROUP HOUSING 33 kV	2 %	Y-o-Y growth
HT-IX A Public Services- Govt.		
HT-PUBLIC SER.-GOVT 11 kV	2 %	3-year CAGR
HT-PUBLIC SER.-GOVT 22 kV	2 %	3-year CAGR
HT-PUBLIC SER.-GOVT 33 kV	2 %	3-year CAGR
HT-IX B Public Services- Others		
HT-PUBLIC SER.-OTHER 11 kV	2 %	Realistic considered, 5-year CAGR taken
HT-PUBLIC SER.-OTHER 22 kV	2 %	Realistic considered, 5-year CAGR taken
HT-PUBLIC SER.-OTHER 33 kV	2 %	Realistic considered, 5-year CAGR taken
HT-PUBLIC SER.-OTHER EHV	2 %	Realistic considered, 5-year CAGR taken
HT-XV MSPGCL AUX SUPPLY		
HT-MSPGCL AUX .SUPPLY 11 kV	2 %	5 year CAGR
HT-MSPGCL AUX. SUPPLY 22 kV	2 %	5 year CAGR
HT-MSPGCL AUX. SUPPLY 33 kV	2 %	5 year CAGR
HT-MSPGCL AUX. SUPPLY EHV	2 %	5 year CAGR
HT-EV CHARGING STATIONS 11 kV	10 %	Realistic 10% growth taken

Category	CAGR Considered	Reason or Justification
HT-EV CHARGING STATIONS 22 kV	10 %	Realistic 10% growth taken

Table 224: CAGR considered for LT Category

Category	CAGR Considered	Reason or Justification
LT Category		
LT-I (A): LT- BPL	-5 %	Realistic CAGR considered
LT-I (B) : LT-Residential (Other than BPL)	3 %	5-yr CAGR
LT-II : LT- Non Residential		
0-20 KW	3 %	Total 5-yr CAGR
>20-<=50 KW	3 %	Total 5-yr CAGR
>50 KW	3 %	Total 5-yr CAGR
LT-III : LT-Public Water Works		
0-20 KW	2 %	5-yr CAGR
20-<=40 KW	2 %	5-yr CAGR
> 40 KW	2 %	5-yr CAGR
LT-IV: LT-Agriculture		
*** LT-AG-Unmetered (Pump sets)	0 %	Realistic CAGR considered
LT-AG Metered (Pump sets)	2 %	5-yr CAGR
LT V(A) : LT Industry- Power Looms		
0-20 KW (Up to & including 27 HP)	1 %	Realistic CAGR considered
Above 20 KW (above 27 HP)	1 %	Realistic CAGR considered
LT V(B) : LT Industry- General		
0-20 KW (Up to & including 27 HP)	4 %	Total 5-yr CAGR
Above 20 KW (above 27 HP)	4 %	Total 5-yr CAGR
Streetlight (LT-VI)		
Gram panchayat A, B & C Class Municipal Council	2 %	Total 3-yr CAGR
Municipal corporation Area	2 %	Total 3-yr CAGR
LT X - Public services – Govt		
0-20 KW	10 %	Total Y-O-Y Growth
>20-50 kW	10 %	Total Y-O-Y Growth
>50 kW	10 %	Total Y-O-Y Growth
LT X - Public services – Other		
0-20 KW	10 %	3-year CAGR
>20-50 kW	10 %	3-year CAGR
>50 kW	10 %	3-year CAGR
LT EV Charging	10 %	Realistic CAGR considered
LT Prepaid	-5 %	Realistic CAGR considered

Number of Consumer Projections for 5th Control Period

5.1.23 MSEDCL has considered FY 2023-24 as base year for projection of number of consumers (ex. DF) for 5th control period FY 2025-26 to FY 2029-30. Based on the number of consumers for FY 2023-24 and the CAGR as shown in the above tables, MSEDCL has projected the number of consumers (excluding DF) for various categories for the control period as shown in the following tables:

Table 225: No. of Consumers Projections (HT category) for FY 2025-26 to FY 2029-30 as submitted by MSEDCL

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT-I Industries	15,821	15,986	16,153	16,321	16,492
HT-II Commercial	3,264	3,294	3,324	3,354	3,384
HT III Railways	132	141	150	159	168
HT IV-PWW	1,117	1,137	1,158	1,179	1,201
HT V Agricultural	1,375	1,375	1,375	1,375	1,375
HT VI Group Housing Society	389	399	409	419	430
HT Temporary	-	-	-	-	-
HT-IX Public services	1,713	1,748	1,783	1,819	1,855
MSPGCL AUX SUPPLY	38	42	46	50	54
HT EV Charging Stations	33	37	41	46	52
Total -HT Consumers	23,882	24,140	24,439	24,722	25,011

Table 226: No. of Consumers Projections (LT category) for 5th Control Period

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT I: LT - Domestic Total	2,44,03,785	2,51,77,212	2,59,76,162	2,68,01,425	2,76,53,820
LT II: LT - Non-Domestic	24,17,340	25,01,093	25,87,748	26,77,405	27,70,168
LT III PWW	61,334	62,568	63,827	65,111	66,421
LT IV Agriculture	48,77,782	49,29,850	49,82,777	50,36,577	50,91,265
LT V (A) Powerloom	58,974	59,565	60,162	60,764	61,372
LT V (B) Industrial General	4,37,194	4,54,051	4,71,558	4,89,740	5,08,623
LT VI Streetlight	1,09,223	1,10,882	1,12,566	1,14,276	1,16,011
LT VII- Temporary Connection	-	-	-	-	-
LT VIII: LT - Advertisements and Hoardings	-	-	-	-	-
LT IX: LT - Crematorium and Burial Grounds	-	-	-	-	-
LT X- Public Services	2,05,102	2,25,274	2,47,427	2,71,760	2,98,486
LT XI – Electric Vehicle Charging Station	1,924	2,117	2,329	2,562	2,819
LT Prepaid	5,577	5,299	5,035	4,784	4,545
Total LT Consumers	**3,25,78,235**	**3,35,27,911**	**3,45,09,591**	**3,55,24,404**	**3,65,73,530**
Total Consumers (Ex. Franchisee)	**3,26,02,117**	**3,35,52,051**	**3,45,34,030**	**3,55,49,126**	**3,65,98,541**

Approach for Connected Load/ Contract Demand Projection for 5th Control Period

5.1.24 Like its projections for number of consumers, MSEDCL has considered the CAGR approach to project the connected load and contract demand for the fifth control period.

5.1.25 MSEDCL has projected the connected load/contract demand for various categories (excluding DF) for the period as shown in the following table:

Table 227: Connected load/contract demand Projections (HT category) for 5th Control Period

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category (Billing Demand in kVA)					
HT-I Industries					
HT-IND 11 kV	20,67,821	21,49,176	22,33,731	23,21,613	24,12,953
HT-IND 22 kV	27,47,414	28,55,506	29,67,851	30,84,616	32,05,974
HT-IND 33 kV	23,00,854	23,91,377	24,85,461	25,83,247	26,84,880
HT-IND EHV	32,86,214	34,15,504	35,49,881	36,89,544	38,34,702
HT-SEASONAL 11 AND 22 kV	1,04,438	1,08,547	1,12,818	1,17,257	1,21,871
HT-SEASONAL 22 kV	-	-	-	-	-
HT-SEASONAL 33 kV	7,379	7,670	7,972	8,286	8,612
HT-SEASONAL EHV	526	547	569	592	616
Total: HT-I Industries	**1,05,14,646**	**1,09,28,327**	**1,13,58,283**	**1,18,05,155**	**1,22,69,608**
HT-II Commercial					
HT-COMM 11 kV	2,71,725	2,79,364	2,87,218	2,95,293	3,03,595
HT-COMM 22 kV	3,42,049	3,51,665	3,61,552	3,71,717	3,82,167
HT-COMM 33 kV	25,213	25,922	26,651	27,401	28,172
HT-COMM EHV	30,406	31,261	32,140	33,044	33,973
Total: HT-II Commercial	**6,69,393**	**6,88,212**	**7,07,561**	**7,27,455**	**7,47,907**
HT-III RAILWAYS/Metro/Mono					
HT RAILWAY/METRO/MONO 11 kV	17,361	18,230	19,142	20,100	21,105
HT RAILWAY/METRO/MONO 22 kV	4,527	4,754	4,992	5,242	5,505
HT RAILWAY/METRO/MONO 33 kV	3,452	3,625	3,807	3,998	4,198
HT RAILWAY/METRO/MONO EHV	17,395	18,265	19,179	20,138	21,145
Total: HT-III RAILWAYS/Metro/Mono	**42,735**	**44,874**	**47,120**	**49,478**	**51,953**
HT-IV Public Water Works (PWW)					
HT-PWW 11 kV	1,48,950	1,51,929	1,54,968	1,58,068	1,61,230
HT-PWW 22 kV	1,19,462	1,21,852	1,24,290	1,26,776	1,29,312
HT-PWW 33 kV	80,272	81,878	83,516	85,187	86,891
HT-PWW EHV	16,883	17,221	17,566	17,918	18,277
Total HT-IV Public Water Works (PWW)	**3,65,567**	**3,72,880**	**3,80,340**	**3,87,949**	**3,95,710**
HT-V Agricultural					
HT-AGRICULTURE 11kV	1,01,820	1,02,839	1,03,868	1,04,907	1,05,957
HT-AGRICULTURE 22kV	3,168	3,200	3,232	3,265	3,298

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT-AGRICULTURE 33kV	81,993	82,813	83,642	84,479	85,324
HT-AGRICULTURE EHV	2,73,915	2,76,655	2,79,422	2,82,217	2,85,040
HT-AGRICULTURE OTHERS 11 kV	47,583	48,059	48,540	49,026	49,517
HT-AGRICULTURE OTHERS 22 kV	30,057	30,358	30,662	30,969	31,279
HT-AGRICULTURE OTHERS 33 kV	6,852	6,921	6,991	7,061	7,132
HT-AGRICULTURE OTHERS EHV	-	-	-	-	-
HT-POULTRY 11 kV	-	-	-	-	-
HT-POULTRY 22 kV	-	-	-	-	-
HT-POULTRY 33 kV	-	-	-	-	-
HT-POULTRY EHV	-	-	-	-	-
HT-AG HIGHTECH 11 AND 22 kV	-	-	-	-	-
HT-AG HIGHTECH 33 kV	-	-	-	-	-
HT-AG HIGHTECH EHV	-	-	-	-	-
HT-AG (COLD STORAGE) 11 AND 22 kV	-	-	-	-	-
HT-AG (COLD STORAGE) 33 kV	-	-	-	-	-
HT-AG (COLD STORAGE) EHV	-	-	-	-	-
Total: HT -V AGRICULTURE	**5,45,388**	**5,50,845**	**5,56,357**	**5,61,924**	**5,67,547**
HT-VI GROUP HOUSING SOCIETY					
HT-GROUP HOUSING 11kV	39,289	39,682	40,079	40,480	40,885
HT-GROUP HOUSING 22 kV	16,508	16,674	16,841	17,010	17,181
HT-GROUP HOUSING 33 kV	3,032	3,063	3,094	3,125	3,157
HT-GROUP HOUSING EHV	-	-	-	-	-
Total: HT-VI GROUP HOUSING SOCIETY	**58,829**	**59,419**	**60,014**	**60,615**	**61,223**
HT VIII - Temporary Supply					
HT VIII A-Temp Supply-Religious	-	-	-	-	-
HT TEMPORARY RELIGIOUS 11 kV	-	-	-	-	-
HT TEMPORARY RELIGIOUS 22 kV	-	-	-	-	-
HT TEMPORARY RELIGIOUS 33 kV	-	-	-	-	-
HT TEMPORARY RELIGIOUS EHV	-	-	-	-	-
Total: HT VIII A-Temp Supply-Religious	-	-	-	-	-
HT VIII B-Temp Supply- Others	-	-	-	-	-

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT TEMPORARY OTHERS 11 kV	-	-	-	-	-
HT TEMPORARY OTHERS 22 kV	-	-	-	-	-
HT-TEMPORARY OTHERS 33 kV	-	-	-	-	-
HT-TEMPORARY OTHERS EHV	-	-	-	-	-
Total: HT VIII B-Temp Supply-Others	-	-	-	-	-
Total: HT VIII-Temporary Supply	**-**	**-**	**-**	**-**	**-**
HT-IX Public Services	-	-	-	-	-
HT-IX A Public Services- Govt.	-	-	-	-	-
HT-PUBLIC SER.-GOVT 11 kV	52,176	54,785	57,525	60,402	63,423
HT-PUBLIC SER.-GOVT 22 kV	28,134	29,541	31,019	32,570	34,199
HT-PUBLIC SER.-GOVT 33 kV	10,802	11,343	11,911	12,507	13,133
HT-PUBLIC SER.-GOVT EHV	-	-	-	-	-
Total: HT-IX A Public Services-Govt	**91,112**	**95,669**	**1,00,455**	**1,05,479**	**1,10,755**
HT-IX B Public Services- Others					
HT-PUBLIC SER.-OTHER 11 kV	1,54,296	1,62,011	1,70,112	1,78,618	1,87,549
HT-PUBLIC SER.-OTHER 22 kV	84,246	88,459	92,882	97,527	1,02,404
HT-PUBLIC SER.-OTHER 33 kV	46,624	48,956	51,404	53,975	56,674
HT-PUBLIC SER.-OTHER EHV	-	-	-	-	-
Total: HT-IX B Public Services-Others	2,85,166	2,99,426	3,14,398	3,30,120	3,46,627
Total: HT-IX Public Services	**3,76,278**	**3,95,095**	**4,14,853**	**4,35,599**	**4,57,382**
HT-XV MSPGCL AUX SUPPLY					
HT-MSPGCL AUX.SUPPLY 11 kV	2,361	2,432	2,505	2,581	2,659
HT-MSPGCL AUX.SUPPLY 22 kV	33	34	36	38	40
HT-MSPGCL AUX.SUPPLY 33 kV	592	610	629	648	668
HT-MSPGCL AUX.SUPPLY EHV	2,84,806	3,13,287	3,44,616	3,79,078	4,16,986
Total: HT-XV MSPGCL AUX SUPPLY	**2,87,792**	**3,16,363**	**3,47,786**	**3,82,345**	**4,20,353**
HT: Port					
HT-EV CHARGING STATIONS 11 kV	88,270	1,18,856	1,34,871	1,46,071	1,64,799
HT-EV CHARGING STATIONS 22 kV	2,59,165	3,39,773	4,30,871	5,33,743	6,56,620
TOTAL HT Category	**1,32,08,063**	**1,38,14,644**	**1,44,38,056**	**1,50,90,334**	**1,57,93,102**

Table 228: Connected load/contract demand Projections (LT category) for the Control Period

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT Category (Connected Load in kW)					
LT-I (A): LT- BPL	18,659	17,727	16,841	15,999	15,200
LT-I (B) : LT-Residential (Other than BPL)	2,83,05,152	2,96,08,445	3,09,71,747	3,23,97,821	3,38,89,558
1-100 Units	-	-	-	-	-
101-300 Units	-	-	-	-	-
301-500 Units	-	-	-	-	-
501-1000 Units	-	-	-	-	-
Above 1000 Units	-	-	-	-	-
Sub Total Domestic	**2,83,23,811**	**2,96,26,172**	**3,09,88,588**	**3,24,13,820**	**3,39,04,758**
LT-II: LT- Non-Residential					
0-20 KW	47,95,645	50,13,463	52,41,174	54,79,228	57,28,094
0-200 Units	-	-	-	-	-
Above 200 units	-	-	-	-	-
>20-<=50 KW	4,42,712	4,62,820	4,83,842	5,05,819	5,28,794
>50 KW	3,98,934	4,17,054	4,35,997	4,55,800	4,76,503
Sub Total Non-Domestic (LT-2)	**56,37,291**	**58,93,337**	**61,61,013**	**64,40,847**	**67,33,391**
LT-III: LT-Public Water Works					
0-20 KW	1,26,220	1,32,531	1,39,158	1,46,116	1,53,422
20-<=40 KW	39,358	41,326	43,390	45,563	47,842
> 40 KW	54,987	57,737	60,624	63,656	66,839
Sub Total PWW	**2,20,565**	**2,31,594**	**2,43,175**	**2,55,335**	**2,68,103**
LT-IV: LT-Agriculture (Connected Load in HP)					
*** LT-AG-Unmetered (Pump sets)	86,21,982	86,21,982	86,21,982	86,21,982	86,21,982
Zones with (Above 1318 Hrs/HP/Annum)					
0-5 HP	32,61,196	32,61,196	32,61,196	32,61,196	32,61,196
>5 - 7.5 HP	7,69,932	7,69,932	7,69,932	7,69,932	7,69,932
Above 7.5 HP	-	-	-	-	-
Zones with (Below 1318 Hrs/HP/Annum)	-	-	-	-	-
0-5 HP	34,26,948	34,26,948	34,26,948	34,26,948	34,26,948
>5 - 7.5 HP	11,63,905	11,63,905	11,63,905	11,63,905	11,63,905
Above 7.5 HP	-	-	-	-	-
LT-AG Metered (Pump sets)	1,57,54,204	1,59,11,747	1,60,70,865	1,62,31,574	1,63,93,890
LT-AG Metered (Others)	1,47,496	1,54,871	1,62,615	1,70,746	1,79,284
LT Poultry/High tech					
Sub Total Agriculture	**2,45,23,682**	**2,46,88,600**	**2,48,55,462**	**2,50,24,302**	**2,51,95,156**
LT V(A) : LT Industry-Power Looms					

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
0-20 KW (Upto & including 27 HP)	1,78,895	1,80,684	1,82,491	1,84,316	1,86,160
Above 20 KW (above 27 HP)	3,24,019	3,39,905	3,56,570	3,74,052	3,92,391
Sub Total LT V(A) : LT Industry- Power Looms	**5,02,914**	**5,20,589**	**5,39,061**	**5,58,368**	**5,78,551**
LT V(B) : LT Industry- General					
0-20 KW (Upto & including 27 HP)	40,19,527	41,80,309	43,47,522	45,21,423	47,02,280
Above 20 KW (above 27 HP)	27,50,366	28,60,381	29,74,797	30,93,789	32,17,541
Sub Total LT V(B) : LT Industry- General	**67,69,893**	**70,40,690**	**73,22,319**	**76,15,212**	**79,19,821**
Total LT Industrial	**72,72,807**	**75,61,279**	**78,61,380**	**81,73,580**	**84,98,372**
Streetlight (LT-VI)					
Grampanchayat A, B & C Class Municipal Council	2,87,705	3,00,625	3,14,125	3,28,231	3,42,971
Municipal corporation Area	2,51,291	2,62,576	2,74,367	2,86,688	2,99,562
Sub Total Street Light	**5,38,996**	**5,63,201**	**5,88,492**	**6,14,919**	**6,42,533**
Temporary Connection (LT-VII)					
Temporary Connection (Religious)	-	-	-	-	-
Temporary Connection (Other Purposes)	-	-	-	-	-
Sub Total Temporary	-	-	-	-	-
LT-VIII: LT-Advertisements & Hoardings	-	-	-	-	-
LT-IX: LT-Crematorium and Burial Grounds	-	-	-	-	-
LT X - Public services – Govt					
0-20 KW	88,932	95,158	1,01,820	1,08,948	1,16,575
0-200 Units	-	-	-	-	-
>200 units	-	-	-	-	-
>20-50 kW	7,970	8,528	9,125	9,764	10,448
>50 kW	7,761	8,305	8,887	9,510	10,176
LT X - Public services – Other					
0-20 KW	3,24,432	3,50,387	3,78,418	4,08,692	4,41,388
0-200 Units	-	-	-	-	-
>200 units	-	-	-	-	-
>20-50 kW	71,876	77,627	83,838	90,546	97,790
>50 kW	90,296	97,520	1,05,322	1,13,748	1,22,848
Subtotal - LT Public services	**5,91,267**	**6,37,525**	**6,87,410**	**7,41,208**	**7,99,225**
LT EV Charging	3,06,203	2,63,224	2,71,112	2,88,282	3,22,086
Total LT	6,74,14,622	6,94,64,932	7,16,56,632	7,39,52,293	7,63,63,624

5.1.26 For the purpose of Revenue Estimation, MSEDCL has considered the total of no. of consumers, connected load, billing demand of the year end since the consumers get added throughout the year.

Commission's Analysis and Rulings

5.1.27 For time series analysis of growth rates (sales, number of consumers and connected load/contract demand), the historical data and actual figures of FY 2024-25 (Sales, Number of consumers, Connected Load/Contract Demand) were available only up to first half i.e. FY 2024-25 (H1) as part of MYT Petition, whereas the Sales for the remaining six months i.e. FY 2024-25 (H2) were estimated. Hence, for the purpose of projections of Sales, the Commission has considered the approved Category-wise Sales for FY 2023-24 as the base year including approved AG Sales, as per rationale elaborated under True-up section for assessment of AG Sales for FY 2023-24.

5.1.28 The Commission observes that for sales projections under MYT petition MSEDCL has extensively relied on consumer-category-wise energy forecasts (MWh) using CAGR based approach. The Commission has noticed a discrepancy in the sales projections for the base year (FY2024-25). Initially, the Commission approved 126 BUs in the MTR Order in Case No. 226 of 2022. However, MSEDCL in its provisional true-up assessment for FY2024-25 submitted sales as 137 BU. In the RA Plan submission, the sales for the base year (FY2024-25) are reported as 142.23 BU, excluding OA sales and other sales and 149.95 BU including OA sales and other sales. The Commission observes that these revised estimates are significantly higher than the 137 BU submitted in the MYT Petition. As a result, the future sales and peak demand projections are influenced by these higher base-year estimates, leading to increased sales and peak demand forecasts when applying the load factor.

5.1.29 The Commission observed that CAGR has been computed with inclusion of sale to OA consumers in the end Year (FY 2023-24) whereas the same is excluded in Start Year (FY 2019-20) for CAGR factor estimation, thereby resulting in over estimation of the growth factor as discussed above.

5.1.30 The Commission also observes that MSEDCL has considered the impact of EV, Solar Rooftop installation, Solar Pumps for computation of sales for 5th Control Period. However, the Commission also observed that MSEDCL's initial submissions prior to Technical Validation, has overstated agricultural sales, which was pointed out in the TVS. **As a result, MSEDCL, in its revised Petition, has reduced agricultural sales and reallocate the reduced amount to other categories, including LT Residential, LT Non-Residential, LT Industrial, and HT Commercial categories.**

5.1.31 The following table summarizes the combined sales for 5 years in the 5th Control Period for above categories before & after revision of Petition after TVS.

Table 229: Modification in Sales by MSEDCL in the revised Petition after TVS

Categories	MSEDCL's Sales submission in original Petition Incl DF (kWh)	MSEDCL's Sales submission in revised Petition Incl DF (kWh)	Category wise Difference
LT I: Residential	1,62,867	1,49,192	13,675
LT II: Non-Residential	45,410	38,333	7,077
LT V: Industry	99,131	87,097	12,034
LT IV: Agriculture	1,94,332	2,27,923	(33,591)
Total LT	**5,21,020**	**5,21,825**	**(805)**
HT I: Industry	2,43,874	2,43,874	-
HT II: Commercial	11,117	10,319	798
Total HT	**3,02,690**	**3,01,892**	**798**
Total Sales	**8,23,710**	**8,23,710**	

5.1.32 The Commission has further observed that MSEDCL is unable to provide explanation or methodology for modifying the sales projections that were initially derived using the CAGR method. Further, considering increase in sale in subsidizing category would unnecessarily inflate the revenue and lower revenue gap. This ad-hoc adjustments in sales in certain consumer categories raises concerns regarding the sales forecast for 5th Control Period. **The Commission expresses the displeasure and directs, MSEDCL to avoid making unjustified changes to sales projections in all future submissions and to ensure consistent and reasoned approach with suitable justifications in their forecasting methods.**

5.1.33 The Commission has analysed category-wise CAGR (7-yr, 6-yr, 5-yr, 3-yr and Year-on-Year) and compared the actual growth vis-à-vis growth rates approved in earlier Order. The Commission also notes that as the period of projection spans tenure of 5 years, it would be appropriate to consider 5-yr CAGR instead of 3-yr CAGR except in cases where significant variation is observed in yr-to-yr growth in recent times. Thus, the Commission has applied, in most cases 5 years CAGR for projections of sales for the 5th Control Period. Where it is considered necessary because of aberrations in the reported year-on-year or 5-yr CAGR growth rates of certain categories, the Commission has applied the correction in growth rate projections or considered MSEDCL's projection upon reviewing the rationale/justification provided by MSEDCL, to arrive at more realistic projections.

5.1.34 The Commission has approved the category-wise sales for FY 2022-23 and FY 2023-24 under the True-up section of this Order. Accordingly, based on the approved sales, the Commission has projected the category-wise sales for 5th Control Period, extending up to FY 2029-30. Considering that this period spans six to seven years, the Commission has, where deemed appropriate, adopted a

6-yr or 7-yr CAGR for certain consumer categories, in cases where the 5-yr CAGR and Y-o-Y growth rates were observed to be unrealistic. Detailed rationale and category-wise growth factors considered for sales projections is covered in subsequent paragraphs. The growth rates considered by the Commission are discussed in the following paragraphs:

HT I – Industry

5.1.35 6 years weighted average CAGR works out to be 5.17%. as compared to MSEDCL's assumption of 6.14% growth in HT-Industry in RA plan as compared to 5-yr CAGR growth rate which works out as 4.19%. Thus, Commission has considered the 6 years CAGR growth rate of 5.17 % for HT I–Industry. Further, the Commission has additionally considered impact of solar rooftop installation on HT Industry sales.

HT II – Commercial

5.1.36 The 5 years weighted average CAGR for HT Commercial category works out to be 0.36%. Hence, the Commission has considered the year-on-year growth rate of 6.7% for HT Commercial Category. Further, the Commission has additionally considered impact of solar rooftop installation on HT Commercial sales.

HT III – Metro/Monorail/Railways

5.1.37 5 years weighted average CAGR for HT- Metro/Monorail/Railways category works out to be 12.0% while Y-o-Y growth rate as 30%. The Commission finds these on higher side and unrealistic. The Commission has considered the 5 years CAGR growth rate of total HT category which works out as 4.08% for HT III – Metro/Monorail/Railways Category.

HT IV – Public Water Works (PWW)

5.1.38 5 years weighted average CAGR for HT PWW category works out to be 3.0%. The Commission has considered the 5 years CAGR growth rate of 3.0% for HT IV – PWW Category.

HT V – Agriculture

5.1.39 The 5 years weighted average CAGR for HT V – Agriculture category works out to be 9% and for HT V – Agriculture others category it works out as negative. Hence, the Commission has considered the growth rate of 1% across the HT V – Agriculture others Category and 5-yr CAGR growth rate of total HT category i.e., 4.08% for HT V – Agriculture 11kV/22kV/33kV/EHV category.

HT VI – Group Housing Society

5.1.40 The 5 years weighted average CAGR for HT VI – Group Housing Society category works out to be negative. Hence, the Commission has considered the growth rate of 4.08% across the HT VI – Group Housing Society Category, which is 5-yr CAGR growth rate for total HT category. Further, the Commission has additionally considered impact of solar rooftop installation on HT Group Housing Society sale.

HT IX Public Services

5.1.41 The 5 years weighted average CAGR works out to be 3.7%, which is considered by the Commission across the entire sub-categories of HT IX Public Services.

HT X MSPGCL Aux. Supply

5.1.42 The 5 years weighted average CAGR for HT X – MSPGCL Aux. Supply works out to be 14% which seems on higher side and unrealistic. The Commission has considered the Y-o-Y growth rate of total HT category i.e., 6.06% across the HT X – MSPGCL Aux. sub-categories.

HT EV Charging Stations

5.1.43 The Commission has applied 10% growth rate for projection of EV sales. Further, the Commission has also considered impact of future EV penetration onto calculate the final HT EV Charging Station sale.

LT I – Residential

5.1.44 The 5-yr weighted average CAGR for LT 1(A)-BPL category works out to be negative. Hence, the Commission has considered growth rate of 1% for LT 1(A)-BPL category. The Commission has considered 3 –year CAGR, the weighted average of which works out to 5.10% for LT 1(B)- Residential (other than BPL) category. Further, the Commission has additionally considered impact of solar rooftop installations to project the LT Residential sales.

LT II – Non-Residential

5.1.45 The 5-yr CAGR, 3-yr CAGR and Y-o-Y growth rates for LT II- Non-Residential category works out to be 2.68%, 20% and 10% respectively. There is significant variation ranging from 3% to 20%, which does not signify the realistic projection of the sales growth. The Commission has considered the 7-yr weighted average CAGR i.e., 5.8% for all LT II- Non-Residential sub-categories. Further, the Commission has additionally considered impact of solar rooftop installation on LT Non-Residential sale.

LT III - PWW

5.1.46 The Commission has considered the Y-o-Y growth rate of 5% for LT III – PWW category.

LT IV – Agriculture

5.1.47 The Commission has considered under True-up chapter, its views for the assessment of AG sales. The Commission has considered to approve AG sales for 5th Control Period i.e., for FY 2025-26 to FY 2029-30 as per the AG consumption norms approved for FY 2023-24 in the True-up chapters of this Order.

LT V – Industry

5.1.48 The 5 years weighted average CAGR for LT Industry-Power loom and total LT V-Industry works out to be 3.7% and 8.1%, respectively. The 3-year weighted average CAGR for LT Industry-Power loom works out to be 12%. There is significant variation between 3 year and 5-year CAGR for LT Industry-Power loom. Thus, the Commission has considered the 5 years CAGR growth rate of 8.1% (total LT V-Industry) for LT-Power loom industry.

5.1.49 As regards the LT Industry -General, 5 years weighted average CAGR works out to be 10.81%, the Commission has considered the same growth rate for LT Industry-General. Further, the Commission has additionally considered impact of solar rooftop installation on LT Industrial sale.

LT VI – Street Light

5.1.50 The 5 years weighted average CAGR for LT VI-Street Light category works out to be negative. Hence, the Commission has considered 1% growth rate for LT VI-Street Light category.

LT X Public Services

5.1.51 The Commission has considered 5-yr weighted average CAGR of 10.65% for the LT – Public Services category.

HT EV Charging Stations 22 kV

5.1.52 The Commission has applied 10% growth rate for projection of EV sales. The Commission has also considered impact of future EV penetration.

5.1.53 The Commission has applied the Category-wise growth rates as above for projecting the Sales in the DF areas.

5.1.54 Following table provides the HT and LT sales projections approved by the Commission Excluding DF Sales for 5th Control Period.

Table 230: Sales for FY 2025-26 to FY 2029-30 (Excluding DF Sales) as approved by the Commission (MU)

Consumer Category & Consumption Slab	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HT-I Industries	41,978	43,942	45,931	47,916	49,852
HT-II Commercial	1,987	2,097	2,207	2,311	2,406

Consumer Category & Consumption Slab	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
HT-III RAILWAYS/Metro/Mono	144	150	156	163	169
HT-IV Public Water Works (PWW)	1,972	2,031	2,093	2,157	2,222
HT -V AGRICULTURE	1,989	2,068	2,150	2,236	2,325
HT-VI GROUP HOUSING SOCIETY	233	241	248	256	262
HT-IX Public Services	1,291	1,339	1,389	1,441	1,495
HT-XV MSPGCL AUX SUPPLY	390	413	438	465	493
HT AG Others (Poultry)					
H.T. EV CHARGING STATIONS 11 kV	204	328	491	726	1,037
H.T. EV CHARGING STATIONS 22 kV	811	1,304	1,958	2,895	4,139
TOTAL HT Category	**50,997**	**53,913**	**57,062**	**60,564**	**64,399**
LT-I (A): LT- BPL	35	35	36	36	36
LT-I (B): LT-Residential (Other than BPL)	26,890	28,065	29,209	30,284	31,236
LT - II Non-Domestic	7,116	7,452	7,780	8,088	8,359
LT - III PWW	1,031	1,082	1,136	1,193	1,252
LT-AG-Unmetered (Pump sets)	11,870	11,870	11,870	11,870	11,870
LT-AG Metered (Pump sets)	22,057	22,472	22,894	23,325	23,763
LT-AG Metered (Others)	212	216	220	224	228
LT V(A) : LT Industry- Power Looms	2,406	2,625	2,855	3,097	3,346
Total LT V(B): LT Industry- General	9,886	10,924	12,065	13,314	14,678
LT Street Light	1,120	1,131	1,143	1,154	1,166
LT - X - Public services	993	1,097	1,212	1,340	1,481
T L.T. EV Charging Stations	236	388	591	881	1,268
Total LT Category	**83,852**	**87,358**	**91,011**	**94,806**	**98,684**
MSEDCL excl. Fran. Total sales	**1,34,849**	**1,41,271**	**1,48,073**	**1,55,370**	**1,63,083**

5.1.55 Following Table summarizes the projections approved by the Commission (including DF area Sales) from FY 2023-24 and FY 2024-25:

Table 231: Sales for 5th Control Period (Including DF Areas), as approved by Commission (MU)

Particulars	**MYT Petition**					**Approved in this Order**				
	FY 26	**FY 27**	**FY 28**	**FY 29**	**FY 30**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Sales excl. DF	1,44,271	1,51,869	1,59,155	1,66,582	1,74,845	1,34,849	1,41,271	1,48,073	1,55,370	1,63,083
Sales (Bhiwandi DF)	3,639	3,691	3,745	3,801	3,860	3,942	4,166	4,409	4,671	4,955
Sales (Malegaon DF)	894	927	961	996	1,033	950	1,016	1,088	1,166	1,250
Sales (Thane DF)	637	661	687	714	742	617	632	648	666	685
Total Sales	**1,49,441**	**1,57,148**	**1,64,548**	**1,72,094**	**1,80,480**	**1,40,358**	**1,47,085**	**1,54,218**	**1,61,873**	**1,69,973**

5.1.56 As regards, the projection of Number of Consumers, Billing Demand/Contract Demand, the Commission has noted the submissions, and its rationale provided across the consumer categories. The Commission for the purpose of projections has considered the 5 years CAGR for most of the consumers categories, wherever negative growth rates were observed, the Commission has considered the zero-growth rate for such consumer categories.

5.2 Resource Adequacy and Power Procurement Planning

Background

5.2.1 Under Rule 16 of Electricity (Amendment) Rules, 2022, the Ministry of Power (MoP), Government of India (GoI), in consultation with the Central Electricity Authority (CEA), issued the Guidelines for Resource Adequacy Planning Framework for India (RA Guidelines) in June 2023. As per the said RA Guidelines, the CEA is mandated to publish the national-level Planning Resource Margin (PRM) as a guidance for all the States/UTs while undertaking their Resource Adequacy (RA) exercises. (clause 3.1) and to publish the capacity credits for different resource types on a regional basis. (clause 3.1)

5.2.2 Each distribution licensee shall undertake a Resource Adequacy Plan (RAP) for a 10-year horizon (Long-term Distribution Resource Adequacy Plan (LT-DRAP)) to meet their own peak demand and electrical energy requirement. (clause 3.7). The DLs shall refer to Long-term Distribution Resource Adequacy Plan (LT-NRAP) if required for inputs like Planning Reserve Margin (PRM), Capacity Credits (CC), etc. while formulating their LT-DRAP and submitting their plans to CEA. (clause 3.7.1)

5.2.3 The Commission has notified the MERC (Framework for Resource Adequacy) Regulations, 2024 (MERC RA Regulations, 2024), to enable the implementation of the RA Framework to reliably meet the projected demand within the state. The objective of the MERC RA Regulations, 2024 is to enable the implementation of RA framework by outlining a mechanism for planning of generation and transmission resources for reliably meeting the projected demand in compliance with specified reliability standards for serving the load with an optimum generation mix.

5.2.4 The MERC RA Regulations, 2024 outline the development and preparation of an RA Plan for the Long-term Distribution Resource Adequacy Plan (LT-DRAP) for up to 10 years, Medium-term Distribution Resource Adequacy Plan (MT-DRAP) for up to 5 years and Short-Term Resource Adequacy Plan (ST-DRAP) for up to one year by DLs. The RA Regulations specify the requirement for long-term, medium-term and short-term demand forecasting and assessment using scientific modelling tools, generation resource planning, procurement planning, and monitoring and compliance.

5.2.5 In compliance with the provisions of Regulation 5.4 of the MERC RA Regulations, 2024, MSEDCL has submitted its RA Plan on 15 October 2024. The Commission scrutinized the proposal submitted by MSEDCL and noted certain data discrepancies in demand forecasting and shortcomings in compliance with the provisions of the MERC RA Regulations 2024.

5.2.6 Further, the Commission noted that, as per the RA guidelines, the CEA is mandated to publish a LT-NRAP, which shall determine the optimal PRM requirement at the all-India level conforming to the reliable supply targets. LT-NRAP shall allocate the share in the national peak for each State, and in States where there are multiple DLs, the respective STU / SLDC shall allocate each DL's share in the national peak within 15 days of the publication of LT-NRAP.

5.2.7 Further, these RA guidelines also require National Load Despatch Centre (NLDC) to annually publish a one-year look-ahead Short-term National Resource Adequacy Plan (ST-NRAP). The Commission had also noted that, the CEA/NLDC are yet to publish the LT-NRAP and ST-NRAP results, including reliability indices (Loss of Load Probability (LOLP)/ Normalized Energy not Served (NENS)) and PRM, CC factors for various resources, as per RA Guidelines. As the CEA is yet to publish the LT-NRAP study report, the allocation factors for the contribution of States to National Coincident Peak Demand (NCPD) are not readily available for assessment. Meanwhile, the CEA had published a Discussion Paper dated 18 October 2024 for a methodology for demand contribution and CC factor assessment and invited comments.

5.2.8 In view of above developments at the national level on RA planning, critical observations on RA plans submitted by MSEDCL and considering the forthcoming MYT proceedings as per MYT Regulations 2024, the Commission directed MSEDCL to revisit the RA planning in light of the methodology specified by the CEA in the Discussion Paper published by CEA dated 18 October 2024 for computation of CC of Generation Resources & Coincident Peak Requirement of Utilities under RA Framework. Further, MSEDCL was also directed to revisit its ST-DRAP and LT-DRAP planning along with proposed power procurement and submit the same as a part of its MYT Tariff Petition for the 5th control period for stakeholder's consultation.

5.2.9 Meanwhile, Grid India (NLDC) has recently published the ST-NRAP study report for FY 2025-26 on 31st January 2025 which outlines the comprehensive assessment of RA for all India for FY 2025-26 based on probabilistic demand forecasts and generation resource availability scenarios. The results are presented in the form of reliability indices including LOLP and NENS. According to ST-NRAP study report, in the best-case scenario for FY 2025-26, the LOLP is 5.8 %, and the NENS is 0.17% based on production cost model. Additionally, the report also covers suggested measures to improve RA practices to be followed.

5.2.10 However, the ST-NRAP report does not cover state specific analysis or contribution of any state to national co-incident peak to ascertain RA requirement for the State. Further, it does not provide guiding factors of PRM and CC assessment of resources across regions. All these factors are important for state level RA assessment and are expected to be covered as a part of LT-NRAP study report to be published by CEA as per the RA Guidelines.

5.2.11 As per the Regulation 12.13 of MERC RA Regulations, 2024, for planning RA requirement, the DL is required to duly factor in the allocation of RA requirement to the DL as may be suggested by the STU/SLDC, as the case may be, based on average of share in state CPD and share in state non-coincident peak demand (NCPD) for MT-RA and ST-RA.

5.2.12 Further, as per Regulation 16.3 of MERC RA Regulations, 2024, while approving the RA plans of DLs the Commission is required to seek inputs from STU/SLDC to ensure consistency with the state-level aggregation carried out by STU/SLDC.

5.2.13 In view of the above directions of the Commission, MSEDCL submitted its revised RA planning as a part of its MYT Tariff Petition for the 5th control period in this Petition.

5.3 Scrutiny of the RA Planning as per the provisions of the MERC RA Regulations, 2024

MSEDCL's Submission

5.3.1 Demand Assessment and Forecasting

5.3.1.1 MSEDCL has projected sales for the Control Period based on the ST-DRAP and MT-DRAP submitted to the Commission on 15 October 2024. The RA outlines a framework to ensure reliable power supply for consumers for the 5th Control Period (FY 2025-26 to FY 2029-30).

5.3.1.2 The RA plan provides analysis of MSEDCL's demand forecast, generation resources profiles of existing and planned generation capacity along with contract rates, CC, and strategies to meet Resource Adequacy Requirement (RAR) over the short-term and medium-term horizons, including integration of renewable energy (RE) sources and in compliance with Renewable Purchase Obligations (RPO) targets.

5.3.1.3 As per the provisions of the Regulation 6.4 of the MERC RA Regulations, 2024, the demand forecasting has been carried out by utilizing the category wise consumption data for various categories. The category-wise demand has been projected based on a combination of SARIMA (Seasonal Autoregressive Integrated Moving Average) model and other econometric methodologies.

5.3.1.4 The RA plan has envisaged MSEDCL's overall consumption to grow at a CAGR of 5.07%. Individual consumer category wise CAGR considered for forecasting the consumption is covered in detail under earlier paragraphs of this Chapter.

Commission's Analysis and Ruling

5.3.1.5 With notification of Resource Adequacy Regulations, there has been remarkable shift in the planning approach to demand forecasting particularly, in terms of following aspects:

a) **Hourly/Sub-hourly Profiling**: Focus on hourly/sub-hourly demand assessment (MW) than merely energy projections (MWh) ***(Ref. Reg 6.1, 6.2 and 7.1, 7.2)***

b) **Planning Horizon**: Demand forecasts to cover across planning horizons Long-term (10 year), Medium-term (5 year) and Short-term (up to 1 year) ***(Ref. Reg 6 and 7)***

c) **Best fit Methodologies**: Methodology for demand/energy forecast to include combination of various statistical methodologies, tools and econometric modelling approaches rather than CAGR based method and adopt best fit approach ***(Ref. Reg 6.5, 6.7 and 7.3, 7.4)***

d) **Scenario Planning**: Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) rather than deterministic scenario. EPS projections could be one of the scenarios with due reference to the influence of other factors (***Ref. Reg. 6.6 and 6.15***)

e) **Integral approach to Demand side measures:** Demand and energy forecast to include energy efficiency, energy conservation and demand side measures and their impacts as an integral part of demand assessment in terms of change in load shape, load curve, variation in peak/off-peak hours, seasonal variations etc. (***Ref. Reg. 6.9, 6.10 and 7.6***)

f) **Influence of State/National Policy measures:** Adoption of several state/national policy measures such as PM-Surya Ghar, PM-KUSUM/ MSKVY2.0, penetration of LED /BLED fan, EV policy, Green Hydrogen, Data Centre policy, captive policy, open access/ green energy open access policy etc. to be factored in the LT/MT/ST demand forecasts and energy forecasts. **(*Ref. Reg. 6.9 and 6.10)***

5.3.1.6 The Commission has scrutinized MSEDCL's submission as regards Demand forecasts and Energy forecasts with reference to provisions under MERC RA Regulations, 2024 as outlined under following paragraphs.

Table 232: Scrutiny of Demand and Energy Forecast submitted by MSEDCL

Sr. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observations and Remarks
1	Demand Forecast and baseline for demand forecast and basis for projections	a) ST: hourly/sub-hourly b) MT: hourly c) LT: monthly peak/off-peak load assessment and forecasts along with category-wise energy forecasts **(Reg 6.1)**	a) Submitted the ST (FY 2025-26), MT (2025-30) and LT (2025-35) demand forecasts. b) Peak Demand forecast excl. open access is projected to grow from 25,412 MW (FY26) to 32,994 MW (FY30) and 40,459 MW (FY35). c) Category-wise sales forecast to grow from 149.95 BU (FY25) to 196.92 BU (FY30) and 245.96 BU (FY35). d) Distribution loss projection 13.73% (FY25) to 12.90% (FY30) and 12.07% (FY35). e) Projected Energy Input requirement to grow from 179.71 BU (FY25) to 233.81 BU (FY30) to 289.27 (BU).	a) Sales for Base year (FY25) as approved by Commission in MTR Order is 126 BU whereas MSEDCL's assessment for provisional true-up for (FY25) is 137 BU in MYT Petition, whereas in RA Plan submission (Annexure 4.1 of MYT petition) Sales for Base Year (FY25) excl. open access is reported as 142.23 BU (149.95 BU incl. open access), which is significantly higher and the same influences the future projections. b) Observations on consideration of consumer category-wise growth factors is covered in detail in subsequent paragraphs below this table. c) Besides the Distribution loss factor of 13.73% considered for A planning (FY25) is higher than approved Distribution loss of 11.96% under MTR Order. It is noted that in MYT petition distribution loss for FY 25 for provisional true-up is reported as 16.71%. d) Further, premise for hourly/sub-hourly MW forecast, impact of shift in load shape, load curve due to Agriculture load shift, EV load, RTPV penetration, GEOA, demand side

Sr. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observations and Remarks
				measures need to be ascertained through scenario analysis and assumptions thereof to be supported with field studies/surveys.
2	Forecast Scenarios	Most probable, Business as usual, Aggressive (Reg 6.15)	Considered only Most Probable scenario under original RA Plan. Subsequently, as part of MYT filing business as usual and aggressive scenario also submitted.	Compliant to Reg 6.15 of MERC RA Regulations.
3	Category-Wise Demand Forecast	DLs is responsible for providing the category wise consumption data for consumer categories to various agencies for the purpose of state level demand forecasts (Reg 6.3) DL needs to do the demand forecast for all category of Consumers for which the Commission has determined separate Retail Tariff. (Reg 6.4)	Submitted the Category wise energy consumption data and load forecast. Submitted forecast for LT, MT and ST. i.e., from 2025-26 to 2034-35.	Detailed observations on the Consumer category-wise Sales forecasts incl. Agriculture sales forecasts are provided under earlier paragraphs of this Chapter and are also summarized under following paragraphs below this Table.
4	Forecast methodology	Comprehensive historical data and data profile requirements. Premise for consumer category-wise factors. Policies and Drivers Use of scientific and mathematical modelling tools. **(Reg 6.5)**	SARIMA (Seasonal Auto Regressive Integrated Moving Average) and econometric models are used for projections of category-wise demand. Categories like PWW, Street light and Others are projected by Time series model. For Domestic, Commercial, Agricultural	a) Partly Compliant to Reg 6.5 of MERC RA Regulations. However, there are adjustments made in the forecast for certain consumer categories as highlighted in the following paragraphs, the reasons of which are not clearly known. b) Besides, future projections are influenced by higher

Sr. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observations and Remarks
			and industrial projection by econometric model.	estimation of sales for the base year FY25, as highlighted earlier. c) Further, detailed observations on forecast methodology are provided under this Chapter and also summarized under following paragraphs below this Table.
5	Use of Statistical methods & tools	DLs to conduct statistical analysis and select the method for which standard deviation is lowest, and R-square is highest. **(Reg 6.7)**	Multi Linear Regression (MLR) model to forecast category wise consumption. The model achieved an R^2 coefficient of 0.96 and a MAPE of 4.07%.	a) Partly Compliant to Reg 6.7 of MERC RA Regulations. However, there are adjustments made in the forecast for certain consumer categories as highlighted in the following paragraphs, the reasons of which are not clearly known. b) Besides, future projections are influenced by higher estimation of sales for the base year FY25, as highlighted earlier.
6	Factors influencing Demand forecasts	a) EV Impact b) Rooftop Solar c) DSM & Energy Efficiency Measures d) GoM schemes like MSKVY 2.0 and other schemes e) Agricultural Load Shift f) Open Access /GEOA **(Reg 6.9 and 6.10)**	a) Considered the impact of EVs, rooftop solar, solar pumps, shifting of agricultural load and Open Access, GEOA while doing the energy and peak demand forecast. b) After obtaining hourly profiles for rooftop solar, solar pumps, and OA, the final demand is obtained by subtracting those profiles.	a) Partly Compliant to Reg 6.9 of MERC RA Regulations. However, there are adjustments made in the forecast of certain consumer categories as highlighted in the following paragraphs, the reasons of which are not clearly known. b) Impact on hourly/sub-hourly demand (MW) forecast, shift in load shape, load curve due to Agriculture load shift, EV load, RTPV penetration, GEOA, demand side measures

Sr. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observations and Remarks
				need to be ascertained through scenario analysis and assumptions thereof to be supported with field studies/surveys.
7	Load Research analysis	a) ST: Load research analysis to be conducted with inputs from SLDC and detailed explanation for refinement. b) MT: MT forecast may be revised with a detailed explanation of refinement. **(Reg 6.11)**	No such information about Load research, load survey and category-wise contribution to load curve has been submitted	a) Not in line with the requirement under Regulation 6.11. b) This information is necessary, particularly when DL has proposed revision in Time-of-day (ToD) slabs and ToD charges for various consumer categories.
8	Assessment of Peak Demand	Determination of Peak Demand considering, average load factor, load diversity factor, seasonal variation factors for last three years and load forecasts (in MWh) **(Reg 6.14)**	a) Considered the Average Load Factor for Computation of Peak Demand. b) Ordinary Least Square (OLS) is used for projections of Load factor from FY 25 to FY 35 c) Not considered any diversity factor	a) Partly complied with Regulation 6.14. b) DL has projected substantial quantum of inter-state/intra-state sale to consumers/market, in addition to sale to its consumers. c) Besides, future Peak Demand projections are influenced by higher estimation of sales thereof for base year FY25, resulting in higher Peak Demand forecast upon applying load factor as highlighted earlier. d) Contribution to Peak Demand on account of inter-state trade/ surplus power trade, its duration, period of

Sr. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observations and Remarks
				surplus trade is not clearly known. e) Projection of Power purchase requirement is greatly increased due to surplus trade estimation.

5.3.1.7 The Commission observes that for sales projections under MYT petition the MSEDCL has extensively relied on consumer-category-wise energy forecasts (MWh) using CAGR based approach for LT/MT forecasts. The forecast of demand (MW) and shift in hourly/sub-hourly Demand forecasts (MW) is equally important particularly in light of Agriculture load shift, adoption of other policies measures such as GEOA, PM-Surya Ghar/Rooftop PV, Demand side and EE/EC measures etc. While the impact of some of these measures in energy terms (MWh) and broad capacity addition/shift have been taken into account but its influence on Hourly/Sub-hourly Demand needs to be ascertained through scenario analysis, simulation studies and assumption on profile factors, load factors to be supported with field studies and field surveys for various consumer categories.

5.3.1.8 The Commission further observes that the consumer-category-wise Sales for Base year (FY25) as approved by Commission in MTR Order is 126 BU whereas MSEDCL's assessment for provisional true-up for (FY25) is 137 BU in MYT Petition. Further, in RA Plan submission (*Annexure 4.1 of MYT petition*) Sales for Base Year (FY25) is reported as 142.23 BU excluding OA (derived) (i.e. 149.95 BU including OA and others (*ref. Para 2.4.1 Fig2 Page 8 of RA Plan Annexure-4.1*) with corresponding Ex-bus Demand/Energy projections of 170.07 BU excluding OA & other and 179 BU including OA & other *(ref. Table-7, Page 16 of RA Plan Annexure-4.1*), which is significantly higher than revised estimate of 137 BU for FY2024-25 submitted as part of MYT Petition and the same influences the future projections. Thus, future Sales projections and Peak Demand projections are influenced by higher estimation of sales thereof for base year FY25, resulting in higher Sales and higher Peak Demand forecast upon applying load factor as highlighted earlier.

5.3.1.9 The Commission further observed that there is variation in the energy projections and growth rates thereof, as presented for EPS, RA planning exercise undertaken by CEA and yearly projections made during submissions for power procurement planning. A consistent approach for energy and demand projections would be necessary. The Commission expects that the annual RA rolling plan would ensure consistency in the approach for demand/energy forecasting exercise. **The Commission directs that during the annual rolling plan exercise, MSEDCL shall clarify the significant variation in forecasts for each consumer category with reasons and adopt corrective measures in its forecasting approach.**

5.3.1.10 The Commission has noticed errors in CAGR based approach adopted by the MSEDCL in historical trend analysis. It is observed that CAGR has been computed with inclusion of sale to Open Access consumers in End Year (FY2023-24) whereas the same is excluded in Start Year (FY 2019-20) for CAGR factor estimation, thereby resulting in over estimation of the growth factor as pointed out in earlier paragraphs. Further, the Commission has also noted the adjustments (increments) made in MYT Petition for projected sales of certain consumer categories (viz. domestic, commercial, industrial) to factor in projected reduction in agriculture sales while retaining overall sales forecasts made under RA planning exercise. The Commission strongly disapproves of such un-scientific practices adopted for demand/sales forecasting and directs the MSEDCL to correct the same during annual rolling plan exercise.

5.3.1.11 As regards Agriculture sales forecasts, the Commission has extensively dealt with the Feeder based AG consumption norm assessment and methodology to be used for assessment and forecast of agriculture consumption. Besides, the Commission has also noted the emerging trend and MSEDCL's proposal to shift agriculture load to day-time hours with faster implementation of solarization of agriculture feeders under project scheme of MSKVY2.0.

5.3.1.12 It is not clearly known the growth factors assumptions for econometric or statistical modelling approach or partial end use method that has been used for the demand/energy forecasts during current RA planning exercise. The Commission would encourage the MSEDCL to explore use of various methodologies and statistical tools and use best fit approach for demand forecasting.

5.3.1.13 In view of the above, the Commission has modified the demand/sales forecasts and undertaken scenario analysis (business as usual, aggressive and most probable scenario). The Commission has also factored in adjustment in sales forecasts on account of EV, adoption of solar rooftop PV and solarization of pump sets etc. The comparison of Demand/Sales forecasts proposed by MSEDCL and approved by the Commission for 5th Control Period is summarized in earlier paragraphs of this Order.

5.4 Generation Resource Planning

MSEDCL's Submission

5.4.1 For generation resource planning, MSEDCL has submitted that it has to depend mainly on thermal sources to meet their demand during non-solar hours. As thermal power plants cannot be fully backed down on a daily basis because of high cost levied for each start-stop operation (as per CERC IEGC Regulations, 2024), hence, to make sure the thermal power plants are available during non-solar hours. MSEDCL has also to schedule thermal power during solar hours as well. The contribution from thermal plants would be less during solar hours and the operational thermal power plants would be generating at technical minimum. Therefore, the schedule of thermal power during solar hours would be governed by technical minimum of thermal power plants rather than MOD.

5.4.2 MSEDCL further submitted that as the additional generation during solar hours would be from thermal plants with significantly lower variable cost (as compared to thermal power plants whose schedules are reduced during solar hours), MSEDCL would be saving on variable cost on net basis even if the net impact of ToD charges/rebates on overall demand is zero/insignificant.

5.4.3 MSEDCL also submitted that, to manage the excess solar generation during daytime it has proposed to redesign category-wise ToD charges and rebates to encourage the use of daytime solar generation.

Commission's Analysis and Ruling

5.4.4 With notification of MERC RA Regulations,2024 there has been remarkable shift in the planning approach to Generation Resource Planning, particularly, in terms of following aspects:

(a) **Capacity Crediting of Generation Resources and its contribution to Solar/Non-Solar hours**: Focus on assessing the contribution of generation resources to meet the demand at various hours particularly, variable RE generation resources such as wind/ solar, storage resources ***(Ref. Reg 9.1, 9.3 and 10)***

(b) **Gestation period of various Generation Resource technologies and contracting arrangements**: Different technologies (such as wind, solar, PSP, BESS, nuclear, coal, etc.) have different gestation periods. Further, a variety of contracting arrangements (e.g. RE-RTC, FDRE, Hybrid) are emerging and would have a variety of characteristic generation profile and associated costs. ***(Ref. Reg 9.1, 9.2, 9.4 and 10)***

(c) **Planning Reserve Margin**: Need to include PRM factors to comply with reliability **indices** (such as LOLP, NENS) notified by CEA and PRM to be evaluated through iterative process to meet with reliability standards. ***(Ref. Reg 9.5, and 11)***

(d) **Assessment of Resource Adequacy Requirement (Shortfall/Surplus)**: Identification of RA requirement and resource gap/surplus (both quantum and duration) is crucial. Adoption of probabilistic modelling approach with multiple scenarios of forecasts (viz. most probable, business as usual, aggressive) for RA Gap/ Surplus assessment in LT/MT/ST rather than deterministic scenario. (***Ref. Reg. 12***)

(e) **Integrated approach guided by CEA/STU/SLDC for control area and DL:** In order to optimize planning of resources from LT-NRAP and ST-NRAP to be published by CEA as also allocation of RA requirement to concerned DL by STU/SLDC RA. ***(Ref. Reg. 6.9 and 6.10)***

5.4.5 The Commission has scrutinized the MSEDCL's submission as regards **Assessment of Generation Resources and its proposed mix** with reference to provisions under MERC RA Regulations, 2024.

Table 233: Scrutiny of Generation Resource Planning submitted by MSEDCL

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
1	**Capacity Credit**	a) Net Load based approach. b) **RE CC** = Sum of RE Generation for top 250 Hrs/Sum of RE IC for top 250 Hrs. c) CC factor is computed for each year of duration of past five-years and the resultant CC is the average of CC values of past 5 years. d) **Thermal CC**: computed based on coal /gas availability, forced and planned outages e) **Hydro CC:** computed based on water availability f) **Storage CC**: Net Load Based Approach (Reg 10.2)	a) Considered Top 10% (876 Hr.) demand hours and Top 10% Net Load hours, for assessment of CC factors for RE technologies instead of top 250 Net Load Hrs which may not be representative. b) CC for wind is considered as 13.35% and for solar is considered as 56.14%. However, under Annexure-XIV of RA Plan, CC factor for various Generation resources is presented wherein, CC factor for New Solar is considered as 0% to 1%. c) The Thermal capacity credit is calculated by reducing the auxiliary consumption and the forced outage rate	a) RA Guidelines stipulate that as part of its LT-NRAP study, CEA would specify CC factors for different technologies across regions. b) The CEA has not yet published an LT-NRAP study report. c) However, the CEA had advocated determination of separate CC factors for wind and solar technologies for solar hours and non-solar hours separately, under its Discussion Paper.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
			from the installed capacity.	d) Further, the Commission observes that MSEDCL's assumption of CC factor for New Solar as 0% to 1% is not appropriate, particularly, when it has proposed significant solar capacity addition. This has greatly influenced its RA Surplus/shortfall assessment and need for contracting requirements. MSEDCL should review its CC factor and RA requirement and RA surplus thereof during annual RA rolling plan exercise.
2	**Planning Reserve Margin**	**a)** PRM factor is computed based on the reliability indices in terms of LOLP (0.2%) and NENS (0.05%) as specified by Authority or	a) 7% PRM is considered. b) Target LOLP and NENS have been achieved at an optimal PRM of 7% as per our	a) CEA has not specified any PRM numbers, however, it has specified LOLP as 0.2% and NENS at 0.05% in the RA Guidelines.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
		Commission **(Reg 11.2)** b) Capacity planning by DLs /STU /MSLDC shall factor PRM while developing state-level Resource Plan **(Reg 11.3)**	reliability analysis. c) Considered the PRM while computing the Capacity Mix	b) MSEDCL has considered the same while computing the PRM to meet the LOLP and NENS requirement by generating 100 different future scenarios using stochastic simulations.
3	**RA Requirement and Allocation**	DLs RA plan is based on the sum of adjusted contracted generation capacities, calculated with CC factors over time intervals (15 minutes to one hour) as specified by the Commission. (Reg 12.1)	a) **RAR = 24,678 MW** for ST (FY 2025-26) b) RAR = 29,353 MW for FY (2029-30) c) Peak Demand Forecast: Projected to grow from **25,412 MW** (FY2025-26) to **32,994 MW** (FY 2029-30)	a) The CEA has not yet published the LT-NRAP plan which is expected to outline RA requirement of each State to meet the National Peak along with planning for reserve requirements. b) However, the CEA has published a Discussion Paper which outlines the methodology for allocation of RA requirement based on contribution to national CPD by different states, which provides fair indication of Maharashtra's contribution to the national peak. c) Similar exercise is required to be undertaken at state level by STU/SLDC

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
				for allocation of RA requirement amongst DLs at state level. d) The Commission expects that the exercise of RA requirement assessment for State and its allocation between DLs shall be completed before the Annual RA Rolling plan exercise for next year taking into consideration LT-NRAP studies to be published by CEA.
4	**Resource Gap or Resource Surplus**	a) Identify the resource gap by subtracting the RA plan from the demand forecast, addressing RA compliance for LT, MT and ST as per the regulations. **(Reg 12.2)** b) Submits the Resource Gap in 3 scenarios (Most Probable, Business as usual and Aggressive). **(Reg 12.3)**	a) Submitted the Resource Gap/(Surplus) for ST DRAP and MT DRAP for Most probable scenario. b) Table-35 and Table-36 of RA Plan (Annexure-4.1) outline yearly projections of Firm Capacity, RAR, RA Surplus for 5th Control Period. c) DL has submitted Firm Capacity (adjusted for CC factors) for FY26 as 32,413 MW as against RA requirement of	a) Compliant to Regulation 12.2 of MERC RA Regulations b) The Firm Capacity computations under Table-35 and Table-36 of RA Plan (Annexure-4.1) vary significantly. c) Besides, the CC factors considered as 0% to 1% for New Solar projects for Firm Capacity

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
			24,678 MW thereby indicating **Resource Surplus of + 7735 MW (approx. RA surplus of 30%)** for FY26. d) As part of MT-DRAP plan, DL has submitted Firm Capacity (adjusted for CC factors) for FY30 as 50,121 MW as against RA requirement of 29,353 MW thereby indicating **Resource Surplus of +20,769 MW (approx. RA surplus of 70%)** for FY26. e) Yearly projection of RA Surplus is +7735 MW (+30% for FY26), +12,521 MW (+48% for FY27), +10,907 MW (+39% for FY28), +14,880 MW (+52% for FY29) and +20,769 MW (+70% for FY30).	assessment is not appropriate. d) MSEDCL should review the same during the Annual RA Rolling Plan exercise. e) A significant RA surplus also indicates contracting of excess capacity. f) The implication of excess contracted capacity would lead to sale of surplus power during solar hours, at cheaper cost and need for backing down and part load operations of contracted thermal units and claim for compensation thereof. Thus, the issue of optimal capacity mix needs to be studied carefully with scenario analysis.

S. No.	Parameters	Provisions as per MERC RA Regulations 2024	MSEDCL's Submissions	Commission's Observation and Remarks
5	**Plan to contract capacity to meet RA Requirement**	Plan to contract capacities to meet RAR, ensuring coverage of peak demand plus PRM. **(Reg 12.9)**	a) MSEDCL submitted that for FY26 it will have installed/commissioned capacity of 51,882 MW and by FY30 the same would be 85,345 MW. b) DL submitted that to demonstrate 100% tie-up for first year, it has 9,605 MW (solar) and 300 MW (hybrid) tied up for FY26. c) DL submitted that it has plans for storage (PSP/BESS) of 4824 MW by FY30.	a) MSEDCL needs to evaluate the overall cost implications of its contracted power portfolio and capacity addition plans which otherwise would be sub-optimal. b) Most of storage capacity (PSP) addition is projected for FY29/FY30. c) To optimize the cost of power procurement during evening peak/ non-solar hours, MSEDCL should evaluate and explore storage (incl. BESS) solutions (2hr/4hr) to store surplus solar generation to be utilized during non-solar (evening peak) rather than procuring expensive power from market during non-solar (evening peak) hours.

5.4.6 The Commission observes that, based on current capacity addition plan as projected by MSEDCL, there is significant year-to-year RA Surplus in excess of 30% to 70% of RA requirement, as per MSEDCL's own assessment.

5.4.7 MSEDCL's submission for projected Firm Capacity, RA Requirement and RA Surplus vis-à-vis RA requirement for 5th Control Period and the Commission's Analysis thereof is presented in the following table:

Table 234: Contracted Capacity, Firm Capacity, RA Requirement and RA Surplus for the Control Period as submitted and approved by the Commission for the 5th Control Period

Particulars	MSEDCL's Submission					Commission's Analysis				
	Contracted Capacity	Firm Capacity (Adj. for CC factor)	RA Requirement	RA Surplus	% RA Surplus	Contracted Capacity	Firm Capacity (Adj. for CC factor)	RA Requirement	RA Surplus	% RA Surplus
	(MW)	(MW)	(MW)	(MW)	(% of RAR)	(MW)	(MW)	(MW)	(MW)	(% of RAR)
FY 2025-26	51,882	32,413	24,678	7,735	31%	49,302	32,087	26,275	5,812	22%
FY 2026-27	68,257	38,781	26,260	12,521	48%	61,454	36,594	27,074	9,520	35%
FY 2027-28	73,961	38,906	27,999	10,907	39%	66,376	36,797	27,914	8,883	32%
FY 2028-29	79,910	43,460	28,580	14,880	52%	69,830	39,507	28,848	10,659	37%
FY 2029-30	85,345	50,122	29,353	20,769	71%	75,276	47,170	29,839	17,331	58%

**(Ref. Table 34 & Table 35 of Annexure-4.1 of RA Plan)*

5.4.8 For Firm Capacity assessment, the Commission has considered the existing and planned capacity additions projected by MSEDCL but also considered the phasing of the future planned capacity as per earlier submissions/petitions filed by MSEDCL for approval of the PPA. The comparison of Capacity Addition plan and year-wise cumulative capacity addition for 5th Control Period is provided under subsequent paragraphs. Further, the Commission has considered the CC factors as considered by MSLDC in response to RA plans submitted by Utilities.

5.4.9 MSEDCL has submitted *(ref. Table-35 of RA Plan Annexure-4.1)* that the RA surplus is projected in the range of 7735 MW (+31% of RA requirement for FY26) to 20,769 MW (+71% of RA requirement for FY30) vis-à-vis RA requirement. However, as per the Commission's analysis, the RA surplus is projected in the range of 5,812 MW (+22% of RA requirement for FY26) to 17,331 MW (+58% of RA requirement for FY30) vis-à-vis RA requirement.

5.4.10 Further, as per Regulation 12.2 of MERC RA Regulations, MSEDCL has also computed RA Surplus vis-à-vis Forecasted Peak Demand for respective years of the 5th Control period. MSEDCL's submission for projected Firm Capacity, Forecasted Peak Demand and RA Surplus for 5th Control Period and the Commission's Analysis thereof is presented in the following table:

Table 235: Contracted Capacity, Firm Capacity, Forecasted Peak Demand and RA Surplus for the Control Period as submitted and approved by the Commission for the 5th Control Period

Particulars	MSEDCL's Submission					Commission's Analysis				
	Contracted Capacity	Firm Capacity (Adj. for CC factor)	Forecasted Peak Demand	RA Surplus	% RA Surplus	Contracted Capacity	Firm Capacity (Adj. for CC factor)	Forecasted Peak Demand	RA Surplus	% RA Surplus
	(MW)	(MW)	(MW)	(MW)	(% of RAR)	(MW)	(MW)	(MW)	(MW)	(% of RAR)
FY 2025-26	51,882	26,087	25,412	675	3%	49,302	32,087	25,412	6,675	26%
FY 2026-27	68,257	32,494	27,943	4,551	16%	61,454	36,594	27,943	8,651	31%
FY 2027-28	73,961	34,146	30,743	3,403	11%	66,376	36,797	30,743	6,054	20%
FY 2028-29	79,910	33,990	31,767	2,223	7%	69,830	39,507	31,767	7,740	24%
FY 2029-30	85,345	35,303	32,994	2,309	7%	75,276	47,170	32,994	14,176	43%

**(Ref. Table 34 & Table 36 of Annexure-4.1 of RA Plan)*

5.4.11 It may be noted that Firm Capacity assessment by MSEDCL between the above two tables (*Ref. Table-35 and Table-36 of RA Plan Annexure-4.1*) is different. For Firm Capacity assessment under Table-36, MSEDCL has considered CC factor for New Solar projects as 0% to 1% for the assessment of Firm Capacity, which is not appropriate.

5.4.12 Thus, MSEDCL has submitted *(ref. Table-36 of RA Plan Annexure-4.1)* that the RA surplus is projected in the range of 675 MW (+3% of forecasted peak demand for FY26) to 2,309 MW (+7% of forecasted peak demand for FY30) vis-à-vis its forecasted Peak Demand. However, as per Commission's analysis the Commission has compared Firm Capacity vis-à-vis MSEDCL's projection of forecasted Peak Demand and accordingly the RA surplus is projected in the range of 6,675 MW (+26% of forecasted Peak Demand for FY26) to 14,176 MW (+43% of forecasted Peak Demand for FY30) vis-à-vis forecasted Peak Demand by MSEDCL.

5.4.13 Further, it is evident from MSEDCL's submission that significant excess contracted capacity would result in availability of surplus power (particularly during solar hours) and the same will have to be traded at a low price. **As per the MSEDCL's submission (Ref. Table-136 of MYT Petition) it has projected power purchase quantum of 11,16,173 MU and excess/surplus quantum of 1,16,793 MU during the 5th Control Period (from FY 2025-26 to FY 2029-30) with annual energy surplus quantum reaching up to 30,434 MU.** Further, as against projected excess/surplus quantum of 1,16,173 MU, MSEDCL has projected surplus trading of only 66,678 MU during the 5th Control Period. It is not clear from MSEDCL's submission for its strategies to deal with the remaining surplus quantum of around 50,000 MU.

Table 236: Power Purchase Quantum, Excess Capacity and Surplus Traded Volume (MU) as submitted by MSEDCL

Year	Gen Ex bus	ISTS Loss	Gen State periphery	Demand (Inclusive of Banking)	Storage Loss	Unmet	Excess	Trading Surplus %	Estimated Surplus Traded Quantum
	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(%)	(MU)
FY 2025-26	1,87,214	1,389	1,85,825	1,78,792	158	54	5,869	40%	2,348
FY 2026-27	2,18,172	2,415	2,15,756	1,87,653	318	105	27,785	40%	11,114
FY 2027-28	2,29,387	2,518	2,26,869	1,96,113	324	206	30,434	40%	12,174
FY 2028-29	2,38,063	2,686	2,35,377	2,04,715	1,502	280	29,160	60%	17,496
FY 2029-30	2,43,337	2,717	2,40,621	2,14,281	2,794	34	23,546	100%	23,546
Total	**11,16,173**	**11,725**	**11,04,448**	**9,81,554**	**5,090**	**679**	**1,16,793**		**66,678**

5.4.14 The Commission would like to highlight that RA assessment should result in contracting of optimal capacity mix in compliance to reliability standards and output matrix of LOLP and NENS parameters. A stochastic simulation study with multiple probabilistic scenarios would be necessary. Besides, the outputs should be tested for stress periods as well as outage scenarios. The Commission expects that LT-NRAP study to be published by CEA would provide guidance on PRM, LOLP, NENS as well as state-wise contribution of RA requirement and methodologies for RA assessment. **MSEDCL should review and revisit its RA plan submissions as part of Annual RA Rolling Plan exercise and address the observations raised under this Order in compliance with RA Guidelines and MERC RA Regulations, 2024.**

5.4.15 MSEDCL has submitted that its strategy of planning additional capacity beyond the study results is a precautionary measure to ensure energy security, grid stability, and a diversified energy mix. Given the uncertainties surrounding the timely implementation of projects, having a buffer with additional capacity allows MSEDCL to maintain a reliable supply of electricity.

5.4.16 In this context, the Commission would like to emphasize that one of the important objectives of RA Regulations is to undertake resource planning with optimal resource mix to optimize overall cost of power for the utility and its end consumers while reliably meeting the forecasted load requirements. The relevant extract of objective of MERC RA Regulations, 2024 is provided as under:

> *"2.1 The objective of these Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation and transmission resources for **reliably meeting** the **projected demand** in compliance with **specified reliability standards** for serving the load with an **optimum generation mix**.*

Provided that the planning of transmission resources shall be consistent with "MERC (State Grid Code) Regulations, 2020" and amendments thereof. ***(emphasis added)"***

5.4.17 Further, having contracted surplus capacity over and above its RA requirement, it is essential that the same is utilized or dispatched in an optimal manner. The Commission also observed that MSEDCL has proposed significant surplus power and part of it is proposed to be sold at Rs 3 per unit mostly during solar hours and at the same time there is requirement to purchase ST power during non-solar hours (evening peak) from market at significantly higher costs prevalent in the market during those hours.

5.4.18 Besides, the Commission also observes that despite lower price discovery for wind projects in recent bids, no new wind capacity addition or procurement has been projected by MSEDCL in its RA Plan. Wind generation would also cater to meet the evening / night demand to some extent optimally rather than procurement of some of high-cost variable thermal generation or market purchase. MSEDCL should explore wind power procurement as well as encourage repowering of wind capacity sites within Maharashtra where generation from old wind farm sites can be harnessed efficiently.

5.4.19 To optimize the cost of power procurement during evening peak/ non-solar hours, MSEDCL should evaluate and explore storage (incl. BESS) solutions (2hr/4hr) to store surplus solar generation to be utilized during non-solar (evening peak) hours rather than procuring expensive power from market during non-solar (evening peak) hours. MSEDCL should explore and evaluate development of distributed storage solutions and its procurement plan through competitive route at early date.

5.4.20 Specific schemes of Demand side management measures could act as optimal resource and the MSEDCL should develop DSM schemes for various consumer categories as such effective load management tools. It should also encourage and facilitate consumers who wish to invest in energy storage and support the grid during non-solar (evening peak) hours provided it is viable business opportunity. Specific schemes under DSM framework can be designed and submitted for further regulatory scrutiny and approval.

5.5 Power Procurement Planning

MSEDCL's Submission

5.5.1 MSEDCL submitted that under MSKVY and other distributed solar schemes such as PM-KUSUM, around 16,520 MW of solar plants are expected to be commissioned by end of FY 2026-27. But, for FY 2025-26, cheaper power from other solar sources along with conventional sources will be allocated to the agriculture business of MSEDCL. The large capacity of solar plants being set-up under MSKVY 2.0 would result in lower power procurement cost for consumers connected to solarised agricultural feeders resulting in lower 'Cost of Supply' (CoS) for such consumers.

5.5.2 MSEDCL has considered the power procurement cost of solar power as per rate specified in the PPA or power procurement cost discovered during competitive bidding.

5.5.3 MSEDCL submitted its existing and planned generation resource portfolio as part of its MYT Petition and RA plan study (*Ref. Table 35, Annexure-4.1*) as below:

Table 237: Source-wise Capacity Addition Plan for 5th Control Period as submitted by MSEDCL

Resource	Capacity as of FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Capacity Addition during 5th CP	Cum. Capacity*
Thermal	21,891	660	-	-	-	1,828	855	2,683	25,234
Nuclear	1,191	-	-	-	-	-	-	-	1,191
Large-Hydro	2,642	183	-	109	313	104	-	526	3,351
PSP-Storage	250	-	-	750	-	1,750	2,074	4,574	4,824
Wind	2,823	-	-	-	-	-	-	0	2,823
Solar	4,331	2,095	9,587	12,364	1,000	3,000	-	25,951	32,377
Hybrid	-	-	300	780	3,264	-	-	4,344	4,344
FDRE	-	-	-	1,468	-	-	-	1,468	1,468
Bagasse	2,731	180	-	345	345	-	-	690	3,601
Small Hydro	314	3	-	-	-	-	-	0	317
Total	**36,173**	**3,121**	**9,887**	**15,816**	**4,922**	**6,682**	**2,929**	**40,236**	**79,530***

(*total cumulative capacity by FY2029-30 including DRE capacity is projected at 85,345 MW)

5.5.4 MSEDCL has considered the power available from its various tied-up sources during this period to meet the projected demand. The actual availability and tariff rates provided in the MYT Petition of MSPGCL for the 5th Control Period have been considered for running the Merit Order Dispatch.

5.5.5 For power procurement from competitive bidding route, the tariff has been considered based on the rate quoted as per the terms of the PPA with the escalation based on the CERC rates, wherever applicable.

Commission's Analysis and Ruling

5.5.6 The Commission has scrutinized the MSEDCL's submission as regards **Power Procurement Planning and its proposed mix** with reference to provisions under MERC RA Regulations.

Table 238: Scrutiny of Power Procurement Planning submitted by MSEDCL

S. No.	Parameters	Provisions as per MERC RA Regulations	MSEDCL's Submission	Commission's Observation and Remarks
1	**Composition of LT, MT and ST along with details of procurement of existing and planned capacity**	(a) Percentage Shares of LT, MT and ST are as follows: LT = min 70%, MT = min 20% and ST = 10% (Remaining of LT and MT) (Reg 12.10) (b) Submission of the list of all existing generating stations (Conventional + RE) along with RA plan. (**Reg 17.4**)	(a) MSEDCL has submitted that it has sufficiently contracted capacity to meet the RA Requirement of short term and long term. (b) MSEDCL has submitted the list of existing generating stations, expected future PPAs and Capacity Addition Plan	(a) MSEDCL has tied up capacities predominantly through long term arrangement. (b) In order to ensure the judicious mix of sources with optimal tenure, the MSEDCL should also establish trading arrangements for sale of surplus power and surplus capacity for ST and MT basis to optimally manage its contracted capacity and reduce burden of fixed cost of power through tied up through LT thermal sources. (c) Revenue sharing arrangements with generating stations for sale of surplus power upon meeting requirement of MSEDCL load should be pursued on regular basis including capacity trading and capacity sharing arrangements.
2	**Demonstration of Tie-up of Firm Capacity**	Demonstration of 100% tie-up for the first year and a minimum 90% tie-up for the second year to meet the requirement of their contribution towards meeting state peak. **(Reg 15.6)**	MSEDCL has confirmed that it has 100% tie up in the first year and that it will ensure commissioning of the contracted capacities	(a) Assessment of Firm capacity is linked to contracted capacity, technology/type of resource and its CC factor. (b) CEA is yet to publish its CC factors under LT-NRAP for various resources across regions. However, it has indicated CC factors in its Discussion Paper and provided CC factors separately for wind and solar technologies during solar and non-solar hours separately. (c) Summary of assessment of Firm Capacity, RA Requirement, Resource

S. No.	Parameters	Provisions as per MERC RA Regulations	MSEDCL's Submission	Commission's Observation and Remarks
				Gap/Surplus is provided in the earlier paragraphs. (d) Upon publication of the LT-NRAP study by CEA and CC factors thereof, DL should undertake comprehensive exercise for assessment of Firm Capacity, and RA Gap/Surplus during Annual RA Rolling plan exercise.

5.5.7 The Commission has considered the existing and planned capacity additions projected by MSEDCL but also considered the phasing of the future planned capacity as per submissions made during earlier submissions/petitions filed by MSEDCL for approval of the PPA. The Capacity Addition plan and year-wise cumulative capacity addition considered by the Commission for RA assessment for 5th Control Period is presented under following Table:

Table 239: Source-wise Capacity Addition Plan for 5th Control Period as approved by the Commission

Resource	Capacity as of FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Capacity Addition during 5th CP	Cum. Capacity*
Thermal	21,891	660	-	-	-	1,600	972	2,572	25,123
Nuclear	1,191	-	-	-	-	-	-	-	1,191
Large-Hydro	2,642	183	-	109	313	104	-	526	3,351
PSP-Storage	250	-	-	750	-	1,750	2,074	4,574	4,824
Wind	2,823	-	781	-	-	-	-	781	3,604
Solar	4,331	2,095	8,927	8,700	1,000	-	2,400	21,027	27,453
Hybrid	-	-	300	780	3,264	-	-	4,344	4,344
FDRE	-	-	0	1,468	0	-	-	1,468	1,468
Bagasse	2,731	180	0	345	345	-	-	690	3,601
Small Hydro	314	3	-	-	-	-	-	-	317
Total	**36,173**	**3,121**	**10,008**	**12,152**	**4,922**	**3,454**	**5,446**	**35,982**	**75,276**

5.5.8 Comparison of Cumulative Contracted Capacity as per MSEDCL's submission and Commission's analysis is presented in the following Table:

Table 240: Cumulative Contracted Capacity as submitted by MSEDCL and approved by the Commission

Resource	MSEDCL's Submission					Commission's Analysis				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Thermal	22,551	22,551	22,551	24,379	25,234	22,551	22,551	22,551	24,151	25,123
Nuclear	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191
Large-Hydro	2,825	2,934	3,247	3,351	3,351	2,825	2,934	3,247	3,351	3,351
PSP-Storage	250	1,000	1,000	2,750	4,824	250	1,000	1,000	2,750	4,824
Wind	2,823	2,823	2,823	2,823	2,823	3,604	3,604	3,604	3,604	3,604
Solar	16,013	28,377	29,377	32,377	32,377	15,353	24,053	25,053	25,053	27,453
Hybrid	300	1,080	4,344	4,344	4,344	300	1,080	4,344	4,344	4,344
FDRE	-	1,468	1,468	1,468	1,468	-	1,468	1,468	1,468	1,468
Bagasse + Biomass	2,911	3,256	3,601	3,601	3,601	2,911	3,256	3,601	3,601	3,601
Small Hydro	317	317	317	317	317	317	317	317	317	317
Total	**49,181**	**64,997**	**69,919**	**76,601**	**79,530**	**49,302**	**61,454**	**66,376**	**69,830**	**75,276**

5.5.9 The Commission has undertaken detailed evaluation of hourly load profile of demand, hourly generation profile of non-firm generating sources (such as wind, solar, hydro, nuclear, biomass/bagasse, hybrid, FDRE, storage) and estimated Net Load requirement to be met through contracted (existing and planned) thermal generating resources. Hourly dispatch simulations considering merit order dispatch principles as outlined under MERC State Grid Code are required to be followed by DL during actual operations during 5th Control period.

5.5.10 Further, the Commission has ensured that the power procurement planning based on merit order and hourly dispatch also factors in the RPO targets as specified under MERC RPO Regulations. Further, the hourly shortfall/ surplus is expected to be traded in the optimal manner and cost/revenue implications of the same have also been factored in while projecting the power purchase planning for the 5th Control Period.

5.5.11 A detailed estimation of the source-wise projected quantum and cost along with basis for cost assumptions thereof, has been covered extensively under subsequent paragraphs of this Order.

5.5.12 In pursuance of foregoing and also in accordance with the provisions under MERC RA Regulations, 2024, the Commission hereby directs the MSEDCL to submit the Annual RA Rolling Plan during each year of the Control Period strictly in accordance with the provisions outlined under MERC RA

Regulations, 2024 and CEA RA Guidelines in the matter. The MSEDCL shall also factor in the Guidelines, CC factors, reliability indices (LOLP, NENS) and PRM as may be stipulated by CEA from time to time. MSEDCL should provide detailed model assumptions and computations to STU/SLDC in timely manner to enable them to undertake state level assessment of RA compliance as well as reserve planning for at the state level.

5.5.13 **Some of the specific actions that are required to be followed by MSEDCL are outlined below:**

a) MSEDCL should **undertake realistic estimation of hourly demand** and **energy forecast** upon verifying/validating the base year consumption and growth factor assumptions thereof.

b) MSEDCL should **undertake load surveys for various consumer categories and assess the impact to load shape due to load side measures**, adoption of new ToD tariff regime, agriculture load shift to day-time hours, demand side measures, proliferation of EV, RTPV, GEOA, industrial load growth, growth in data centres, etc.

c) MSEDCL should explore advancing the procurement of storage resources (2 hrs/4 hrs) to meet non-solar (evening peak) requirement and such procurement through competitive route as well as distributed storage facilities.

d) MSEDCL should **encourage and facilitate consumers who intend to invest in storage facilities** and support grid during non-solar (evening peak) hours and design and develop DSM schemes to facilitate the same.

e) MSEDCL should **explore advanced tie up / contracting arrangement** with generating stations and other DLs for trade of surplus power to optimize and reduce the burden of the fixed cost of contracted thermal generating stations.

5.5.14 **In addition, following actions in line with requirements of Annual RA Rolling plan exercise shall be adhered by MSEDCL:**

a) MSEDCL shall submit demand forecasts to MSLDC by 30th April of each year for the ensuring year(s).

b) MSEDCL shall perform MT-DRAP and ST-DRAP exercise by 31st August of each year for the ensuring year(s).

c) The monthly/weekly/day-ahead/intraday power procurements/sale by the MSEDCL and generator schedule shall be made available on the websites of MSEDCL.

d) MSEDCL shall establish a planning cell for RA as per Regulation 23.1 of MERC RA Regulations, 2024.

e) Another round the clock dedicated cell shall also be constituted by MSEDCL for power purchase/sell in real-time, and undertake intra-day, day ahead, week ahead power procurement through Power Exchanges or any other means as per Regulation 23.2 of MERC RA Regulations, 2024.

5.6 Distribution Loss trajectory for Control Period

5.6.1 MSEDCL submitted that as per the RA Report, distribution loss percentage is forecasted from FY 2024-25 to FY 2034-35 based on the Time Series Model (SARIMA) trained on monthly data of distribution losses from FY 2010-11 to FY2023-24, excluding the covid-19 Years. Furthermore, the RA projections are aggregated with EHV sales for the 5th Control Period. MSEDCL has projected losses at distribution level utilizing only distribution sales which exclude EHV sales.

Table 241: Distribution loss as submitted by MSEDCL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss (%)	15.06%	14.98%	14.78%	14.54%	14.30%

Commission's Analysis & Rulings

5.6.2 For determining the energy requirement for the 5th Control Period, the Commission has projected energy requirement by grossing up the projected sales with distribution loss trajectory for respective years. The Distribution Loss is a performance parameter, and its reduction trajectory would be monitored through the revised reporting requirements specified for 5th Control Period.

5.6.3 The Commission has noted that the distribution loss proposed for true-up years by the MSEDCL are comparatively higher. Further, the distribution loss approved by the Commission after reassessment of AG sales, are significantly higher than the proposed distribution loss by MSEDCL.

5.6.4 Additionally, under the RDSS scheme, MSEDCL has reported AT&C losses. As per the RDSS scheme, the Central Government sets specific targets of reducing AT&C loss between 12-15% up to FY 2024-25. Accordingly, the distribution licensees, like MSEDCL, must reduce the loss trajectory up to 12-15% in order to receive grants. However, MSEDCL's submission for loss trajectory are not aligned with these loss reduction trajectories.

5.6.5 Hence, the Commission has considered the distribution loss trajectory for the 5th Control Period in line with the RDSS projections. The Commission has set the trajectory in line with RDSS with the view that MSEDCL will achieve it in 5th Control Period.

5.6.6 Further, the Commission has projected gradual reduction of 1.5% in every year over the five years from FY 2025-26 to FY 2029-30. Accordingly, the distribution loss trajectory approved by the Commission for the 5th Control Period are as shown in the Table below:

Table 242: Distribution loss as approved by the Commission for the 5th Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Loss (%)	17.0%	15.5%	14.0%	12.5%	11.0%

5.7 AT &C Loss Trajectory for Control Period

5.7.1 As per the provisions of the MYT Regulations 2024, the distribution licensee is required to submit the trajectory for the AT&C losses. The relevant provision of the Regulations is as below

*"**110.2** The Distribution Licensee as a part of its MYT Petition shall submit the AT&C loss trajectory agreed by the State Governments and approved by the Central Government under any National Scheme or Programme, or otherwise: Provided that the Commission may stipulate trajectory for AT&C losses in its Order on the MYT Petition filed by Distribution Licensee."*

5.7.2 Accordingly, the Commission vide its data gaps directed MSEDCL to submit the AT&C loss trajectory for the 5th Control Period. MSEDCL submitted as below.

MSEDCL's submission

5.7.3 MSEDCL submitted that, as per MOP Guidelines % AT&C Loss reduction Target for MSEDCL up to FY 2029- 30 is as tabulated as below:

Table 243: AT&C Loss reduction Target for MSEDCL up to FY 2029- 30 as per MoP Guidelines

Target	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2027-29	FY 2027-30
% AT&C Loss (OA less)	13%	12%	11%	10%	9.50%	9%
Distribution Loss	13%	12%	11%	10%	9.50%	9%
Collection Efficiency	100%	100%	100%	100%	100%	100%

5.7.4 The Collection Efficiency for FY 2023-24 is 95.82%. MSEDCL is taking efforts for achieving 100% collection efficiency. MSEDCL is receiving Govt. subsidy to AG consumers below 7.5HP as Baliraja scheme. MSEDCL is taking follow up for Govt. dues. MSEDCL is implementing PD amnesty scheme, carrying disconnection drives and new connections release on priority.

Commission's Analysis & Ruling

5.7.5 The Commission notes the submission of MSEDCL. The Commission has approved the distribution loss in para 5.6.5 above. The Commission notes that, MSEDCL reported collection efficiency for FY 2023-24 as 95.82%. Considering that MSEDCL would take efforts to increase the collection efficiency at least by 1% for each year of the first 3 years of the control period and for last 2 years at least by 0.5% per year, the Commission has proposed the AT&C loss trajectory as shown in the table below.

Table 244: AT & C loss Trajectory as approved by the Commission for the 5th Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
AT&C Loss (%)	17.70%	16.00%	14.30%	12.70%	11.10%

5.7.6 MSEDCL in this Petition has proposed to form a separate AG company which would separate the AG and non-AG consumers. The energy accounting and interface metering for AG consumption is pre-requisite for separate accounting of AG and Non-AG consumption and operationalization of two companies separately. This would help accounting of losses for Agriculture and Non agriculture segment separately across Maharashtra.

5.7.7 While above actions of separate accounting of AG and Non-Ag are being undertaken, the reduction in the distribution loss and improvement in the collection efficiency has always been a major concern for Utility as well as for consumers, as voiced during public hearings. Higher distribution loss and lower collection efficiency affects the Utility cashflow, which ultimately affects consumers in terms of quality and reliability of supply apart from higher tariff to share burden of such inefficient/ sub-optimal performance on these important controllable performance parameters. Also, these two factors put additional burden on the consumers who are not responsible for the same.

5.7.8 The Commission opines that it is important that Circle wise/ Division wise AT&C loss levels should be closely monitored and corrective measures should be taken for improvement in this important performance parameter. However, setting the target and monitoring performance is necessary step but it would not be sufficient unless it is accompanied by specific measures to encourage improvement in collection efficiency and disincentivise poor performance. Licensee and consumers, both can play important role in addressing this challenge. Though the Regulatory Accounting for the Distribution Licensees is on accrual basis, the high level of AT&C losses and inefficiency in receivables adversely impacts the cash flow and the functioning of the Distribution Licensee. All the consumers are required to bear effects of these systemic inefficiencies.

5.7.9 In this context, the Commission observes that there are large variations in performance on this important parameter of AT&C loss across circles/divisions and different feeders. Hence, there is need to introduce incentive/dis-incentive mechanism for active consumer participation in measures to identify and improve AT&C loss performance at circle/ division level. In this context, the Commission notes the judgment of Hon'ble Bombay High court dated 11 Feb 2004, which has upheld levy of T&D loss charge, linked to T&D loss level in the past. At the time of MTR process, the Commission may consider introduction of incentive/ dis-incentive mechanism for good/ shortfall in performance vis a vis AT&C loss reduction trajectory across circles/ divisions based on the baseline threshold loss level. Hence, the Commission directs MSEDCL to submit Circle-wise / Division-wise AT&C loss level on the quarterly basis to the Commission and publish the same on it's website.

5.8 Energy Balance for Control Period

MSEDCL's Submission

5.8.1 MSEDCL submitted that the quantum of sales in MUs shown in the table below represent the sales of MSEDCL excluding the sales in the area served by Distribution Franchisees. As per the methodology adopted by the Commission for calculating energy balance of MSEDCL as a whole, the sale to the consumers in the Distribution Franchisee area has also been considered. Therefore, total energy sale for the Control Period is computed as below:

Table 245: Total Energy Sales for MSEDCL for FY 2025-26 to FY 2029-30 as submitted by MSEDCL (in MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Energy Sales by MSEDCL (incl. DF)	1,49,441	1,57,148	1,64,549	1,72,094	1,80,481
Add: OA Sales (Conventional)	4,026	4,034	4,042	4,049	4,057
Add: OA Sales (Non-Conventional)	4,941	6,196	7,313	8,332	9,154
Total Energy Sales	**1,58,408**	**1,67,379**	**1,75,904**	**1,84,475**	**1,93,692**

5.8.2 The Energy Balance for FY 2025-26 to FY 2027-28 is summarised in following table.

Table 246: Energy Balance for FY 2025-26 to FY 2027-28 submitted by MSEDCL

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
1	LT Agriculture Sales (Including D.F)	a	MU	38,100	38.494	38,808
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	57,866	61,889	65,551

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	38,249	41,051	43,947
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,34,215**	**1,41,434**	**1,48,306**
5	OA Sales (Renewables)	e	MU	4,941	6,196	7,313
6	OA Sales (Conventional)	f	MU	4,026	4,034	4,042
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,43,182**	**1,51,665**	**1,59,661**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	0	0	0
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,43,182**	**1,51,665**	**1,59,661**
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,86,203**	**2,18,172**	**2,29,387**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,32,998	1,43,914	1,52,202
12	Power Purchase Quantum from Inter-State sources	h	MU	53,205	74,258	77,185
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.55%**	**3.55%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	51,316	71,622	74,445
	Add: FBSM / **Surplus Energy Traded**		MU	**-5,869**	**-27,785**	**-30,434**
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	MU	**1,78,445**	**1,87,751**	**1,96,213**
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	5,108	6,405	7,558
17	Input for OA Consumption	m=f/(1-q)	MU	4,163	4,170	4,177
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,87,716**	**1,98,326**	**2,07,948**
19	Surplus Power Traded	o=B	MU	0	0	0
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,87,716**	**1,98,326**	**2,07,948**
21	**Intra-State Transmission Loss**	**q**	**%**	3.28%	3.26%	3.24%
22	Intra-State Transmission Loss	r=p*q	MU	6,157	6,465	6,738
23	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,81,406	1,91,542	2,00,888
24	EHV Sales	t	MU	15,224	15,712	16,421
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,66,183	1,75,830	1,84,648
26	Energy injected and drawn at 33kV	v	MU	1,106	1,106	1,106
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	1,67,289	1,76,936	1,85,753
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	**1,58,017**	**1,66,361**	**1,74,018**

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**# G=E-A**	**MU**	**23,802**	**24,926**	**25,713**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**15.06%**	**14.98%**	**14.78%**

5.8.3 The Energy Balance for FY 2028-29 to FY 2029-30 is summarised in following table.

Table 247: Energy Balance for FY 2028-29 and FY 2029-30 submitted by MSEDCL

Sr. No.	Particulars	Calculation	UoM	FY 2028-29	FY 2029-30
				Projection	Projection
				(d)	(e)
1	LT Agriculture Sales (Including D.F)	a	MU	39,068	39,862
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	69,025	72,358
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	47,175	50,736
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,55,267**	**1,62,956**
5	OA Sales (Renewables)	e	MU	8,332	9,514
6	OA Sales (Conventional)	f	MU	4,049	4,057
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,67,648**	**1,76,167**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	0	0
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,67,648**	**1,76,167**
10	**Total Power Purchase**	**D=g+h**	**MU**	**2,38,063**	**2,43,337**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,54,459	1,54,478
12	Power Purchase Quantum from Inter-State sources	h	MU	83,604	88,860
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.55%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	80,636	85,705
	Add: FBSM / **Surplus Energy Traded**		MU	**-29,160**	**-23,546**
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	MU	**2,05,936**	**2,16,637**
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	8,608	9,453
17	Input for OA Consumption	m=f/(1-q)	MU	4,184	4,189

Sr. No.	Particulars	Calculation	UoM	FY 2028-29	FY 2029-30
				Projection	Projection
				(d)	(e)
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**2,18,728**	**2,30,279**
19	Surplus Power Traded	o=B	MU	0	0
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**2,18,728**	**2,30,279**
21	**Intra-State Transmission Loss**	**q**	**%**	**3.21%**	**3.16%**
22	Intra-State Transmission Loss	r=p*q	MU	7,021	7,277
23	Net Energy requirement at T<>D Periphery	s=p-r	MU	2,10,204	2,20,209
24	EHV Sales	t	MU	16,825	17,522
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,93,379	2,02,686
26	Energy injected and drawn at 33kV	v	MU	1,106	1,106
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	1,94,485	2,03,792
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	1,81,693	1,90,150
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**# G=E-A**	**MU**	**26,426**	**27,194**
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**14.54%**	**14.30%**

5.8.4 MSEDCL requested the Commission to approve the Energy Balance for the period FY 2025-26 to FY 2029-30 as submitted by MSEDCL in above tables.

Commission's Analysis and Rulings

5.8.5 The Commission notes that the Energy Balance submitted by MSEDCL for the Control Period is as per Form 1.4 provided in MERC MYT Regulations 2024 for the 5th Control Period.

5.8.6 The Commission has computed the Energy Balance for the 5th Control Period by following a bottom-up approach. The Quantum of sales to consumers is projected first. This energy requirement provides the basis for further grossing up for Distribution Loss, Intra-state loss and Inter-state loss to arrive at the actual energy input requirement to be procured.

5.8.7 The Commission has revised the LT agricultural Sales considering the AG Index as discussed in earlier paragraphs of this order. Accordingly, the Commission has elaborated on its approach for estimation of AG sales for the Control Period and for the purpose of Energy Balance and assessment of distribution losses thereof.

5.8.8 The Commission has revised the Conventional Open Access Sales and RE Open Access Sales for the 5th Control Period as covered under earlier paragraphs of this order.

5.8.9 Based on the revised estimation of LT sales the Commission has approved the Sales including DF sales and the Open Access sales as available for Energy Balance of the Control Period. The revised Energy sales of MSEDCL as approved by the Commission for the 5th Control Period are presented as given below:

Table 248: Energy Sales for the 5th Control Period as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Energy Sales by MSEDCL (incl. DF)	1,40,358	1,47,085	1,54,218	1,61,873	1,69,973
Add: OA Sales (Conventional)	4,794	5,647	6,434	7,058	7,947
Add: OA Sales (Non-Conventional)	3,907	3,676	3,556	3,430	3,522
Total Energy Sales	**1,49,059**	**1,56,408**	**1,64,208**	**1,72,361**	**1,81,442**

5.8.10 The Commission has considered the inter-state transmission loss for the 5th Control Period as 3.55%, the same as submitted by MSEDCL.

5.8.11 The Commission has considered the InSTS loss as approved by the Commission in the InSTS Order in Case No. 208 of 2024 for the 5th Control Period.

5.8.12 The Commission has considered the information submitted by MSEDCL for the energy injected and drawn at 33 kV maintained at circle offices.

5.8.13 The Commission has computed the quantum for surplus energy traded in accordance with the power purchase requirements for the 5th Control Period.

5.8.14 Accordingly, the Commission has computed Net Energy Requirement at T<>D Periphery.

5.8.15 In accordance with the above considerations, the Commission has approved the Energy Balance for computation of Distribution Loss for FY 2025-26 to FY 2029-30 which is presented in the table given below:

Table 249: Energy Balance for FY 2025-26 to FY 2027-28 as approved by the Commission

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
1	LT Agriculture Sales (Including D.F)	a	MU	34,165	34,585	35,012
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	54,315	57,668	61,183
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	36,942	39,222	41,732

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
4	**Total Sales including D.F (Excluding EHV Sales)**	**d=a+b+c**	**MU**	**1,25,422**	**1,31,475**	**1,37,928**
5	OA Sales (Renewables)	e	MU	4,794	5,647	6,434
6	OA Sales (Conventional)	f	MU	3,907	3,676	3,556
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,34,122**	**1,40,797**	**1,47,917**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	0	0	0
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,34,122**	**1,40,797**	**1,47,917**
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,72,700**	**1,80,111**	**1,90,659**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,19,822	1,30,471	1,43,143
12	Power Purchase Quantum from Inter-State sources	h	MU	52,879	49,640	47,516
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.55%**	**3.55%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	51,001	47,878	45,830
	Add: FBSM / **Surplus Energy Traded**		MU	**0**	**-2,154**	**-7,182**
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	MU	**1,70,823**	**1,76,195**	**1,81,790**
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	4,957	5,837	6,649
17	Input for OA Consumption	m=f/(1-q)	MU	4,039	3,800	3,675
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,79,819**	**1,85,832**	**1,92,114**
19	Surplus Power Traded	o=B	MU	0	0	0
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,79,819**	**1,85,832**	**1,92,114**
21	**Intra-State Transmission Loss**	**q**	**%**	3.28%	3.26%	3.24%
22	Intra-State Transmission Loss	r=p*q	MU	5,898	6,058	6,224
23	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,73,921	1,79,774	1,85,890
24	EHV Sales	t	MU	14,936	15,611	16,290
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,58,984	1,64,163	1,69,600
26	Energy injected and drawn at 33kV	v	MU	1,106	1,106	1,106
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	1,60,090	1,65,269	1,70,705
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	**1,51,095**	**1,55,632**	**1,60,382**
29	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**# G=E-A**	**MU**	**25,673**	**24,157**	**22,454**

Sr. No.	Particulars	Calculation	UoM	FY 2025-26	FY 2026-27	FY 2027-28
				Projection	Projection	Projection
				(a)	(b)	(c)
30	**Distribution Loss (Excl. EHV Sales and OA Sales)**	**H=G/F**	**%**	**17.0%**	**15.5%**	**14.0%**

5.8.16 The Energy Balance approved by the Commission for FY 2028-29 and FY 2029-30 are as follows:

Table 250: Energy Balance for FY 2028-29 and FY 2029-30 as approved by the Commission

Sr. No.	Particulars	Calculation	UoM	FY 2028-29	FY 2029-30
				Projection	Projection
				(d)	(e)
1	LT Agriculture Sales (Including D.F)	a	MU	35,448	35,891
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	64,858	68,635
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	44,604	47,835
4	**Total Sales including D.F (Excl. EHV Sales)**	**d=a+b+c**	**MU**	**1,44,910**	**1,52,362**
5	OA Sales (Renewables)	e	MU	7,058	7,947
6	OA Sales (Conventional)	f	MU	3,430	3,522
7	**Retail Energy Sale to Consumers (Excluding EHV Sales)**	**A=d+e+f**	**MU**	**1,55,399**	**1,63,831**
8	Sale due to Surplus Energy Traded	B=1%*(d+t)	MU	0	0
9	**Retail Energy Sale including surplus traded (Excluding EHV Sales)**	**C=A+B**	**MU**	**1,55,399**	**1,63,831**
10	**Total Power Purchase**	**D=g+h**	**MU**	**1,95,766**	**2,03,301**
11	Power Purchase Quantum from Intra-State sources	g	MU	1,47,359	1,53,877
12	Power Purchase Quantum from Inter-State sources	h	MU	48,407	49,423
13	**Inter-State Losses**	**i**	**%**	**3.55%**	**3.55%**
14	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	46,689	47,669
	Add: FBSM / **Surplus Energy Traded**		MU	**-5,951**	**-7,175**
15	**Power Quantum handled at Maharashtra Periphery**	**k=g+j**	MU	**1,88,097**	**1,94,371**
16	Infirm Non-PPA Wind Power	l=e/(1-q)	MU	7,293	8,210
17	Input for OA Consumption	m=f/(1-q)	MU	3,545	3,639
18	**Total Power Purchase Quantum Handled**	**n=k+l+m-v**	**MU**	**1,98,934**	**2,06,220**
19	Surplus Power Traded	o=B	MU	0	0
20	**Energy Requirement at G<>T Periphery**	**p=n-o**	**MU**	**1,98,934**	**2,06,220**

Sr. No.	Particulars	Calculation	UoM	FY 2028-29	FY 2029-30
				Projection	Projection
				(d)	(e)
21	**Intra-State Transmission Loss**	**q**	**%**	3.22%	3.20%
22	Intra-State Transmission Loss	r=p*q	MU	6,406	6,599
23	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,92,529	1,99,621
24	EHV Sales	t	MU	16,963	17,611
25	Net Energy Available for Sale at 33kV	u=s-t	MU	1,75,566	1,82,010
26	Energy injected and drawn at 33kV	v	MU	956	1,106
27	**Total Energy Available for Sale at 33kV**	**E=u+v**	**MU**	1,76,522	1,83,115
28	**Energy Available for Sale including Surplus traded (excluding OA Sales)**	**# F=E-l-m+o**	**MU**	**1,65,684**	**1,71,267**
29	**Distribution Loss(Excl. EHV and OA Sales)**	**# G=E-A**	**MU**	**20,774**	**18,905**
30	**Distribution Loss (Excl. EHVand OA Sales)**	**H=G/F**	**%**	**12.5%**	**11.0%**

5.9 Assumptions for projecting power purchase for the 5th Control Period

MSEDCL's Submission

5.9.1 MSEDCL submitted that it procures power from different sources on MOD Principle for optimum utilization of the sources at least cost. For estimating the power purchase cost, MOD principles have been considered. As per the RA Report, submitted by MSEDCL to the Commission on 15 October 2024, MSEDCL has projected the hourly power requirement using the monthly sales projections and applying hourly MOD.

5.9.2 It is submitted that the key advantages of this approach include enhanced accuracy in power procurement quantum estimation, more precise power purchase cost projections, and improved operational flexibility.

5.9.3 For projection of availability, MSEDCL has considered the entire power available from all the tied-up sources during this period to meet the demand. The actual availability and tariff rates provided in the MYT Petition of MSPGCL for the 5th Control Period has been considered for running the MOD.

5.9.4 Significant influx of RE has been envisaged in the overall energy portfolio of MSEDCL in 5th Control Period. Driven by the recent thrust of the Government towards RE and the RE achieving price parity as compared to conventional power, MSEDCL submitted that it has plans to add significant capacity of RE in its overall portfolio by 2029-30. This has also facilitated MSEDCL to bring down its APPC rate in the 5th Control Period.

5.9.5 It is submitted that for power procurement from competitive bidding route, the tariff has been considered based on the rate quoted as per the terms of the PPA with the escalation based on the CERC rates, wherever applicable. Considering the capacity available and the demand projection, no power procurement from Traders or power exchange have been projected for the 5th Control Period.

5.9.6 MSEDCL has envisaged to be energy surplus in each year of the 5th Control Period due to constraints in operating the generating plants below the Technical minimum level. MSEDCL intended to sell the surplus energy over Energy Exchanges. MSEDCL envisaged to sell 40% of the surplus energy over exchange in the initial three years of the Control Period (FY 2025-26 to FY 2027-28) and progressively increase it to 60% in FY 2028-29 to 100% in FY 2029-30 as shown in the table below:

Table 251: Trading of surplus power in the 5th Control Period as submitted by MSEDCL

Year	Gen Ex bus (MU)	ISTS Loss (MU)	Gen State periphery (MU)	Dem - (Inclusive of Banking) (MU)	Storage Loss (MU)	Unmet (MU)	Excess (MU)	Trading Surplus (%)	Surplus trade rate (Rs. /Unit)	Rev. from trading Surplus (Rs. Crore)
FY 2025-26	186,938.15	1,357.27	185,580.88	179,802.45	158.41	79.94	5,699.96	40%	3.00	684.00
FY 2026-27	217,895.37	2,400.55	215,494.82	187,652.99	324.34	118.55	27,636.05	40%	3.00	3,316.33
FY 2027-28	229,172.56	2,493.96	226,678.59	196,113.05	324.34	192.34	30,433.54	40%	3.00	3,652.03
FY 2028-29	237,834.27	2,694.80	235,139.46	204,714.82	1,511.58	274.56	29,187.62	60%	3.00	5,253.77
FY 2029-30	243,099.29	2,695.33	240,403.96	214,281.24	2,826.94	42.40	23,338.18	100%	3.00	7,001.45

5.9.7 MSEDCL has assumed sale of surplus power as 40% for first 3 years, which is based on Buy-Bid to Sale-Bid ratio recorded in power exchange in FY 2023-24. For the last two years MSEDCL has gradually increased it to 60% and then 100%. However, this could be revisited at the time of MTR based on actual performance of MSEDCL to sell surplus power and buy bid to sell bid ratio in exchange.

5.9.8 MSEDCL submitted that, PGCIL charges have been increasing considerably in last 4-5 years after implementation of POC mechanism. MSEDCL has projected the PGCIL charges for FY 2025-26 to FY 2029-30 considering a growth of 5% per annum over the estimated charges for FY 2023-24.

5.9.9 MSEDCL submitted that during the higher demand or shortage from regular sources due to various reasons including break downs, fuel shortage etc., MSEDCL might require to purchase power from exchanges and through short term power purchase tenders throughout the year. MSEDCL has submitted that, considering the volatile nature of short-term power market and uncertainty in supply of power from long term sources on account of various reasons,

5.9.10 MSEDCL requested the Commission to accord in principle approval for procurement of power on DEEP e-bidding portal/ power exchange based on the projected average power purchase rate. Further, it is requested to revise the ceiling rate for procurement of power on DEEP e-bidding portal/ power exchange considering the projected power purchase rate during the 5th Control Period. Following tables provide the summary of source wise power purchase quantum and cost for FY 2025-26 to FY 2029-30.

Table 252: Source Wise Power Purchase Quantum and cost for FY 2025-26 to FY 2027-28 as submitted by MSEDCL

Source of Power (Station wise)	FY 2025-26			FY 2026-27			FY 2027-28		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
Long Term Supply									
Renewable - Solar intra	28,628	9,158	3.2	45,816	13,909	3.04	45,816	13,909	3.04
Renewable - Solar inter (Loss not applicable)	4,366	1,690	3.87	4,366	1,690	3.87	4,366	1,690	3.87
Renewable - Solar inter	-	-	-	11,345	3,029	2.67	13,495	3,590	2.66
Renewable - Wind	5,916	2,642	4.47	5,916	2,585	4.37	5,916	2,585	4.37
Renewable - Bagasse based Co-gen	3,843	2,311	6.01	4,305	2,383	5.54	4,767	2,484	5.21
Renewable - Biomass	50	43	8.65	50	45	9.07	50	47	9.48
Renewable - SHP	656	219	3.34	656	219	3.34	656	219	3.34
Renewable - MSW	5	3	4.88	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	636	163	2.56	636	163	2.56	7,552	2,658	3.52
Renewable - Hybrid Inter	-	-	-	1,995	684	3.43	1,995	684	3.43
Renewable - FDRE	-	-	-	9,990	4,456	4.46	9,990	4,456	4.46
Renewable - BESS	-	-	-	-	197	2.31	-	197	2.32
RE - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	-	-	-	-	-	-	-	-
KAPP	1,045	419	4.01	1,045	433	4.15	1,045	449	4.29
KAPP 3 & 4	3,138	1,258	4.01	3,138	1,302	4.15	3,138	1,347	4.29
TAPP 1 & 2	1,122	516	4.6	1,122	534	4.76	1,122	553	4.93
TAPP 3 & 4	3,042	1,124	3.69	3,042	1,151	3.78	3,042	1,179	3.88
Bhusawal - 3	357	403	11.29	186	332	17.85	220	450	20.5
Bhusawal - 4 & 5	6,170	3,792	6.15	5,387	3,375	6.27	5,119	3,827	7.48
Bhusawal - 6	4,518	3,259	7.21	4,442	3,270	7.36	4,223	3,218	7.62
Khaparkheda - 1 to 4	4,116	2,833	6.88	3,282	2,497	7.61	3,505	2,816	8.04
Khaparkheda - 5	3,349	1,820	5.43	3,348	1,881	5.62	3,337	1,947	5.84
Nashik- 3,4 & 5	854	1,002	11.74	474	867	18.3	803	1,119	13.93
Chandrapur - 3 to 7	7,614	5,007	6.58	5,257	4,251	8.09	6,173	4,960	8.03
Chandrapur - 8 & 9	6,603	4,040	6.12	6,493	4,129	6.36	5,678	3,950	6.96
Paras - 3 & 4	3,070	1,818	5.92	3,099	1,920	6.2	3,060	2,109	6.89
Parli - 6 & 7	103	695	67.55	106	728	68.58	249	853	34.31
Parli Replacement U 8	128	533	41.6	31	480	153.69	158	573	36.4
Koradi - 6	1,206	827	6.85	1,206	855	7.09	1,206	907	7.52
Koradi - 8 to 10	11,275	6,434	5.71	11,304	6,653	5.89	11,308	7,236	6.40
GTPS Uran	2,339	1,482	6.34	2,339	1,482	6.34	2,339	1,502	6.42

Source of Power (Station wise)	FY 2025-26			FY 2026-27			FY 2027-28		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
KSTPS	4,740	1,193	2.52	4,495	1,207	2.68	4,491	1,263	2.81
KSTPS III	935	266	2.85	885	264	2.98	885	269	3.04
VSTP I	3,120	988	3.17	2,992	981	3.28	2,995	1,002	3.35
VSTP II	2,503	692	2.76	2,385	679	2.85	2,383	690	2.89
VSTP III	2,077	623	3	1,981	611	3.08	1,979	617	3.12
VSTP IV	2,236	796	3.56	2,129	798	3.75	2,125	823	3.87
VSTP V	1,203	505	4.2	1,146	519	4.53	1,142	545	4.77
KhSTPS-II	1,047	405	3.87	1,001	406	4.06	994	419	4.21
SIPAT TPS 1	4,255	1,349	3.17	4,052	1,348	3.33	4,041	1,387	3.43
SIPAT TPS 2	2,058	664	3.23	1,960	663	3.38	1,953	682	3.49
SIPAT TPS 3	-	-	-	-	-	-	-	-	-
Mauda I	2,840	1,637	5.77	2,715	1,621	5.97	2,673	1,636	6.12
Mauda II	3,830	2,086	5.45	3,741	2,123	5.67	3,617	2,143	5.93
NTPC Solapur	1,779	1,895	10.65	982	1,570	15.99	1,345	1,840	13.68
Lara	2,125	565	2.66	2,026	609	3.01	2,024	676	3.34
Lara - 2	-	-	-	-	-	-	-	-	-
Gadarwara	761	382	5.03	660	357	5.42	608	352	5.78
Gadarwara - 2	-	-	-	-	-	-	-	-	-
Khargone	654	382	5.84	473	362	7.65	481	446	9.27
MBPL	-	-	-	-	-	-	-	-	-
NVVNL Coal	72	33	4.6	36	17	4.76	52	26	4.93
Kawas	216	399	18.52	264	460	17.42	222	412	18.58
Gandhar	211	429	20.29	253	482	19.05	213	438	20.53
JSW	1,159	756	6.52	755	584	7.73	763	611	8.01
CGPL	5,326	2,263	4.25	5,326	2,339	4.39	5,326	2,415	4.53
APML 125 MW	837	491	5.87	785	471	6	833	478	5.74
APML 1320 MW	9,870	5,199	5.27	9,334	5,107	5.47	9,289	5,230	5.63
APML 1200 MW	8,213	4,602	5.6	7,607	4,396	5.78	7,985	4,629	5.8
APML 440 MW	2,564	1,567	6.11	2,497	1,482	5.93	2,637	1,570	5.95
Adani 1600 MW	-	-	-	-	-	-	-	-	-
GMR Energy	1,512	653	4.32	1,460	643	4.41	1,450	647	4.46
RIPL 450 MW	3,416	1,160	3.4	3,297	1,142	3.46	3,281	1,152	3.51
RIPL 750 MW	5,693	1,934	3.4	5,495	1,904	3.46	5,469	1,921	3.51
SWPGL 240 MW	1,730	776	4.49	1,727	776	4.5	1,724	777	4.51
Koyna St I to IV Hydro	2,946	693	2.35	2,946	710	2.41	2,946	720	2.44
Bhira	312	16	0.51	312	16	0.53	312	17	0.54
Tillari	99	28	2.85	99	29	2.97	99	30	3.05
Vaitarna	99	19	1.88	99	19	1.88	99	19	1.88
SSP	926	190	2.05	926	190	2.05	926	190	2.05
Pench	128	26	2.05	128	26	2.05	128	26	2.05
Dodson II	132	24	1.85	132	25	1.86	132	25	1.89
Subhansari Hydro	433	217	5	433	217	5	433	217	5
Pakaldul HEP	-	-	-	-	-	-	237	101	4.28
Ratle Hydroelectric Project	-	-	-	-	-	-	504	198	3.92
Kwar HEP	-	-	-	-	-	-	-	-	-
Dugar HE Project	-	-	-	-	-	-	-	-	-
Kiru HE Project	-	-	-	258	120	4.64	258	120	4.64
Sawalkot HE Project	-	-	-	-	-	-	-	-	-

Source of Power (Station wise)	FY 2025-26			FY 2026-27			FY 2027-28		
	Quantum	Total	Rate	Quantum	Total	Rate	Quantum	Total	Rate
	(MU)	(Rs Crore)	(Rs/Unit)	(MU)	(Rs Crore)	(Rs/Unit)	(MU)	(Rs Crore)	(Rs/Unit)
Dibang Multipurpose Project	-	-	-	-	-	-	-	-	-
PGCIL Charges	-	3,902	-		4,097	-		4,302	-
Total		-	-		-	-		-	-
Medium Term Supply	-	-	-		-	-		-	-
Source 1	-	-	-		-	-		-	-
Source 2	-	-	-		-	-		-	-
Short Term Supply	-	-	-		-	-		-	-
Short Term	1,008	661	6.55	-	-	-	-	-	-
Banking Power	-1,011	-	-		-	-		-	-
... ...	-	-	-		-	-		-	-
Total Energy Availability	**1,86,203**	**93,956**	**5.05**	**2,18,172**	**1,04,871**	**4.81**	**2,29,387**	**1,12,578**	**4.91**

Table 253: Source wise Power Purchase quantum and cost for FY 2028-29 to FY 2029- 30 as submitted by MSEDCL

Source of Power (Station-wise)	FY 2028-29			FY 2029-30		
	Quantum	Total	Rate	Quantum	Total	Rate
	(MU)	(Rs Crore)	(Rs/Unit)	(MU)	(Rs Crore)	(Rs/Unit)
Long Term Supply						
Renewable - Solar intra	45,816	13,909	3.04	45,816	13,909	3.04
Renewable - Solar inter (Loss not applicable)	4,366	1,690	3.87	4,366	1,690	3.87
Renewable - Solar inter	19,947	5,326	2.67	19,947	5,326	2.67
Renewable - Wind	5,916	2,585	4.37	5,916	2,585	4.37
RE - Bagasse based Co-gen	4,767	2,407	5.05	4,767	2,334	4.90
Renewable - Biomass	50	48	9.77	50	51	10.22
Renewable - Small Hydro	656	219	3.34	656	219	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	7,552	2,658	3.52	7,552	2,658	3.52
Renewable - Hybrid Inter	1,995	684	3.43	1,995	684	3.43
Renewable - FDRE	9,990	4,456	4.46	9,990	4,456	4.46
Renewable - BESS	-	197	2.47	-	197	2.56
RE - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	1,475	3.61	-	3,081	3.86
KAPP	1,045	464	4.44	1,045	481	4.60
KAPP 3 & 4	3,138	1,394	4.44	3,138	1,443	4.60
TAPP 1 & 2	1,122	572	5.1	1,122	592	5.28
TAPP 3 & 4	3,042	1,208	3.97	3,042	1,238	4.07
Bhusawal - 3	98	391	39.82	70	387	55.53
Bhusawal - 4 & 5	4,876	3,847	7.89	3,720	3,386	9.10
Bhusawal - 6	4,159	3,236	7.78	3,791	3,103	8.18
Khaparkheda - 1 to 4	3,248	2,783	8.57	2,587	2,533	9.79
Khaparkheda - 5	3,349	2,015	6.02	3,288	2,056	6.25

Source of Power (Station-wise)	FY 2028-29			FY 2029-30		
	Quantum	Total	Rate	Quantum	Total	Rate
	(MU)	(Rs Crore)	(Rs/Unit)	(MU)	(Rs Crore)	(Rs/Unit)
Nashik- 3,4 & 5	462	956	20.69	297	888	29.9
Chandrapur - 3 to 7	4,336	4,221	9.73	2,864	3,590	12.53
Chandrapur - 8 & 9	6,573	4,171	6.35	6,498	4,033	6.21
Paras - 3 & 4	2,982	2,160	7.24	2,575	2,043	7.94
Parli - 6 & 7	263	908	34.61	62	798	128.83
Parli Replacement U 8	129	561	43.37	63	512	81.39
Koradi - 6	1,190	969	8.14	1,035	928	8.96
Koradi - 8 to 10	11,148	7,152	6.42	10,921	6,506	5.96
GTPS Uran	2,339	1,522	6.51	2,339	1,542	6.59
KSTPS	4,510	1,327	2.94	4,556	1,400	3.07
KSTPS III	888	276	3.11	897	284	3.17
VSTP I	3,008	1,026	3.41	3,040	1,055	3.47
VSTP II	2,394	703	2.94	2,418	719	2.97
VSTP III	1,988	626	3.15	2,008	637	3.17
VSTP IV	2,138	852	3.99	2,159	886	4.1
VSTP V	1,151	575	5	1,161	608	5.24
KhSTPS-II	1,006	438	4.35	1,016	457	4.5
SIPAT TPS 1	4,062	1,435	3.53	4,103	1,491	3.63
SIPAT TPS 2	1,970	708	3.59	1,988	736	3.7
SIPAT TPS 3	-	-	-	916	356	3.89
Mauda I	2,715	1,686	6.21	2,684	1,707	6.36
Mauda II	3,724	2,267	6.09	3,252	2,126	6.54
NTPC Solapur	810	1,620	20	351	1,418	40.38
Lara	2,032	755	3.71	2,054	849	4.13
Lara - 2	-	-	-	1,584	556	3.51
Gadarwara	615	373	6.06	567	367	6.47
Gadarwara - 2	-	-	-	64	41	6.31
Khargone	365	502	13.75	231	591	25.61
MBPL	-	-	-	3,325	1,697	5.11
NVVNL Coal	60	31	5.1	43	22	5.28
Kawas	247	445	18.04	380	608	15.99
Gandhar	243	477	19.64	371	635	17.09
JSW	603	546	9.06	362	381	10.54
CGPL	5,326	2,501	4.7	5,326	2,588	4.86
APML 125 MW	897	515	5.74	859	505	5.88
APML 1320 MW	8,336	5,073	6.09	7,327	4,520	6.17
APML 1200 MW	8,597	4,973	5.78	8,503	4,996	5.88
APML 440 MW	2,888	1,711	5.93	2,848	1,715	6.02
Adani 1600 MW	4,583	2,663	5.81	10,990	6,386	5.81
GMR Energy	1,468	661	4.5	1,480	677	4.57
RIPL 450 MW	3,312	1,174	3.54	3,339	1,196	3.58
RIPL 750 MW	5,520	1,957	3.54	5,566	1,994	3.58
SWPGL 240 MW	1,728	779	4.51	1,729	781	4.52
Koyna Stage I to IV Hydro	2,946	711	2.41	2,946	750	2.55
Bhira	312	18	0.59	312	20	0.63

Source of Power (Station-wise)	FY 2028-29			FY 2029-30		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
Tillari	99	31	3.17	99	33	3.3
Vaitarna	99	19	1.88	99	19	1.88
SSP	926	190	2.05	926	190	2.05
Pench	128	26	2.05	128	26	2.05
Dodson II	132	28	2.12	132	28	2.14
Subhansari Hydro	433	217	5	433	217	5
Pakaldul HEP	237	101	4.28	237	101	4.28
Ratle Hydroelectric Project	504	198	3.92	504	198	3.92
Kwar HEP	128	57	4.44	128	57	4.44
Dugar HE Project	118	53	4.46	118	53	4.46
Kiru HE Project	258	120	4.64	258	120	4.64
Sawalkot HE Project	-	-	-	-	-	
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges		4,517	-		4,743	-
Total		-	-		-	-
Medium Term Supply		-	-		-	-
Source 1		-	-		-	-
Source 2		-	-		-	-
Short Term Supply		-	-		-	-
Short Term	-	-	-	-	-	-
Banking Power		-	-		-	-
… … …		-	-		-	-
Total Energy Availability	**2,38,063**	**1,19,149**	**5.00**	**2,43,337**	**1,24,790**	**5.13**

5.9.11 MSEDCL requested the Commission to allow the power purchase as shown in the tables above.

Commission's Analysis and Rulings

5.9.12 In accordance with Regulation 20.1 of MERC MYT Regulations, 2024, the Distribution Licensee shall prepare a power procurement plan to serve the demand in its area of supply considering the provisions of MERC RA Regulations 2024 and submit such plan to the Commission for approval.

5.9.13 Accordingly, the Commission has notified the MERC RA Regulations, 2024 on 21 June 2024. In accordance with Regulation 5.4 of these regulations, the distribution licensee shall develop and prepare Long-Term Distribution Resource Adequacy Plan (LT-DRAP), Medium-Term Distribution Resource Adequacy Plan (MT-DRAP) and Short-term Distribution Resource Adequacy Plan (ST-DRAP).

5.9.14 Further, as per the provisions of the MERC MYT Regulations 2024, the power procurement planning for the 5th Control Period (FY 2025-26 to FY 2029-30) needs to be aligned with the approved RA planning (ST-DRAP /MT-DRAP) for MYT filing of the Distribution Licensee by 30 November 2024. The

Distribution Licensee needs to be RA compliant in accordance with the RA Regulations and the national RA Guidelines by the Authority. Any non-compliance shall be treated in accordance with the relevant provisions of the MERC RA Regulations, 2024.

5.9.15 In view of the above, the Commission has reviewed the submissions of MSEDCL for requirement of power procurement and additional power procurement (if any). After reviewing the RA plan of MSEDCL, the Commission is of the view that MSEDCL has a surplus contracted capacity which is over and above its RA requirement as mentioned in the earlier paragraphs of this order.

Discrepancy in the MSEDCL's submission for surplus traded quantum:

5.9.16 The Commission noted the discrepancy in submissions of MSEDCL in Trading Surplus proposed in the revised petition v/s MYT Formats submitted in excel.

Table 254: Surplus Traded Quantum (MU) as submitted by MSEDCL in Revised MYT Petition Vs. MYT Forms (Excel Submissions)

Year	Revised MYT Petition	MYT Forms (Excel Submissions)
FY 2025-26	5,700	5,869
FY 2026-27	27,636	27,785
FY 2027-28	30,434	30,434
FY 2028-29	29,188	29,160
FY 2029-30	23,338	23,546

5.9.17 The Commission notes that, MSEDCL has proposed significant surplus power of 1,16,794 MU for the 5th Control Period and part of it is proposed to be sold at Rs. 3/kWh mostly during solar hours and there is a requirement to purchase short-term power during non-solar hours from market at significantly higher costs prevalent in the market during those hours.

5.9.18 The Commission notes the submission of MSEDCL that it has run hourly MOD to optimise the power procurement over the Control Period, however, it is projecting high quantum of surplus energy of around 1,16,794 MUs over the 5th Control Period. Further, out of such significant surplus available power, MSEDCL has proposed to sale only part of it amounting to 66,677 Mus, at rate of Rs 3 per unit which is lower than its average cost of power procurement. MSEDCL has accordingly estimated Revenue from Trading of such surplus during the Control Period. Thus, the proposed power procurement and dispatch planning does not appear to be optimal. Having contracted for excess power, MSEDCL should make all efforts to share its surplus capacity with other licensees or in open market. Further, it should also explore arrangements with generating companies to surrender or sale part of its unutilised capacity in proactive manner to reduce the burden of fixed cost of power procurement on its consumers.

5.9.19 The Commission is of the view that, MSEDCL should revisit its MOD assumptions to ensure that, available resources are utilised effectively and results in reduction in power procurement costs over the 5th Control Period.

5.9.20 In view of the above, based on the information about contracted capacity and hourly data profile submitted by MSEDCL for demand, non-firm generation resources including hydro generation profiles, the Commission has undertaken the hourly MoD simulations for despatch of projected available thermal generation resources to estimate the hourly, monthly and annual power purchase quantum and costs thereof from such resources. The Commission has considered existing tied-up sources as well as planned and future capacity additions, Fixed Costs and Variable Costs of these resources.

5.9.21 In this context, MSEDCL has submitted the power purchase projections based on MOD principles. The Commission directed MSEDCL to submit its computations of month-wise MoD stack along with necessary assumptions such as PLF, PAF, Fuel availability, Technical Minimum, Auxiliary Consumption, plant outages, etc. for the Control Period.

5.9.22 In response, MSEDCL submitted the year wise MoD stack along with key assumptions such as PAF, technical minimum and auxiliary consumption. It has used the actual availability of generating stations from 2020-24 to calculate the PAF of generating stations and other factors such as fuel availability, outages are incorporated in their model. Additionally, the auxiliary consumption has considered as per the MTR order and for IPPs, it is based on the terms outlined in PPAs. Also, the technical minimum of 55% has been considered for thermal stations.

5.9.23 However, the Commission has considered the availability and auxiliary consumption for MSPGCL stations as per the norms specified by the Commission in MERC MYT Regulations, 2024 and in line with its performance parameters approved in MYT Order for MSPGCL generating stations. For NTPC stations, the Commission has considered the availability and auxiliary consumption in accordance with CERC MYT Regulations, 2024. For IPPs and Hydro generating stations (Incl. MSPGCL and Central Hydro), the Commission has considered the Availability and auxiliary consumption as same as submitted by MSEDCL.

5.9.24 In addition, the Commission has considered the source-wise capacity addition plan to calculate the power purchase requirement in accordance with the capacity addition plan (as part of RA plan) approved by the Commission for the 5th Control Period as outlined under para 5.5.7 of this order.

5.9.25 For projection of load profile, the Commission has considered the load profile as per submissions of MSEDCL but the same is adjusted for annual sales/demand forecast, distribution loss factor, inter-state transmission loss and intra-state transmission loss as approved by the Commission under earlier paragraphs and tables for Energy Balance outlined under para 5.8.15 of this Order. The Commission has considered the Hourly Generation Profile of Must Run Generating stations as submitted by MSEDCL. The Commission has considered that, the load shall be first met with Must Run Generators and the Hourly MOD shall be operated for the balance load considering available generation from the existing contracted and planned thermal generation in merit order.

5.9.26 The Commission recognises that such hourly despatch simulations would entail extensive use of energy modelling tools as well as factoring of all operating constraints such as ramp-up, ramp-down, technical minimum, compensation for part load operation, factoring of outages (planned/forced) and associated start-up, shut-down costs thereof, as part of such modelling exercise. Besides, such simulations should be undertaken for multiple scenarios, probabilistic assessment for variation in variable renewable energy generation scenarios considering changes in weather patterns, analysis of stress hours/periods, seasonal variations in demand patterns, short term market scenario, etc. to arrive at optimal despatch results to aid optimal power procurement decisions. All such exercises should form part of annual RA rolling plan exercise, and power procurement planning thereof. Any variations from approved power procurement plan would be scrutinised at the time of mid-term performance review. Further, the variation in power purchase expense from that approved under this MYT Order can be claimed through monthly Fuel Cost Adjustment mechanism, subject to prudence check.

5.9.27 Further, while considering the addition of RE capacity, the Commission has considered that, MSEDCL is able to fulfil its RPO targets as specified by the Commission in its RPO Regulations, 2019 and its amendments thereof. Accordingly, the Generation source wise power procurement analysed by the Commission is provided in the paragraphs below.

MSPGCL:

5.9.28 MSEDCL has considered the fixed and energy charges of MSPGCL stations same as the rates outlined in the MSPGCL MYT Petition for 5th Control Period. However, the Commission has considered the rates as approved by the Commission in the MYT Order of MSPGCL in Case No. 187 of 2024 for MOD stack for 5th Control Period. Energy Charges for MSPGCL stations are escalated at a rate of 3% per annum as approved by the Commission in Case No. 187 of 2024.

5.9.29 Further, the Commission has noted the inconsistency in consideration of Fixed Charges and Energy Charges for Bhusawal-6 unit as submitted by MSEDCL versus MSPGCL's MYT Petition and raised query for the same. In response, MSEDCL submitted that this inconsistency is due to the revisions made by MSPGCL in their revised Petition submitted at the time of public hearing. However, the Commission has considered the rates as per the approved Order in Case No. 187 of 2024 for MSPGCL to develop the MOD stack.

5.9.30 The Commission has considered the fixed charges for MSPGCL hydro generating stations as approved by the Commission in Case No. 187 of 2024.

NTPC CGS:

5.9.31 For NTPC generating stations, the Commission has considered the fixed and energy charges based on the submissions made by MSEDCL. However, the Commission asked MSEDCL to submit the basis of fixed cost estimations considered for the 5th Control Period. In response, MSEDCL submitted that it has considered the last 6 years CAGR of actual fixed costs paid for estimating the fixed costs for 5th Control Period. This 6 years CAGR is used to escalate the fixed costs of FY 2024-25 for respective NTPC generating stations. The Commission has considered the same fixed charges as submitted by MSEDCL.

5.9.32 The Commission has considered the energy charge of NTPC generating units, same as submitted by MSEDCL with escalation factors in line with MSEDCL's submission with escalation rate ranging from 4% to 5% per annum for 5th Control Period.

5.9.33 The Commission has noted that MSEDCL has considered the Gadarwara-2 (111 MW) generating station for MOD for FY 2029-30. However, in Annexure-XI (source-wise capacity addition plan) submitted by MSEDCL as part of its Revised RA plan, this plant will be commissioned at the end of FY 2029-30. Hence, the Commission has not considered Gadarwara-2 in its Power Purchase analysis for FY 2029-30.

IPPs:

5.9.34 For IPPs, the Commission has considered the fixed charges and energy charges as same as considered by MSEDCL. However, the Commission asked MSEDCL to submit the basis for fixed cost estimations of IPPs. In response, MSEDCL submitted that fixed cost consists of scalable and non-scalable charges. Non-scalable charges are considered as per Schedule 8 (Quoted tariff) of PPA executed with the IPP generator. However, scalable charges are computed by calculating percentage CAGR over last 5 years from April 2019 to April 2024.

5.9.35 The Commission has considered the same energy charges for IPPs as submitted by MSEDCL for preparation of MOD stack for the 5th Control Period. The escalation in energy charges is considered same as proposed by

MSEDCL with escalation rate ranging from 2% to 4% per annum for the 5th Control Period.

5.9.36 The Commission notes the inconsistency in fixed charges and energy charges considered by MSEDCL for APML 1600 MW IPP. The Commission vide Case No. 155 of 2024, has approved the total tariff of Rs. 5.39/kWh which includes fixed charges of Rs. 3.67/kWh and energy charges of Rs. 1.72/kWh. Despite this, MSEDCL has considered the Energy charges of Rs. 3.85/kWh for FY 2028-29 and FY 2029-30 in its MOD stack. The Commission asked MSEDCL to clarify the same.

5.9.37 In response, MSEDCL submitted that the rates considered for APML 1600 MW is an inadvertent error. Hence, the Commission has considered the rates in accordance with Case No. 155 of 2024 as approved by the Commission for MOD stacks for FY 2028-29 and FY 2029-30.

Must Run Generating Stations:

5.9.38 The Commission has considered capacity addition for Must Run generator such as RE, Hydro, Nuclear, PSP and BESS in accordance with the source-wise capacity addition approved by the Commission as part of RA plan for the 5th Control Period under para 5.5.7 of this Order. However, the Commission has considered the same energy charges for Must Run generator as submitted by MSEDCL for the 5th Control Period.

5.9.39 The Commission notes that MSEDCL has not considered the fixed charges for Ghatghar-PSP for the 5th Control Period. However, the Commission has considered the fixed charges for Ghatghar-PSP in accordance with the cost approved by the Commission vide Order in Case No. 2 of 2012. For PSP addition of around 3000/3500 MW in FY 2028-29 and FY 2029-30, the Commission has considered the fixed costs as submitted by MSEDCL in their Capacity Addition Plan and upon factoring the commissioning plan thereof.

5.9.40 The Commission notes that MSEDCL has projected the higher quantum of Solar energy generation for distributed solar generation projects under MSKVY scheme at 24.79% to 25.13% CUF in their submissions, higher than the normative CUF of 19% stipulated under the PPA. Further, the Commission notes that as part of RA Plan and under MYT petition, MSEDCL has proposed significant capacity addition through distributed solar during FY2025-26. However, during public hearing, it was submitted that while MSEDCL is aggressively pursuing developers and monitoring their capacity addition progress, entire distributed solar project capacity addition is expected to be commissioned by end 2026. Further, MSEDCL has submitted its capacity addition and power procurement plans for Utility scale solar projects, hybrid solar, FDRE as outlined under para 5.5.3 of RA plan study.

5.9.41 Accordingly, the Commission has considered the capacity addition of distributed Solar as well as utility scale solar projects as per the capacity addition plan approved under para 5.5.7 of this Order and also factored in phasing plan for such capacity additions over the Control Period. For estimation of available generation from distributed solar generation projects, the Commission has considered CUF of 19% as per provisions of PPA.

5.9.42 The Commission notes that MSEDCL has not projected any additional quantum for power procurement from wind energy, despite being shortall in meeting wind RPO target. In this context, the Commission also observes that despite lower price discovery for wind projects in recent bids, no new wind capacity addition or procurement has been projected by MSEDCL in its RA Plan. Wind generation would also cater to meet the evening / night demand to some extent optimally rather than procurement of some of high-cost variable thermal generation or market purchase. MSEDCL should explore wind power procurement as well as encourage repowering of wind capacity sites within Maharashtra where generation from old wind farm sites can be harnessed efficiently. The Commission has considered additional quantum from wind energy capacity as mentioned in para 5.5.7 for analysis of capacity additions under RA plan.

5.9.43 The Commission notes that, MSEDCL has considered FDRE of 1468 MW in the MOD stack in FY 2026-27, assuming approx. 75% CUF throughout the year. The Commission has approved the power procurement from such FDRE as per its Order in Case No. 82 of 2024. The Commission notes that PSA with SJVNL for procurement of FDRE entail multiple generators, who are expected to commission their FDRE Generation projects (combination of wind/solar/storage) within 24 months from date of signing of PPA. The current status of project development and likely date of commissioning of individual project is not known, as also the hourly generation profile of individual projects to derive consolidated hourly despatch profile for FDRE is not available. Hence, for the purpose of hourly simulation study, the Commission has not considered the hourly despatch from FDRE however, it is clarified that the procurement from FDRE is approved in line with its Order in Case No. 82 of 2024. MSEDCL should submit hourly profile from these individual projects for procurement under approved PPA for FDRE at the time of annual RA rolling plan exercise. Thus, this non-consideration of hourly despatch from FDRE for purpose of hourly simulation study and power procurement analysis for 5th Control Period, does not prevent MSEDCL from procurement of power from 1468 MW FDRE. This would be beneficial for meeting its demand during non-solar hours as well as to meet RPO requirements and the same shall be considered based on actual procurement from this FDRE source at the time of mid-term review.

Short-term Power Purchase:

5.9.44 Based on hourly simulation of load requirement and despatch, the Commission has considered the short-term power procurement through Bilateral and Power Exchange. The per unit power purchase rate for power procurement through Exchange mostly during evening peak hours is considered at the rate of Rs. 5.50/kWh based on trend in average Market Clearing Price (MCP) for last two years. Further, the power procurement during other than peak hours is considered at Rs. 4.50/kWh. Any variation in cost and quantum of short-term power procurement shall be allowed subject to prudence check and in line with guidelines for short term competitive procurement.

5.9.45 Further, based on this hourly simulation exercise, the Commission has also estimated hourly excess power available for surplus trade, mostly during solar hours and the revenue from such surplus traded power has been considered during projection period of 5th Control Period. Details of such surplus power trade in each year of the control period is presented in subsequent paragraphs.

PGCIL Charges:

5.9.46 The Commission notes that MSEDCL has projected the PGCIL charges at an escalation rate of 5% per annum for the Control Period. Accordingly, the Commission has considered the same as submitted by MSEDCL for the 5th Control Period.

RPO Compliance:

5.9.47 The Commission asked MSEDCL to submit its planning for RPO Compliance for the 5th Control Period. In response, MSEDCL submitted the plan as given below:

Table 255: Plan for RPO Compliance for 5th Control Period as submitted by MSEDCL

Year	Expected GEC in MU	Wind RPO			Hydro RPO			Distributed RPO		
		Proposed EPA Capacity in MW	RPO targets in %	RPO fulfilment in %	Proposed EPA Capacity in MW	RPO targets in %	RPO fulfilment in %	Proposed EPA Capacity in MW	RPO targets in %	RPO fulfilment in %
FY 2025-26	1,78,792	100	1.45	0.12	186	1.22	0.24	13,643	2.1	15.41
FY 2026-27	1,87,653	360	1.97	0.47	295	1.34	0.3	21,817	2.7	23.76
FY 2027-28	1,96,113	1,448	2.45	1.62	608	1.42	0.71	23,159	3.3	23.81
FY 2028-29	2,04,715	1,448	2.97	1.55	2,462	1.42	2.54	24,814	3.9	24.07
FY 2029-30	2,14,281	1,448	3.48	1.49	4,536	1.33	4.3	26,534	4.5	24.26

Year	Expected GEC in MU	Other RPO			Total RPO		
		Proposed EPA Capacity in MW	RPO targets in %	RPO fulfilment in %	Proposed EPA Capacity in MW	RPO targets in %	RPO fulfilment in %
FY 2025-26	1,78,792	13,939	28.24	14.83	27,868	33.01	30.60
FY 2026-27	1,87,653	22,364	29.94	27.49	44,836	35.95	52.07
FY 2027-28	1,96,113	25,749	31.64	30.02	50,964	38.81	56.16
FY 2028-29	2,04,715	28,749	33.1	31.93	57,473	41.36	60.09
FY 2029-30	2,14,281	28,749	34.02	30.50	61,267	43.33	60.55

5.9.48 Following table shows the details of plan for compliance of Energy Storage Obligations (ESO) for 5th Control Period:

Table 256: Plan for ESO Compliance for 5th Control Period as submitted by MSEDCL

Year	Expected GEC in MU	Proposed Storage Capacity in MW	ESO targets in %	ESO fulfilment in %
FY 2025-26	1,78,792	250	2	0.29%
FY 2026-27	1,87,653	1000	2.5	0.85%
FY 2027-28	1,96,113	1000	3	0.84%
FY 2028-29	2,04,715	2750	3.5	2.59%
FY 2029-30	2,14,281	4824	4	4.22%

5.9.49 The Commission notes the submission of MSEDCL regarding its plan for compliance of RPO Targets. The Commission shall verify the year-on-year actual RPO compliance at the time of True up of the respective years. The Commission has also factored in the requirement of RPO compliance it its hourly simulations for power procurement planning. The Commission notes that as per the source-wise RE capacity addition plan approved by the Commission for the 5th Control Period, the MSEDCL would be able to fulfil the RPO targets by FY 2029-30 (44.49% against the target of 43.33%).

5.9.50 In view of the above simulations by the Commission, the Commission has projected the power procurement requirement of 9,42,537 MU against the 11,15,620 MU as submitted by MSEDCL for the 5th Control Period. The power procurement projected by the Commission is less by 1,73,083 MU than the requirement projected by MSEDCL. The difference in the projected quantum of power purchase approved under this Order vis-à-vis that projected by MSEDCL for 5th Control Period is mainly on account of three factors viz. (a) higher sales projections by MSEDCL (b) higher Surplus quantum and higher traded power thereof by MSEDCL and (c) higher distribution loss by MSEDCL than distribution loss trajectory approved under this Order aligned with distribution loss reduction trajectory under RDSS scheme.

5.9.51 The Commission has observed that the despatch from thermal generating stations is significantly reduced with the capacity addition of Must Run generating stations from FY 2025-26 to FY 2029-30. Due to lower despatch of thermal generating stations, the estimated energy generation from these TPS would be lesser and the fixed cost per Unit would increase which would result in higher projection of APPC. during the 5th Control Period. However, the resultant total power procurement cost for 5th Control Period is significantly lower than that projected by MSEDCL and as approved in this Order.

5.9.52 Accordingly, the Commission has projected the power purchase cost of Rs. 4,75,277 Crore against the power purchase cost of Rs. 5,55,343 Crore as submitted by MSEDCL for the 5th Control Period. There is a reduction of Rs. 80,067 Crore in the power purchase cost as against the cost submitted by MSEDCL.

5.9.53 Upon detailed analysis, the Commission has observed that there are following three main factors which leads to reduction in power purchase quantum (MU) and cost (Rs. Crore) of MSEDCL against the submissions made by MSEDCL as follows:

- Distribution Loss trajectory approved by Commission for 5th Control Period
- Reduction in Category-wise Energy Sales
- Reduction in Surplus Traded Quantum

5.9.54 The Commission has observed that MSEDCL has projected the power purchase quantum of 11,15,620 MU and surplus power trade of 1,16,793 MU (10.46%) for the 5th Control Period. However, as against the projected surplus quantum of 1,16,793 MSEDCL sales only 66,678 MU are estimated to be traded at the rate of Rs. 3.00/kWh. It is not clear from MSEDCL's submission for its strategies to deal with the remaining surplus quantum of around 50,000 MU, which otherwise would amount to being treated as dump energy.

5.9.55 As per the detailed power procurement analysis carried out by the Commission as discussed above, the Commission has projected the surplus power of 22,462 MU (2.38%) out of total power purchase requirement of 9,42,537 MU and the revenue from sale of such surplus power is estimated at the rate of Rs. 3.00/kWh for the 5th Control Period.

Table 257: Surplus Traded Quantum (MU) for the 5th Control Period as projected by the Commission

Year	Surplus Traded Quantum (MU)
FY 2025-26	0
FY 2026-27	2,154
FY 2027-28	7,182
FY 2028-29	5,951

Year	Surplus Traded Quantum (MU)
FY 2029-30	7,175

5.9.56 The Commission would like to highlight that RA assessment and power procurement planning decision thereof, should result in contracting of optimal capacity mix in compliance to reliability standards and output matrix of LOLP and NENS parameters.

5.9.57 Further, having contracted surplus capacity over and above its RA requirement, it is essential that the same is utilized or dispatched in an optimal manner. The Commission also observed that MSEDCL has proposed significant surplus power and part of it is proposed to be sold at Rs 3 per unit mostly during solar hours and at the same time there is requirement to purchase ST power during non-solar hours (evening peak) from market at significantly higher costs prevalent in the market during those hours.

5.9.58 To optimize the cost of power procurement during evening peak/ non-solar hours, MSEDCL should evaluate and explore storage (incl. BESS) solutions (2hr/4hr) to store surplus solar generation to be utilized during non-solar (evening peak) hours rather than procuring expensive power from market during non-solar (evening peak) hours. MSEDCL should explore and evaluate development of distributed storage solutions and its procurement plan through competitive route at early date.

5.9.59 In order to ensure the judicious mix of sources with optimal tenure, the MSEDCL should also establish trading arrangements for sale of surplus power and surplus capacity for short term (ST) and medium term (MT) basis to optimally manage its contracted capacity and reduce burden of fixed cost of power through tied up through long term (LT) thermal sources.

5.9.60 MSEDCL should also explore revenue sharing arrangements with generating stations and other distribution licensees for sale of surplus power upon meeting requirement of its load, on regular basis including capacity trading and capacity sharing arrangements.

5.9.61 Accordingly, the Commission has approved the Power Purchase Quantum and Cost for the 5th Control Period as given in the Table below:

Table 258: Power Purchase Quantum and Cost for FY 2025-26 as approved by the Commission

Source of Power (Station wise)	FY 2025-26					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Long Term Supply						
Renewable - Solar intra	32,994	10,848	3.20	29,399	9,722	3.20

Source of Power (Station wise)	FY 2025-26					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Renewable - Solar inter (Loss not applicable)			3.87			3.87
Renewable - Solar inter			-			-
Renewable - Wind	5,916	2,642	4.47	7,578	3389	4.47
RE-Bagasse based Co-gen	3,843	2,311	6.01	3,786	2,276	6.01
Renewable - Biomass	50	43	8.65	49	42	8.65
RE - Small Hydro	656	219	3.34	530	177	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
RE - Hybrid Intra	636	163	2.56	638	163	2.56
RE - Hybrid Inter	-	-	-	-	-	-
Renewable - FDRE	-	-	-	-	-	-
Renewable - BESS	-	-	-	-	-	-
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	-	-	457	170	3.72
KAPP	1,045	419	4.01	1,039	416	4.01
KAPP 3 & 4	3,138	1,258	4.01	3,119	1,251	4.01
TAPP 1 & 2	1,122	516	4.6	1,156	532	4.60
TAPP 3 & 4	3,042	1,124	3.69	3,023	1,117	3.69
Bhusawal - 3	357	403	11.29	446	383	8.59
Bhusawal - 4 & 5	6,170	3,792	6.15	5,030	3,224	6.41
Bhusawal - 6	4,518	3,259	7.21	4,150	2,804	6.76
Khaparkheda - 1 to 4	4,116	2,833	6.88	4,183	2,258	5.40
Khaparkheda - 5	3,349	1,820	5.43	3,056	1,679	5.49
Nashik- 3,4 & 5	854	1,002	11.74	879	913	10.40
Chandrapur - 3 to 7	7,614	5,007	6.58	5,330	3,515	6.59
Chandrapur - 8 & 9	6,603	4,040	6.12	5,715	3,295	5.76
Paras - 3 & 4	3,070	1,818	5.92	2,558	1,546	6.04
Parli - 6 & 7	103	695	67.55	595	876	14.71
Parli Replacement U 8	128	533	41.6	483	607	12.56
Koradi - 6	1,206	827	6.85	2,181	1,128	5.17
Koradi - 8 to 10	11,275	6,434	5.71	11,612	5,937	5.11
GTPS Uran	2,339	1,482	6.34	695	597	8.59
KSTPS	4,740	1,193	2.52	4,858	1,243	2.56
KSTPS III	935	266	2.85	961	276	2.88
VSTP I	3,120	988	3.17	3,058	999	3.27
VSTP II	2,503	692	2.76	2,497	709	2.84
VSTP III	2,077	623	3	2,116	647	3.06
VSTP IV	2,236	796	3.56	2,242	814	3.63
VSTP V	1,203	505	4.2	1,211	516	4.26
KhSTPS-II	1,047	405	3.87	972	394	4.06
SIPAT TPS 1	4,255	1,349	3.17	4,167	1,362	3.27
SIPAT TPS 2	2,058	664	3.23	2,104	689	3.28
SIPAT TPS 3	-	-	-	-	-	-
Mauda I	2,840	1,637	5.77	2,461	1,526	6.20
Mauda II	3,830	2,086	5.45	3,228	1,897	5.88
NTPC Solapur	1,779	1,895	10.65	1,788	1,932	10.81
Lara	2,125	565	2.66	2,074	569	2.74
Lara - 2	-	-	-	-	-	-
Gadarwara	761	382	5.03	558	307	5.50
Gadarwara - 2	-	-	-	-	-	-
Khargone	654	382	5.84	475	313	6.58
MBPL	-	-	-	-	-	-

Source of Power (Station wise)	FY 2025-26					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
NVVNL Coal	72	33	4.6	58	27	4.77
Kawas	216	399	18.52	260	464	17.86
Gandhar	211	429	20.29	225	455	20.22
JSW	1,159	756	6.52	929	646	6.95
CGPL	5,326	2,263	4.25	4,919	2,188	4.45
APML 125 MW	837	491	5.87	623	396	6.35
APML 1320 MW	9,870	5,199	5.27	7,436	4,159	5.59
APML 1200 MW	8,213	4,602	5.6	5,963	3,598	6.04
APML 440 MW	2,564	1,567	6.11	1,465	1,071	7.31
Adani 1600 MW	-	-	-	-	-	-
GMR Energy	1,512	653	4.32	1,370	624	4.56
RIPL 450 MW	3,416	1,160	3.4	3,264	1,120	3.43
RIPL 750 MW	5,693	5,693	3.4	5,400	1,856	3.44
SWPGL 240 MW	1,730	776	4.49	1,711	770	4.50
MSPGCL Hydro	3,456	756	2.19	3,637	518	1.42
SSP	926	190	2.05	972	199	2.05
Pench	128	26	2.05	134	27	2.05
Dodson II	132	24	1.85	117	24	2.10
Subhansari Hydro	433	217	5	447	224	5.00
Pakaldul HEP	-	-	-	-	-	-
Ratle Hydro Project	-	-	-	-	-	-
Kwar HEP	-	-	-	-	-	-
Dugar HE Project	-	-	-	-	-	-
Kiru HE Project	-	-	-	-	-	-
Sawalkot HE Project	-	-	-	-	-	-
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges	-	3,902	-	-	3,902	-
Total		-	-	1,71,386	-	-
Medium Term Supply	-	-	-	-	-	-
Source 1	-	-	-	-	-	-
Source 2	-	-	-	-	-	-
Short Term Supply	-	-	-	-	-	-
Short Term (Bilateral)	1,008	661	6.55	247	111	4.50
Banking Power	-1,011	-	-	-	-	-
Short Term (Power Exchange)	-	-	-	1,067	587	5.50
Total Energy Availability	**1,86,203**	**93,956**	**5.05**	**1,72,700**	**85,182**	**4.93**

Table 259: Power Purchase Quantum and Cost for FY 2026-27 as approved by the Commission

Source of Power (Station wise)	FY 2026-27					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Long Term Supply						
Renewable - Solar intra	61,527	18,628	3.04	49,680	15,477	3.04
Renewable - Solar inter (Loss not applicable)			3.87			3.87
Renewable - Solar inter			2.67			-

Source of Power (Station wise)	FY 2026-27					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Renewable - Wind	5,916	2,585	4.37	7,578	3,311	4.37
RE - Bagasse based Co-gen	4,305	2,383	5.54	3,786	2,095	5.54
Renewable - Biomass	50	45	9.07	49	44	9.07
Renewable - Small Hydro	656	219	3.34	530	177	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	636	163	2.56	638	163	2.56
Renewable - Hybrid Inter	1,995	684	3.43	1,530	525	3.43
Renewable - FDRE	9,990	4,456	4.46	-	-	4.46
Renewable - BESS	-	197	2.31	-	197	2.31
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	-	-	473	168	3.55
KAPP	1,045	433	4.15	1,039	431	4.15
KAPP 3 & 4	3,138	1,302	4.15	3,119	1,294	4.15
TAPP 1 & 2	1,122	534	4.76	1,156	550	4.76
TAPP 3 & 4	3,042	1,151	3.78	3,023	1,144	3.78
Bhusawal - 3	186	332	17.85	492	425	8.65
Bhusawal - 4 & 5	5,387	3,375	6.27	4,599	2,940	6.39
Bhusawal - 6	4,442	3,270	7.36	3,290	2,524	7.67
Khaparkheda - 1 to 4	3,282	2,497	7.61	3,436	2,068	6.02
Khaparkheda - 5	3,348	1,881	5.62	2,475	1,498	6.05
Nashik- 3,4 & 5	474	867	18.3	983	1,015	10.33
Chandrapur - 3 to 7	5,257	4,251	8.09	4,808	3,464	7.20
Chandrapur - 8 & 9	6,493	4,129	6.36	4,775	2,930	6.14
Paras - 3 & 4	3,099	1,920	6.20	2,118	1,459	6.89
Parli - 6 & 7	106	728	68.58	694	994	14.33
Parli Replacement U 8	31	480	153.69	473	634	13.41
Koradi - 6	1,206	855	7.09	1,734	979	5.64
Koradi - 8 to 10	11,304	6,653	5.89	9,468	5,335	5.63
GTPS Uran	2,339	1,482	6.34	926	726	7.84
KSTPS	4,495	1,207	2.68	4,344	1,208	2.78
KSTPS III	885	264	2.98	866	266	3.07
VSTP I	2,992	981	3.28	2,647	929	3.51
VSTP II	2,385	679	2.85	2,212	660	2.99
VSTP III	1,981	611	3.08	1,864	601	3.22
VSTP IV	2,129	798	3.75	1,910	766	4.01
VSTP V	1,146	519	4.53	1,026	501	4.88
KhSTPS-II	1,001	406	4.06	799	355	4.45
SIPAT TPS 1	4,052	1,348	3.33	3,630	1,288	3.55
SIPAT TPS 2	1,960	663	3.38	1,774	637	3.59
SIPAT TPS 3	-	-	-	-	-	-
Mauda I	2,715	1,621	5.97	2,032	1,381	6.79
Mauda II	3,741	2,123	5.67	2,688	1,732	6.44
NTPC Solapur	982	1,570	15.99	1,638	1,942	11.86
Lara	2,026	609	3.01	1,879	597	3.18
Lara - 2	-	-	-	-	-	-
Gadarwara	660	357	5.42	494	293	5.94
Gadarwara - 2	-	-	-	-	-	-
Khargone	473	362	7.65	301	289	9.61
MBPL	-	-	-	-	-	-
NVVNL Coal	36	17	4.76	61	30	4.94
Kawas	264	460	17.42	314	534	17.01

Source of Power (Station wise)	FY 2026-27					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Gandhar	253	482	19.05	285	533	18.71
JSW	755	584	7.73	918	665	7.25
CGPL	5,326	2,339	4.39	3,974	1,925	4.84
APML 125 MW	785	471	6	557	368	6.60
APML 1320 MW	9,334	5,107	5.47	6,127	3,690	6.02
APML 1200 MW	7,607	4,396	5.78	5,456	3,423	6.27
APML 440 MW	2,497	1,482	5.93	1,745	1,137	6.52
Adani 1600 MW	-	-	-	-	-	0.00
GMR Energy	1,460	643	4.41	1,123	542	4.83
RIPL 450 MW	3,297	1,142	3.46	2,736	992	3.62
RIPL 750 MW	5,495	1,904	3.46	4,470	1,629	3.64
SWPGL 240 MW	1,727	776	4.5	1,403	675	4.81
MSPGCL Hydro	3,456	774	2.24	3,637	521	1.43
SSP	926	190	2.05	972	199	2.05
Pench	128	26	2.05	134	27	2.05
Dodson II	132	25	1.86	117	25	2.11
Subhansari Hydro	433	217	5	447	224	5.00
Pakaldul HEP	-	-	-	-	-	-
Ratle Hydroelectric Project	-	-	-	-	-	-
Kwar HEP	-	-	-	-	-	-
Dugar HE Project	-	-	-	-	-	-
Kiru HE Project	258	120	4.64	271	126	4.64
Sawalkot HE Project	-	-	-	-	-	-
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges		4,097	-	-	4,097	-
Total	-	-	-	1,77,725	-	-
Medium Term Supply	-	-	-	-	-	-
Source 1	-	-	-	-	-	-
Source 2	-	-	-	-	-	-
Short Term Supply	-	-	-	-	-	-
Short Term (Bilateral)	-	-	-	636	286	4.50
Banking Power	-	-	-	-	-	-
Short Term (Power Exchange)	-	-	-	1,751	963	5.50
Total Energy Availability	**2,18,172**	**1,04,871**	**4.81**	**1,80,111**	**88,626**	**4.92**

Table 260: Power Purchase Quantum and Cost for FY 2027-28 as approved by the Commission

Source of Power (Station wise)	FY 2027-28					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Long Term Supply						
Renewable - Solar intra	63,677	19,189	3.04	58,272	18,085	3.04
Renewable - Solar inter (Loss not applicable)			3.87			3.87
Renewable - Solar inter			2.66			0.00
Renewable - Wind	5,916	2,585	4.37	7,578	3,311	4.37
RE-Bagasse based Co-gen	4,767	2,484	5.21	3,786	1,973	5.21

Source of Power (Station wise)	FY 2027-28					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Renewable - Biomass	50	47	9.48	49	46	9.48
RE - Small Hydro	656	219	3.34	530	177	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	7,552	2,658	3.52	7,556	2,660	3.52
Renewable - Hybrid Inter	1,995	684	3.43	1,530	525	3.43
Renewable - FDRE	9,990	4,456	4.46	-	-	4.46
Renewable - BESS	-	197	2.32	-	197	2.32
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	-	-	473	166	3.50
KAPP	1,045	449	4.29	1,039	446	4.29
KAPP 3 & 4	3,138	1,347	4.29	3,119	1,339	4.29
TAPP 1 & 2	1,122	553	4.93	1,156	569	4.93
TAPP 3 & 4	3,042	1,179	3.88	3,023	1,172	3.88
Bhusawal - 3	220	450	20.5	490	445	9.08
Bhusawal - 4 & 5	5,119	3,827	7.48	4,423	2,953	6.68
Bhusawal - 6	4,223	3,218	7.62	3,100	2,480	8.00
Khaparkheda - 1 to 4	3,505	2,816	8.04	3,255	2,085	6.41
Khaparkheda - 5	3,337	1,947	5.84	2,299	1,369	5.95
Nashik- 3,4 & 5	803	1,119	13.93	1,215	1,195	9.84
Chandrapur - 3 to 7	6,173	4,960	8.03	4,742	3,648	7.69
Chandrapur - 8 & 9	5,678	3,950	6.96	4,544	2,820	6.21
Paras - 3 & 4	3,060	2,109	6.89	2,024	1,506	7.44
Parli - 6 & 7	249	853	34.31	758	1,063	14.03
Parli Replacement U 8	158	573	36.4	579	705	12.18
Koradi - 6	1,206	907	7.52	1,637	970	5.92
Koradi - 8 to 10	11,308	7,236	6.4	8,726	5,182	5.94
GTPS Uran	2,339	1,502	6.42	941	745	7.92
KSTPS	4,491	1,263	2.81	3,816	1,165	3.05
KSTPS III	885	269	3.04	761	252	3.31
VSTP I	2,995	1,002	3.35	2,371	887	3.74
VSTP II	2,383	690	2.89	1,944	614	3.16
VSTP III	1,979	617	3.12	1,641	559	3.41
VSTP IV	2,125	823	3.87	1,698	741	4.36
VSTP V	1,142	545	4.77	914	501	5.48
KhSTPS-II	994	419	4.21	724	343	4.74
SIPAT TPS 1	4,041	1,387	3.43	3,177	1,224	3.85
SIPAT TPS 2	1,953	682	3.49	1,584	611	3.86
SIPAT TPS 3	-	-	-	-	-	-
Mauda I	2,673	1,636	6.12	1,931	1,364	7.06
Mauda II	3,617	2,143	5.93	2,580	1,740	6.74
NTPC Solapur	1,345	1,840	13.68	1,487	1,947	13.10
Lara	2,024	676	3.34	1,652	627	3.79
Lara - 2	-	-	-	-	-	-
Gadarwara	608	352	5.78	417	271	6.51
Gadarwara - 2	-	-	-	-	-	0.00

Source of Power (Station wise)	FY 2027-28					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Khargone	481	446	9.27	301	366	12.15
MBPL	-	-	-	-	-	-
NVVNL Coal	52	26	4.93	61	31	5.11
Kawas	222	412	18.58	350	581	16.61
Gandhar	213	438	20.53	322	583	18.08
JSW	763	611	8.01	924	695	7.52
CGPL	5,326	2,415	4.53	3,651	1,865	5.11
APML 125 MW	833	478	5.74	542	345	6.36
APML 1320 MW	9,289	5,230	5.63	5,903	3,683	6.24
APML 1200 MW	7,985	4,629	5.8	5,319	3,407	6.41
APML 440 MW	2,637	1,570	5.95	1,711	1,140	6.66
Adani 1600 MW	-	-	-	-	-	-
GMR Energy	1,450	647	4.46	1,025	521	5.08
RIPL 450 MW	3,281	1,152	3.51	2,454	927	3.78
RIPL 750 MW	5,469	1,921	3.51	4,050	1,534	3.79
SWPGL 240 MW	1,724	777	4.51	1,283	637	4.97
MSPGCL Hydro	3,456	786	2.27	3,637	526	1.45
SSP	926	190	2.05	972	199	2.05
Pench	128	26	2.05	134	27	2.05
Dodson II	132	25	1.89	117	25	2.14
Subhansari Hydro	433	217	5	447	224	5.00
Pakaldul HEP	237	101	4.28	248	106	4.28
Ratle Hydr Project	504	198	3.92	529	207	3.92
Kwar HEP	-	-	-	-	-	-
Dugar HE Project	-	-	-	-	-	-
Kiru HE Project	258	120	4.64	271	126	4.64
Sawalkot HE Project	-	-	-	-	-	-
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges		4,302	-	-	4,302	-
Total		-	-	1,87,795	-	-
Medium Term Supply		-	-	-	-	-
Source 1		-	-	-	-	-
Source 2		-	-	-	-	-
Short Term Supply		-	-	-	-	-
Short Term (Bilateral)	-	-	-	563	253	4.50
Banking Power		-	-	-	-	-
Short Term (Power Exchange)		-	-	2,302	1,266	5.50
Total Energy Availability	**2,29,387**	**1,12,578**	**4.91**	**1,90,659**	**94,256**	**4.94**

Table 261: Power Purchase Quantum and Cost for FY 2028-29 as approved by the Commission

Source of Power (Station-wise)	FY 2028-29					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Long Term Supply						
Renewable - Solar intra			3.04			3.04
Renewable - Solar inter (Loss not applicable)	70,129	20,295	3.87	58,272	18,107	3.87
Renewable - Solar inter			2.67			
Renewable - Wind	5,916	2,585	4.37	7,578	3,311	4.37
RE- Bagasse based Co-gen	4,767	2,407	5.05	3,786	1,912	5.05
Renewable - Biomass	50	48	9.77	49	48	9.77
Renewable - Small Hydro	656	219	3.34	530	177	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	7,552	2,658	3.52	7,556	2,660	3.52
Renewable - Hybrid Inter	1,995	684	3.43	1,530	525	3.43
Renewable - FDRE	9,990	4,456	4.46	-	-	4.46
Renewable - BESS	-	197	2.47	-	197	2.47
RE - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	1,475	3.61	-	1,638	-
KAPP	1,045	464	4.44	1,039	461	4.44
KAPP 3 & 4	3,138	1,394	4.44	3,119	1,435	4.60
TAPP 1 & 2	1,122	572	5.10	1,156	589	5.10
TAPP 3 & 4	3,042	1,208	3.97	3,023	1,201	3.97
Bhusawal - 3	98	391	39.82	495	469	9.48
Bhusawal - 4 & 5	4,876	3,847	7.89	4,255	2,983	7.01
Bhusawal - 6	4,159	3,236	7.78	3,115	2,512	8.07
Khaparkheda - 1 to 4	3,248	2,783	8.57	3,266	2,161	6.61
Khaparkheda - 5	3,349	2,015	6.02	2,276	1,430	6.28
Nashik- 3,4 & 5	462	956	20.69	1,217	1,236	10.16
Chandrapur - 3 to 7	4,336	4,221	9.73	4,874	3,929	8.06
Chandrapur - 8 & 9	6,573	4,171	6.35	4,780	2,738	5.73
Paras - 3 & 4	2,982	2,160	7.24	2,032	1,546	7.61
Parli - 6 & 7	263	908	34.61	899	1,178	13.10
Parli Replacement U 8	129	561	43.37	587	740	12.61
Koradi - 6	1,190	969	8.14	1,642	1,001	6.10
Koradi - 8 to 10	11,148	7,152	6.42	8,691	5,163	5.94
GTPS Uran	2,339	1,522	6.51	1,012	795	7.86
KSTPS	4,510	1,327	2.94	3,850	1,227	3.19
KSTPS III	888	276	3.11	768	259	3.37
VSTP I	3,008	1,026	3.41	2,380	909	3.82
VSTP II	2,394	703	2.94	1,959	627	3.20
VSTP III	1,988	626	3.15	1,651	567	3.44
VSTP IV	2,138	852	3.99	1,706	765	4.48
VSTP V	1,151	575	5.00	919	528	5.75
KhSTPS-II	1,006	438	4.35	696	345	4.96

Source of Power (Station-wise)	FY 2028-29					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
SIPAT TPS 1	4,062	1,435	3.53	3,193	1,263	3.96
SIPAT TPS 2	1,970	708	3.59	1,593	632	3.96
SIPAT TPS 3	-	-	-	-	-	-
Mauda I	2,715	1,686	6.21	1,939	1,392	7.18
Mauda II	3,724	2,267	6.09	2,587	1,799	6.96
NTPC Solapur	810	1,620	20.00	1,357	1,961	14.45
Lara	2,032	755	3.71	1,690	709	4.19
Lara - 2	-	-	-	-	-	-
Gadarwara	615	373	6.06	363	258	7.11
Gadarwara - 2	-	-	-	-	-	-
Khargone	365	502	13.75	308	479	15.54
MBPL	-	-	-	-	-	-
NVVNL Coal	60	31	5.10	59	31	5.29
Kawas	247	445	18.04	365	603	16.52
Gandhar	243	477	19.64	336	603	17.97
JSW	603	546	9.06	897	707	7.88
CGPL	5,326	2,501	4.70	3,678	1,936	5.26
APML 125 MW	897	515	5.74	586	370	6.32
APML 1320 MW	8,336	5,073	6.09	5,388	3,626	6.73
APML 1200 MW	8,597	4,973	5.78	5,922	3,729	6.30
APML 440 MW	2,888	1,711	5.93	1,898	1,245	6.56
Adani 1600 MW	4,583	2,663	5.81	3,941	2,381	6.04
GMR Energy	1,468	661	4.50	984	512	5.21
RIPL 450 MW	3,312	1,174	3.54	2,470	941	3.81
RIPL 750 MW	5,520	1,957	3.54	4,066	1,555	3.82
SWPGL 240 MW	1,728	779	4.51	1,289	639	4.95
MSPGCL Hydro	3,456	779	2.25	3,637	526	1.45
SSP	926	190	2.05	972	199	2.05
Pench	128	26	2.05	134	27	2.05
Dodson II	132	28	2.12	117	28	2.41
Subhansari Hydro	433	217	5.00	447	224	5.00
Pakaldul HEP	237	101	4.28	248	106	4.28
Ratle Hyd Project	504	198	3.92	529	207	3.92
Kwar HEP	128	57	4.44	134	60	4.44
Dugar HE Project	118	53	4.46	124	58	4.64
Kiru HE Project	258	120	4.64	271	126	4.64
Sawalkot HE Project	-	-	-	-	-	-
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges	-	4,517	-	-	4,517	-
Total	-	-	-	1,92,690	-	-
Medium Term Supply	-	-	-	-	-	-
Source 1	-	-	-	-	-	-
Source 2	-	-	-	-	-	-
Short Term Supply	-	-	-	-	-	-

Source of Power (Station-wise)	FY 2028-29					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Short Term (Bilateral)	-	-	-	98	44	4.50
Banking Power	-	-	-	-	-	-
Short Term (Power Exchange)	-	-	-	2,979	1,638	5.50
Total Energy Availability	**2,38,063**	**1,19,149**	**5.00**	**1,95,766**	**1,00,505**	**5.13**

Table 262: Power Purchase Quantum and Cost for FY 2029-30 as approved by the Commission

Source of Power (Station-wise)	FY 2029-30					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Long Term Supply						
Renewable - Solar intra	70,129	20,925	3.04	62,597	19,436	3.04
Renewable - Solar inter (Loss not applicable)			3.87			3.87
Renewable - Solar inter			2.67			-
Renewable - Wind	5,916	2,585	4.37	7,578	3,311	4.37
RE- Bagasse based Co-gen	4,767	2,334	4.9	3,786	1,853	4.90
Renewable - Biomass	50	51	10.22	49	50	10.22
Renewable - Small Hydro	656	219	3.34	530	177	3.34
Renewable - MSW	5	3	4.88	5	3	4.88
Renewable - Hybrid Intra	7,552	2,658	3.52	7,288	2,565	3.52
Renewable - Hybrid Inter	1,995	684	3.43	1,530	525	3.43
Renewable - FDRE	9,990	4,456	4.46	-	-	4.46
Renewable - BESS	-	197	2.56	-	197	2.56
RE - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	-	3,081	3.86	-	3,242	-
KAPP	1,045	481	4.6	1,039	478	4.60
KAPP 3 & 4	3,138	1,443	4.6	3,119	1,434	4.60
TAPP 1 & 2	1,122	592	5.28	1,156	610	5.28
TAPP 3 & 4	3,042	1,238	4.07	3,023	1,230	4.07
Bhusawal - 3	70	387	55.53	414	445	10.74
Bhusawal - 4 & 5	3,720	3,386	9.1	4,021	2,969	7.38
Bhusawal - 6	3,791	3,103	8.18	3,053	2,515	8.24
Khaparkheda - 1 to 4	2,587	2,533	9.79	3,181	2,193	6.89
Khaparkheda - 5	3,288	2,056	6.25	2,203	1,455	6.60
Nashik- 3,4 & 5	297	888	29.9	1,008	1,153	11.43
Chandrapur - 3 to 7	2,864	3,590	12.53	4,973	4,165	8.38
Chandrapur - 8 & 9	6,498	4,033	6.21	4,645	2,474	5.33
Paras - 3 & 4	2,575	2,043	7.94	1,977	1,546	7.82
Parli - 6 & 7	62	798	128.83	730	1,111	15.23
Parli Replacement U 8	63	512	81.39	522	684	13.10
Koradi - 6	1,035	928	8.96	1,614	1,014	6.28
Koradi - 8 to 10	10,921	6,506	5.96	8,418	4,605	5.47
GTPS Uran	2,339	1,542	6.59	873	737	8.44
KSTPS	4,556	1,400	3.07	3,712	1,256	3.38
KSTPS III	897	284	3.17	741	259	3.49
VSTP I	3,040	1,055	3.47	2,308	913	3.96
VSTP II	2,418	719	2.97	1,893	623	3.29

Source of Power (Station-wise)	FY 2029-30					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
VSTP III	2,008	637	3.17	1,597	561	3.51
VSTP IV	2,159	886	4.1	1,644	772	4.70
VSTP V	1,161	608	5.24	885	547	6.18
KhSTPS-II	1,016	457	4.5	671	348	5.19
SIPAT TPS 1	4,103	1,491	3.63	3,074	1,271	4.13
SIPAT TPS 2	1,988	736	3.7	1,534	635	4.14
SIPAT TPS 3	916	356	3.89	835	349	4.18
Mauda I	2,684	1,707	6.36	1,892	1,396	7.38
Mauda II	3,252	2,126	6.54	2,191	1,665	7.60
NTPC Solapur	351	1,418	40.38	1,048	1,860	17.75
Lara	2,054	849	4.13	1,604	782	4.87
Lara - 2	1,584	556	3.51	1,238	517	4.18
Gadarwara	567	367	6.47	309	243	7.85
Gadarwara - 2	64	41	6.31	-	-	-
Khargone	231	591	25.61	249	605	24.32
MBPL	3,325	1,697	5.11	2,526	1,541	6.10
NVVNL Coal	43	22	5.28	50	27	5.47
Kawas	380	608	15.99	264	480	18.20
Gandhar	371	635	17.09	236	483	20.44
JSW	362	381	10.54	728	591	8.11
CGPL	5,326	2,588	4.86	3,496	1,925	5.50
APML 125 MW	859	505	5.88	577	372	6.45
APML 1320 MW	7,327	4,520	6.17	4,134	2,901	7.02
APML 1200 MW	8,503	4,996	5.88	5,778	3,710	6.42
APML 440 MW	2,848	1,715	6.02	1,922	1,273	6.62
Adani 1600 MW	10,990	6,386	5.81	9,230	5,676	6.15
GMR Energy	1,480	677	4.57	955	512	5.36
RIPL 450 MW	3,339	1,196	3.58	2,383	927	3.89
RIPL 750 MW	5,566	1,994	3.58	3,932	1,535	3.90
SWPGL 240 MW	1,729	781	4.52	1,192	607	5.10
Koyna Stage I to IV Hydro	3,456	822	2.38	3,637	527	1.45
SSP	926	190	2.05	972	199	2.05
Pench	128	26	2.05	134	27	2.05
Dodson II	132	28	2.14	117	28	2.42
Subhansari Hydro	433	217	5.00	447	224	5.00
Pakaldul HEP	237	101	4.28	248	106	4.28
Ratle Hydroelectric Project	504	198	3.92	529	207	3.92
Kwar HEP	128	57	4.44	134	60	4.44
Dugar HE Project	118	53	4.46	124	55	4.46
Kiru HE Project	258	120	4.64	271	126	4.64
Sawalkot HE Project	-	-		-	-	-
Dibang Multipurpose Project	-	-	-	-	-	-
PGCIL Charges		4,743	-	-	4,743	-
Total		-	-	2,01,244	-	-
Medium Term Supply		-	-	-	-	-
Source 1		-	-	-	-	-
Source 2		-	-	-	-	-
Short Term Supply		-	-	-	-	-
Short Term (Bilateral)	-	-	-	650	292	4.50
Banking Power		-	-	-	-	-

Source of Power (Station-wise)	FY 2029-30					
	MYT Petition			Approved in this Order		
	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)	Quantum (MU)	Total Cost (Rs Crore)	Rate (Rs/Unit)
Short Term (Power Exchange)		-	-	1,407	774	5.50
Total Energy Availability	**2,43,337**	**1,24,790**	**5.13**	**2,03,301**	**1,06,708**	**5.25**

5.10 Intra-state Transmission Charges for the 5th Control Period

5.10.1 MSEDCL submitted that Mumbai Utilities are already benefitted due to present transmission infrastructure. N-2 mechanism is basically to strengthen the network from reliability point of view. This will enhance the power supply and will only be benefitting to Mumbai Utilities. Therefore, the transmission charges considered for strengthening of Infrastructure for Mumbai Utilities need to be recovered from Mumbai Consumers only and should not be burdened on MSEDCL.

5.10.2 However, as directed by the Commission, MSEDCL has considered the MSEDCL share in the TTSC as submitted by the STU is summarized in following table.

Table 263: InSTS Charges (Rs. Crore) for 5th Control Period as submitted by MSEDCL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Intra State Transmission Charges	9,778.24	10,155.85	11,865.84	13,288.80	14,407.50

5.10.3 MSEDCL requested the Commission to allow the InSTS Charges as may be approved in the InSTS Order after prudence check of InSTS Petition filed by STU.

Commission's Analysis and Rulings

5.10.4 The MERC MYT Regulations, 2024 specifies the provision for determining the Fees and Charges to be levied by STU and MSLDC on the TSUs such as Distribution Licensees and long-term OA users for the 5th Control Period. Further, the MYT Regulations also specify the methodology for determination of InSTS to be paid by long term TSUs for the usage of InSTS network.

5.10.5 Accordingly, the Commission has approved separately, the Fees and Charges of STU, MSLDC and InSTS to be paid by TSUs for the 5th Control Period vide its Orders in Case No. 183 of 2024, Case No. 186 of 2024 and Case No. 208 of 2024 respectively.

Table 264: InSTS Charges, MSLDC and STU Charges for 5th Control Period as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Intra State Transmission Charges	8,830.22	8,720.59	9,366.91	9,626.07	9,760.81
MSLDC Charges	26.69	27.26	30.85	33.88	36.40
STU Charges	7.61	8.14	8.14	7.87	7.43
Total	**8,864.52**	**8,755.99**	**9,405.90**	**9,667.82**	**9,804.64**

5.11 O&M Expenses for FY 2025-26 to FY 2029-30

MSEDCL's Submission

5.11.1 MSEDCL has worked out normative O&M as per Regulation 93 and 103 of the MYT Regulations, 2024 provides for the O&M Expenses norms for Distribution Wires Business and Retail Supply of electricity respectively.

5.11.2 The norms (as per MYT Regulations, 2024) considered by MSEDCL for computation of the normative O&M expenses is given in table below:

Table 265: Details of % Average GFA and No. of Consumers considered for O&M Computation for Wire Business as submitted by MSEDCL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
O&M (% of Average GFA Wires)	9.66%	10.10%	10.55%	11.03%	11.52%
O&M (Rs. Lakhs/'000 Consumers)	2.16	2.25	2.35	2.46	2.57

Table 266: Details of % Average GFA and No. of Consumers considered for O&M Computation for Supply Business as submitted by MSEDCL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
O&M (% of Average GFA Supply)	5.20%	5.44%	5.68%	5.94%	6.20%
O&M (Rs. Lakhs/'000 Consumers)	10.44	10.91	11.4	11.92	12.45

5.11.3 MSEDCL has submitted that the calculated O&M expenses are allocated between the Wires Business and Retail Supply Business in the ratio of allocation matrix provided in the MYT Regulations, 2024), i.e., 65% to Wires Business and 35% to Supply Business. The same is shown in table below:

Table 267: Normative O&M Expenses for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
O&M Expenditure (Wires Business)	8,669.76	11,008.93	12,896.22	14,492.56	15,893.85
O&M Expenditure (Supply Business)	3,880.09	4,274.19	4,659.80	5,052.32	5,450.71
Total O&M Expenditure	**12,549.85**	**15,283.12**	**17,556.02**	**19,544.88**	**21,344.57**

5.11.4 Based on the computation of normative O&M as per MYT Regulations, 2024, MSEDCL has requested the Commission to approve the O&M expenses as shown in above table from FY 20225-26 to FY 2029-30.

Commission's Analysis and Ruling

5.11.5 The Commission has worked out normative O&M as per Regulation 93 of the MERC MYT Regulations, 2024. The relevant extract of the regulations is as given below:

"93.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Distribution Wires Business as specified in the norms below for each year of the Control Period:

Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Distribution Wires Business (in INR Crore) shall be multiplied by the O&M Norms in terms of "percentage of Average GFA", for the respective years.

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

Provided that the Partial Open Access consumers are embedded within the Wheeling Consumers of the Distribution Wires Business, hence, no separate addition of such Partial Open Access consumers will be allowed to avoid double accounting:

Provided further that the Distribution Licensee shall submit the details of its consumer base having the break-up of its direct consumers, Partial Open Access consumers and Full Open Access consumers for the respective years at the time of filing MYT Petition for Distribution Wires Business."

5.11.6 The opening GFA of the FY 2025-26 is considered same as the approved closing GFA of FY 2024-25 i.e. Rs. 66,163.75 Crore. The average GFA is taken as average of opening and closing GFA of that year.

5.11.7 The Commission has scrutinized overall number of consumers and GFA claimed by MSEDCL. It is observed that GFA claimed by MSEDCL based on capitalization proposed from FY 2025-26 to FY 2029-30 is higher. The Commission has approved projected capitalisation based on the DPRs and Non-DPR items as approved by the Commission as per regulatory provisions. The basis for approval of the capitalisation for the period from FY 2025-26 to FY 2029-30 is elaborated in subsequent section of the Order. Similarly, the basis for approval of the number of consumers for the 5th Control Period is also discussed in the preceding Sections of the Order.

5.11.8 The Commission has computed the normative O&M expenses in line with the provisions of the MYT Regulations, 2024 and accordingly, the GFA considered for computation of the normative O&M expenses is excluding the assets funded through the grants and consumer contribution. Accordingly, for deriving the normative O&M expenses, the norms considered by the Commission are given in table below:

Table 268: Details of O&M Norms considered for O&M Computation for Wire and Supply Business as per the regulations, as considered by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Norms - Wires					
O&M (% of Average GFA Wires)	9.66%	10.10%	10.55%	11.03%	11.52%
O&M (Rs. Lakhs/'000 Consumers)	2.16	2.25	2.35	2.46	2.57
O&M Norms – Retail Supply					
O&M (% of Average GFA Retail Supply)	5.20%	5.44%	5.68%	5.94%	6.20%
O&M (Rs. Lakhs/'000 Consumers)	10.44	10.91	11.4	11.92	12.45

5.11.9 Average GFA is allocated between Wires and Supply business in the ratio of 90% and 10%, respectively.

5.11.10 The Commission has also approved amount claimed towards wage revision arrears payment in FY 2023-24 in FY 2024-25 and FY 2025-26 as elaborated in Section 3.9.35 and 4.6.10 of the Order in addition to the normative expenses. The Commission has approved 1/3rd of the total wage revision amount claimed in FY 2023-24 in FY 2025-26 which is Rs. 332.12 Crore. Accordingly, in FY 2025-26 the Commission has approved the wage revision of Rs. 332.12 Crore over and above the approved normative O&M expenses.

5.11.11 For computation of normative O&M for the 5th Control Period, details of Average GFA and No. of consumers considered by the Commission is as shown in the table below:

Table 269: Average GFA and No. of Consumers for Distribution Wire business as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA - Wires	61,120.82	63,046.62	63,525.31	63,755.52	63,956.39
No. of Consumers ('000 consumers)	32,491.80	33,378.77	34,292.21	35,232.84	36,201.52

Table 270: Average GFA and No. of Consumers for Retail Supply Business as approved by the Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Average GFA - Retail Supply Business	6,791.20	7,005.18	7,058.37	7,083.95	7,106.27
No. of Consumers ('000 consumers)	32,491.80	33,378.77	34,292.21	35,232.84	36,201.52

Table 271: Total O&M Expenses (Normative + Wage revision impact for past period) for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normative O&M Expenditure for Wires Business	6,606.09	7,118.73	7,507.79	7,898.96	8,298.16
O&M Expenditure for Supply Business	3,745.29	4,022.71	4,310.23	4,620.54	4,947.68
Normative O&M Expenses	**10,351.38**	**11,141.44**	**11,818.01**	**12,519.50**	**13,245.83**
Impact of Wage Revision arrear payment – Wires Business	215.88	0.00	0.00	0.00	0.00
Impact of Wage Revision arrear payment – Supply Business	116.24	0.00	0.00	0.00	0.00
Total O&M Expenses	**10,683.50**	**11,141.44**	**11,818.01**	**12,519.50**	**13,245.83**

Table 272: Total O&M Expenses (Normative + Wage revision impact for past period) for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenditure for Wires Business	6,821.97	7,118.73	7,507.79	7,898.96	8,298.16
O&M Expenditure for Supply Business	3,861.53	4,022.71	4,310.23	4,620.54	4,947.68
O&M Expenses	**10,683.50**	**11,141.44**	**11,818.01**	**12,519.50**	**13,245.83**

5.11.12 **The Commission has approved normative O&M expense of Rs. 10,683.50 Crore for FY 2025-26 (incl. Wage revision impact), Rs. 11,141.44 Crore for FY 2026-27, Rs. 11,818.01 Crore for FY 2027-28, Rs. 12,519.50 Crore for FY 2028-29 and Rs. 13,245.83 Crore for FY 2029-30.**

5.11.13 Considering the increasing trend of O&M expenses particularly employee expenses and the objections raised by the stakeholders during the public hearing process, the Commission herby directs MSEDCL to provide a justification for increase in employee expenses including the impact of wage revision and compare the same vis a vis the pay revisions scale applicable for the Government Departments. The same shall be considered the time of MTR proceedings for undertaking prudence check of O&M expenses as part of the truing up.

5.11.14 Thus, the Commission directs MSEDCL to submit details of the employee expenses at the time of truing up of projection years. The details shall comprise employee category, number of employees in that category, applicable pay band as per the provision of the 7th Pay Commission approved by the Government of Maharashtra and 1st salary that may have been incurred as per 7th Pay Commission. Such expenses need to be compared with actual employee expenses in tabular format. The Commission may disallow excess employee expenses not supported by proper justification.

5.12 OPEX for FY 2025-26 to FY 2029-30

MSEDCL's Submission

5.12.1 MSEDCL has submitted that as per the Regulation 93.5 and 103.5 of the MYT Regulations 2024 provide that the Licensee may undertake Opex schemes for wires and supply business respectively for system automation, new technology and IT implementation, etc. and such expenses may be allowed over and above normative O&M Expenses.

5.12.2 The said Regulations also provides that the Licensee shall submit the detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any. MSEDCL has submitted the details of Opex Schemes.

5.12.3 The revenue expenditure details of the Opex schemes as provided by MSEDCL is shown in the table below:

Table 273: Opex Schemes for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Wire Business					
Substation Monitoring System (SMS)	35.62	33.26	33.26	33.26	33.26
MSEDCL Cloud Project	10.86	10.86	11.95	11.95	11.95
IT Application Redevelopment	0.44	0.00	0.00	0.00	0.00
Vehicle Tracking System	0.00	0.00	0.00	0.00	0.00
Demand forecasting	1.21	1.21	1.21	1.21	1.21
GIS	3.00	3.00	3.00	3.00	3.00
Network analysis	0.00	0.00	0.00	0.00	0.00
SAP s4 HANA	11.79	11.79	11.79	11.79	11.79
SD wan	0.58	0.58	0.58	0.58	0.58
RDSS (Smart Metering)	0.00	0.00	0.00	0.00	0.00
SMS services	6.98	6.98	6.98	6.98	6.98
Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	3.50	3.50	3.50	3.50	3.50
Sub Total	**73.96**	**71.16**	**72.25**	**72.25**	**72.25**
Supply Business					
Customer Care Center	25.20	25.20	25.20	25.20	25.20
RF-DCU (Expression of Interest and Tender)	0.00	0.00	0.00	0.00	0.00
MSEDCL Cloud Project	10.86	10.86	11.95	11.95	11.95
IT Application Redevelopment	0.44	0.00	0.00	0.00	0.00
Vehicle Tracking System	0.00	0.00	0.00	0.00	0.00
Demand forecasting	1.21	1.21	1.21	1.21	1.21
GIS	3.00	3.00	3.00	3.00	3.00
Network analysis	0.00	0.00	0.00	0.00	0.00
SAP s4 HANA	11.79	11.79	11.79	11.79	11.79
SD wan	0.58	0.58	0.58	0.58	0.58
RDSS (Smart Metering)	0.00	0.00	0.00	0.00	0.00
SMS services	6.98	6.98	6.98	6.98	6.98
Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses	3.50	3.50	3.50	3.50	3.50
Sub Total	**63.54**	**63.10**	**64.19**	**64.19**	**64.19**
Total	**137.50**	**134.26**	**136.43**	**136.43**	**136.43**

5.12.4 MSEDCL requested the Commission to allow the Opex expenses for the MYT Control Period as shown in the above table.

Commission's Analysis and Ruling

5.12.5 Regulation 93.5 and 103.5 of the MYT Regulations 2024 provide that the Licensee may undertake Opex schemes for wires and supply business respectively for system automation, new technology and IT implementation, etc. and such expenses may be allowed over and above normative O&M Expenses.

> *"103.5 The Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:*
>
> *Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis, and life-cycle cost analysis of such schemes as against capex schemes, and savings in O&M expenses, if any."*

5.12.6 The Commission had raised a query in data gap regarding details of schemes proposed under OPEX along with monetary benefits. The Commission also enquired whether the schemes proposed under OPEX are eligible as per provisions specified under the Regulations. In response to the data gap query MSEDCL has submitted the Projects wise Cost Benefits Analysis of OPEX schemes and cost requirement from FY 2025-26 to FY 2029-30.

5.12.7 The Commission, as part of the data gaps, had also directed MSEDCL to submit a brief note on the selection of service providers for various Opex schemes as claimed in the Petition which should include details regarding cost competitiveness of selection process followed and copies of letter of award given to selected vendors through bidding process for the various schemes against which the Opex expense has been claimed.

5.12.8 MSEDCL responded that it had published the tender advertisements through the newspaper as well as on the MAHADISCOM website. In accordance with CVC/MEITY Guidelines, the terms and conditions for floating the tender have been adhered to. After the submission of technical and commercial bids, a technical evaluation is conducted. The selection is made through a bidding process based on the L1 criteria for technically qualified bidders. Regarding the tender process completed for some of the OPEX schemes, MSEDCL has submitted the list of vendors selected for different schemes including the contract amount.

5.12.9 The Commission has done the scrutiny of the Opex schemes based on the details received in the response to the data gaps for OPEX schemes submitted by MSEDCL and Opex schemes approved by the Commission in past MYT and MTR Orders as per the regulatory provisions.

5.12.10 As regards the Sub-station Monitoring Scheme (SMS), MSEDCL has proposed Opex of Rs. 168.66 Crore in the petition for 5th Control Period whereas in its response to data gaps, MSEDCL has proposed revenue expenditure of Rs. 98.05 Crore under this scheme. During scrutiny, the Commission noted additional scope submitted by MSEDCL for supply, customization, installation, deployment and maintenance of hardware, software and communication equipment at 3,563 Substation Monitoring System. The Commission also notes that, this scheme will be funded by ADB with 70% loan and 30% equity of GoM. The substation monitoring system will set up central control centre with cloud based central software, hardware server and workstation at MSEDCL premise. Further, it will be useful for monitoring of RMS data of each Solar plant commissioned by solar developers under MSKVY 2.0 at Central control center. Considering the importance of these systems, the Commission approves Opex of Rs. 140 Crore during the 5th Control Period subject to truing up. This approval has been considered under the Wires Business.

5.12.11 Further, the Commission has disallowed Opex proposed for Demand forecasting, GIS, SAP s4 hana, SD WAN, SMS Services and Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses based on the ruling given by the Commission in MTR Order of Case No. 226 of 2022 as well as truing up of FY 2022-23 and FY 2023-24 of the present Order. The Commission noted that MSEDCL is claiming Opex towards SMS services and Annual Technical Support of existing SAP/HANA (balance) licenses and Oracle Software Licenses schemes although the Commission has disallowed it in past MYT and MTR Orders. The Commission is of the view that these schemes are part of O&M expenses and not Opex. Hence, MSEDCL shall consider expense towards these schemes as a part of O&M.

5.12.12 The Commission has approved the proposed OPEX schemes as shown in table below.

Table 274: Opex expenses for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Opex Schemes (Wires Business)										
Substation Monitoring System (SMS)	35.62	28.00	33.26	28.00	33.26	28.00	33.26	28.00	33.26	28.00
MSEDCL Cloud Project	10.86	10.86	10.86	10.86	11.95	11.95	11.95	11.95	11.95	11.95

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
IT Application Redevelopment	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Tracking System	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Demand forecasting	1.21	0.00	1.21	0.00	1.21	0.00	1.21	0.00	1.21	0.00
GIS	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00
Network analysis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAP s4 hana	11.79	0.00	11.79	0.00	11.79	0.00	11.79	0.00	11.79	0.00
SD wan	0.58	0.00	0.58	0.00	0.58	0.00	0.58	0.00	0.58	0.00
RDSS (Smart Metering)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SMS services	6.98	0.00	6.98	0.00	6.98	0.00	6.98	0.00	6.98	0.00
Annual Technical Support of existing SAP/HANA(balance) licenses and Oracle Software Licenses	3.50	0.00	3.50	0.00	3.50	0.00	3.50	0.00	3.50	0.00
Sub total	**73.96**	**38.86**	**71.16**	**38.86**	**72.25**	**39.95**	**72.25**	**39.95**	**72.25**	**39.95**
Opex Scheme (Retail supply)										
Customer Care Center	25.20	25.20	25.20	25.20	25.20	25.20	25.20	25.20	25.20	25.20
RF-DCU (Expression of Interest & Tender)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MSEDCL Cloud Project	10.86	10.86	10.86	10.86	11.95	11.95	11.95	11.95	11.95	11.95
IT Application Redevelopment	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Tracking System	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Demand forecasting	1.21	0.00	1.21	0.00	1.21	0.00	1.21	0.00	1.21	0.00
GIS	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00
Network analysis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAP s4 hana	11.79	0.00	11.79	0.00	11.79	0.00	11.79	0.00	11.79	0.00
SD wan	0.58	0.00	0.58	0.00	0.58	0.00	0.58	0.00	0.58	0.00
RDSS (Smart Metering)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SMS services	6.98	0.00	6.98	0.00	6.98	0.00	6.98	0.00	6.98	0.00
Annual Technical Support of existing SAP/HANA(balance) licenses and Oracle Software Licenses	3.50	0.00	3.50	0.00	3.50	0.00	3.50	0.00	3.50	0.00
Sub total	**63.54**	**36.06**	**63.10**	**36.06**	**64.19**	**37.15**	**64.19**	**37.15**	**64.19**	**37.15**
Total	**137.50**	**74.92**	**134.26**	**74.92**	**136.43**	**77.09**	**136.43**	**77.09**	**136.43**	**77.09**

5.12.13 **Accordingly, the Commission approves the projected OPEX expenses of Rs. 74.92 Crore for FY 2025-26, Rs. 74.92 Crore for FY 2026-27, Rs. 77.09**

Crore for FY 2027-28, Rs. 77.09 Crore for FY 2028-29 and Rs. 77.09 Crore for FY 2029-30.

5.13 Capex and Capitalisation for FY 2025-26 to FY 2029-30

MSEDCL's Submission

5.13.1 MSEDCL has submitted scheme wise details of the projection of capital expenditure and capitalization from FY 2025-26 to FY 2029-30 along with the Petition in a separate form as part of the Regulatory Formats. The summary of the submission is given in the table below:

Table 275: Capital expenditure and capitalization for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Capital Expenditure	23,016.32	17,508.01	9,339.01	9,534.92	3,472.97
Capitalization	23,454.75	18,913.43	10,023.94	9,791.78	4,294.74

5.13.2 MSEDCL requested the Commission to allow the Capital expenditure and Capitalisation for the 5th Control Period as shown in the above table.

Commission's Analysis and Ruling

5.13.3 Regulation 9.2 and 14.4 of Capex Regulations, 2022, specifies the provisions to be referred while allowing capitalisation.

"9.2. The Prudence Check for approval of the completed cost of DPR Schemes shall comprise detailed scrutiny of the following parameters inter alia:

…………..

Variation with respect to scheduled completion date and justification thereof, and impact of delay in completion, if any, including impact on Interest During Construction (IDC) and inflation on the cost of the entire project."

5.13.4 The Commission has verified the DPR schemes submitted by MSEDCL and approved capitalisation claimed against such approved DPR schemes. Further, it is observed that MSEDCL has submitted substantially higher capitalisation under the heads of various schemes for 5th Control Period. MSEDCL is yet to submit DPRs against such schemes for approval as per provisions of Capex Regulations, 2022. The relevant provision of MERC (Approval of Capital Investment Schemes) Regulations, 2022 is as below:

4.1 Capital Investment Schemes of a value exceeding Rupees Twenty-five Crore or such other amount as may be stipulated by the Commission from time to time shall be considered as DPR Schemes:

Provided that the Capital Investment Schemes proposed by the Applicant shall be for entire independent system including any associated upstream/downstream works, and the Schemes shall not be submitted in parts:

…………

4.3 ***The Commission shall approve the Capital Investment in the following two stages:***

(a) In-principle approval prior to undertaking the capital investment against DPR Schemes;

(b) Final approval of completed cost after asset is put to use.

………

4.5 ***Prior in-principle approval shall be required for DPR Schemes funded partly by Grants where the contribution or share of the Application in terms of debt and equity is higher than the limit specified in Regulation 4.***

5.13.5 Accordingly, as MSEDCL has filed to submit the DPRs as per requirement of Capex Regulations, the Commission is yet to provide “in-Principle” approval for many schemes viz. RDSS - System Strengthening & Modernization, System Strengthening (MSKVY 2.0), Maharashtra Power Distribution Enhancement Program for Facilitating Solarisation and Expanding Agricultural Connections (Funded By ADB), MSKVY 2.0 Under RDSS, etc. Further, the Commission has also examined the past capitalisation trends and finds that the capitalisation projected by MSEDCL for the 5th Control Period is significantly higher. The past capitalisation trend observed in case of MSEDCL is outlined in the table below:

Table 276: Past approved Capitalisation Trend – DPR schemes (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Average
DPR Schemes	3,883.55	4,042.90	3,347.57	2,677.80	3,903.48	3,571.06
Non-DPR Schemes	537.04	442.59	561.44	639.52	941.00	624.32
Total (DPR + Non-DPR)	**4,420.59**	**4,485.48**	**3,909.01**	**3317.31**	**4844.48**	**4,195.37**

5.13.6 As can be seen from the above table, the actual average capitalisation achieved (approved) in the last 5 years is Rs. 4,195.37 Crore as against an estimated average capitalisation of Rs. 13,295.73 Crore claimed by MSEDCL over the 5th Control Period. As mentioned earlier, this is significantly higher than the past trends observed for MSEDCL. Accordingly, the same is also considered while approving the capitalisation for the 5th Control Period along with the approach of considering capitalisation only against those schemes whose DPRs have "in-principle" approval of the Commission

5.13.7 Considering the above, the Commission has only approved capital expenditure and capitalisation proposed for the 5th Control Period for the schemes whose DPRs are approved by the Commission. Accordingly, details of scheme wise capitalisation approved by the Commission are shown below in table:

Table 277: DPR Schemes in FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DPDC / Non-Tribal	448.94	448.94	448.94	448.94	448.94
DPDC / SCP (Loan up to 2012-13)	163.95	163.95	163.95	163.95	163.95
DPDC / TSP + OTSP	134.21	134.21	134.21	134.21	134.21
New consumers	800.00	0.00	0.00	0.00	0.00
Evacuation of Power from EHV Substation	50.00	43.46	0.00	0.00	0.00
System strengthening work in Metropolitan Area	54.20	0.00	0.00	0.00	0.00
Incomer Metering-IM	1.89	0.00	0.00	0.00	0.00
Underground works of extended area of Baramati Municipal Corporation	0.00	0.00	0.00	0.00	0.00
MIDC Network Strengthening	100.00	24.84	0.00	0.00	0.00
Underground works under System Strengthening in Gondia, Bhandara and Nagpur 1st Phase	24.21	0.00	0.00	0.00	0.00
RDSS (PMA)	9.85	0.00	0.00	0.00	0.00
RDSS-Loss Reduction Part A Feeder Separation Works	3,100.00	1,100.00	147.34	0.00	0.00
RDSS-Loss Reduction Part B	3,800.00	430.00	38.11	0.00	0.00
Total Capitalisation	**8,687.25**	**2,345.40**	**932.55**	**747.10**	**747.10**

5.13.8 As can be seen from the above approval, the average capitalisation approved in the first two years of the 5th Control Period is significantly higher than that observed in the past in case of MSEDCL. Further, the MYT Regulations, 2024 considers a Mid Term Review for Distribution Licensees and accordingly, MSEDCL has an opportunity to revisit its capitalisation for the period from FY 2027-28 onwards based on actual capitalisation achieved in the first two years of the 5th Control Period. The Commission will review the MSEDCL's submissions during the Mid-Term Review proceedings and may allow revision in proposed capitalisation for FY 2027-28 onwards, subject to necessary prudence check and ensuring adherence to the provisions of MYT Regulations 2024 and Capex Regulations, 2022.

5.13.9 Further, the Commission also clarifies that the scheme-wise capitalisation approval given in the present MYT Order does not prohibit MSEDCL from undertaking important projects during the 5th Control Period by following the process for seeking due approval of the DPRs from the Commission as prescribed in the Capex Regulations, 2022 and MYT Regulations, 2024. Further, the non-DPR schemes can also be undertaken after due registration of the Schemes as prescribed in the Capex Regulations, 2022 and other requirements specified by the Commission through Orders / Regulations from time to time.

5.13.10 Further, Regulation 24.9 of MYT Regulations, 2024 specifies limit for capitalization that can be permitted against non-DPR schemes. The relevant extract of the Regulation is reproduced below for reference:

> *"The cumulative amount of capitalisation against* non-DPR schemes for *any Year shall not exceed 30% or such other limit as may be stipulated by the Commission through an Order, of the cumulative amount of capitalisation approved against DPR schemes for that Year:*
>
> *Provided that, in case MSLDC and STU the cumulative amount of capitalisation against non-DPR schemes for any Year shall not exceed Average capital expenditure of past three years actually incurred or 30% of approved capital expenditure of previous years, whichever is lower, in case there is no approved capital expenditure for particular year.*
>
> *Provided further that the Commission may allow capitalisation against non-DPR schemes for any Year in excess of 30% or such other limit as may have been stipulated by the Commission through Order, on a request made by the Generating Company, ESSD or Licensee or MSLDC or STU."*

5.13.11 The Commission has observed that capitalization towards non-DPR schemes claimed by MSEDCL is lower than 30% of the capitalisation claimed against DPR schemes. Accordingly, the Commission has approved capitalization of non-DPR schemes as submitted by MSEDCL. It is to be noted that, approval of the actual capitalization for DPR and non-DPR schemes will be undertaken by the Commission during Mid-term Review process and will be subject to necessary prudence check. Hence, the capitalization approved by the Commission for the 5th Control Period is as shown in the table below:

Table 278: Capitalisation for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DPR Scheme	**8,687.25**	**2,345.40**	**932.55**	**747.10**	**747.10**
Non DPR Scheme					

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
DDF / Non-DDF Scheme	610.00	605.00	602.00	600.00	602.00
Other Non DPR Schemes	21.61	22.28	21.80	21.78	21.61
Non-DPR Schemes Sub-Total	**631.61**	**627.28**	**623.80**	**621.78**	**623.61**
Total Capitalization	**9,318.86**	**2,972.68**	**1,556.35**	**1,368.88**	**1,370.71**
% of Non-DPR to DPR*	0.25%	0.95%	2.34%	2.92%	2.89%

(Excluding DDF/ Non-DDF Schemes from Non-DPR schemes)*

5.13.12 **Thus, the Commission approves the projected capitalization of Rs. 9,318.86 Crore for FY 2025-26, Rs. 2,972.68 Crore for FY2026-27, Rs. 1,556.35 Crore for FY 2027-28, Rs. 1,368.88 Crore for FY 2028-29 and Rs. 1,370.71 Crore for FY 2029-30.**

5.14 Funding Pattern of the Capitalisation for FY 2025-26 to FY 2029-30

MSEDCL's Submission

5.14.1 MSEDCL submitted that as per Regulation 27.1 of MYT, 2024, the debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission for a capital investment scheme. The said Regulation also provides that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff.

5.14.2 The funding pattern of the proposed capitalisation is shown in the table below:

Table 279: Funding Pattern of the Capitalization for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	**Projected**	**Projected**	**Projected**	**Projected**
Funding pattern of capital expenditure					
Total Capital Expenditure	**23,016.32**	**17,508.01**	**9,339.01**	**9,534.92**	**3,472.97**
Consumer Contribution	250.00	250.00	250.00	250.00	250.00
Grants received during the year	9,627.97	8,046.98	5,491.19	5,687.11	2,101.36
Equity	3,157.58	2,430.62	521.78	521.78	521.61
Debt	9,980.77	6,780.42	3,076.03	3,076.03	600.00
Funding pattern of capitalisation					
Total Capitalisation	**23,454.75**	**18,913.43**	**10,023.94**	**9,791.78**	**4,294.74**
Consumer Contribution	254.76	270.07	268.34	256.73	309.15
Grants received during the year	9,811.37	8,692.93	5,893.92	5,840.31	2,598.59
Balance to be funded	**13,388.62**	**9,950.43**	**3,861.68**	**3,694.73**	**1,387.00**
Equity amount	3,217.73	2,625.73	560.05	535.84	645.03
Debt amount	10,170.89	7,324.70	3,301.63	3,158.90	741.97
Equity (%)	24%	26%	15%	15%	47%

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Debt (%)	76%	74%	85%	85%	53%

Commission's Analysis and Ruling

5.14.3 The Commission has considered the funding pattern for capitalization for the 5th Control Period in the same ratio as for the funding of proposed capital expenditure, in line with the methodology adopted by MSEDCL, and after considering the approved quantum of capitalization. This would be subject to prudence check and reviewed during the Final Truing Up for the relevant years.

Table 280: Funding Pattern of Capitalization as approved by Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Funding pattern of capital expenditure					
Total Capital Expenditure	**8,942.76**	**2,930.09**	**2,060.92**	**2,204.84**	**2,362.97**
Consumer Contribution	250.00	250.00	250.00	250.00	250.00
Grants received during the year	5,337.33	1,908.31	1,439.14	1,583.06	1,741.36
Equity	404.53	371.78	371.78	371.78	371.61
Debt	2,950.90	400.00	-	-	-
Funding pattern of capitalisation					
Total Capitalisation	**9,318.86**	**2,972.68**	**1,556.35**	**1,368.88**	**1,370.71**
Consumer Contribution	260.51	253.63	188.79	155.21	145.02
Grants received during the year	5,561.80	1,936.05	1,086.80	982.85	1,010.13
Balance to be funded	**3,496.55**	**783.00**	**280.76**	**230.82**	**215.56**
Equity amount	421.55	377.18	280.76	230.82	215.56
Debt amount	3,075.01	405.81	0.00	0.00	0.00
Normative Equity	421.55	234.90	84.23	69.25	64.67
Normative Debt	3,075.01	548.10	196.53	161.57	150.89
Equity (%)	12%	30%	30%	30%	30%
Debt (%)	88%	70%	70%	70%	70%

5.14.4 **Accordingly, the Commission approves the funding pattern for the approved capitalisation including the consumer contribution, grants and debt:equity ratio as shown in above table.**

5.15 Depreciation for 5th Control Period

MSEDCL's Submission

5.15.1 MSEDCL has stated that it has computed the depreciation in accordance with Regulation 28 of the MYT Regulations, 2024. As per Regulation 28.1(c) of MYT Regulation 2024, the individual asset is to be depreciated to the extent of

70% on the straight-line basis as per the rates specified in the annexure II to these Regulations and remaining depreciable value as on 31 March of the year closing shall be spread over the balance Useful Life of the asset.

5.15.2 MSEDCL has submitted that depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the projected capitalization. The Commission has been applying the weighted average rate of depreciation on opening GFA. Considering the actual weighted average rate of depreciation for FY 2023-24 in line with the practice adopted by the Commission, the depreciation has been computed as shown in the table below:

Table 281: Depreciation for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Opening GFA	70,469.09	83,857.71	93,808.14	97,669.82	1,01,364.55
Depreciation	3,987.62	3,720.42	3,446.54	3,332.68	3,190.58
% Depreciation	5.66%	4.44%	3.67%	3.41%	3.15%

5.15.3 MSEDCL has requested the Commission to allow depreciation as shown in above table.

Commission's Analysis and Ruling

5.15.4 The Commission has considered opening GFA of FY 2025-26 as Rs 66,163.75 Crore, i.e. same as the closing GFA approved for FY 2024-25 in the provisional truing-up in this Order for computing the depreciation for pursuing years. Further, as per Regulation 26.2 (c), depreciation has not been allowed to the extent of GFA established through Consumer Contribution and Grants.

5.15.5 The Commission noted calculation of asset class wise depreciation submitted by MSEDCL as an annexure with the Petition. The Commission has noted the submission of MSEDCL, and approach adopted. The Commission has computed depreciation based on regulatory provisions under Regulation 28 of MYT Regulations, 2024.

5.15.6 Further, the Commission notes that Regulation 28 (b) and 28 (c) of the MYT Regulations state the following:

"(b) Depreciation for the Existing Capital Schemes or Existing Assets shall be calculated annually based on the straight-line method at the rates specified in the Annexure I to these Regulations for the assets of the Generating Company or Licensee or ESSD or MSLDC or STU:

Provided that the Generating Company or Licensee or ESSD or MSLDC or STU shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of twelve years from the Commercial

Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation:

Provided further that the Generating Company or Licensee or ESSD or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: The term "Existing Capital Schemes" or "Existing Assets" here means the Capital Schemes or the Assets, including Non-DPR schemes which are commissioned on or before the March 31, 2025 or Assets in principally approved by the Commission before the notification of these Regulations for the Generating Company or Licensee or MSLDC or STU or ESSD." (c) Depreciation for the New Capital Schemes or New Assets shall be computed annually based on the straight-line method at the rates specified in the Annexure II to these Regulations for the assets of the Generating Company or Licensee or MSLDC or STU or ESSD: Provided that the Generating Company or Licensee or MSLDC or STU or ESSD shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing after the period of fifteen years from the Commercial Operation Date or the date of assets capitalised shall be spread over the balance Useful Life of the asset including the Extended Life, as provided in this Regulation: Provided further that the Generating Company or ESSD or Licensee or MSLDC or STU shall submit all such details or documentary evidence as may be required, to substantiate the above claims.

Explanation: The term "New Capital Schemes" or "New Assets" here means the Capital Schemes or the Assets, which not covered under Existing Assets.

5.15.7 As can be seen from the above provisions, the depreciation calculation for the 5**th** Control Period needs to be done separately for the "existing" and "new" assets as defined in the MYT Regulations, 2024. The rate of depreciation to be considered against the "existing" and "new" assets has also been separately specified in the MYT Regulations, 2024. However, it is observed that while MSEDCL has provided the bifurcation of assets (GFA) into "existing" and "new" assets during the 5**th** Control Period along with computation of the estimated depreciation claim against these assets as annexure to the MYT Petition, the same has not been considered in the computation depreciation expenses included as part of the ARR projections for the 5th Control Period in the Regulatory formats shared by MSEDCL. The value of depreciation computed in the Annexure is also different than that considered in the ARR computation in the Regulatory formats. MSEDCL has not provided any reasoning / justification for not considering the information shared in the Annexure in the MYT Petition. Accordingly, for the purpose of the present approval, the Commission has adopted the same methodology for computation of depreciation as proposed by MSEDCL. However, MSEDCL should ensure adherence to the provisions of the MYT Regulations 2024 while approaching the Commission for the truing up of the relevant years and also projecting the revised ARR for the remaining years of the 5th Control Period at the time of the MTR proceedings.

5.15.8 The approved amount of depreciation and rate of depreciation by the Commission from FY 2025-26 to FY 2029- 30 is as shown in Table below:

Table 282: Depreciation from FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	66,163.75	69,660.30	70,443.30	70,724.06	70,954.88
Depreciation	**2,853.34**	**2,811.72**	**2,442.64**	**2,284.92**	**2,140.97**
% Depreciation	4.31%	4.04%	3.47%	3.23%	3.02%

5.15.9 **The Commission approves Depreciation of Rs. 2,853.34 Crore for FY 2025-26, Rs. 2,811.72 Crore for FY 2026-27, Rs. 2,442.64 Crore for FY 2027-28, Rs. 2,284.92 Crore for FY 2028-29 and Rs. 2,140.97 Crore for FY 2029-30.**

5.16 Interest on Long Term Loan

MSEDCL's Submission

5.16.1 MSEDCL has submitted that the interest expenses on long term loans depends on outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major bearing on the long-term interest expenditure.

5.16.2 MSEDCL has computed the interest on Long-Term Loan according to the provisions of Regulation 30.5 of the MYT Regulations 2024. The repayment of loan is computed as per Regulation 30.3 the extract of which is given below for reference:

Table 283: Interest Expenses on Long Term Loan for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Opening Balance of Net Normative Loan	10,156.15	16,339.42	19,943.71	19,798.80	19,625.01

Particulars	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
	Projected	**Projected**	**Projected**	**Projected**	**Projected**
Addition of Normative Loan due to capitalisation during the year	10,170.89	7,324.70	3,301.63	3,158.90	970.90
Repayment of Normative loan during the year	3,987.62	3,720.42	3,446.54	3,332.68	3,190.58
Closing Balance of Net Normative Loan	-	-	-	-	-
Closing Balance of Gross Normative Loan	**16,339.42**	**19,943.71**	**19,798.80**	**19,625.01**	**17,405.34**
Average Balance of Net Normative Loan	**13,247.79**	**18,141.56**	**19,871.25**	**19,711.91**	**18,515.17**
Weighted average Rate of Interest on actual Loans (%)	9.51%	9.51%	9.51%	9.51%	9.51%
Interest Expenses	**1,259.84**	**1,725.23**	**1,889.72**	**1,874.57**	**1,760.76**
Financing Charges	0.00	0.00	0.00	0.00	0.00
Total Interest and Financing Charges	**1,259.84**	**1,725.23**	**1,889.72**	**1,874.57**	**1,760.76**

5.16.3 MSEDCL has requested the Commission to allow interest on long term loans as submitted in the table above.

Commission's Analysis and Ruling

5.16.4 The Commission has noted the submissions of MSEDCL. The Commission has computed the interest on long term loans in line with the applicable provisions of the MYT Regulations, 2024.

5.16.5 Regulation 30.3 of the MYT Regulations, 2024 provides for loan repayment during a year equal to depreciation allowed. The relevant extract is reproduced below:

"30.3 The loan repayment during each year of the Control Period from FY 2025-26 to FY 2029-30 shall be deemed to be equal to the depreciation allowed for that year."

5.16.6 The provision of Regulation 30.5 of MYT Regulations, 2024 for interest rate to be considered for the computation of interest expenses is as below:

"30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long-term loan for a particular year but normative long-term loan is still outstanding, the last available weighted average rate of interest for actual long-term loan shall be considered:"

5.16.7 The Commission has considered last available rate i.e., the weighted average rate of interest as approved for FY 2024-25 i.e., 9.51% for computation of interest expenses from FY 2025-26 to FY 2029-30 as per Regulations. The opening loan for FY 2025-26 is considered same as the approved closing balance of FY 2024- 25 during the provisional truing up process. The addition to normative loan is considered based approved capitalisation to be funded through debt & equity considering the approved funding pattern and the repayment is considered equal to the depreciation approved in this Order. The approved rate of interest and interest expenses from FY 2025-26 to FY 2029-30 is shown in table below:

Table 284: Interest Expenses for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Net Normative Loan	7,989.74	8,211.41	5,947.79	3,701.68	1,578.33
Addition of Normative Loan due to capitalisation during the year	3,075.01	548.10	196.53	161.57	150.89
Repayment of Normative loan during the year	2,853.34	2,811.72	2,442.64	2,284.92	1,729.23
Closing Balance of Net Normative Loan	**8,211.41**	**5,947.79**	**3,701.68**	**1,578.33**	**0.00**
Average Balance of Net Normative Loan	**8,100.57**	**7,079.60**	**4,824.73**	**2,640.00**	**789.17**
Weighted average Rate of Interest on actual Loans (%)	9.51%	9.51%	9.51%	9.51%	9.51%
Interest Expenses	**770.35**	**673.26**	**458.82**	**251.06**	**75.05**

5.16.8 **The Commission approves Rs. 770.35 Crore for FY 2025-26, Rs. 673.26 Crore for FY 2026-27, Rs. 458.82 Crore for FY 2027-28, Rs. 251.06 Crore for FY 2028-29 and Rs. 75.05 Crore for FY 2029-30 as Interest Expenses.**

5.17 Interest on Working Capital

MSEDCL's Submission

5.17.1 MSEDCL has worked out IOWC as per Regulation 32.3 and 32.4 of MYT Regulations 2024. Regulation 32.3 (a) of the said Regulations provides for the norms of computation of Working Capital for Distribution Wires Business.

5.17.2 MSEDCL has submitted that Regulation 32.3 (b) of the said Regulations provides that the normative rate of interest on working capital shall be equal to Base Rate as on date on which the Petition for determination of Tariff is filed, plus 150 basis points. Accordingly, MSEDCL has calculated Interest on Working Capital for the 5th Control Period at 10.24% for Wires Business.

5.17.3 MSEDCL has submitted that Regulation 30.11 of the MYT Regulations 2024 provides that the interest on Security Deposit (SD) shall be Bank Rate as on 1st April of the Year for which the interest is payable. Accordingly, MSEDCL has calculated Interest on Security Deposit for the Control Period at 6.75% for Wires Business. MSEDCL has projected the security deposit considering a growth of 5% per annum.

5.17.4 Detailed computation of Interest on Working Capital and Security Deposit for Wire Business is provided in the following table:

Table 285: Interest on Working Capital and SD for Wires Business for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Computation of Working Capital Requirement					
O&M expenses for a month	679.78	827.84	950.95	1,058.68	1,156.16
Maintenance Spares at 1% of Opening GFA	668.64	789.13	878.69	913.44	946.69
One and half months equivalent of the expected revenue from charges for use of Distribution Wires	2,003.27	2,312.19	2,523.14	2,686.40	2,818.09
Less: Amount held as Security Deposit from Distribution System Users	(1,490.48)	(1,639.53)	(1,803.48)	(1,983.83)	(2,182.22)
Total Working Capital Requirement	**1,861.20**	**2,289.63**	**2,549.29**	**2,674.69**	**2,738.73**
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.24%	10.24%	10.24%	10.24%	10.24%
Interest on Working Capital	**190.62**	**234.50**	**261.09**	**273.93**	**280.49**
Computation of Interest on Security Deposit					
Interest Rate (%) - Bank Rate	6.75%	6.75%	6.75%	6.75%	6.75%
Interest on Security Deposit	**100.61**	**110.67**	**121.74**	**133.91**	**147.30**

5.17.5 Regulation 32.4 (a) of MYT Regulations 2024 provides the norms of computation of Working Capital for Retail Supply Business.

5.17.6 Accordingly, MSEDCL has calculated Interest on Working Capital for the Control Period @ 10.24% for Retail Supply Business considering Base Rate of date on which Petition is filed before the Commission plus 150 basis points.

5.17.7 MSEDCL has submitted that Regulation 30.11 of the MYT Regulations 2024 provides that the interest on security deposit shall be Bank Rate as on 1 April of the Year for which the interest is payable.

5.17.8 Accordingly, MSEDCL has calculated Interest on Security Deposit for the Control Period @ 6.75% for Retail Supply Business. MSEDCL has projected the Security Deposit considering a growth of 5% per annum.

5.17.9 Detailed computation of Interest on Working Capital and Security Deposit for Retail Supply Business by MSEDCL is provided in the following table:

Table 286 Interest on Working Capital and SD for Supply Business for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Computation of working capital Requirement					
O&M expenses for a month	366.04	445.76	512.05	570.06	622.55
Maintenance Spares at 1% of Opening GFA	74.29	87.68	97.63	101.49	105.19
One and half months equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	16,983.74	18,227.74	19,126.57	20,165.09	21,223.09
Less: Amount held as security deposit	(13,414)	(14,756)	(16,231)	(17,854)	(19,640)
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	(8,644.56)	(9,585.54)	(10,370.32)	(11,036.45)	(11,599.75)
Total Working Capital Requirement	**(4,634.84)**	**(5,580.14)**	**(6,865.42)**	**(8,054.30)**	**(9,288.87)**
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.24%	10.24%	10.24%	10.24%	10.24%
Interest on Working Capital	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Interest on Security Deposit					
Interest Rate (%) - Bank Rate	6.75%	6.75%	6.75%	6.75%	6.75%
Interest on Security Deposit	**905.47**	**996.02**	**1,095.62**	**1,205.18**	**1,325.70**

5.17.10 MSEDCL has requested the Commission to allow the interest on working capital for wires and retail supply business as submitted in the table above.

Commission's Analysis and Ruling

5.17.11 The Commission has computed IoWC for Wire Business as per Regulation 32.3 of MERC MYT Regulations, 2024 which states that the interest rate on working capital shall be equal to Base Rate on the date at which the Petition is filed plus 150 basis points. The relevant extract of the said regulations is provided below:

*32.3 **Distribution Wires Business***

(a) The working capital requirement of the Distribution Wires Business shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii)One and half month equivalent of the expected revenue from charges for use of Distribution Wires at the Tariff approved by the Commission for ensuing year(s);

minus

(iv)Amount held as security deposits in cash from Distribution System Users:

………….

Retail Supply of Electricity

(a) The working capital requirement of the Retail Supply Business shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and half months equivalent of the expected revenue from sale of electricity at the Tariff approved by the Commission for ensuing year/s, and including revenue from cross-subsidy surcharge and additional surcharge, if any;

minus

(iv) Amount held as security deposits in cash from retail supply consumers;

(v) One month equivalent of cost of power purchased, including the Transmission Charges, MSLDC Charges and STU Charges, based on the annual power procurement plan:

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

5.17.12 As per Regulation 30.11 of the MYT Regulations, 2024 interest on security deposit shall be allowed at the bank rate as on 1 April of the year for which interest is payable. The relevant Regulation is quoted below:

"Interest shall be allowed only on the amount held in cash as security deposit from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the Year for which the interest is payable:"

5.17.13 Further, in Regulation 2.1 (11) bank rate is defined as Bank Rate as declared by the Reserve Bank of India from time to time.

"(11) "Bank Rate" shall mean the Bank Rate as declared by the Reserve Bank of India from time to time;"

5.17.14 To derive rate for computing IoWC and Interest on Consumer Security Deposit from FY 2025-26 to FY 2029-30, the Commission has taken SBI MCLR rate (9.00%) as on 30 November 2024 (i.e., date of Petition filing) plus 150 basis points as per the regulations. Accordingly, the rate approved by the Commission for computation of IoWC and Interest on Security Deposit is 10.50% (9.00% + 1.50%) and 6.50% respectively. It is observed that MSEDCL has considered weighted average interest rate (for the period from 1 April, 2024 to 15 September 2024) for computation of IoWC which resulted in lower rate of interest.

5.17.15 The IoWC approved for the Wires and Supply Business from FY 2025-26 to FY 2029-30 is shown in the following tables.

Table 287: IoWC and Security Deposits for Wires Business from FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	578.69	603.49	640.14	678.14	717.48
Maintenance Spares at 1% of Opening GFA	595.47	626.94	633.99	636.52	638.59
One and half months equivalent of the expected revenue from charges for use of Distribution Wires	1,607.71	1,636.56	1,628.68	1,645.83	1,669.95
Less: Amount held as Security Deposit from Distribution System Users	(1,490.48)	(1,639.53)	(1,803.48)	(1,983.83)	(2,182.22)
Total Working Capital Requirement	1,291.39	1,227.47	1,099.33	976.65	843.81
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	**135.60**	**128.88**	**115.43**	**102.55**	**88.60**
Interest on Security Deposit					
Interest Rate (%) - Bank Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on Security Deposit	**96.88**	**106.57**	**117.23**	**128.95**	**141.84**

Table 288: IoWC and Security Deposits for Supply Business from FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M expenses for a month	311.60	324.96	344.69	365.15	386.34
Maintenance Spares at 1% of Opening GFA	0.00	0.00	0.00	0.00	0.00

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
One and half months equivalent of the expected revenue from sale of electricity including revenue from CSS and Additional Surcharge	15,934.99	16,768.99	17,742.41	18,509.48	19,405.13
Less: Amount held as security deposit	(13,205.04)	(14,755.78)	(16,231.36)	(17,854.49)	(19,639.94)
Less: One month equivalent of cost of power purchase, transmission charges and MSLDC Charges	(7,836.55)	(8,114.44)	(8,637.81)	(9,180.43)	(9,708.74)
Total Working Capital Requirement	(4,795.00)	(5,776.27)	(6,782.06)	(8,160.29)	(9,557.22)
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate + 150 Basis points	10.50%	10.50%	10.50%	10.50%	10.50%
Interest on Working Capital	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Interest on Security Deposit					
Interest Rate (%) - Bank Rate	6.50%	6.50%	6.50%	6.50%	6.50%
Interest on Security Deposit	**858.33**	**959.13**	**1,055.04**	**1,160.54**	**1,276.60**

Table 289: IoWC and Interest on Security Deposit as approved by Commission from FY 2025-26 to FY 2029-30 (Wires + Supply) (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
IoWC (Wires + Supply)	135.60	128.88	115.43	102.55	88.60
Interest on CSD (Wires + Supply)	955.21	1,065.70	1,172.26	1,289.49	1,418.44

5.17.16 **Thus, the Commission approves IoWC of Rs. 135.60 Crore for FY 2025-26, Rs. 128.88 Crore for FY 2026-27, Rs. 115.43 Crore for FY 2027-28, Rs. 102.55 Crore for FY 2028-29 and Rs. 88.60 Crore for FY 2029-30.**

5.17.17 **Further, the Commission approves Interest on Consumer Security Deposit of Rs. 955.21 Crore for FY 2025-26, Rs. 1,065.70 Crore for FY 2026-27, Rs. 1,172.26 Crore for FY 2027-28, Rs. 1,289.49 Crore for FY 2028-29 and Rs. 1,418.44 Crore for FY 2029-30.**

5.18 Other Finance Charges

MSEDCL's Submission

5.18.1 MSEDCL has submitted that Regulation 30.8 of MYT Regulations, 2024 provides that the finance charges shall be allowed at the time of true-up. The relevant extract of the Regulations is reproduced below.

> *"30.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check."*

5.18.2 Therefore, in line with the above regulations, MSEDCL submitted that Other finance charges are not claimed for the 5th Control Period and will claim the same at the time of true-up of the respective years.

Commission's Analysis and Ruling

5.18.3 The Commission observes that MSEDCL has not projected other finance charges for FY 2025-26 to FY 2029-30 in line with the regulatory provisions of MYT Regulations, 2024. **Hence, the Commission has not considered any "Other Finance Charges" for the projection FY 2025-26 to FY 2029-30.** The Commission will consider actual expenses towards Other finance charges at the time of truing-up of the respective year, in accordance with Regulation 30.8 of the MYT Regulations, 2024, subject to prudence check.

5.19 Provision for Bad Debts

MSEDCL's Submission

5.19.1 MSEDCL has submitted that provision of bad and doubtful debts for the 5th Control Period from FY 2025-26 to FY 2029-30 as per Regulation 94 and 105 of the MYT Regulations, 2024 which specifies that a provision for bad and doubtful debt may be allowed up to 1.5% of the amount shown as trade receivables or receivables from sale of electricity in the latest Audited Accounts of the distribution licensee duly allocated for wires and supply business.

5.19.2 MSEDCL has submitted that for the projection of receivables it considered the following assumptions:

- A y-o-y rise of 2% and 10% for the interest part of Non-AG and AG and for the principal part it has considered a y-o-y rise of 1% / 2% and 5% respectively.
- MSEDCL has consider collection efficiency at the rate of 98% for Non-AG Consumers and 95% for AG Consumers. As per instructions of GOM, MSEDCL is implementing Mukhyamanti Baliraja Mofat Vij Yojana 2024 and Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan Yojana & Magel Tyala Saur Krishi Pump Yojana. The Schemes are implemented for installation of off-grid Solar Agricultural pumps in Maharashtra. The GOM/ Company expects that the solar pumps will reduce the burden on MSEDCL for power supply to AG consumers resulting in reduction of overall electricity bills as well as arrears. Due to this collection efficiency of AG consumers is considered at 95%.

5.19.3 MSEDCL has also submitted that it will write-off the bad debts as submitted on receiving the approval of the Commission. Thus, projection of Receivable and provision of bad debts for wire and supply business for 5th Control Period from FY 2025-26 to FY 2029-30 is as shown in the tables below:

Table 290: Provision for Bad and Doubtful Debt for Wires Business for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Opening Balance of Provision for bad and doubtful debts	278.88	329.16	383.73	443.01	507.46
Receivables for the year	10,704.50	11,304.72	11,947.76	12,637.11	13,376.59
Opening Balance of Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Provision for bad and doubtful debts during the year	160.57	169.57	179.22	189.56	200.65
Actual bad and doubtful debts written off	**110.29**	**115.00**	**119.93**	**125.11**	**130.53**
Closing Balance of Provision for bad and doubtful debts	**329.16**	**383.73**	**443.01**	**507.46**	**577.58**

Table 291: Provision for Bad and Doubtful Debt for Supply Business for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Opening Balance of provision for bad and doubtful debts	2,509.90	2,962.41	3,453.57	3,987.13	4,567.18
Receivables for the year	96,340.50	1,01,742.52	1,07,529.86	1,13,734.01	1,20,389.27
Opening Balance of provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Provision for bad and doubtful debts during the year	1,445.11	1,526.14	1,612.95	1,706.01	1,805.84
Actual bad and doubtful debts written off	**992.60**	**1,034.97**	**1,079.39**	**1,125.96**	**1,174.78**
Closing Balance of Provision for bad and doubtful debts	2,962.41	3,453.57	3,987.13	4,567.18	5,198.23

5.19.4 Accordingly, MSEDCL has requested the Commission to approve provision for bad and doubtful debts according to claim in above tables for wire and supply business.

Commission's Analysis and Ruling

5.19.5 The Commission observed that there is significant increase in total estimated receivable of MSEDCL in FY 2024-25 compared to previous years. As per

Audited Accounts of FY 2023-24, the Trade Receivables is Rs. 60,024 Crores and for FY 2024-25 MSEDCL has estimated receivables as Rs. 1,01,308 Crore which is a 68% increase over the previous year receivables as per Audited Accounts. As per MSEDCL's submission for FY 2025-26, the receivables are likely to further increase to Rs. 1,07,045 Crore which is increase of 5.66% over receivables claimed in FY 2024-25 and in FY 2029-30 it reaches to Rs. 1,33,765 Crores with a CAGR of 5.7%. The table below shows the assumption of Receivables for 5th Control Period considered by MSEDCL.

Table 292: Receivables Projected by MSEDCL for 5th Control Period as submitted by MSEDCL (Rs. Crore)

Sr. No.	Period	Particulars	Principal	Interest	Total
1	Upto 31.03.2026 (Projected)	Non-AG	13,435.89	6,106.65	19,542.54
		AG	60,089.86	27,412.60	87,502.46
		Total	**73,525.75**	**33,519.25**	**1,07,045.00**
2	Upto 31.03.2027 (Projected)	Non-AG	13,570.24	6,228.78	19,799.03
		AG	63,094.35	30,153.86	93,248.21
		Total	**76,664.60**	**36,382.64**	**1,13,047.24**
3	Upto 31.03.2028 (Projected)	Non-AG	13,705.95	6,353.36	20,059.31
		AG	66,249.07	33,169.24	99,418.32
		Total	**79,955.02**	**39,522.60**	1,19,477.62
4	Upto 31.03.2029 (Projected)	Non-AG	13,843.01	6,480.43	20,323.43
		AG	69,561.53	36,486.17	1,06,047.69
		Total	**83,404.53**	**42,966.59**	**1,26,371.13**
5	Upto 31.03.2030 (Projected)	Non-AG	13,981.44	6,610.03	20,591.47
		AG	73,039.60	40,134.78	1,13,174.39
		Total	**87,021.04**	**46,744.82**	**1,33,765.86**

5.19.6 The Commission observes that in view of the collection efficiency as reported by MSEDCL of around 95% and which will be going to increase in the ensuing years, the estimates of receivables for 5th Control Period is very high. Besides, stringent measures should be initiated by MSEDCL to improve collection efficiency reduce receivable including recovery of past dues. As can be observed the total receivable as projected by MSEDCL for FY 2025-26 is around Rs. 1,07,045 Crore which is almost 83% of the annual ARR submitted by MSEDCL. This is an alarming situation. In view of the above, MSEDCL should strengthen its collection drive and put every effort in clearing its receivable in a time bound manner. Any action/inaction that is detrimental to enhancement of collection efficiency otherwise pose undue burden on paying consumers and affects day to day cash flow management of MSEDCL itself. The Commission also observes that during the public consultation process of the present Petition, many consumers had highlighted about the mounting arrears / receivables position of MSEDCL and suggested for urgent action in a time bound manner. Thus, Commission is not inclined to pass on such effect to the consumers, for which MSEDCL will have to demonstrate significant efforts and results to the Commission. In this context, for projection of 5th Control Period the Commission has considered the receivables at Rs. 60,024.84 Crores same as FY 2023-24 against as claimed by MSEDCL.

5.19.7 Hence, the Commission has considered the receivables same as that of FY 2023-24 for the projection period from FY 2025-26 to FY 2029-30 and accordingly done the calculation of Provision for Bad and Doubtful Debt as given in table below:

Table 293: Provision for Bad and Doubtful Debts for Wires Business for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Receivables	6,002.48	6,002.48	6,002.48	6,002.48	6,002.48
% of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Bad Debt Provision for Wire Business	90.04	90.04	90.04	90.04	90.04

Table 294: Provision for Bad and Doubtful Debts for Supply Business for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Receivables	54,022.36	54,022.36	54,022.36	54,022.36	54,022.36
% of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Bad Debt Provision for Supply Business	810.34	810.34	810.34	810.34	810.34

Table 295: Provision for Bad and Doubtful Debts for Wire + Supply Business for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bad Debt Provision for Wire + Supply Business	900.37	900.37	900.37	900.37	900.37

5.19.8 **Thus, the Commission approves Rs. 900.37 Crore as Provision for Bad and Doubtful Debts for each year of the 5th Control Period from FY 2025-26 to FY 2029-30.**

5.20 Other Expenses

MSEDCL's Submission

5.20.1 MSEDCL has submitted that the other expenses of MSEDCL comprise of the expenditure on account of interest to suppliers/contractors, rebate to consumers and other expenses viz. compensation for injuries to staff and outsiders.

5.20.2 MSEDCL has submitted the nature of claims of various expenses under other expenses as following:

- MSEDCL has submitted that the Interest to suppliers/contractors represents the expense on security deposits collected from collection agencies.
- Non-Moving items written off: These are items of stores which are lying as non-moving as in inventory in case of emergency maintenance works for distribution system.
- Incentive to distribution franchisee is the incentive given to the distribution franchisee for recovery of MSEDCL's arrears from Live and PD Consumers.

5.20.3 MSEDCL has projected other expense based on annual 5% increase over the previous year based on the 5% increase considered by the Commission in previous MYT Order in Case No. 322 of 2019 and MTR Order in Case No. 226 of 2022. Accordingly, Other Expenses projected by MSEDCL for the 5th Control Period is given in table below:

Table 296: Other Expenses for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Other Expenses	304.98	320.23	336.24	353.05	370.70

Commission's Analysis and Ruling

5.20.4 For approval of other expense for 5th Control Period, the Commission has noted the past trend of "Other Expense" and accordingly escalated the previous year's approved Other Expenses by 5% (same as that considered for estimating expenses for FY 2024-25 in this Order) to project the Other expenses from FY 2025-26 to FY 2029-30. Any variation in the same will be appropriately addressed at the time of final truing up of respective years.

5.20.5 The Commission has approved the Other Expenses as shown in the Table below:

Table 297: Other Expenses for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Other Expenses	**200.54**	**210.57**	**221.10**	**232.16**	**243.76**

5.20.6 **Thus, the Commission approves Rs. 200.54 Crore for FY 2025-26, Rs. 210.57 Crore for FY 2026-27, Rs. 221.10 Crore for FY 2027-28, Rs. 232.16 Crore for FY 2028-29 and Rs. 243.76 Crore for FY 2029-30 as Other Expenses.**

5.21 Contribution to Contingency Reserves

MSEDCL's Submission

5.21.1 MSEDCL submitted that Regulation 35.1 of MYT Regulations, 2024 provides for appropriation to Contingency Reserves of not less than 0.25% and not more than 0.5% of the original cost of Fixed Assets annually towards in the calculation of ARR.

5.21.2 Accordingly, MSEDCL has considered 0.25% of the Gross Fixed Assets (incl. consumer contribution and grants) and computed contribution to contingency reserve.

5.21.3 The expenses towards contribution to contingency reserve are allocated in ratio of fixed assets between wires and retail supply business. i.e. 90% to Wires Business and 10% to Supply Business.

5.21.4 The computation of contribution to contingency reserve as submitted by MSEDCL for the 5th Control Period is as presented in the Table below:

Table 298 Contribution to contingency reserve for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Contribution to Contingency Reserves (Wire Business)	206.93	259.89	302.66	325.45	347.74
Contribution to Contingency Reserves (Supply Business)	22.99	28.88	33.63	36.16	38.64
Total contribution to Contingency Reserves	**229.92**	**288.77**	**336.29**	**361.61**	**386.37**

5.21.5 MSEDCL has requested the Commission to allow the contribution to the contingency reserves as submitted above.

Commission's Analysis and Ruling

5.21.6 Regulation 35 of the MYT Regulations, 2024 provides for appropriation to the Contingency Reserve of not less than 0.25 % of the original cost of Fixed Assets annually towards in the calculation of ARR. The amount is to be invested in securities authorized under the Indian Trusts Act, 1882 within six months of the close of the financial year. Relevant Regulation are shown below:

> *"35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:*

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 such as Treasury Bills, Sovereign Bonds, Zero Coupon Bonds or similar kind of financial instruments, within a period of six months of the close of the Year:

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up:

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities for two consecutive Years, then the contribution to Contingency Reserves shall not be allowed in the calculation of Aggregate Revenue Requirement from the subsequent Year onwards."

5.21.7 MSEDCL has actually invested in securities towards contribution to contingency reserves in FY 2022-23 and FY 2023-24. The Commission has noted the same and approved the claim of MSEDCL based on actual contribution made although Regulation 35.1 of MYT Regulations, 2019 clearly states that the contribution to contingency reserves will not be allowed if licensees fail to invest in authorised securities for consecutive period of two years. Further, the reason for allowing the contribution in FY 2022-23 and FY 2023-24 was also on account of the Commission's stand in its MTR Order in Case No. 226 of 2022 wherein the Commission had stated that the actual contribution to Contingency Reserve may be allowed during the truing up process subject to necessary prudence check by the Commission.

5.21.8 Accordingly in FY 2024-25, the Commission has approved the claim of MSEDCL towards contribution to contingency reserves and on similar line, the Commission is allowing the contribution to contingency reserves for the 5th Control Period. It is to be noted that, MSEDCL will have to make actual investment towards contribution to contingency reserve during the 5th Control Period as submitted in MYT petition. Accordingly, the Commission is allowing any amount towards Contribution to contingency reserves as shown in the following table:

Table 299: Contribution to Contingency Reserve (Wires + Supply Business) for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Contribution to Contingency Reserves (Wire + Supply Business)	165.41	174.15	176.11	176.81	177.39

5.21.9 **Thus, the Commission has approved Rs. 165.41 Crore for FY 2025-26, Rs. 174.15 Crore for FY 2026-27, Rs. 176.11 Crore for FY 2027-28, Rs. 176.81 Crore for FY 2028-29 and Rs. 177.39 Crore for FY 2029-30 as Contribution to Contingency Reserve for 5th Control Period from FY 2025-26 to FY 2029-30. The Commission shall consider this, subject to be prudence check, at time of truing up of respective years.**

5.22 Incentives and Discounts

MSEDCL's Submission

5.22.1 MSEDCL has submitted that incentives and discounts are projected for the fifth Control Period considering a nominal rise of 5% over previous year based on 5% increase considered by the Commission in previous MYT Order of Case No. 322 of 2019 and MTR Order of Case No. 226 of 2022. Accordingly, incentives and discounts projected by MSEDCL for the 5th Control Period is given in table below:

Table 300: Incentives/Discounts for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Incentives/ Discounts	619.20	650.16	682.67	716.80	752.64

Commission's Analysis and Ruling

5.22.2 The Commission noted the past trend of incentive and discount approved to MSEDCL. In truing up of FY 2022-23 and FY 2023-24, the Commission has approved Rs. 477.37 Crore and Rs. 561.63 Crore, respectively, upon prudence check from the Audited Accounts. For FY 2024-25, the Commission has found the claim of MSEDCL in line with the past trend and hence approved Rs. 589.71 Crore. Since the increase of 5% year on year is in line with the approach taken by the Commission in past, the Commission approves incentives and discount for 5th Control Period considering the 5% y-o-y escalation rate as per the following table:

Table 301: Incentives and Discounts approved by the Commission for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Incentives and Discounts	619.20	650.16	682.67	716.80	752.64

5.22.3 **Thus, the Commission approves Rs. 619.20 Crore for FY 2025-26, Rs. 650.16 Crore for FY 2026-27, Rs. 682.67 Crore for FY 2027-28, Rs. 716.80 Crore for FY 2028-29 and Rs. 752.64 Crore for FY 2029-30 as expenses against incentives and discounts**.

5.23 Additional Surcharge Refund

MSEDCL's Submission

5.23.1 MSEDCL has stopped levy of additional surcharge to group captive consumers from since January 2022 and it has adopted methodology for refund of ASC. MSEDCL is refunding the ASC in every month to eligible consumers to the tune of Rs. 15 Crore. The refund burden is Rs. 168.13 Crore annually. Accordingly, the same is being claimed in the ARR for approval of the same.

Table 302: Additional Surcharge Refund as submitted by MSEDCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00

Commission's Analysis and Ruling

5.23.2 The Commission has examined claim of MSEDCL towards Additional Surcharge Refund. The claim of Refund on account of Additional Surcharge is as per Hon'ble Supreme Court's Order dated 10 December 2021 in Civil Appeal No. 5074/5075 of 2019. This issue has already been discussed in the approval of provisional true up of FY 2024-25.

5.23.3 Accordingly, the amount considered by the Commission for approval in 5th Control Period is given in the table below.

Table 303: Additional Surcharge Refund as submitted by MSEDCL for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00

5.23.4 **Hence, the Commission approves Rs. 168.13 Crore for FY 2025-26, Rs. 168.13 Crore for FY 2026-27 and Rs. 145.24 Crore for FY 2027-28 as Additional Surcharge Refund.**

5.24 Incremental and Bulk Consumption Rebate

MSEDCL's Submission

5.24.1 MSEDCL has projected the incremental consumption and bulk consumption rebate with 5% escalation w.r.t. FY 2024-25 for the 5th Control Period. The projected incremental consumption and bulk consumption rebate submitted by MSEDCL is shown in table below:

Table 304: Incremental Consumption and Bulk consumption Rebate as submitted by MSEDCL for FY 2025-26 to FY 2029-30 (In Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Incremental & Bulk Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83

Commission's Analysis and Rulings

5.24.2 The Commission has noted the submission of MSEDCL. It is observed that MSEDCL has considered a 5% escalation over the incremental and bulk consumption rebate estimated for FY 2024-25 on provisional basis to estimate the amount for FY 2025-26 to FY 2029-30. The Commission finds the claim of MSEDCL in line with the actual trend. In view of the same, the Commission has considered an escalation of 5% over the FY 2024-25 same as taken by MSEDCL to estimate the incremental consumption and bulk consumption rebate for FY 2025-26 to FY 2029-30.

5.24.3 Accordingly incremental consumption and bulk consumption rebate approved by the Commission for FY 2025-26 to FY 2029-30 is as shown in table below:

Table 305: Incremental Consumption and Bulk consumption Rebate approved by Commission for FY 2025-26 to FY 2029-30 (In Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Incremental & Bulk Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83

5.24.4 **Thus, Commission approves Rs. 1,136.02 Crore for FY 2025-26 Rs. 1,192.82 Crore for FY 2026-27, Rs. 1,252.46 Crore for FY 2027-28, Rs. 1,315.08 Crore for FY 2028-29 and Rs. 1,380.83 Crore for FY 2029-30 as incremental consumption and bulk consumption rebate.**

5.25 Income Tax

MSEDCL's Submission

5.25.1 MSEDCL has submitted that Regulation 34 of the MYT Regulations 2024 provides for Income Tax. MSEDCL has submitted that it has not actually paid Income Tax in FY 2023-24 and envisages that it may not pay the Income Tax during the Control Period as well. Hence, it has not grossed up the return on equity by income tax. However, MSEDCL submitted that it may claim Income Tax on actual basis during the Mid Term Review if it is applicable.

Commission's Analysis and Ruling

5.25.2 The Commission has noted that MSEDCL has not actually paid income tax in FY 2023-24 and is not likely to pay Income Tax in 5th Control Period. Hence, it has not grossed up the Return on Equity by Income Tax for the 5th Control Period.

5.25.3 **Thus, the Commission has not approved Income tax for 5th Control Period.**

5.26 Return on Equity

MSEDCL's Submission

5.26.1 MSEDCL has submitted RoE in accordance with Regulation 29.2 of MYT Regulations, 2024 for both wire and supply business. The Return on Equity capital is allocated in the ratio of Fixed Assets between the Wires and Retail Supply Business, i.e., 90% to Wires Business and 10% to Supply Business. Therefore, the capital expenditure, grants, equity and capitalisation are divided into wires and supply business in the ratio of 90:10.

5.26.2 MSEDCL has submitted that in Form 4.4 of the Regulatory Formats, MSEDCL has shown the details of year wise funding for various schemes wherein the debt: equity portion is arranged. However, there can be few capital works which can be funded by consumers through consumer contribution which will be reconciled at the time of finalization of accounts. It is further submitted that it will be difficult to project and allocate the Consumer Contribution to any scheme. Therefore, MSEDCL has not shown the Consumer Contribution in Form 4.4. However, for the purpose of computation of RoE, MSEDCL has projected the consumer contribution based on actual contribution as per past experience and projected capital expenditure. MSEDCL has computed the Return on Equity as per the methodology specified in the MYT Regulations 2024.

5.26.3 Accordingly, the RoE for wires business for the Control Period is projected as under:

Table 306: ROE for wires business for the 5th Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Regulatory Equity at the beginning of the year	14,446.34	17,342.29	19,705.45	20,209.49	20,691.74
Capitalisation during the year	12,049.76	8,955.39	3,475.51	3,325.26	1,248.30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Equity portion of capitalisation during the year	2,895.96	2,363.16	504.04	482.25	374.49
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	17,342.29	19,705.45	20,209.49	20,691.74	21,066.23
Return on Equity Computation					
Base Rate of Return on Equity	0.00	0.00	0.00	0.00	0.00
Pretax Return on Equity after considering effective Tax rate	0.00	0.00	0.00	0.00	0.00
Return on Regulatory Equity at the beginning of the year	2,239.18	2,688.06	3,054.34	3,132.47	3,207.22
Return on Regulatory Equity addition during the year	224.44	183.14	39.06	37.37	29.02
Total Return on Equity	**2,463.62**	**2,871.20**	**3,093.41**	**3,169.85**	**3,236.24**

5.26.4 Further the RoE for retail supply business for the Control Period is projected as under:

Table 307: ROE for Retail Supply business for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Regulatory Equity at the beginning of the year	1,625.26	1,947.04	2,209.61	2,265.61	2,319.20
Capitalisation during the year	1,338.86	995.04	386.17	369.47	138.70
Equity portion of capitalisation during the year	321.77	262.57	56.00	53.58	41.61
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	**1,947.04**	**2,209.61**	**2,265.61**	**2,319.20**	**2,360.81**
Return on Equity Computation					
Base Rate of Return on Equity	0.00	0.00	0.00	0.00	0.00
Pretax Return on Equity after considering effective Tax rate	0.00	0.00	0.00	0.00	0.00
Return on Regulatory Equity at the beginning of the year	284.42	340.73	386.68	396.48	405.86
Return on Regulatory Equity addition during the year	28.16	22.98	4.90	4.69	3.64
Total Return on Equity	**312.58**	**363.71**	**391.58**	**401.17**	**409.50**

5.26.5 MSEDCL has requested the Commission to approve the return on equity for both wheeling and supply business as per above projections.

Commission's Analysis and Ruling

5.26.6 As per Regulation 29.2 of MYT Regulations, 2024 the regulated rate of 17.50% and 15.50% is allowed for the Supply and Wires Business, respectively. The relevant extract from the regulation is reproduced below for reference.

> *"29.1 Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Performance Linked Return on Equity linked with actual performance:*
>
> *Provided that, the Return on Equity allowed at the time of MYT Proceedings shall be inclusive of both Base Return on Equity and Performance Linked Return on Equity:*
>
> *Provided further that Performance Linked Return on Equity considered at the time of MYT Proceedings is on provisional basis and may undergo change at the time of True-up based on level of performance on various parameters stipulated in these Regulations:"*
>
> *"29.2 i. Return on equity for the Generating Company having thermal, gas or hydro plants, Transmission Licensee and Distribution Wires Business, shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 15.50 (base rate – 14 + performance linked - 1.50) per cent per annum in Indian Rupee terms.*
>
> *ii. Return on equity for Retail Supply Business shall be allowed on the amount of equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 17.50 (base rate – 15.50 + performance linked -2.00) per cent per annum in Indian Rupee terms."*

5.26.7 The second proviso of Regulation 29.1 states that the Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Performance Linked Return on Equity linked with actual performance. Further, it also states that Return on Equity allowed at the time of MYT Proceedings shall be inclusive of both Base Return on Equity and Performance Linked Return on Equity. Further, Performance Linked Return on Equity considered at the time of MYT Proceedings is on provisional basis and may undergo change at the time of True-up based on level of performance on various parameters stipulated in these Regulations. Considering the foregoing para, the Commission approves RoE for FY 2025-26 to FY 2029-30 at the rate of 17.50% and 15.50% for the Supply and Wires Business, respectively.

5.26.8 As per Regulation 34 of MYT Regulation 2024, the income tax shall be allowed on ROE, and the effective rate of ROE shall be computed by grossing up with the applicable income tax rate for the Licensee Company. The relevant clause of the Regulation 34 is provided below for the purpose of quick reference:

"34.1 The Income Tax for the Generating Company or ESSD or Licensee or MSLDC or STU for the regulated business shall be allowed on Return on Equity, including Performance Linked Return on Equity at the income tax rate applicable for the respective financial year, through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.5……

34.2 The rate of Return on Equity, including the rate of Performance Linked Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with actual tax paid, for the previous year:

Provided that in case the Generating Company or ESSD or Licensee or MSLDC or STU for the regulated business has not paid any Income Tax for respective year, the Tax Rate shall be considered as zero at the time of Truing-up, subject to prudence check.

34.3 The Rate of Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below: Rate of pre-tax return on equity = Rate of Return on Equity / (1-t),

Where "t" is the actual tax rate including surcharge and cess."

5.26.9 Further, for the purpose of projections of pre-Tax RoE, the Commission observes that MSEDCL has not considered a tax rate for grossing up of ROE for the period FY 2025-26 to FY 2029-30. The Commission considers the same for the purpose of approval.

5.26.10 The Commission has considered the funding pattern as discussed in the previous Section of Interest expense for approving the RoE for the ensuing years. Approved closing equity for Wire and Supply for FY 2024-25 is Rs. 13,663.39 Crore and Rs. 1,538.27 Crore, respectively, and the same is considered as opening balance of equity for FY 2025-26 for wire and Supply business.

5.26.11 Accordingly, the RoE approved by the Commission from FY 2025-26 to FY 2029-30 for the Wires and Supply Business is given in following tables:

Table 308: RoE (Wires) for FY 2025-26 to FY 2029-30, approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	13,663.39	14,042.78	14,254.19	14,329.99	14,392.31
Equity portion of capitalisation during the year	379.39	211.41	75.80	62.32	58.20

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	14,042.78	14,254.19	14,329.99	14,392.31	14,450.52
Return on Equity Computation @ 15.50%					
Return on Regulatory Equity at the beginning of the year	2,117.82	2,176.63	2,209.40	2,221.15	2,230.81
Return on Regulatory Equity addition during the year	29.40	16.38	5.87	4.83	4.51
Total Return on Equity - Wires	**2,147.23**	**2,193.01**	**2,215.27**	**2,225.98**	**2,235.32**

Table 309: RoE (Supply) for FY 2025-26 to FY 2029-30, approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Regulatory Equity at the beginning of the year	1,538.27	1,580.42	1,603.91	1,612.34	1,619.26
Equity portion of capitalisation during the year	42.15	23.49	8.42	6.92	6.47
Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00
Regulatory Equity at the end of the year	1,580.42	1,603.91	1,612.34	1,619.26	1,625.73
Return on Equity Computation @ 17.50%					
Return on Regulatory Equity at the beginning of the year	269.20	276.57	280.68	282.16	283.37
Return on Regulatory Equity addition during the year	3.69	2.06	0.74	0.61	0.57
Total Return on Equity	**272.89**	**278.63**	**281.42**	**282.76**	**283.94**

Table 310: Summary of RoE (Wires and Supply) for FY 2025-26 to FY 2029-30 approved by the Commission (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Equity (Wires Business)	2,147.23	2,193.01	2,215.27	2,225.98	2,235.32
Return on Equity (Supply Business)	272.89	278.63	281.42	282.76	283.94
Return on Equity (Wire + Supply)	**2,420.11**	**2,471.64**	**2,496.70**	**2,508.74**	**2,519.26**

5.26.12 **Thus, the Commission approves Rs. 2,420.11 Crore for FY 2025-26, Rs. 2,471.64 Crore for FY 2026-27, Rs. 2,496.70 Crore for FY 2027-28, Rs.**

2,508.74 Crore for FY 2028-29 and Rs. 2,519.26 Crore for FY 2029-30 as Return on Equity.

5.27 Implementation of Demand Side Management Program

MSEDCL's Submission

5.27.1 The Commission has introduced Regulations known as the "Maharashtra Electricity Regulatory Commission (Demand Flexibility and Demand Side Management – Implementation Framework, Cost-effectiveness Assessment; and Evaluation, Measurement and Verification) Regulations, 2024". These Regulations are designed to apply throughout the State of Maharashtra and affect all existing and future distribution licensees operating within the state.

5.27.2 Under these regulations, every distribution licensee is required to integrate Demand Flexibility (DF) and Demand Side Management (DSM) into their daily operations. This involves planning, designing, and executing DF and DSM programs that are measurable, replicable, and beneficial for smooth grid operations.

5.27.3 The Commission has directed to Distribution licensee to submit its existing level of own energy consumption and provide the trajectory for the reduction of such own energy consumption.

5.27.4 Under DSM, MSEDCL is planning for replacement of conventional pumps by BEE-5 star (BLDC) efficient fan to MSEDCL offices. MSEDCL has submitted overall benefits of the program and ~ 5.58 MUs of reduction in electricity demand of MSEDCL offices.

5.27.5 Overall cost required for implementation of DSM program is given in table below:

Table 311: Cost of DSM program for FY 2025-26 as submitted by MSEDCL (Rs. Crore)

MSEDCL offices	Nos. of offices	Fans per office	Total Fans	Total Cost
Regional offices	4	25	100	270,000
Zone	16	25	400	1,080,000
Circle offices	44	20	880	2,376,000
Division offices	188	15	2,820	7,614,000
Subdivision offices	668	10	6,680	18,036,000
Section offices	2,984	2	5,968	16,113,600
Total	**3,904**	**97**	**16,848**	**45,489,600**
Total in Rs. Crore				**4.54**

5.27.6 Hence, MSEDCL has requested the Commission to approve cost of DSM program as a part of ARR for FY 2025-26.

Commission's Analysis

5.27.7 As per MERC (Demand Flexibility and Demand Side Management – Implementation Framework, Cost-effectiveness Assessment; and Evaluation, Measurement and Verification) Regulations, 2024 ***(hereafter referred as MERC Demand Flexibility Regulations, 2024)***. The relevant provisions from the Regulations applicable for distribution licensees are quoted below:

*"**4. DF / DSM Guiding Principles:***

The duties of the Distribution Licensees shall be as follows:

***a) Development of DF / DSM portfolio:** Distribution Licensees shall develop a strong portfolio of DF / DSM programmes, on the basis of comprehensive load research, that provide long-term savings and feed into the resource adequacy requirements. The DF / DSM portfolio shall contribute to the integrated resources planning requirements, resource adequacy assessment and provide a market transformation trigger.*

……………..

***b) Timelines for submission of DF / DSM portfolio and according approvals:** The distribution licensees shall submit a "DF / DSM programme portfolio and implementation action plan" (format in Annexure 1) 3 months prior to the submission of the MYT Tariff filings.*

…..

***c) DFPO multi-year targets:** Distribution Licensees shall adhere to specific demand flexibility portfolio obligations (DFPO) set-up with a following specific trajectory:*

Year	***DFPO as percentage of peak demand experienced in previous Financial Year***
FY 2025-26	*1.5%*
FY 2026-27	*1.5%*
FY 2027-28	*2.0%*
FY 2028-29	*2.5%*
FY 2029-30	*3.5%*

DFPO represent maximum flexibility available to decrease the load at a single instance at the time of maximum expected peak demand and corresponding increase in the non-peak hours during a 24-hours period, demonstrated for at least one hour in a year. The Licensees are required to carry out at least one DF/DR event in a year that is coincidental with the top 10 days of the previous year's recorded peak demand. Subsequent to the first five years of trajectory for DFPO described above, the Distribution Licensees shall perpetually ensure 3.5% of the previous year's peak demand as DFPO till the time it is revised by the Commission.

d) DFPO incentives and disincentives: *Distribution Licensee shall be eligible for an incentive of INR 0.20 Crores for every MW achieved in excess of DFPO. Similarly, Distribution Licensee shall be subjected to a disincentive of INR 0.20 Crores for every MW underachievement of DFPO."*

e)…….

Given the new loads that are now experienced by the Distribution Licensees, programme basket proposed and implemented through these Regulations shall include, but not limited to, the following:

a) time-based and selective pumping (based on the cost of energy) in Lift Irrigation Schemes, Municipal Corporations, Urban Local Bodies, Nagar parishads, drinking water schemes at villages and cluster of villages;

b) smart charging of electric vehicles in the 2-wheeler, 3-wheeler, passenger cars, fleet vehicles, public transportation buses, freight carriers, first-mile and last-mile delivery vehicles;

c) behind-the-meter battery energy storage systems;

d) heat pumps in residential, hospitals, hotels, industries, commercial buildings;

e) thermal energy storage systems in residential, hospitals, hotels, industries, commercial buildings;

f) replacement of old/inefficient appliances with efficient appliances at consumer premises;

g) all behavioural changes in the end-uses facilitated through awareness programmes that do not need any specific investments."

5.27.8 The Commission in data gaps queries had directed MSEDCL to factor in DFPO target while working out power purchase basket. As per Regulation 4(b) of MERC Demand Flexibility Regulations, 2024, Distribution Licensees are mandated to submit block estimates and budget to implement DF/DSM portfolio in MYT Petition. Accordingly, the Commission directed MSEDCL to provide details of its DSM plans as they were not submitted as the part of its MYT Petition. In response to data gaps, MSEDCL submitted the details of schemes being implemented for AG consumers like MSKVY, KUSUM-C, AG Solar Pumps etc. The Commission noted the submissions of MSEDCL, however, the schemes proposed by MSEDCL are primarily introduced / supported by the Central / State government for AG consumers while the intent of the Demand Flexibility Regulation is much wider and is intended to implement programmes that add to the structures of resource adequacy and those that include demand flexibility to provide quick ramp-up and ramp-down services, reduce peak demand and associated costly power purchase, specifically in the urban centres and embedding cheaper renewable energy available within and from outside of the distribution licensee area of supply. Further, the Demand Flexibility programmes should also include Demand Response initiatives involving consumers agreeing to modulate their load shapes through a contract with the licensee.

5.27.9 However, the justification/ details submitted by MSEDCL regarding compliance of DFPO targets through schemes targeting AG consumers is not in line with the objectives envisaged under the Demand Flexibility Regulations, 2024 and hence the achievements under these schemes cannot be accepted by the Commission as compliance with the DFPO targets.

5.27.10 Further, during the public hearings and queries raised in data gaps, the Commission has directed MSEDCL to submit details of its own consumption at various offices and substations. In response, MSEDCL has submitted the details of number of offices and substations, their annual electricity consumption from FY 2022-23 up to February 2025 along with the electricity bills. It is observed that, electricity bills of MSEDCL offices and substations is ~ Rs. 30 Crore annually. MSEDCL should plan for DSM and Demand Flexibility measures to shift or reduce the electricity consumption and consequently the electricity bill of MSEDCL offices.

5.27.11 The Commission has noted the plan proposed by MSEDCL for implementation of DSM program by replacing conventional fans by BLDC fans at its offices. The initiative of MSEDCL and envisaged savings from this initiative is a welcome step for implementation of energy efficiency in its offices. The proposed replacement with energy efficient BLDC fans would save around 2,000 MUs during 5th Control Period. In light of the provisions 104.4 of MYT regulations, 2024 as elaborated in Section 2.39.9, MSEDCL shall reduce its own consumption under DSM measures. Hence, the Commission directs MSEDCL to reduce its own consumption in 5th Control Period with the following trajectory:

Table 312: Trajectory for reduction of MSEDCL's own energy consumption for 5th Control Period as approved by the Commission (%)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Own consumption reduction trajectory (%)	0.50%	1.00%	1.50%	2.00%	2.50%

5.27.12 MSEDCL is directed to reduce its own consumption in line with the above trajectory and submit the actual performance at the time of MTR proceedings.

5.27.13 Further, as per provisions of MERC Demand Flexibility Regulations, 2024, MSEDCL needs to develop a detailed plan for implementation of demand flexibility program covering the themes discussed earlier during the Control Period and carry out activities required to achieve DFPO targets. MSEDCL shall assess the feasibility of Battery Energy Storage Systems (BESS) at distribution substation level or consumer level and initiate a pilot project for developing the BESS at distribution substation level.

5.27.14 It is observed that the present submission pertains to first year of Control Period only i.e., FY 2025-26. Accordingly, MSEDCL is required to prepare and submit detailed plan for implementation of demand flexibility program in the Control Period within 6 months from the date of issuance of this Order.

5.27.15 **Notwithstanding the above, the Commission presently approves Rs. 4.54 Crore towards DSM activities for FY 2025-26. This amount is same as that proposed by MSEDCL in its Petition.**

5.28 Revenue from sale of electricity

MSEDCL's Submission

5.28.1 MSEDCL has considered the projected sales, No. of consumers and Connected load/ Contract Demand / Billing Demand for the 5th Control Period and tariff prevailing as on date of submission of the Petition for the projections of revenue.

5.28.2 Year wise projections of expected revenue from the sale of power for 5th Control Period is as given in the following table:

Table 313: Revenue from Sale of Power at Existing Tariff for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Revenue from Sale of Power at Existing tariff	1,34,277	1,41,500	1,48,255	1,54,866	1,61,471

Commission's Analysis and Ruling

5.28.3 Considering the approved projected sales, number of consumers, and Connected Load/ Contract Demand as discussed in the preceding Sections of the MYT Order and the prevailing tariff, the Commission has estimated the Revenue from the existing Tariff for 5th Control Period from FY 2025-26 to FY 2029-30 as shown in the following Table:

Table 314: Revenue at existing Tariff at Projected Sales for FY 2025-26 to FY 2029-30 as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Revenue from Sale of Power	1,26,675.84	1,32,645.92	1,38,864.07	1,45,303.64	1,52,048.98

5.28.4 **Thus, the Commission approves revenue of Rs. 1,26,675.84 Crore for FY 2025-26, Rs. 1,32,645.92 Crore for FY 2026-27, Rs. 1,38,864.07 Crore for FY 2027-28, Rs. 1,45,303.64 Crore for FY 2028-29 and Rs. 1,52,048.98 for FY 2029-30 towards sale of power at existing tariff**.

5.29 Non-Tariff Income

MSEDCL's Submission

5.29.1 MSEDCL has submitted that it has certain sources of Non-Tariff Income namely, interest on arrears of consumers, interest on staff loans and advances, sale of scrap, interest on investment etc. It has further submitted that an annual increase of 5% over the previous year has been considered for projecting non-Tariff Income for the 5th Control Period.

5.29.2 However, Regulation 37.3 of the MERC MYT Regulations, 2024 provides for non-inclusion of the Delayed Payment Charge and Interest on Delayed Payment in Non-Tariff Income. Accordingly, MSEDCL has not projected any Delayed Payment Charge and Interest on Delayed Payment in Non-Tariff Income. MSEDCL further has not projected the deferred income since the consumer contribution and grants is being getting subtracted from opening GFA.

5.29.3 In accordance with Regulation 37.3, MSEDCL has submitted that it has not projected any delayed payment charges and interest on the same. Following table shows the projected non-tariff income for the period FY 2025-26 to FY 2029-30.

Table 315: Non-Tariff Income for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Rents of land or buildings	1.22	1.28	1.34	1.41	1.48
Other/Miscellaneous receipts	397.71	417.60	438.48	460.40	483.42
Interest on Contingency Reserve Investments	32.03	33.63	35.32	37.08	38.94
Sale of Scrap	27.78	29.17	30.63	32.16	33.77
Sale of Tender forms	16.58	17.41	18.28	19.19	20.15
Revenue from subsidy and grant	81.35	85.42	89.69	94.17	98.88

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Total Non-Tariff Income	**556.68**	**584.51**	**613.73**	**644.42**	**676.64**

Commission's Analysis and Ruling

5.29.4 The Commission has examined various heads under which MSEDCL has proposed under Non-Tariff Income. The Commission has observed that, the projection of non-tariff income under various heads are projected by MSEDCL with an increase of 5% over non-tariff income for previous years. The Commission reviewed the past trend of major heads of Non-Tariff Income and found them mostly in line with the projections made by MSEDCL. The Commission has accepted the projections of MSEDCL against the proposed heads of non-tariff income subject to prudence check at time of truing up.

5.29.5 In view of the above, the Commission has approved the Non-Tariff Income for FY 2025-26 to FY 2029-30 as given in the table below.

Table 316: Non-Tariff Income for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Rents	1.22	1.28	1.34	1.41	1.48
Other / Miscellaneous receipts	397.71	417.60	438.48	460.40	483.42
Interest on Contingency Reserve Investments	32.03	33.63	35.32	37.08	38.94
Sale of Scrap	27.78	29.17	30.63	32.16	33.77
sale of Tender forms	16.58	17.41	18.28	19.19	20.15
Revenue from subsidy & grant	81.35	85.42	89.69	94.17	98.88
Total non-tariff income	**556.67**	**584.51**	**613.74**	**644.42**	**676.64**

5.29.6 **Thus, the Commission approves Rs. 556.67 Crore for FY 2025-26, Rs. 584.51 Crore for FY 2026-27, Rs. 613.74 Crore for FY 2027-28, Rs. 644.42 Crore for FY 2028-29 and Rs. 676.64 Crore for FY 2029-30 as Non-Tariff Income.**

5.30 Income from Open Access Charges

MSEDCL's Submission

5.30.1 MSEDCL has submitted that Income from Open Access Charges (including CSS, Transmission Charges, Operating Charges etc.) which are inclusive of the income from wheeling charges has been computed as per the provisions of MYT Regulations 2024.

5.30.2 The projection of income from Open Access Charges submitted by MSEDCL for 5th Control Period are given in following table:

Table 317: Income from Open Access Charges for the Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Income from Open Access Charges	325.35	390.18	466.98	510.59	562.65

Commission's Analysis and Ruling

5.30.3 The Commission has noted the submission of MSEDCL regarding income from Open Access Charges. It is observed that, MSEDCL has projected income from Open Access Charges based on projected OA sales and projected wheeling and CSS charges for ensuing years.

5.30.4 As regards, the revenue from wheeling and CSS, MSEDCL has provided the wheeling and CSS revenue working in MYT formats, where MSEDCL has estimated the same by considering the wheeling and CSS charges proposed for the respective ensuing years.

5.30.5 The Commission for the purpose of projections has estimated the revenue from CSS based on the category wise OA quantum projected by the Commission in energy balance with the category wise existing CSS approved by the Commission. The Commission notes that, MSEDCL has considered the transmission charges collected from the OA consumers. However as per the provisions of the DOA Regulations and MYT Regulations, MSEDCL is required to submit the transmission charges to the STU within 7 days. Accordingly, the Commission has not included the transmission charges collected by MSEDCL in its income from OA consumers. The MSEDCL is required to deposit the transmission charges to the STU as per the provisions of the DOA Regulations as discussed above.

5.30.6 The present approval is on projection basis and the same shall approved on the actual basis at the time of true-up, subject to prudence check. The summary of the approved revenue from OA charges is provided in the following table.

Table 318: Income from Open Access Charges for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Income from Open Access Charges	247.39	275.34	306.84	330.81	362.97

5.30.7 **Thus, the Commission has approved Rs. 247.39 Crore for FY 2025-26, Rs. 275.34 Crore for FY 2026-27, Rs. 306.84 Crore for FY 2027-28, Rs. 330.81**

Crore for FY 2028-29 and Rs. 362.97 Crore for FY 2029-30 as income from Open Access Charges.

5.31 Income from Additional Surcharge

MSEDCL's Submission

5.31.1 MSEDCL has computed the income from additional surcharge as per the DOA Regulations. Further, taking into consideration the levy of Green Energy Open Access Regulations, 2023, which exempts Green Energy Open Access consumers paying Demand charges to pay Additional Surcharge, MSEDCL has not envisaged any income from Levy of Additional surcharge from the Green Energy Open Access customers in the 5th Control Period. MSEDCL has envisaged the levy of such Additional surcharge only from the conventional IPP Open Access customers. The summary of projected income from Additional Surcharge for the Control Period is summarised in following table:

Table 319: Income from Additional Surcharge for the Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Income from Additional Surcharge	0.14	0.14	0.15	0.15	0.16

Commission's Analysis and Ruling

5.31.2 The Commission had raised a query regarding the additional surcharge proposed by MSEDCL in the data gaps. In response to the data gaps, MSEDCL submitted that during supply disruptions or generator failures, industrial consumers retain contract demand and draw power from the MSEDCL grid to avoid material wastage or machinery damage. Such Unscheduled Interchange (UI) attracts penal charges under Regulation 19.2 of the MERC (DOA) Regulations, 2016, equivalent to temporary connection charges.

5.31.3 MSEDCL further highlighted that partial open access consumers can draw power from the grid without prior intimation, albeit at a higher cost, and MSEDCL remains obligated to supply power under such circumstances. The Commission, through the MERC (DOA) (Second Amendment) Regulations, 2023, dated 10 November 2023, reduced the open access eligibility criteria from 1 MVA to 100 kW. With increased open access transactions, MSEDCL's power purchase commitments remain stranded, leading to unavoidable fixed costs that cannot be recovered through Wheeling or Stand-by Charges. Hence, MSEDCL has proposed an additional surcharge to be recovered from OA consumers.

5.31.4 The Commission notes the justification provided by MSEDCL in support of the projections of income from additional surcharge. The Commission would like to highlight that in earlier Orders, the additional surcharge was determined mainly for backing down the thermal generators due to OA consumers. Whereas, with the RA plan, increasing RE procurement and flexible operation of thermal generators, there would be several factors influencing the need for backing down of thermal generating stations and cannot be solely attributed to open access consumer. Thus, imposing additional burden of additional surcharge on OA consumers is not justified. Further, as per GEOA Regulations, additional surcharge cannot be applied on GEOA consumers. The Commission has elaborated its rational and ruling in respect of determination and levy of Additional Surcharge in subsequent sections under Chapter on Tariff Philosophy.

5.31.5 Hence, the Commission is not approving the levy of additional surcharge during the 5th Control Period and accordingly, the amount claimed towards income from such additional surcharge by MSEDCL for 5th Control Period is not considered for approval. The table below outlines the additional surcharge approved by the Commission of the 5th Control Period.

Table 320: Income from Additional Surcharge for FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Income from Additional Surcharge	0.00	0.00	0.00	0.00	0.00

5.31.6 **Thus, the Commission does not approve any Income from Additional Surcharge for the 5th Control Period.**

5.32 Aggregate Revenue Requirement

MSEDCL's Submission

5.32.1 Based on the parameters discussed above, the Aggregate Revenue Requirement for the Control Period for Wire Business is summarised in following Table:

Table 321: ARR for Wires Business for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Operation and Maintenance Expenses	8,157.40	9,934.03	11,411.41	12,704.17	13,873.97
Depreciation	3,588.86	3,348.37	3,101.89	2,999.42	2,871.52
Interest on Loan Capital	1,133.86	1,552.71	1,700.75	1,687.11	1,584.68
Interest on Working Capital	190.62	234.50	261.09	273.93	280.49
Interest on deposit from Consumers and Distribution System Users	100.61	110.67	121.74	133.91	147.30

Particulars	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	110.29	115.00	119.93	125.11	130.53
Opex Schemes	73.96	71.16	72.25	72.25	72.25
Contribution to contingency reserves	206.93	259.89	302.66	325.45	347.74
Income Tax	0.00	0.00	0.00	0.00	0.00
Return on Equity Capital	2,463.62	2,871.20	3,093.41	3,169.85	3,236.24
Aggregate Revenue Requirement	**16,026.14**	**18,497.53**	**20,185.12**	**21,491.18**	**22,544.72**

5.32.2 The Aggregate Revenue Requirement for the Control Period for Supply Business is summarised in the following table:

Table 322: ARR for Supply Business for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26 Projections	FY 2026-27 Projections	FY 2027-28 Projections	FY 2028-29 Projections	FY 2029-30 Projections
Power Purchase Expenses (including Inter-State Transmission Charges)	93,956.50	1,04,870.68	1,12,577.95	1,19,148.55	1,24,789.52
Operation and Maintenance Expenses	4,392.45	5,349.09	6,144.61	6,840.71	7,470.60
Depreciation	398.76	372.04	344.65	333.27	319.06
Interest on Loan Capital	125.98	172.52	188.97	187.46	176.08
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Interest on Consumer Security Deposit	905.47	996.02	1,095.62	1,205.18	1,325.70
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	992.60	1,034.97	1,079.39	1,125.96	1,174.78
Other Expenses	304.98	320.23	336.24	353.05	370.70
Income Tax	0.00	0.00	0.00	0.00	0.00
Intra-State Transmission Charges	9,778.24	10,155.85	11,865.84	13,288.80	14,407.50
Incentives/Discounts	619.20	650.16	682.67	716.80	752.64
Contribution to contingency reserves	22.99	28.88	33.63	36.16	38.64
DSM Expenses	4.54	0.00	0.00	0.00	0.00
Return on Equity Capital	312.58	363.71	391.58	401.17	409.50
RLC refund	16.68	16.68	16.68	16.68	16.68
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00
Effect of sharing of gains/losses	0.00	0.00	0.00	0.00	0.00
Past Period Surplus	0.00	0.00	0.00	0.00	0.00
Revenue Gap Recovery Allowed	0.00	0.00	0.00	0.00	0.00
Impact of payment to MPECS in future years	0.00	0.00	0.00	0.00	0.00
Opex Scheme	63.54	63.10	64.19	64.19	64.19
Incremental Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83
STU Charges	7.42	7.82	7.93	8.11	8.12
Aggregate Revenue Requirement	**1,13,201.52**	**1,25,762.69**	**1,36,227.64**	**1,45,041.16**	**1,52,704.54**

5.32.3 Based on the Wire and Supply Business ARR discussed above, the stand-alone Revenue gap (combined for wires and supply) for Control Period is summarised in following Table: -

Table 323: Combined ARR for Supply and Wires Business for the Control Period as submitted by MSEDCL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Projections	Projections	Projections	Projections	Projections
Power Purchase Expenses	93,956.50	1,04,870.68	1,12,577.95	1,19,148.55	1,24,789.52
Operation and Maintenance Expenses	12,549.85	15,283.12	17,556.02	19,544.88	21,344.57
Depreciation Expenses	3,987.62	3,720.42	3,446.54	3,332.68	3,190.58
Interest on Loan Capital	1,259.84	1,725.23	1,889.72	1,874.57	1,760.76
Interest on Working Capital	190.62	234.50	261.09	273.93	280.49
Interest on Consumers Security Deposit	1,006.08	1,106.68	1,217.35	1,339.09	1,473.00
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	1,102.89	1,149.97	1,199.33	1,251.07	1,305.32
Other Expenses	304.98	320.23	336.24	353.05	370.70
Income Tax	0.00	0.00	0.00	0.00	0.00
Intra-State Transmission Charges MSLDC charge	9,778.24	10,155.85	11,865.84	13,288.80	14,407.50
Incentives/Discounts	619.20	650.16	682.67	716.80	752.64
Contribution to Contingency Reserves	229.92	288.77	336.29	361.61	386.37
Opex Scheme	137.50	134.26	136.43	136.43	136.43
DSM Expense	4.54	0.00	0.00	0.00	0.00
Return on Equity Capital	2,776.20	3,234.91	3,484.99	3,571.02	3,645.74
RLC refund	16.68	16.68	16.68	16.68	16.68
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00
Effect of sharing of gains/losses	0.00	0.00	0.00	0.00	0.00
Past Period Adjustment by Commission	0.00	0.00	0.00	0.00	0.00
Revenue Gap Recovery Allowed	0.00	0.00	0.00	0.00	0.00
Add: Impact of payment to MPECS in future years	0.00	0.00	0.00	0.00	0.00
Incremental and Bulk Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83
STU Charges	7.42	7.82	7.93	8.11	8.12
Aggregate Revenue Requirement	**1,29,227.66**	**1,44,260.22**	**1,56,412.76**	**1,66,532.34**	**1,75,249.26**
Revenue from Sale of Power	1,34,276.89	1,41,500.33	1,48,254.95	1,54,866.37	1,61,471.21
Non-Tariff Income	556.68	584.51	613.73	644.42	676.64
Income from Open Access Charges	325.35	390.18	466.98	510.59	562.65
Income from Trading of Surplus Power	710.84	3,346.77	3,676.76	5,299.16	7,074.04
Income from Wheeling Charges	0.00	0.00	0.00	0.00	0.00
Income from Additional Surcharge	0.14	0.14	0.15	0.15	0.16
Total Revenue	**1,35,869.89**	**1,45,821.93**	**1,53,012.58**	**1,61,320.69**	**1,69,784.70**
Revenue Gap/(Surplus)	**(6,642.23)**	**(1,561.71)**	**3,400.18**	**5,211.66**	**5,464.56**

5.32.4 MSEDCL envisages to be energy surplus in each year of the Control Period due to constraints in operating the generating plants below the Technical minimum level. MSEDCL intends to sell the surplus energy over Energy Exchanges. MSEDCL envisages to sell 40% of the surplus energy over exchange in the initial three years of the Control Period (FY 2025-26 to FY 2027-28) and progressively increase it to 60% in FY 2028-29 to 100% in FY 2029-30.

5.32.5 MSEDCL requests the Commission to allow the expenditure and revenue gap as shown in the above table.

Commission's Analysis and Ruling

5.32.6 As elaborated in earlier paragraphs, the Commission has undertaken component wise analysis of ARR from FY 2025-26 to FY 2029-30 in accordance with the Regulations and has approved them as set out earlier in the Order.

5.32.7 On that basis, the ARRs determined from FY 2025-26 to FY 2029-30 as shown in the following Tables:

Table 324: Aggregate Revenue Requirement for Wires Business from FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operation & Maintenance Expenses	6,944.27	7,241.93	7,681.71	8,137.68	8,609.79
Depreciation	2,568.00	2,530.55	2,198.37	2,056.43	1,926.88
Interest on Loan Capital	693.32	605.93	412.94	225.95	67.54
Interest on Working Capital	135.60	128.88	115.43	102.55	88.60
Interest on deposit from Consumers and Distribution System Users	95.52	106.57	117.23	128.95	141.84
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	90.04	90.04	90.04	90.04	90.04
Opex Schemes	38.86	38.86	39.95	39.95	39.95
Contribution to contingency reserves	148.87	156.74	158.50	159.13	159.65
Income Tax	0.00	0.00	0.00	0.00	0.00
Return on Equity Capital	2,147.23	2,193.01	2,215.27	2,225.98	2,235.32
Aggregate Revenue Requirement	**12,861.70**	**13,092.51**	**13,029.43**	**13,166.65**	**13,359.60**

Table 325: Aggregate Revenue Requirement for Supply Business from FY 2025-26 to FY 2029-30, approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses (including Inter-State Transmission Charges)	85,181.70	88,625.43	94,255.95	1,00,505.18	1,06,707.65
Operation & Maintenance Expenses	3,739.22	3,899.50	4,136.31	4,381.83	4,636.04
Depreciation	285.33	281.17	244.26	228.49	214.10
Interest on Loan Capital	77.04	67.33	45.88	25.11	7.50
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Interest on Consumer Security Deposit	859.69	959.13	1,055.04	1,160.54	1,276.60
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	810.34	810.34	810.34	810.34	810.34
Other Expenses	200.54	210.57	221.10	232.16	243.76
Income Tax	0.00	0.00	0.00	0.00	0.00
Intra-State Transmission Charges	8,856.91	8,747.85	9,397.76	9,659.95	9,797.21
Incentives/Discounts	619.20	650.16	682.67	716.80	752.64
Contribution to contingency reserves	16.54	17.42	17.61	17.68	17.74
DSM Expenses	4.54	0.00	0.00	0.00	0.00
Return on Equity Capital	272.89	278.63	281.42	282.76	283.94
RLC refund	16.68	16.68	16.68	16.68	16.68
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00
Opex Scheme	36.06	36.06	37.15	37.15	37.15
Incremental Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83
STU Charges	7.61	8.14	8.14	7.87	7.43
Total Revenue Expenditure	**1,02,288.43**	**1,05,969.33**	**1,12,608.00**	**1,19,397.61**	**1,26,189.61**
Revenue from Sale of Power	1,26,675.84	1,32,645.92	1,38,864.07	1,45,303.64	1,52,048.98
Non-Tariff Income	556.67	584.51	613.74	644.42	676.64
Income from Open Access Charges	247.39	275.34	306.84	330.81	362.97
Income from Trading of Surplus Power	0.00	646.18	2,154.65	1,796.96	2,152.41
Income from Wheeling Charges	0.00	0.00	0.00	0.00	0.00
Income from Additional Surcharge	0.00	0.00	0.00	0.00	0.00
Total Revenue	**1,27,479.90**	**1,34,151.95**	**1,41,939.30**	**1,48,075.83**	**1,55,241.00**
Revenue Gap	**(25,191.46)**	**(28,182.62)**	**(29,331.30)**	**(28,678.23)**	**(29,051.39)**

Table 326: Aggregate Revenue Requirement for Wires + Supply Business from FY 2025-26 to FY 2029-30, as approved by Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	85,181.70	88,625.43	94,255.95	1,00,505.18	1,06,707.65
Operation & Maintenance Expenses	10,683.50	11,141.44	11,818.01	12,519.50	13,245.83
Depreciation Expenses	2,853.34	2,811.72	2,442.64	2,284.92	2,140.97
Interest on Loan Capital	770.35	673.26	458.82	251.06	75.05
Interest on Working Capital	135.60	128.88	115.43	102.55	88.60
Interest on Consumers Security Deposit	955.21	1,065.70	1,172.26	1,289.49	1,418.44
Other Finance Charges	0.00	0.00	0.00	0.00	0.00
Provision for bad and doubtful debts	900.37	900.37	900.37	900.37	900.37
Other Expenses	200.54	210.57	221.10	232.16	243.76
Income Tax	0.00	0.00	0.00	0.00	0.00
Intra-State Transmission Charges MSLDC charge	8,856.91	8,747.85	9,397.76	9,659.95	9,797.21
Incentives/Discounts	619.20	650.16	682.67	716.80	752.64
Contribution to Contingency Reserves	165.41	174.15	176.11	176.81	177.39
Opex Scheme	74.92	74.92	77.09	77.09	77.09
DSM expenses	4.54	0.00	0.00	0.00	0.00
Return on Equity Capital	2,420.11	2,471.64	2,496.70	2,508.74	2,519.26
RLC refund	16.68	16.68	16.68	16.68	16.68
Additional Surcharge Refund	168.13	168.13	145.24	0.00	0.00
Incremental and Bulk Consumption Rebate	1,136.02	1,192.82	1,252.46	1,315.08	1,380.83
STU Charges	7.61	8.14	8.14	7.87	7.43
Aggregate Revenue Requirement	**1,15,150.14**	**1,19,061.85**	**1,25,637.43**	**1,32,564.26**	**1,39,549.21**
Revenue from Sale of Power	1,26,675.84	1,32,645.92	1,38,864.07	1,45,303.64	1,52,048.98
Non-Tariff Income	556.67	584.51	613.74	644.42	676.64
Income from Open Access Charges	247.39	275.34	306.84	330.81	362.97
Income from Trading of Surplus Power	0.00	646.18	2,154.65	1,796.96	2,152.41
Income from Wheeling Charges	0.00	0.00	0.00	0.00	0.00
Income from Additional Surcharge	0.00	0.00	0.00	0.00	0.00
Total Revenue	**1,27,479.90**	**1,34,151.95**	**1,41,939.30**	**1,48,075.83**	**1,55,241.00**
Revenue Gap/(Surplus)	**(12,329.76)**	**(15,090.10)**	**(16,301.87)**	**(15,511.58)**	**(15,691.79)**

5.32.8 **Accordingly, the Commission approves the ARR of Rs. 1,15,150.14 Crore for FY 2025-26, Rs. 1,19,061.85 Crore for FY 2026-27, Rs. 1,25,637.43 Crore for FY 2027-28, Rs. 1,32,564.26 Crore for FY 2028-29 and Rs. 1,39,549.21 Crore for FY 2029-30.**

5.32.9 **The variation in ARR submitted by MSEDCL and approval by the Commission is mainly due to reduction in power purchase cost and reduction in capitalisation along with its consequential impacts on O&M expenses, depreciation, interest on loan, and return on equity. Further, the**

Commission has also not allowed contribution to contingency reserves for the 5th Control Period and has approved lower provision for bad & doubtful debt and Other Expenses based on scrutiny of submissions made by MSEDCL.

6 Additional claims and revenue gap

6.1 Impact of Review Order

MSEDCL's Submission

6.1.1 MSEDCL had filed a Review Petition seeking review of MTR Order in Case No. 226 of 2022 dated 31 March 2023.

6.1.2 The Commission in its Order of Case No. 102 of 2023 dated 31 December 2024 had allowed a financial impact of Rs. 398.15 Crore to be claimed in the MYT filing for the 5th Control Period with the applicable carrying cost. Further, the Commission has approved Rs. 36.38 Crore as "Other Scheme expenses" as part of A&G expenses.

6.1.3 Details of the issues allowed in the Review Order in Case No. 102 of 2023 and the overall impact of Review Order claimed by MSEDCL in present MYT petition is given in the table below:

Table 327: Financial Impact of Review Order of Case No. 102 of 2023 as submitted by MSEDCL

Sr. No.	Particulars	Amount (Rs. Crores)
1	Impact on account of Revised quantum of MSPGCL stations as per Hon'ble MERC MTR Order for MSPGCL and Power Purchase cost of Bhusawal 4 & 5 and Khaparkheda 1 to 4 Stations of MSPGCL for FY 2022-23	0.00
2	Review on account of additional InSTS charges to be allowed for FY 21-22 as per Hon'ble MERC MTR Order for STU	0.00
3	Review of Additional cost to be allowed in InSTS (True-up) (FY 19-20 & FY 20-21)	23.97
4	Review of normative O&M and actual O&M expenses for FY 2019-20 to FY 2024-25	122.86
5	Non-consideration of finance expense in Other expenses for FY 2020-21 and FY 2021-22	8.43
6	Error in consideration of the trade receivables as per audited accounts for calculating provision for Bad Debt for FY 2019-20	0.00
7	Difference in computation of Debt: Equity ratio and its impact on Computation of Interest Expenses for FY 2021-22 and onwards	4.29
8	Withholding of claim of additional Return in Equity for Wires Business for FY 20-21 and FY 21-22	0.00
9	Disallowance of consumer contribution and grants in opening GFA for working out maintenance spares under working capital provisions for FY 2020-21 to FY 2024-25	0.00

Sr. No.	Particulars	Amount (Rs. Crores)
10	Error in consideration of Interest on Security Deposit as per audited accounts for FY 2020-21	0.44
11	Non-Consideration of additional consumer security deposit for FY 2022-23 to FY 2024-25	0.00
12	Interest on Working Capital for FY 2019-20 to FY 2021-22	0.00
13	Depreciation for FY 2019-20 and FY 2022-23 to FY 2024-25	238.16
14	**Total approved impact in the Review Order**	**398.15**
15	Other Scheme expense (to be approved as part of Review Order)	36.38
16	**Total**	**434.53**

6.1.4 MSEDCL submitted that it has currently considered the impact of Rs. 398.14 Crore (as approved by the Commission in the Review Order) for the purpose of revenue gap computation in the subsequent paragraphs.

6.1.5 MSEDCL further requested the Commission to consider the additional claim of Rs. 36.38 Crore (which though in principally approved by the Commission, was not considered in the total gap computation) while allowing the overall impact in its MYT Order.

Commission's Ruling and Analysis

6.1.6 The Commission vide its Order of Case No. 102 of 2023 dated 31 December 2024 had allowed certain claims of MSEDCL. The Commission has validated the claim of impact of Review Order submitted by MSEDCL is present Petition and finds it in line with the Review Order in Case No. 102 of 2023. Hence, the Commission approves Rs. 398.15 Crore as an impact of Review Order in the present MYT Order.

6.1.7 Further, MSEDCL in its MYT Petition has mentioned that it has currently considered the impact of Rs. 398.14 Crore (as approved by the Commission in the Review Order) for the purpose of revenue gap computation. However, it has requested the Commission to consider the additional claim of Rs. 36.38 Crores (which though in principally approved by the Hon'ble Commission, was not considered in the total gap computation) over and above the approved claim of Rs. 398.14 Crore while allowing the overall impact in the MYT Order. In this regard, the Commission notes that MSEDCL has only mentioned the request to allow claim of Rs 36.38 Crore towards the head of other scheme expenses in its MYT Petition without considering the impact of the same in its ARR computations. The Commission in the Review Order has clearly stated that in the impugned MTR Order in Case no. 226 of 2022, the Commission has not considered 'Other Scheme expenses' as allowable expense under any separate head but highlighted that expense towards such schemes forms part of A&G expenses. This was error apparent of face of record and the Commission accordingly considered Rs.36.38 Crore for pass through in FY 2020-21. Accordingly, the same had been considered by the Commission as part of actual O&M expenses for FY 2020-21 for computation of the sharing of gains / losses and the revised consequential net entitlement of the O&M expenses during the FY 2020-21. The total impact of approval of this cost along with impact of allowance of other comprehensive income on the net entitlement of O&M expenses in FY 2020-21 is Rs. 9.13 Crore and the same has been considered for approval by the Commission as part of the overall approved impact of Rs. 398.15 Crore. Accordingly, the Commission has not accepted the request of MSEDCL to allow the amount of Rs. 36.38 Crore over and above the impact already allowed in the Review Petition.

6.1.8 **Hence, in pursuance of its earlier ruling in the Review Order, the Commission in the present Order has allowed Rs. 398.15 Crore for recovery on account of impact of Review Order.**

6.2 Carrying Cost in previous Gap and other Claims

MSEDCL's Submission

6.2.1 MSEDCL submitted that the Commission has been allowing carrying cost/ holding cost on the revenue gap/ surplus, respectively. MSEDCL requested the Commission to allow the carrying cost on the previous gaps.

6.2.2 Further, MSEDCL submitted that the revenue gap is determined at the end of the financial year in which the expenditure is incurred. However, the under or over recovery is the resultant of the cost and revenue spread throughout the year. Similarly, the revenue gap of the past year is recovered throughout the year in which its recovery is allowed. Therefore, the carrying cost on revenue gap as a result of true up for a financial year should be calculated from the mid of that year in which such revenue gap is allowed to be recovered.

6.2.3 The Commission has already followed the similar principle in its prior Orders. MSEDCL requested the Commission to allow the carrying cost on same principle to avoid any legitimate revenue loss.

6.2.4 MSEDCL has submitted the details of carrying cost on the revenue gap of FY 2022-23 and FY 2024-25 along with the additional claims in following table. The Interest rate is taken as per the rate on Interest on Working Capital for the respective year.

Table 328: Calculation of carrying cost on previous claims as submitted by MSEDCL (Rs. Crores)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
Impact of Review Order	369.17	20.32	8.65	-	-	-		398.15
Revenue Gap				23,269.43	8,863.26			32,132.69
Total	**369.17**	**20.32**	**8.65**	**23,269.43**	**8,863.26**	**-**	**-**	**32,530.83**
Interest Rate	9.66%	8.57%	8.50%	9.29%	10.06%	10.24%	10.24%	
FY 2019-20	17.83							
FY 2020-21	31.65	0.87						
FY 2021-22	31.38	1.73	0.37					
FY 2022-23	34.31	1.89	0.80	1,081.41				
FY 2023-24	37.16	2.05	0.87	2,342.01	446.03			
FY 2024-25	37.81	2.08	0.89	2,383.18	907.75			
FY 2025-26	18.90	1.04	0.44	1,191.59	453.87			
Total	**209.04**	**9.65**	**3.37**	**6,998.18**	**1,807.65**	**-**		**9,027.89**

Commission's Ruling and Analysis

6.2.5 The MSEDCL has claimed carrying cost on revenue gap arising from Truing-up requirement as submitted in the present MYT Petition for the years FY 2022-23 and FY 2023-24. Further, MSEDCL has also claimed carrying cost on the impact of the Review Order in Case no. 102 of 2023. The Commission has considered the carrying cost on both these accounts in the present Order.

6.2.6 The Commission has verified the computations submitted by MSEDCL and has recomputed the allowable carrying cost. The Commission observes that MSEDCL has claimed Rs. 36.38 Crore which were approved by the Commission in its Review Order towards "Other Scheme Expenses" under the A&G expense of FY 2020-21. Whereas, same is not considered while submitting carrying cost against past gaps and other claims. As discussed in the preceding para, the Commission has not considered allowing recovery of Rs. 36.38 Crore over and above the already approved impact of Review Petition in Case No. 102 of 2023 and hence the same is not considered for computation of carrying cost in FY 2020-21 as well.

6.2.7 The carrying cost on the provisional True-up of FY 2024-25 has not been considered in the current order in line with the treatment of the Commission in earlier Orders. The same would be allowed at the time of truing up of FY 2024-25.

6.2.8 The carrying cost allowed by the Commission for FY 2019-20, FY 2020-21 and FY 2021-22 is as shown in the Table below:

Table 329: Carrying Cost against past gaps and other claims as allowed by the Commission (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Total
Impact of Review Order	369.17	20.32	8.65	-	-	-		398.14
Revenue Gap				20,456.65	5,099.02			25,555.67
Total	**369.17**	**20.32**	**8.65**	**20,456.65**	**5,099.02**	**-**	**-**	**25,953.81**
Interest Rate	9.66%	8.57%	8.50%	9.30%	10.07%	10.50%	10.50%	0.00%
FY 2019-20	17.83							
FY 2020-21	31.65	0.87						
FY 2021-22	31.38	1.73	0.37					
FY 2022-23	34.33	1.89	0.80	951.11				
FY 2023-24	37.16	2.05	0.87	2,059.00	256.61			
FY 2024-25	38.76	2.13	0.91	2,147.95	535.40			
FY 2025-26	19.38	1.07	0.45	1,073.97	267.70			
Total	**210.48**	**9.73**	**3.40**	**6,232.03**	**1,059.71**	**-**		**7,515.35**

6.2.9 **Thus, the Commission approves Rs. 7,515.35 as a carrying cost towards past gaps and other claims.**

6.3 Carrying/ (Holding) Cost on unrecovered revenue gap for 5th Control Period

MSEDCL's Submission

6.3.1 MSEDCL has submitted that it has computed the carrying cost on the unrecovered revenue gap as shown in following table.

Table 330: Carrying Cost on Unrecovered Revenue Gap as submitted by MSEDCL (Rs. Crores)

Revenue Recovery	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total Revenue Gap for previous years	**32,531**	**10,490**	**(6,259)**	**(14,460)**	**(9,248)**	
Revenue Gap for current year	(6,642)	(1,562)	3,400	5,212	5,465	5,872
Total Revenue Gap up to current year	**25,889**	**8,929**	**(2,859)**	**(9,248)**	**(3,784)**	
Recovery from Additional CSS	0.00	0.00	0.00	0.00	0.00	
Recovery from Additional AS	0.00	0.00	0.00	0.00	0.00	
Net Revenue Gap up to current year	**25,889**	**8,929**	**(2,858)**	**(9,248)**	**(3,783)**	

Revenue Recovery	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Less: Recovery from Tariff hike	15,398	15,187	11,602	-	-	42,187
Revenue gap to be carried forward	**10,490**	**(6,259)**	**(14,460)**	**(9,248)**	**(3,783)**	
Interest Rate	10.24%	10.24%	10.24%	10.24%	10.24%	
Carrying Cost on unrecovered Gap	1,666	1,074	(641)	(1,481)	(947)	(329)
Carrying Cost on previous claims till FY 2024-25	9,028	-	-	-	-	
Total Carrying Cost	**10,694**	**1,074**	**(641)**	**(1,481)**	**(947)**	**8,699**

Commission's Ruling and Analysis

6.3.2 The carrying cost on the revenue gap for the period from FY 2025-26 to FY 2029-30 and revenue gap for past years for FY 2022-23 to FY 2024-25 has been spread over the 5th Control Period by carrying forward the net revenue gap considering the recovery at existing rates and the incremental recovery from the hike in tariff proposed by MSEDCL.

6.3.3 From overall analysis of ARR for 5th Control Period, the Commission has approved cumulative revenue surplus of Rs. 74,937 Crore for the projection years from FY 2025-26 to FY 2029-30 as against the cumulative revenue gap of Rs. 5,872 Crore claimed by MSEDCL for the 5th Control Period. The Commission has considered revenue surplus and accordingly computed the holding cost as shown in table below:

6.3.4 Based on the tariff approved by the Commission in the present Order, the carrying cost on revenue gap carried forward in the future years of the 5th Control Period as computed by the Commission for approval is given in the Table below:

Table 331: Carrying Cost on Unrecovered Revenue Gap as approved by the Commission (Rs. Crore)

Revenue Recovery	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total Revenue Gap / (Surplus) for previous years	**a**	**25,954**	**7,505**	**(157)**	**(9,152)**	**(19,640)**	
Revenue Gap / (Surplus) for current year	b	(12,330)	(15,090)	(16,302)	(15,512)	(15,692)	(74,925.09)
Total Revenue Gap / (Surplus) upto current year	**c=a+b**	**13,624**	**(7,586)**	**(16,459)**	**(24,663)**	**(35,332)**	
Recovery from Addl CSS	d	-	-	-	-	-	-
Recovery from Addl AS	e	-	-	-	-	-	-

Revenue Recovery	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Net Revenue Gap upto current year	**f=c+d+e**	**13,624**	**(7,586)**	**(16,459)**	**(24,663)**	**(35,332)**	
Less: Spreading of Revenue Gap for recovery	g	6,120	7,429	7,307	5,023	4,567	30,445.38
Revenue gap to be carried forward	h=f-g	**7,505**	**(157)**	**(9,152)**	**(19,640)**	**(30,765)**	
Interest Rate	i	10.50%	10.50%	10.50%	10.50%	10.50%	
Carrying Cost on unrecovered Gap	j=a*i	1,363	788	(16)	(961)	(2,062)	(889.07)
Carrying Cost on previous claims till FY 2024-25	k	7,515					
Total Carrying Cost	**l=j+k**	**8,878**	**788**	**(16)**	**(961)**	**(2,062)**	**6,626.29**

6.3.5 **Thus, the Commission approves Rs. 6,626.29 Crore as a carrying cost on unrecovered revenue Surplus over past period claims.**

6.4 Impact of AFC for Ghatghar for Past Period

6.4.1 The Commission has performed the truing of FY 2022-23, FY 2023-24, and Provisional truing up of FY 2024-25 for MSPGCL, as part of its MYT Order in Case No. 187 of 2024.

6.4.2 MSPGCL has made detailed submission in the MYT Petition regarding non-availability of Ghatghar units and the impact of AFC for FY 2017-18 and FY 2018-19. Regarding non-availability of Ghatghar units during FY 2017-18 and FY 2018-19, MSPGCL had provided detailed reasons to MSEDCL vide communication dated 4 May 2019. Despite sharing detailed reasons, MSEDCL had continued with unilateral deductions of AFC and lease rent of Ghatghar for FY 2017-18 and FY 2018-19 and the said amount of Rs.189.48 Crore has remained disputed and unpaid till now.

6.4.3 The Commission has taken note of MSEDCL's submissions and MSPGCL's replies thereof in MSPGCL Order of Case No. 187 of 2024. In MSPGCL MYT Order, the Commission has directed MSEDCL to pay the amount of Rs. 189.48 Crore (Rs. 21.66 Crore O&M charges and Rs. 167.81 Crore lease rent charges pertaining to FY 2017-18 and FY 2018-19) to MSPGCL **within 3 months from the date of this Order**. **Thus, the Commission allows MSEDCL to recover Rs. 189.48 Crore from the consumers through its tariff for FY 2025-26 and same is considered by the Commission while approving net recovery of tariff.**

6.5 Impact of Revenue Gap of MSPGCL Tariff Order

6.5.1 The Commission has performed the truing of FY 2022-23, FY 2023-24, and Provisional truing up of FY 2024-25, as part of its MSPGCL MYT Order in Case No. 187 of 2024.

6.5.2 **The impact of the same is a revenue Gap of Rs. 2,814.42 Crore. Accordingly, the Commission has considered the same to be allowed to MSEDCL for recovery as part of the Revenue Gap over the 5th Control Period.**

6.6 Net Recovery from Tariff

MSEDCL's Submission

6.6.1 Based on the carrying cost computation for past period claims, unrecovered revenue gaps and ARR submitted from FY 2022-23 to FY 2029-30, MSEDCL has submitted the net recovery from tariff as shown in following table.

Table 332:Net recovery from tariff as submitted by MSEDCL (Rs. Crores)

Particulars	Amount
Final True Up Requirement for FY 2022-23	23,269
Final True Up Requirement for FY 2023-24	8,863
Provisional True Up Requirement for FY 2024-25	958
Projected Revenue Gap for FY 2025-26	(6,642)
Projected Revenue Gap for FY 2026-27	(1,562)
Projected Revenue Gap for FY 2027-28	3,400
Projected Revenue Gap for FY 2028-29	5,212
Projected Revenue Gap for FY 2029-30	5,465
Impact of Review Order on MTR Order	398
Total Revenue Gap for the MYT Period	**39,361**
Carrying Cost for previous gaps/impact and unrecovered gaps during Control Period	8,699
Net recovery from Tariff	**48,060**
MYT Period Gap	5,872
Revenue gap excluding MYT period	42,187

6.6.2 MSEDCL requested the Commission to approve the net recovery of Rs. 48,060 Crore from tariff as computed above.

Commission's Ruling and Analysis

6.6.3 Based on the overall rulings under ARR and other claims, the net recovery of tariff as computed by the Commission to be approved in this order is as given in the table below:

Table 333: Net Recovery of Tariff as approved by the Commission

Particulars	MYT Petition	Approved in this Order
Final True Up Requirement for FY 2022-23	23,269	20,457
Final True Up Requirement for FY 2023-24	8,863	5,099
Provisional True Up Requirement for FY 2024-25	958	(5,139)
Projected Revenue Gap for FY 2025-26	(6,638)	(12,330)
Projected Revenue Gap for FY 2026-27	(1,562)	(15,090)
Projected Revenue Gap for FY 2027-28	3,400	(16,302)
Projected Revenue Gap for FY 2028-29	5,212	(15,512)
Projected Revenue Gap for FY 2029-30	5,465	(15,692)
Impact of Review Order on MTR Order	398	398
Impact of AFC for Ghatghar for Past Period	-	189
Total Revenue Gap for the MYT Period	**39,366**	**(53,920)**
True-up adjustment for past years (FY 2022-23 to FY 2024-25) - MSPGCL	0.00	2,814
Carrying Cost for previous gaps/impact and unrecovered gaps during Control Period	8,700	6,626
Net recovery from Tariff	**48,066***	**(44,480)**

** The Commission has noted the arithmetical error in the total under the Petition and MYT formats submitted by MSEDCL. It has not considered the amount claimed towards DSM expenses of Rs. 4.54 Crore for FY 2025-26 in the summation and the carrying cost thereof. Thus the net recovery claim works out to Rs. 48,066 Crore whereas, MSEDCL submitted recovery of Rs. 48,060 Crore.*

6.6.4 **From above table, it can be observed that, the overall cumulative revenue surplus is Rs. 44,480 Crore as against the revenue gap claimed by MSEDCL of Rs. 48,066 Crore as net recovery from tariff**.

7 Tariff Philosophy, tariff design and category-wise tariff's from FY 2025-26 to FY 2029-30

7.1 Overall Approach for Tariff Design

7.1.1 The Commission has kept in view the main objects of the Electricity Act, 2003 ("EA, 2003"), as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas, promoting reliability, encouraging factors that would improve collection efficiency and the rationalisation of tariffs. The EA, 2003 mandates the Commission to maintain a healthy balance between the interest of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also kept in view the principles of tariff determination set out in Sections 61 and Section 62 of the EA, 2003, the Tariff Policy, 2016 and the MYT Regulations, 2024 and also taken into considerations MSEDCL's submissions as well as the Public Responses in these MYT proceedings.

7.1.2 The provision of electricity is an essential driver for development and influences social and economic change. The Commission has endeavoured to ensure that, industry and commerce is promoted, and at the same time interest of various consumer segments of society is protected. The Commission has also sought to ensure regulatory consistency for all stakeholders and a reasonable return for the Licensee.

7.1.3 Apart from tariff levels, the complexity of the tariff structure plays an important role in building transparency and limiting the discretionary power of Distribution Licensees (Discoms). A simpler tariff structure helps easy understanding by consumers and on the other hand, creation of many different categories gives discretionary power to Discoms while charging tariffs.

7.1.4 It is felt that the complexity in the tariff structure across the States needs to be reduced and accordingly efforts are required to simplify and rationalize the tariff structure, and to make it harmonious across States. Amendments to Tariff Policy suggests that new tariff structure should have maximum five categories having different slabs in Sanction Load and units consumed. It also suggests providing rebate to incentivise bulk customers to take power at higher voltage category, adopt kW and kWh or kVA and kVAh based tariff linked to the load, create EV category, etc. among other suggestions.

7.1.5 As a progressive step towards simpler and rationalized tariff structure, the Commission has reduced number of categories in the 4th Control Period. The Commission in this Order for 5th Control Period has also further rationalised the tariff categories and consumption slabs considering the submissions of MSEDCL and views expressed by consumers during public consultation process, as elaborated in subsequent sections of the Order.

7.1.6 In this context, the Commission notes that Hon'ble Appellate Tribunal of Electricity (APTEL), vide its Order in Appeal No. 106 of 2008, has ruled that the Commission has the power to design the tariff as per its own wisdom. It also mentions that the Commission does not need to seek public comments before announcement of the tariff. The relevant part of the APTEL Order in Appeal No. 106 of 2008 is reproduced below:

"…

14) It is not the case of the appellant that the Commission had no power to create a tariff design different from the one proposed by the licensee. The Commission has the power to design the tariff as per its own wisdom. The Commission need not, before issuing the actual order, publicly announce the tariff it proposed and call for public comments. In fact, this is not even the appellant's contention.

15) The rule of natural justice requires the Commission to issue a public notice about the ARR and Tariff petition of the licensee and to allow the public to make its submissions on the ARR and Tariff proposals. The Commission has, thereafter, to design the scheme for recovery of the ARR keeping in view various relevant factors. If the classification of the consumers can be supported on any of the grounds mentioned in section 62(3) it would not be proper to say that the tariff fixing was violative of principles of natural justice because the Commission did not issue a public notice of the tariff categories which the Commission had intended to create."

7.1.7 In view of above judgement, the Commission has rationalised some of the categories and slabs while ensuring that the existing consumers in these categories are not significantly impacted.

7.1.8 In addition to the above, the Commission has also addressed issues pertaining to definition of billing demand, revision in time of day (ToD) tariff slabs and ToD Tariff, revision in bulk consumption rebate, continuation of incremental consumption rebate and continuation of stabilising mechanism for the variation on account of FAC in consumer bills.

7.1.9 More importantly, in line with the intentions of the Commission expressed in the last MTR Order in Case 226 of 2022 and as proposed by MSEDCL, the Commission is going ahead with implementation of the kVAh based billing for all the LT Consumers of MSEDCL with load above 20 kW. While going ahead with KVAh billing for LT consumers with load above 20 kW, the Commission has noted the submissions of MSEDCL about the preparedness for ensuring the adequate metering and billing infrastructure for applicability of KVAh billing to all LT consumers with load above 20 kW.

7.1.10 Further, the Commission has noted the Smart Meters rollout plan of MSEDCL for all consumers during this MYT control period. With smart meter rollout plan, MSEDCL has proposed to introduce TOD Tariff Rebate during daytime (Solar Hours) for all residential consumers and for other consumers with sanctioned load/contract demand more than 10 kW. Further, consumers below 10kW (other than residential) shall also have choice to opt for TOD billing. Considering the implementation time for modification of ToD Slabs for existing consumers with ToD meters, the Commission has allowed transition period up to three months for HT consumers and up to six months for LT consumers.

Some of the main tariff-related features of this Order are summarized below:

A] Adoption of Resource Adequacy framework for Energy transition:

7.1.11 Projected capacity addition plans of MSEDCL for 5th Control Period comprise higher share of capacity through mix of solar, hybrid, FDRE, distributed solar and storage projects in line with its energy transition agenda. It has also projected significant surplus of power, mainly during Solar Hours and part of the same is proposed to be traded. The Commission has reviewed the MSEDCL's projected capacity addition plans and projected power procurement plans in line with the Resource Adequacy Regulations and Guidelines framed by CEA. Further, the Commission has also scrutinised the sale forecast, agriculture consumption assessment and distribution loss trajectory assumption of MSEDCL and modified the same in line with regulatory norms and accordingly allowed the power purchase for 5th Control Period. The Commission has also directed MSEDCL to review and submit its Annual RA rolling plan addressing the Commission's observation and upon review of LT-NRAP study report to be published by CEA for ensuing years.

B] Segregation of ACoS for Agriculture and Non-Agriculture Supply:

7.1.12 MSEDCL has undertaken extensive programme for solarisation of Agriculture feeders under Government of Maharashtra's flagship programme of MSKVY2.0 to provide day-time power supply to agriculture consumers with projected solar capacity addition of around 15,000 MW. In line with earlier directions under MTR Order, MSEDCL has segregated the Average Cost of Supply for Agriculture and Non-Agriculture consumers with certain assumptions and designed its Tariff/ABR for these categories separately. The Commission has scrutinised the MSEDCL's submissions and reworked the same upon reviewing the cost allocation principles and loss assumption aligned the regulatory principles.

C] Reduction in Tariff for Industries and Commercial categories:

7.1.13 The Commission has taken note of the views expressed during the public consultation process that the MSEDCL tariff for industries is considerably higher than that of industries in neighbouring States. The price of electricity, both in absolute and in relative terms, is an important factor in the competitiveness of industry. With the increase in availability of power (generation) in the State and expected growth in Solar capacity addition along with robust transmission network for a reliable supply, the Commission deems it fit to reduce the overall cross-subsidy with overall reduction in the Energy Charges (incl. FAC) and marginal increase in Fixed Charges. Further, the Commission has continued with kVAh based metering/billing for HT consumer categories and introduced kVAh billing to the LT consumers with load above 20kW in this Control Period.

7.1.14 Besides, Fuel Cost Adjustment as prevalent on the date of issuance of the Order is also merged into Energy Charge and accordingly, there is considerable reduction in Energy Charge for these consumers as against prevalent Tariff component of Energy Charge including FAC component. In addition, the Commission has continued the concessions on billing demand for steel and Ferro alloy industries and has retained the Rebate on incremental consumption and revised structure of Bulk Supply Rebate linked to consumption, for HT category, which would further benefit such industrial and commercial category consumers, subject to stipulated conditions. Further, the proposed ToD tariff structure would also benefit the HT industrial consumers who can shift their major load during daytime (Solar Hours) as proposed ToD Tariff structure provides maximum benefits during day time consumption to utilise the Solar generation.

7.1.15 The Commission has ensured that Tariff for Commercial category consumers (HT and LT) is reduced significantly as compared to prevalent Tariff including FAC. Further, the Commission has ensured that the cross-subsidy from these consumer categories is reduced significantly from existing level during FY 2025-26 and further reduced every year over the remaining period of the 5th Control Period (i.e. FY 2025-26 and FY 2029-30).

7.1.16 With reduction of the cross-subsidy exercise undertaken through this Order, it is envisaged that the overall average price of electricity for HT-industry would decrease by 15% compared Existing Tariff (incl. FAC), and in case of LT-Industry the average price of electricity and ABR would reduce by around 11%. Further, in case of HT commercial category, the average price of electricity and ABR for would reduce by around 30% and that for LT-Commercial category would reduce by 20% as compared to Existing Tariff (incl. FAC). This would benefit the Industrial and commercial consumers within State which would support the investment growth in industrial and commercial sector within State.

D] Continuation of Incremental Consumption Rebate and Revision of Bulk Supply Consumption Rebate:

7.1.17 The Commission has also retained the incremental consumption rebate, as introduced in the 4th Control Period for HT categories. Incremental consumption rebate shall be applicable for HT industries, HT commercial, HT public services, HT-PWW, HT Railways/Metro/Mono and HT-Group Housing Society (Residential) including EHV consumers under these categories. The rebate shall be given to eligible consumers including open access consumers falling under above consumer categories to the extent of procurement from MSEDCL. The rebate shall be allowed to eligible consumers who consume power above threshold limit.

7.1.18 The Commission has revised the Bulk Consumption Rebate applicable to HT-Industry with denomination on Per Unit basis linked to consumption above the threshold values with higher Bulk Consumption Rebate for higher consumption slabs. This would benefit bulk consumers with high monthly consumption.

7.1.19 The Commission in this Order has continued with incremental consumption rebate for LT categories, which would benefit most of LT consumers and more specifically LT-Industrial consumers including Power loom consumers and LT-Commercial category, LT-Public Service and LT-Public Water Works consumers as well, as outlined under subsequent paragraphs of this Order. Rebate on incremental consumption for specified Categories, above threshold value to promote additional consumption which will benefit utilisation of stranded capacity and incremental revenue earned by Utility through such measure would in turn benefit all consumers at large.

E] Revision in ToD Slabs and ToD Tariff Rates:

7.1.20 With increasing share of renewable power (mainly Solar) in overall power purchase mix and adoption of distributed solar for solarisation of agriculture pumpset, the State is going witness large scale deployment of Solar power along with shift in the load curve with Peak Demand occurring during daytime (Solar Hours). Accordingly, the Commission has revised the ToD Slabs and ToD Tariff (Charge/Rebate) in line with the provisions outlined under Electricity (Right of Consumers) Rules, 2023, with certain modifications to meet the State load profile and consumption pattern. The revised ToD Slabs and ToD Tariff (Charge/Rebate) thereof, have been enabled for all consumers with load above 20 kW except LT-Agriculture. For LT-Residential ToD Rebate has been enabled through this Order linked to installation of Smart /ToD meters for such consumers.

7.1.21 Further, the Commission allowed the transition period for existing ToD consumers up to 3 months for HT consumers and up to 6 months for LT consumers until the modification in ToD meters and billing arrangement is established.

7.1.22 The Commission has also introduced ToD Rebate for LT-Residential consumers during daytime (Solar Hours) to enable them avail this ToD rebate and also to facilitate early adoption of Smart meters by LT-Residential consumer category.

F] Rationalisation of Tariff for Agriculture:

7.1.23 Historically, the LT-Agriculture category has been significantly subsidised with Tariff lower than Average Cost of Supply. Tariff Policy mandates that Tariff for all consumer categories should be designed in such manner that cross-subsidy for any tariff remains within range of +/- 20% of Average Cost of Supply. Existing Tariff and Cross-subsidy for LT-Agriculture is 57%, which needs to be gradually increased. In this Order, the Commission has increased the Tariff for LT-Agriculture consumer category so that ratio of ABR to Agriculture ACoS is gradually increased to reach 100% by end of 5th Control Period. It is pertinent to note that this ratio is computed vis-à-vis Agriculture ACoS whereas the cross-subsidy with respect to composite ACoS still remains around 75%.

7.1.24 Similarly, the Commission has undertaken rationalisation of Tariff for HT-Agriculture with gradual increase in Tariff so that ration of ABR to ACoS reaches 100% by the end of 5th Control Period.

G] Rationalisation of Tariff categories and Slabs within Tariff categories:

7.1.25 Rationalisation of Tariff categories and simplification of the tariff slabs has been an endeavour of the Commission for long, as elaborated in earlier Orders. Tariff determination under the provisions of the MYT Regulations offers an opportunity to revisit and review the options for tariff category rationalisation and simplification of slabs. The Commission in 4th Control Period has taken detailed review of the Tariff categories and rationalised the categories, sub-categories or consumption slabs during MYT and MTR proceedings.

7.1.26 Accordingly, the Commission has continued with its approach for merging of sub-categories for Public Service and rationalisation of tariff rates for consumption for such sub-categories. The Commission has reduced the overall ACOS during the 5th Control Period which warrants for rationalisation of Tariff Categories/ Sub-categories. The Commission finds it appropriate to merge the sub-categories under (LT and HT) Public Service for Government and Others as the Commission has designed the tariff for most of the categories near to ACOS. Accordingly, there is no requirement to maintain the two sub-categories within the Public Services.

H] Addressing concerns of Tariff categorization and applicability

7.1.27 Merging or elimination of existing consumer categories or classification or re-categorization of certain class of consumers can be done considering the End Use, Energy Consumption, Socio-Economic Profile, Consumption Pattern/ Loan Factor etc. These factors have been examined by the Commission while deciding on merging of categories. The Commission has significantly reduced tariff categories, upon merging/re-classification of certain class of the consumers in the 4th Control Period. Similar approach has been continued without creation of any new category or sub-class but at the same time addressing concerns of the consumers and MSEDCL through clarifications regarding applicability of tariff category and modifying the scope, coverage of classification of Tariff category as covered under Tariff Schedule.

7.1.28 Some of the important clarifications and reliefs that have been granted pertain to Agro-Tourism, Milk Collection Centres with first stage refrigeration facilities, classification of homestay. The Commission has allowed Agro-Tourism, Milk Collection Centres with first stage refrigeration facilities, homestay under LT-IV as LT-Agriculture (Others).

7.1.29 Further, to promote the tourism in the state the Commission has changed the category of Hotels with Lodging facility from Commercial to Industrial Tariff Category. Further the Commission has provided discount in Energy charge of 25 Paise/unit, 50 Paise/unit and 75 Paise/unit based on the city in which Hotels/ Resorts/ Guest-House with lodging facility is located taking into considering the classification of tourism units/Zones in Maharashtra specified in the Tourism Policy of Maharashtra 2024 dated 18 July 2024.

7.1.30 The Commission has addressed the concerns of khawa making stakeholders for adoption of electric induction based khawa making. The Commission recognizes adoption of electric induction based machines has far reaching environmental and social advantages in terms of avoidance of deforestation, cleaner form of khawa making, avoid pollution, and employment generation opportunities. Further, the khawa making is undertaken by micro scale enterprises, women help groups (Mahila Bachat Gat) in rural areas and small-scale industries in clusters. To encourage the electrification of khawa making through electric induction based process, the Commission has decided categorized the same under LT IV Agriculture (Others).

I] Conducive Tariff Measures for Data Centres and Semi-Conductor Units:

7.1.31 In order to attract investments in high-priority industries like Data Centres and semi-conductor units which represents a high consumption and continuous load, the Commission classified these consumers under Industrial category. All the benefits/incentives such as load factor incentives, incremental consumption rebate, bulk supply rebate, prompt payment rebate, & ToD tariff (charge/rebate), etc. shall also be available to Data Centres and Semi-conductor units.

7.1.32 Further, to encourage their electricity consumption through 100% Green Energy either through open access or through Green Tariff or combination thereof, the Commission has approved discount of 10% in Wheeling Charges to such Data Centres and semi-conductor units.

J] Applicability of Grid Support Charges for RTS System:

7.1.33 During public hearings, several consumers, developers and other stakeholders made representations regarding MSEDCL's proposal to levy Grid support charge on solar rooftop PV system (net metered). The Commission is aware of the need of the Grid support charges with increased installed capacity of the Solar rooftop systems under Net metering arrangement, has enabled the same as part of MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019. Further, Grid Support Charges shall not be levied till installations under rooftop arrangement in the State reach 5000 MW.

7.1.34 Based on MSEDCL's own submission, the Commission observes that cumulative RTS capacity is unlikely to exceed 5000 MW prior to mid-term review. Thus, the Commission has not approved levy of Grid support charges for now under this Order. However, the Commission would review the same at the time of MTR Petition. Further, the Commission grants liberty to MSEDCL to file a separate petition for determination of Grid Support Charges, only if the cumulative Rooftop solar capacity crosses 5000 MW prior to filing of MTR petition, as necessary which can be decided through public consultation process akin to Tariff proceeding.

K] Stabilisation (buffer) for Fuel Cost Adjustment:

7.1.35 As per MYT Regulations, 2024, the aggregate gain or loss to a Distribution Licensee on account of variation in cost of fuel, power purchase, and inter-State Transmission Charges shall be passed through under the Fuel Adjustment Charge (FAC) component of the Z-factor Charge (ZFAC), as an adjustment in its tariff on a monthly basis. The Commission in its MYT Regulations, 2024, had introduced Stabilisation fund for Fuel Cost Adjustment to ensure stabilisation of tariffs to the extent possible, and to minimise the variation in FAC for the 5th Control Period.

> *"Provided further that in case ZFAC computed for any month is negative i.e. saving in expenses, then such saving shall be deposited in 'F AC Stabilisation Fund'. Amount accrued along with holding cost in such Fund shall be used for offsetting positive ZFAC i.e. increased expenses, before levying it to the consumers."*

7.2 Applicability of Tariffs

7.2.1 The revised Tariff as per this Order shall be applicable from 1 April, 2025. Where the billing cycle of a consumer is consumer is different from the date of applicability of the revised tariffs, the tariffs should be applicable for the consumption on pro-rata basis. The bills for the respective periods as per the existing and revised tariffs shall be calculated based on the pro rata consumptions (units consumed during the respective periods arrived on the basis of average unit consumption per day multiplied with number of days in the respective period falling under the billing cycle).

7.2.2 The Commission has determined the revenue from the revised tariff as if they were applicable for the entire year. Any shortfall or surplus in actual revenue vis-à-vis the approved revenue requirement will be trued-up during Final True-up, as specified in the MYT Regulations, 2024.

7.3 Average Cost of Supply

7.3.1 Considering the Wires and Supply ARR for the Ensuing Years, past period adjustments and Energy Sales as approved by the Commission, the following Table summarises the ACoS submitted by MSEDCL and approved ACoS by the Commission for FY 2025-26 to FY 2029-30.

Table 334: Projected ARR and ACoS for FY 2025-26 to FY 2029-30, as submitted by MSEDCL (Rs. Crore)

Particulars	Units	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Sales (Incl. of DF Sales)	MU	(a)	1,51,419	1,59,175	1,66,624	1,74,166	1,82,670	8,34,054
Total Standalone ARR	**Rs Cr**	**(b)**	1,27,635	1,39,939	1,51,655	1,60,078	1,66,936	7,46,242
Revenue at Existing Tariff	Rs Cr	(c)	1,34,277	1,41,500	1,48,255	1,54,866	1,61,471	7,40,370
Revenue Gap/(Surplus)	Rs Cr	(d)=(b)-(c)	(6,642)	(1,562)	3,400	5,212	5,465	5,872
Past Period Gap	Rs Cr	(d1)	15,398	15,187	11,602	-	-	42,187
Cum. Revenue Gap/(Surplus) for Control Period	Rs Cr	(d2)	8,756	13,626	15,002	5,212	5,465	48,066
ACoS	**Rs/unit**	**(e)= (b)/ (a) x 10**	**9.45**	**9.75**	**9.80**	**9.19**	**9.14**	

Table 335: Projected ARR and ACoS for FY 2025-26 to FY 2029-30, as approved by the Commission (Rs. Crore)

Particulars	Units	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Sales (Incl. of DF Sales)	MU	(a)	1,42,402	1,49,211	1,56,431	1,64,056	1,72,387	**7,84,487**
Total Standalone ARR	**Rs Cr**	**(b)**	1,14,369	1,17,571	1,22,543	1,29,787	1,36,332	**6,20,601**
Revenue at Existing Tariff	Rs Cr	(c)	1,26,676	1,32,646	1,38,864	1,45,304	1,52,049	**6,95,538**
Revenue Gap/(Surplus)	Rs Cr	(d)=(b)-(c)	(12,307)	(15,075)	(16,321)	(15,517)	(15,717)	**(74,937)**
Past Period Gap	Rs Cr	(d1)	6,122	7,431	7,309	5,025	4,568	**30,456**
Cum. Revenue Gap/(Surplus) for Control Period	Rs Cr	(d2)	(6,185)	(7,644)	(9,012)	(10,492)	(11,149)	**(44,481)**

Particulars	Units	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
ACoS	**Rs/unit**	**(e)= (b) /(a) x 10**	**8.03**	**7.88**	**7.83**	**7.91**	**7.91**	

7.4 Balancing of ABR and ACoS for Revenue Recovery over the Control Period

7.4.1 From above table it can be observed that, the overall Standalone Revenue Surplus of Rs. 74,937 Crore is not evenly spread across the financial years of the Control Period. The revenue surplus in FY 2025-26 of Rs. (12,307) Crore, which, when combined with the net impact of past period Rs. 6,122 Crore works out to an approved Revenue surplus of Rs. (6,185) Crore for FY 2025-26. Thus, cumulative revenue surplus at Existing Tariff is estimated to be around Rs (44,481) Crore. This variation from year to year is also evident in the ACoS figures shown in Table below.

7.4.2 However, while determining the tariff over the Control Period, the Commission has to ensure that several objectives are met simultaneously, such as:

(a) revising the tariff to meet the approved ARR for the respective years along with recovery of approved past period gaps (incl. regulatory asset),

(b) smoothen the retail tariff revision trajectory to protect any consumer category from tariff shock,

(c) encourage efficient use consumption by industry, commerce, domestic, agriculture and various other consumer segments and to ensure that tariff rates are competitive to continue to attract investment in the state,

(d) to meet the goal of gradual reduction in cross-subsidy levels.

(e) ensure the segregated of ACoS for Agriculture (Ag) consumption and Non-agriculture (Non-Ag) consumption is undertaken on the basis of reasoned regulatory basis and on equitable principles.

7.4.3 Considering these different objectives harmoniously, the Commission by re-adjusted the projected revenue surplus and spread the overall Revenue Surplus of Rs. (54,218) Crore more evenly over the 5th Control Period. It has reworked the modified ARR for revenue recovery and the modified ACoS thereof for each year accordingly, as summarised below:

Table 336: Modified ARR Recovery and Modified ACoS for 5th Control Period, as approved by the Commission (Rs. Crore)

Particulars	Units	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Sales (Incl. of DF Sales)	MU	(a)	1,42,402	1,49,211	1,56,431	1,64,056	1,72,387	**7,84,487**
Total Standalone ARR	**Rs. Crore**	**(b)**	1,14,369	1,17,571	1,22,543	1,29,787	1,36,332	**6,20,601**

Particulars	Units	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Revenue at Existing Tariff	Rs. Crore	(c)	1,26,676	1,32,646	1,38,864	1,45,304	1,52,049	**6,95,538**
Revenue Gap/(Surplus)	Rs. Crore	(d)=(b)-(c)	(12,307)	(15,075)	(16,321)	(15,517)	(15,717)	**(74,937)**
ACoS	**Rs. / unit**	**(e)= (b)/ (a) x 10**	**8.03**	**7.88**	**7.83**	**7.91**	**7.91**	
BR at Existing Tariff	Rs. / unit	(f)= (c)/ (a) x 10	8.90	8.89	8.88	8.86	8.82	
PU Revenue Gap/(Surplus)	Rs. / unit	(g)= (d)/ (a) x 10	(0.86)	(1.01)	(1.04)	(0.95)	(0.91)	
Cum. Revenue Gap for past period incl. RA & Change in Law Impact & Caryying Cost (adjust)	Rs. Crore	(h)	6,122	7,431	7,309	5,025	4,568	**30,456**
Total ARR (to be recovered)	Rs Crore	**(i)=(b)+(h)**	1,20,491	1,25,002	1,29,852	1,34,812	1,40,900	**6,51,057**
PU Adjustment of Cum. Revenue Gap of past period	Rs. / unit	(j)=(h)/ (a) x 10	0.43	0.50	0.47	0.31	0.27	
Modified ACoS	Rs. / unit	**(k)=(e) + (j)**	**8.46**	**8.38**	**8.30**	**8.22**	**8.17**	

7.4.4 ARR including past period gaps and Modified ACoS has been worked out as above solely for the purpose of smoothening the revenue recovery while ensuring that, there is no significant variation in retail tariffs of any consumer category in any particular year over the 5th Control Period, and benefit of reduction in tariff vis-à-vis Existing Tariff (incl. FAC) is passed onto almost all consumer categories while maintaining the balance of all the objectives outlined above and in accordance with the regulatory principles practiced in the past and in conformity to the MERC MYT Regulations, 2024. Accordingly, overall objective of gradually reducing cross-subsidy levels is also met to large extent. While effecting tariff recovery based on this ARR including past period gaps, Modified ACoS and composite ABR thereof, the Commission has also taken into consideration the carrying / (holding) cost impact of the projected under/over-recovery for each year.

7.5 Premise for Determination of Tariff

7.5.1 As per the Regulation 111.3 of MERC MYT Regulation, 2024, the Commission understands that the retail tariff determination shall be based on Retail ARR and Retail cost of supply (RCoS) of the distribution licensee. However, despite repeated directives, MSEDCL has failed to maintain separate accounting records for its Distribution Wires Business and Retail Supply Business.

7.5.2 Thus, despite repetitive directives by the Commission, MSEDCL was unable to maintain separate accounting records for the Distribution Wires Business and Retail Supply Business and submitted its ARR claim in accordance with allocation matrix provided in Regulation 89.2 of MERC MYT Regulations, 2024.

7.5.3 Additionally, MSEDCL submitted that it has initiated the process of separation of AG supply and in accordance with the same has submitted AG & Non-AG ACoS. Further, MSEDCL has requested to approve the separate ACoS and tariff determined based on ACoS.

7.5.4 The Commission understands that due to unavailability of separate wires & supply accounts, it doesn’t have the exact ARR for wires & supply business. Further, as proposed by MSEDCL, the Commission needs to consider the bifurcation of ACoS into AG ACoS & Non-AG ACoS. Hence, the Commission has calculated the ACoS based on the composite ARR of wires & supply business.

7.6 Segregation of ARR & Determination of AG ACoS & Non-AG Supply ACoS

7.6.1 Historic Background

7.6.1.1 MSEDCL has high number of agricultural consumers (around ~47 lakhs) which are highest in the country and forming 16% of its total consumer base. In FY 2023-24, ~28% of the total energy sales by MSEDCL was attributable to agricultural category. Further, MSEDCL submitted that agricultural consumers are highly cross subsidized by other high paying categories such as ‘Industrial’ and ‘Non-Residential/Commercial’. As per MTR Order in the Case No. 226 of 2022 dated 31st March 2023 their average billing rate is 57% of ACOS determined for FY 2024-25. This leads to higher tariff for cross subsidizing categories such as industries and commercial which are critical for development of state.

7.6.1.2 Additionally, MSEDCL submitted that in addition to cross subsidy, the state government of Maharashtra also provides direct subsidy to agricultural consumers and annually government provides almost Rs 17,700 crore as agricultural subsidy. The amount of subsidy is slated to increase post the notification of Chief Minister Baliraja Free Electricity Scheme-2024 under which state government has mandated provision of free electricity to agricultural pump customers with up to 7.5 HP capacity, from April 2024 onwards. The state government is providing the total subsidy against electricity tariff determined by Hon’ble Commission under Section 65 of Electricity Act 2003.

7.6.1.3 MSEDCL further submitted that due to inculcate payment discipline of farmers, MSEDCL has accrued more than Rs. 60,000 crore receivables from agricultural consumers as of date despite writing off Rs 10,420 crore under AG policy 2020. The high level of arrears led MSEDCL to very precarious financial condition as well as also raised liquidity concerns.

7.6.1.4 MSEDCL also submitted that the Commission since past many years has been disapproving agricultural sales for True-up years. This led to calculation of higher T&D loss for such years and led to disallowance of power procurement cost. This also led to financial loss for MSEDCL.

7.6.1.5 Through letter dated 05 January 2022, the Commission under Section 86(2) of Electricity Act, 2003 has rendered advice to Government of Maharashtra for undertaking study of MSEDCL's operations and laying down time bound plan for performance improvement. Further, the Commission suggested short-term and long-term measures towards the same and as part of long-term measures the Commission suggested to carve out a separate company to supply power to agricultural consumers.

7.6.1.6 Further, the Commission in MTR Order in Case No. 226 of 2022 dated 31st March 2023 has directed MSEDCL for pursuing the option of carving separate agricultural company.

> *"The Commission vide its letter dated 05 January 2022 advised to GoM for undertaking study of MSEDCL's operations and laying down time bound plan for performance improvement. In the said advisory one of the options suggested is with regards formation of new Company for Agricultural consumers. This has become urgent need of the hour as the tariff for industrial and commercial category consumers have reached to level with very high level of cross-subsidy. Further, accounting of the energy consumption as well as quality of power supply to agriculture consumers/feeders require dedicated and focused efforts. Formation of separate agriculture company would enable monitoring and ensuring accountability towards both these category of consumers with two separate organizations, as their mandate would drive such focused efforts necessary at this stage. In view of above, the Commission directs MSEDCL to pursue this option and chart out the modalities for implementation of the same expeditiously."*

7.6.1.7 MSEDCL understood the rationale behind the suggestion of the Commission to the state government and acknowledged the importance of segregation of agricultural feeders from gaothan feeders and providing solar power to agricultural feeders under MSKVY 2.0 at 11 kV level are the key steps towards a separate agricultural company.

7.6.1.8 Separating agricultural feeders would allow for independent energy accounting for power supplied to agricultural consumers at the 11 kV level. This separation would also enable the new company to perform maintenance and repair (R&M) work on agricultural feeders without interference from MSEDCL. The new company would be fully responsible for metering, billing, and collecting payments from consumers connected to the separated feeders. Additionally, the new company would be accountable for all technical losses, such as energy lost during transmission, and commercial losses, such as unpaid bills.

7.6.1.9 Additionally, MSEDCL submitted that average tariff discovered for MSKVY 2.0 solar plants is under Rs 3.06/kWh which is significantly below present Average Power Procurement Cost of MSEDCL. Agricultural load is not time dependent and requires supply for only 8 hours a day which is in line with solar power generation which generally is available for 8 hours during a day. Additionally, as solar plant would be co-located with agricultural pump, therefore during sunny days (non-rainy days) when irrigation happens through agricultural pumps, it can be expected that there would be sufficient solar power. All these factors would significantly reduce the requirement of energy storage techniques like BESS or pumped hydro and other firm generating source for integration of infirm solar power with consumer load pattern. This would mitigate additional cost incurred by new entity generally required towards banking arrangements or other sources of power for meeting consumer demand.

7.6.2 **Contours and timelines of Segregation of Agricultural Company**

7.6.2.1 MSEDCL submitted that being a government owned company, it has no control over its bifurcation or the mode through which it may happen, however still upon directive of the Commission it is detailing the methodology of carving out a separate agricultural company along with respective roles and responsibilities. It is also proposing broad terms & condition of commercial transactions between itself and the new agricultural supply company. The same is only of suggestive nature and the final decision would be taken by state government or Hon'ble the Commission as per their respective powers under Electricity Act 2003 and other relevant laws.

7.6.2.2 The new agricultural company may be structured as a subsidiary of MSEB holding company like MSEDCL. It would be owner and operator of 11 kV agricultural feeders emanating from 2,752 existing sub-station as well as those emanating from new sub-stations being constructed (under schemes such as RDSS or other multilateral funded projects) and further downstream network. MSEDCL further suggested that small number of agricultural consumers connected to mixed feeders may be retained with itself as separate energy accounting and maintenance related functions by a separate company would be difficult as well as would have potential for dispute. MSEDCL would coordinate with the new company to maximize the availability of sub-stations as well as provide required feeder on/off operations from centralized control centre on request of agricultural supply company.

7.6.2.3 **Preparatory activities for segregation.** Based upon approval received from the Commission and go-ahead by relevant departments of state government, MSEDCL will start the process of carving out a separate agricultural company starting from April 2025 and would try to finish the segregation effective on or before 01 April 2028. This will be helpful for the Commission who can issue separate tariff orders for both the distribution licensees. It would undertake following steps towards the same:

7.6.2.4 **Asset Register. MSEDCL stated that it will prepare an asset register with** comprehensive details of 11 kV agricultural feeders and connected downstream network including GFA, age, accumulated depreciation, etc. This includes conductors, support structure, guard wire, insulators, distribution transformers & associated equipment, LT lines, service wire, meters, meter boxes, fuses, etc. Most of the agricultural feeders have been constructed under schemes such as Maharashtra Rural HVDS Expansion Program and RDSS which have high grant component. Hence, MSEDCL would also account the GFA amount created by grants and amount attributable to debt and equity. This would later stage also assist the Commission to segregate approved GFA, equity and debt value between MSEDCL and new agricultural company. Once a separate asset register for agricultural feeders and downstream network is connected in next stage it would prepare asset register for MSEDCL as a whole.

7.6.2.5 **Employee matters.** MSEDCL submitted that MSEDCL and/or state government would estimate employees required for new entity based on estimated network length/capacity and number of consumers. MSEDCL and/or state government would also conduct stakeholder consultations with employee unions and engineers' unions regarding the bifurcation as multiple aspects such as service conditions, transferability and seniority list would be impacted due to transfer of employees from one organization to another.

7.6.2.6 **Commercial and Financial transactions.** MSEDCL would also evolve protocol for recording commercial transactions between itself and new agricultural supply company, including recording energy input at 11 kV agricultural feeders along with extra energy being fed back through power sub-station and GSS by distributed solar power. MSEDCL would bifurcate existing assets, loan and equity into books of new entity as per transfer scheme approved by state government. Existing PPAs and contract with vendors would also need to be shifted to new utility as per their overall purpose and functional area.

7.6.2.7 **Governance structure.** During the preparatory stage for bifurcation i.e. from FY 2025-26 to FY 2027-28, the existing BoD of MSEDCL would be in complete charge of bifurcation activity and along with Energy Department, Government of Maharashtra**.** Further, it would be taking key decisions in consonance with directions (if any) provided by the Commission in its Order against instant petition.

7.6.2.8 **Regulatory requirement for segregation.** As per timelines provided in clause (b) of Regulation 5.1 of MERC MYT Regulations 2024, distribution licensees need to file mid-term review Petition by November 30, 2027. As the segregation is expected to be completed by 01 April 2028, MSEDCL would file two separate Petitions; (i) True-up for FY 2024-25, FY 2025-26, FY 2026-27; provisional True-up for FY 2027-28; for complete MSEDCL & revised forecast of ARR, expected revenue gap and category-wise revised tariff for FY 2028-29 and FY 2029-30 and (ii) Calculation of ARR and tariff for new agricultural supply company for FY 2028-29 and FY 2029-30. Following steps would be required for the same:

7.6.2.9 **Amendment in MYT Regulations.** The Commission needs to provide amendments to Regulation 93.2 and Regulation 103.2 of MERC MYT Regulations 2024 for specifying normative O&M cost for new agricultural supply company or may adopt the same norms as applicable to MSEDCL as per its discretion.

7.6.2.10 **MTR Order.** The Commission would expect to issue the MTR Order on or before 01 April 2028 after considering the bifurcation of GFA, normative debt and equity. Also, the Commission would also need to segregate energy balance and power procurement quantum and cost on basis of transfer of PPA to new entity and anticipated sales to consumers connected to agricultural feeders. On basis of separate cost elements thus approved, the Commission may determine separate tariff orders for MSEDCL as well as new agricultural supply company.

7.6.2.11 **Segregation and Post segregation activities.** MSEDCL would target that all the preparatory activity for segregation may be completed on or before November 2027. Thereafter following steps may be taken for actual segregation:

7.6.2.12 **Transfer Scheme.** Section 131 of Electricity Act 2003 which was prepared for reorganisation of State Electricity Board can also be used for horizontal unbundling of power distribution company. Government of Maharashtra would prepare a transfer scheme detailing assets, work in progress, interest in property and liabilities to be shifted to separate agricultural company. The date on which the transfer would be made effective would be known as ‘effective day’. Immediately before the effective date all assets, interest in properties and liabilities which belonged to MSEDCL would vest in state government. Thereafter on effective date all assets, interest in properties and liabilities vested in the State Government shall be re-vested by the State Government in MSEDCL and new agricultural supply company in accordance with the transfer scheme.

7.6.2.13 **Preparation of Balance Sheet.** Based on asset register and transfer scheme, MSEDCL would prepare two separate balance sheets for itself as well as the new agricultural supply company as on 31 March 2028. The balance sheet would bifurcate existing assets and liabilities between MSEDCL and new agricultural supply company as per actuals or ratio specified in the transfer scheme.

7.6.2.14 **Employee Transfer Scheme.** Based on activities specified above, selected employees would be transferred to the new entity. Generally, all the departments of MSEDCL at headquarter level would also be created for new entity. However, at field level the new entity would function in only those areas where there are agricultural feeders thereby excluding urban centres and circles where there are no separate agriculture feeder. To minimize overhead cost, offices at 'Region' level may be done away with in case of new entity and offices at 'zone' level would directly report to headquarter. The hierarchy of staff in various department and offices for the new entity would be same as in MSEDCL. The number of staff would be employed in proportion to the network length, geographical area and number of consumers in accordance with staffing norms and work norms prepared earlier.

7.6.2.15 **Board of Directors.** Initially in the first year both the companies would have same Board of Directors and headed by same CMD. This would be carried out to minimize chances of conflict and lack of coordination in the first year of the transfer. However, second year onwards both the companies would have separate BoD and headed by different CMDs to ensure independence and non-conflict of interest.

7.6.3 **Inter-utility transactions**

7.6.3.1 **MSEDCL** would like to submit that although after carving separate agricultural supply company, both the utilities would be acting as independent utility, however as agricultural supply company would be connected to upstream network belonging to MSEDCL there will be dependency for energy accounting as well as taking security clearance for R&M activities. Additionally, for power procurement from sources other than distributed solar power (connected directly to 11 kV feeder) the power would be needed to be wheeled from MSEDCL's network above 11 kV.

<u>Power Procurement</u>

7.6.3.2 Generally, power generated by solar power set-up under MSKVY 2.0 would be used to provide power to agricultural consumers. However, there may be scenarios when there may not be sufficient demand from agricultural consumers to consume the power generated by solar plants set-up under MSKVY 2.0. Similarly, there may scenarios when there is agricultural demand but there is not sufficient solar power generation. In order to cover-up for such scenarios, other cheaper sources of solar power will be allocated to Agri business.

7.6.3.3 Further, in those months when little or no agricultural consumption is expected for farmers connected to a sub-station, excess power during that period will be allocated to non-Agri business of MSEDCL.

Repair & Maintenance

7.6.3.4 The new entity would be responsible for repair & maintenance 11 kV agricultural feeder and associated downstream network. However, the responsibility of keeping the upstream network available would be of MSEDCL. MSEDCL submitted that it already is executing sub-station monitoring system to ensure maximizing of the availability of such sub-stations.

7.6.3.5 MSEDCL would also be responsible for providing security clearance for starting R&M work on agricultural feeder. For this MSEDCL would develop a protocol with the agricultural supply company to apply and receive work clearance/permit. It is also to be noted that there is feeder switch-off operation possible from central headquarter as a module of sub-station monitoring system.

7.6.3.6 It is also proposed that for cost optimisation there may be common stores for both MSEDCL and agricultural supply company in areas with agricultural feeders and the new entity can store its equipment/ tools/ inventory in the store with separate tag in lieu of suitable rent to be determined by Hon'ble Commission.

Services and Vendors

7.6.3.7 MSEDCL has also developed or purchased multiple IT based system and integrated with Operational Technology (OT) system. MSEDCL based on usage would share all such systems with Agricultural supply company and would bifurcate cost of customization and future maintenance on basis of users or consumers, as suitable.

7.6.3.8 The contract of vendors responsible for Metering Billing Collection (MBC) activity and/or Engineering Procurement and Commissioning (EPC) contractors working in agricultural feeders would also be transferred to the new entity.

Separate ACoS for Agricultural Consumers

7.6.3.9 MSEDCL would like to submit that under MSKVY and other distributed solar schemes such as PM-KUSUM, 16,520 MW of solar plants are expected to be commissioned by end of FY 2026-27. But, for FY 2025-26, cheaper power from other solar sources along with conventional sources will be allocated to agri business of MSEDCL. The large capacity of solar plants being set-up under MSKVY 2.0 would result in lower power procurement cost for consumers connected to solarised agricultural feeders resulting in lower 'Cost of Supply' (CoS) for such consumers.

7.6.3.10 It is further submitted that both Ministry of Renewable Energy (MNRE), Government of India and Government of Maharashtra are paying huge capital subsidy (30% of capital cost) for solar plants being set-up under MSKVY 2.0 for agricultural **consumers**. Without the capital subsidy, the tariff discovered would have been much more than ceiling level (of Rs 3.1/kWh) determined by the Commission and therefore the Commission would have not approved the PPA. As both MNRE and Government of Maharashtra subsidy is towards agricultural consumers, the reduced cost from these power plants should be linked with consumers connected to the solarised agriculture feeder. The Commission need not wait till FY 2028-29 for determining separate tariff for separate agricultural company but can start with separate CoS for such consumers from FY 2025-26 onwards. MSEDCL in instant petition is submitting calculations for CoS of LT- IV agricultural consumers and all other remaining consumer categories to bring out the impact of cheaper solar power. The reduced CoS for agricultural consumers should lead to lower tariff for them. This would also reduce tariff subsidy payable by Government of Maharashtra for agricultural consumption which already has allocated around 10,000 crore amount for VGF to solar plants under MSKVY 2.0.

7.6.3.11 In order to determine separate CoS for agricultural consumers, MSEDCL has separately **determined** retail charges attributable to agricultural consumers. Towards the same it has adopted following approach for bifurcating following cost items:

7.6.3.12 **Power Procurement Cost:** Agricultural consumption pattern is flexible within span of a day and hence can be easily integrated with solar power. Furthermore, decentralised solar plants are co-located in vicinity of agricultural pumps and hence generate sufficient solar power when it is not raining and sunny thereby **leading** to requirement of irrigation by agricultural pumps. MSEDCL has therefore considered existing de-centralized solar plants (MSKVY, PM-KUSUM) as well as new de-centralized solar coming in the future years (MSKVY 2.0) for purpose of supply against agricultural consumption. Furthermore, in order to cater to remaining demand (after allocating power from decentralised solar plants), MSEDCL had also tagged other PPAs with inter and intra solar power plant with agricultural consumption. The power procurement cost of the solar power have been considered as per rate specified in the PPA or power procurement cost discovered during competitive bidding. The below table details generation as well as their respective costs from solar plants under various schemes/developers and matches the same with overall agricultural demand:

Table 337 Power Purchased & Overall Cost for FY 2025-26

Power Generation Sources	Total Energy Sent Out (ESO) from the station (MU)	Per Unit Rate (Rs. / Unit)
Renewable - Solar intra	28,627.90	3.20
Renewable - Solar inter (Loss not applicable)	4,365.85	3.87
Conventional Sources	11,882.26	
Lara	2,094.95	2.68
KSTPS III	915.12	2.87
KSTPS	4,683.47	2.53
SIPAT TPS 1	4,188.72	3.19
Total	44,876.01	3.16

Table 338 Power Purchased & Overall Cost for FY 2026-27

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
Existing De-Centralized Solar	1,759.03	3.20	562.83
Upcoming De-Centralised Solar			-
MSKVY -1	542.97	3.10	168.32
KUSUM-A	64.50	3.30	21.29
KUSUM-C	160.72	3.10	49.82
MSKVY 2.0 - phase-I	19,859.65	3.08	6,116.77
MSKVY 2.0 - phase-II	11,026.62	3.05	3,357.61
KUSUM-A	92.30	3.30	30.46
MSKVY 2.0 - phase-II	2,373.86	3.10	735.90
Inter/Intra State Solar			-
M/s. Avaada MH Sustainable Pvt. Ltd	509.45	2.45	124.82
Maharashtra State Power Generation Co. Ltd	509.45	2.58	131.44
Grid connected solar (Interstate) (NHPC)	2,895.12	2.60	752.73
SJVNL	146.15	2.60	38.00
SECI -tranche -XIII	85.25	2.63	22.42
M/s.MH Technique Solaire India Pvt. Ltd	40.76	2.71	11.04
Gird connected inter-state (NTPC)	3,140.47	2.72	854.21
M/s. Avaada Sunce Energy Pvt. Ltd	713.23	2.75	196.14
Solar (Inter/Intra) Tender phase-11	75.87	2.75	20.86
ACME Heergarh Powertech Private Limited	611.34	2.77	169.34
M/s. Renew Sun Bright Pvt. Ltd	611.34	2.77	169.34
Solar Tender Phase-X Intra	815.13	2.79	227.42
M/s. ACME Chittorgarh Solar Energy Pvt. Ltd	509.45	2.89	147.23
TP Kirnali Ltd	203.78	2.90	59.10
Total	**46,746.45**		**13,967.09**

Table 339 Power Purchased & Overall Cost for FY 2027-28

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
Existing De-Centralised Solar	1,783.21	3.20	570.57
Upcoming De-Centralised Solar			
MSKVY -1	550.43	3.10	170.63
KUSUM-A	65.39	3.30	21.58
KUSUM-C	162.93	3.10	50.51
MSKVY 2.0 - phase-I	20,132.60	3.08	6,200.84
MSKVY 2.0 - phase-II	11,178.17	3.05	3,403.75
KUSUM-A	93.57	3.30	30.88
MSKVY 2.0 - phase-II	2,406.49	3.10	746.01

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
Inter/Intra State Solar			
M/s. Avaada MH Sustainable Pvt. Ltd	525.44	2.45	128.73
Maharashtra State Power Generation Co. Ltd	525.44	2.58	135.56
Grid connected solar (Interstate) (NHPC)	2,985.99	2.60	776.36
SJVNL	2,429.28	2.60	631.61
SECI -tranche -XIII	1,417.08	2.63	372.69
M/s.MH Technique Solaire India Pvt. Ltd	42.04	2.71	11.39
Gird connected inter-state(NTPC)	3,239.04	2.72	881.02
M/s. Avaada Sunce Energy Pvt. Ltd	735.62	2.75	202.30
Solar (Inter/Intra) Tender phase-11	315.27	2.75	86.70
ACME Heergarh Powertech Private Limited	630.53	2.77	174.66
M/s. Renew Sun Bright Pvt. Ltd	630.53	2.77	174.66
Solar Tender Phase-X Intra	840.71	2.79	234.56
M/s. ACME Chittorgarh Solar Energy Pvt. Ltd	525.44	2.89	151.85
TP Kirnali Ltd	210.18	2.90	60.95
Total	**51,425.39**	**2.96**	**15,218**

Table 340 Power Purchased & Overall Cost for FY 2028-29

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
Existing De-Centralised Solar	1,783.21	3.20	570.57
Upcoming De-Centralised Solar			-
MSKVY -1	550.43	3.10	170.63
KUSUM-A	65.39	3.30	21.58
KUSUM-C	162.93	3.10	50.51
MSKVY 2.0 - phase-I	20,132.60	3.08	6,200.84
MSKVY 2.0 - phase-II	11,178.17	3.05	3,403.75
KUSUM-A	93.57	3.30	30.88
MSKVY 2.0 - phase-II	-	-	-
Inter/Intra State Solar	2,406.49	3.10	746.01
M/s. Avaada MH Sustainable Pvt. Ltd	525.44	2.45	128.73
Maharashtra State Power Generation Co. Ltd	525.44	2.58	135.56
Grid connected solar (Interstate) (NHPC)	2,985.99	2.60	776.36
SJVNL	2,429.28	2.60	631.61
SECI -tranche -XIII	1,417.08	2.63	372.69
M/s.MH Technique Solaire India Pvt. Ltd	42.04	2.71	11.39
Gird connected inter-state(NTPC)	3,239.04	2.72	881.02
M/s. Avaada Sunce Energy Pvt. Ltd	735.62	2.75	202.30
Solar (Inter/Intra) Tender phase-11	315.27	2.75	86.70
ACME Heergarh Powertech Private Limited	630.53	2.77	174.66
M/s. Renew Sun Bright Pvt. Ltd	630.53	2.77	174.66
Solar Tender Phase-X Intra	840.71	2.79	234.56
M/s. ACME Chittorgarh Solar Energy Pvt. Ltd	525.44	2.89	151.85
TP Kirnali Ltd	210.18	2.90	60.95
Total	**51,425.39**	**2.96**	**15,217.82**

Table 341 Power Purchased & Overall Cost for FY 2029-30

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
Existing De-Centralised Solar	1,783.21	3.20	570.57
Upcoming De-Centralised Solar			-
MSKVY -1	550.43	3.10	170.63

Name of Sources	Quantum Purchased (MUs)	Rate (Rs/kWh)	Overall Cost (Rs Crore)
KUSUM-A	65.39	3.30	21.58
KUSUM-C	162.93	3.10	50.51
MSKVY 2.0 - phase-I	20,132.60	3.08	6,200.84
MSKVY 2.0 - phase-II	11,178.17	3.05	3,403.75
KUSUM-A	93.57	3.30	30.88
MSKVY 2.0 - phase-II	2,406.49	3.10	746.01
Inter/Intra State Solar			
M/s. Avaada MH Sustainable Pvt. Ltd	525.44	2.45	128.73
Maharashtra State Power Generation Co. Ltd	525.44	2.58	135.56
Grid connected solar (Interstate) (NHPC)	2,985.99	2.60	776.36
SJVNL	2,429.28	2.60	631.61
SECI -tranche -XIII	1,417.08	2.63	372.69
M/s.MH Technique Solaire India Pvt. Ltd	42.04	2.71	11.39
Gird connected inter-state (NTPC)	3,239.04	2.72	881.02
M/s. Avaada Sunce Energy Pvt. Ltd	735.62	2.75	202.30
Solar (Inter/Intra) Tender phase-11	315.27	2.75	86.70
ACME Heergarh Powertech Private Limited	630.53	2.77	174.66
M/s. Renew Sun Bright Pvt. Ltd	630.53	2.77	174.66
Solar Tender Phase-X Intra	840.71	2.79	234.56
M/s. ACME Chittorgarh Solar Energy Pvt. Ltd	525.44	2.89	151.85
TP Kirnali Ltd	210.18	2.90	60.95
Total	**51,425.39**	**2.96**	**15,217.82**

7.6.3.13 **Inter and Intra State Transmission Charges.** Transmission charges and losses would not be applicable on generation from de-centralized solar power systems. In case of inter-state solar power generations as per Ministry of Power (MoP) rules charges are not applicable on solar power commissioned before June 2025. However intra-state transmission charges and losses would be applicable on intra state solar power generator.

7.6.3.14 **Depreciation, Interest on Loan and Return on Equity.** As per clause 1.2 of Annexure-3 of MERC MYT Regulations 2024, following assets have been identified as 'Supply dedicated assets':

> *"All consumer meters and associated metering accessories including CT/PT, meter reading devices and instruments, AMR infrastructure including remote meter communication assets and facilities, meter housing, meter boards and including board wiring. It is clarified that this shall not include meters installed at various locations on the distribution grid, along with their associated metering accessories, wiring and housing.*
>
> *All assets related to consumption analysis and audit, billing and payment facilities such as IT hardware and software for consumption analysis, billing, etc., cash collection centers, automated payment kiosks, consumer care centers, etc.*
>
> *Apps for allocation of meter readers, for billing and payment, if any.*

7.6.3.15 All these assets are dependent on number of consumers and hence MSEDCL proposes to bifurcate GFA between LT IV Agriculture' consumers and all other consumer categories in the ratio of number of consumers in those categories. As depreciation, interest on loan and ROE are directly proportional to GFA. MSEDCL has used the ratio of consumers to bifurcate these cost elements between agriculture and other categories.

Table 342 Calculation of Depreciation (in Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
Depreciation for Retail Supply Business	398.76	372.04	344.65	333.27	319.06
LT Agri Consumer/Total Consumer Ratio	15.0%	14.7%	14.4%	14.2%	13.9%
Depreciation for Agri Supply Business	59.66	54.66	49.73	47.22	44.38

Table 343 Calculation of Return on Equity (in Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
ROE for Retial Supply Business	312.58	363.71	391.58	401.17	409.50
LT Agri Consumer/Total Consumer Ratio	15.0%	14.7%	14.4%	14.2%	13.9%
ROE for Agriculture Supply Business	46.77	53.44	56.50	56.84	56.97

Table 344 Calculation of Interest on Loan (in Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
Interest on Loan of Total MSEDCL	1,259.84	1,725.23	1,889.72	1,874.57	1,760.76
Opening GFA of MSEDCL/Opening GFA of Agriculture supply business	1.5%	1.5%	1.4%	1.4%	1.4%
Interest on Loan for Agriculture Supply Business	18.85	25.35	27.27	26.56	24.49

7.6.3.16 **Operation and Maintenance Expenses.** Regulation 103.2 of MERC MYT Regulations 2024 specifies normative O&M expense in terms of number of consumers as well as average GFA. MSEDCL has calculated normative O&M expenditure of LT-IV agricultural and other categories by considering projected number of consumers in each category. Further it has apportioned projected average GFA for each year into ratio of number of consumers of both categories as submitted above. Thereafter it has used the formulation provided in Regulation 103.2 to calculate O&M expense for retail supply as provided in below table:

Table 345 O&M Calculation

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
O&M (% of Average GFA - Retail Supply)	5.2%	5.4%	5.7%	5.9%	6.2%
O&M (INR Lakhs/'000 Consumers)	10.44	10.91	11.40	11.92	12.45
Average GFA - Agriculture Supply	1,370.80	1,657.47	1,836.39	1,943.58	2,006.33
No. of LT Consumers ('000 consumers)	4,877.78	4,929.85	4,982.78	5,036.58	5,091.27
O&M Cost (Rs Crores)	580.52	628.01	672.34	715.81	758.26

7.6.3.17 **Interest on consumer deposit.** MSEDCL has considered historic numbers of security **deposit** separately for LT-IV agriculture and other categories and applied 10% CAGR to project the consumer security deposit for next Control Period. Further, it has calculated interest on security deposit for LT-IV agriculture as well as other as per MYT Regulation,2024.

Table 346 Interest on consumer deposit

Particulars	UOM	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Agriculture Supply Business	Rs Cr	1,160.18	1,276.19	1,403.81	1,544.19	1,698.61
Interest rate on security deposit	%	5.6%	5.6%	5.6%	5.6%	5.6%
Interest on security deposit	Rs Cr	65.08	71.58	78.74	86.62	95.28

7.6.3.18 **Provision of bad debts.** As per clause 94.1 of MYT Regulation, 2024, commission may allow a provision for writing of bad and doubtful debt up to 1.5% of the Trade Receivables. MSEDCL has considered ratio of receivables (as on 31st March 2024) for LT-IV agriculture and other categories and accordingly segregated the overall provision of bad debts for retail business into both these categories.

Table 347 Ratio of Receivables

Particulars	UOM	Value
Total Receivables for FY 24	Rs Cr	101,881.75
Agriculture receivables for FY 24	Rs Cr	60,000
Ratio of Agriculture Receivables of Total Receivables	%	59%

Table 348 Provision for bad and doubtful debt (in Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
Receivables for the year for MSEDCL	107,045.00	113,047.24	119,477.62	126,371.13	133,765.86
Receivables for the year for Agriculture Supply as per sales ratio	63,040.73	66,575.56	70,362.53	74,422.24	78,777.13

Particulars	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
Opening Balance of Provision of bad and doubtful debt as % of Receivables	1.50%	1.50%	1.50%	1.50%	1.50%
Provision for bad & doubtful debts during the year as per Sales ratio	**945.61**	**998.63**	**1,055.44**	**1,116.33**	**1,181.66**

7.6.3.19 **Interest on Working Capital**: MSEDCL submits that Regulation 34 of the MYT Regulations 2024 provides for Interest on Working Capital. Regulation 32.4 (a) of the said Regulations provides for the norms of computation of Working Capital for Retail Supply Business. Relevant extract from the regulation is reproduced below:

"32.4 (a)..

(a) The working capital requirement of the Retail Supply Business shall cover:

(i) Normative Operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and half months equivalent of the expected revenue from sale of electricity at the Tariff approved by the Commission for ensuing year/s, and including revenue from cross-subsidy surcharge and additional surcharge, if any;

minus

(iv) Amount held as security deposits in cash from retail supply consumers;

(v) One month equivalent of cost of power purchased, including the

Transmission Charges, MSLDC Charges and STU Charges, based on

the annual power procurement plan:

Provided that in case of power procurement from own Generating Stations of the Retail Supply Business, no amount shall be reduced from working capital requirement towards payables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations:"

Table 349 Interest on working capital (in Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for Month	48.38	52.33	56.03	59.65	63.19

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Maintenance Spares at 1% of Opening GFA	11.12	12.88	14.09	14.38	14.63
One and half months equivalent of the expected revenue from sale of electricity	2,404.75	2,322.68	2,218.02	1,886.70	1,930.00
Less: Amount held as Security Deposit	(1,160.18)	(1,276.19)	(1,403.81)	(1,544.19)	(1,698.61)
Less: One month equivalent of cost of power purchase	(1,115.86)	(1,071.01)	(1,077.76)	(1,084.00)	(1,103.49)
Total Working Capital Requirement	**188.21**	**40.70**	**(193.44)**	**(667.46)**	**(794.28)**
Computation of Working Capital Interest					
Interest Rate (%) - SBI Base Rate +150 basis points	10.2%	10.2%	10.2%	10.2%	10.2%
Interest on Working Capital	**19.28**	**4.17**	**-**	**-**	**-**

7.6.3.20 **Based** on the above parameters as calculated for LT IV agricultural and other categories, MSEDCL is calculating Working capital requirement for LT-IV agriculture and other categories as per below table:.

7.6.3.21 **Other Expense**: MSEDCL submits that the other expenses of MSEDCL comprise of the expenditure on account of interest to suppliers/contractors, rebate to consumers and other expenses viz. compensation for injuries to staff and outsiders.

7.6.3.22 The Other Expense for Agriculture supply business is calculated on the ratio of other expense to ARR of previous four years and bases on the average ratio of last four-year MSEDCL has projected other expenses for next four financial years.

Table 350 Other Expenses Ratio for Past Years

Particulars	UOM	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Other Expenses	Rs. Crores	37.93	445.51	252.07	231.93	967.44
ARR	Rs. Crores	76,046.12	91,985.70	111,162.97	123,500.54	402,695.33
Other Expenses to ARR ratio	Rs. Crores	0.05%	0.48%	0.23%	0.19%	0.24%

Table 351 Other Expenses for Agri Supply Business

Particulars	UOM	FY 2025-26	FY 2026-27	FY2027-28	FY 2028-29	FY 2029-30
ARR	Rs. Crores	19,236.18	18,579.71	17,742.92	15,093.61	15,439.97
Other Expenses for Agri Supply Business	Rs. Crores	46.21	44.64	42.63	36.26	37.09

7.6.3.23 Based on approach defined in above paragraphs, MSEDCL has calculated ARR separately for LT-IV Agriculture category and other categories and divide the same by respective sales to the categories to arrive at CoS for (i) LT-IV Agriculture consumers; and (ii) other categories. The below table provides breakup of supply ARR for both these headings:-

Table 352 Retail ARR for LT Agricultural and Other Categories for FY 2025-26 (in Rs. Crores)

Particulars	LT IV Agriculture	Non-Agriculture
Power Purchase Expenses	13,390.27	80,566.22
Operation & Maintenance Expenses	580.52	11,969.33
Depreciation Expenses	59.66	3,927.96
Interest on Loan Capital	18.85	1,240.99
Interest on Working Capital	19.28	171.34
Interest on Consumers Security Deposit	65.08	941.00
Provision for bad and doubtful debts	945.61	157.28
Other Expenses	46.22	258.76
Return on Equity Capital	46.77	2,729.43
Other ARR Components		12,093.10
Aggregate Revenue Requirement	**15,172.25**	**1,14,055.41**
Past period carrying cost recovery	4,063.96	11,334.48
Net ARR	**19,236.18**	**1,25,389.92**
Other Income	-	1,593.00
Net ARR to be recovered	**19,236.18**	**1,23,796.92**

Table 353 Retail ARR for LT Agricultural and Other Categories for FY 2026-27

Particulars	LT IV Agriculture	Non-Agriculture
Power Purchase Expenses	12,852.07	92,018.61
Operation & Maintenance Expenses	628.01	14,655.11
Depreciation Expenses	54.66	3,665.75
Interest on Loan Capital	25.35	1,699.88
Interest on Working Capital	4.17	230.33
Interest on Consumers Security Deposit	71.58	1,035.10
Provision for bad and doubtful debts	998.63	151.34
Other Expenses	44.64	275.59
Return on Equity Capital	53.44	3,181.47
Other ARR Components		12,614.48
Aggregate Revenue Requirement	**14,732.56**	**1,29,527.65**
Past period carrying cost recovery	3,847.17	11,340.33
Net ARR	**18,579.71**	**1,40,868.01**
Other Income	-	4,321.60
Net ARR to be recovered	**18,579.71**	**1,36,546.41**

Table 354 Retail ARR for LT Agricultural and Other Categories for FY 2027-28

Particulars	LT IV Agriculture	Non-Agriculture
Power Purchase Expenses	12,933.14	99,644.81

Particulars	LT IV Agriculture	Non-Agriculture
Operation & Maintenance Expenses	672.34	16,883.68
Depreciation Expenses	49.73	3,396.81
Interest on Loan Capital	27.27	1,862.46
Interest on Working Capital	-	261.09
Interest on Consumers Security Deposit	78.74	1,138.61
Provision for bad and doubtful debts	1,055.44	143.89
Other Expenses	42.63	293.61
Return on Equity Capital	56.50	3,428.49
Other ARR Components		14,443.53
Aggregate Revenue Requirement	**14,915.78**	**1,41,496.98**
Past period carrying cost recovery	2,827.14	8,774.42
Net ARR	**17,742.92**	**1,50,271.40**
Other Income	-	4,757.63
Net ARR to be recovered	**17,742.92**	**1,45,513.77**

Table 355 Retail ARR for LT Agricultural and Other Categories for FY 2028-29

Particulars	LT IV Agriculture	Non-Agriculture
Power Purchase Expenses	13,007.98	1,06,140.57
Operation & Maintenance Expenses	715.81	18,829.07
Depreciation Expenses	47.22	3,285.47
Interest on Loan Capital	26.56	1,848.01
Interest on Working Capital	-	273.93
Interest on Consumers Security Deposit	86.62	1,252.47
Provision for bad and doubtful debts	1,116.33	134.73
Other Expenses	36.26	316.79
Return on Equity Capital	56.84	3,514.18
Other ARR Components		15,843.51
Aggregate Revenue Requirement	**15,093.61**	**1,51,438.73**
Past period carrying cost recovery	-	-
Net ARR	**15,093.61**	**1,51,438.73**
Other Income	-	6,454.32
Net ARR to be recovered	**15,093.61**	**1,44,984.41**

Table 356 Retail ARR for LT Agricultural and Other Categories for FY 2029-30

Particulars	LT IV Agriculture	Non-Agriculture
Power Purchase Expenses	13,241.85	1,11,547.68
Operation & Maintenance Expenses	758.26	20,586.31
Depreciation Expenses	44.38	3,146.20
Interest on Loan Capital	24.49	1,736.27
Interest on Working Capital	-	280.49
Interest on Consumers Security Deposit	95.28	1,377.72
Provision for bad and doubtful debts	1,181.66	123.66
Other Expenses	37.09	333.61
Return on Equity Capital	56.97	3,588.78
Other ARR Components		17,088.58
Aggregate Revenue Requirement	**15,439.97**	**1,59,809.28**
Past period carrying cost recovery		

Particulars	LT IV Agriculture	Non-Agriculture
Net ARR	**15,439.97**	**1,59,809.28**
Other Income	-	8,313.49
Net ARR to be recovered	**15,439.97**	**1,51,495.79**

7.6.3.24 **Accordingly**, the total Cost of supply for LT-IV agricultural consumer is Rs. 19,236.18 crore (wire + retail ARR) for FY 2025-26, 18,579.71 crore for FY 2026-27, Rs. 17,742.92 crore for FY 2027-28, Rs. 15,093.61 crore for FY 2028-29 and Rs. 15,439.97 crore for FY 2029-30. Accordingly, the ACoS for LT-IV agricultural consumers and other consumers for FY 2026-27 and FY 2027-28 is submitted in below table:

Table 357 AcoS for LT-Agricultural and Other Categories for FY 2025-26

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	93,956.50	80,566.22	13,390.27
Energy Requirement (Mus)	1,86,203.15	1,43,896.39	42,306.77
Power Purchase Cost (Rs/kWh)	**5.05**	**5.60**	**3.17**
Total ARR to be recovered (Rs Crore)	1,43,033	1,23,797	19,236
Energy Sales (Mus)	1,51,418.80	1,13,342.71	38,076.09
ACoS (Rs/kWh)	**9.45**	**10.92**	**5.05**
Revenue from sale of Excess power	710.84	710.84	
Net PP cost (New)	93,245.66	79,855.38	13,390.27
APPC net	**5.01**	**5.55**	**3.17**

Table 358 AcoS for LT-Agricultural and Other Categories for FY 2026-27

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,04,870.68	92,018.61	12,852.07
Energy Requirement (Mus)	2,18,171.57	1,75,426.96	42,744.61
Power Purchase Cost (Rs/kWh)	**4.81**	**5.25**	**3.01**
Total ARR to be recovered (Rs Crore)	1,55,126	1,36,546	18,580
Energy Sales (Mus)	1,59,174.59	1,20,704.45	38,470.15
ACoS (Rs/kWh)	**9.75**	**11.31**	**4.83**
Revenue from sale of Excess power	3,346.77	3,346.77	
Net PP cost (New)	1,01,523.91	88,671.84	12,852.07
APPC net	**4.65**	**5.05**	**3.01**

Table 359 AcoS for LT-Agricultural and Other Categories for FY 2027-28

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,12,577.95	99,644.81	12,933.14
Energy Requirement (Mus)	2,29,386.89	1,86,293.73	43,093.16
Power Purchase Cost (Rs/kWh)	**4.91**	**5.35**	**3.00**
Total ARR to be recovered (Rs Crore)	1,63,257	1,45,514	17,743
Energy Sales (Mus)	1,66,624.46	1,27,840.6149	38,783.84
ACoS (Rs/kWh)	**9.80**	**11.38**	**4.57**
Revenue from sale of Excess power	3,676.76	3,676.76	
Net PP cost (New)	1,08,901.19	95,968.05	12,933.14
APPC net	**4.75**	**5.15**	**3.00**

Table 360 AcoS for LT-Agricultural and Other Categories for FY 2028-29

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,19,148.55	1,06,140.57	13,007.98
Energy Requirement (Mus)	2,38,063.35	1,94,682.33	43,381.02
Power Purchase Cost (Rs/kWh)	**5.00**	**5.45**	**3.00**
Total ARR to be recovered (Rs Crore)	1,60,078	1,44,984	15,094
Energy Sales (Mus)	1,74,166.36	1,35,123.4453	39,042.92
ACoS (Rs/kWh)	**9.19**	**10.73**	**3.87**
Revenue from sale of Excess power	5,299.16	5,299.16	
Net PP cost (New)	1,13,849.40	1,00,841.42	13,007.98
APPC net	**4.78**	**5.18**	**3.00**

Table 361 AcoS for LT-Agricultural and Other Categories for FY 2029-30

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,24,789.52	1,11,547.68	13,241.85
Energy Requirement (Mus)	2,43,337.32	1,99,073.50	44,263.82
Power Purchase Cost (Rs/kWh)	**5.13**	**5.60**	**2.99**
Total ARR to be recovered (Rs Crore)	1,66,936	1,51,496	15,440
Energy Sales (Mus)	1,82,669.86	1,42,832.42	39,837.44
ACoS (Rs/kWh)	**9.14**	**10.61**	**3.88**

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Revenue from sale of Excess power	7,074.04	7,074.04	
Net PP cost (New)	1,17,715.48	1,04,473.64	13,241.85
APPC net	**4.84**	**5.25**	**2.99**

7.6.3.25 MSEDCL in this petition proposes separate ACoS for Agri and Non-Agri and accordingly has proposed the category wise tariff and CSS. The modalities of forming a separate Agri company will be based on directions from GoM.

Commission's Analysis and Rulings

7.6.3.26 The Commission in its MTR Order in Case No. 226 of 2022 has ruled that MSEDCL should explore the possibility of formation of separate agriculture supply company. The relevant extract of the Commission's Ruling is as under:

> *"7.1.43 The Commission vide its letter dated 05 January 2022 advised to GoM for undertaking study of MSEDCL's operations and laying down time bound plan for performance improvement. In the said advisory one of the options suggested is with regards formation of new Company for Agricultural consumers. This has become urgent need of the hour as the tariff for industrial and commercial category consumers have reached to level with very high level of cross-subsidy. Further, accounting of the energy consumption as well as quality of power supply to agriculture consumers/feeders require dedicated and focussed efforts. Formation of separate agriculture company would enable monitoring and ensuring accountability towards both these category of consumers with two separate organisations, as their mandate would drive such focussed efforts necessary at this stage. In view of above, the Commission directs MSEDCL to pursue this option and chart out the modalities for implementation of the same expeditiously."*

7.6.3.27 Accordingly, MSEDCL has submitted the contours & timelines for separating its agricultural supply into an independent company. The Commission appreciates the efforts of MSEDCL. Further, the Commission understands that the primary objective of this new company is to exclusively serve to agricultural consumers. As per the Electricity Act 2003, a distribution license is mandatory for supplying electricity to any consumer category. However, the Electricity Act does not provide for consumer-category-specific distribution licenses.

7.6.3.28 The Commission recognizes that MSEDCL, being a government-owned entity, must seek a guidance of the Government of Maharashtra. Additionally, MSEDCL also needs to obtain the Commission's approval as the Commission is responsible for issuing the distribution license and regulate such entity subject to specific conditions to be specified that would govern the operations of the new company to supply electricity to agricultural consumers. Upon following the due regulatory process and public consultation thereof, the Commission shall scrutinse the application and undertake regulatory process for grant of license to such new Agriculture Supply Company within the statutory framework enshrined under the Electricity Act 2003. MSEDCL and the applicant company should ensure that the new company meets the necessary regulatory requirements and can operate effectively within the statutory framework and regulatory requirements for grant license and operations of such licensee to cater to agriculture consumers. Hence, the Commission directs MSEDCL to submit the action plan for segregation of the separate agriculture supply company within three months of issuance of this order. Further, MSEDCL and the Applicant company needs to file its Petition before the Commission upon seeking the guidance from the State Government.

7.6.3.29 MSEDL has submitted that it will try to segregate the agriculture supply company by November 2027. Before the actual separation, MSEDCL must complete various preparatory tasks related to preliminary activities related to preparation of separate asset register, allocation or assignment of power purchase agreement for sources with rationale, clear demarcation of interface points and energy accounting between MSEDCL and new entity, policy for manpower/resource management including transfer/deputation of employees, chalk out the commercial & financial transaction modalities, outlining mechanism for sharing of network usage and charges thereof, outlining responsibility for network development, augmentation and its operations, strategies for revenue recovery and improvements in collection efficiency/ recovery of arrears and treatment thereof, determination of governance structure, for entity etc. The Commission understands that modalities related to inter-utility transactions shall be detailed out well in advance to ensure smooth operations of both entities, in the best interest of consumers of both the entities (viz. AG and Non-AG).

7.6.3.30 Further, MSEDCL has mentioned that GoM is providing subsidy to the tune of Rs. 17,700 Cr. annually which is expected to increase with the announcement of Chief Minister Baliraja Free Electricity Scheme-2024. The Commission emphasizes that provisions under Section 65 of the Electricity Act, that in case Government wishes to provide subsidy to any consumer or class of consumers the same should be provided in advance. The relevant extract of the same are outlined below:

> ***S65** If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall,*

notwithstanding any direction which may be given under section 108, pay, within in advance in the manner as may be specified , by the State Commission the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.

7.6.3.31 In this context, the Commission would also like to highlight the stringent provisions of Subsidy Accounting and Reporting as stipulated under Rule 15 of Electricity (Amendment) Rules, 2005 notified by Central Government on 26 July 2023. The relevant extracts of the same are reproduced as under:

*"[**15. Subsidy accounting and payment.- (**1) The accounting of the subsidy payable under Section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard Operating Procedures issued by the Central Government, in this regard.*

*(2) **A quarterly report** shall be issued by the State Commission for each distribution licensee, in its jurisdiction, giving findings whether demands for subsidy were raised by the distribution licensee in the relevant quarter based on accounts of the energy consumed by the subsidised category and consumer category wise per unit subsidy declared by the State Government, the actual payment of subsidy in accordance with Section 65 of the Act and **the gap in subsidy due and paid** as well as other relevant details.*

Explanation: For the purpose of this rule, (The term "Unit" means Kilo Watt Hour (kWh) or Kilo Watt (kW) or Horse Power (HP) or Kilo Volt Ampere (kVA), in accordance with the relevant Regulations or the Tariff Orders issued by the Appropriate Commission.

*(3) The **quarterly report shall be submitted by the distribution licensee within thirty days from end date of the respective quarter** and the State Commission shall examine the report, and issue it with corrections, if any, in accordance with sub-rule (2), within thirty days of the submission.*

*(4) In case the **subsidy has not been paid in advance**, then the State Commission **shall issue order for implementation of the tariff without subsidy**, in accordance with provisions of the Section 65 of the Act.*

*(5) If subsidy accounting and the raising bills for subsidy is not found in accordance with the Act or Rules or Regulations issued there under, **the State Commission shall take appropriate action against the concerned***

***officers of the licensee for non-compliance as per provisions of the Act.**] "*

(emphasis added)

7.6.3.32 The Commission emphasizes the importance of expediting the process as submitted by MSEDCL. The Commission reiterates that focussed efforts to improve situation for reliable agriculture power supply and proper accounting of energy supplied towards agriculture consumption has become urgent need of the hour, as the tariff for industrial and commercial category consumers have reached to level with very high level of cross-subsidy. Further, accounting of the energy consumption as well as quality of power supply to agriculture consumers/feeders require dedicated and focussed efforts. Formation of separate agriculture company would enable monitoring and ensuring accountability towards both these category of consumers with two separate organisations, as their mandate would drive such focussed efforts necessary at this stage. During public hearings, many consumer representatives pointed out that MSEDCL's industrial tariffs are higher compared to neighbouring states. This disparity poses a significant threat to Maharashtra's industrial growth, as higher tariffs can make industries less competitive. To address this issue, the Commission directs MSEDCL to accelerate the process of segregating responsibility for energy supply to agricultural consumers and its energy accounting and management thereof into a separate company. This would help reduce the cross-subsidy burden on industrial and commercial consumers, making Maharashtra's industries more competitive and promoting industrial growth.

<u>Separate ACoS for Agriculture Consumers</u>

7.6.3.33 The Commission appreciates MSEDCL's initiative to separate the ACoS for agricultural consumers. The Commission understands that, for now, this separation will occur within the existing company structure and will be based on notional allocations till the time of actual separation of agriculture supply company takes place within the prevalent statutory and regulatory framework.

7.6.3.34 However, it was observed that, MSEDCL has made very optimistic assumptions as regards reduction to the agricultural ACoS, without proper allocation of all associated costs thereof, which has resulted in an enhanced ACoS for non-agricultural consumers.

7.6.4 **Power Procurement Estimation:**

7.6.4.1 For estimation of the Power procurement requirement and costs thereof for agriculture supply, MSEDCL has considered overall loss level of 10% as power procurement projected at feeder level. However, considering the significant power procurement from inter & intra-state grid connected solar projects, as well as balancing of capacity requirements thereof, the assumed loss of 10% is significantly lower, when the past studies have indicated loss level for agriculture feeders upto 18%. The Commission recognises that with improvement in the significant investment in the improvement of distribution network infrastructure and system strengthening schemes as well as with proliferation of distributed solar generation at load centre under MSKVY scheme, it is expected that there would be significant improvement in overall distribution loss levels over the period. Hence, for the purpose of estimation of energy requirement, the Commission, has considered distribution loss for respective years as per trajectory specified under this Order. Distribution Loss considered by MSEDCL vs approved by the Commission for Agriculture supply company is as follows;

Table 362: Distribution Loss approved by the Commission (%)

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
MYT Petition	10.00%	10.00%	10.00%	10.00%	10.00%
Approved in this Order	**17.00%**	**15.50%**	**14.00%**	**12.50%**	**11.00%**

7.6.4.2 The Commission understands that the significant capacity addition of solar projects being set-up under MSKVY 2.0 would result in lower power procurement cost for consumers connected to solarised agricultural feeders resulting in lower 'Cost of Supply' (CoS) for such consumers over the period. Accordingly, the Commission agrees with MSEDCL submission that quantum and cost associated with such distributed solar projects under MSKVY scheme, that are devised to cater to day-time power supply to agriculture consumers should form part of predominant source of power procurement to be allocated to Agriculture supply company.

7.6.4.3 In the absence of power from MSKVY 2.0, for FY 2025-26, MSEDCL has proposed to procure power from Thermal projects. For the remaining years during Control Period, the Commission observes that MSEDCL has proposed power procurement from other contracted solar projects, assuming a CUF of 25%. However, in its current MYT petitions as well as in previous submissions, MSEDCL cited lower actual generation from renewable energy projects as a reason for not meeting its RPO. Further, the Commission understands that as per tender documents and PPA provisions under the MSKVY 2.0 , normative CUF is considered at 19%, and declared CUF by many solar project developers is in the range of 19-21%. Therefore, using a 25% CUF for estimation purposes would result in over-estimation of projected generation from these solar projects.

7.6.4.4 In addition to MSKVY, for the balance requirement, MSEDCL has considered power procurement through other Intra/Inter State solar projects. For those projects too, MSEDCL has considered the higher PLF of approx. 24%. The Commission observes that MSEDCL has proposed allocation of power from infirm power sources only for all remaining years of control period except for FY 2025-26. The Commission notes that MSEDCL's reliance on infirm power sources (i.e., solar and wind power) may raise concerns about the reliability of power supply in the future. Also, there would be scenario when, there would be shortage of available power from non-firm renewable sources during certain periods (hours/months/season) as against the requirement of agriculture consumption, which need to be met from other firm sources. It is important to undertake assessment of energy balancing as well as capacity balancing requirement of agriculture load vis-à-vis available generation from allocated generating sources. Hence, the part of the capacity allocation from firm sources is desirable to ensure operational flexibility as well as reliable operations of both businesses (Ag and Non-Ag), alike.

7.6.4.5 Further, the Commission understands that, without separation of companies, the allocation of PPAs from specific sources to specific consumer category could lead to discriminatory treatment and may lead to potential legal hurdles in implementation, and unrealistic assessment ACoS for Agriculture consumers and Non-Ag consumers.

7.6.4.6 To address these concerns, the Commission has taken a balanced approach by considering power procurement from solar projects backed by part of thermal power (around 9% to 11%) for reliable supply. This approach ensures a more equitable allocation of generation resources for assessment of Ag ACoS and Non-Ag ACoS.

7.6.4.7 The Commission has estimated availability of power quantum through distributed solar generation projects under MSKVY 2.0 projects at 19% CUF. Additionally, the Commission has also considered allocation of power procurement through Inter State solar projects which will commissioned on or before 31 March 2025. For the remaining requirement, the Commission has considered power procurement through other thermal & hydro projects in the range of 9% to 11% during years of 5th Control Period.

7.6.4.8 The Commission has considered the weighted average rate of MSKVY 2.0 Projects and Inter-State projects. Additionally, the Commission has considered the thermal power procurement costs based on the weighted average rate for each source in each respective year. The Power procurement considered by the Commission is as follows:

Table 363: Power Procurement for FY 2025-26

Source of Power	FY 2025-26		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
MSKVY 2.0 Phase I & II	26,025	7,990	3.07
Renewable - Solar inter (Loss not applicable)	4,726	1,829	3.87

Source of Power	FY 2025-26		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
Total MSPGCL	4,549	2,635	5.79
Total CGS	3,178	1,363	4.29
Total IPP	2,977	1,479	4.97
Total allocated Power Purchase for AG	**41,455**	**15,295**	**3.69**

Table 364: Power Procurement for FY 2026-27

Source of Power	FY 2026-27		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
MSKVY 2.0 Phase I & II	26,025	7,990	3.07
Renewable - Solar inter (Loss not applicable)	4,726	1,829	3.87
Total MSPGCL	4,391	2,750	6.26
Total CGS	3,076	1,454	4.73
Total IPP	2,851	1,505	5.28
Total allocated Power Purchase for AG	**41,069**	**15,527**	**3.78**

Table 365: Power Procurement for FY 2027-28

Source of Power	FY 2027-28		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
MSKVY 2.0 Phase I & II	26,025	7,990	3.07
Renewable - Solar inter (Loss not applicable)	4,726	1,829	3.87
Total MSPGCL	4,449	2,903	6.52
Total CGS	2,912	1,513	5.20
Total IPP	2,821	1,549	5.49
Total allocated Power Purchase for AG	**40,932**	**15,783**	**3.86**

Table 366: Power Procurement for FY 2028-29

Source of Power	FY 2028-29		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
MSKVY 2.0 Phase I & II	26,025	7,990	3.07
Renewable - Solar inter (Loss not applicable)	4,726	1,829	3.87
Total MSPGCL	4,171	2,766	6.63
Total CGS	2,703	1,532	5.67
Total IPP	3,034	1,720	5.67
Total allocated Power Purchase for AG	**40,659**	**15,837**	**3.90**

Table 367: Power Procurement for FY 2029-30

Source of Power	FY 2029-30		
	Approved in this Order		
	Quantum (MU)	Total (Rs Crore)	Rate (Rs/Unit)
MSKVY 2.0 Phase I & II	26,025	7,990	3.07
Renewable - Solar inter (Loss not applicable)	4,900	1,896	3.87
Total MSPGCL	3,714	2,478	6.67
Total CGS	2,745	1,542	5.62
Total IPP	3,089	1,803	5.83
Total allocated Power Purchase for AG	**40,474**	**15,709**	**3.88**

7.6.5 Other Operative & Network related Expenses:

7.6.5.1 It is observed that, MSEDCL has identified supply of dedicated assets and since such assets are dependent on number of consumers, it has proposed to bifurcate GFA in the ratio of agriculture consumers to total consumers. However, the Commission observes that agricultural consumers are spread across Maharashtra, requiring a distribution infrastructure spread across Maharashtra to deliver electricity. Simply allocating GFA based on the consumer ratio would not be proper.

7.6.5.2 In this context, the Commission opines that firstly, it is important to identify the part of distribution network dedicated for use agriculture consumer (particularly, downstream of 11 kV agriculture feeders), based on allocation of assets for which asset registers need to be maintained for such interface points/point of separation between two businesses (Ag and Non-Ag). Secondly, fair allocation of cost towards use of distribution network upstream of such interface point/ point of separation. In the absence of asset allocation principles and accounting data thereof and considering the fact that both businesses (Ag and Non-Ag) are currently part of single company, the Commission has considered allocation of operating cost and network related usage costs on the ratio agriculture sales to total sales for the purpose of estimation of Ag ACoS.

7.6.5.3 Thus, given the limitations, for the purpose of determination of Ag ACoS and Non-Ag ACoS, the Commission has considered allocation of network expenses and other operational expenses based on the ratio of sales. This approach provides a more accurate representation of network costs, as sales data reflects the actual usage and demand on the network rather than just the number of consumers.

7.6.5.4 The Commission has adopted a same approach by allocating other operational and network-related expenses based on the ratio of agricultural sales to total sales for each year of the Control Period. Using this approach, the Commission has estimated the allocated Annual Revenue Requirement (ARR) separately for (i) LT-IV Agriculture consumers; and (ii) other categories (Non-Ag). Following table provides breakup of allocated ARR for both these headings: -

Table 368: Retail ARR for LT Agricultural and Other Categories (Non-Ag) for FY 2025-26 approved by Commission (Rs. Cr.)

Particulars	FY 2025-26	
	LT IV Agriculture	Non-Agriculture
Power Purchase Exp	15,175	70,000
Operation & Maintenance Expenses	2,705	7,979
Depreciation Expenses	722	2,131
Interest on Loan Capital	195	575
Interest on Working Capital	34	101
Interest on Consumers Security Deposit	243	716
Provision for bad and doubtful debts	228	672
Other Expenses	51	315
Intra-State Transmission Charges MSLDC charge	549	8,308
Return on Equity Capital	613	1,807
Other ARR Component Incl. NTI & Other Income	-	1,249
Total Allocated ARR	**20,515**	**93,854**
Allocation of the past Period Recovery	1,550	4,572
Net ARR for FY 2025-26	**22,065**	**98,426**

Table 369: Retail ARR for LT Agricultural and Other Categories (Non-Ag) for FY 2026-27 approved by Commission (Rs. Cr.)

Particulars	FY 2026-27	
	LT IV Agriculture	Non-Agriculture
Power Purchase Exp	15,462	73,149
Operation & Maintenance Expenses	2,725	8,416
Depreciation Expenses	688	2,124
Interest on Loan Capital	165	509
Interest on Working Capital	32	97
Interest on Consumers Security Deposit	262	808
Provision for bad and doubtful debts	220	680
Other Expenses	52	333
Intra-State Transmission Charges MSLDC charge	501	8,247
Return on Equity Capital	605	1,867
Other ARR Component Incl. NTI & Other Income	-	630
Total Allocated ARR	**20,711**	**96,859**
Allocation of the past Period Recovery	1,610	5,821
Net ARR for FY 2026-27	**22,321**	**1,02,681**

Table 370: Retail ARR for LT Agricultural and Other Categories (Non-Ag) for FY 2027-28 approved by Commission (Rs. Cr.)

Particulars	FY 2027-28	
	LT IV Agriculture	Non-Agriculture
Power Purchase Exp	15,686	78,522
Operation & Maintenance Expenses	2,792	9,026
Depreciation Expenses	577	1,866

Particulars	FY 2027-28	
	LT IV Agriculture	Non-Agriculture
Interest on Loan Capital	108	350
Interest on Working Capital	27	88
Interest on Consumers Security Deposit	278	899
Provision for bad and doubtful debts	213	688
Other Expenses	52	345
Intra-State Transmission Charges MSLDC charge	502	8,896
Return on Equity Capital	590	1,907
Other ARR Component Incl. NTI & Other Income	-	-868
Total Allocated ARR	**20,825**	**1,01,718**
Allocation of the past Period Recovery	1,727	5,582
Net ARR for FY 2027-28	**22,552**	**1,07,300**

Table 371: Retail ARR for LT Agricultural and Other Categories (Non-Ag) for FY 2028-29 approved by Commission (Rs. Cr.)

Particulars	FY 2028-29	
	LT IV Agriculture	Non-Agriculture
Power Purchase Exp	15,767	84,703
Operation & Maintenance Expenses	2,854	9,666
Depreciation Expenses	521	1,764
Interest on Loan Capital	57	194
Interest on Working Capital	23	79
Interest on Consumers Security Deposit	295	999
Provision for bad and doubtful debts	205	695
Other Expenses	53	356
Intra-State Transmission Charges MSLDC charge	490	9,170
Return on Equity Capital	572	1,937
Other ARR Component Incl. NTI & Other Income	-	-614
Total Allocated ARR	**20,837**	**1,08,950**
Allocation of the past Period Recovery	1,146	3,880
Net ARR for FY 2028-29	**21,983**	**1,12,829**

Table 372: Retail ARR for LT Agricultural and Other Categories (Non-Ag) for FY 2029-30 approved by Commission (Rs. Cr.)

Particulars	FY 2029-30	
	LT IV Agriculture	Non-Agriculture
Power Purchase Exp	15,639	91,013
Operation & Maintenance Expenses	2,913	10,333
Depreciation Expenses	471	1,670
Interest on Loan Capital	17	59
Interest on Working Capital	20	69
Interest on Consumers Security Deposit	313	1,111
Provision for bad and doubtful debts	198	702
Other Expenses	54	368
Intra-State Transmission Charges MSLDC charge	460	9,337
Return on Equity Capital	554	1,965
Other ARR Component Incl. NTI & Other Income	-	-933

Particulars	FY 2029-30	
	LT IV Agriculture	Non-Agriculture
Total Allocated ARR	**20,637**	**1,15,695**
Allocation of the past Period Recovery	1,005	3,564
Net ARR for FY 2028-29	**21,642**	**1,19,258**

7.6.5.5 Accordingly, the ACoS for LT-IV agricultural consumers and other consumers (Non-Ag) for 5th Control Period as approved by the Commission is presented in following table:

Table 373 ACoS for LT-Agricultural and Other Categories for FY 2025-26

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	85,175	70,000	15,175
Energy Requirement (Mus)	1,72,700	1,31,568	41,132
Power Purchase Cost (Rs/kWh)	**4.93**	**5.32**	**3.69**
Total ARR to be recovered (Rs Crore)	1,20,491	98,384	22,107
Energy Sales (Mus)	1,42,402	1,08,262	34,140
ACoS (Rs/kWh)	**8.46**	**9.09**	**6.48**
ACoS_PP Exp.	5.98	6.47	4.45
ACoS_ Network & Other Operative Exp.	2.48	2.62	2.03

Table 374 ACoS for LT-Agricultural and Other Categories for FY 2026-27

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	88,611	73,149	15,462
Energy Requirement (Mus)	1,80,111	1,39,213	40,897
Power Purchase Cost (Rs/kWh)	**4.92**	**5.25**	**3.78**
Total ARR to be recovered (Rs Crore)	1,25,002	1,02,638	22,364
Energy Sales (Mus)	1,49,211	1,14,652	34,558
ACoS (Rs/kWh)	**8.38**	**8.95**	**6.47**
ACoS_PP Exp.	5.94	6.38	4.47
ACoS_ Network & Other Operative Exp.	2.44	2.57	2.00

Table 375 ACoS for LT-Agricultural and Other Categories for FY 2027-28

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	94,207	78,522	15,686
Energy Requirement (Mus)	1,90,659	1,49,979	40,680
Power Purchase Cost (Rs/kWh)	**4.94**	**5.24**	**3.86**
Total ARR to be recovered (Rs Crore)	1,29,852	1,07,258	22,594
Energy Sales (Mus)	1,56,431	1,21,447	34,985
ACoS (Rs/kWh)	**8.30**	**8.83**	**6.46**
ACoS_PP Exp.	6.02	6.47	4.48

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
ACoS_ Network & Other Operative Exp.	2.28	2.37	1.97

Table 376 ACoS for LT-Agricultural and Other Categories for FY 2028-29

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,00,470	84,703	15,767
Energy Requirement (Mus)	1,95,504	1,55,025	40,479
Power Purchase Cost (Rs/kWh)	**5.14**	**5.46**	**3.90**
Total ARR to be recovered (Rs Crore)	1,34,812	1,12,789	22,023
Energy Sales (Mus)	1,64,056	1,28,637	35,419
ACoS (Rs/kWh)	**8.22**	**8.77**	**6.22**
ACoS_PP Exp.	6.12	6.58	4.45
ACoS_ Network & Other Operative Exp.	2.09	2.18	1.77

Table 377 ACoS for LT-Agricultural and Other Categories for FY 2029-30

Particulars	Before Segregation	After Segregation	
	Total MSEDCL	Total MSEDCL (Excluding LT Agri)	LT IV Agriculture
Power Purchase Cost (Rs Crs)	1,06,652	91,013	15,639
Energy Requirement (Mus)	2,03,301	1,63,007	40,293
Power Purchase Cost (Rs/kWh)	**5.25**	**5.58**	**3.88**
Total ARR to be recovered (Rs Crore)	1,40,900	1,19,219	21,681
Energy Sales (Mus)	1,72,387	1,36,526	35,861
ACoS (Rs/kWh)	**8.17**	**8.73**	**6.05**
ACoS_PP Exp.	6.19	6.67	4.36
ACoS_ Network & Other Operative Exp.	1.99	2.07	1.68

7.6.5.6 Accordingly, the Commission approves the Agriculture ACoS and Non-Agriculture ACoS.

7.7 Key Consideration for Tariff Design

7.7.1 The Commission has ensured a reduction in the cross-subsidy levels across all consumer categories in the 5th Control Period as compared to the levels determined in the previous MTR Order for FY 2024-25.

7.7.2 As against MSEDCL's projected total Revenue Gap of Rs. 48,066 Crore (without considering the y-o-y revenue of FAC Component) for the 5th Control Period, which is approximately 6% of its projected cumulative ARR, the Commission has determined the total Revenue Surplus of Rs. (44,481) Crore considering FAC component of revenue prevalent as on February 2025. This translates to reduction in tariff by around (-11%) during first year and cumulative reduction of (-16%) by FY30 vis-à-vis Existing Tariff (incl FAC) at CAGR of (-3% p.a.) over the 5th Control Period.

7.7.3 MSEDCL had proposed an increase/decrease in Fixed Charges and Energy Charges for various categories in order to bridge the Revenue Gap over the Control Period. Increase in ACoS proposed by MSEDCL translates to 0.00% (FY 2025-26), 3.17% (FY 2026-27), 0.54% (FY 2027-28), (-6.19%) (FY 2028-29) and (-0.57%) (FY 2029-30). MSEDCL has proposed to meet such increase in ACoS, by way of increase in Energy Charge and Demand Charge, revision in ToD Tariff, revision in definition of Billing Demand, curtailment/rationalisation of incentives/rebates, introduction of Grid Support Charges, revision in Cross-subsidy Surcharge, Additional Surcharge and several other measures for performance improvement over the 5th Control Period from FY 2025-26 to FY 2029-30.

7.7.4 While determining the revised tariffs, the Commission has to consider the revision in the Demand Charges, Energy Charges and Wheeling Charge components and their impact on the overall ABR for any particular consumer category while keeping in view the principles outlined in the Tariff Policy, 2016 and MYT Regulations, 2024 for the reduction in the cross-subsidy levels.

7.7.5 For adjustment of projected revenue surplus, the Commission has ensured reduction in Energy Charges vis-à-vis prevalent Energy Charge (including FAC) across most of the categories and more specifically for HT-Industrial and HT-Commercial, LT-Industrial, LT-Commercial and LT-Residential categories, that are cross-subsidising categories.

7.7.6 Besides, as elaborated in the subsequent paragraphs, the regulatory principle necessitate wheeling charge should be determined so as to ensure recovery of approved wheeling ARR through wheeling charges, otherwise supply revenue would be cross-subsidising wire business of utility. In the past, there was cumulative over-recovery of wheeling charges (from FY 2022-23 to FY 2024-25) to an extent of Rs 1,072 Crore which along with projected increase in wire related costs as approved under Wire ARR needs to be recovered through wheeling charges to be determined over 5th Control Period.

7.7.7 The Commission has ensured recovery of the Wires ARR (including past surplus in recovery of Wire ARR) through Wheeling Charges, and the rationale for determination of Wheeling Charges has been elaborated in below paras. The approved revision in Wheeling Charges has contributed towards meeting the entire Wheeling Cost along with adjustment of past period wires business surplus, thereby further reducing/revising the Energy (Supply) Charge component of the tariff. The Energy (Supply) Charges have been revised such that such that the resultant ABR for subsidising category is reduced and cross-subsidy levels are reduced gradually over the period considering prevalent Tariff incl. FAC applicable for such consumer categories, pass on the benefit of reduction in costs and also to avoid any tariff shock, such that the overall objective of cross-subsidy level reduction is met.

7.7.8 As elaborated in subsequent Sections, an upward revision in Demand Charges/Fixed Charges is necessary since, at their existing level, the revenue recovery from these Charges comprise only around 17% of total revenue whereas fixed cost of operations of licensee is around 48% of its total cost of operation. Thus, revenue though Fixed Charge/Demand Charge cover less than 36% of the Fixed Cost of MSEDCL's operations. The Commission has approved marginal increase in Demand Charges / Fixed Charges of around 1% p.a. for FY 2025-26 to FY 2029-30. The detailed rationale for revision in Demand Charges/Fixed Charges is elaborated in the below paras. With proposed revision in Demand/Fixed Charges it is envisaged that revenue through Demand/Fixed Charge component of tariff shall gradually increase from present level of 15% to 20% by 2029-30.

Stabilisation (buffer) for Fuel Cost Adjustment

7.7.9 As per MYT Regulations, 2024, the aggregate gain or loss to a Distribution Licensee on account of variation in cost of fuel, power purchase, and inter-State Transmission Charges shall be passed through under the Fuel Adjustment Charge (FAC) component of the Z-factor Charge (ZFAC), as an adjustment in its tariff on a monthly basis. Relevant part of the MYT Regulation is reproduced below:

"10.2 The aggregate gain or loss to a Distribution Licensee on account of variation in cost of fuel, power purchase, and inter-State Transmission Charges, covered under Regulation 9.1, shall be passed through under the Fuel Adjustment Charge (FAC) component of the Z-factor Charge (ZFAC), as an adjustment in its Tariff on a monthly basis, as specified in these Regulations and as may be determined in orders of the Commission passed under these Regulations, and shall be subject to ex-post facto approval by the Commission on a quarterly basis:

Provided that in case Distribution Licensee fails to compute and charge ZFAC within the timeline stipulated in these Regulations, except in case of any Force Majeure, its right for recovery of such cost shall be forfeited and Distribution Licensee shall not allow to recover such cost in True-up also.

Provided further that in case ZFAC computed for any month is negative i.e. saving in expenses, then such saving shall be deposited in 'FAC Stabilisation Fund'. Amount accrued along with holding cost in such Fund shall be used for offsetting positive ZFAC i.e. increased expenses, before levying it to the consumers."

7.7.10 In order to maintain transparency in management and use of such FAC Fund, the Distribution Licensee shall maintain monthly account of such FAC fund and upload it on its website for information of stakeholders.

7.8 Proposed Tarif and Rationale of Tariff Hike as submitted by MSEDCL

7.8.1 MSEDCL has submitted the following table summarizing the year-on-year increase in Average Billing Rate (ABR) along with the recovery from revised tariff.

Table 378: Y-o-Y increase in ABR as submitted by MSEDCL

Particulars	Based on Approved Tariff for FY 2024-25 incl. FAC	Proposed for FY 2025-26	Proposed for FY 2026-27	Proposed for FY 2027-28	Proposed for FY 2028-29	Proposed for FY 2029-30
ABR in Rs. /Unit	9.45	9.45	9.75	9.80	9.19	9.14
Y-o-Y Rise in ABR		0.00%	3.17%	0.54%	-6.19%	-0.57%

7.8.2 MSEDCL submitted that there was a significant reduction in approved revenue gap vis-à-vis the revenue gap sought by MSEDCL in MTR Order dated 31st March 2023. MSEDCL further submitted that with approved tariffs it is difficult to sustain its operations due to intrinsic rise in all expenditure heads due to inflationary pressures, deferred recovery of power purchase variations due to monthly cap of 20% of variable component of approved tariff, and consistent rise in power purchase costs coupled with energy demands. The obligation to be met under Central or State Policies adding burden on the operations of MSEDCL. This has compelled MSEDCL to seek revision in Tariffs so as to meet bare minimum requirement in order to remain financially viable and to meet the financial obligations for discharging its liabilities so as to effectively discharge its duties towards consumer services.

7.8.3 MSEDCL has proposed a revision in fixed and energy charges for various categories in order to bridge revenue gap. MSEDCL submitted that the tariff revision is necessary for meeting additional costs due to increase in generation and transmission costs and legitimate expenses of MSEDCL. The revenue gap has emerged due to additional costs, which are beyond the control of MSEDCL.

7.8.4 Comparison of detailed Category/ Sub-category wise Existing and Proposed Fixed and Demand Charges and Energy Charges (Excluding Wheeling Charges) as proposed by MSEDCL under MYT Petition is shown in tables below:

Table 379: Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for HT Category as submitted by MSEDCL

Particulars	Existing Energy Charges with latest FAC (Rs./kVAh)	FY 2025-26 Energy Charges (Rs/kVAh)		FY 2026-27 Energy Charges (Rs/kVAh)		FY 2027-28 Energy Charges (Rs/kVAh)		FY 2028-29 Energy Charges (Rs/kVAh)		FY 2029-30 Energy Charges (Rs/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
HT I HT - Industry											
HT	8.99	8.71	-3%	8.85	2%	8.78	-1%	8.10	-8%	7.97	-2%
EHV	8.98	8.71	-3%	8.85	2%	8.78	-1%	8.10	-8%	7.97	-2%
HT I (B): HT - Industry (Seasonal)											
HT	9.45	8.71	-8%	8.85	2%	8.78	-1%	8.10	-8%	7.97	-2%
EHV	9.30	8.71	-6%	8.85	2%	8.78	-1%	8.10	-8%	7.97	-2%
HT II: HT – Commercial											
HT	14.18	14.03	-1%	14.75	5%	15.10	2%	15.53	3%	15.64	1%
EHV	14.08	14.03	0%	14.75	5%	15.10	2%	15.53	3%	15.64	1%
HT III : HT - Railways/Metro/Monorail Traction											
HT	8.16	8.76	7%	9.33	6%	10.10	8%	11.10	10%	12.15	9%
EHV	7.94	8.76	10%	9.33	6%	10.10	8%	11.10	10%	12.15	9%
HT IV: HT - Public Water Works											
HT	8.33	8.32	0%	9.12	10%	9.08	0%	8.42	-7%	8.31	-1%
EHV	8.31	8.32	0%	9.12	10%	9.08	0%	8.42	-7%	8.31	-1%
HT V(A): HT - Agriculture Pumpsets											
HT	6.17	7.28	18%	8.02	10%	8.85	10%	9.39	6%	9.27	-1%
EHV	6.12	7.28	19%	8.02	10%	8.85	10%	9.39	6%	9.27	-1%
HT V(B): HT - Agriculture - Others											
HT	8.53	10.05	18%	11.09	10%	12.26	11%	13.04	6%	12.86	-1%
EHV	7.99	10.05	26%	11.09	10%	12.26	11%	13.04	6%	12.86	-1%

Particulars	Existing Energy Charges with latest FAC (Rs./kVAh)	FY 2025-26 Energy Charges (Rs/kVAh)		FY 2026-27 Energy Charges (Rs/kVAh)		FY 2027-28 Energy Charges (Rs/kVAh)		FY 2028-29 Energy Charges (Rs/kVAh)		FY 2029-30 Energy Charges (Rs/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
HT VI: HT - Group Housing Societies (Residential)											
HT	7.73	8.65	12%	8.85	2%	8.79	-1%	8.15	-7%	8.04	-1%
EHV	7.74	8.65	12%	8.85	2%	8.79	-1%	8.15	-7%	8.04	-1%
HT VIII: HT - Public Services											
HT VIII(A): HT - Public Services-Govt. Edu. Institutions and Hospitals											
HT	10.76	10.42	-3%	10.52	1%	10.34	-2%	9.44	-9%	9.17	-3%
EHV	10.03	10.42	4%	10.52	1%	10.34	-2%	9.44	-9%	9.17	-3%
HT VIII(B): HT - Public Services-Others											
HT	11.75	11.34	-4%	11.42	1%	11.20	-2%	10.19	-9%	9.87	-3%
EHV	10.93	11.34	4%	11.42	1%	11.20	-2%	10.19	-9%	9.87	-3%
HT IX: HT – Electric Vehicle Charging Station											
HT	7.93	8.83	11%	9.24	5%	9.71	5%	9.85	1%	9.74	-1%
EHV	7.60	8.83	16%	9.24	5%	9.71	5%	9.85	1%	9.74	-1%

Table 380: Comparison of Existing and Proposed Energy Charges (excl. Wheeling Charges) for LT Category as submitted by MSEDCL

Category	Existing Energy Charges with Latest FAC for FY 2025	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26	Proposed	% Change over FY 2027-28	Proposed	% Change over FY 2028-29	Proposed	% Change over FY 2029-30
LT Residential											
LT I(A): LT - Residential-BPL	1.56	1.48	**-5%**	1.58	**7%**	1.59	**1%**	1.69	**6%**	1.72	**2%**
LT I(B): LT - Residential											
1-100 units	4.71	4.37	**-7%**	4.16	**-5%**	3.38	**-19%**	2.52	**-25%**	2.20	**-13%**
101-300 units	10.29	11.14	**8%**	11.35	**2%**	11.53	**2%**	9.55	**-17%**	9.30	**-3%**
301-500 units	14.55	15.49	**6%**	15.37	**-1%**	15.58	**1%**	15.32	**-2%**	15.59	**2%**
Above 500 units	16.64	17.63	**6%**	17.63	**0%**	17.89	**1%**	16.69	**-7%**	17.24	**3%**
Three Phase Charges											
LT II: LT - Non-Residential											
(A) (i): 0 – 20 kW	8.52	8.53	**0%**	8.88	**4%**	9.18	**3%**	9.55	**4%**	10.26	**7%**

Category	Existing Energy Charges with Latest FAC for FY 2025	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26	Proposed	% Change over FY 2027-28	Proposed	% Change over FY 2028-29	Proposed	% Change over FY 2029-30
(B): >20 kW and ≤ 50 kW	13.01	13.10	**1%**	13.75	**5%**	14.18	**3%**	14.67	**3%**	15.61	**6%**
(C): >50 kW	15.38	15.62	**2%**	16.39	**5%**	16.91	**3%**	17.47	**3%**	18.54	**6%**
LT III: LT - Public Water Works (PWW)											
(A): 0-20 KW	4.09	4.58	**12%**	4.96	**8%**	5.45	**10%**	6.02	**10%**	6.59	**9%**
(B): > 20 kW and ≤ 40 kW	6.33	7.16	**13%**	7.75	**8%**	8.47	**9%**	9.30	**10%**	10.12	**9%**
(C): > 40 kW	8.40	9.56	**14%**	10.34	**8%**	11.26	**9%**	12.28	**9%**	13.28	**8%**
LT IV: LT - Agriculture											
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	3.39	3.14	**-7%**	2.71	**-14%**	2.31	**-15%**	1.69	**-27%**	1.69	**0%**
LT IV(C): LT - Agriculture Metered – Others	5.71	7.86	**38%**	7.81	**-1%**	7.41	**-5%**	6.64	**-10%**	6.43	**-3%**
LT V (A): LT - Industry - Powerlooms											

Category	Existing Energy Charges with Latest FAC for FY 2025	FY 2025-26 Energy Charges (Rs,/kVAh)		FY 2026-27 Energy Charges (Rs,/kVAh)		FY 2027-28 Energy Charges (Rs,/kVAh)		FY 2028-29 Energy Charges (Rs,/kVAh)		FY 2029-30 Energy Charges (Rs,/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26	Proposed	% Change over FY 2027-28	Proposed	% Change over FY 2028-29	Proposed	% Change over FY 2029-30
(i): 0-20 kW	6.01	6.85	**14%**	7.32	**7%**	7.55	**3%**	6.90	**-9%**	6.76	**-2%**
(ii): Above 20 kW	7.12	7.91	**11%**	8.50	**7%**	8.76	**3%**	8.03	**-8%**	7.90	**-2%**
LT V(B): LT - Industry - General											
(i): 0-20 kW	6.16	7.10	**15%**	7.34	**3%**	7.37	**0%**	6.85	**-7%**	6.81	**-1%**
(ii): Above 20 kW	7.30	9.04	**24%**	9.37	**4%**	9.36	**0%**	8.69	**-7%**	8.65	**-1%**
LT VI: LT - Street Light											
(A): Grampanchayat; A B & C Class Municipal Council	6.83	7.96	**17%**	8.09	**2%**	7.99	**-1%**	7.33	**-8%**	7.19	**-2%**
(B): Municipal corporation Area	8.31	9.72	**17%**	9.88	**2%**	9.74	**-1%**	8.93	**-8%**	8.75	**-2%**
LT VII (A) - Public Services – Govt.											
(i): ≤ 20 kW	4.29	4.04	**-6%**	4.15	**3%**	3.96	**-4%**	2.96	**-25%**	2.55	**-14%**
(ii): >20 - ≤ 50 kW	6.18	7.03	**14%**	7.23	**3%**	7.10	**-2%**	6.26	**-12%**	5.93	**-5%**
iii): >50 kW	7.75	8.70	**12%**	8.94	**3%**	8.80	**-2%**	7.81	**-11%**	7.44	**-5%**

Category	Existing Energy Charges with Latest FAC for FY 2025	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)		Energy Charges (Rs,/kVAh)	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26	Proposed	% Change over FY 2027-28	Proposed	% Change over FY 2028-29	Proposed	% Change over FY 2029-30
LT VII (A) - Public Services - Government Total											
LT VII (B) - Public Services - Others											
(i): ≤ 20 kW	6.18	5.86	**-5%**	5.62	**-4%**	5.42	**-3%**	4.63	**-15%**	4.31	**-7%**
(ii): >20 - ≤ 50 kW	9.78	10.21	**4%**	9.95	**-3%**	9.73	**-2%**	8.54	**-12%**	8.07	**-6%**
iii): >50 kW	10.13	10.54	**4%**	10.35	**-2%**	10.13	**-2%**	8.97	**-11%**	8.51	**-5%**
LT VIII – Electric Vehicle Charging Station	6.58	9.86	**50%**	10.14	**3%**	10.14	**0%**	9.45	**-7%**	9.34	**-1%**

Table 381: Comparison of Existing and Proposed Fixed Charges (excl. Wheeling Charges) for HT Category as submitted by MSEDCL

Particulars	Existing Fixed Charges (Rs./ kVA/ Month)	FY 2025-26 Fixed Charges		FY 2026-27 Fixed Charges		FY 2027-28 Fixed Charges		FY 2028-29 Fixed Charges		FY 2029-30 Fixed Charges	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
HT I HT - Industry											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT I (B): HT - Industry (Seasonal)											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT II: HT – Commercial											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT III : HT - Railways /Metro /Monorail Traction											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT IV: HT - Public Water Works											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT V(A): HT - Agriculture Pumpsets											
HT	97.00	115.00	19%	145.00	26%	180.00	24%	215.00	19%	230.00	7%
EHV	97.00	115.00	19%	145.00	26%	180.00	24%	215.00	19%	230.00	7%
HT V(B): HT - Agriculture - Others											
HT	97.00	115.00	19%	145.00	26%	180.00	24%	215.00	19%	230.00	7%
EHV	97.00	115.00	19%	145.00	26%	180.00	24%	215.00	19%	230.00	7%
HT VI: HT - Group Housing Societies (Residential)											

Particulars	Existing Fixed Charges (Rs./ kVA/ Month)	FY 2025-26 Fixed Charges		FY 2026-27 Fixed Charges		FY 2027-28 Fixed Charges		FY 2028-29 Fixed Charges		FY 2029-30 Fixed Charges	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
HT	438.00	520.00	19%	580.00	12%	630.00	9%	635.00	1%	640.00	1%
EHV	438.00	520.00	19%	580.00	12%	630.00	9%	635.00	1%	640.00	1%
HT VIII: HT - Public Services											
HT	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
EHV	549.00	600.00	9%	675.00	13%	720.00	7%	730.00	1%	750.00	3%
HT IX: HT – Electric Vehicle Charging Station											
HT	80.00	-	-100%								
EHV	80.00	-	-100%								

Table 382: Comparison of Existing and Proposed Fixed Charges (excl. Wheeling Charges) for LT Category as submitted by MSEDCL

Particulars	Existing Fixed Charges (Rs./ kVA/ Month) or (Rs./ Conn/ Month)	FY 2025-26 Fixed Charges		FY 2026-27 Fixed Charges		FY 2027-28 Fixed Charges		FY 2028-29 Fixed Charges		FY 2029-30 Fixed Charges	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
LT Residential											
LT I(A): LT - Residential-BPL	34.00	35.00	3%	40.00	14%	48.00	20%	55.00	15%	65.00	18%
LT I(B): LT - Residential											
1-100 units	128.00	130.00	2%	140.00	8%	145.00	4%	145.00	0%	145.00	0%
101-300 units	128.00	135.00	5%	145.00	7%	150.00	3%	150.00	0%	150.00	0%
301-500 units	128.00	140.00	9%	150.00	7%	155.00	3%	155.00	0%	155.00	0%
Above 500 units	128.00	145.00	13%	155.00	7%	160.00	3%	160.00	0%	160.00	0%
Three Phase Charges	424.00										
LT I: LT - Residential Total											

Particulars	Existing Fixed Charges (Rs./ kVA/ Month) or (Rs./ Conn/ Month)	FY 2025-26 Fixed Charges		FY 2026-27 Fixed Charges		FY 2027-28 Fixed Charges		FY 2028-29 Fixed Charges		FY 2029-30 Fixed Charges	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
LT II: LT - Non-Residential											
(A) (i): 0 – 20 kW	517.00	550.00	6%	575.00	5%	600.00	4%	600.00	0%	600.00	0%
(B): >20 kW and ≤ 50 kW	517.00	570.00	10%	600.00	5%	625.00	4%	625.00	0%	625.00	0%
(C): >50 kW	517.00	570.00	10%	600.00	5%	625.00	4%	625.00	0%	625.00	0%
LT III: LT - Public Water Works (PWW)											
(A): 0-20 KW	129.00	150.00	16%	173.00	15%	200.00	16%	230.00	15%	270.00	17%
(B): > 20 kW and ≤ 40 kW	156.00	180.00	15%	207.00	15%	238.00	15%	270.00	13%	310.00	15%
(C): > 40 kW	194.00	220.00	13%	253.00	15%	290.00	15%	335.00	16%	385.00	15%
LT IV: LT - Agriculture											
LT IV(A): LT - AG Un-metered - Pumpsets											
Category 1 Zones (Above 1318 Hrs/HP/Annum)											
(a) 0-5 HP	563.34	497.93	-12%	454.10	-9%	409.63	-10%	308.33	-25%	324.86	5%
(b) Above 5 HP - 7.5 HP	607.18	547.72	-10%	499.51	-9%	450.60	-10%	339.17	-25%	357.35	5%
(c) Above 7.5 HP	682.81	613.44	-10%	559.45	-9%	504.67	-10%	379.87	-25%	400.23	5%
Category 2 Zones (Below 1318 Hrs/HP/Annum)											
(a) 0-5 HP	435.11	398.34	-8%	363.28	-9%	327.71	-10%	246.67	-25%	259.89	5%
(b) Above 5 HP - 7.5 HP	475.66	438.17	-8%	399.61	-9%	360.48	-10%	271.33	-25%	285.88	5%
(c) Above 7.5 HP	551.29	508.28	-8%	463.54	-9%	418.15	-10%	314.75	-25%	331.62	5%
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	52.00	60.00	15%	70.00	17%	80.00	14%	64.00	-20%	64.00	0%
LT IV(C): LT - Agriculture Metered – Others	142.00	200.00	41%	230.00	15%	270.00	17%	270.00	0%	270.00	0%
LT V (A): LT - Industry - Powerlooms											
(i): 0-20 kW	583.00	650.00	11%	720.00	11%	780.00	8%	780.00	0%	780.00	0%
(ii): Above 20 kW	388.00	415.00	7%	445.00	7%	480.00	8%	480.00	0%	480.00	0%

Particulars	Existing Fixed Charges (Rs./ kVA/ Month) or (Rs./ Conn/ Month)	FY 2025-26 Fixed Charges		FY 2026-27 Fixed Charges		FY 2027-28 Fixed Charges		FY 2028-29 Fixed Charges		FY 2029-30 Fixed Charges	
		Proposed	% Change over FY 2024-25 Approved	Proposed	% Change over FY 2025-26 Approved	Proposed	% Change over FY 2026-27 Approved	Proposed	% Change over FY 2027-28 Approved	Proposed	% Change over FY 2028-29 Approved
LT V(B): LT - Industry - General											
(i): 0-20 kW	583.00	650.00	11%	720.00	11%	780.00	8%	780.00	0%	780.00	0%
(ii): Above 20 kW	388.00	415.00	7%	445.00	7%	480.00	8%	480.00	0%	480.00	0%
LT VI: LT - Street Light											
(A): Grampanchayat; A B & C Class Municipal Council	142.00	160.00	13%	175.00	9%	190.00	9%	190.00	0%	190.00	0%
(B): Municipal corporation Area	142.00	160.00	13%	175.00	9%	190.00	9%	190.00	0%	190.00	0%
LT VII (A) - Public Services – Govt.											
(i): ≤ 20 kW	427.00	450.00	5%	450.00	0%	450.00	0%	450.00	0%	450.00	0%
(ii): >20 - ≤ 50 kW	427.00	450.00	5%	450.00	0%	450.00	0%	450.00	0%	450.00	0%
iii): >50 kW	427.00	450.00	5%	450.00	0%	450.00	0%	450.00	0%	450.00	0%
LT VII (B) - Public Services - Others											
(i): ≤ 20 kW	464.00	550.00	19%	625.00	14%	625.00	0%	625.00	0%	625.00	0%
(ii): >20 - ≤ 50 kW	464.00	550.00	19%	625.00	14%	625.00	0%	625.00	0%	625.00	0%
iii): >50 kW	464.00	550.00	19%	625.00	14%	625.00	0%	625.00	0%	625.00	0%
LT VIII – Electric Vehicle Charging Station	80.00	-	-100%								

7.9 Proposed Recovery from Tariff (ABR) as approved by Commission

7.9.1 The comparison of the existing tariffs, the tariffs proposed by MSEDCL and the tariffs approved by the Commission, as well as the percentage decrease for each consumer category and the cross-subsidy trajectory for the remaining period of 5th Control Period (i.e. from FY 2025-26 to FY 2029-30) are given in the Tables below:

Table 383: Comparison of Proposed & Approved ABR for 5th Control Period

Particulars	Based on Approved Tariff for FY 2024-25 incl. FAC	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
MSEDCL Submission						
ABR in Rs./Unit	**9.45**	**9.45**	**9.75**	**9.80**	**9.19**	**9.14**
Y-o-Y Rise in ABR		0.00%	3.17%	0.54%	-6.19%	-0.57%
Approved by Commission						
ABR in Rs. /Unit	**9.45**	**8.46**	**8.38**	**8.30**	**8.22**	**8.17**
Y-o-Y Rise in ABR		-10.5%	-1.0%	-0.9%	-1.0%	-0.5%

Table 384: Average Billing Rate (ABR) and Cross Subsidy Trajectory as proposed by MSEDCL for FY 2025-26

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26	Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26		
HT I (A): HT - Industry	**10.92**	10.88	10.92	113%	100%	-13%	0%
HT II: HT - Commercial		16.97	16.91	174%	155%	-19%	0%
HT III: HT - Railways/Metro/Monorail Traction		10.24	11.44	113%	105%	-8%	12%
HT IV: HT - Public Water Works (PWW)		9.93	10.32	104%	94%	-10%	4%
HT V: HT - Agriculture Pumps		6.68	7.83	80%	72%	-8%	17%
HT VI: HT - Group Housing Societies (Residential)		9.69	10.92	100%	100%	0%	13%
HT IX : HT - Public Services Govt		12.83	12.88	143%	118%	-25%	0%
HT IX : HT - Public Services Others		13.82	14.29	143%	131%	-12%	3%
HT Total		**10.92**	**11.00**	**114%**	**101%**	**-13%**	**1%**

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26	Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26		
LT I: LT - Residential		11.21	11.25	106%	103%	-3%	0%
LT II: LT - Non-Residential		14.79	14.66	151%	134%	-17%	-1%
LT III: LT - Public Water Works (PWW)		7.00	7.58	73%	69%	-4%	8%
LT V (A): LT - Industry - Power Looms		9.40	10.13	96%	93%	-3%	8%
LT V (B): LT - Industry – General		10.24	10.92	108%	100%	-8%	7%
LT VI: LT - Street Light		9.89	10.92	108%	100%	-8%	10%
LT X- Public Services Govt.		11.03	11.53	119%	106%	-13%	5%
LT X- Public Services Others		11.62	11.59	119%	106%	-13%	0%
LT Total		**8.72**	**8.87**	**93%**	**81%**	**-12%**	**2%**
LT IV: LT - Agriculture Metered	**5.05**	**5.25**	**5.05**	**57%**	**100%**		**-4%**

Table 385: Average Billing Rate (ABR) and Cross Subsidy Trajectory as proposed by MSEDCL for FY 2026-27

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27		
HT I (A): HT - Industry	**11.31**	10.92	11.31	100%	100%	0%	4%
HT II: HT - Commercial		16.91	17.86	155%	158%	3%	6%
HT III: HT - Railways/Metro/Monorail Traction		11.44	12.39	105%	110%	5%	8%
HT IV: HT - Public Water Works (PWW)		10.32	11.31	94%	100%	6%	10%
HT V: HT - Agriculture Pumps		7.83	8.66	72%	77%	5%	11%

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27		
HT VI: HT - Group Housing Societies (Residential)		10.92	11.31	100%	100%	0%	4%
HT IX : HT - Public Services Govt		12.88	13.32	118%	118%	0%	3%
HT IX : HT - Public Services Others		14.29	14.80	131%	131%	0%	4%
HT Total		**11.00**	**11.44**	**101%**	**101%**	**0%**	**4%**
LT I: LT - Residential		11.25	11.42	103%	101%	-2%	2%
LT II: LT - Non-Residential		14.66	15.36	134%	136%	2%	5%
LT III: LT - Public Water Works (PWW)		7.58	8.26	69%	73%	4%	9%
LT V (A): LT - Industry - Power Looms		10.13	10.94	93%	97%	4%	8%
LT V (B): LT - Industry – General		10.92	11.31	100%	100%	0%	4%
LT VI: LT - Street Light		10.92	11.31	100%	100%	0%	4%
LT X- Public Services Govt.		11.53	12.14	106%	107%	2%	5%
LT X- Public Services Others		11.59	11.98	106%	106%	0%	3%
LT Total		**8.87**	**9.08**	**81%**	**80%**	**-1%**	**2%**
LT IV: LT - Agriculture Metered	**4.83**	**5.05**	**4.83**	**100%**	**100%**	**0%**	**-4%**

Table 386: Average Billing Rate (ABR) and Cross Subsidy Trajectory as proposed by MSEDCL for FY 2027-28

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28		
HT I (A): HT - Industry	**11.38**	11.31	11.38	100%	100%	0%	1%

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28		
HT II: HT - Commercial		17.86	18.44	158%	162%	4%	3%
HT III: HT - Railways/Metro/Monorail Traction		12.39	13.43	110%	118%	8%	8%
HT IV: HT - Public Water Works (PWW)		11.31	11.38	100%	100%	0%	1%
HT V: HT - Agriculture Pumps		8.66	9.57	77%	84%	8%	11%
HT VI: HT - Group Housing Societies (Residential)		11.31	11.38	100%	100%	0%	1%
HT IX : HT - Public Services Govt		13.32	13.39	118%	118%	0%	1%
HT IX : HT - Public Services Others		14.80	14.89	131%	131%	0%	1%
HT Total		**11.44**	**11.56**	**101%**	**102%**	**0%**	**1%**
LT I: LT - Residential		11.42	11.20	101%	98%	-3%	-2%
LT II: LT - Non-Residential		15.36	15.87	136%	139%	4%	3%
LT III: LT - Public Water Works (PWW)		8.26	9.00	73%	79%	6%	9%
LT V (A): LT - Industry - Power Looms		10.94	11.38	97%	100%	3%	4%
LT V (B): LT - Industry – General		11.31	11.38	100%	100%	0%	1%
LT VI: LT - Street Light		11.31	11.38	100%	100%	0%	1%
LT X- Public Services Govt.		12.14	12.43	107%	109%	2%	2%
LT X- Public Services Others		11.98	12.02	106%	106%	0%	0%
LT Total		**9.08**	**9.07**	**80%**	**80%**	**-1%**	**0%**
LT IV: LT - Agriculture Metered	**4.57**	**4.83**	**4.58**	**100%**	**100%**	**0%**	**-5%**

Table 387: Average Billing Rate (ABR) and Cross Subsidy Trajectory as proposed by MSEDCL for FY 2028-29

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2028-29		
HT I (A): HT - Industry	10.73	11.38	10.73	100%	100%	0%	-6%
HT II: HT - Commercial		18.44	18.98	162%	177%	15%	3%
HT III: HT - Railways/Metro/Monorail Traction		13.43	14.55	118%	136%	18%	8%
HT IV: HT - Public Water Works (PWW)		11.38	10.73	100%	100%	0%	-6%
HT V: HT - Agriculture Pumps		9.57	10.19	84%	95%	11%	7%
HT VI: HT - Group Housing Societies (Residential)		11.38	10.73	100%	100%	0%	-6%
HT IX : HT - Public Services Govt		13.39	12.61	118%	118%	0%	-6%
HT IX : HT - Public Services Others		14.89	14.05	131%	131%	0%	-6%
HT Total		**11.56**	**11.02**	**102%**	**103%**	**1%**	**-5%**
LT I: LT - Residential		11.20	9.79	98%	91%	-7%	-13%
LT II: LT - Non-Residential		15.87	16.32	139%	152%	13%	3%
LT III: LT - Public Water Works (PWW)		9.00	9.81	79%	91%	12%	9%
LT V (A): LT - Industry - Power Looms		11.38	10.73	100%	100%	0%	-6%
LT V (B): LT - Industry – General		11.38	10.73	100%	100%	0%	-6%
LT VI: LT - Street Light		11.38	10.73	100%	100%	0%	-6%
LT X- Public Services Govt.		12.43	11.93	109%	111%	2%	-4%
LT X- Public Services Others		12.02	11.31	106%	105%	0%	-6%
LT Total		**9.07**	**8.34**	**80%**	**78%**	**-2%**	**-8%**
LT IV: LT - Agriculture Metered	**3.87**	**4.58**	**3.87**	**0%**	**100%**	**100%**	**-16%**

Table 388: Average Billing Rate (ABR) and Cross Subsidy Trajectory as proposed by MSEDCL for FY 2029-30

Category	Projected Average Cost of Supply (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2029-30	Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2029-30		
HT I (A): HT - Industry	10.61	10.73	10.61	100%	100%	0%	-1%
HT II: HT - Commercial		18.98	19.23	177%	181%	4%	1%
HT III: HT - Railways/Metro/Monorail Traction		14.55	15.76	136%	149%	13%	8%
HT IV: HT - Public Water Works (PWW)		10.73	10.61	100%	100%	0%	-1%
HT V: HT - Agriculture Pumps		10.19	10.09	95%	95%	0%	-1%
HT VI: HT - Group Housing Societies (Residential)		10.73	10.61	100%	100%	0%	-1%
HT IX : HT - Public Services Govt		12.61	12.46	118%	117%	0%	-1%
HT IX : HT - Public Services Others		14.05	13.89	131%	131%	0%	-1%
HT Total		**11.02**	**10.90**	**103%**	**103%**	**0%**	**-1%**
LT I: LT - Residential		9.79	9.35	91%	88%	-3%	-5%
LT II: LT - Non-Residential		16.32	17.10	152%	161%	9%	5%
LT III: LT - Public Water Works (PWW)		9.81	10.61	91%	100%	9%	8%
LT V (A): LT - Industry - Power Looms		10.73	10.61	100%	100%	0%	-1%
LT V (B): LT - Industry – General		10.73	10.61	100%	100%	0%	-1%
LT VI: LT - Street Light		10.73	10.61	100%	100%	0%	-1%
LT X- Public Services Govt.		11.93	12.01	111%	113%	2%	1%
LT X- Public Services Others		11.31	11.15	105%	105%	0%	-1%
LT Total		**8.34**	**8.30**	**78%**	**78%**	**0%**	**-1%**
LT IV: LT - Agriculture Metered	**3.88**	**3.87**	**3.88**	**100%**	**100%**	**0%**	**0%**

Table 389: Average Billing Rate (ABR) and Cross Subsidy Trajectory as approved by Commission for FY 2025-26

Category	Projected Average Cost of Supply (Rs/unit)	Average Billing Rate (Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26	Existing Tariff for FY 2024-25	Proposed Tariff for FY 2025-26		
HT I (A): HT - Industry	**9.09**	10.85	9.20	113%	101%	-12%	-15%
HT II: HT - Commercial		16.97	11.71	174%	129%	-45%	-31%
HT III: HT - Railways/Metro/Monorail Traction		10.36	9.48	113%	104%	-9%	-8%
HT IV: HT - Public Water Works (PWW)		9.93	9.36	104%	103%	-1%	-6%
HT V: HT - Agriculture Pumps		6.61	7.89	80%	87%	7%	19%
HT VI: HT - Group Housing Societies (Residential)		9.67	9.01	100%	99%	-1%	-7%
HT IX : HT - Public Services		13.82	10.78	143%	119%	-23%	-22%
HT Total		**10.83**	**9.20**	**114%**	**101%**	**-13%**	**-15%**
LT I: LT - Residential		11.16	9.69	106%	107%	1%	-13%
LT II: LT - Non-Residential		14.75	11.75	151%	129%	-22%	-20%
LT III: LT - Public Water Works (PWW)		7.03	7.28	73%	80%	7%	4%
LT V (B): LT - Industry – General		10.29	9.14	108%	101%	-7%	-11%
LT VI: LT - Street Light		9.89	9.53	108%	105%	-3%	-4%
LT X- Public Services		11.40	9.28	119%	102%	-17%	-19%
LT Total Excl. Ag		**11.31**	**9.74**	**93%**	**107%**	**14%**	**-14%**
LT IV: LT - Agriculture Metered*	**6.48**	**5.31**	**6.17**	**57%**	**95%**	**38%**	**16%**

Note: For LT IV-AG (Metered), the Ratio of Approved ABR (Rs 6.17 pu) to Approved Composite ACoS (Rs 8.46 pu) is **73% for FY2025-26*

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Table 390: Average Billing Rate (ABR) and Cross Subsidy Trajectory as approved by Commission for FY 2026-27

Category	Projected Average Cost of Supply (Rs/unit)	Average Billing Rate (Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2025-26	Proposed Tariff for FY 2026-27		
HT I (A): HT - Industry	8.95	9.20	9.00	101%	100%	-1%	-2%
HT II: HT - Commercial		11.71	11.24	129%	126%	-3%	-4%
HT III: HT - Railways/Metro/Monorail Traction		9.48	9.31	104%	104%	0%	-2%
HT IV: HT - Public Water Works (PWW)		9.36	9.17	103%	102%	-1%	-2%
HT V: HT - Agriculture Pumps		7.89	7.95	87%	89%	2%	1%
HT VI: HT - Group Housing Societies (Residential)		9.01	8.91	99%	100%	0%	-1%
HT IX : HT - Public Services		10.78	10.58	119%	118%	0%	-2%
HT Total		**9.20**	**8.98**	**101%**	**100%**	**-1%**	**-2%**
LT I: LT - Residential		9.69	9.42	107%	105%	-1%	-3%
LT II: LT - Non-Residential		11.75	11.40	129%	127%	-2%	-3%
LT III: LT - Public Water Works (PWW)		7.28	7.15	80%	80%	0%	-2%
LT V (B): LT - Industry – General		9.14	8.92	101%	100%	-1%	-2%
LT VI: LT - Street Light		9.53	9.29	105%	104%	-1%	-3%
LT X- Public Services		9.28	8.99	102%	100%	-2%	-3%
LT Total Excl. Ag		**9.74**	**9.47**	**107%**	**106%**	**-1%**	**-3%**
LT IV: LT - Agriculture Metered*	**6.47**	6.17	6.50	**95%**	100%	**5%**	**5%**

Note:** *For LT IV-AG (Metered), the Ratio of Approved ABR (Rs 6.50 pu) to Approved Composite ACoS (Rs 8.38 pu) is* ***78% *for FY2026-27.*

Table 391: Average Billing Rate (ABR) and Cross Subsidy Trajectory as approved by Commission for FY 2027-28

Category	Projected Average Cost of Supply (Rs/unit)	Average Billing Rate (Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2026-27	Proposed Tariff for FY 2027-28		
HT I (A): HT - Industry	**8.83**	9.00	8.83	100%	100%	-1%	-2%
HT II: HT - Commercial		11.24	11.07	126%	125%	0%	-1%
HT III: HT - Railways/Metro/Monorail Traction		9.31	9.22	104%	104%	0%	-1%
HT IV: HT - Public Water Works (PWW)		9.17	8.98	102%	102%	-1%	-2%
HT V: HT - Agriculture Pumps		7.95	8.09	89%	92%	3%	2%
HT VI: HT - Group Housing Societies (Residential)		8.91	8.83	100%	100%	0%	-1%
HT IX : HT - Public Services		10.58	10.41	118%	118%	0%	-2%
HT Total		**8.98**	**8.81**	**100%**	**100%**	**-1%**	**-2%**
LT I: LT - Residential		9.42	9.24	105%	105%	-1%	-2%
LT II: LT - Non-Residential		11.40	11.21	127%	127%	0%	-2%
LT III: LT - Public Water Works (PWW)		7.15	7.07	80%	80%	0%	-1%
LT V (B): LT - Industry – General		8.92	8.82	100%	100%	0%	-1%
LT VI: LT - Street Light		9.29	8.82	104%	100%	-4%	-5%
LT X- Public Services		8.99	8.87	100%	100%	0%	-1%
LT Total Excl. Ag		**9.47**	**9.30**	**106%**	**105%**	**0%**	**-2%**
LT IV: LT - Agriculture Metered	**6.46**	**6.50**	6.46	**100%**	**100%**	**-1%**	**-1%**

Note:** *For LT IV-AG (Metered), the Ratio of Approved ABR (Rs 6.46 pu) to Approved Composite ACoS (Rs 8.30 pu) is* ***78% *for FY2027-28.*

Table 392: Average Billing Rate (ABR) and Cross Subsidy Trajectory as approved by Commission for FY 2028-29

Category	Projected Average Cost of Supply (Rs/unit)	Average Billing Rate (Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2027-28	Proposed Tariff for FY 2028-29		
HT I (A): HT - Industry	**8.77**	8.83	8.79	100%	100%	0%	0%
HT II: HT - Commercial		11.07	11.00	125%	125%	0%	-1%
HT III: HT - Railways/Metro/Monorail Traction		9.22	9.12	104%	104%	0%	-1%
HT IV: HT - Public Water Works (PWW)		8.98	8.87	102%	101%	0%	-1%
HT V: HT - Agriculture Pumps		8.09	8.32	92%	95%	3%	3%
HT VI: HT - Group Housing Societies (Residential)		8.83	8.80	100%	100%	0%	0%
HT IX : HT - Public Services		10.41	10.32	118%	118%	0%	-1%
HT Total		**8.81**	**8.76**	**100%**	**100%**	**0%**	**-1%**
LT I: LT - Residential		9.24	9.15	105%	104%	0%	-1%
LT II: LT - Non-Residential		11.21	11.12	127%	127%	0%	-1%
LT III: LT - Public Water Works (PWW)		7.07	7.05	80%	80%	0%	0%
LT V (B): LT - Industry – General		8.82	8.80	100%	100%	1%	0%
LT VI: LT - Street Light		8.82	8.74	100%	100%	0%	-1%
LT X- Public Services		8.87	8.73	100%	100%	-1%	-2%
LT Total Excl. Ag		**9.30**	**9.21**	**105%**	**105%**	**0%**	**-1%**
LT IV: LT - Agriculture Metered	**6.22**	**6.46**	6.24	**100%**	**100%**	**0%**	**-3%**

***Note:** For LT IV-AG (Metered), the Ratio of Approved ABR (Rs 6.24 pu) to Approved Composite ACoS (Rs 8.22 pu) is **76%** for FY2028-29.*

Table 393: Average Billing Rate (ABR) and Cross Subsidy Trajectory as approved by Commission for FY 2029-30

Category	Projected Average Cost of Supply (Rs/unit)	Average Billing Rate (Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)		% increase / decrease in Cross-subsidy	% increase in tariff (%)
		Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2029-30	Proposed Tariff for FY 2028-29	Proposed Tariff for FY 2029-30		
HT I (A): HT - Industry	**8.73**	8.79	8.76	100%	100%	0%	0%
HT II: HT - Commercial		11.00	10.96	125%	125%	0%	0%
HT III: HT - Railways/Metro/Monorail Traction		9.12	9.04	104%	103%	-1%	-1%
HT IV: HT - Public Water Works (PWW)		8.87	8.83	101%	101%	0%	-1%
HT V: HT - Agriculture Pumps		8.32	8.74	95%	100%	5%	5%
HT VI: HT - Group Housing Societies (Residential)		8.80	8.78	100%	100%	0%	0%
HT IX : HT - Public Services		10.32	10.23	118%	117%	0%	-1%
HT Total		**8.76**	**8.72**	**100%**	**100%**	**0%**	**0%**
LT I: LT - Residential		9.15	8.91	104%	102%	-2%	-3%
LT II: LT - Non-Residential		11.12	11.03	127%	126%	0%	-1%
LT III: LT - Public Water Works (PWW)		7.05	7.03	80%	80%	0%	0%
LT V (B): LT - Industry – General		8.80	8.76	100%	100%	0%	0%
LT VI: LT - Street Light		8.74	8.71	100%	100%	0%	0%
LT X- Public Services		8.73	8.71	100%	100%	0%	0%
LT Total Excl. Ag		**9.21**	**9.05**	**105%**	**104%**	**-1%**	**-2%**
LT IV: LT - Agriculture Metered	**6.05**	**6.24**	6.03	**100%**	**100%**	**-1%**	**-3%**

Note: For LT IV-AG (Metered), the Ratio of Approved ABR (Rs 6.03 pu) to Approved Composite ACoS (Rs 8.17 pu) is **74% for FY2029-30.*

7.10 Tariff Philosophy proposed by MSEDCL and Commission's Rulings

7.10.1 MSEDCL has proposed certain changes in the Tariff Philosophy and Tariff Design in the Petition. MSEDCL's submissions and the Commission's rulings are set out in the following sections.

7.11 Full Cost Recovery

MSEDCL's Submission

7.11.1 MSEDCL has submitted that the accumulated revenue gap from previous years, along with the projected shortfall for the fifth Control Period (FY 2025-26 to FY 2029-30), necessitates appropriate cost recovery through revised retail tariffs as per Regulation 111.3 of the MERC MYT Regulations, 2024. The utility has stated that successive disallowances of revenue gaps and carrying costs by the Commission have resulted in an increasing financial shortfall, as reflected in past MYT and MTR Orders.

7.11.2 MSEDCL has further submitted that the Commission's projections of energy sales in previous tariff orders have often been higher than actual realizations, leading to revenue shortfalls despite the application of Fuel Adjustment Charges (FAC). The utility contends that such persistent deficits compel it to rely on working capital borrowings, thereby exacerbating financial stress and leading to an unsustainable financial position.

7.11.3 Additionally, MSEDCL has drawn reference to Clause 8.2.2 of the National Tariff Policy, which discourages the creation of regulatory assets due to their adverse impact on the financial viability of distribution licensees and the eventual cost burden on consumers.

7.11.4 In view of the above, MSEDCL has requested the Commission to approve the revenue gap, including carrying costs, for past periods to ensure financial stability, adopt a prudent approach in projecting future sales to mitigate revenue shortfalls, and develop a structured methodology for the fifth Control Period to facilitate cost-reflective tariff determination while safeguarding consumer interests.

Commission's Analysis and Ruling

7.11.5 The Commission observes that determination of tariff that are cost reflective upon ascertaining reasonableness of all costs upon detailed scrutiny and prudence check is the primary objective of the tariff determination exercise through extensive public consultation process upon taking into consideration concerns of all stakeholders. At the same time, adherence to provisions outlined under Tariff policy, MYT Regulations and approach adopted through MYT Order process ensures regulatory certainty which is in the long-term interest of the utility and the consumers alike.

7.11.6 As highlighted through public consultation process, the Commission is acutely aware of the fact that the tariff for industries (HT and LT) has reached significantly high level with high level of cross-subsidy. At the same time, tariff for some of the subsidised consumer categories particularly, Agriculture (HT and LT), Public Water Works (HT and LT) and Streetlight are below average cost of supply.

7.11.7 While determining the tariff for various consumer categories, the Commission has strived to strike a balance that tariff are reflective of cost of supply and difference in cross-subsidy is reduced in accordance with the provisions of Tariff Policy and MYT Regulations while ensuring that all reasonable costs and ARR as approved through this Order is recovered through tariffs.

7.12 Rationalization of Fixed Cost

MSEDCL's Submission

7.12.1 MSEDCL has submitted that, since the inception of the regulatory framework in Maharashtra, the Commission has consistently acknowledged that the fixed costs of distribution licensees should ideally be recovered through Fixed/Demand Charges applicable to consumers. The Commission, in its first Tariff Order dated May 5, 2000, had recognized the need for a gradual increase in the fixed charge component of tariffs to ensure full recovery of fixed costs.

7.12.2 In its MYT Order dated March 30, 2020, the Commission had approved MSEDCL's request to increase Fixed/Demand Charges. However, despite this increase, MSEDCL has pointed out that while fixed costs account for approximately 50% of its ARR, the revenue recovered through Fixed/Demand Charges has remained significantly lower, at around 12-13%. MSEDCL has highlighted that during the initial years of the Fourth Control Period, the COVID-19-induced reduction in electricity sales exacerbated this issue, leading to an under-recovery of fixed costs and an increasing revenue gap.

7.12.3 MSEDCL has stated that a significant portion of its ARR comprises fixed expenses, such as power purchase fixed charges, transmission costs, depreciation, employee costs, and administrative and general expenses, which need to be incurred regardless of actual sales. Ideally, these costs should be recovered through a combination of Fixed and Demand Charges. However, as per MSEDCL's submission, the percentage of fixed costs recovered through Fixed/Demand Charges has ranged between 19-25% in recent years, necessitating heavy reliance on energy sales for cost recovery.

7.12.4 MSEDCL submitted that a significant portion of its fixed expenses is currently recovered through energy sales rather than Fixed/Demand Charges. As a result, any decline in energy sales leads to an under-recovery of fixed costs, impacting its financial sustainability. MSEDCL further highlighted that the Commission has acknowledged this issue, and the principle of recovering fixed costs through Fixed/Demand Charges has been incorporated in Regulation 112.1 of the MERC MYT Regulations, 2024. The regulation provides for a gradual increase in these charges to ensure a more balanced recovery of fixed costs over time.

7.12.5 MSEDCL has also benchmarked its revenue structure against other state utilities, noting that Tata Power Delhi Distribution Limited (TPDDL) in Delhi derived 16.8% of its revenue from Fixed Charges in FY 2021-22, while Bangalore Electricity Supply Company (BESCOM) in Karnataka is projected to recover 23.04% from Fixed Charges in FY 2024-25. In contrast, MSEDCL's fixed charge recovery remains lower, necessitating an increase to ensure financial stability.

7.12.6 To address this issue, MSEDCL has proposed a phased increase in Fixed/Demand Charges for various consumer categories over the Fifth Control Period, targeting a recovery of 16.4% of revenue through such charges in FY 2025-26, gradually increasing to 20% by FY 2029-30. Despite this proposed increase, MSEDCL anticipates that fixed costs will continue to constitute approximately 46-49% of its ARR.

7.12.7 In light of these submissions, MSEDCL has requested the Commission to approve the proposed revision in Fixed/Demand Charges to progressively align the recovery of fixed costs with fixed cost obligations while ensuring financial sustainability and mitigating the risk of revenue deficits in future years.

Commission's Analysis and Ruling

7.12.8 During the public consultation process, many consumers have opposed the proposal of MSEDCL to significant increase Fixed/ Demand Charges. However, it should be noted that the approved expenses of MSEDCL need to be recovered through the tariff, by way of Fixed Charges or Energy Charges or both. Therefore, not increasing the Fixed Charges will result in a corresponding impact on Energy Charges. With regard to the levy of Fixed Charges / Demand Charges, the Commission has explained the rationale in previous Tariff Orders including MYT Order in Case 322 of 2019 and MTR Order in Case no. 226 of 2022. This is also in accordance with the EA, 2003 and the Tariff Policy. As against the ratio of fixed cost to total ARR of 47%, the revenue recovery through Fixed/Demand charges is less than 17%.

7.12.9 With the increase now approved, revenue recovery from Fixed Charges is expected to increase gradually to around 20% of the total revenue. As rationalization of Energy Charges has also been undertaken simultaneously, the rationalization of Fixed Charges is unlikely to result in a significant tariff burden for consumers. Further, the Commission has approved a gradual increase of only 1% per annum in Fixed / Demand Charges over the remaining period of the 5th Control Period, just sufficient to keep the revenue recovery from Fixed Charges at around 20% of the total revenue of MSEDCL. Besides, the current revision allowed in Fixed/Demand Charges through this Order is comparable or lower than similar Fixed/Demand Charges in other states.

7.13 Time of Day Tariff

MSEDCL's Submission

7.13.1 MSEDCL in its earlier MYT Petition in case no. 322 of 2019 had submitted that as per existing Time of Day (ToD) tariff structure, rebate or penalty is same in all months irrespective of load pattern, surplus & shortfall in availability. Further, MSEDCL submitted that there is no consideration of impact of RE generation which will be one of important change in generation mix and as per the RPO Targets set for Utilities by the Commission, tremendous rise in RE generation is expected. MSEDCL also informed the Commission that major rise would be in solar generation which has typical shape of inverted hyperbola and there would be no or very less generation during specific time period of a day; particularly during 06:00 to 09:00 and during 17:00 to 19:00 Hrs. Considering the demand pattern and expected Solar Generation, MSEDCL has proposed revision in ToD tariff /rates with further revisions to be proposed in ToD slabs and tariffs during MTR petition based on the existing and upcoming renewable capacity additions and the demand-supply scenario.

7.13.2 Subsequently, Central Government has also notified the Electricity (Rights of Consumers) Amendment Rules, 2023 on 14th June 2023. As per section 8 (A) of the rules the central government has laid down following rules to be followed by State Commissions regarding Time-of-Day Tariff

> *"(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*
>
> *Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:*
>
> *Provided further that, tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers:*

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.

Explanation:- For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission."

7.13.3 Accordingly, MSEDCL submitted that at present the Commission hasn't notified solar hours officially. Therefore, MSEDCL would like to propose time slot of 09:00 to 17:00 hours as solar hours. The same is based on study of solar generation profile all across the year.

7.13.4 MSEDCL further submitted that the Commission in its MYT Order dated 30th March 2020 in case no. 322 of 2019 had retained existing ToD structure where for part of solar hours (i.e. from 09:00 a.m-12:00 p.m.) tariff is higher than the normal time. However, now with notification of Electricity (Rights of Consumers) Amendment Rules, 2023 and major increase in renewable portfolio, MSEDCL again requested the Commission to effect required changes in ToD slots and charges incorporating role played by increasing solar quantum.

7.13.5 MSEDCL stated that the basic philosophy behind application of ToD Rebates/Charges which it has used to draft its proposal. Further, it is describing developments in power sector which would lead to restructuring of current ToD slabs and charges/rebates.

7.13.6 ToD Rebates and Charges act as a signal to consumer to shift its demand from time when there is lower supply vis-à-vis demand or incremental supply comes from a source with costly variable cost to a time when there is surplus supply vis-à-vis demand or incremental supply comes from source with cheaper incremental variable cost. It is assumed that ToD charges encourages consumers to consume less during such a period and shift its load to a time period when there is applicability of ToD rebate. The amount of demand shift depends upon flexible nature of demand, fungibility and convenience level of consumer.

7.13.7 MSEDCL has projected to add abundant solar capacity (more than 20 GW) in its power portfolio within span of next few years both as a step towards India's climate goal as well as in view of their cheaper costs. Solar plant is a 'Must-Run' Source hence it would generate at maximum capacity during daytime which has to be absorbed by MSEDCL. However, during the morning and evening peak solar generation would be low and for partial time and further it would drop to zero during night-time. In order to utilize excess solar power during daytime, MSEDCL has procured storage solutions like Battery Energy Storage System (BESS) and Pumped storage hydro (PSP). The excess energy generated from solar power plants during daytime would be stored in such storage solutions and would be discharged during other time slots. However, due to cost and technical constraints it would not be possible for MSEDCL to store sufficient power in BESS/PSP to meet entire power demand during non-solar hours. Therefore, MSEDCL has to depend mainly on thermal sources for meeting its demand during non-solar hours. As per results obtained from Resource Adequacy study the percentage of generation contributed from thermal sources during various time slots are provided in table below:

Table 394: Contribution of thermal sources in different time slabs for fifth Control Period

Time Slot/Year	10 pm to 6 am	6 am -9 am	9 am-5 pm	5 pm-10 pm
FY 25-26	84%	74%	49%	82%
FY 26-27	79%	61%	33%	74%
FY 27-28	77%	59%	31%	72%
FY 28-29	76%	57%	29%	68%
FY 29-30	76%	57%	28%	65%

7.13.8 Further, as thermal power plants cannot be fully backed down on daily basis because of high cost levied for each start-stop operation (as per CERC IEGC Regulations), hence, to make sure the thermal power plants are available during non-solar hours, MSEDCL has also to schedule thermal power plants during solar hours as well. Due to already high solar generation during solar hours, these thermal plants would only be scheduled at technical minimum (i.e. the minimum capacity at which a thermal power can operate ~55%). As can be seen from above table that in the ultimate year, contribution from thermal plant would drop to 28% during solar hours and the operational thermal power plants would be generating at technical minimum. Therefore, the schedule of power plants during solar hours would be governed by their technical minimum rather than Merit Order Dispatch.

7.13.9 Further, during months with high demand (March to June and October) most of the thermal power plants would be operational, however during months with low demand level (July to August and December to January) only thermal power plants with lower variable cost would be operated and power plants with higher variable cost would remain fully backed down. It is however clarified that hourly generation pattern of generating plant would follow similar trend whenever they are operational i.e. generating at technical minimum during solar hours and near their maximum capacity during non-solar hours.

7.13.10 From above paragraph it can be concluded that it would be beneficial for MSEDCL to reduce its demand during non-solar hours as it would have following impact on MSEDCL power procurement outcomes:

- Reduction in requirement of energy storage or firm sources to meet demand during non-solar hours
- Reduction in power scheduling from costly thermal power plants which are generating near their maximum capacity

7.13.11 ToD tariff is a operational intervention and hence it would not be suitable to assume that it would impact requirement of energy storage and firm sources on medium/long-term basis. It is submitted that power sources such as RE, nuclear, Fixed and Dispatchable Renewable Energy (FDRE) must run and hence they have to be scheduled as per their availability, hence the implication of demand shift due to TOD tariff would be primarily result in change in thermal power plant generation schedule. Therefore, in order to formulate ToD tariff, MSEDCL has assessed impact of demand shifting on power scheduled from thermal power plants and cost implication of same.

7.13.12 MSEDCL further submitted that during non-solar hours (morning peak, evening peak and night) when operational thermal plants would be generating close to their peak capacity, any reduction in demand (due to ToD charges) would result in less schedule from thermal plants which are lower in Merit Order dispatch or in other words have higher variable cost. However, thermal power plants can’t be completely switched-off as a result of temporary demand reduction as it would be very costly to re-start thermal plant, and they are to be compensated for secondary oil consumption by beneficiary/ies whose action led to closing down of the generation. Hence reduction in demand (due to TOD charges) would result in MSEDCL reducing power schedule from costliest thermal power plant to the lowest limit it can generate without violating its technical minimum. In case ToD charges lead to decrease in demand which is more than possible reduction in generation from one power plant, MSEDCL would have to reduce schedule from other thermal plant which are next higher in Merit order and so on. Therefore, reduction in demand during non-solar hours would lead to reduction in generation from costlier generating plants leading to corresponding higher reduction in variable cost.

7.13.13 Conversely, during solar hours operational thermal plants would be generating close to their technical minimum. Hence any demand shift from non-solar hours due to ToD rebates to solar hour would either lead to reduction in excess generation with MSEDCL or increase generation from thermal plants which are on top of merit order dispatch or in other words have the lowest variable cost. If increase in demand due to ToD shift cannot be completely catered by thermal plant on top of MoD, the MSEDCL would increase schedule of thermal plant with next higher variable cost and so on. As the additional generation during solar hours would be from thermal plants with significantly lower variable cost (as compared to thermal power plants whose schedules are reduced during non-solar hours), MSEDCL would be saving on variable cost on net basis even if the net impact of ToD charges/rebates on overall demand is zero/insignificant.

7.13.14 MSEDCL has utilized actual data received from resource adequacy study to test the theoretical framework described above. Based on past information regarding shift of energy consumption resulting from introduction/removal of ToD slab, it has considered that during non-solar hours demand of industrial and commercial would reduce by 5% and the reduction in demand during non-solar hours would be compensated by rise in demand by same quantum during solar hours. The change in demand would lead to change in generation after being grossed up for losses. Accordingly, MSEDCL has adjusted demand and on basis of merit order dispatch, has calculated cost savings in variable cost as provided under Table-168 of its MYT Petition.

7.13.15 Further, MSEDCL inferred that moving demand from non-solar hours to solar hours would be beneficial for MSEDCL and its consumers as the same would lead to reduction in power procurement cost which would also reduce impact on consumer tariff. Based on the understanding, MSEDCL has designed category-wise ToD charges and rebates on following principle:

- Half of the difference in average incremental cost during solar hours and other time slots provide the broad range of ToD charge that can be levied during respective non-solar timeslots.
- While determining ToD rebate during solar hours, MSEDCL need to ensure that total revenue foregone due to reduced energy charge during solar hours doesn't exceed sum of projected reduction in power procurement cost resulting from demand shift and extra revenue recovered from ToD charges during non-solar hours.
- Consumers having roughly uniform consumption all across the day (e.g.: steel mills, continuous process industries, mobile towers etc) should neither be incentivized nor penalized due to ToD charges or rebates.

7.13.16 Further, MSEDCL estimated the time-slot wise difference between average variable cost of thermal power plants whose generation are projected to be impacted due to demand shifting resulting from ToD charges/rebates during solar hours and non-solar hours. Half the difference in incremental variable cost between solar hours and other time slots has then been used to determine maximum range of ToD charge that can be applied on consumers in respective non-solar time slots (Morning peak, Evening peak and night slot) as provided under Table-169 of its MYT Petition.

7.13.17 MSEDCL has also estimated the revenue earned from ToD charges during non-solar hours as well as saving in power procurement cost. The resultant sum provides maximum amount of ToD rebate to be offered during solar hours as provided under Table-170 of its MYT Petition.

7.13.18 Accordingly, MSEDCL has calculated ToD charges and (rebates) for each year of the control period using above methodology as submitted above:

Table 395: Calculated ToD Charges and Rebates (Rs/unit)

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2025-26	1.17	1.14	(2.17)	1.17
FY 2026-27	1.31	1.12	(2.37)	1.30
FY 2027-28	1.35	1.18	(2.47)	1.38
FY 2028-29	1.33	1.20	(2.42)	1.33
FY 2029-30	1.29	1.18	(2.33)	1.26

7.13.19 MSEDCL further submitted that it has observed demand profile of industrial and commercial segments based on feeder data and have observed that during non-solar hours, each consumer category has its distinct peak demand period. The same has been tabulated below:

Table 396: Time block wise consumption pattern (as %age of average demand)

Time Slot	Industrial	Commercial
10 pm to 6 am	91%	87%
6 am to 9 am	84%	86%
9 am to 5 pm	112%	111%
5 pm to 10 pm	104%	111%

7.13.20 MSEDCL further submitted that it can be observed from above table that in case of industrial, as well as commercial category evening peak (5:00 pm to 10:00 pm) has highest demand and accordingly, should have highest ToD charges. Further, in case of commercial category demand is very low during night hours and hence ToD charges during night would not have significant impact on demand profile. Even for industrial category despite high present ToD rebate the demand during night is lowest. Hence ToD charges need to be restructure accordingly to have maximum impact on demand profile. MSEDCL, accordingly proposes following ToD charges and rebates on various categories for the Control Period:

Table 397: Calculated ToD Charges and Rebates for Industrial Category (Rs/unit)

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2025-26	1.00	1.15	(2.15)	1.30
FY 2026-27	1.15	1.10	(2.35)	1.45
FY 2027-28	1.20	1.20	(2.45)	1.55
FY 2028-29	1.20	1.20	(2.40)	1.50
FY 2029-30	1.15	1.20	(2.35)	1.40

Table 398: Calculated ToD Charges and Rebates for Commercial Category (Rs/unit)

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2025-26	0.90	1.25	(2.15)	1.40
FY 2026-27	1.05	1.20	(2.35)	1.55

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2027-28	1.10	1.30	(2.45)	1.65
FY 2028-29	1.10	1.30	(2.40)	1.60
FY 2029-30	1.05	1.30	(2.35)	1.50

7.13.21 For remaining categories on which ToD charges and slabs are applied at near about calculated value with slight rounding off:

Table 399: Calculated ToD Charges and Rebates for other categories with ToD tariff (Rs/unit)

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2025-26	1.15	1.15	(2.15)	1.15
FY 2026-27	1.30	1.10	(2.35)	1.30
FY 2027-28	1.35	1.20	(2.45)	1.40
FY 2028-29	1.35	1.20	(2.40)	1.35
FY 2029-30	1.30	1.20	(2.35)	1.25

7.13.22 ToD rebate should be offered to domestic consumers who opt for ToD meters. The same has been designed to incentivize domestic category which form majority of MSEDCL's consumers to opt for ToD enabled meters.

Table 400: Calculated ToD Charges and Rebates for Domestic Category (Rs/unit)

Time Slot	10 pm to 6 am	6 am to 9 am	9 am to 5 pm	5 pm to 10 pm
FY 2025-26	-	-	(0.80)	-
FY 2026-27	-	-	(0.85)	-
FY 2027-28	-	-	(0.90)	-
FY 2028-29	-	-	(0.95)	-
FY 2029-30	-	-	(1.00)	-

7.13.23 MSEDCL submitted that the ToD tariff has been proposed on the premise that the energy transition as planned would be successful. However, as Hon'ble Commission is aware that there are many issues/ roadblocks which may lead to MSEDCL not achieving complete target for energy transition. The success of ToD mechanism also would depend on consumers shifting their demand pattern in desired direction. This would again depend on multiple factors including psychology, convenience factor, etc. In view of these uncertainties MSEDCL requested the Commission to allow MSEDCL to approach itself every subsequent year before 30th November with revised proposal of ToD charge/rebate for subsequent years.

7.13.24 Subsequently, during Public Hearing the MSEDCL further elaborated on its rationale for revision in ToD slabs and rationale for its proposed revision in ToD Tariff rates. Further, as per directions during Public Hearing, MSEDCL filed additional submission to that effect on 11 March 2025. In its additional submission, MSEDCL submitted that ToD is a Demand Side Management (DSM) tool to manage electricity demand by encouraging consumers to shift their usage to low marginal cost of power and surplus power at different times of the day. Also, in recent years, power sector has evolved significantly, and today there is surplus energy generation during solar hours due to increase in share of solar energy which is also cheaper and must run power. By aligning ToD with the marginal cost of supply, consumers can benefit from lower tariffs during periods of surplus energy, such as solar hours. This ensures better utilization of renewable energy, reduces dependency on expensive power generation, and lowers electricity costs for utilities and ultimately for consumers.

7.13.25 This means that the cost of supplying electricity at different times of the day is considered when defining the time slots for ToD. Therefore, generation by consumer during higher marginal cost of power slot can be off set during the lower marginal cost of power slot whereas reverse will not be possible. The MERC Distribution Open Access (First Amendment) Regulation, 2019 is reproduced below for reference:

> *"20.3. Banking of energy shall be permitted only on monthly basis. Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees ;*
>
> *Provided further that the energy banked during peak TOD slots may also be drawn during off-peak TOD slots, but the energy banked during off-peak TOD slots may not be drawn during peak TOD slots"*

7.13.26 The ToD arrangement proposed by MSEDCL is in line with the ToD arrangement proposed by other distribution licensees supplying electricity in Mumbai i.e. AEML– Distribution, TPC- Distribution and BEST.

7.13.27 In that regard, the observations of MSEDCL are represented hereunder.

Parameter	MSEDCL	BEST	TATA	Adani
ToD tariff for Residential	No	No	No	Yes (>10kW)
ToD tariff for other than Residential	Yes	Yes	Yes	Yes
ToD tariff Applicable w.e.f.	1st April 25	1st April 25	1st April 25	1st April 26
Rebate during Solar Hours	Yes (0900 hrs to 1700 hrs)	No	Yes (0900 hrs to 1600 hrs)	Yes (0900 hrs to 1700 hrs)
Normal Hours (i.e. hours without any Penalty/ Rebate)	Zero	9 hrs	6 hrs	Zero & 6 hrs*

** No Normal Hours during July – March season*

7.13.28 From the above, it is evident that 3 of 4 utilities have proposed ToD applicable to its consumers from 1st April 2025, whereas AEML-D has proposed to continue with the existing ToD structure and the new ToD structure would be applicable from 1st April 2026.

7.13.29 AEML-D has projected increase in its RE share (in Energy MU terms) from 37% in FY 2025-26 to 77% in FY 2029-30. Similarly, TPC-D has projected increase in its RE share from 23% in FY 2025-26 to 78% in FY 2029-30. Given this huge influx of RE power, these utilities have also proposed a rebate during solar hours to optimize energy utilization.

7.13.30 AEML-D is the only utility which has proposed ToD Tariff for its Residential consumers (>10kW).

7.13.31 Furthermore, MSEDCL has also considered the proposed ToD structure for RE rich states like Gujarat, Karnataka & Tamil Nadu.

7.13.32 **Gujarat State**: Dakshin Gujarat Vij Company Limited (DGVCL) one of the distribution utilities of Gujarat, has submitted the Petition No. 2422 of 2024 before Hon'ble GERC for True Up for FY 2023-24 and Determination of Aggregate Revenue Requirement for FY 2025-26 to 2029-30 & Tariff for FY 2025-26.

7.13.33 **Karnataka State**: Bangalore Electricity Supply Company Limited (BESCOM) one of the distribution utilities of Karnataka state has submitted the Petition OP No. 38 of 2024 before Hon'ble KERC for Aggregate Revenue Requirement for the Financial Year 2025-26 to 2027-28, Tariff filing and determination of tariff for FY 2025-26 to FY 2027-28 and Trueing-up of FY FY 2023-24.

7.13.34 **Tamil Nadu State**: The Hon'ble TNERC by Order dated 15.07.2024 passed in Suo-Moto Order No 6 of 2024 has inter-alia determined ToD Tariff.

7.13.35 Thus, MSEDCL submitted that the ToD arrangement proposed by MSEDCL is in line with the ToD arrangement proposed by distribution licensees of other States as stated above. the observations of MSEDCL are represented hereunder:

Parameter	MSEDCL (Maharashtra)	DGVCL (Gujarat)	BESCOM (Karnataka)	TANGEDCO (Tamil Nadu)
ToD tariff for Residential	No	No	Yes (>10 kW)	No
ToD tariff for other than Residential	Yes	Yes	Yes	Yes
ToD tariff Applicable w.e.f.	1st April 25	1st April 25	1st April 25	1st July 2024
Rebate during Solar Hours	Yes (0900 hrs to 1700 hrs)	Yes (1100 hrs to 1500 hrs)	Yes (0900 hrs to 1500	No

Parameter	MSEDCL (Maharashtra)	DGVCL (Gujarat)	BESCOM (Karnataka)	TANGEDCO (Tamil Nadu)
			hrs)	
Normal Hours (i.e. hours without any Penalty/ Rebate)	Zero	12 hrs	3 hrs	9 hrs

7.13.36 Different States of India are adjusting their ToD tariffs to align with the evolving sources of energy, particularly the increase in renewable energy.

7.13.37 Gujarat is significantly expanding its solar capacity (14 GW addition in next 5 year), with renewable energy capacity projected to grow from 26% in FY 2023-24 to 47% by FY 2029-30. As a result, the share of renewable energy in MUs terms will increase, from 20% in FY 2024-25 to 39% in FY 2030-31. This shift will lead to a decrease in the Average Power Purchase Cost (APPC). Given the significant influx of solar power, Gujarat has introduced a ToD rebate between 11:00 AM and 3:00 PM to pass on the cost benefits to consumers.

7.13.38 Similarly, Karnataka is adjusting its ToD structure in response to increased renewable energy capacity. BESCOM has proposed extending rebate hours due to the addition of 5,000–6,200 MW of solar and 3,500 MW of wind power (which peaks between July and September), its renewable energy share is projected to increase from 19% in FY 2025-26 to 23% by FY 2027-28. BESCOM has introduced rebate during solar Hours (0900 Hrs to 1500 Hrs), thus increased the rebate period from 8 to 14 hours, ensuring that consumers benefit from lower tariffs when solar energy generation is at its highest capacity.

7.13.39 These changes reflect that States are moving towards ToD tariff regime and aligning rebate with RE generation with solar/wind hours and thereby adopting ToD tariffs for optimizing the cost of power.

Commission's Analysis and Ruling

7.13.40 The Commission in its MTR Order in Case 226 of 2022 had ruled that there is need for the review and redesign of ToD tariff structure and applicable charges/rebates thereof, however the same should be undertaken upon due public consultation process. The relevant extract of the Commission's Ruling is as under:

> *"The Commission appreciates suggestion of Prayas and MSEDCL's justification for the need of changing ToD Tariff Structure. The Commission has conducted study on this issue and report of the same is available on MERC website which indicates needs to change ToD structure in Maharashtra. However, in the present Petition, MSEDCL has not proposed any change in ToD structure. Although, the Commission can do it su-moto, but it would be proper if it is undertaken*

*after due public consultation process. Also, MSEDCL has proposed installation of Smart meters under RDSS scheme to its consumers. Smart meters would help implementation in ToD tariff structure and changes in time slots for absorbing RE. Hence, the Commission directs MSEDCL to propose changes in ToD tariff structure during next tariff filling process. (**Ref. Para 2.20.5**)"*

7.13.41 The Commission had sought Hourly, Seasonal & Average Load Curve for the past three years along with category-wise consumption in ToD Slabs, for establishing the basis of proposed changes in the ToD Rates along with the revenue impact of such proposed revision in the ToD Charges. MSEDCL as part of its MYT Petition has estimated ToD revenue impact for the ensuing years of the 5th Control Period at ~ Rs. (4614.33) Crore. The consumer category-wise consumption in the ToD slabs for FY 2023-24 and FY 2024-25 (upto January 2025) as submitted by MSEDCL is presented in the following table.

Table 401: Consumer category-wise consumption across ToD Slabs

FY 2024-25 (upto Jan 2025)

TOD Slots	TOD Slot_A	TOD Slot_B	TOD Slot_C	TOD Slot_D	
Duration	**10 PM to 6 AM**	**6 AM to 9 AM and 12noon to 6 PM**	**9 AM to 12 noon**	**6 PM to 10 PM**	**SUM**
HT_Industrial	34%	36%	12%	18%	100%
HT_Commercial	25%	40%	14%	21%	100%
HT_PWW	32%	38%	13%	17%	100%
HT_Public Service	29%	39%	14%	18%	100%
LT_Industrial	24%	46%	14%	16%	100%
LT_Commercial	21%	45%	14%	20%	100%
LT_PWW	11%	72%	8%	8%	100%
LT_Public Service	24%	45%	14%	17%	100%
Total	**31%**	**39%**	**12%**	**18%**	**100%**

FY 2023-24

TOD Slots	TODSlot_A	TODSlot_B	TODSlot_C	TODSlot_D	
Duration	**10 PM to 6 AM**	**6 AM to 9 AM and 12noon to 6 PM**	**9 AM to 12 noon**	**6 PM to 10 PM**	**SUM**
HT_Industrial	34%	37%	12%	18%	100%
HT_Commercial	25%	40%	14%	21%	100%
HT_PWW	32%	38%	13%	17%	100%
HT_Public Service	29%	39%	14%	18%	100%
LT_Industrial	22%	45%	17%	16%	100%
LT_Commercial	21%	43%	15%	21%	100%
LT_PWW	12%	72%	8%	8%	100%
LT_Public Service	26%	42%	15%	18%	100%

Total	**31%**	**39%**	**13%**	**18%**	**100%**

7.13.42 MSEDCL has requested the Commission to revise ToD slots and charges in view of its submission that with increase in RE installed capacity (particularly, solar energy), there is need to review and revisit the ToD Tariff design philosophy. The Commission has taken note of the MSEDCL's argument that by aligning ToD with the marginal cost of supply, consumers can benefit from lower tariffs during periods of surplus energy, such as solar hours. This ensures better utilization of renewable energy, reduces dependency on expensive power generation, and lowers electricity costs for utilities and ultimately for consumers. The Commission is also aware about the measures undertaken by MSEDCL to shift the agriculture load to day-time (solar hours). As per MSEDCL's submission under RA plan study (Annxure-4.1 of MYT Petition), the estimated average impact of agriculture load shift profile to day-time (solar hours) by FY 2029-30 is projected to be around 4427 MW (Ref. Annexure VIII of RA Plan study at Annexure 4.1).

7.13.43 Further, revision in the load pattern/load shape could be incentivised through appropriate ToD tariff design and assessing other factors responsible that could influence consumer behaviour, load flexibility and constraints in load shift, access to technology and monitoring tools available to consumer to manage it load shape and consumption pattern. Further, impact on consumer bill would be important consideration for consumer to be able to take advantage of restructured ToD tariff design. At the same time, the Commission will also have to ascertain the revenue impact on the utility with such revision in the ToD tariff.

7.13.44 In this context, the Commission notes the amendment to Electricity (Right of Consumer) Amendment Rules, 2023 dated 14 June 2023 notified by Central Government, which outline specific conditions regarding design of ToD slabs and ToD Tariff. The relevant extract of Rule 8A of the said Rules is as under:

> *"(8A)* ***Time of Day Tariff****.-The Time of Day tariff for* ***Commercial and Industrial*** *consumers having maximum demand more than* ***ten Kilowatt*** *shall be made effective from a date not later than 1st April, 2024 and for* ***other consumers*** *except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective* ***immediately after installation of smart meters****, for the consumers with smart meters:*
>
> *Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during* ***peak period of the day*** *shall* ***not be less than 1.20 times the normal tariff*** *and for other consumers, it shall* ***not be less than 1.10 times the normal tariff****:*

*Provided further that, **tariff for solar hours** of the day, specified by the State Commission shall **be atleast twenty percent less than the normal tariff** for that category of consumers:*

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

*Provided also that the **duration of peak hours** shall **not be more than solar hours** as notified by the State Commission or State Load Despatch Centre.*

*Explanation:- For the purposes of this rule, the expression "**solar hours**" means the **duration of eight hours** in a day as specified by the State Commission." **(emphasis added)***

7.13.45 Further, the Commission refers to the provisions under MYT Regulations 2024 and Distribution Open Access Regulations, 2019 as amended from time to time, which specify that the Commission shall stipulate the Time of Day tariff slabs and applicable charges/rebates thereof through its Order as part of regulatory proceedings for tariff determination, upon scrutiny of submissions of Distribution Licensee and upon following due regulatory process for public consultation as part of Tariff proceedings. The relevant extracts of the MYT Regulations, 2024 and Distribution Open Access (First Amendment) Regulations, 2019 is as under:

"(Reg. 115.2 of MERC MYT Regulations, 2024)

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

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

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

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

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

"(Reg. 20.3 of MERC DOA (First Amendment) Regulations, 2019)

20.3. Banking of energy shall be permitted only on monthly basis.

Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the ***energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees;" (emphasis added)***

7.13.46 The Commission has received several objections/ suggestions in the matter of Time-of-Day tariff design as well as associated aspects of banking of energy across ToD Slots and proposal made by MSEDCL in this respect. The key issues to be addressed in the context of ToD Tariff design are as under:

- Revision in ToD Slabs including definition of Solar Hours and Peak Hours
- Determination of ToD Rates and its denomination
- Applicability of ToD Tariff to consumer categories
- Dynamic and seasonal aspects of ToD
- Review conditions and revision periodicity for ToD Tariff
- Conditions for Banking of Energy related to ToD adjustments

7.13.47 The Commission has analysed above aspects in detail and have taken into consideration provisions outlined under Electricity (Right of Consumer) (Amendment) Rules, 2023, MYT Regulations, 2024, DOA Regulations and its amendment thereof, Grid interactive Rooftop Generating Systems Regulations 2019 and its amendments thereof, submissions made by MSEDCL, practice followed in other states, objections and suggestions made by stakeholders. Accordingly, the Commission hereby rules the revised framework for ToD Tariff design and associated conditions thereof to be applicable for 5th Control Period as outlined under following paragraphs.

A] Revision in ToD Slabs including definition of Solar Hours and Peak Hours

7.13.48 As per Rule 8A, the Solar Hours need to be specified by the State Commission which shall be duration of eight hours. Further, the Peak Hours need to be defined, which shall not exceed Solar Hours (i.e. duration of eight hours).

7.13.49 **Solar Hours:** The Commission notes that as per Rules only Solar Hours and Peak Hours need to be defined. MSEDCL has proposed Solar Hours for duration of eight hours from 09:00 hours to 17:00 hours, the same is approved by the Commission since it is aligned with solar generation hours as well as in line with provisions of Electricity (Right of Consumer) (First Amendment) Rules, 2023.

7.13.50 **Peak Hours:** Further, MSEDCL has proposed in partial modification of existing Evening Peak time slab duration from four hours (18:00 hrs to 22:00 hrs) to five hours (17:00 hrs to 22:00 hrs) considering higher cost of thermal despatch as well as higher market prices prevalent during Evening Peak hours. The Commission has analysed the projected demand profile as well as prevalent Market Clearing Prices for past two years (viz. FY 2023-24 and FY 2024-25 upto Feb 2025), as covered in the subsequent paragraphs and also represented in the graphs. The Commission has observed that peak hours and higher market rates are prevalent even for hours beyond 22:00 hours upto mid-night (upto 24:00 hrs) for most of the months during the year. Further, the Commission has observed that as per demand projections, the demand post mid-night to 06:00 hrs as well as market prices are lower for the period post mid-night in comparison to Evening Peak hours. Accordingly, the Commission hereby approves the Peak Hours, for duration of seven hours (from 17:00 hrs to 24:00 hrs).

7.13.51 For remaining ToD Slabs the Commission has approved the same timing as proposed by MSEDCL except for consequential change in the night ToD Slab-A for duration of 6 hours (mid-night to 06:00 hours) instead of MSEDCL's proposal of 8 hours (from 22:00 hrs to 06:00 hrs), as presented in following table:

Table 402: ToD Slabs information – MSEDCL proposal and Commission's approval

ToD Slabs	Existing ToD Slabs		ToD Slabs Proposed by MSEDCL		Commission's Approval for ToD Slabs		
	Period	Duration (hours)	Period	Duration (hours)	Period	Duration (hours)	
ToD Slab_A	22:00 hrs to 06:00 hrs	8	22:00 hrs to 06:00 hrs	8	00:00 hrs to 06:00 hrs	6	
ToD Slab_B	06:00 hrs to 09:00 hrs and 12:00 hrs to 18:00 hrs	9	06:00 hrs to 09:00 hrs	3	06:00 hrs to 09:00 hrs	3	
ToD Slab_C	09:00 hrs to 12:00 hrs	3	09:00 hrs to 17:00 hrs	8	09:00 hrs to 17:00 hrs	8	Solar Hours
ToD Slab_D	18:00 hrs to 22:00 hrs	4	17:00 hrs to 22:00 hrs	5	17:00 hrs to 24:00 hrs	7	Peak Hours

B] Determination of ToD Rates and its denomination

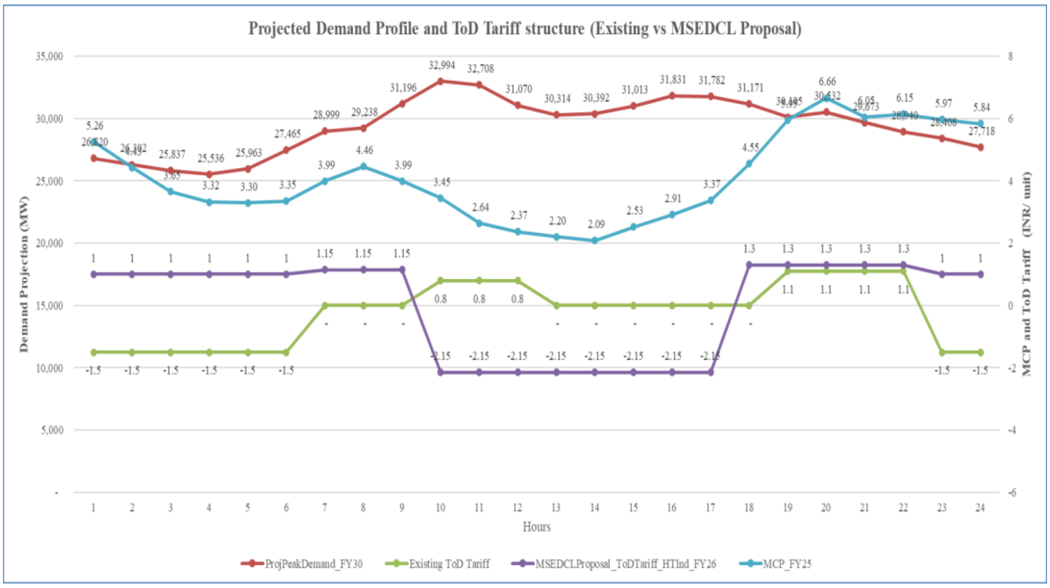
7.13.52 The Commission observes that the rationale adopted by MSEDCL for determination of ToD charge and rebate cannot be adopted on two counts. Firstly, the assumption for shift in consumption in ToD Slabs by 5% from Non-solar hours to Solar hours by commercial and industrial consumers is not backed by any load survey or field studies. Besides, the MSEDCL's proposal of revision in ToD Rebate during night off-peak hours from (-1.50 Rs/unit) to levy of ToD charge (+1.00 to +1.15 Rs/unit for industrial and +0.90 to 1.05 Rs/unit for commercial) is significant change, particularly when the consumption reported for this slab of night off-peak is as high as 34% (for HT-industrial) and 25% (for HT-Commercial) categories.

7.13.53 Thus, billing impact with this significant revision in levy of ToD Charge (instead of prevalent ToD Rebate) during nigh off-peak hours for the consumers is also not aligned with principle outlined by MSEDCL in its submission for revision in ToD Tariff (Charge/Rebate) that the consumers having roughly uniform consumption all across the day (e.g.: steel mills, continuous process industries, mobile towers etc) should neither be incentivized nor penalized due to ToD charges or rebates

7.13.54 Secondly, the principle for determination of ToD Charge as half of the difference in average incremental cost during solar hours and costs prevalent during other time slots (non-solar hours) cannot be considered since the dispatch simulation results under of RA planning study does not seem to be optimal. As highlighted under earlier sections on RA planning, there is significant excess/surplus capacity and energy (around 1,16,295 MU), out of which only 66,359 MU (i.e. around 57%) is proposed to be traded over 5th Control Period, which does not represent optimal solution. Hence, the Commission has not considered the approach presented by MSEDCL for determination of the ToD Charge/Rebate.

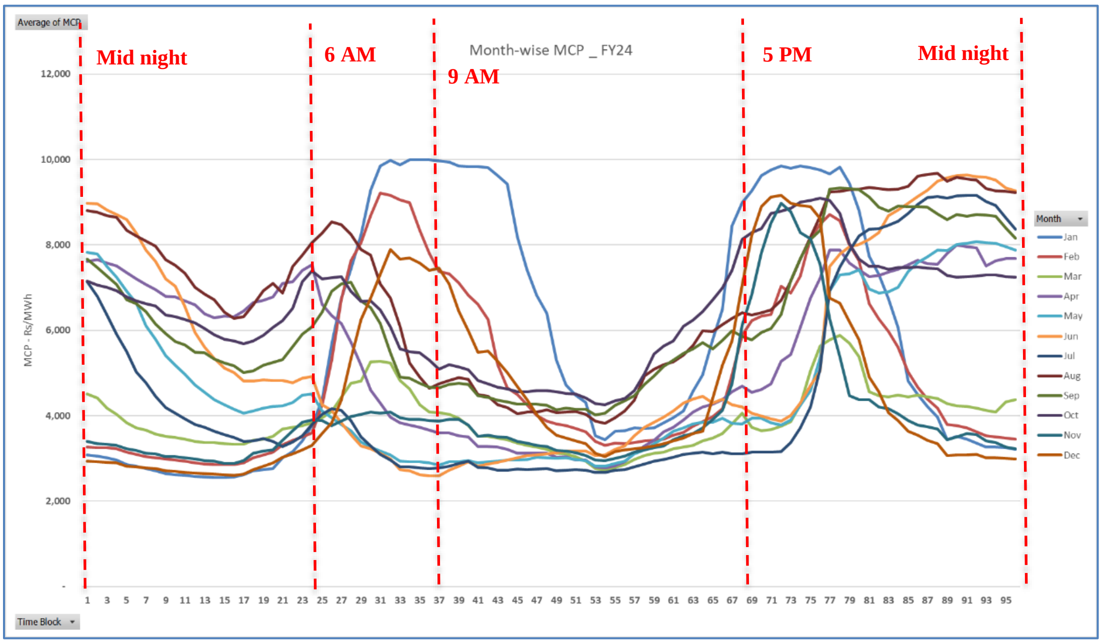
7.13.55 While analysing the data sought from MSEDCL, the Commission has also analysed the hourly trend of Load along with the existing ToD Rates as well as the Short-Term Prices discovered at Power Exchange. The projected demand profile, existing ToD Tariff Rate (Charges/Rebate) design, proposed ToD Tariff Rate (Charges/Rebate) by MSEDCL and Average Market Clearing Price on Power Exchange is presented in following graph as under:

Figure 1: Projected Demand Profile & ToD Tariff Structure



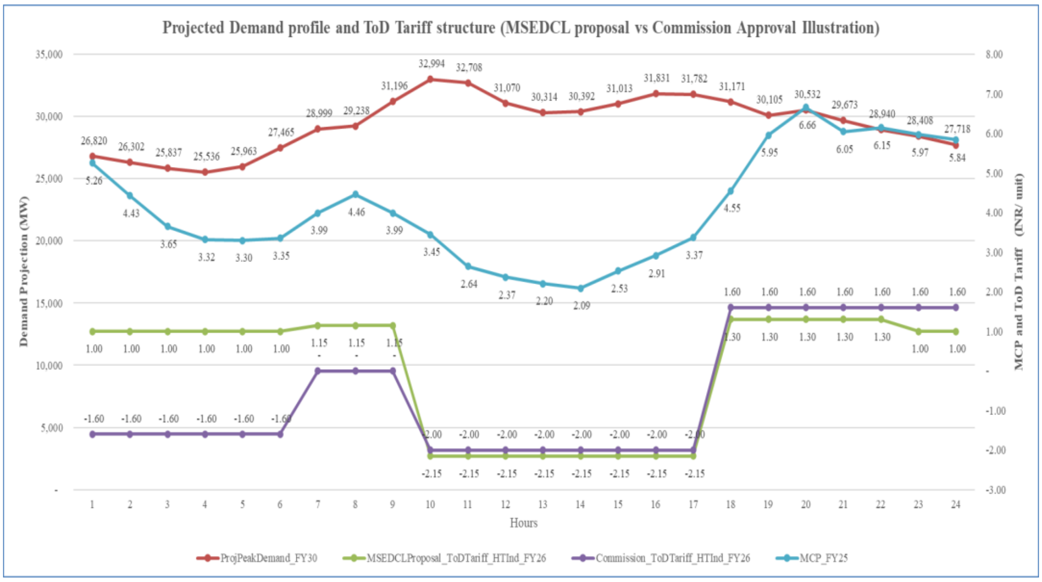
7.13.56 Market Clearing Price varies from time-block to time-block throughout the year for different seasons. Following graph depicts the average market clearing price as prevalent during FY2023-24 and FY 2024-25 (upto Feb 2025). The Market Clearing price profile clearly indicates that the MCP during day-time solar hours (9:00 hrs to 17:00 hrs) is low (Avg. MCP of Rs 2.84 per unit) throughout the year. Further, the MCP during Evening peak (17:00 hrs to 24:00 hours -midnight) is high (Avg. MCP of Rs 6.36 per unit) and the same starts falling during early morning (00:00 hrs to 06:00 hrs) to Avg. MCP of Rs 3.71 per unit. As the day progresses, the demand picks up in the in the morning hours (06:00 hrs to 09:00 hrs) and the MCP starts to rise but with significant rise in the Solar generation, the MCP during day-time solar hours (09:00 hrs to 17:00 hrs) remains low (Avg MCP of Rs 2.84 per unit). The average of monthly Market Clearing price for hourly/sub-hourly duration is presented under following graph.

Figure 2: Month-wise MCP for FY 2023-24



7.13.57 Following graphical representation shows the comparison of projected Demand profile, average Market Clearing Prices prevalent in FY 2024-25, and comparison of ToD Tariff (Charge/Rebate) as proposed by MSEDCL vis-à-vis that approved by the Commission for HT-Industrial category for FY 2025-26 only for illustration purposes*(Refer note).

Figure 3: Projected Demand Profile & ToD Tariff Structure



*(*Note: It may be noted that Figures for ToD Tariff (Charge/Rebate) depicted as approved by Commission in above graph are shown only for illustrative purposes in per unit terms. Approved ToD Tariff by the Commission is denominated in terms of Percentage of Energy charge applicable for respective consumer category and*

has not been denominated in absolute terms. Details of approved ToD Tariff (Charge/Rebate) is outlined under subsequent paragraphs.)

7.13.58 In view of the foregoing, the Commission has determined the ToD Tariff Rate (Charge/Rebate) as percentage of the Energy Charge applicable to respective consumer category. Further, the Commission also opines that the ToD Tariff should also reflect the seasonal variation in the demand pattern as also variation in market prices prevalent thereof. Accordingly, the Commission has determined different rate of ToD Rebate for two half-yearly period (i.e. Half Yearly Period-1as April to September and Half Yearly Period-2 as October to March). The seasonal variation in ToD Tariff as well as its denomination in Percentage terms linked to Energy Charge component of the Tariff shall also be in line with the provisions specified under Electricity (Right of Consumers) (First Amendment) Rules, 2023.

7.13.59 In addition, considering the telescopic tariff structure in LT I: Residential category and implementations challenges of % of ToD charges, the Commission has approved the absolute number of ToD Rebate for LT I: Residential Category. The Commission determines the ToD Rebate for LT-Domestic category consumers during Solar Hours only and the same shall be effected as and when Smart Meters are installed for the consumer. This would also encourage the Consumers for early adoption of the TOD/smart meters. Other conditions for ToD operationalisation for LT-Domestic category opting for solar rooftop installations are covered under subsequent paragraphs.

7.13.60 Accordingly, the Commission hereby determines the ToD Tariff (Charge/Rebate) for eligible consumer categories during 5th Control Period as under:

Table 403: ToD Tariff (Charge / Rebate) for eligible consumer categories as approved by the Commission

ToD Slabs	Period	Commission's Approval for ToD Slabs		
		Duration (hours)	ToD Charge / (Rebate) for categories* (Percentage of EC)	ToD (Rebate) For LT-Residential & HT-Group Housing Societies* (Rs./unit)
-	00:00 hrs to 06:00 hrs	6	-10%	0
-	06:00 hrs to 09:00 hrs	3	0%	0
Solar Hours	09:00 hrs to 17:00 hrs	8	-20%^ (Apr to Sep) -30%^ (Oct to Mar)	Rs. -0.80 (FY 2026) to Rs. -1.00 (FY 2030)
Peak Hours	17:00 hrs to 24:00 hrs	7	+20%#	0

*[*Note – subject to conditions outlined under paragraph (c) below]*
[#Note – For HT & LT Industrial & Commercial Categories = +25%]

[^Note – ToD Rebate during solar hours proposed to increase in steps (From -15% (FY 26), -15% (FY27), -20% thereafter for April to September & From -25% (FY 26), -25% (FY27), -30% thereafter for October to March.

7.13.61 ToD Charge or ToD Rebate in percentage terms shall be applicable on the Energy Charge Component of the Tariff, except for LT-Residential & HT-Group Housing Societies, for respective years of 5th Control Period (FY 2025-26 to FY 2029-30) as specified under this Order or until further revision, whichever is earlier.

7.13.62 For LT I: Residential consumers & HT VI: Group Housing consumers, the Commission approves the ToD Rebate as proposed by MSEDCL for LT I: Residential consumers during solar hours. The same shall be applicable for respective years of 5th Control Period (FY 2025-26 to FY 2029-30) as specified under this Order or until further revision, whichever is earlier.

7.13.63 Further, considering the implementation time for modification of ToD Slabs for existing consumers with ToD meters, the Commission has allowed transition period upto three months for HT consumers and upto six months for LT consumers. Applicable ToD Tariff (Charge/Rebate) for existing ToD consumers during transition period is elaborated under subsequent paragraphs of this Order.

C] Applicability of ToD Tariff to consumer categories

7.13.64 MSEDCL has proposed that ToD tariff will apply to consumers who are presently being billed under the ToD system. In addition, it has proposed that the proposed ToD tariff shall also be applicable to LT consumers (other than Residential and Agriculture consumers), with sanctioned load between 10 kW - 20 kW. For consumers who are presently not billed under ToD system, the proposed ToD tariff structure shall apply from the relevant billing cycle /month after Smart Meter has been installed for the consumer.

7.13.65 The Commission observes that revision in ToD regime for LT category consumers (10 kW to 20 kW) is significant change for consumers as well as for Utility. However, the same needs to be enabled in line with provisions outlined under Electricity (Right of Consumers) Rules, 2023. Thus, MSEDCL should undertake study of slab-wise consumption for consumers with sanction load above 20 kW as well as for consumers above 10 kW where ToD meters/Smart meters are installed for respective consumer category and submit the same at the time of mid-term review. Upon review of impact on consumer bill and revenue impact on utility, the Commission may consider suitable modification in ToD Tariff Rates for consumers with load (10 kW to 20 kW) at the time of mid-term review. The category-wise applicability of ToD Tariff (Charge/Rebate) as submitted by MSEDCL and approved by Commission is summarised under following Table.

Table 404; Applicability of ToD Tariff approved by Commission

Consumer Category	Sub-category	Proposed by MSEDCL	Commission's Approval
HT (for all supply voltages incl EHV)			
HT I HT – Industry		Yes	Yes
HT II: HT – Commercial		Yes	Yes
HT III: Railways		No	No
HT IV: HT - Public Water Works		Yes	Yes
HT V: Agriculture		No	No
HT VI: Group Housing Society		No	Yes
HT VIII: HT - Public Services		Yes	Yes
HT IX: HT – EV Charging Station		Yes	Yes
LT Category (subject to limit on Contract Demand / Sanctioned load)			
LT II: LT - Non-Residential			
	(A): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(B): >20 kW and ≤ 50 kW	Yes	Yes
	(C): >50 kW	Yes	Yes
LT III: LT - Public Water Works (PWW)			
	(A): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(B): > 20 kW and ≤ 40 kW	Yes	Yes
	(C): > 40 kW	Yes	Yes
LT V (A): LT - Industry - Powerloom			
	(i): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(ii): Above 20 kW	Yes	Yes
LT V(B): LT - Industry - General			
	(i): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(ii): Above 20 kW	Yes	Yes

Consumer Category	Sub-category	Proposed by MSEDCL	Commission's Approval
LT VII (A) - Public Services – Govt.			
	(i): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(ii): >20 - ≤ 50 kW	Yes	Yes
	(iii): >50 kW	Yes	Yes
LT VII (B) - Public Services - Others			
	(i): 0-20 kW	Yes (10 kW to 20 kW)	Yes
	(ii): >20 - ≤ 50 kW	Yes	Yes
	(iii): >50 kW	Yes	Yes
LT VIII – EV Charging Station		Yes	Yes

7.13.66 Consumer (other that LT-Residential) with load below 10 kW have option to opt for ToD tariff.

7.13.67 As regards applicability of ToD tariff for LT-Residential category, the MSEDCL has proposed that the ToD rebate (during Solar Hours) should be offered to domestic consumers who opt for ToD meters. The same has been designed to incentivize domestic category which form majority of MSEDCL's consumers to opt for ToD enabled meters.

7.13.68 The Commission agrees with this approach and hereby rules that approved ToD Rebate (during Solar Hours) shall be available to all residential consumers (irrespective of load) and the same shall be applicable from the next billing cycle after date of installation of ToD Meter/Smart Meter for consumers under LT-Residential category. As such rebate will helps in reducing effective energy charge for residential consumers, this will encourage early adoption of the ToD Meter/Smart Meter by consumers under LT-Residential consumer category.

7.13.69 Further, the MSEDCL has requested to approve revision in billing mechanism for LT I (B) – Residential consumers who have installed Rooftop Solar (RTS) system (for adjustment of their net-metering credits) in such a manner that the energy generated by RTS system should be adjusted against lowest consumption slabs and the consumer should be billed at highest consumption slab of its gross energy consumption. MSEDCL has argued that purpose of proposing such revision in billing mechanism for LT-Residential with RTS system is to remove the telescopic slab benefit availed by such Residential consumers with RTS system (availing net-metering benefits) which enjoys the undue advantage of lower tariff applicable for (0-100 unit) slab thereby increasing cross-subsidy burden on other consumers. MSEDCL has further explained the billing mechanism with help of an example under Paragraph 6.6 in the table-182 of its MYT petition (using proposed tariff for FY 2025-26).

7.13.70 Further, in response to objections raised during Public Hearing, MSEDCL has clarified that proposed revision will not impact the benefits of Net-metering available under PM-Surya Ghar scheme to domestic consumers and the fears expressed by objectors and stakeholders that MSEDCL's proposal is against PM-Surya Ghar Rooftop PV scheme are unfounded. The relevant extract of the MSEDCL's additional submissions post public hearing filed on 11 March 2025 is as under:

> *"During the hearing it was accepted by Solar Power Developers that new tariff is impacting their business as during solar hour the tariff has been reduced by MSEDCL. Most of the consumers who were opting for Open Access are now finding MSEDCL's tariff better than tariff they are offering and so their business is impacted.* ***They have also wrongly represented that MSEDCL has removed the benefit of net banking to domestic consumers."***

7.13.71 Further, the MSEDCL through its additional submissions post public hearing filed on 11 March 2025 it has highlighted that Residential consumers of MSEDCL who have installed RTS system under Net Metering arrangement will not be eligible for proposed ToD Rebate (during Solar Hours).

> *2.2.2 However, residential consumers of MSEDCL who have installed Roof-top RE generating system under net metering arrangement will not be eligible for proposed rebate. These consumers can continue to avail the benefits under MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) read with first and second amendment (particularly Regulation 11), which are duly implemented by MSEDCL.* ***(Ref. Para 2.2.2 of MSEDCL Additional submission dated 11 March 2025)***

7.13.72 The Commission rules that in line with MSEDCL's submission, the Net Metering benefit as available to LT-Residential consumers with RTS system will continue to be available to such consumers in line provisions for energy accounting, energy credit adjustment and settlement as specified under of MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and its amendments thereof for net-metering, group-net metering and virtual net-metering arrangements through the 5th Control Period, even after installation of ToD meter / Smart meter by such Residential consumers with RTS systems.

7.13.73 With respect to MSEDCL's contention to not allow ToD rebate during Solar Hours to consumers with RTS system, the Commission is of the opinion that such discrimination is not permissible under Section 62 of the EA 2003 and any tariff structure which otherwise applicable to a consumer cannot be withdrawn just because such consumer has opted to install its RTS system. Hence, the Commission rules that ToD rebate for Solar Hours shall also be applicable to consumers with RTS system or consumer opting for OA from third party or captive generation.

7.13.74 However, the Commission observes that the as per Clause (d) of Regulation 11.4 of MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019, there may be scope for interpretation that Excess Generation by such RTS systems during Solar Hours may not be available for adjustment for consumption during evening Peak Hours or any other time blocks, post implementation of ToD Tariff regime for LT-Residential Consumers. The relevant extract of Regulation 11.4 (d) is as under:

> *11.4 d) In case the Eligible Consumer is within the ambit of Time of Day (ToD) tariff, the electricity consumption in any time block, i.e. peak hours, off-peak hours, etc., shall be first compensated with the quantum of electricity injected in the same time block; <u>any excess injection over and above the consumption in any other time block in a Billing Cycle shall be accounted as if the excess injection had occurred during off peak hours</u>;* ***(Ref. Reg. 11.4 (d) of MERC Grid Interactive Rooftop Renewable Energy Generating Systems Regulations, 2019 and amendments thereof)***

7.13.75 Clearly, it is neither the intention of the PM-Surya Ghar scheme nor MSEDCL's submission to take away the benefits of Net Metering available to LT-Residential consumers with RTS installations that upon installation of ToD meter / Smart Meters and with introduction of ToD Tariff regime (i.e. ToD Rebate) for LT-Residential consumers, the benefit of Net metering adjustment available to such consumers would be taken away. On the other hand, the objective of the PM-Surya Ghar scheme for LT-residential consumers is to encourage them to adopt RTS installations at accelerated pace.

7.13.76 In view of the above, the Commission hereby clarifies that in pursuance of the Electricity (Right of Consumers)(First Amendment) Rules, 2023, only Solar Hours and Peak Hours are required to be defined by the State Commission and the same have been stipulated under this Order. Upon careful reading of the provisions of said Rules, it is observed that it has delinked the concept of defining Morning Peak Hour, Evening Peak Hour, Off-Peak Hour, Normal Hour etc and have mandated the State Commission to specify only 'Solar Hour' and 'Peak Hour' subject to conditions outlined therein.

7.13.77 Further, the concept of ToD Tariff is more aligned with marginal cost of power purchase during any hour of the day rather than Peak occurring during any other time of the day. Thus, even though Peak Demand is occurring at day-time (Solar hours), the maximum ToD Rebate is offered for consumption during Solar Hours aspower purchase cost is lowest during Solar Hours. MSEDCL has also proposed same philosophy for ToD Rebate for Solar Hours. Thus, the concept of defining Off-peak hours or Normal hours is done away with and only ‘Solar Hours’ and ‘Peak Hours’ (even though peak demand may occur during Solar Hours) has been introduced as per said Rules.

7.13.78 In addition, as per MYT Regulations 2024 as well as under Distribution Open Access Regulations, 2019 and amendments thereof, ToD Slabs and ToD Tariff is to be defined through Order as part of Tariff proceedings upon due public consultation, which has been undertaken by the Commission and the rationale for determination of ToD Slabs and ToD Tariff (Charge/Rebate) has been extensively covered under this Order.

7.13.79 Hence, the Commission further rules that in case of LT-Residential consumers with RTS systems, the benefit of Net Metering or Group Net Metering or Virtual Net Metering shall continue to be available for all hours through out the day for adjustment of surplus energy unit credit including during Peak Hours (17:00 hrs to 24:00 hrs) even after installation of ToD meter/ Smart Meter by such consumer. The energy accounting, surplus energy credit adjustment and commercial settlement thereof for LT-Residential consumers with RTS systems shall be undertaken in line with provisions specified under MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and its amendments thereof without imposing any restriction of ToD slot wise banking requirement.

7.13.80 The Commission further rules that for all other consumers with RTS systems (other than LT-Residential consumers), the benefit of Net Metering or Group Net Metering or Virtual Net Metering alongwith energy accounting, surplus energy credit adjustments and settlement thereof shall continue to be applicable through 5th Control Period in line with provisions specified under MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and its amendments thereof. In case of such consumers (other than LT-Residential) wherein ToD Meter/ Smart Meter are installed, the Off-peak hours referred under Clause (d) of Regulations 11.4 of said Regulations for the purpose of treatment of Surplus injection should be treated as if the excess injection had occurred during hours other than Peak Hours (17:00 to 24:00 hrs) i.e. surplus energy in any time block can be adjusted for energy consumption during time period of 00:00 to 17:00 hrs.

7.13.81 As per MSEDCL’s submission, the Commission observes that as on date, less than 1% of domestic consumers out of total 2.36 crore domestic consumers have installed rooftop facilities despite significant support through various Government schemes. Further, so far only around 57,390 RTS system aggregating to 228.31 MW have been installed under PM Surya Ghar scheme. Hence, the Commission does not find merit in revising billing arrangement for residential consumers with RTS systems as proposed by MSEDCL. Thus, the billing arrangement for such LT-Residential consumers with RTS system shall continue as per existing practice including benefit of telescopic slab as currently available.

D] Review conditions and revision periodicity for ToD Tariff

7.13.82 MSEDCL submitted that the ToD tariff has been proposed on the premise that the energy transition as planned would be successful. MSEDCL further submitted that as Hon'ble Commission is aware that there are many issues/ roadblocks which may lead to MSEDCL not achieving complete target for energy transition. The success of ToD mechanism also would depend on consumers shifting their demand pattern in desired direction. This would again depend on multiple factors including psychology, convenience factor, etc. In view of these uncertainties MSEDCL requested the Commission to allow MSEDCL to approach itself every subsequent year before 30th November with revised proposal of ToD charge/rebate for subsequent years.

7.13.83 The Commission recognises that revision in ToD Slabs and ToD Rates (Charge/Rebate) approved through this Order is taking place after many years. The implementation aspects of adoption of Smart Meters, change in consumer behaviour, understanding impact of revised ToD regime on consumer billing and its revenue impact on MSEDCL need to be carefully studied. At the same time frequent revision in the ToD regime would not yield desirable results. Besides, any further revision need to be backed with supporting load survey, field studies and impact analysis. The Commission directs MSEDCL to undertake such studies and analyse the impact from consumer perspective as well as from Utility point of view, before proposing review at the time of Mid-term review process.

E] Conditions for Banking of Energy related to ToD Adjustments

7.13.84 During the public consultation process and e-Public Hearings, many open access consumers and RE Generators had raised concern regarding adverse impact of proposed ToD on banking of power. In this context, the MSEDCL filed its response through additional submission dated 11 March 2025 wherein it submitted that the Open Access (OA) agreements are bilateral arrangements between OA Consumers and Generators, which are not regulated and often driven by profit motives. In contrast, MSEDCL functions as a regulated entity committed to ensuring that the benefits are distributed among the general public at large. Its objective is to pass on cost advantages to all consumers rather than focusing on commercial gains.

7.13.85 MSEDCL further submitted that for Open Access consumers, banking of energy is under Regulation 20.3 of the MERC (Distribution Open Access) First Amendment Regulations 2019 dated 08.06.2019 which is reproduced below:

"20.3 Banking of energy shall be permitted only on monthly basis.

Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its Orders determining the Tariffs of the Distribution Licensees ;

Provided further that the energy banked during peak TOD slots may also be drawn during off-peak TOD slots, but the energy banked during off-peak TOD slots may not be drawn during peak TOD slots."

7.13.86 Thus, MSEDCL submitted that the said Regulation clearly provides that excess generation by generator during higher tariff hours can be adjusted against lower tariff hours but not vice-versa.

7.13.87 As regards the concern raised by Open Access consumers regarding banking arrangement, MSEDCL further submitted as under:

"4.4.1 MSEDCL submits that it conducted a brief analysis of the Open Access energy consumption and slot wise banked energy in its licensed area of supply. In the analysis, it was observed that there are only 3.8% (604 Nos.) partial RE Open Access consumers, out of the total 15,657 HT Industry Consumers (in FY2024-25). A copy of the Open Access consumption and slot wise banked energy of RE OA consumers, is annexed herewith as Annexure 4.

4.4.2 For the analysis, 10 months data (which is available for FY 24-25) has been extrapolated for a year (12 months). The key findings from this analysis are as follows:

- *OA consumption/generation as a % of total HT Industry consumption account to only about 13%.*
- *These OA consumers bank 374 MUs annually which is on an average is 7.41% of the total OA consumption.*
- *Thus, changing of banking slots affects only 411 Open Access consumers (2.6% of Total 15,657 HT Consumers), which is a very small share of consumers and it is not fair to burden majority of consumers, with the responsibility of providing benefits to these consumers, who avail dual advantages. …*

4.4.3. MSEDCL further submitted that approximately 186 out of 604 MSEDCL consumers availing RE OA have been using OA facility of MSEDCL for over three years. MSEDCL bonafide believes that these 186 consumers have long since recovered their investment.

Further, MSEDCL bonafide believes that these 604 consumers avail banking facility of RE generation during solar hours, which is set-off *against costlier power (generally, thermal power) consumed by them during non-solar hours. Availing of banking facility of RE generation by these 604 consumers also results in higher cross subsidy burden on other consumers of MSEDCL.*

7.13.88 MSEDCL further submitted that these consumers use MSEDCL network (grid) for storage/ banking by feeding in cheap power contrary to power consumed during non-solar hours creating distortion in tariff mechanism. They benefit from MSEDCL's distribution system without investing in their own energy storage or generation, while still enjoying the advantages of the ToD.

7.13.89 Thus, MSEDCL argued that in such conditions where burden created by Open Access consumers is unfairly shifted onto other consumers, Open Access consumers must adapt to the evolving landscape and develop their own storage capacities to manage demand fluctuations, rather than relying on the grid for banking. In support of its arguments, MSEDCL referred to recent Advisory issued by MOP in consultation with CEA (namely, *"Advisory on Co-locating Energy Storage Systems with solar power projects to enhance grid stability and cost efficiency")* to State Governments, Central Generating Stions & Renewable Energy Implementing Agencies on dated 18.02.2025.

7.13.90 The Commission has carefully considered the objections raised by the Objectors/ stakeholders during the Public Hearing and through their submissions as well as the replies filed by MSEDCL through its additional submission. Upon careful consideration of all aspects the Commission opines that the power demand-supply situation, resource mix is undergoing transformation with adoption of the energy transition agenda at National level as well as State level. The policies, regulations and the operational framework need to be aligned with emerging trends and requirements of the businesses addressing concerns of consumers and utility, alike.

7.13.91 The revision in ToD Slabs and ToD tariff (Charge/Rebate) presents one such opportunity to align the regulatory policies and treatment thereof in line with the broader perspective of energy transition agenda. In the context of banking facilities and ToD adjustments thereof, the Commission opines that it is important to undertake cogent reading and interpretation of the MYT Regulations, 2024, Distribution Open Access Regulations, 2019 including amendments thereof, Grid Interactive Rooftop Renewable Energy Generation Systems, Regulations 2019 including amendments thereof and Electricity (Right of Consumers) (First Amendment) Rules, 2023.

7.13.92 In earlier paragraphs, the Commission has already highlighted that as per mandate stipulated under Electricity (Right of Consumers) (First Amendment) Rules, 2023, the concept of defining Off-peak hours or Normal hours is done away with and only 'Solar Hours' and 'Peak Hours' has been introduced as per said Rules. Accordingly, the Commission has stipulated the 'Solar Hours' (i.e.

09:00 hrs to 17:00 hrs) and 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) as well as approved the 'ToD Slabs' and 'ToD Tariff (Charge/Rebate) as outlined under earlier paragraphs of this Order. The Commission opines that the conditions associated with ToD slot-wise Banking, adjustment of surplus energy credit need to be applied taking into consideration above facts.

7.13.93 Thus, the Commission hereby rules that following conditions for Banking and its treatment thereof for adjustment of banked energy credits shall apply for all consumer categories (except LT-Residential) as outlined hereunder:

a) Energy banked during 'Peak Hour' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption in 'Peak Hour' and any other hours.
b) Energy banked during any other hours excluding 'Peak Hours' (i.e. 17:00 hrs to 24:00 hrs) can be adjusted against the consumption of any other hours except consumption in 'Peak Hours'(i.e. 17:00 hrs to 24:00 hrs)

7.13.94 Thus, the Commission observes that as per existing banking and ToD regime the open access consumer was able to adjust its surplus generation during day-time (06:00 hrs to 18:00 hrs – ie. 12 hours) during respective slots and night hours (22:00 hrs to 06:00 hrs – ie 8 hours) together for 20 hours (except for evening 4 hours from 18:00 hrs to 22:00 hrs). With proposed Banking arrangement as outlined under this Order, the open access consumer would be able to adjust its surplus generation during day-time (06:00 hrs to 17:00 hrs – ie. 11 hours) during respective slots and night hours (00:00 hrs to 06:00 hrs – ie 6 hours) together for 17 hours (except for evening 7 hours from 17:00 hrs to 24:00 hrs). The Commission believes that this addresses the concerns expressed by objectors/stakeholders as well as that of MSEDCL about management during Peak Hours.

F] Transition Period for Implementation of Revised ToD Tariff

7.13.95 The Commission recognizes that MSEDCL needs to update the ToD tariff slots in consumers' meters due to changes in the approved ToD tariff structure. Given the large number of existing consumers with ToD meters, the Commission understands that this process will take some time, likely exceeding three months.

7.13.96 To facilitate a smooth transition, the Commission grants MSEDCL a transition period upto three-month period to implement the revised ToD tariff for HT consumers and a transition period upto six-month period for LT consumers.

7.13.97 During this transition period, the Commission acknowledges that the existing ToD slabs cannot be changed but the existing ToD Tariff rates can be changed to be progressively aligned with new ToD Tariff regime. Therefore, the Commission approves a ToD tariff structure based on the existing ToD slots, for limited period till modification in ToD meters takes place to align with new ToD Slabs. The ToD tariff structure for this transition period or till modification in ToD meter slabs for existing ToD consumer, whichever is earlier, shall be as follows:

Table 405: ToD Tariff for Transition Period approved by Commission (Rs./unit)

Time Slots	ToD Charges/(Rebate) (Rs. /unit)
22.00 to 06.00	(-0.80)
06.00 to 09.00	-
09.00 to 12.00	-
12.00 to 18.00	(-0.80)
18.00 to 22.00	1.30

7.13.98 Above ToD tariff will be applicable to the existing ToD consumers which will ensure continuity of service while MSEDCL updates the ToD tariff slots in consumers' meters. Once the meter replacement or modification is completed, the consumer will be transitioned to the revised ToD tariff structure, which was approved earlier as mentioned in para 7.13.65. At that point, the consumer's billing will be based on the new ToD slots, ensuring they benefit from the updated tariff structure.

7.14 Grid Support Charges

MSEDCL's Submission

7.14.1 The Commission, through MERC Grid Interactive Rooftop Renewable Energy Generating Systems Regulations, 2019, and its 2023 Amendment, has mandated the levy of GSC under Net Metering systems. These charges are determined based on balancing, banking, and wheeling costs after adjusting for RPO benefits, avoided distribution losses, and other benefits. Consumers with sanctioned loads up to 10 kW are exempt, and GSC shall not be levied until rooftop installations reach 5000 MW.

7.14.2 MSEDCL has submitted that it has implemented rooftop solar schemes, including the MNRE Phase-II Grid Connected Rooftop Solar Program and the PM Surya Ghar: Muft Bijli Yojana. The total rooftop solar (RTS) capacity in Maharashtra has reached approximately 2,635 MW, with MSEDCL's license area contributing 2,545 MW. Given the rapid growth, RTS capacity is expected to exceed 5,000 MW soon, necessitating the implementation of GSC.

7.14.3 MSEDCL has calculated the GSC charges for 5th Control Period based on the methodology provided by the Commission in its MYT Order in Case No. 322 of 2022. MSEDCL projected the GSC for HT consumers at Rs. 1.44 per unit in FY 2025-26 to Rs. 1.72 per unit in FY 2029-30. GSC for LT consumers is projected at Rs. 1.93 per unit in FY 2025-26 to Rs. 2.35 per unit in FY 2029-30. The calculation of GSC by MSEDCL is provided in table below:

Table 406: Calculation of GSC Charges for fifth Control Period

Sr. No	Parameter	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
A	Power Purchase Quantum	1,86,203	2,18,172	2,29,387	2,38,063	2,43,337
B	Fixed Cost (Rs Crore)	22415.32	22970.06	24581.88	27587.73	31866.94
C	**Balancing Cost (B/A)*10 (Rs/unit)**	**1.20**	**1.05**	**1.07**	**1.16**	**1.31**
D	TOD Charge Morning Peak (D)	1.14	1.12	1.18	1.20	1.18
E	TOD Charge Evening Peak (E)	1.17	1.30	1.38	1.33	1.26
F	**Cost of Banking (E-D) (Rs/unit)**	**0.02**	**0.18**	**0.20**	**0.13**	**0.07**
G	**Wheeling Charges (HT) (Rs/unit)**	**0.76**	**0.83**	**0.86**	**0.88**	**0.87**
H	**Wheeling Charges (LT) (Rs/unit)**	**1.46**	**1.60**	**1.67**	**1.71**	**1.71**
I	**Rooftop RE Benefit (Rs/unit)**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
J	Variable Cost (Rs Crore)	67,150.66	77,309.04	83,200.26	86,569.73	87,714.76
K	Marginal Variable Cost (C*10/A)(Rs/kWh)	3.61	3.54	3.63	3.64	3.60
L	HT Loss (%)	10.78%	10.76%	10.74%	10.71%	10.66%
M	LT Loss (%)	15.28%	15.26%	15.24%	15.21%	15.16%
N	**Avoided Dist. Loss (HT) K/(1-L)-K**	**0.44**	**0.43**	**0.44**	**0.44**	**0.43**
O	**Avoided Dist. Loss (LT) K/(1-LM)-K**	**0.65**	**0.64**	**0.65**	**0.65**	**0.64**
P	**GSC(HT) (Rs/unit) =C+F+G-I-N**	**1.44**	**1.53**	**1.59**	**1.63**	**1.72**
Q	**GSC(LT) (Rs/unit) =C+F+H-I-O**	**1.93**	**2.09**	**2.19**	**2.25**	**2.35**

7.14.4 MSEDCL has submitted that it faces significant commercial and technical challenges due to the increasing penetration of RTS. A major concern is the revenue shortfall arising from reduced energy sales to high-end LT and HT consumers, who are the primary contributors to cross-subsidy. Since MSEDCL's fixed costs are largely recovered through energy charges, this revenue gap leads to tariff hikes for other consumers, creating a cycle that further incentivizes RTS adoption and distorts the power market. Additionally, grid management challenges arise due to fluctuations in RTS generation, requiring costly ramping of thermal power plants.

7.14.5 MSEDCL further submitted that Grid Support Charges are applicable on consumers with above 10 kW sanctioned load which are generally high-end LT/ HT consumers which are cross-subsidizing consumers and reduction in energy sales to such high tariff consumers would lead to reduction in Average Billing Rate. The exponential rise in the use of RTS by such consumers would disrupt cross subsidy mechanism inbuilt in the tariff structure. MSEDCL has estimated total cost of cross subsidy using pessimistic assumption that ultimately 10% of total energy sales to cross subsidising category would be met through RTS. The total loss in cross subsidy in such a scenario (considering FY 24-25 rates) is calculated in table below:

Table 407: Estimated loss of Cross Subsidy due to RTS installation

Category	Annual Sales (Mus)	Loss of Sales to RTS (MUs)	ABR (Rs./unit)	ACoS (Rs./unit)	Cross - Subsidy (Rs./unit)	Loss of Cross Subsidy (Rs. Crores)
HT Category						
HT Industry	30,588	3,059	10.09	8.94	1.15	351.76
HT Commercial	1,486	149	15.58	8.94	6.64	98.67
HT Railway/ Metro/ Monorail Traction	102	10	10.11	8.94	1.17	1.19
HT Public Services Government	839	84	12.09	8.94	3.15	26.43
Total HT	**33,015**	**3,302**				**478.05**
LT Category						
Domestic (>300)	**5,830**	**583**				**495.54**
301-500 Units	3,435	343.5	16.9	8.94	7.96	273.43
501-1000 Units	1,416	141.6	18.21	8.94	9.27	131.26
Above 1000 Units	980	98	18.21	8.94	9.27	90.85
LT Commercial	**6,351**	**635**				**209.45**
0-20 KW	4988	498.8	12.05	8.94	3.11	155.13
>20<=50 KW	699	69.9	16.61	8.94	7.67	53.61
>50 KW	662	66.2	18.6	8.94	9.66	0.71
LT PS Government	**90**	**9**				**1.73**
0-200 Units	21	2.1	9.3	8.94	0.36	0.08
>200 units	47	4.7	9.3	8.94	0.36	0.17
>20-50 kW	11	1.1	10.09	8.94	1.15	0.13
>50 kW	11	1.1	12.01	8.94	3.07	0.34
LT PS Others	**224**	**22.4**				**9.32**
>20-50 kW	90	9	13.13	8.94	4.19	3.77
>50 kW	134	13.4	13.08	8.94	4.14	5.55
LT Power loom						
Above 20 KW	**1,230**	**123**	**10.74**	**8.94**	**1.8**	**22.14**
LT Industry-General						
Above 20 KW	**3,819**	**381.9**	**9.64**	**8.94**	**0.7**	**26.73**
Total HT	**17,544**	**1,754**				**765**
Grand Total	**50,559**	**5,056**				**1,243**

7.14.6 MSEDCL submitted that it would have only got a part of the lost cross subsidy through Grid Support charge at the approved GSC by the Commission in case no. 322 of 2019. The calculation of the same is provided in the table below:

Table 408: Estimated revenue from approved Grid Support Charge

Voltage Level	Approved GSC (Rs/unit)	RTS consumption (MU)	Total Revenue from GSC (Rs Crore)
LT	1.16	3,302	383.03
HT	0.72	1,754	126.29
Total		**5,056**	**509.32**

7.14.7 However, under the GSC approved by the Commission in Case No. 322 of 2019, MSEDCL would recover only Rs. 509.32 crore, leaving a substantial deficit. The estimated revenue from GSC, based on RTS consumption of 5,056 MU, is Rs. 383.03 crore from LT consumers (Rs. 1.16/unit) and Rs. 126.29 crore from HT consumers (Rs. 0.72/unit).

7.14.8 Given this financial gap and the increasing adoption of RTS, MSEDCL requested the Commission to approve the calculated GSC as against approved in previous MYT Order.

7.14.9 Further, MSEDCL highlighted that the Commission, through the MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) (First Amendment) Regulations, 2023, has increased the net metering capacity limit from 1 MW to 5 MW. This change will further enable cross-subsidizing consumers to meet their energy needs through RTS instead of procuring power from MSEDCL. In response, MSEDCL has filed a petition (W.P. S.T 22665 of 2024) before the Hon'ble High Court, challenging various amendments in the regulations. MSEDCL requested that, in case of a favourable judgment, the Commission provides the necessary relief.

7.14.10 Additionally, the Commission has allowed Distribution Licensees to file specific petitions for banking charge recovery until GSC implementation. MSEDCL has submitted that the banking charge of 8% specified in the MERC Distribution Open Access Regulations, 2016, along with slot-wise restrictions, should also apply to grid-interactive RTS systems for consumers above 10 kW. Moreover, MSEDCL has proposed that banking charges should reflect the actual distribution losses for HT and LT consumers.

Commission's Analysis and Ruling

7.14.11 The Commission notes the provision of the Regulation 11.5 of MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and as amended in 2023 & 2024 below:

> *"11.5 The Commission may determine in the retail Tariff Order such Grid Support Charges to be levied on the generated energy under Net Metering systems which shall cover balancing, banking and wheeling cost after adjusting RPO benefits, avoided distribution losses and any other benefits accruing to the Distribution Licensee. These Grid Support Charges would be determined consumer tariff category wise, based on*

the proposal of the Distribution Licensee in its retail supply Tariff Petition, supported by adequate justification:

Provided that the consumers of all Categories having ***Sanctioned Load up to 10 kW shall be exempted*** *from payment of Grid Support Charges for Net Metering systems;*

Provided further that the Grid Support Charges shall not be levied till installations under rooftop arrangement in the State ***reach 5000 MW****:*

Provided also that till the Grid Support Charges as envisaged in the Regulations stay exempted, Distribution Licensees may approach the Commission with specific Petition for recovery of banking charges, and in case, the recovery of banking charges has already been approved by the Commission prior to notification of these Regulations, the same shall continue.” ……………

7.14.12 The Commission is aware of the need of the Grid support charges with increased installed capacity of the Solar rooftop systems under Net metering arrangement. The Commission has discussed the same in detail while finalising the MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019.

7.14.13 However, the Commission while finalising the first amendment to MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019, has clarified that, levy of Grid Support Charges may work as a dampener and hinder the growth in penetration of Net Metering installations. Hence, after careful consideration, the Commission has decided that Grid Support Charges shall not be levied till installations under rooftop arrangement in the State reach 5000 MW.

7.14.14 As per the data available before the Commission, the current rooftop solar (RTS) capacity in Maharashtra has reached approximately 2,635 MW, with MSEDCL’s license area contributing 2,545 MW, which may not cross the 5000 MW before the MTR to be filed by MSEDCL in November 2027. In this context, the Commission also observes that as per MSEDCL’s submissions under RA Plan, MSEDCL has projected Rooftop solar capacity addition of around 2021 MW until FY2027-28 (ref. Table-5 Annexure-4.1 of MYT Petition) until mid-term review. Thus, as per MSEDCL’s own submission the cumulative RTS capacity is unlikely to exceed 5000 MW prior to mid-term review. Accordingly, the Commission is of the view that, Grid support charges need not to be approved in this MYT Petition, however, the Commission would review the same at the time of MTR Petition if the RTS system installations crosses the capacity of 5000 MW as specified the Regulations. Further, the Commission grants liberty to MSEDCL to file a separate petition for determination of Grid Support Charges, only if the cumulative Rooftop solar capacity crosses 5000 MW prior to filing of MTR petition, as necessary. The Commission will undertake the public consultation process and pass the Order as appropriate.

7.14.15 Till the Grid Support Charge remain exempted, provision of Regulations quoted above allows continuation of banking charges if it has been already approved for the Distribution Licensee. The Commission has already approved banking charges for MSEDCL in its MYT Order dated 30 March 2020 as follows:

"8.20.29Having, exempted levy of Grid Support Charge, the Commission cannot be ignorant of the fact that Distribution Licensee incurs certain costs in order to provide services to RTPV under net-metering arrangement. One of such service is energy banking facility under which RTPV owner banks excess generated energy with MSEDCL and uses it subsequently. During public consultation process, some of the stakeholders have suggested that the Commission may impose banking charges in kind i.e. deduct 15 to 20% of banked energy as a banking charge. The Commission notes that such units made available by way of adjustment in kind, can be used for offsetting some of the Wheeling Loss which the licensee incurs in supplying back the banked units to consumers. Hence, till the Grid Support Charges as envisaged in the Regulations stay exempted, in order to enable MSEDCL to at least recover cost of banking service, the Commission has decided to levy banking charge. For this purpose, the Commission has linked such Banking Charge to Wheeling Loss allowed in this Order i.e. 7.5% for HT and 12% to LT. Accordingly, for RTPV connected on HT network, from the energy injected into the grid, 7.5% energy will be deducted by MSEDCL as a Banking Charge. Similarly, for RTPV connected on LT side such deduction of energy would be 12%.

Applicability of Banking Charges

8.20.30In pursuance of the principles specified under Net Metering Regulations, 2019 and in view of the foregoing, the Banking Charges shall be applicable to all categories of consumers for future installations of rooftop systems under net metering arrangement to be commissioned from the date of issuance of this Order in MSEDCL area, except for the following:

- *All Categories having Sanctioned Load up to 10 kW shall be exempted from payment of Grid Support Charges or Banking Charges for Net Metering systems*
- *Roof top PV systems under Net Billing arrangement and*
- *Rooftop PV systems installations Behind the Consumer's meter not availing Net Metering or Net Billing arrangement"*

7.14.16 Above dispensation will be continued till Grid support Charge remain exempted.

7.15 Change in application of telescopic tariff for Domestic consumers with RTS

MSEDCL's Submission

7.15.1 MSEDCL has submitted that LT I (B) – Residential consumers have been billed under a telescopic tariff structure, wherein consumers have been charged progressively higher rates as their consumption has increased. However, under the net-metering arrangement, consumers who have installed rooftop solar (RTS) systems have been billed based on net energy consumption, i.e., total energy consumed minus the energy generated by the RTS system. This has resulted in such consumers being charged at lower consumption slabs than their actual gross consumption, thereby availing unintended benefits under the existing telescopic tariff structure.

7.15.2 MSEDCL has further submitted that the 0-100 units consumption slab has been primarily designed to benefit consumers from economically weaker sections, who have typically had lower electricity consumption due to limited appliance usage. To safeguard their financial interests, MSEDCL has proposed an Average Billing Rate (ABR) for this slab significantly lower than the Average Cost of Supply (ACoS), with the revenue shortfall being cross-subsidized by other consumer categories. However, under the existing net-metering mechanism, consumers with higher actual consumption have also been able to fall within this lower slab due to net energy adjustment, thereby increasing the cross-subsidy burden on industrial and commercial consumers. In order to address this anomaly, MSEDCL has deemed it necessary to devise an appropriate mechanism that ensures that LT I (B) consumers with higher actual energy consumption do not benefit from the lower telescopic tariff.

7.15.3 MSEDCL has also referred to the Commission's MTR Order in Case No. 226 of 2022 dated 31st March 2023, wherein the Commission had acknowledged the need to revisit the tariff structure for domestic consumers, particularly regarding the continuation of telescopic benefits for higher consumption slabs. The Commission had directed MSEDCL to undertake a study on the impact of various factors, including the proliferation of rooftop solar systems and the implementation of smart meters, and to submit a proposal for the revision of the tariff structure for domestic consumers, including a review of the telescopic tariff framework.

7.15.4 In compliance with the above direction, MSEDCL has proposed an alternative methodology for the adjustment of RTS generation, wherein the energy generated from the RTS system would first be adjusted against the lowest consumption slabs, ensuring that the consumer is billed at the highest applicable slab based on gross energy consumption. This approach, as illustrated in the Petition, has been aimed at preventing consumers with higher actual consumption from availing unintended benefits under the existing telescopic tariff structure, thereby ensuring a more equitable distribution of the cross-subsidy burden.

7.15.5 Furthermore, MSEDCL has proposed higher Fixed Charges for consumers in higher consumption slabs as a measure to partially offset the benefits they have derived from the telescopic tariff. MSEDCL has requested to allow a review of the applicability of telescopic tariffs for consumers in higher consumption slabs and to permit MSEDCL to submit a proposal for their removal during the Mid-Term Review (MTR) Petition or the MYT Petition for the next Control Period.

Commission's Analysis and Ruling

7.15.6 The Commission notes the submissions of MSEDCL on the applicability of reverse telescopic slabs for netting off solar generation from RTPV Solar systems. The Commission does not agree with the justification of MSEDCL on the issue of adjustment of Solar generation. The proposed adjustment by MSEDCL for netting off solar generation from RTPV Solar systems would adversely impact on the purpose of the installation of solar rooftop system under net metering arrangement.

7.15.7 Further the Commission notes the provision of the MERC Net metering Regulations 2019 for Solar energy settlement as below:

> *"11.4 The energy generated by the Renewable Energy Generating Station shall be offset against the energy consumption of the consumer from the Distribution Licensee in the following manner:*
>
> *a) If the quantum of electricity exported exceeds the quantum imported during the Billing Period, the excess quantum shall be carried forward to the next Billing Period as credited Units of electricity;*
>
> *b) If the quantum of electricity Units imported by the Eligible Consumer during any Billing Period exceeds the quantum exported,* ***the Distribution Licensee shall raise <u>its invoice for the net electricity consumption</u> after adjusting the credited Units****; "*

7.15.8 The above provision of the Regulations clarifies that, MSEDCL is required to issue the bill for net electricity consumption only as per the applicable tariff for that consumer category. MSEDCL is not expected to change the solar energy settlement principle under net metering Regulations arbitrarily without changing the provisions of the Regulations by the Commission. Accordingly, the Commission has not considered the proposal of the MSEDCL for settlement of solar energy under Net metering arrangement. The existing methodology of the settlement of solar energy under Net metering shall be continued and MSEDCL shall bill only net energy to the consumer after adjusting the solar energy as per the provisions of the MERC Net Metering Regulations and applicable Tariff to that consumer category. Further, as usual, the telescopic benefit shall be continued for Residential Consumers with RTS.

7.16 kVAh based billing

MSEDCL's Submission

7.16.1 MSEDCL has submitted that it had earlier proposed the implementation of kVAh-based billing for HT consumers in its MYT Petition for the fourth Control Period in Case No. 322 of 2019 to promote a unity power factor, reduce system losses, and improve power quality. The Commission, in its Order dated 30th March 2020, acknowledged the rationale and allowed its implementation for HT consumers while directing MSEDCL to complete the meter replacement process for LT consumers above 20 kW.

7.16.2 In its MYT Order in Case No. 226 of 2022 dated 31st March 2023, the Commission noted that full implementation for LT consumers above 20 kW would only be feasible by January 2024 and directed MSEDCL to complete the transition within a year while submitting six-monthly status reports. The Commission also emphasized that kVAh meter data for LT consumers above 20 kW should be available for at least one year before the next tariff review.

7.16.3 MSEDCL has reiterated that kVAh-based billing inherently incentivizes a better power factor, leading to lower consumer bills and reduced power purchase costs for the licensee. Referring to the Hon'ble APTEL's ruling, MSEDCL has stated that kVAh billing automatically accounts for power factor incentives and disincentives, thereby eliminating the need for separate power factor incentives and penalties.

7.16.4 Further, MSEDCL has highlighted that kVAh billing for LT consumers have already been adopted in some of the states in India as per orders of respective SERCs. Some examples of such orders along with applicability of kVAh based billing have been provided below:

Table 409: Applicability of kVAH based billing in various states

Category	Andhra Pradesh	Delhi	Haryana	Madhya Pradesh	Uttarakhand	Gujarat	Bihar
Domestic	X	X	X	X	X	X	X
Non domestic/ Commercial	✓ *	✓	✓ $	✓ *	✓ £	X	X
PWW	✓	✓	X	X	✓	X	✓ o
Agriculture	X α	X	X	✓ ^	X	X	X
Industrial	✓ #	✓	✓	✓	✓	✓ º	✓
Street Light	X	✓	X	X	✓	X	X
Advertising Hoardings	✓	✓	✓ $	✓	✓	X	X
EV / Charging Stations	✓	X	✓	X	X	X	X

Category	Andhra Pradesh	Delhi	Haryana	Madhya Pradesh	Uttarakhand	Gujarat	Bihar
Tariff Order	APERC Order dated 25.03.2023	Order dated in 28.08.2020	HERC Order dated 15.02.2023	MPERC Order dated 28.03.2023	UERC Order dated 30.03.2023	GERC Order dated 31.03.2023	BERC Order dated 23.03.2023

- $ - >20 kW/20 kVA,
- * - > 10kW,
- # - > 15kW,
- º - >40 kW up to 100 kW,
- ^ - up to 25 HP,
- O - up to 74 kW,
- £ - >25kW
- α - For Agriculture others category (Floriculture, Aquaculture etc.) kVAh billing is implemented.

7.16.5 Further, MSEDCL has highlighted that various states have already adopted kVAh billing for multiple consumer categories. MSEDCL has provided a comparative analysis of kVAh-based billing implementation across multiple states, highlighting its widespread adoption for industrial, commercial, and other consumer categories.

7.16.6 Accordingly, MSEDCL has proposed implementing kVAh-based billing for LT consumers above 20 kW from the fifth Control Period (FY 2025-26 to FY 2029-30) and has requested the Commission to approve its proposal while allowing the withdrawal of power factor incentives and penalties for these consumers.

Commission's Analysis and Ruling

7.16.7 The Commission has noted the submission of MSEDCL. The Commission has introduced the kVAh billing for HT consumers from 1 April 2020 as per the provisions of the MYT Regulations, 2019. Further the Commission has taken consistent approach for introduction of kVAh billing in its earlier Orders.

7.16.8 The prime objective of kVAh based billing is to encourage the consumers to maintain near unity Power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile. Additionally, due to improvement of Power Factor (nearer to unity), the consumer's demand may get reduced and the kVAh bill will correspondingly reduce in turn due to improved system voltage. The improvement in Power Factor will further reduce the Licensee's expenditure on Power Purchase and thereby the consumers are expected to be benefited with lower tariff.

7.16.9 As per the directives of the Commission in the MYT Order in Case No. 322 of 2019 dated 30th March 2020, MSEDCL has submitted the proposal for adoption of kVAh billing for LT consumers having load above 20 kW. Further, MSEDCL to complete its meter conversion process along-with other system modifications for such consumer categories to enable kVAh billing.

7.16.10 In this context, the Commission observes the MSEDCL's submission in the matter of the Suo-Moto proceedings in Case No. 4/SM/2024 that replacement/modification of LT consumers with load above 20 kW for purpose of kVAh metering shall be completed by May 2025. Following table summarises existing status of completion of kVAh metering for LT-consumers with load above 20 kW.

Table 410: Status of kVAh Metering for LT Consumers with load above 20 kW

Sr. No.	Category	Total Live above 20kW consumers	No. of Embedded 40-200 A Meters Installed	Balance
1	Residential	15588	9280	6308
2	Commercial	32004	24174	7830
3	Industrial	72450	56356	16094
4	Streetlight	2126	412	1714
5	PWW	1936	1496	440
6	Public Services	7243	4590	2653
7	Others	1253	842	411
		132600	**97150**	**35450**

7.16.11 Accordingly, Commission has decided to approve the proposal of MSEDCL for adoption of kVAh billing for LT consumers with load above 20 kW from 1 April, 2025 and directs MSEDCL to expedite the implementation of kVAh meters or modification of meters for remaining consumers to enable kVAh billing expeditiously. Until such modification of kVAh metering and billing for such LT consumers with load above 20 kW, the billing on kWh basis alongwith existing structure of PF incentive and penalty for power factor shall continue for such consumers.

7.16.12 Several objectors have taken objection on how billing will be done if power purchase unit is kW then how MSEDCL can raise bills to consumers in terms of kVAh. The Commission has taken the note of objectors and MSEDCL is directed to maintain kWh sale for Energy Balance. Further, in electricity bills of consumers, MSEDCL shall display Power Factor on bills which will be beneficial for consumers to measure electricity consumption in kWh. This will be helpful for consumers.

7.17 Standby Charges for SEZs and Deemed Licensees

MSEDCL's Submission

7.17.1 MSEDCL has highlighted that several SEZs and deemed licensees in Maharashtra lack standby power arrangements, leading to grid withdrawals during power failures. This results in financial penalties for MSEDCL under the Deviation Settlement Mechanism (DSM). Since there is no monitoring mechanism to ensure these licensees have or use standby DG sets, MSEDCL has requested the Commission to mandate standby arrangements and impose standby charges.

7.17.2 In Case No. 322 of 2019, MSEDCL in its petition cited instances where entities like M/s Gigaplex (SEZ) and Indian Railways drew power from the grid despite zero scheduled generation, leading to DSM charges. The Commission, in its MYT Order dated in Case No. 322 of 2019 dated 30th March 2020, acknowledged that while some deemed licensees rely on their own standby DG sets, others draw power from the grid during generator failures. However, the Commission placed the responsibility on SLDC to direct deemed licensees to curtail their load based on available generation and clarified that occasional deviations do not justify imposing mandatory standby charges. The Commission also stated that SEZs and deemed licensees, being Transmission System Users (TSUs), are subject to DSM regulations and must bear deviation and additional deviation charges for exceeding volume limits. Furthermore, it suggested that MSEDCL could supply power at short-term rates in case of power source failures.

7.17.3 MSEDCL has now reiterated that SEZs and deemed licensees have not provided proof of standby DG sets, and only two SEZ license orders include conditions regarding backup power. Additionally, despite the Commission's directive, SLDC has not ensured that SEZs and deemed licensees curtail their load during generator failures. Analysis of MTR and MYT orders has also shown significant deviations from scheduled drawl, impacting MSEDCL's grid management responsibilities.

7.17.4 To address this, MSEDCL has again proposed mandatory standby arrangements and recovery of standby charges as follows:

- 25% of applicable demand charges (HT Industrial category) when standby capacity is not used.
- 100% of applicable demand charges when standby capacity is used due to planned or unplanned shutdowns.

Commission's Analysis and Ruling

7.17.5 The Commission in its order in Case No.322 of 2019 dated 30.03.2020 has clarified as below:

> *"2.17.10 The Commission notes the submission of the SEZs and MSEDCL.* ***There is no legal mandate on SEZ for the Standby arrangement.*** *In the ordinary course, in pursuance of its obligations under Section 33 of the EA, 2003, MSLDC would have been expected to ask the Distribution Licensees including SEZ's to curtail its load to match the reduced availability of its contracted Generator.* ***SEZs are at liberty to source stand-by power through a Diesel Generator Set or a separate arrangement with any other Generator or entity which it considers to be more financially beneficial to it. Therefore, the Commission does not see any reason to apply the standby charges on SEZs."***

7.17.6 In this context, the Commission observes that as per provisions of MERC (State Grid Code) Regulations, 2020 and scheduling and dispatch procedures formulated thereunder is binding on every distribution licensee including deemed distribution licensee. Further, distribution licensees (buyers) and generating companies (sellers) have flexibility to revise their schedules due to variation in demand or outage (planned or forced) of its contracted generation facilities. The MSLDC is empowered to issue instructions for curtailment to concerned Buyer/State Entity to ensure grid discipline in the best interest of the grid operations. MSLDC should strictly enforce the same in accordance with provisions of State Grid Code and procedures outlined thereunder.

7.17.7 The treatment of over-drawal/under-drawal and the applicable deviation charges including levy of additional deviation charges thereof shall be governed as per provisions of MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019. Further, the licensees can source/ schedule power through bilateral agreements/ arrangements or standby arrangement through mutual agreement. The power sourced through such arrangements will form part of scheduling and energy accounting/deviation accounting thereof, in case both parties agree to enter into such agreement.

7.17.8 Thus, the Commission observes that SEZs/Deemed Distribution Licensees, being TSUs are also participants in the Deviation Pool account and be subjected to scheduling/despatch regime and rules for Deviation settlement mechanisms and would attract deviation charges/additional deviation charges as per MERC DSM Regulations, 2019 and procedures formulated therein. Further, Additional Deviation charges for exceeding their volume limits would also be applicable under DSM regime.

7.17.9 In view of above, the Commission opines that establishing standby arrangement if necessary, can be on mutual agreement and cannot be made mandatory. Even the standby arrangement for consumers with captive power plants, who are not state pool participants and not party to State Deviation Pool Account, the arrangement to avail standby capacity is optional, with additional demand charges applicable in case their demand exceeds contract demand.

7.17.10 Under the circumstances, the Commission rules that it will not be appropriate to determine and allow levy Stand-by Charges unilaterally as submitted by MSEDCL. Thus, in this Order, the Commission has not approved levy of any Standby Charges to the SEZ and Deemed Licensee as proposed by MSEDCL.

7.18 Green Tariff

MSEDCL's Submission

7.18.1 The Commission, in Case No. 134 of 2020 (Order dated 22.03.2021), determined a Green Power Tariff of Rs. 1.33/kWh for consumers opting to meet 100% of their power requirements through renewable energy (RE). However, only 50% of this charge (Rs. 0.66/kWh) was levied in addition to the regular tariff as green tariff. The Commission also clarified that such power consumption would contribute to the distribution licensee's RPO compliance.

7.18.2 In MTR Petition of Case No. 226 of 2022, MSEDCL proposed DISCOM-specific Green Tariffs based on their respective power purchase costs, recommending Rs. 0.59/kWh for FY 2023-24 and Rs. 0.51/kWh for FY 2024-25. However, the Commission, in its MTR Order in Case No. 226 of 2022, retained the existing Green Tariff of Rs. 0.66/kWh for FY 2023-24 and FY 2024-25, citing ongoing market developments such as GDAM/GTAM and REC multipliers.

7.18.3 MSEDCL requested a revised Green Tariff of Rs. 0.25/kWh, considering the weighted average REC price of Rs. 197/REC (~Rs. 0.20/kWh) and the additional burden of REC procurement on retail consumers. Additionally, MSEDCL proposed to supply Green RTC power to high-priority industries like data centres and semiconductor units at industrial tariff rates without any additional Green Power Tariff.

Commission's Analysis and Ruling

7.18.4 The Commission notes that it introduced the concept of Green Tariff vide its order dated 7 December 2016 vide Case No. 134 of 2016 which allows consumers to opt for electricity generated from renewable energy sources by paying additional tariff, effectively promoting the use of green energy. The Commission clarifies that green attributes of Green Tariff will remain with concerned consumer paying such Green Tariff and distribution licensee can't count such energy towards its RPO.

7.18.5 Hence, the Commission directs MSEDCL to maintain separate accounts of its renewable energy procurement towards fulfilment of its RPO target and renewable energy procurement for meeting requirements of green energy for consumers opting for Green Tariff mechanism. Further, MSEDCL should maintain accounts of revenue billed thorough Green Tariff which should be scrutinized at the time of true-up during Mid-Term Review.

7.18.6 The Commission has noted the green tariff proposed by MSEDCL and with significant reduction in costs for availing green power, the Commission appreciates the MSEDCL's proposal for proposed reduction in green tariff from Rs. 0.66/ kWh to Rs. 0.25/ kWh for 5th Control Period. The reduction in green tariff is mainly due to reduction in green energy charges in the market and fall of REC prices which are appropriate and the benefit of the same shall be passed on to the consumers.

7.18.7 **Hence, the Commission approves green tariff charge as Rs. 0.25/ kWh over and above approved Tariff for the applicable consumer category for 5th**

Control Period. It is to be noted that operational modalities of green tariff will be same as given by the Commission in MTR Order of Case No. 226 of 2022 with only change that green attribute of electricity purchased by consumer by paying Green tariff shall remain with that consumer only and Distribution Licensee shall not count such energy while computing its RPO fulfilment.

7.18.8 Further, the Commission has noted submission of MSEDCL to supply Green RTC power to high-priority industries like data centres and semiconductor units at industrial tariff rates without any additional Green Power Tariff. In this context, the Commission observes that for providing round the clock green power to data centres and semi-conductor units, would entail additional costs of storage, balancing and other associated infrastructure costs etc. Thus, there would be additional cost for providing round-the-clock green power as against providing (other than round-the-clock) green power to meet consumption of consumer availing green power. Hence, the Commission opines that not levying green tariff charge for such round-the-clock green power will not be appropriate. Besides, the Commission observes that as per Section 62 (3) of EA 2003, the Commission while determining tariff shall not show undue preference or discriminate against the consumers for determination of charges for same purpose. **Hence, the Commission has not approved the proposal of MSEDCL to levy zero charges towards Green Tariff to high-priority industries like data centres and semiconductor units.**

7.18.9 However, in order to attract investments in high-priority industries like Data Centres and semi-conductor units which represents a high consumption and continuous load, and to encourage their electricity consumption through 100% Green Energy either through open access or through Green Tariff or combination thereof, the Commission has approved discount of 10% in Wheeling Charges to such Data Centres and semi-conductor units.

7.19 Rebate for Incremental Consumption

MSEDCL's Submission

7.19.1 MSEDCL, in its MYT Petition in Case No. 322 of 2019, had proposed a rebate for incremental consumption for HT consumers under Regulation 81.4 of MERC MYT Regulations, 2019. The Commission, in its MYT Order in Case No. 322 of 2019, approved the rebate at Rs. 0.75/kVAh, recognizing the need to optimize surplus contracted energy while ensuring revenue recovery exceeded incremental power procurement costs.

7.19.2 Subsequently, in its MTR Petition in Case No. 226 of 2022, MSEDCL sought continuation of the rebate, citing its benefits in reducing the burden of surplus/stranded power capacity. However, it identified consumer practices such as the merging of connections to avail benefits. MSEDCL proposed limiting the rebate in cases of amalgamation and linking eligibility to timely payment of bills and restrictions on frequent contract demand revisions. While the Commission acknowledged concerns regarding amalgamation, it retained the rebate at Rs. 0.75/kVAh and directed that incremental consumption should be computed for the aggregate load of merged entities. However, the Commission rejected other suggestions of MSEDCL regarding linking of rebate on incremental consumption with payment status and revision in contract load.

7.19.3 Regulation 100.4 of the MERC MYT Regulations, 2024, continues to permit rebates in consumer tariffs, reinforcing MSEDCL's position. The relevant Regulation is reproduced below:

> *"100.4 The Distribution Licensee may propose other rebates for inter-alia, taking supply at higher voltages, bulk consumption, power factor, etc., as a part of their Petition, and the revenue impact of rebates shall be passed on through the Aggregate Revenue Requirement and tariffs, subject to the Commission's approval."*

7.19.4 The Commission, in its MTR Order, also extended the rebate to LT consumers for the remaining period of the 4th Control Period (FY 2023-24 and FY 2024-25) and specified detailed modalities for implementation.

7.19.5 For the 5th Control Period, MSEDCL has requested the continuation of the rebate at the approved rate of Rs. 0.75/kVAh for both HT and LT consumers, maintaining the terms set in Case No. 226 of 2022. MSEDCL has conducted cost benefit analysis of the proposed rebate which is tabulated below:

Table 411: Net impact of incremental consumption by LT consumers

Cost Benefit analysis	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Sales due to incremental consumption (MkVAh)	822.20	863.31	906.48	951.80	999.39
Average Billing Rate of LT Consumers (Rs/kVAh)	8.82	9.02	8.95	8.13	8.06
Rebate Given for Incremental Consumption (Rs/kVAh)	0.75	0.75	0.75	0.75	0.75
Net ABR for LT Consumers (Rs/kVAh)	8.07	8.27	8.20	7.38	7.31
Total revenue from incremental sales (Rs Crore)	663.64	714.24	743.58	702.73	730.30
Purchase quantum for incremental sales (Mus)	951.12	998.68	1048.61	1101.04	1156.09
Marginal Variable Cost of Power Purchase (Rs/kWh)	3.60	3.55	3.63	3.64	3.60
Total Cost for incremental sales (Rs Crore)	342.71	354.18	380.57	400.54	416.53
Net Benefit (Rs Crore)	**320.93**	**360.06**	**363.01**	**302.19**	**313.77**

Table 412: Net impact of incremental consumption by HT consumers

Cost Benefit analysis	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Sales due to incremental consumption (MU)	3757.54	3945.42	4142.69	4349.82	4567.31

Cost Benefit analysis	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Average Billing Rate of HT Consumers (Rs/Unit)	11.11	11.56	11.68	11.09	10.96
Rebate Given for Incremental Consumption (Rs/ Unit)	0.75	0.75	0.75	0.75	0.75
Net ABR for HT Consumers (Rs/ Unit)	10.36	10.81	10.93	10.34	10.21
Total revenue from incremental sales (Rs Crore)	3894.57	4266.55	4526.77	4498.31	4663.66
Purchase quantum for incremental sales (MUs)	4158.85	4366.79	4585.13	4814.38	5055.10
Marginal Variable Cost of Power Purchase (Rs/ kWh)	3.60	3.55	3.63	3.64	3.60
Total Cost for incremental sales (Rs Crore)	1,498.52	1,548.69	1,664.07	1,751.38	1,821.30
Net Benefit (Rs Crore)	2,396.06	2,717.86	2,862.70	2,746.93	2,842.36

7.19.6 Further, MSEDCL proposed to retain other modalities for operationalization of rebate for incremental consumption as specified by the Commission in its MTR order in Case No. 226 of 2022 during the 5th Control Period. The modalities are described below:

- The rebate shall apply to HT industries, HT commercial, HT public services, HT-PWW, HT Railways/Metro/Mono, and HT Group Housing Society (Residential), including EHV consumers in these categories.
- The rebate shall also apply to LT industries (including power loom), LT commercial, and LT public services.
- Partial open access consumers shall be eligible to the extent of power procured from MSEDCL.
- The rebate shall be applicable for the first three years of the 5th Control Period (FY 2025-26 to FY 2027-28), subject to reconsideration during the MTR.
- Consumers must exceed their threshold consumption to avail of the rebate.
- The baseline consumption (monthly threshold) shall be determined based on a three-year average monthly consumption from FY 2022-23 to FY 2024-25.
- New consumers shall become eligible for the rebate after completing three years of consumption history.
- If the rebate scheme continues beyond FY 2027-28, the baseline consumption shall be reset based on the three-year average from FY 2025-26 to FY 2027-28, following due consultation.
- The rebate shall be computed monthly but finalized on an annual basis (April-March), with adjustments made in the March billing cycle.

- No carry-forward of rebate entitlement shall be allowed from one financial year to another.
- The total variable charges after all applicable rebates must not fall below MSEDCL's approved average power purchase cost (including transmission charges).
- In cases of entity amalgamation/merger with a permanent disconnection of one entity's load, incremental consumption shall be calculated on an aggregate basis for the surviving entity.
- Periods of Temporary Disconnection (TD) shall be excluded from baseline consumption calculations.
- Permanently Disconnected (PD) consumers reconnected to the system shall be treated as new consumers, with no consideration of previous consumption history.
- Open access consumers shall be eligible for the rebate subject to the outlined conditions.

7.19.7 MSEDCL submitted that the continuation of the rebate for incremental consumption aligns with the broader objective of enhancing sales within its distribution area, optimizing power procurement costs, and reducing stranded capacity burdens. The operational modalities as detailed above aim to ensure transparency, prevent misuse, and facilitate effective implementation of the rebate mechanism during the 5th Control Period.

Commission's Analysis and Ruling

7.19.8 Incremental consumption rebate of Rs. 0.75/kVAh shall be continued to be applicable for 5th Control Period for HT industries, HT commercial, HT public services, HT-PWW, HT Railways/Metro/Mono and HT-Group Housing Society (Residential) including EHV consumers in these categories. Further, the rebate for incremental consumption shall also be applicable for LT industries (incl. powerloom), LT commercial and LT public services.

7.19.9 The 3-year average monthly consumption by consumer from FY 2022-23 to FY 2024-25 shall be considered as baseline consumption (or monthly threshold consumption) for determination of incremental consumption by such eligible consumers for 5th Control Period.

7.19.10 Further, all other terms and conditions as stipulated in MTR Order in Case No. 226 of 2022 shall be applicable for operationalization of incremental consumption rebate & associated aspects thereof.

7.19.11 Accordingly, Detailed modalities for operationalization of rebate for incremental consumption during 5th Control Period (i.e. for FY 2025-26 and FY2027-28) for specified HT category (incl. EHV consumers) and LT

Category along-with relevant conditions for applicable consumer categories and eligible consumers shall be governed as per following conditions:

- The rebate for incremental consumption shall be applicable for HT industries, HT commercial, HT public services, HT-PWW, HT Railways/Metro/Mono and HT- Group Housing Society (Residential) including EHV consumers in these categories. Further, the rebate for incremental consumption shall also be applicable for LT industries (incl powerloom), LT commercial and LT public services.

- The rebate shall be given to eligible consumers including partial open access consumers falling under above consumer categories to the extent of procurement from MSEDCL.

- The rebate shall be applicable for the first three years of the 5th Control Period (FY 2025-26 to FY 2027-28), subject to reconsideration during the MTR.

- The rebate shall be allowed to eligible consumers who consume power above threshold limit.

- The 3-year average monthly consumption by consumer from FY 2022-23 to FY 2024-25 shall be considered as baseline consumption (or monthly threshold consumption) for determination of incremental consumption by such eligible consumers.

- In case of a consumer registered into system for duration lower than 3 years (new consumer in this control period), such consumer shall be eligible for availing incremental rebate from the next billing cycle upon completion of 3-year period and average monthly consumption for past three years shall be considered as its baseline consumption (or monthly threshold consumption) in such cases for determination of their incremental consumption for the purpose of rebate.

- In case continuation of such incremented consumption rebate mechanism is found necessary and proposed by MSEDCL for beyond FY2027-28, baseline consumption (or monthly threshold consumption) shall be reset based on 3-year average from FY 2025-26 to FY 2027-28 or such other benchmark, upon following due consultation process and upon prudence check.

- The billing at the reduced rates after allowing the rebate shall be done on monthly basis subject to condition that net entitlement for the rebate under this head of incremental consumption shall be determined on annual basis (April to March) equal to energy units consumption in excess of baseline consumption (i.e. annual threshold consumption). The adjustment for shortfall/excess in case cumulative monthly consumption for the yearly consumption vis-à-vis its baseline consumption (i.e. annual threshold consumption) shall be effected in the last monthly (for March) billing period. No carry-forward of shortfall/excess shall be allowed from one year to next year.

- Provided that such adjustment of rebate for yearly incremental consumption vis-à- vis baseline consumption (i.e. annual threshold consumption) shall be undertaken in the last month (i.e. March) of respective financial years i.e. FY2025-26, FY 2026-27 and FY2027-28.

- For example, if a consumer's 3-year average annual consumption was 12,000 units, the consumer shall be entitled for the rebate of Rs.0.75/kVAh for consumption exceeding its monthly threshold consumption (not below the baseline consumption of 1,000 units per month). However, in case its cumulative monthly consumption for the yearly period falls short of annual threshold consumption of 12,000 units then, consumer shall not be entitled for incremental consumption rebate for that financial year and shortfall (or rebate already availed by consumer in earlier months, if any) shall be adjusted for recovery in monthly billing period for March.

- The rebate shall be over and above the existing rebates subject to the fact that the consumer's total variable charges after account for all applicable rebates should not be fall below MSEDCL's approved average power purchase cost (including transmission charges).

- In case of amalgamation/merging of entity/load with permanent disconnection of the load of one of the entity, incremental consumption in such cases shall be applicable on aggregate consumption of such merged or amalgamated load for the surviving (or amalgamated entity) as the case may be.

- Period of Temporary Disconnection (TD) shall be excluded from computation of baseline consumption.

- In case Permanently Disconnected (PD) consumer is reconnected, it shall be treated as new consumer and its computation prior to PD shall not be used for computing baseline consumption.

7.20 Bulk Consumption Rebate

MSEDCL's Submission

7.20.1 MSEDCL submitted that the Commission, in its MYT Order dated 30th March 2020, had suo-moto introduced a Bulk Consumption Rebate for HT-Industrial consumers, as per Regulation 81.4 of the MERC MYT Regulations, 2019. The rebate was designed in a reverse telescopic manner and applied to the energy charge component, including FAC, but excluding taxes and duties, for consumers with monthly consumption exceeding 1 lakh units (0.1 MU). The applicable rebate structure was:

- 2% for monthly consumption between 1 lakh units and 1 MU
- 1.5% for monthly consumption between 1 MU and 5 MU
- 1% for monthly consumption exceeding 5 MU

7.20.2 MSEDCL concurred with the Commission's suo-moto decision and, in its MTR Petition in Case No. 226 of 2022, requested the continuation of the rebate. The Commission, in its MTR Order, extended the scheme for the remaining period of the 4th Control Period (FY 2023-24 and FY 2024-25) under the same terms and conditions as specified in the MYT Order in Case No. 322 of 2019. Additionally, the Commission allowed Partial Open Access consumers to avail the rebate proportionate to their electricity consumption from MSEDCL.

7.20.3 For the upcoming MYT period, MSEDCL has requested the Commission to extend the Bulk Consumption Rebate for the first three years of the 5th Control Period (FY 2025-26 to FY 2027-28) under the existing terms and conditions. Further, MSEDCL proposed that consumers must ensure that at least 50% of their total consumption occurs during solar hours (09:00 AM to 05:00 PM) in the billing cycle to qualify for the rebate. MSEDCL stated that it would seek continuation of the rebate for the remaining years of the 5th Control Period in its subsequent MTR Petition.

Commission's Analysis and Ruling

7.20.4 The Commission has noted the submission of MSEDCL in the matter of Rebate on bulk consumption. The bulk consumption rebate was introduced to encourage the HT industrial consumers as per the Section 62(3) of Electricity Act.

7.20.5 During public hearing, many industrial consumers have voiced concerns regarding high tariff regime prevalent in the state in comparison to other states for similarly placed industries. They have also highlighted their bulk consumption offers significant revenue stability to Utility as also other benefits in terms of power procurement planning and load generation balancing by Utility. Further, to retain the Industrial consumers with MSEDCL, it is necessary to provide the reliable power at a competitive rate. Accordingly, the Commission approves the continuation of bulk consumption rebate.

7.20.6 Further, considering the significant reduction in approved tariff for HT industrial under this Order, it is necessary to review and restructure the formulation for bulk consumption rebate, while continuing with the concept of operationalising Bulk Consumption Rebate, in principle.

7.20.7 Thus, in this Order the Commission has continued with the Bulk Consumption Rebate with modification in structure and denomination of Bulk Consumption Rebate in Per unit terms instead of Percentage terms. The Commission has retained the same three consumption slabs for applicability of Bulk Consumption Rebate. With this revised structure and denomination of Bulk Consumption Rebate, the demands of high consumption category consumers such as steel and ferro alloy industries would be addressed and at the same time help Utility to retain such consumers instead of such consumers shifting their consumption to avail open access. Thus, the Commission believes that with the revised philosophy of Bulk Consumption Rebate consumers with higher consumption shall be benefitted through additional rebate. Accordingly, the Commission has determined Bulk Consumption Rebate to be applicable for 5th Control Period as outlined in the Table below and the same will benefit the HT-Industries with higher monthly consumption.

Table 413: Bulk Consumption Rebate approved by Commission for 5th Control Period (Rs./unit)

	Total Bulk Consumption Rebate
a) For monthly consumption (> 1 Lakh units to 1 MU) per month:	Rs. 0.07/unit
b) For monthly consumption (> 1 MU to 5 MU) per month:	Rs. 0.09/unit
c) For monthly consumption (> 5 MU) per month:	Rs. 0.11/unit

7.20.8 The Commission opines that with above revision in Bulk Consumption Rebate both, MSEDCL and consumers would benefit as consumers with higher consumption could avail higher Rebate and it would also help MSEDCL in addressing the issue of surplus power. Accordingly, the Commission is not inclined to impose conditions to restrict the bulk consumption rebate where at least 50% of the total consumption occurs during solar hours (9:00 AM to 5:00 PM), as proposed by MSEDCL. The Commission is of the view that, the TOD structure will take care of necessary incentivisation to the consumers to shift the load during daytime. Therefore, the Commission disapproves MSEDCL's proposal to limit the bulk consumption rebate to only those consumers who use at least 50% of their energy during solar hours.

7.21 Discount in Demand Charges for Single Shift operation of HT-Industry

MSEDCL's Submission

7.21.1 MSEDCL submitted that the Commission, in its MTR Order dated 31st March 2023 (Case No. 226 of 2022), had approved a discount in Demand Charges for Single Shift operation of HT-Industrial consumers. As per the Order, industrial consumers operating in a single shift were levied Demand Charges at 60% of the applicable rate, subject to the following conditions:

- Single shift operation is defined as continuous operations for a maximum of 10 hours. A consumer running operations in multiple stretches (e.g., 4 hours + 6 hours) would not qualify. However, up to three instances of operation exceeding 10 hours but within 12 hours in a billing cycle were permitted.
- Consumers must declare in advance their single-shift operation; otherwise, they would be billed at the standard Demand Charges.
- Billing would be based on MRI/AMR data.

7.21.2 MSEDCL has proposed to continue this discount during the 5th Control Period, as single-shift operations do not significantly contribute to the loading of the distribution system or the demand for power during other time slots. However, given the increasing integration of solar power, MSEDCL highlighted the need to optimize power procurement costs. While surplus power is available during solar hours (9:00 AM to 5:00 PM), dependence on costlier thermal generation increases during non-solar hours.

Commission's Analysis and Ruling

7.21.3 The Commission notes the MSEDCL submission and allows the continuation of discount in demand charges for Single Shift Operation for HT as stipulated in MTR Order in Case No. 226 of 2022 and also highlighted in below:

- Single shift operation means running of operations at a stretch for maximum 10 Hrs. For illustration, a consumer running 4hrs. in one stretch and 6hrs. in another stretch cannot be considered as running in a single shift. However, a maximum of three instances of running beyond 10hrs up to 12hrs is permitted in a billing cycle.
- Consumer must declare in advance about one shift operation. In absence of such declaration, it shall be billed as per the applicable demand charges.
- Billing will be done based on MRI/AMR Data.

7.22 Miscellaneous and General Charges, Rebates and Penalties

MSEDCL's Submission

7.22.1 MSEDCL submitted that the Commission, in its MTR Order dated 31st March 2023 in Case No. 226 of 2022, had approved various charges, rebates, and penalties under the category of "Miscellaneous and General Charges", including:

- Prompt Payment Discount
- Discount for Digital Payment
- Load Factor Incentive
- Rate of Interest on Arrears
- Rebate for On-time Regular Payment for LT-AG, LT-PWW, and LT-Streetlight Consumers
- Penalty for Exceeding Contract Demand
- Additional Demand Charges for Consumers with Captive Power Plants

7.22.2 MSEDCL has proposed to continue these rebates, penalties, and charges for the 5th Control Period (FY 2025-26 to FY 2029-30) under the same terms and conditions as approved in the previous order.

Commission's Analysis and Ruling

7.22.3 The Commission notes the MSEDCL submission and allows the continuation of miscellaneous and general charges, rebates and penalties as per the same terms and conditions as stipulated in MTR Order in Case No. 226 of 2022.

7.23 Rebates for consumers who avail their complete requirement from MSEDCL

MSEDCL's Submission

7.23.1 MSEDCL submitted that the rebates and incentives provided under Regulation 81.4 of MERC MYT Regulations, 2019 should be applicable only to consumers who procure their entire electricity requirement from MSEDCL. MSEDCL justified this proposal by stating that such consumers bear the full cost of MSEDCL's ARR and contribute to cross-subsidization, thereby warranting priority in availing discounts and rebates.

7.23.2 Accordingly, MSEDCL requested the Commission to approve that the following rebates be restricted to consumers availing their full requirement from MSEDCL:

- Bulk Consumption Rebate
- Load Factor Incentive

- Prompt Payment Discount
- Discount in Demand Charges for Single Shift Operation of HT-Industry
- Discount for Digital Payment

7.23.3 Additionally, MSEDCL submitted that partial open access consumers should be eligible for the Incremental Consumption Rebate only on the energy quantum consumed from MSEDCL, while the units procured through open access should be excluded from rebate calculations.

Commission's Analysis and Ruling

7.23.4 The Commission notes the MSEDCL submission. The Commission observes that the provisions under Electricity Act 2003, various Rules framed by Central Government including green energy open access rules and Regulations notified by the Commission encourage the consumers to avail choice to source electricity including through open access subject to payment of applicable open access charges. The Commission has determined open access charges from time to time in accordance with the prevalent regulations and rules, which duly recognises the associated costs and compensation thereof to distribution utility for enabling open access. The conditions proposed by MSEDCL to restrict the incentives and discounts only to consumers sourcing their entire power requirement only from MSEDCL would restrict such choice to consumers enshrined in the Act. Imposition of such conditions would amount to resorting to anti-competitive measures and restricting the consumer choice. Hence, the Commission does not agree with the MSEDCL's suggestion to restrict the eligibility of consumers to avail various rebates/discounts and the same shall be governed as per various provisions and conditions stipulated from time to time.

7.23.5 With regards to rebate to partial OA consumers, the Commission has dealt this issue in para 7.19.11 of this Order.

7.24 Compensation wheeling charges due to non-establishment of EHV network by MSETCL

MSEDCL's Submission

7.24.1 MSEDCL submitted that, as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019, wheeling charges for consumers should be levied based on their Billing Demand, provided the requisite demand is maintained for at least 9 months in a financial year. Additionally, Clause 4.2 of the MERC Supply Code & SoP Regulations, 2021 mandates that the cost of network for providing connections to EHV consumers is to be borne by the Transmission Licensee i.e., MSETCL. The Commission, in its Order dated 02.09.2022 in Case Nos. 62, 63 & 64 of 2022, reaffirmed this obligation and ruled that any cost incurred by the consumer in establishing EHV infrastructure should be reimbursed by MSETCL to the Distribution Licensee within seven (7) days of asset transfer, after deducting applicable charges.

7.24.2 MSEDCL highlighted that many consumers eligible for EHV-level connectivity (above 33 kV) are currently connected at HV levels (33 kV/22 kV) due to non-establishment of EHV infrastructure by MSETCL. This results in higher current drawl and increased line losses, as HV losses (7.5%) are significantly higher than EHV losses (3.16%–3.28%).

7.24.3 Billing data from October 2024 indicates that eight consumers collectively consume 106.85 MUs per month at HV levels. Due to higher losses at HV levels, MSEDCL incurs an additional energy requirement of 5.15 MUs per month, translating into an estimated financial burden of Rs. 4.18 crore per month (Rs. 50.22 crore per year) at the prevailing industrial tariff of Rs. 8.12 per unit.

7.24.4 Furthermore, MSEDCL has submitted that it is also burdened by the exemption of wheeling charges, leading to an additional financial impact of Rs. 6.41 crore per month (Rs. 76.93 crore per year), considering a wheeling charge rate of Rs. 0.60 per unit. Consequently, the total financial burden due to higher line losses and wheeling charge exemption amounts to Rs. 10.59 crore per month (Rs. 127.15 crore per year).

7.24.5 Given this financial strain, MSEDCL has challenged the levy of wheeling charges before the Hon’ble APTEL (DFR No. 667/2023, filed on 29.11.2023) against the Order dated 31.03.2023 in Case No. 226 of 2022. MSEDCL submitted that, as a revenue-neutral entity, it cannot continue bearing this financial burden due to MSETCL’s failure to establish the necessary EHV infrastructure within a reasonable timeframe. Therefore, MSEDCL requested the Commission to allow it to recover these financial losses from MSETCL in cases where MSETCL fails to establish the required EHV infrastructure within the stipulated period.

Commission’s Analysis and Ruling

7.24.6 The Commission notes the concerns raised by MSEDCL regarding the financial burden caused by the lack of necessary EHV network development.

7.24.7 However, the Commission observes that this issue is related to limited consumers and is primarily a matter between MSEDCL and MSETCL. Given the limited scope and specific nature of this issue, the Commission determines that it is not suitable for resolution within the MYT proceedings.

7.24.8 MSETCL and MSEDCL shall resolve the issues amicably and in case of unresolved disputes, if any, the Parties are free to seek remedy for adjudication through separate regulatory process, which cannot be addressed as part of present MYT petition process.

7.24.9 Meanwhile, dispensation given in earlier Order will be continued and same is reproduced below for ready reference:

- In case of non-availability of EHV or requisite voltage level, the wheeling charges to the consumer shall be applicable as per the Billing Demand recorded i.e. based on recorded billing demand, the consumer is eligible for connection at EHV level, then wheeling charges applicable for EHV level i.e. 'Nil' shall be billed to such consumer.
- Applicability of such concession shall be subject to MSEDCL internally certifying the non-availability of the requisite voltage level and further that the billing demand shall be as per the requisite voltage level is met by the consumer for at least 9 months in a financial.
- In case actual billing is less than a year, in that case, the Commission clarifies that consumer needs to maintain billing demand as per requisite voltage level for 75% of bills actually raised during the Financial Year.

7.25 Reactive Charge from RE generators and Open Access Consumers

MSEDCL's Submission

7.25.1 MSEDCL has highlighted the substantial increase in open access transactions and the integration of renewable energy generators into its network. This has resulted in significant reactive power consumption and generation, leading to voltage fluctuations beyond permissible limits, increased technical losses, and potential equipment damage.

7.25.2 MERC (Distribution Open Access) Regulations, 2016, specify the methodology for determining reactive energy charges for open access consumers and renewable generators. Further, the Commission's order dated 29.04.2011 in Case No. 39 of 2011 prescribes reactive energy charges for renewable energy generators, wherein:

- A charge of Rs. 0.10/kVArh applies for reactive energy consumption up to 10% of active energy delivered to the grid.
- Consumption exceeding 10% is charged at Rs. 0.25/kVArh.
- Biomass and non-fossil fuel-based cogeneration projects must supply reactive power equivalent to at least 36% of their active power supply, failing which a charge of Rs. 0.25/kVArh is applicable.

7.25.3 MSEDCL has submitted that the reactive energy charges for renewable energy generators have remained unchanged for over a decade, reducing their effectiveness in incentivizing grid discipline. To maintain their deterrent impact, periodic escalation is necessary. MERC (State Grid Code) Regulations, 2020, provide for reactive energy charges of Rs. 0.13/kVArh with an annual escalation of Rs. 0.005/kVArh for open access consumers, generating stations, or licensees with a load of 5 MW or more.

7.25.4 MSEDCL has proposed that similar escalation should apply to reactive energy charges for renewable energy generators. Considering the base rates set in FY 2011-12, an annual escalation of Rs. 0.005/kVArh would result in revised charges of Rs. 0.17/kVArh for reactive energy consumption up to 10% of active energy and Rs. 0.32/kVArh for consumption beyond 10% in FY 2025-26.

7.25.5 Additionally, MSEDCL has submitted that open access consumers with poor power factors, although billed on a kVAh basis, do not bear the penalties for voltage fluctuations and associated network impacts. It has, therefore, proposed that open access consumers consuming reactive energy beyond 10% of their active energy should be levied penal reactive charges at Rs. 0.32/kVArh, similar to renewable generators.

7.25.6 The revised charges for various grid participants as proposed by MSEDCL are summarized below:

Table 414: Proposed Reactive charge for different grid participants

Grid Participant	Reactive Charges specified in	Rate for FY 2024-25	Proposed Reactive Charge
Open Access Consumer, Generating Station or Licensee with load of 5 MW	State Grid Code/MYT Regulations	Rs 0.17/RkVAh	Rs 0.17/RkVAh
Open Access Consumers with load less than 5 MW	Relevant Orders of MERC	NA	Rs. 0.32/kVArh for reactive energy consumption in excess of 10% of active energy
Renewable Energy Generating Stations	RE Tariff Order in case no. 39 of 2011	0.10/RkVAh (Rs. 0.25/kVArh for reactive energy consumption in excess of 10% of active energy)	0.17/RkVAh (Rs. 0.32/kVArh for reactive energy consumption in excess of 10% of active energy)

7.25.7 MSEDCL has requested the Commission to consider these revisions in the determination of reactive energy charges.

Commission's Analysis and Ruling

7.25.8 The Commission notes the submission of MSEDCL that Reactive Charges for open access consumers, generating stations and buyers/licensee with load of 5 MW and above are specified and governed as per Annexure-7 Clause 4.2 of MERC (State Grid Code) Regulations, 2020.

7.25.9 Further, conditions for reactive energy drawal/injection and applicable charges thereof for Renewable Energy Generating Stations are governed as per provisions Regulation 24 of MERC (Terms and condition for determination of

Renewable Energy Tariff) Regulations, 2019 and amendments thereof, wherein it is specified that such Reactive Energy Charges shall be stipulated through General or Specific Order to be issued from time to time. It would be appropriate to deal with this matter as a part of the proceedings under that Regulations and not as part of MYT proceedings.

7.25.10 As regards levy of Reactive Charges for open access consumers with load less than 5 MW, the Commission opines that the issue of reactive energy drawal at consumption end depends on load characteristics and consumption pattern of the consumer, whether availing power through open access or otherwise. The Commission has enabled kVAh metering and kVAh billing for LT consumers under this Order. Further, the Commission has issued directions to MSEDCL provide and assess kVAh consumption pattern for at least one year prior to introduction. No such data or study is made available as part of MYT proceedings. Thus, Commission does not consider it appropriate to introduce reactive charges only for open access consumers with load below 5 MW without proper study. The Commission directs MSEDCL to undertake study and submit its finding and proposal at the time of mid-term review.

7.26 Multiple Sources of Supply

MSEDCL's Submission

7.26.1 MSEDCL submits that under its jurisdiction, 205 HT & EHV consumers currently avail electricity supply through double/multiple feeders. These consumers collectively paid Rs. 690.71 Crore as demand charges in FY 2023-24. The provision of multiple feeders has been arranged based on specific request of consumers to enhance their supply reliability.

7.26.2 MERC (Electricity Supply Code and Standards of Performance of Distribution Licensee including Power Quality) Regulations, 2021, covers provisions on the recovery of additional fixed charges from consumers availing multiple sources of supply. The Regulations state that consumers with multiple supply sources may be subject to additional fixed charges as determined by the Commission based on the distribution licensee's tariff petition.

7.26.3 In MSEDCL MTR Petition in Case No. 226 of 2022, MSEDCL proposed levying additional demand charges on consumers with multiple supply sources, equivalent to the demand charge applicable to a single feeder for each additional feeder. However, the Commission rejected this proposal, in Case No. 226 of 2022 citing a lack of justification regarding the additional cost incurred by MSEDCL and the potential revenue impact.

7.26.4 MSEDCL submitted that consumers with multiple supply sources effectively reserve additional feeder capacity (11 kV or 33 kV) for their exclusive use, even if they do not actively utilize it at all times. This necessitates the expansion of MSEDCL's network and capacity, at least twice the normal requirement, leading to additional capital expenditure (capex) and operational costs. The costs associated with this additional network infrastructure—such as depreciation, interest on loans, return on equity, and repair & maintenance—account for approximately 17% of MSEDCL's total ARR in the next Control Period.

7.26.5 Hence, MSEDCL submitted that the revenue contribution from demand/fixed charges is expected to increase from 20% to 30% in the next Control Period, MSEDCL proposes 50% additional fixed charge for consumers availing multiple sources of supply to reflect the incremental costs incurred. The revenue generated from this charge would offset the ARR, reducing the overall revenue gap. In the absence of such charges, a higher revenue gap would arise, leading to increased tariffs for all consumers.

7.26.6 MSEDCL has submitted that it would be unfair to socialize the additional cost of providing multiple feeders across all consumers, especially considering that consumers opting for multiple sources of supply are financially capable of bearing these costs. Therefore, MSEDCL has requested the Commission to approve the levy of additional demand charges for consumers availing multiple sources of supply to ensure cost-reflective tariffs and avoid an undue burden on other consumers.

Commission's Analysis and Ruling:

7.26.7 The Commission has noted the submission of MSEDCL and proposal of imposing additional demand charges on consumers with multiple supply sources. The Commission recognizes that certain consumers require multiple power connections from different sources to ensure reliable electricity supply. Although these consumers bear the cost of setting up the necessary infrastructure, MSEDCL incurs additional expenses to maintain these multiple connections.

7.26.8 Given this situation, the Commission approves MSEDCL's proposal to charge these consumers an additional demand charge. Specifically, these consumers will be billed an additional 25% of demand charges.

7.27 Tariff for LT and HT– Electric Vehicle (EV) Charging Stations

7.27.1 MSEDCL has submitted that to achieve India's net-zero target by 2070 and reduce crude oil imports, the GoI has launched the National Mobility Mission 2020, while the Government of Maharashtra (GoM) has introduced the Maharashtra Electric Vehicle Policy 2018, which was later updated as the EV Policy 2021 on 23 July 2021. This policy has included various incentives and relaxations for EV purchases and the establishment of EV charging stations.

7.27.2 MSEDCL has been designated as the State Nodal Agency (SNA) for Maharashtra for disbursing incentives for EV charging stations. In this capacity, it has issued operational guidelines on 02 September 2021 and has received Rs. 2.89 crore from the GoM under the EV Policy 2021. Out of this, it has disbursed Rs. 2.09 crore to 65 applicants.

7.27.3 MSEDCL has set up 63 EV charging stations at prime locations across Maharashtra, including Thane, Navi Mumbai, Nagpur, Nashik, Aurangabad, Pune, Solapur, Kolhapur, Amravati, Sangli, and Mumbai. It has also commissioned Maharashtra's first rooftop solar-integrated EV charging station in Pune.

7.27.4 The Commission, in its MTR Order of Case No. 226 of 2022, has already determined separate tariffs for EV charging stations at both LT and HT levels, applicable for FY 2024-25, as follows:

- LT VIII (LT EV Charging Stations): Rs. 6.58/kWh (energy charges) and Rs. 80/kVA/month (demand charges).
- HT IX (HT EV Charging Stations): Rs. 7.40/kVAh (energy charges) and Rs. 80/kVA/month (demand charges).

7.27.5 Additionally, the Commission has approved Time-of-Day (ToD) charges as follows:

- 22:00 – 06:00 hrs: Discount of Rs. 1.50/unit
- 06:00 – 09:00 hrs & 12:00 – 18:00 hrs: Base tariff
- 09:00 – 12:00 hrs: Additional charges of Rs. 0.80/unit
- 18:00 – 22:00 hrs: Additional charges of Rs. 1.10/unit

7.27.6 MSEDCL has further submitted that GoI has issued the Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure – 2024 on 17 September 2024. These guidelines have stipulated that:

- The tariff for electricity supply to EV charging stations shall be a single-part tariff and shall not exceed the Average Cost of Supply (ACoS) till 31 March 2028.
- During solar hours (9:00 AM – 4:00 PM), the tariff shall be 0.7 times ACoS, while during non-solar hours, it shall be 1.3 times ACoS.
- EV charging stations must have separate metering arrangements to record consumption and apply the appropriate tariff.
- Distribution licensees may allow sub-metering of EV chargers behind-the-meter for existing HT consumers.

7.27.7 Accordingly, in compliance with the GoI's guidelines, MSEDCL has proposed a single-part tariff structure for LT VIII and HT IX EV charging station categories for the Commission's approval.

Commission's Analysis and Ruling

7.27.8 The Commission notes MSEDCL submission. The Commission emphasizes that, as per GoI's guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure – 2024, the Commission has approved the single-part tariff for LT VIII and HT IX EV Charging station categories.

7.27.9 Further, the Commission has ensured that the single part Tariff for EV charging stations (LT-VIII and HT-IX) comprising Energy Charge, Wheeling Charge including benefit of Time of Day Tariff is designed in such manner that Average Billing Rate for EV charging stations does not exceed Average Cost of Supply in line with Guidelines issued by Central Government for EV charging stations.

7.28 Billing Demand

MSEDCL's Submission

7.28.1 MSEDCL has submitted that the Commission, in its MTR Order in Case No. 226 of 2022, has determined the methodology for calculating the billing demand for LT and HT consumers as following:

> *"Billing Demand - LT tariff categories*
>
> *Billing Demand for LT Non-Residential / Commercial [LT: II (B) , LT II (C)] , LT III: Public Water Works [LT: III (B) , LT III (C)], LT V (A) (ii): Industry - Power Looms (above 20 kW) , LT V (B) (ii): Industry - General (above 20 kW), LT VII (A) Public Services - Government Owned Educational Institutes and Hospitals [LT VII (A) (ii) and LT VII (A) (iii)] , LT VII (B) Public Services - Others [LT VII (B) (ii) and LT VII (B) (iii)] andLT VIII – Electric Vehicle Charging Station categories having MD based Tariff:-*
>
> *Monthly Billing Demand will be the higher of the following:*
>
> *a) 65% of the actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;*
>
> *b) 40% of the Contract Demand.*
>
> *Note:*
>
> *- Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*

- In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change in Contract Demand is effected.

Billing Demand - HT tariff categories

Billing Demand for HT I: Industry, HT II: Commercial, HT III Railway/Metro/Monorail, HT IV: Public Water Works, HT V: Agriculture, HT VI: Group Housing Society (Residential), HT VIII: Public Services and HT IX: HT – Electric Vehicle Charging Station

Monthly Billing Demand will be the higher of the following:

a. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;

b. 75% of the highest Billing Demand recorded during the preceding eleven months, subject to the limit of Contract Demand;

*c. 70% of the Contract Demand.**

**For FY 2024-25: 75%*

Note:

- Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.

- In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change of Contract Demand is effected.

HT Seasonal Category (HT I)

During Declared Season, Monthly Billing Demand will be the higher of the following:

i. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours

ii. 75% of the Contract Demand

iii. 50 kVA.

During Declared Off-season, Monthly Billing Demand will be the following:

i. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours

During Declared Off-season, Monthly Billing Demand will be the following:

i. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours

The Billing Demand for the consumers with CPP will be governed as per the CPP Order in Case No. 55 and 56 of 2003"

7.28.2 MSEDCL has submitted that previously, demand recorded during the night hours (22:00 to 06:00 hrs) was excluded from billing demand calculations due to high surplus supply during this period. However, considering the increasing share of solar power in MSEDCL's supply mix, it is anticipated that MSEDCL would not have excess supply as most of supply addition is happening in solar. Therefore, demand recorded during night hours should also be considered for determining billing demand.

7.28.3 Furthermore, as stated in earlier sections of this chapter, MSEDCL has emphasized the need for higher fixed charge recovery to cover at least 60% of fixed costs. Accordingly, MSEDCL has proposed to increase the applicable percentages of maximum demand recorded and contract demand used for determining billing demand. The proposed changes are summarized as follows:

Table 415 Proposed changes in modality for determination of Billing Charges

Monthly Billing Demand	Percentage of Maximum Demand Recorded	Percentage of Contract Demand	Highest Billing Demand recorded during the preceding eleven months
LT Category			
Existing (MTR Order)	65%	40%	NA
Proposed	75%	60%	NA
HT Category			
Existing (MTR Order)	100%	75%	75%
Proposed	100%	85%	85%

7.28.4 Additionally, MSEDCL has proposed that, from the 5th Control Period, the same billing demand methodology should be applied to LT-II (A), LT V (i), LT VII (A) (i), and LT VII (B) (i) consumers, as these categories will now be subject to demand charges.

7.28.5 Subsequently, MSEDCL filed additional submission on 11 March 2025 wherein it proposed an amendment and clarified that actual maximum demand recorded in the month during 1700 hours to 0900 hours should be considered for HT and LT Categories for the purpose of determination of Billing Demand instead of its earlier submission of actual maximum demand recorded in month during 06:00 hours to 22:00 hours.

Commission's Analysis and Ruling

7.28.6 The Commission has noted the MSEDCL's proposal for revision in definition for Billing Demand and associated conditions thereof for LT and HT categories alongwith rationale thereof. Over the period, the Commission has been maintaining uniformity in basic tariff design principles across all Distribution Licensee, where the definition of Billing demand includes minimum threshold level at which consumer will be billed against its Contract Demand. Such minimum threshold in case of HT consumers at present is 75% of the Contract Demand, whereas for LT consumers is 40% of the Contract Demand. Over the period, the Commission has revised the minimum threshold limit for HT Consumers from 50% to 75% of Contract Demand.

7.28.7 The power planning by the utilities depends generally on these parameters and at the same time distribution infrastructure needs optimal utilisation. The Power contracting by any Distribution Licensee is a function of Contract Demand, Load factor, diversity factor, seasonal variations in demand pattern, influence of ToD Tariff structure on consumer behaviour, Billing Demand and with Universal Service Obligations (USO), utilities are bound to supply power upto the Contract Demand at any point in time. For these reasons, it is very important for the consumers and also the DL to have a Contract Demand as close as possible to the Demand that intend to use. The Commission notes that having higher Contract Demand and not utilising it would cause underutilisation of distribution asset. Thus, consumers maintaining their Demand as close as possible to its Contract Demand would facilitate DISCOMs power planning to that extent, particularly while drawing up their long/medium term power procurement plans.

7.28.8 In this 5th Control Period there is remarkable shift in power procurement planning by MSEDCL under Resource Adequacy regime with emphasis on capacity additions/procurement through Solar generation resources. Accordingly, MSEDCL has also proposed revision in ToD Tariff slabs and ToD Tariff structure. The Commission has extensively deliberated on the aspects of revision in ToD Slabs and ToD Tariff Rates (Charge/Rebate) in earlier paragraphs of this Section. It is envisaged that there would be shift in the consumption pattern, load shape by consumers influencing overall Demand.

7.28.9 The impact of consumer bills due to load shift in its consumption patterns to avail benefit of ToD Rebate and optimise its costs under ToD Charge are not known. Similarly, impact on Utility revenue due to introduction of this change in ToD Tariff structure (Slabs/Rates) needs to be studied carefully. Hence, the Commission is not inclined to accept MSEDCL's proposal for revision in Billing Demand definitions at this stage. The Commission hereby directs MSEDCL to study the consumer category-wise impact of ToD Tariff and its influence on Load shape, consumption patterns. MSEDCL should undertake load survey/field studies to assess the impact and submit its proposal for revision in Billing Demand definition alongwith supporting documents/ study report at the time of mid-term review.

7.28.10 As regards revision in Fixed Charges/ Demand Charges, the Commission has revised the same marginally at outlined under earlier paragraphs.

7.28.11 Further, the Commission does not agree with MSEDCL's proposal to amend the time slots for recording of actual Maximum Demand to 17:00 hours to 09:00 hours instead of existing time slots for recording of Maximum Demand 06:00 hours to 22:00 hours, for the purpose of Billing Demand. The Commission opines that ignoring the day-time (Solar hours) peak demand records of consumers when actual system peak demand (solar hour) occurs, will exclude Billing Demand computations for many commercial and industrial establishments operating under single shift mode during day-time hours. However, in partial modification of time-slots for recording of maximum demand for purpose of Billing Demand, the Commission hereby rules that Maximum Demand recorded during time-slots from 06:00 Hours to 24:00 Hours (instead of upto 22:00 Hours) shall be considered. The same shall also be aligned with the ToD Slabs/ ToD Tariff structure approved under this Order. However, the Commission clarifies that until ToD Meter are installed/modified for existing ToD Consumers, during Transition period, recording of actual Maximum Demand for the purpose of Billing Demand shall continue as per existing practice outlined under MTR Order in Case 226 of 2022.

7.29 Rebate for Advance Payment/Pre-payment

7.29.1 The Commission hereby continues the discount to the consumers who avails the facility of advance payment/pre-payment. Further, the implementation modalities will remain as mentioned in the MTR Order in Case No. 226 of 2025. The consumers shall be eligible for discount on advance payment/pre-payment of the bills for amount not exceeding 12 times average monthly bill for the past twelve months. Such facility shall be available for eligible consumers only for non-defaulting consumers on record for at least past 12 months. Such consumers shall be eligible to avail discount in graded manner on their monthly bills, so long as they maintain advance payment amount in following manner:

Advance Payment Amount maintained with Utility as on date of monthly bill	Discount in monthly bill applicable at the rate of	Illustration discount* (%)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12	Percent Discount in monthly Bill Amount = 1/12 x (SBI 1-yr MCLR	(1/12) x 10.5% = 0.875% (monthly bill discount)

Advance Payment Amount maintained with Utility as on date of monthly bill	Discount in monthly bill applicable at the rate of	Illustration discount* (%)
months) x [No. of months, **9 to 12 months]**	as on 1st Apr) + **150 basis points**	
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, **6 to 9 months]**	Percent Discount in monthly Bill Amount = 1/12 x (SBI 1-yr MCLR as on 1st Apr) + **120 basis points**	(1/12) x 10.2% = 0.850% (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, **3 to 6 months]**	Percent Discount in monthly Bill Amount = 1/12 x (SBI 1-yr MCLR as on 1st Apr) + **90 basis points**	(1/12) x 9.9% = 0.825% (monthly bill discount)
Advance Amount = Equiv. of (Avg. Monthly Bill for past 12 months) x [No. of months, **upto 3 monts]**	Percent Discount in monthly Bill Amount = 1/12 x (SBI 1-yr MCLR as on 1st Apr) + **60 basis points**	(1/12) x 9.6% = 0.800% (monthly bill discount)

**Assume SBI 1-year MCLR of 9% p.a.*

7.29.2 In addition, the Commission clarifies that MSEDCL should ensure such discount towards advance payment/pre-payment adjusted as automatic passed through in the consumer bill and the same should be reflected in consumer bills. Further, the Commission directs MSEDCL to provide wide publicity for this advance payment provisions which will enable it to garner as much funds through advance payment mechanism which would aid management of working capital efficiently.

7.30 Modification in Tariff Applicability

a. Reassessment of consumption of BPL category

MSEDCL's Submission

7.30.1 MSEDCL in its MTR Petition in Case No. 226 of 2022 had proposed that, applicability of BPL category will have to be assessed at the end of each financial year. Such assessment at the end of each financial year is not justified because if a consumer consumes more than 360 units cumulatively at the end of any billing cycle, then such consumer should be billed at LTI (B) - Residential tariff for the remaining period. However, same was not considered by the Commission citing reason that MSEDCL has not cited any instances or misuse of this provision by consumer below poverty line necessitating review of this provision for assessment more frequently on every billing cycle on cumulative basis rather than financial year basis.

Commission's Analysis and Ruling

7.30.2 The Commission notes the submission of MSEDCL. The Commission is of the view that, the reassessment of consumption of BPL category more frequently on cumulative monthly basis rather than once a year at the end of Financial Year may not be appropriate. MSEDCL has also not furnished the data about how many consumers have been re-classified at the end of the year assessment out of total BPL consumers at the each of year during True-up period. The frequent reassessment of BPL consumers may not only increase administrative burden but may also lead to increase in consumer's grievances. Hence, the Commission is not inclined to consider the proposal of MSEDCL and directs MSEDCL to continue with existing methodology of reassessment of consumption by end of the Financial Year.

b. LT I (B)- LT Residential

MSEDCL's Submission

7.30.3 MSEDCL has proposed to modify the Tariff applicability as , *'Telephone booths owned/operated by Persons with Disabilities/Handicapped persons'* is proposed to be replaced by *'Stalls certified by Local Government owned/operated by Persons with Disabilities/Handicapped persons having UDID Card'*. The proposed changes would expand the definition of the applicability as well enable MSEDCL staff to identify eligible consumers falling under the category.

7.30.4 In tariff applicability for LT I (B): -LT Residential, 'Teachers' is proposed to be added to list of professionals whose residential premise should be billed under LT I (B): -LT Residential category. This would provide clarity for billing of teachers who use their premise for tutions. Further if a residential premise is being used an office it ideally should be billed under LT-II: LT- Non-residential and not as LT I (B): -LT Residential. The revised applicability clause would be as follows:

> *"Residential premises used by professionals like Teachers, Lawyers, Doctors, Engineers, Chartered Accountants, etc., in furtherance of their professional activities, but not including Offices, Nursing Homes and Surgical Wards or Hospitals;"*

7.30.5 Tariff applicability, "Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes" is proposed to be replaced by "Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes without any display or advertise for commercial purpose". The proposed changes would expand the definition of the applicability as well enable MSEDCL staff to identify eligible consumers falling under the category.

7.30.6 As per present tariff applicability in case of residential LT consumer with consumption up to 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises is not required to apply for a separate temporary connection and would be billed at this Residential tariff rate. However, MSEDCL proposed that consumer who demolishes existing structure/building and is making a new structure/building should apply for temporary connection and should be billed under 'LT-II: LT Non-Residential' category as the same is not being used for residential purposes. Accordingly, the revised tariff applicability is proposed to be put as follows:

"A residential LT consumer with consumption up to 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises excluding redevelopment activity: such consumer shall not require a separate temporary connection, and would be billed at this Residential tariff rate"

7.30.7 Tariff applicability "Home-stay facilities at tourist destinations and religious places" is proposed to be modified as "Home-stay facilities registered under MTDC Niwas Nyahari Yojana at tourist destinations and religious places". This again would enable MSEDCL staff to identify eligible consumers falling under the category.

Commission's Analysis and Ruling

7.30.8 The Commission notes the submission of MSEDCL. The Commission has considered the justification of MSEDCL to expand the definition of the applicability to enable MSEDCL staff to identify eligible consumers falling under the category. However, the Commission is not inclined to consider the proposal of MSEDCL to mandate the UDID Card for Disabilities/Handicapped persons. The Commission notes that, if the stalls are already certified by the Local Government, MSEDCL is not required to mandate the consumer to submit additional document. The Commission is of the view that, MSEDCL should reduce the unnecessary documentation for providing supply to consumers and encourage the ease of doing business.

7.30.9 The Commission considers the proposal of MSEDCL include the 'Teachers' who use their premise for tuitions, in tariff applicability for LT I (B): -LT Residential under the professionals whose residential premise should be billed under LT I (B): -LT Residential category. The revised tariff applicability clause is provided in the detailed Tariff schedule as Annexure to this Order.

7.30.10 MSEDCL's proposal to expand the applicability of , *"Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes"* to be replaced by *"Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes without any display or advertise for commercial purpose"* is not considered by the Commission. It is noted by the Commission that, the clarification provided by MSEDCL is not justifiable. The Commission is of the view that, the existing provision of *'only for captive purposes'* is sufficient to provide necessary clarity.

7.30.11 The Commission considers the submission of MSEDCL to add, '*excluding redevelopment activity*' to provide the clarity. The Commission also notes that, this provision is also in line with the MERC Supply Code Regulations 2021.

7.30.12 Further, the Commission is not inclined to accept, the modification proposed by MSEDCL in the Tariff applicability *"Home-stay facilities at tourist destinations and religious places"* to be modified as *"Home-stay facilities registered under MTDC Niwas Nyahari Yojana at tourist destinations and religious places"*. The Commission is of the view that, such addition would not be required as such Home-stay facilities are already governed by the appropriate policies of the Government. The provisions of Government policies may be referred appropriately in case any clarity is required.

7.30.13 During the Public consultation process Microtech Developer suggested to apply HT VI: Group Housing Society (Residential) to Common area connections such as street lighting, Water pumping, Club houses etc. connected at HT Level. The Commission noted the Submission of Microtech Developers Ltd. It is pertinent to note that HT VI: Group Housing Society (Residential) connections is a peculiar arrangement by virtue of which Housing society takes single point connection and responsibility of internal electricity supply to its members and for said purpose the Commission has purposefully kept the Tariff attractive to encourage such societies. The Suggestion put forward by Microtech Developer is not inline with the arrangement envisaged for Group Hosing societies arrangement. Hence, the Commission clarifies is that the connections catering common load of hosing societies but supplied at HT level shall be billed for energy charges in LT I (B): Residential. At the same time, it is also clarified that as allowed in earlier tariff Order, if society opt for separate connection for its Sewage Treatment Plant, the Public Water Works tariff shall be applicable for such connection.

7.30.14 Accordingly, the revised tariff applicability clauses are provided in the detailed Tariff schedule as Annexure to this Order.

c. LT II: LT – Non-Residential or Commercial

MSEDCL's Submission

7.30.15 MSEDCL has proposed to modify Tariff applicability *"Milk Collection Centres; Standalone milk refrigeration, storage centres"* to *Milk Collection Centres and/or Standalone milk refrigeration (for sale), storage centres operated by private entity;* All milk collection centres and standalone chilling plants operated by local govt bodies will be billed at industrial tariff. This change is proposed to differentiate tariff of government owned milk collection centre which are generally run as 'Not for Profit' enterprise as compared to privately run 'Milk Collection Centre' which is run for profit.

7.30.16 Further, MSEDCL has proposed to modify *Tariff applicability to "Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT – Public Water Works or LT – Industry categories"* to *"Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes"*. This would be in line with practice of the Commission to not promote sub-metering and categorisation of tariff as per the dominant load of a consumer.

Commission's Analysis and Ruling

7.30.17 The Commission notes the submission of MSEDCL to shift the Milk Collection Centres and/or Standalone milk refrigeration (for sale), storage centres operated by private entity in the commercial category. However, the Commission is not inclined to consider the same as this would discriminate between the consumers within the same category. Further the Commission is rationalising the tariff and reducing the cross subsidy within the categories which would reduce the tariff difference.

7.30.18 Similarly, the Commission does not find any merit in accepting the proposal of MSEDCL to modify Tariff applicability to "Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes".

7.30.19 Further, in compliance to the Hon'ble APTEL's Judgement dated 9 September 2024 in Appeal No. 230 of 2024 & IA No.2314 of 2023 & IA No. 363 of 2024 the Commission in its Order on Review filed by MSEDCL on MTR Order in Case No. 102 of 2023, dealt with Tariff category of "Toll collection plaza and Street/ highway lighting. The relevant abstract of ruling is as follows;

> *"XII. CONCLUSION For the reasons afore-mentioned, we are of the view that MSEDCL was not justified in treating street lighting on the National Highway, other than those in and around the toll collection plazas and in places where commercial activities are carried on, as falling under LT-II category, and that such lighting on the National Highway would continue to be governed under the LT-VI category. The impugned order, to this limited extent, is clarified. The Appeal is allowed, and all the I.As therein stand disposed of."*

7.30.20 In view of above clarification, the Commission do not find it appropriate to delve into this matter further. Accordingly, the Commission retained only, "Toll Collection plazas" under LT II: LT – Non-Residential or Commercial category.

d. LT III: LT-Public Water Works (PWW) and Sewage Treatment Plants

MSEDCL's Submission

7.30.21 MSEDCL has submitted that, in order to enhance clarity, the tariff applicability for the category should be modified as follows:

> *"This tariff category is applicable for electricity / power supply at Low / Medium Voltage for pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and Waste Processing Units, provided they are either owned/operated/managed or operated by designated operator appointed by Local Self-Government Bodies (Gram Panchayats, Panchayat Samitis, Zilla Parishads, Municipal Councils and Corporations, etc.), or by Maharashtra Jeevan Pradhikaran (MJP), Maharashtra Industries Development Corporation (MIDC), CIDCO, Cantonment Boards, Housing Societies/complexes operated by developers in integrated township projects, Water ATM (RO/UV/UF) Water Purifier Plants which are operated by Gram panchayat / local body or women's self-help groups. Pumping of water from remote location for drinking purpose for religious purposes to temples, gurudwaras, churches, mosques, etc.;*
>
> *All other Public Water Supply Schemes and Sewage Treatment Plants (including allied activities) shall be billed under the respective tariff category tariff, as the case may be."*

Commission's Analysis and Ruling

7.30.22 The Commission notes the submission of MSEDCL. However, the Commission has not considered the submission, in the absence of appropriate justification for proposed modification.

e. LT IV-(C): LT-Agriculture Others

MSEDCL's Submission

7.30.23 MSEDCL has proposed applicability "Aquaculture, Sericulture, Cattle Breeding Farms, etc" is proposed to be modified as "Aquaculture, Sericulture, Cattle Breeding Farms, Livestock Farming, Indoor Vertical Farming etc" to expand scope of the sub-category suitably.

7.30.24 Applicability "Tabela, which involves no associated industrial/commercial activity of sales counter, milk processing or Dairy/Chilling plant: is proposed to be modified as "Tabela, which does not involves associated industrial/commercial activity of sales counter, milk processing or Dairy/Chilling plant" for better clarity for MSEDCL staff as well as consumers.

Commission's Analysis and Ruling

7.30.25 The Commission has accepted the submission of MSEDCL to expand the scope of the sub-category suitably by modifying as, "Aquaculture, Sericulture, Cattle Breeding Farms, Livestock Farming, Indoor Vertical Farming etc."

7.30.26 However, the Commission has not accepted the proposal of MSEDCL to modify the sub-category of "Tabela, which involves no associated industrial/commercial activity of sales counter, milk processing or Dairy/Chilling plant as the existing description is providing required clarity.

7.30.27 During the Public consultation process several objectors suggested that Milk collection centre(s) with and without chilling plants are backbone to dairy industry and are run by self-help group, individual farmers, and co-operatives. They advocated that such milk collection centre(s) and associated chilling plant need to be billed in Agriculture Others categories. The Commission accepted the proposal and considered Agriculture Other category to '*Milk Collection Centre(s) with/without first stage chilling plant and storage unit which does not involve any milk processing*'.

7.30.28 Similarly, Agriculture tourism units suggested to apply Agricultural Others tariff category to it. The Commission notes that, Agro tourism has been recognised by the Government of Maharashtra in its Tourism Policy, 2024. To give impetus to Agro Tourism and for development of local economy, as promotional measure the Commission is considering the suggestions put forward by Agro Tourism units. Accordingly, classify this '*Agro Tourism unit(s) registered under Tourism Policy of Government of Maharashtra, 2024*' under Agriculture Others category.

f. LT V: LT-Industry

MSEDCL's Submission

7.30.29 MSEDCL has proposed Applicability for the category is proposed to be modified as follows:

> *"This tariff category is applicable for electricity for Industrial use, at Low/Medium Voltage, for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, Research & Development, manufacturing, Processing, Melting, Blending, Mixing, Refining, Printing, Product Testing, Packing, etc.*
>
> *It is also applicable for use of electricity / power supply for Administrative Offices / Canteens, Recreation Hall / Sports Club or facilities / Health Club or facilities/ Gymnasium / Swimming Pool exclusively meant for employees of the industry; lifts, water pumps, fire-fighting pumps and equipment, street and common area lighting; Research and Development units, Testing Laboratories exclusively utilized for self use etc.*
>
> *Provided that all such facilities are situated within the same industrial premises and supplied power from the same point of supply; and exclusively utilized for self use etc;*

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

This Tariff Category shall be also applicable to the Independent / Standalone units providing Logistics services including Common Facilities but excluding Business and Commercial Facilities situated in integrated logistics parks under Government of Maharashtra Policy, 2018.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

a……"

7.30.30 The proposed changes would also include functions like testing (for own product), associated activities, packaging and logistic services under industrial category thereby expanding the scope of category and would also lead to single metering as per dominant usage which is in accordance with directives of the Commission also.

7.30.31 Applicability "Ice Factory, Ice-cream manufacturing units, Milk Processing and Chilling Plants (Dairy)" is proposed to be modified to "Ice Factory, Ice-cream manufacturing units, Milk Processing or Chilling Plants (Dairy)" to provide clarity to staff as well as consumers.

7.30.32 Applicability "Biotechnology Industries covered under the Biotechnology Policy of Government of Maharashtra" is proposed to be modified as "Biotechnology Industries covered under the Biotechnology Policy of Government of India and Government of Maharashtra". This would put biotechnology industries under Government of Maharashtra and that of Government of India at equal pedestal.

Commission's Analysis and Ruling

7.30.33 The Commission notes the submission of MSEDCL. The Commission accepts the proposal of MSEDCL to include Research & Development, manufacturing, Processing, Melting, Blending, Mixing, Refining, Printing, Product Testing, Packing etc. in the applicability of this Tariff category for expanding the scope of category and would also lead to single metering as per dominant usage. However, the Commission has not considered the addition proposed by MSEDCL in the description as Testing Laboratories exclusively utilized for self use and to include "to the Independent / Standalone units providing Logistics services including Common Facilities but excluding Business and Commercial Facilities situated" as MSEDCL has not provided any justification for such modifications. Further, the Commission is of the view that such modifications would be restrictive and may lead to consumer's grievances.

7.30.34 As regards the request for classification of Hotels/ Resorts/ Guest-House with lodging facility under Industrial category, the Commission observes that the same was treated under commercial category for the reasons elaborated under previous MTR Order in Case 226 of 2022 and had referred to the prevalent tourism policy document namely, Government Resolution (G.R.) No. **टीडीएस २०२०/९/प्र.क्र.५०२/पर्यटन**, **दि.०३ डसेंबर**, **२०२०**. Subsequently, the Commission notes the recent *"Tourism Policy of Maharashtra, 2024"* issued by GoM on 18 July 2024, wherein the GoM has classified various Hotels and Tourism Units into four zones namely A, B, C, and specially declared tourism zones, depending on the location of such units in cities, municipal corporations, or municipal council areas, as the case may be. Accordingly, the GoM has extended the fiscal incentives in a graded manner in the form of difference in tariff from Commercial vis a' vis Industrial tariff for such units linked to the location of such Hotels and Tourism Units in the zones. During the public hearing several representations were received highlighting the MSEDCL's proposal to increase the tariff applicable for commercial category. This would influence the viability of their business operations which goes against the intent to promote tourism.

7.30.35 The Commission has noted the submissions of stakeholders and MSEDCL as well as policy pronouncement of GoM to treat electricity consumption by Hotels with lodging facility on par with industry. The Commission recognizes that one of the important principles of tariff design is not to discriminate nor show undue preference to any particular consumer class, but also to address the concerns of the consumers and stakeholders raised through consultation process and to take into consideration policy pronouncements of GoM as deemed appropriate. The multi-year tariff regime for the new control period offers the opportunity to review the tariff philosophy and structuring of the tariff design and its applicability, thereof for various consumer categories.

7.30.36 Accordingly, upon careful consideration of all aspects and to promote the tourism in the state the Commission has changed the category of Hotels with Lodging facility from Commercial to Industrial Tariff Category. The Commission has included Resorts, Hotels, Guest-House with lodging facilities under Industrial Tariff category and further provided rebate in Energy Charge based on their location as follows:

Zone Classification	Area	Discount/Rebate in Energy Charge (Rs./kWh or Rs./kVA)
A	Mumbai, Thane, Navi Mumbai, Mumbai Municipal Area	0
B	Nashik, Pune, CH. Sambhaji Nagar, Nagpur Municipal Corporation	0.25

Zone Classification	Area	Discount/Rebate in Energy Charge (Rs./kWh or Rs./kVA)
C	Other Municipal Corporation/ Municipal Council	0.50
D	Area not covered under 'A' to 'C' above	0.75

g. LT VI: LT- Street Light

MSEDCL's Submission

7.30.37 MSEDCL submitted that, the Commission in its MTR Order in Case No. 226 of 2022 has revised applicability of the above category as following:

> *"This category is also applicable for use of electricity / power supply at Low / Medium Voltage or at High Voltage for (but not limited to) the following purposes, irrespective of who owns, operates or maintains these facilities:*
>
> *a. Lighting in Public Gardens (i.e. which are open to the general public free of charge);*
>
> *……….*
>
> *d. Such other public places open to the general public free of charge."*

7.30.38 However, the Hon'ble APTEL in case of M/s Dilip Buildcon Limited vs MERC and MSEDCL the matter of reclassification of Street Lighting at toll collection plazas under LT VI (Street Light) tariff instead of LT-II (Non-Residential or Commercial) has provided judgement that street light for toll plaza roads are to billed under LT VI category. Accordingly in order to provide effect to Hon'ble APTEL order the applicability clause is proposed to be modified as follows:

> *"This category is also applicable for use of electricity / power supply at Low / Medium Voltage or at High Voltage for (but not limited to) the following purposes, irrespective of who owns, operates or maintains these facilities:*
>
> *a. Lighting in Public Gardens (i.e. which are open to the general public free of charge);*
>
> *……….*
>
> *d. Such other public places open to the general public free of charge.*
>
> *e. Street lights on National Highway"*

Commission's Analysis and Ruling

7.30.39 The Commission included sub-category "Streetlight on Road/Highway" as per the ruling in the Review Order in Case No. 102 of 2023 in compliance to the Hon'ble APTEL's Judgement dated 9 September 2024 in Appeal No. 230 of 2024 & IA No.2314 of 2023 & IA No. 363 of 2024.

h. LT VII (A): LT - Government Educational Institutions and Hospitals and LT VII (B): LT - Public Services – Others

MSEDCL's Submission

7.30.40 MSEDCL submitted that, the applicability under the above category is proposed to be modified as follows:

> *"This tariff category is applicable for electricity supply at Low/Medium Voltage for Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Bank and Pathology Laboratories; Libraries and public reading rooms - of the State or Central Government or Local Self-Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, and owned and operated by charitable trust etc;*
>
> *………"*

7.30.41 MSEDCL submits that as hospitals and educational institutes operated and owned by charitable trust are operated on no profit and no loss basis and many people donate for the same, hence they should get benefit of lower tariff under LT VII (A) category.

7.30.42 Following applicability is required to be added to the category to provide clarity to MSEDCL staff and expand scope of applicability of the category:

p. Independent Pay and Parks

q. Check Posts excluding commercial activities.

7.30.43 MSEDCL submitted that as per the Commission's Order in Case No. 32 of 2023. Border Check Posts to be categorized under Public Service – Others category and other commercial activities are to be billed as per relevant tariff category.

Commission's Analysis and Ruling

7.30.44 While determining the tariff, the Commission has taken efforts to reduce the cross subsidy within the categories and tried to maintain most of the categories near to ACOS. This is in line with Tariff Policy and MOP Rules. While doing so the Commission has decided to rationalise some of the categories and reduce certain subcategories. Accordingly, the Commission has merged the subcategories within the LT VII: LT- Public Services and included Government and Private institutes in the same category.

7.30.45 Further, the Commission has considered the submission of MSEDCL to add subcategories of Independent Pay and Parks and Check Posts excluding commercial activities for clarity as discussed in Commission's Order in Case No. 32 of 2023.

i. HT I: Industries:

7.30.46 In order to attract investments in high-priority industries like Data Centres and semi-conductor units which represents a high consumption and continuous load, the Commission classified these consumers under Industrial category. All the benefits/incentives such as load factor incentives, incremental consumption rebate, bulk supply rebate, prompt payment rebate, & ToD tariff (charge/rebate), etc. shall also be available to Data Centres and Semi-conductor units.

j. HT VI: HT - Group Housing Society (Residential)

MSEDCL's Submission

7.30.47 The existing note to applicability for HT VI category is proposed to be modified as following for better clarity:

> ***"Note:*** *20% reduction in Energy Charge (incl. FAC) shall be applicable for Serving Armed Forces/Paramilitary forces residential establishments including allied services such as Canteen/ Mess/ Street lighting/Sport Club/ Water Supply covered under the HT-Group Housing category."*

Commission's Analysis and Ruling

7.30.48 The Commission has accepted the submission of MSEDCL.

k. Creation of new Semi-Commercial Category

7.30.49 L&T construction during public consultation suggested that semi commercial category may be devised for large scale construction sites.

Commission's Analysis and Ruling

7.30.50 The Commission notes that, L&T construction has suggested a new tariff category to fit its requirement of ready-mix concrete plan tower, tower cranes, stone crushing units etc. Tariff categorisation is done by adopting generalised approach and merely creation of category for individual consumer is not acceptable. Accordingly, requested made by L&T construction is hereby stand rejected.

l. Applicability of Tariff Category for Khawa Industry under LT IV: AG (Others)

7.30.51 Nirmal Milk Product Association submitted that there is a growing demand to process of khawa preparation through solar based induction machines to save deforestation and tree cutting of almost around 5 lakhs trees annually. This would also prevent air pollution caused by tradition of khawa making using wood-fired furnaces. The barrier for large scale adoption of cleaner electric induction based khawa making is the applicable electricity tariff and its categorization thereof. Typical, electric based induction machine would require 25 kW capacity and if classified under Industrial category would attract fixed charges apart from the higher energy charges. Hence, the objector requested to classify it under Agriculture (Others) category which would enable cleaner form of khawa making and mitigate resultant the pollution and also generate employment opportunities in the rural areas.

7.30.52 The Commission is of the view that adoption of electric induction based khawa making has far reaching environmental and social advantages in terms of avoidance of deforestation, cleaner form of khawa making, avoid pollution, and employment generation opportunities. Further, the khawa making is undertaken by micro scale enterprises, women help groups (Mahila Bachat Gat) in rural areas and small scale industries in clusters. To encourage the electrification of khawa making through electric induction based process, the Commission has decided categorized the same under LT IV Agriculture (Others).

m. Applicability of Tariff Category for Mushroom Cultivation and Tissue Culture and other allied Industries

7.30.53 As regards the request for classification of Mushroom cultivation and Tissue culture industries under the Agriculture (Pumpset) category, the Commission observes that the same is currently classified under Agriculture (Others). During the public hearing several representations were received mentioning that Tissue Culture industries include both nursery operations and tissue culture labs. High electricity prices are adversely impacting viability of their business. Further, Mushroom Cultivation activities are undertaken by micro and small scale enterprises, as well as by women help groups (Mahila Bachat Gat) and small farmers in rural areas as an allied activity.

7.30.54 The Commission has noted the submissions of stakeholders. The Commission recognizes that one of the important principles of tariff design is not to discriminate nor show undue preference to any particular consumer class, but also to address the concerns of the consumers and stakeholders raised through consultation process. The multi-year tariff regime for the new control period offers the opportunity to review the tariff philosophy and structuring of the tariff design and its applicability, thereof for various consumer categories.

7.30.55 Accordingly, upon careful consideration the Commission has changed the category of Tissue Culture, Mushroom Cultivation from Agriculture (Others) to Agriculture (Pumpsets) Tariff Category.

7.31 Treatment to Energy Generated during the Regenerative Braking – Metro

7.31.1 The Commission notes that a committee was constituted by MNRE vide OM No. 313-21/1/2023-Solar R and D, dated 12 January 2024 to consider the request the issue of regenerative energy generated during metro operations. The committee has submitted a detailed report with the following recommendations.

> *"Based on the detailed exercise carried out, the committee is of the view that energy being regenerated through braking of trains, deserves to be categorized as 'Clean Energy' but not as 'Renewable Energy'. However, the committee recommends that all the benefits available for the renewable energy-based power should also be given for the electricity produced from regenerative braking in metro operations. If necessary, the relevant modifications in the Electricity Act may be considered by the concerned authorities."*

7.31.2 Considering the above, MNRE vide its letter dated 12 December 2024 suggested considering the energy regenerated through braking of trains as 'Clean Energy' but not as a 'Renewable Energy'. Further, all the benefits available for renewable energy-based power may also be given for the electricity produced from regenerative braking in metro operations.

7.31.3 The Commission notes that promotion of regenerative braking will helps in reducing carbon footprint and aligns with Maharashtra's sustainability goals.

7.31.4 Metro train generate electricity during braking, which can be fed back into the grid after internal consumption. Allowing netting off enables efficient utilization of regenerated power within the metro network. Further, regenerative braking aligns with existing energy policies promoting self-sufficiency and efficiency. Accordingly, the Commission allows netting off facility for excess energy generated by regenerative braking after consumption by other trains and auxiliary load and deduct the same from electricity drawn from MSEDCL in the monthly bill. The Commission therefore directs MSEDCL to install appropriate meters at incomer meter for Metro for the energy accounting to provide netting off facility. Such netting of electricity shall be done on monthly basis and in case of surplus after adjusting for energy drawl for the month, such surplus energy shall be purchased by the MSEDCL at generic tariff approved for purchase of surplus energy from rooftop PV installation.

7.32 Solarization of Lift Irrigation Scheme

MSEDCL's submission

7.32.1 MSEDCL has submitted that, GoM will provide one-time capital subsidy for the solar projects which will bring down the solar tariff. GoM and the Solar Power Generator (SPG) will share the cost of the project in the ratio of 80:20. A project cost of Rs. 4 Crore (for 1 MW) is considered out of which, GoM will provide Rs. 3.20 Crore per MW as a capital subsidy. Remaining 20% will be invested by the developer. The capital subsidy is expected to reduce the levelized tariff to Rs. 0.98 per unit. The required land will be provided by the LIS consumers.

7.32.2 The total generation will be sufficient to meet the existing requirement of the LIS consumers throughout the life of the solar plant. The excess solar generation exported in the grid during the daytime will save power purchase cost of MSEDCL. However, the power purchase cost will increase when LIS consumers require electricity supply during the non-solar hours, due to high demand during the evening peak time and average demand during the off-peak period. Therefore, MSEDCL needs to be compensated against the increase in the power purchase during the non-solar hours which will be done through the excess generation. This will avoid any burden on the other consumers of the MSEDCL. The solar capacity thus decided will help MSEDCL to remain revenue neutral in the banking arrangement with LIS consumers.

7.32.3 With regards to revenue neutral model MSEDCL has submitted that, the LIS consumer shall be billed as per the recorded consumption, and credit will be issued to the consumers against the banked units that neutralise its bills. The PPAs for LIS scheme are likely to be executed by March - 2025. Post execution of the PPA project will be implemented within 18 months. MSEDCL has submitted the details how the Solar capacity of LIS is determined and how the additional burden on other consumers will be zero as shown in the table below:

Table 416: Determination of Solar capacity with LIS consumer as submitted by MSEDCL

Sr. No.	Particulars	Unit	Total
1	LIS consumption in a year	MUs	1,242
2	Required solar capacity	MW	1,052
3	Solar generation from the required capacity	MUs	2,135
4	SPG"s expected Revenue @ 0.98 paisa per unit (Sr. No. 3)	Rs. Crore	210
5	LIS consumption during daytime	MUs	682
6	Excess Generation during daytime in grid (Sr. No. 3 – Sr. No. 5)	MUs	1,453
7	MSEDCL's avoided power purchase cost @ Rs. 3.92 per unit (Sr. No. 6)	Rs. Crore	570
8	Net MSEDCL savings in power purchase cost during daytime(Sr. No. 7- Sr. No. 4)	Rs. Crore	360
9	Import by LIS during evening peak time and off-peak time	MUs	560
10	MSEDCL's cost of power purchase @ Rs. 6.43 per unit (Sr. No. 9)	Rs. Crore	360
11	Additional Burden (+)/ Savings (-) (Sr. No. 10 – Sr. No. 8)	Rs. Crore	0

Commission's Analysis and Ruling:

7.32.4 The Commission has noted MSEDCL's submission in the respect of solarization of Lift Irrigation Scheme. MSEDCL had filed the Petition in Case No. 198 of 2024 before the Commission for adoption of tariff for long term procurement of 905 MW power from grid connected Solar PV Projects to be set up on lands of Water Resource Department of Maharashtra and private lands of LIS consumers for LIS. While allowing the power procurement of 905 MW Solar Power at tariff of Rs. 0.81-0.90/kWh discovered through competitive bidding for 25 years, the Commission clarified that, MSEDCL need to submit the financial impact, if any, on account of LIS solarisation scheme in the MYT Petition of MSEDCL.

7.32.5 MSEDCL has submitted a table as reproduced above to indicate that this scheme has no financial burden on it. On perusal of these computation the Commission observed as follows:

- MSEDCL has accounted only power purchase cost in table above and shows that its power purchase cost is offset by availing higher quantum of energy at lower price.
- Distribution Licensee's Tariff does include only power purchase cost but also include O&M expenses, capex related expenses etc. MSEDCL has not stated how such other costs will be offset in this mechanism.
- MSEDCL has also stated that it will bill the consumer as per recorded consumption and then will credit banked electricity to neutralise the bill amount.

7.32.6 Considering above observations, the Commission directs MSEDCL to take necessary steps to protects its interest while implementing this scheme and should also ensure that revenue accrued at tariff approved for LIS consumption is accounted for tariff purpose so that other consumers are not affected.

7.33 Revised Tariff with effect from 1 April, 2025

7.33.1 In pursuance of the MYT Regulations 2024 and upon conducting due regulatory process for the Multi-Year Tariff Determination, the Commission hereby determines the Tariff for various consumer categories under HT and LT to be applicable for 5th Control Period as summarised under following Tables. Further, in the absence of kVAh metered data for LT consumers as well as non-availability of category-wise Power Factor, the Commission has determined Energy Charges in Rs./kVAh for LT consumers where kVAh billing would be applicable assuming Power Factor of 0.95.

Table 417: Summary of LT & HT Tariff for FY 2025-26, effective from 1 April 2025

Category	Units For Fixed / Demand Charge	FY 2025-26		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT Residential				
LT I(A): LT - Residential-BPL	Rs/conn/mth	34	1.48	0
LT I(B): LT - Residential				
1-100 units	Rs/conn/mth	130	4.43	1.24
101-300 units	Rs/conn/mth	130	9.64	1.24
301-500 units	Rs/conn/mth	130	12.83	1.24
Above 500 units	Rs/conn/mth	130	14.33	1.24
Three Phase Charges	Rs/conn/mth	430	-	-
LT II: LT - Non-Residential				
(A) 0 – 20 kW	Rs/conn/mth	520	6.60	1.24
(B): >20 kW and ≤ 50 kW	Rs/kVA/mth	520	10.33	1.17
(C): >50 kW	Rs/kVA/mth	520	12.47	1.17
LT III: LT - Public Water Works (PWW)				
(A): 0-20 kW	Rs/kVA/mth	130	4.71	1.24
(B): >20 kW and ≤ 40 kW	Rs/kVA/mth	160	6.50	1.17
(C): >40 kW	Rs/kVA/mth	195	8.37	1.17
LT IV: LT - Agriculture				
LT IV(A): LT - AG Un-metered - Pumpsets				
Category 1 Zones				
(a) 0-5 HP	Rs/HP/mth	675	-	155
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	719	-	155
(c) Above 7.5 HP	Rs/HP/mth	796	-	155
Category 2 Zones		-	-	-
(a) 0-5 HP	Rs/HP/mth	545	-	155
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	586	-	155
(c) Above 7.5 HP	Rs/HP/mth	663	-	155
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs/HP/mth	75	4.28	1.24
LT IV(C): LT - Agriculture Metered – Others	Rs/HP/mth	170	5.43	1.24
LT V: LT - Industry *#				
(i): 0-20 kW	Rs/conn/mth	590	5.96	1.24
(ii): Above 20 kW	Rs/kVA/mth	390	6.69	1.17
LT VI: LT - Street Light				
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	145	7.00	1.24
(B): Municipal corporation Area	Rs/kW/mth	145	8.40	1.24
LT VII - Public Services				
(i): ≤ 20 kW	Rs/conn/mth	450	4.93	1.24

Category	Units For Fixed / Demand Charge	FY 2025-26		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
(ii): >20 - ≤ 50 kW	Rs/kVA/mth	450	7.93	1.17
iii): >50 kW	Rs/kVA/mth	450	8.25	1.17
LT VIII – Electric Vehicle Charging Station	Rs/kVA/mth	-	6.85	1.17

**Note 1: Lower tariff (discount/rebate) of (2.5_%) shall be available in Energy Charge Component (including FAC, if applicable)of Tariff for both slabs (20 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

#Note 2: Lower discounted Tariff for Hotels, Resorts and Guest-houses as per para.7.30.34.

^Note 3: The denomination Rs./unit in case of EC & WC means Rs./kVAh, in case of consumers for which kVAh billing is applicable and in other cases it means Rs./kWh.

Category	Units For Fixed / Demand Charge	FY 2025-26		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
EHV				
HT I (A) HT – Industry#	Rs/kVA/mth	555	7.48	-
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	555	7.78	-
HT II: HT – Commercial	Rs/kVA/mth	555	9.26	-
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	555	7.16	-
HT IV: HT - Public Water Works	Rs/kVA/mth	555	7.98	-
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.40	-
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.60	-
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	440	7.06	-
HT VIII: HT - Public Services	Rs/kVA/mth	555	8.80	-
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	8.03	-
HT				
HT I (A) HT - Industry Sub-total#	Rs/kVA/mth	555	7.48	0.62
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	555	7.78	0.62
HT II: HT – Commercial	Rs/kVA/mth	555	9.26	0.62
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	555	7.16	0.62
HT IV: HT - Public Water Works	Rs/kVA/mth	555	7.98	0.62
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.40	0.62
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.60	0.62
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	440	7.06	0.62

Category	Units For Fixed / Demand Charge	FY 2025-26		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
HT VIII: HT - Public Services	Rs/kVA/mth	555	8.80	0.62
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.84	0.61

Table 418: Summary of LT & HT Tariff for FY 2026-27, effective from 1 April 2026

Category	Units For Fixed / Demand Charge	FY 2026-27		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT Residential				
LT I(A): LT - Residential-BPL	Rs/conn/mth	35	1.44	-
LT I(B): LT - Residential				
1-100 units	Rs/conn/mth	130	4.32	1.20
101-300 units	Rs/conn/mth	130	9.40	1.20
301-500 units	Rs/conn/mth	130	12.51	1.20
Above 500 units	Rs/conn/mth	130	13.97	1.20
Three Phase Charges	Rs/conn/mth	435	-	-
LT II: LT - Non-Residential				
(A) 0 – 20 kW	Rs/conn/mth	525	6.44	1.20
(B): >20 kW and ≤ 50 kW	Rs/kVA/mth	525	10.07	1.14
(C): >50 kW	Rs/kVA/mth	525	12.16	1.14
LT III: LT - Public Water Works (PWW)				
(A): 0-20 kW	Rs/kVA/mth	130	4.62	1.20
(B): >20 kW and ≤ 40 kW	Rs/kVA/mth	160	6.36	1.14
(C): >40 kW	Rs/kVA/mth	200	8.19	1.14
LT IV: LT - Agriculture				
LT IV(A): LT - AG Un-metered - Pumpsets				
Category 1 Zones				
(a) 0-5 HP	Rs/HP/mth	725	-	151
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	769	-	151
(c) Above 7.5 HP	Rs/HP/mth	847	-	151
Category 2 Zones		-	-	-
(a) 0-5 HP	Rs/HP/mth	593	-	151
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	635	-	151
(c) Above 7.5 HP	Rs/HP/mth	713	-	151
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs/HP/mth	80	4.60	1.20
LT IV(C): LT - Agriculture Metered – Others	Rs/HP/mth	177	5.29	1.20
LT V: LT - Industry *#				
(i): 0-20 kW	Rs/conn/mth	595	5.86	1.20
(ii): Above 20 kW	Rs/kVA/mth	395	6.57	1.14

Category	Units For Fixed / Demand Charge	FY 2026-27		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT VI: LT - Street Light				
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	145	6.78	1.20
(B): Municipal corporation Area	Rs/kW/mth	145	8.14	1.20
LT VII - Public Services				
(i): ≤ 20 kW	Rs/conn/mth	455	4.81	1.20
(ii): >20 - ≤ 50 kW	Rs/kVA/mth	455	7.73	1.14
iii): >50 kW	Rs/kVA/mth	455	8.04	1.14
LT VIII – Electric Vehicle Charging Station	Rs/kVA/mth	-	6.68	1.14

**Note: Lower tariff (discount/rebate) of (2.5_%) shall be available in Energy Charge Component (including FAC, if applicable)of Tariff for both slabs (20 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

#Note 2: Lower discounted Tariff for Hotels, Resorts and Guest-houses as per para 7.30.34.

^Note 3: The denomination Rs./unit in case of EC & WC means Rs./kVAh, in case of consumers for which kVAh billing is applicable and in other cases it means Rs./kWh.

Category	Units For Fixed / Demand Charge	FY 2026-27		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
EHV				
HT I (A) HT - Industry	Rs/kVA/mth	560	7.27	-
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	560	7.56	-
HT II: HT – Commercial	Rs/kVA/mth	560	8.83	-
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	560	6.98	-
HT IV: HT - Public Water Works	Rs/kVA/mth	560	7.78	-
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.47	-
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.41	-
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	445	6.98	-
HT VIII : HT - Public Services	Rs/kVA/mth	560	8.58	-
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.83	-
HT				
HT I (A) HT - Industry Sub-total	Rs/kVA/mth	560	7.27	0.60
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	560	7.56	0.60
HT II: HT – Commercial	Rs/kVA/mth	560	8.83	0.60
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	560	6.98	0.60
HT IV: HT - Public Water Works	Rs/kVA/mth	560	7.78	0.60
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.47	0.60

Category	Units For Fixed / Demand Charge	FY 2026-27		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.41	0.60
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	445	6.98	0.60
HT VIII : HT - Public Services	Rs/kVA/mth	560	8.58	0.60
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.64	0.60

Table 419: Summary of LT & HT Tariff for FY 2027-28, effective from 1 April 2027

Category	Units For Fixed / Demand Charge	FY 2027-28		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT Residential				
LT I(A): LT - Residential-BPL	Rs/conn/mth	35	1.42	-
LT I(B): LT - Residential				
1-100 units	Rs/conn/mth	135	4.27	1.15
101-300 units	Rs/conn/mth	135	9.28	1.15
301-500 units	Rs/conn/mth	135	12.35	1.15
Above 500 units	Rs/conn/mth	135	13.80	1.15
Three Phase Charges	Rs/conn/mth	440	-	-
LT II: LT - Non-Residential				
(A) 0 – 20 kW	Rs/conn/mth	530	6.35	1.15
(B): >20 kW and ≤ 50 kW	Rs/kVA/mth	530	9.94	1.09
(C): >50 kW	Rs/kVA/mth	530	12.01	1.09
LT III: LT - Public Water Works (PWW)				
(A): 0-20 kW	Rs/kVA/mth	130	4.61	1.15
(B): >20 kW and ≤ 40 kW	Rs/kVA/mth	160	6.33	1.09
(C): >40 kW	Rs/kVA/mth	200	8.13	1.09
LT IV: LT - Agriculture				
LT IV(A): LT - AG Un-metered - Pumpsets				
Category 1 Zones				
(a) 0-5 HP	Rs/HP/mth	739	-	143
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	784	-	143
(c) Above 7.5 HP	Rs/HP/mth	862	-	143
Category 2 Zones		-	-	-
(a) 0-5 HP	Rs/HP/mth	606	-	143
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	648	-	143
(c) Above 7.5 HP	Rs/HP/mth	727	-	143
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs/HP/mth	80	4.62	1.15
LT IV(C): LT - Agriculture Metered – Others	Rs/HP/mth	180	5.23	1.15
LT V: LT - Industry *#				
(i): 0-20 kW	Rs/conn/mth	600	5.89	1.15
(ii): Above 20 kW	Rs/kVA/mth	400	6.58	1.09

Category	Units For Fixed / Demand Charge	FY 2027-28		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT VI: LT - Street Light				
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	145	6.74	1.15
(B): Municipal corporation Area	Rs/kW/mth	145	8.09	1.15
LT VII - Public Services				
(i): ≤ 20 kW	Rs/conn/mth	460	4.85	1.15
(ii): >20 - ≤ 50 kW	Rs/kVA/mth	460	7.73	1.09
iii): >50 kW	Rs/kVA/mth	460	8.03	1.09
LT VIII – Electric Vehicle Charging Station	Rs/kVA/mth	-	6.59	1.09

**Note: Lower tariff (discount/rebate) of (2.5_%) shall be available in Energy Charge Component (including FAC, if applicable)of Tariff for both slabs (20 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

#Note 2: Lower discounted Tariff for Hotels, Resorts and Guest-houses as per para 7.30.34.

^Note 3: The denomination Rs./unit in case of EC & WC means Rs./kVAh, in case of consumers for which kVAh billing is applicable and in other cases it means Rs./kWh.

Category	Units For Fixed / Demand Charge	FY 2027-28		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
EHV				
HT I (A) HT - Industry	Rs/kVA/mth	565	7.11	-
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	565	7.40	-
HT II: HT – Commercial	Rs/kVA/mth	565	8.72	-
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	565	6.89	-
HT IV: HT - Public Water Works	Rs/kVA/mth	565	7.58	-
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.62	-
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.32	-
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	450	6.95	-
HT VIII: HT - Public Services.	Rs/kVA/mth	565	8.40	-
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth		7.73	
HT				
HT I (A) HT - Industry Sub-total	Rs/kVA/mth	565	7.11	0.57
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	565	7.40	0.57
HT II: HT – Commercial	Rs/kVA/mth	565	8.72	0.57
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	565	6.89	0.57
HT IV: HT - Public Water Works	Rs/kVA/mth	565	7.58	0.57
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.62	0.57

Category	Units For Fixed / Demand Charge	FY 2027-28		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.32	0.57
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	450	6.95	0.57
HT VIII: HT - Public Services.	Rs/kVA/mth	565	8.40	0.57
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth		7.55	0.57

Table 420: Summary of LT & HT Tariff for FY 2028-29, effective from 1 April 2028

Category	Units For Fixed / Demand Charge	FY 2028-29		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT Residential				
LT I(A): LT - Residential-BPL	Rs/conn/mth	35	1.42	-
LT I(B): LT - Residential				
1-100 units	Rs/conn/mth	140	4.26	1.11
101-300 units	Rs/conn/mth	140	9.27	1.11
301-500 units	Rs/conn/mth	140	12.34	1.11
Above 500 units	Rs/conn/mth	140	13.78	1.11
Three Phase Charges	Rs/conn/mth	445	-	-
LT II: LT - Non-Residential				
(A) 0 – 20 kW	Rs/conn/mth	535	6.35	1.11
(B): >20 kW and ≤ 50 kW	Rs/kVA/mth	535	9.93	1.05
(C): >50 kW	Rs/kVA/mth	535	12.00	1.05
LT III: LT - Public Water Works (PWW)				
(A): 0-20 kW	Rs/kVA/mth	130	4.63	1.11
(B): >20 kW and ≤ 40 kW	Rs/kVA/mth	160	6.34	1.05
(C): >40 kW	Rs/kVA/mth	200	8.14	1.05
LT IV: LT - Agriculture				
LT IV(A): LT - AG Un-metered - Pumpsets				
Category 1 Zones				
(a) 0-5 HP	Rs/HP/mth	726	-	139
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	772	-	139
(c) Above 7.5 HP	Rs/HP/mth	851	-	139
Category 2 Zones		-	-	-
(a) 0-5 HP	Rs/HP/mth	592	-	139
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	635	-	139
(c) Above 7.5 HP	Rs/HP/mth	714	-	139
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs/HP/mth	82	4.41	1.11
LT IV(C): LT - Agriculture Metered – Others	Rs/HP/mth	185	5.22	1.11

Category	Units For Fixed / Demand Charge	FY 2028-29		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT V: LT - Industry *#				
(i): 0-20 kW	Rs/conn/mth	605	5.98	1.11
(ii): Above 20 kW	Rs/kVA/mth	405	6.67	1.05
LT VI: LT - Street Light				
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	145	6.28	1.11
(B): Municipal corporation Area	Rs/kW/mth	145	7.63	1.11
LT VII - Public Services				
(i): ≤ 20 kW	Rs/conn/mth	465	4.84	1.11
(ii): >20 - ≤ 50 kW	Rs/kVA/mth	465	7.72	1.05
iii): >50 kW	Rs/kVA/mth	465	8.03	1.05
LT VIII – Electric Vehicle Charging Station	Rs/kVA/mth	-	6.93	1.05

**Note: Lower tariff (discount/rebate) of (2.5_%) shall be available in Energy Charge Component (including FAC, if applicable)of Tariff for both slabs (20 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

#Note 2: Lower discounted Tariff for Hotels, Resorts and Guest-houses as per para7.30.34.

^Note 3: The denomination Rs./unit in case of EC & WC means Rs./kVAh, in case of consumers for which kVAh billing is applicable and in other cases it means Rs./kWh.

Category	Units For Fixed / Demand Charge	FY 2028-29		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
EHV				
HT I (A) HT - Industry	Rs/kVA/mth	570	7.07	-
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	570	7.36	-
HT II: HT – Commercial	Rs/kVA/mth	570	8.69	-
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	570	6.79	-
HT IV: HT - Public Water Works	Rs/kVA/mth	570	7.48	-
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.86	-
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.31	-
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	455	6.94	-
HT VIII: HT - Public Services	Rs/kVA/mth	570	8.29	-
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.72	-
HT				
HT I (A) HT - Industry Sub-total	Rs/kVA/mth	570	7.07	0.55
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	570	7.36	0.55

Category	Units For Fixed / Demand Charge	FY 2028-29		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
HT II: HT – Commercial	Rs/kVA/mth	570	8.69	0.55
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	570	6.79	0.55
HT IV: HT - Public Water Works	Rs/kVA/mth	570	7.48	0.55
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	7.86	0.55
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.31	0.55
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	455	6.94	0.55
HT VIII: HT - Public Services	Rs/kVA/mth	570	8.29	0.55
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.54	0.55

Table 421: Summary of LT & HT Tariff for FY 2029-30, effective from 1 April 2029

Category	Units For Fixed / Demand Charge	FY 2029-30		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
LT Residential				
LT I(A): LT - Residential-BPL	Rs/conn/mth	35	1.42	-
LT I(B): LT - Residential				
1-100 units	Rs/conn/mth	145	3.35	1.08
101-300 units	Rs/conn/mth	145	10.02	1.08
301-500 units	Rs/conn/mth	145	13.74	1.08
Above 500 units	Rs/conn/mth	145	15.28	1.08
Three Phase Charges	Rs/conn/mth	450	-	-
LT II: LT - Non-Residential				
(A) 0 – 20 kW	Rs/conn/mth	540	6.35	1.08
(B): >20 kW and ≤ 50 kW	Rs/kVA/mth	540	9.93	1.02
(C): >50 kW	Rs/kVA/mth	540	12.00	1.02
LT III: LT - Public Water Works (PWW)				
(A): 0-20 kW	Rs/kVA/mth	130	4.63	1.08
(B): >20 kW and ≤ 40 kW	Rs/kVA/mth	160	6.34	1.02
(C): >40 kW	Rs/kVA/mth	200	8.14	1.02
LT IV: LT - Agriculture				
LT IV(A): LT - AG Un-metered - Pumpsets				
Category 1 Zones				
(a) 0-5 HP	Rs/HP/mth	714	-	134
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	759	-	134
(c) Above 7.5 HP	Rs/HP/mth	840	-	134
Category 2 Zones		-	-	-
(a) 0-5 HP	Rs/HP/mth	578	-	134

Category	Units For Fixed / Demand Charge	FY 2029-30		
		Fixed/ Demand Charge	Energy Charge^ (Rs/Unit)	Wheeling Charge^ (Rs/Unit)
(b) Above 5 HP - 7.5 HP	Rs/HP/mth	621	-	134
(c) Above 7.5 HP	Rs/HP/mth	701	-	134
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	Rs/HP/mth	85	4.21	1.08
LT IV(C): LT - Agriculture Metered – Others	Rs/HP/mth	190	5.22	1.08
LT V: LT - Industry *#				
(i): 0-20 kW	Rs/conn/mth	610	6.03	1.08
(ii): Above 20 kW	Rs/kVA/mth	410	6.72	1.02
LT VI: LT - Street Light				
(A): Grampanchayat; A B & C Class Municipal Council	Rs/kW/mth	150	6.23	1.08
(B): Municipal corporation Area	Rs/kW/mth	150	7.58	1.08
LT VII - Public Services				
(i): ≤ 20 kW	Rs/conn/mth	470	4.94	1.08
(ii): >20 - ≤ 50 kW	Rs/kVA/mth	470	7.82	1.02
iii): >50 kW	Rs/kVA/mth	470	8.12	1.02
LT VIII – Electric Vehicle Charging Station	Rs/kVA/mth	-	6.59	1.02

**Note: Lower tariff (discount/rebate) of (2.5_%) shall be available in Energy Charge Component (including FAC, if applicable)of Tariff for both slabs (20 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

#Note 2: Lower discounted Tariff for Hotels, Resorts and Guest-houses as per para 7.30.34.

^Note 3: The denomination Rs./unit in case of EC & WC means Rs./kVAh, in case of consumers for which kVAh billing is applicable and in other cases it means Rs./kWh.

Category	Units For Fixed / Demand Charge	FY 2029-30		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
EHV				
HT I (A) HT - Industry	Rs/kVA/mth	575	7.04	-
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	575	7.33	-
HT II: HT – Commercial	Rs/kVA/mth	575	8.67	-
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	575	6.69	-
HT IV: HT - Public Water Works	Rs/kVA/mth	575	7.43	-
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	8.29	-
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.31	-

Category	Units For Fixed / Demand Charge	FY 2029-30		
		Fixed/ Demand Charge	Energy Charge (Rs/Unit)	Wheeling Charge (Rs/Unit)
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	460	6.94	-
HT VIII: HT - Public Services	Rs/kVA/mth	575	8.19	-
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.77	-
HT				
HT I (A) HT - Industry Sub-total	Rs/kVA/mth	575	7.04	0.53
HT I (B): HT - Industry (Seasonal)	Rs/kVA/mth	575	7.33	0.53
HT II: HT – Commercial	Rs/kVA/mth	575	8.67	0.53
HT III : HT - Railways/Metro/Monorail Traction	Rs/kVA/mth	575	6.69	0.53
HT IV: HT - Public Water Works	Rs/kVA/mth	575	7.43	0.53
HT V(A): HT - Agriculture Pumpsets	Rs/kVA/mth	100	8.29	0.53
HT V(B): HT - Agriculture - Others	Rs/kVA/mth	100	7.31	0.53
HT VI: HT - Group Housing Societies (Residential)	Rs/kVA/mth	460	6.94	0.53
HT VIII: HT - Public Services	Rs/kVA/mth	575	8.19	0.53
HT IX: HT – Electric Vehicle Charging Station	Rs/kVA/mth	-	7.54	0.53

7.34 Wheeling Charges

MSEDCL's Submission

Network Cost of MSEDCL

7.34.1 The Commission, in Annexure III of the MERC MYT Regulations, 2024, has provided guidelines for asset and cost allocation between Distribution Wires Business and Retail Supply Business, subject to maintaining separate accounting records. However, in the absence of such records, the first proviso to Regulation 89.2 specifies an allocation matrix for bifurcating the ARR of the distribution licensee between these two businesses. The same has been provided below for ready reference.

Table 422: Segregation matrix of Retail Supply and Wires Business Expenses

Particulars	Distribution Wires Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0%	100%
Inter-State Transmission Charges	0%	100%
Intra-State Transmission Charges	0%	100%
Operation & Maintenance Expenses	65%	35%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%

Particulars	Distribution Wires Business (%)	Retail Supply Business (%)
Interest on Working Capital	10%	90%
Interest on Consumer Security Deposits	10%	90%
Provision for Bad & Doubtful Debts	10%	90%
Income Tax	90%	10%
Contribution to Contingency Reserves	90%	10%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

7.34.2 MSEDCL submitted that it has not been able to segregate accounts for its Wires Business and Retail Supply Business. Therefore, it would utilize above allocation matrix for segregating its ARR into these two business heads. Based on the ARR projected for FY 2025-26 to FY 2029-30 the Network cost for MSEDCL from FY 2025-26 to FY 2029-30 is tabulated here under:

Table 423: Network cost for MSEDCL from FY 2025-26 to FY 2029-30 (Rs. Crores)

S. No.	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	6,406	8,157	9,934	11,411	12,704	13,874
2	Depreciation	3,243	3,589	3,348	3,102	2,999	2,872
3	Interest on Loan Capital	769	1,134	1,553	1,701	1,687	1,585
4	Interest on Working Capital	146	191	234	261	274	280
5	Interest on deposit from Consumers and Distribution System Users	90	101	111	122	134	147
6	Other Finance Charges	-	-	-	-	-	-
7	Provision for bad and doubtful debts	106	110	115	120	125	131
8	Opex Schemes	48	74	71	72	72	72
9	Contribution to contingency reserves	178	207	260	303	325	348
10	Income Tax	-	-	-	-	-	-
11	Return on Equity Capital	1,951	2,464	2,871	3,093	3,170	3,236
12	**Total Revenue Expenditure**	**12,937**	**16,026**	**18,498**	**20,185**	**21,491**	**22,545**

7.34.3 MSEDCL submits that the Regulation 97.1 of the MERC MYT Regulations, 2024 provides for computation of wheeling charges separately for LT voltage, and HT voltage for the Distribution Wires Business as per following formulae:

"Wheeling Charges for HT Consumers

*(INR/kVAh) = WARR (HT) *10/EWHT*

Where,

WARR (HT) = ARR of Distribution Wires Business pertaining to HT level in INR Crore.

EWHT = Projected Wheeling Energy pertaining to HT level in Million kVAh or MkVAh.

Wheeling Charge for LT Consumers

*(INR/kWh) or (INR/kVAh) = WARR (LT) *10/EWLT*

Where,

WARR (LT) = ARR of Distribution Wires Business pertaining to LT level in INR Crore.

EWLT = Projected Wheeling Energy pertaining to LT level in Million kWh or MU or MkVAh as the case may be.

Provided that in case the Commission adopts the kVAh based Tariff at LT level, the Wheeling Charges for LT Consumers shall then be determined in INR/kVAh."

7.34.4 MSEDCL stated that it has not yet segregated LT and HT assets as per Annexure-III of MYT Regulations 2024 but is exploring ways to bifurcate voltage-wise assets. Due to this, it cannot currently allocate the ARR of the distribution wire business between HT and LT levels. The Commission, in the MTR Order dated 31st March 2023 in Case No. 226 of 2022, derived the wheeling cost ratio for LT and HT based on voltage-wise GFA, considering factors such as circuit km, substation capacity, Number of DTCs/DT capacity, voltage-wise sales, Energy Units handled etc. The Commission segregated wheeling cost between HT and LT level in following ratio as tabulated below:

Table 424: Allocation of Wheeling Cost for FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT (Excl EHV)	60%	60%	60%	60%	60%
LT Level	40%	40%	40%	40%	40%

7.34.5 Network cost has been apportioned between HT and LT voltage level based on the ratio as provided in the table above. The segregated Network cost is provided in the table below.

Table 425: Network cost apportioned between HT and LT Voltage for FY 2025-26 to FY 2029-30 (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT (Excl EHV)	9,616	11,099	12,111	12,895	13,527
LT Level	6,410	7,399	8,074	8,596	9,018

7.34.6 MSEDCL has considered the voltage wise consumption (in kVAh also) as projected for the fifth Control Period i.e., from FY 2025-26 to FY 2029-30 for determining the wheeling charges. The projected consumption at different voltage levels is shown below:

Table 426: Voltage Wise Consumption for FY 2025-26 to FY 2029-30 (in kVAh)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT (Excl EHV) (Million kVAh)	38,110	40,937	43,858	47,115	50,707
LT Level (MU)	91,616	95,928	99,796	1,03,417	1,07,427

7.34.7 MSEDCL submitted that the wheeling charge gap for True-up years as well as FY 2024-25 also needed to be considered and added to wheeling cost for next control period. The resultant wheeling charge gap of present Control Period has been spread uniformly over the fifth Control Period and added to annual wheeling cost. The revised annual wheeling cost has been apportioned in the same ratio between HT and LT level as considered above. The calculation of wheeling energy gap of present Control Period is provided in following table:

Table 427: Wheeling energy gap of present Control Period (Rs. Cr)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
ARR from Wires Business	10,731	11,724	12,937
Income from OA	157	271	300
Wheeling ARR	10,574	11,453	12,637
Wheeling Revenue	11,032	10,858	11,236
Recovery Allowed	-458	595	1,400
Total Gap		1,537	
Average Gap for Next Control Period		307	

7.34.8 Accordingly MSEDCL has calculated revised wheeling charge for next Control Period along with gap is below:

Table 428: Calculation of Wheeling Cost for FY2025-26

Particulars	Network Cost (Rs. Cr.)	Sales (MU)	% of Sales	Wheeling Cost (Rs. Cr.)
HT (Excl EHV)	9,616	38,110	29%	2,825
LT Level	6,410	91,616	71%	13,201
Total	**16,026**	**1,29,726**	**100%**	**16,026**

Table 429: Calculation of Wheeling Cost for FY2026-27

Particulars	Network Cost (Rs. Cr.)	Sales (MU)	% of Sales	Wheeling Cost (Rs. Cr.)
HT (Excl EHV)	11,099	40,937	30%	3,320
LT Level	7,399	95,928	70%	15,178
Total	**18,498**	**1,36,866**	**100%**	**18,498**

Table 430: Calculation of Wheeling Cost for FY2027-28

Particulars	Network Cost (Rs. Cr.)	Sales (MU)	% of Sales	Wheeling Cost (Rs. Cr.)
HT (Excl EHV)	12,111	43,858	31%	3,698
LT Level	8,074	99,796	69%	16,488
Total	**20,185**	**1,43,654**	**100%**	**20,185**

Table 431: Calculation of Wheeling Cost for FY2028-29

Particulars	Network Cost (Rs. Cr.)	Sales (MU)	% of Sales	Wheeling Cost (Rs. Cr.)
HT (Excl EHV)	12,895	47,115	31%	4,036
LT Level	8,596	1,03,417	69%	17,455
Total	**21,491**	**1,50,531**	**100%**	**21,491**

Table 432: Calculation of Wheeling Cost for FY2029-30

Particulars	Network Cost (Rs. Cr.)	Sales (MU)	% of Sales	Wheeling Cost (Rs. Cr.)
HT (Excl EHV)	13,527	50,707	32%	4,337
LT Level	9,018	1,07,427	68%	18,207
Total	**22,545**	**1,58,135**	**100%**	**22,545**

7.34.9 To arrive at the cost of wheeling at various voltage levels, MSEDCL has apportioned the total wire network cost (as computed above) between HT (Excluding EHV) and LT in the ratio of sales at respective voltage levels. The calculation of same is provided below:

Table 433: Proposed Wheeling Charges for FY 2025-26 to FY 2029-30

Particulars	Units	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wheeling Cost						
HT (Excl EHV)	Rs Cr	2,915	3,412	3,791	4,132	4,436
LT Level	Rs Cr	13,418	15,393	16,701	17,667	18,416
Wheeled Units						
HT (Excl EHV)	MkVAh	38,110	40,937	43,858	47,115	50,707
LT Level	MU	91,616	95,928	99,796	1,03,417	1,07,427
PU Wheling Charges						
HT (Excl EHV)	Rs/kVAh	0.76	0.83	0.86	0.88	0.87
LT Level	Rs/kWh	1.46	1.60	1.67	1.71	1.71

7.34.10 The Commission in MTR Order in case no. 226 of 2022 dated 31st March 2023 has approved Wheeling Loss of 7.5% at HT and 12% at LT. MSEDCL for the purpose of commercial settlement, proposed to continue aforementioned Wheeling Losses which are already approved in last control period for the next control period. MSEDCL requested the Commission to approve the wheeling charges as proposed above.

Commission's Analysis & Ruling

7.34.11 As per the Regulation 97.1 of the MYT Regulations, 2024, the Commission has determined Wheeling Charges for LT, and HT voltage levels only.

7.34.12 The Commission in its every Tariff Order has directed MSEDCL to provide the Voltage wise GFA details, but the same have not been complied till date. Thus, in absence of Voltage-wise Network Cost, the Commission has considered estimate of the voltage wise GFA ratio considering assumptions on various parameters that influences the determination of GFA ratio such as HT/LT circuit km, Substation Capacity (HT/LT), Number of DTCs/DT capacity, Voltage-wise sales at HT/LT, Energy Units handled at HT/LT etc. and accordingly derived the ratio for allocation of wheeling cost between HT and LT, which is summarised as under:

Table 434: Allocation of Wheeling Cost for 5th Control Period, considered by Commission

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT (Excl. EHV)	60%	60%	60%	60%	60%
LT Level	40%	40%	40%	40%	40%

7.34.13 Based on the GFA Ratio, the Commission has worked out the Voltage-wise energy sales, excluding EHV Sales, of HT and LT Levels for 5th Control Period.

Table 435: Voltage-wise Wheeling Cost Allocation for computation of Wheeling Charges for 5th Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT (Excl EHV)	7,722	7,861	7,823	7,905	8,021
LT Level	5,148	5,240	5,215	5,270	5,347

7.34.14 In addition to the allocation of yearly wheeling cost to recover projected ARR of wire business through wheeling charge, the Commission in this present MYT Order has also considered to recover the past period surplus (from FY 2022-23 to FY 2024-25) for adjustment of Wire ARR through Wheeling Charges to an extent of Rs. (-1072 Crore) of over recovery over FY 2025-26 to FY 2029-30 spread equally i.e. Rs. (-214) Crore for each year. Thus, proposed recovery of Wires cost (incl. deferred recovery of past period gaps for wire business) for the ensuing years is provided in the following table:

Table 436: Total Wire Recovery including past period gaps for 5th Control Period, as approved by the Commission

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
ARR from Wires Business	10,468	10,722	11,679
Income from OA	157	271	301

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Wheeling ARR	10,311	10,451	11,378
Wheeling Revenue	11,032	10,858	11,321
Recovery Allowed	-721	-407	57
Total Gap	-1,072		
Average Gap for Next Control Period	-214		

7.34.15 Thus, the voltage wise wheeled cost, wheeled units and approved Wheeling Charges so determined for 5th Control Period are summarised in the table below:

Table 437: Voltage-wise wheeling cost for 5th Control Period as approved by the Commission

Particulars	Units	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wheeling Cost						
HT (Excl EHV)	Rs Cr	2,288	2,361	2,384	2,453	2,542
LT Level	Rs Cr	10,368	10,525	10,439	10,508	10,612
Wheeled Units						
HT (Excl EHV)	MkVAh	36,758	39,033	41,538	44,408	47,638
LT Level	MU	83,852	87,358	91,011	94,806	98,684
PU Wheling Charges						
HT (Excl EHV)	**Rs/kVAh**	**0.62**	**0.60**	**0.57**	**0.55**	**0.53**
LT Level	**Rs/kWh**	**1.24**	**1.20**	**1.15**	**1.11**	**1.08**
LT Level*	**Rs./kVAh**	**1.17**	**1.14**	**1.09**	**1.05**	**1.02**

**In the absence of kVAh metered data for LT consumers as well as non-availability of category-wise Power Factor, the Commission has determined Wheeling Charges in Rs./kVAh for LT consumers where kVAh billing would be applicable assuming Power Factor of 0.95.*

7.34.16 For HT Category, Wheeling charges in Rs/kVAh shall be applicable as approved in the above table. In case of LT category, where kVAh billing is introduced, Wheeling charges in Rs/kVAh shall be applicable as approved in the above table.

7.34.17 Further, the Commission approves Wheeling Loss of 7.5% at HT and 12% at LT as proposed by MSEDCL.

7.34.18 The Commission noted that there were several representations from the EHV consumers seeking EHV Rebate. In this context, the Commission clarifies that no wheeling charges are applicable for EHV consumers. Thus non-applicability of wheeling charges is akin to EHV Rebate. Further, EHV consumers are also entitled for other incentives and rebates such as load factor incentive, incremental consumption rebate, bulk supply rebate, prompt payment discount, etc.

7.34.19 In order to attract investments in high-priority industries like Data Centres and semi-conductor units which represents a high consumption and continuous load, and to encourage their electricity consumption through 100% Green Energy either through open access or through Green Tariff or combination thereof, the Commission has approved discount of 10% in Wheeling Charges to such Data Centres and semi-conductor units.

7.34.20 Further, in this Order, the Commission has also determined the Wires and Supply components of the tariff separately for each consumer category. Accordingly, the Wheeling Charge component and Energy Charge component have been shown separately while computing the category-wise tariffs, except for the Residential BPL category. In case of the BPL category, no Wheeling Charges are apportioned considering the consumer profile of this category.

7.35 Cross Subsidy Surcharge

MSEDCL's Submission

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

7.35.2 MSEDCL further submitted that Section 42(2) of the Act provides for levy of Cross Subsidy Surcharge (CSS). The relevant provision of the Act is reproduced below:

> *"Section 42. (Duties of distribution licensee and open access):-*
>
> *...*
>
> *(2) …in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:*
>
> *Provided that such open access shall be allowed on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:*
>
> *Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:*
>
> *…"*

7.35.3 Section 86(1)(a) of the said Act inter- alia mandates the Hon'ble Commission to determine the "Cross Subsidy Surcharge", "Additional Surcharge" & other applicable charges payable by the consumers opting for Open Access

7.35.4 MSEDCL submitted that the National Electricity Policy as stipulated by the Central Government provides that -

> *"5.8.3 Under sub-section (2) of Section 42 of the Act, a surcharge is to be levied by the respective State Commissions on consumers switching to alternate supplies under open access. This is to compensate the host distribution licensee serving such consumers who are permitted open access under section 42(2), for loss of the cross-subsidy element built into the tariff of such consumers. …."*

7.35.5 The Central Government notified the revised National Tariff Policy (NTP) on 28th January, 2016 and has revised the "Surcharge Formula" as follows:

> *"8.5.1 …*
>
> *Surcharge formula:*
>
> *S= T – [C/ (1-L/100) + D+ R]*
>
> *Where*
>
> *S is the surcharge*
>
> *T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation*
>
> *C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation*
>
> *D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level*
>
> *L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level*
>
> *R is the per unit cost of carrying regulatory assets."*

7.35.6 Further MERC MYT Regulations 2024 has specified Regulation 108.1 for determination of Cross Subsidy Surcharge

> *"The Cross-Subsidy Surcharge determined by the Commission as part of the MYT Tariff Order in accordance with the Regulation 14.7 of the MERC (Distribution Open Access) Regulations, 2016, as amended from time to time.*
>
> *Provided that the Cross-Subsidy Surcharge determined by the Commission for the respective consumer categories shall not be exceeding the 20% (twenty percent) of the Average Cost of Supply approved by the Commission for the respective financial years over the Control Period."*

7.35.7 Accordingly, MSEDCL requested the Commission to determine cross-subsidy surcharge considering the formula prescribed by the NTP 2016:

Computation of Cross Subsidy Surcharge for the Control Period

7.35.8 **Computation of 'C'**

7.35.8.1 Computation of 'C' is based on the projected power purchase quantum and price for the Control Period as submitted in Form 2 of the Regulatory Formats for the respective year. The definition/ explanation for 'C' has been revised in the Tariff Policy dated 28th January, 2016 with inclusion of renewable power purchase in the computation of 'C'.

7.35.8.2 Therefore, computation of 'C' can be taken as the total power purchase cost based on MOD principle to the total power purchase scheduled to be purchased as per MOD principle. Therefore, the 'C' computed for MSEDCL for FY 2023-24 to FY 2024-25 are shown in the following table.

Table 438: Computation of C for FY 2025-26 to FY 2029-30

Financial Year	Details of Power Purchase		
	MUs	Rs. Crores*	Rs./kWh
FY 2025-26	1,86,203	90,055	4.84
FY 2026-27	2,18,172	1,00,774	4.62
FY 2027-28	2,29,387	1,08,276	4.72
FY 2028-29	2,38,063	1,14,632	4.82
FY 2029-30	2,43,337	1,20,047	4.93

7.35.9 **Computation of System Loss 'L'**

7.35.9.1 The projected wheeling losses at the respective voltage level and the transmission losses are used to arrive at the grossed up total system losses for MSEDCL which is shown in the following table.

Table 439: Computation of System Loss for FY 2025-26 to FY 2029-30

Particulars (FY 2025-26)	EHV	HT	LT Level
Transmission Losses (%)	3.28%	3.28%	3.28%
Wheeling Losses (%)	0.00%	7.50%	12.00%
Total System Losses (%)	**3.28%**	**10.53%**	**14.89%**

Particulars (FY 2026-27)	EHV	HT	LT Level
Transmission Losses (%)	3.26%	3.26%	3.26%
Wheeling Losses (%)	0.00%	7.50%	12.00%
Total System Losses (%)	**3.26%**	**10.52%**	**14.87%**

Particulars (FY 2027-28)	EHV	HT	LT Level
Transmission Losses (%)	3.24%	3.24%	3.24%
Wheeling Losses (%)	0.00%	7.50%	12.00%
Total System Losses (%)	**3.24%**	**10.50%**	**14.85%**

Particulars (FY 2028-29)	EHV	HT	LT Level
Transmission Losses (%)	3.21%	3.21%	3.21%
Wheeling Losses (%)	0.00%	7.50%	12.00%
Total System Losses (%)	**3.21%**	**10.47%**	**14.82%**

Particulars (FY 2029-30)	EHV	HT	LT Level
Transmission Losses (%)	3.16%	3.16%	3.16%
Wheeling Losses (%)	0.00%	7.50%	12.00%
Total System Losses (%)	**3.16%**	**10.42%**	**14.78%**

7.35.10 **Computation of Wheeling Charge 'D'**

7.35.10.1 The projected wheeling charges as shown in the Chapter 8 at the respective voltage levels for MSEDCL along with the per unit transmission charges (including PGCIL charges and Intra-State) are used for the parameter "D" in the computation of cross subsidy surcharge for the FY 2025-26 to FY 2029-30.

Table 440: Computation of Wheeling Charges and Transmission Charges for FY 2025-26 to FY 2029-30

Particulars	EHV	HT	LT Level
Wheeling Charges (Rs./Unit)			
FY 2025-26	-	0.76	1.46
FY 2026-27	-	0.83	1.60
FY 2027-28		0.86	1.67
FY 2028-29		0.88	1.71
FY 2029-30		0.87	1.71
Transmission Charges (Rs./Unit)			
FY 2025-26	0.95	0.95	0.95
FY 2026-27	0.94	0.94	0.94
FY 2027-28	1.02	1.02	1.02
FY 2028-29	1.07	1.07	1.07
FY 2029-30	1.10	1.10	1.10
Wheeling and Transmission Charges (Rs./Unit)			
FY 2025-26	0.95	1.71	2.41
FY 2026-27	0.94	1.77	2.54
FY 2027-28	1.02	1.88	2.69
FY 2028-29	1.07	1.95	2.78
FY 2029-30	1.10	1.97	2.81

7.35.11 **Computation of Average Billing Rate "T"**

7.35.11.1 ABR of MSEDCL has been taken as the effective average billing rate as per the proposed tariff for the FY 2025-26 to FY 2029-30

7.35.12 **Computation of Cross Subsidy Surcharge "S"**

7.35.12.1 The category wise CSS applicable to open access consumers arrived on consideration of the components ABR, C, L & D from the above referred respective sections is provided in tables below:

Table 441: Detailed computation of CSS for FY 2025-26 for HT Consumers

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
HT I HT - Industry									
HT	10.50	4.84	0.00%	3.28%	3.28%	0.95	4.55	2.11	2.11
EHV	11.05	4.84	0.00%	3.28%	3.28%	0.95	5.10	2.11	2.11
HT I (B): HT - Industry (Seasonal)	18.13	4.84	0.00%	3.28%	3.28%	0.95	12.18	2.11	2.11
HT	11.19	4.84	0.00%	3.28%	3.28%	0.95	5.24	2.11	2.11
EHV	9.14	4.84	0.00%	3.28%	3.28%	0.95	3.19	2.11	2.11
HT II: HT – Commercial	-	4.84	-	3.28%	3.28%	0.95	-	2.11	-
HT	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.11	-
EHV	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.11	-
HT III : HT - Railways/Metro/Monorail Traction									
HT	11.09	4.84	7.50%	3.28%	10.53%	1.71	3.98	2.11	2.11
EHV	13.00	4.84	7.50%	3.28%	10.53%	1.71	5.88	2.11	2.11
HT IV: HT - Public Water Works	16.88	4.84	7.50%	3.28%	10.53%	1.71	9.76	2.11	2.11
HT	11.59	4.84	7.50%	3.28%	10.53%	1.71	4.47	2.11	2.11
EHV	10.41	4.84	7.50%	3.28%	10.53%	1.71	3.29	2.11	2.11
HT V(A): HT - Agriculture Pumpsets	8.55	4.84	0.08	0.03	0.11	1.71	1.43	2.11	1.43
HT	11.24	4.84	7.50%	3.28%	10.53%	1.71	4.12	2.11	2.11
EHV	10.92	4.84	7.50%	3.28%	10.53%	1.71	3.81	2.11	2.11
HT V(B): HT - Agriculture - Others									
HT	12.88	4.84	7.50%	3.28%	10.53%	1.71	5.76	2.11	2.11
EHV	14.29	4.84	7.50%	3.28%	10.53%	1.71	7.17	2.11	2.11
HT VI: HT - Group Housing Societies (Residential)	9.59	4.84	7.50%	3.28%	10.53%	1.71	2.47	2.11	2.11
HT	10.50	4.84	0.00%	3.28%	3.28%	0.95	4.55	2.11	2.11
EHV	11.05	4.84	0.00%	3.28%	3.28%	0.95	5.10	2.11	2.11
HT VIII(A): HT - Temporary Supply Religious (TSR)	18.13	4.84	0.00%	3.28%	3.28%	0.95	12.18	2.11	2.11
HT	11.19	4.84	0.00%	3.28%	3.28%	0.95	5.24	2.11	2.11
EHV	9.14	4.84	0.00%	3.28%	3.28%	0.95	3.19	2.11	2.11
HT VIII(B): HT - Temporary Supply Others (TSO)	-	4.84	-	3.28%	3.28%	0.95	-	2.11	-
HT	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.11	-
EHV	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.11	-
HT IX: HT - Public Services									
HT IX(A): HT - Public Services-Govt. Edu. Institutions and Hospitals	11.09	4.84	7.50%	3.28%	10.53%	1.71	3.98	2.11	2.11
HT	13.00	4.84	7.50%	3.28%	10.53%	1.71	5.88	2.11	2.11
EHV	16.88	4.84	7.50%	3.28%	10.53%	1.71	9.76	2.11	2.11
HT IX(B): HT - Public Services-Others	11.59	4.84	7.50%	3.28%	10.53%	1.71	4.47	2.11	2.11
HT	10.41	4.84	7.50%	3.28%	10.53%	1.71	3.29	2.11	2.11
EHV	8.55	4.84	0.08	0.03	0.11	1.71	1.43	2.11	1.43
HT - MSPGCL-Aux Supply	11.24	4.84	7.50%	3.28%	10.53%	1.71	4.12	2.11	2.11

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
HT	10.92	4.84	7.50%	3.28%	10.53%	1.71	3.81	2.11	2.11
EHV									
HT - MSPGCL-Aux Supply Total	12.88	4.84	7.50%	3.28%	10.53%	1.71	5.76	2.11	2.11
HT X: HT – Electric Vehicle Charging Station	14.29	4.84	7.50%	3.28%	10.53%	1.71	7.17	2.11	2.11
HT	9.59	4.84	7.50%	3.28%	10.53%	1.71	2.47	2.11	2.11
EHV	10.50	4.84	0.00%	3.28%	3.28%	0.95	4.55	2.11	2.11

Table 442: Detailed computation of CSS for FY 2025-26 for LT Consumers

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
LT Residential									
LT I(A): LT - Residential-BPL	3.14	4.84	12.00%	3.28%	14.89%	2.41	-		-
LT I(B): LT - Residential									-
1-100 units	7.65	4.84	12.00%	3.28%	14.89%	2.41	-		-
101-300 units	13.49	4.84	12.00%	3.28%	14.89%	2.41	5.39	2.18	2.18
301-500 units	17.99	4.84	12.00%	3.28%	14.89%	2.41	9.89	2.18	2.18
Above 500 units	19.37	4.84	12.00%	3.28%	14.89%	2.41	11.28	2.18	2.18
Three Phase Charges									-
LT II: LT - Non-Residential									-
(A) (i): 0 – 20 kW	12.96	4.84	12.00%	3.28%	14.89%	2.41	4.86	2.18	2.18
(B): >20 kW and ≤ 50 kW	16.75	4.84	12.00%	3.28%	14.89%	2.41	8.65	2.18	2.18
(C): >50 KW	19.10	4.84	12.00%	3.28%	14.89%	2.41	11.00	2.18	2.18
LT III: LT - Public Water Works (PWW)									-
(A): 0-20 KW	6.37	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
(B): > 20 kW and ≤ 40 kW	9.22	4.84	12.00%	3.28%	14.89%	2.41	1.12	2.18	1.12
(C): > 40 kW	12.06	4.84	12.00%	3.28%	14.89%	2.41	3.96	2.18	2.18
LT IV: LT - Agriculture									
LT IV(A): LT - AG Un-metered - Pumpsets									
Category 1 Zones (Above 1318 Hrs/HP/Annum)									
(a) 0-5 HP	7.56	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
(b) Above 5 HP - 7.5 HP	13.40	4.84	12.00%	3.28%	14.89%	2.41	5.30	2.18	2.18
(c) Above 7.5 HP	-	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)									
(a) 0-5 HP	3.01	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
(b) Above 5 HP - 7.5 HP	7.69	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
(c) Above 7.5 HP	-	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	5.05	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
LT IV(C): LT - Agriculture Metered – Others	10.92	4.84	12.00%	3.28%	14.89%	2.41	2.83	2.18	2.18
LT V (A): LT - Industry - Powerlooms									-
(i): 0-20 kW	9.33	4.84	12.00%	3.28%	14.89%	2.41	1.23	2.18	1.23
(ii): Above 20 kW	10.31	4.84	12.00%	3.28%	14.89%	2.41	2.22	2.18	2.18

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
LT V(B): LT - Industry - General									-
(i): 0-20 kW	9.33	4.84	12.00%	3.28%	14.89%	2.41	1.23	2.18	1.23
(ii): Above 20 kW	10.31	4.84	12.00%	3.28%	14.89%	2.41	2.22	2.18	2.18
LT VI: LT - Street Light									-
(A): Grampanchayat; A B & C Class Municipal Council	10.16	4.84	12.00%	3.28%	14.89%	2.41	2.06	2.18	2.06
(B): Municipal corporation Area	12.46	4.84	12.00%	3.28%	14.89%	2.41	4.36	2.18	2.18
LT X (A) - Public Services – Govt.									-
(i): ≤ 20 kW	11.69	4.84	12.00%	3.28%	14.89%	2.41	3.59	2.18	2.18
(ii): >20 - ≤ 50 kW	-	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
iii): >50 kW	10.25	4.84	12.00%	3.28%	14.89%	2.41	2.15	2.18	2.15
LT X(B) - Public Services - Others									-
(i): ≤ 20 kW	9.29	4.84	12.00%	3.28%	14.89%	2.41	1.20	2.18	1.20
(ii): >20 - ≤ 50 kW	-	4.84	12.00%	3.28%	14.89%	2.41	-	2.18	-
(iii): >50 kW	14.12	4.84	12.00%	3.28%	14.89%	2.41	6.03	2.18	2.18
LT X(B) - Public Services - Others Total		4.84	0.12	3.28%	0.148864	2.41		2.18	2.18
LT XI – Electric Vehicle Charging Station	10.92	4.84	12.00%	3.28%	14.89%	2.41	2.83	2.18	2.18

Table 443: Detail Computation of CSS for FY 2025-26 for HV Consumers

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
HT Category - EHV (66kV and Above)									
HT I (A) (i): HT - Industry	10.50	4.84	0.00%	3.28%	3.28%	0.95	4.55	2.18	2.18
HT I (B): HT - Industry (Seasonal)	11.05	4.84	0.00%	3.28%	3.28%	0.95	5.10	2.18	2.18
HT II (A): HT - Commercial	18.13	4.84	0.00%	3.28%	3.28%	0.95	12.18	2.18	2.18
HT III (A): HT - Railways/Metro/Monorail Traction	11.19	4.84	0.00%	3.28%	3.28%	0.95	5.24	2.18	2.18
HT IV: HT - Public Water Works (PWW)	9.14	4.84	0.00%	3.28%	3.28%	0.95	3.19	2.18	2.18
HT V(B): HT - Agriculture Others	-	4.84	-	3.28%	3.28%	0.95	-	2.18	-
HT VI: HT - Group Housing Societies (Residential)	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.18	-
HT IX(B): HT - Public Services-Others	-	4.84	0.00%	3.28%	3.28%	0.95	-	2.18	-
HT Category - HT (33kV, 22kV and 11 kV)									
HT I (A) (i): HT - Industry	11.09	4.84	7.50%	3.28%	10.53%	1.71	3.98	2.18	2.18
HT I (B): HT - Industry (Seasonal)	13.00	4.84	7.50%	3.28%	10.53%	1.71	5.88	2.18	2.18
HT II (A): HT - Commercial	16.88	4.84	7.50%	3.28%	10.53%	1.71	9.76	2.18	2.18
HT III (A): HT - Railways/Metro/Monorail Traction	11.59	4.84	7.50%	3.28%	10.53%	1.71	4.47	2.18	2.18
HT IV: HT - Public Water Works (PWW)	10.41	4.84	7.50%	3.28%	10.53%	1.71	3.29	2.18	2.18
HT V(A): HT - Agriculture Pumpsets	8.55	4.84	0.08	0.03	0.11	1.71	1.43	2.18	1.43
HT V(B): HT - Agriculture Others	11.24	4.84	7.50%	3.28%	10.53%	1.71	4.12	2.18	2.18
HT VI: HT - Group Housing Societies (Residential)	10.92	4.84	7.50%	3.28%	10.53%	1.71	3.81	2.18	2.18
HT VIII(B): HT - Temporary Supply Others (TSO)									

Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Proposed CSS
	Rs./Unit*		%	%	%	Rs./Unit*			
HT IX(A): HT - Public Services-Govt. Edu. Institutions and Hospitals	12.88	4.84	7.50%	3.28%	10.53%	1.71	5.76	2.18	2.18
HT IX(B): HT - Public Services-Others	14.29	4.84	7.50%	3.28%	10.53%	1.71	7.17	2.18	2.18
HT X: HT – Electric Vehicle Charging Station	9.59	4.84	7.50%	3.28%	10.53%	1.71	2.47	2.18	2.18

Table 444: Proposed Cross Subsidy Surcharge for HT Category for 5th Control Period (Rs/Unit)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT I HT - Industry					
HT	2.18	2.26	2.28	2.15	2.12
EHV	2.18	2.26	2.28	2.15	2.12
HT I (B): HT - Industry (Seasonal)					
HT	2.18	2.26	2.28	2.15	2.12
EHV	2.18	2.26	2.28	2.15	2.12
HT II: HT – Commercial					
HT	2.18	2.26	2.28	2.15	2.12
EHV	2.18	2.26	2.28	2.15	2.12
HT III : HT - Railways/Metro/Monorail Traction					
HT	2.18	2.26	2.28	2.15	2.12
EHV	2.18	2.26	2.28	2.15	2.12
HT IV: HT - Public Water Works					
HT	2.18	2.26	2.28	2.15	2.12
EHV	2.18	2.26	2.28	2.15	2.12
HT V(B): HT - Agriculture - Others	2.18	2.26	2.28	2.15	2.12
HT VI: HT - Group Housing Societies (Residential)	2.18	2.26	2.28	2.15	2.12
HT IX: HT - Public Services					
HT IX(A): HT - Public Services-Govt. Edu. Institutions and Hospitals					
HT	2.18	2.26	2.28	2.15	2.12
HT IX(B): HT - Public Services-Others					
HT	2.18	2.26	2.28	2.15	2.12
EHV	-				
HT X: HT – Electric Vehicle Charging Station					
HT	2.18	2.26	2.28	2.15	2.12

Table 445: Proposed Cross Subsidy Surcharge for LT Category for 5th Control Period (Rs/Unit)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT Residential: *LT I(B): LT - Residential*					
1-100 units	-	-	-	-	-
101-300 units	2.18	2.26	2.28	2.15	2.12
301-500 units	2.18	2.26	2.28	2.15	2.12
Above 500 units	2.18	2.26	2.28	2.15	2.12
LT II: LT - Non-Residential					
(A) 0 – 20 kW	2.18	2.26	2.28	2.15	2.12
(B): >20 kW and ≤ 50 kW	2.18	-	-	-	-
(C): >50 kW	2.18	2.26	2.28	2.15	2.12
LT III: LT - Public Water Works (PWW)					
(B): > 20 kW and ≤ 40 kW	1.12	2.08	2.28	2.15	0.31
(C): > 40 kW	2.18	2.26	2.28	2.15	2.12
LT IV(C): LT - Agriculture Metered – Others	2.18	2.26	2.28	2.15	2.02
LT V(A): LT – Industry-Powerlooms					
LT V (A)-Industry (0-20 kW)	1.23	2.07	2.28	1.45	1.05
LT V (A)-Industry (Above 20 kW)	2.18	2.26	2.28	2.15	2.12
LT V(B): LT – Industry-General					
LT V (B)-Industry (0-20 kW)	1.23	1.65	1.61	0.85	0.52
LT V (B)-Industry (Above 20 kW)	2.18	2.26	2.28	2.15	2.12
LT VI: LT - Street Light					
(A): Grampanchayat; A B & C Class Municipal Council	2.06	2.26	2.28	1.63	1.26
(B): Municipal corporation Area	2.18	2.26	2.28	2.15	2.12
LT X (A) - Public Services – Govt.					
(i): ≤ 20 kW	2.18	2.26	2.28	2.15	2.12
(ii): >20 - ≤ 50 kW	-	-	-	-	-
(iii): >50 kW	2.15	2.26	2.28	1.68	1.28
LT X(B) - Public Services - Others					
(i): ≤ 20 kW	1.20	-	1.56	0.78	0.42
(ii): >20 - ≤ 50 kW	2.18	-	-	-	-
(iii): >50 kW	2.18	-	2.28	2.15	2.12
LT XI – Electric Vehicle Charging Station	2.18	2.26	2.28	2.15	2.02

7.35.13 MSEDCL submitted that, as per the provisions of the Open Access Regulations, CSS is determined based on the prevailing level of cross-subsidy applicable to the respective consumer category, tariff slab, and/or voltage level. Accordingly, consumers opting for Open Access during the Fifth Control Period (FY 2025-26 to FY 2029-30) should be charged a CSS that reflects the prevailing level of cross-subsidy to ensure that the burden is not shifted to other consumers. MSEDCL, therefore, requested the Commission to approve the CSS for FY 2025-26 to FY 2029-30 as computed in its submission.

7.35.14 MSEDCL further stated that, in Case No. 322 of 2019, the Commission computed the CSS based on the approved values for the 4th Control Period in accordance with the National Tariff Policy (NTP), 2016. The computed CSS reflected the current level of cross-subsidy. However, while approving the CSS, the Commission applied a ceiling of 20% of the ACoS in line with Rule 13 of the MoP notified Electricity (Amendment) Rules, 2022. MSEDCL submitted that this resulted in a lower CSS than the actual cross-subsidy level, leading to an incomplete recovery of cross-subsidy from Open Access consumers.

7.35.15 MSEDCL highlighted that the approval of a lower CSS resulted in a revenue shortfall, which could only be recovered after the true-up exercise. This delay in revenue realization, according to MSEDCL, ultimately led to an increase in tariffs for other consumers, despite them not being responsible for the shortfall. MSEDCL, therefore, requested the Commission to review and determine the CSS strictly based on the NTP, 2016 formula without applying any ceiling to ensure complete recovery of cross-subsidy from Open Access consumers.

Commission's Analysis and Rulings

7.35.16 The Commission notes that MOP has notified Amendments to the Rules, namely, Electricity (Amendment) Rules, 2022 notified on 29th December 2022, wherein it has stipulated that cross-subsidy surcharge to be determined by the Appropriate Commission shall not exceed twenty percent (20%) of Average Cost of Supply. The relevant extracts of the notified Rule 13 is as under:

> *"13. Surcharge payable by Consumers seeking Open Access.-The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003* ***shall not exceed twenty per cent of the average cost of Supply." (emphasis added)***

7.35.17 The Commission has worked out the CSS by keeping the ceiling of 20% for most of the consumer categories in order to maintain the consistency with the principle adopted in the previous MYT Order and in line with provisions of Rule 13 as per MOP notified Electricity (Amendment) Rules, 2022.

7.35.18 Further, the Commission has worked out the various components of CSS formulae based on the approved values for 5th Control Period and worked out the category-wise CSS for 5th Control Period for LT & HT Consumers. As per the (Distribution Open Access) (Second Amendment) Regulations, 2023, LT consumers having Contract Demand or Sanctioned Load of 100 kW or more shall be eligible to take power from Green Energy through Open Access. Accordingly, the Cross Subsidy Surcharge shall be applicable to the LT

Consumers having Contract Demand or Sanctioned Load of 100 kW or more and using Green Energy Open Access Facility. Further, the Commission also understands that Cross-subsidy surcharge shall not be applicable for procurement of power from Waste-to-Energy plant and if the green energy used for production of green hydrogen and green ammonia.

> *"Provided further that cross-subsidy surcharge shall not be applicable in case power produced from a non-fossil fuel based Waste-to-Energy plant is supplied to the Open Access Consumer :*
>
> *Provided also that Cross-subsidy surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia."*

7.35.19 The category-wise CSS computed for FY 2023-24 and FY 2024-25 is as shown under:

Table 446: Cross Subsidy Surcharge approved by Commission for FY 2025-26

Cross Subsidy Surcharge for FY 2025-26 – HT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./kWh		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
HT Category - EHV (66kV and Above)										
HT I (A) (i): HT - Industry	8.83	4.71	0.00%	3.28%	3.28%	0.95	3.02	1.82	1.82	1.78
HT I (B): HT - Industry (Seasonal)	9.68	4.71	0.00%	3.28%	3.28%	0.95	3.87	1.82	1.82	1.78
HT II (A): HT - Commercial	12.64	4.71	0.00%	3.28%	3.28%	0.95	6.83	1.82	1.82	1.78
HT III (A): HT - Railways/Metro/Monorail Traction	9.29	4.71	0.00%	3.28%	3.28%	0.95	3.48	1.82	1.82	1.78
HT IV: HT - Public Water Works (PWW)	8.40	4.71	0.00%	3.28%	3.28%	0.95	2.59	1.82	1.82	1.78
HT V(B): HT - Agriculture Others	-	4.71	-	3.28%	3.28%	0.95	-	1.82	-	-
HT VI: HT - Group Housing Societies (Residential)	-	4.71	0.00%	3.28%	3.28%	0.95	-	1.82	-	-
HT IX: HT - Public Services	-	4.71	0.00%	3.28%	3.28%	0.95	-	1.82	-	0
HT Category - HT (33kV, 22kV and 11 kV)										
HT I (A) (i): HT - Industry	9.35	4.71	7.50%	3.28%	10.53%	1.57	2.52	1.82	1.82	1.78
HT I (B): HT - Industry (Seasonal)	11.74	4.71	7.50%	3.28%	10.53%	1.57	4.91	1.82	1.82	1.78
HT II (A): HT - Commercial	11.68	4.71	7.50%	3.28%	10.53%	1.57	4.85	1.82	1.82	1.78
HT III (A): HT - Railways/Metro/Monorail Traction	9.59	4.71	7.50%	3.28%	10.53%	1.57	2.76	1.82	1.82	1.78
HT IV: HT - Public Water Works (PWW)	9.43	4.71	7.50%	3.28%	10.53%	1.57	2.60	1.82	1.82	1.78
HT V(A): HT - Agriculture Pumpsets	8.32	4.71	0.08	0.03	0.11	1.57	1.49	1.82	1.49	1.46

Cross Subsidy Surcharge for FY 2025-26 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT V(B): HT - Agriculture Others	9.82	4.71	7.50%	3.28%	10.53%	1.57	2.99	1.82	1.82	1.78
HT VI: HT - Group Housing Societies (Residential)	9.01	4.71	7.50%	3.28%	10.53%	1.57	2.18	1.82	1.82	1.78
HT VIII(B): HT - Temporary Supply Others (TSO)										
HT IX: HT - Public Services	10.78	4.71	7.50%	3.28%	10.53%	1.57	3.95	1.82	1.82	1.78
HT X: HT – Electric Vehicle Charging Station	7.90	4.71	7.50%	3.28%	10.53%	1.57	1.07	1.82	1.07	1.05

Cross Subsidy Surcharge for FY 2025-26 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
LT Residential										
LT I(A): LT - Residential-BPL	3.43	4.71	12.00%	3.28%	14.89%	2.18	-		-	-
LT I(B): LT - Residential									-	-
1-100 units	7.32	4.71	12.00%	3.28%	14.89%	2.18	-		-	-
101-300 units	11.56	4.71	12.00%	3.28%	14.89%	2.18	3.85	1.82	1.82	1.73
301-500 units	14.73	4.71	12.00%	3.28%	14.89%	2.18	7.02	1.82	1.82	1.73
Above 500 units	15.41	4.71	12.00%	3.28%	14.89%	2.18	7.69	1.82	1.82	1.73
Three Phase Charges									-	-
LT I: LT - Residential Total									-	-
LT II: LT - Non-Residential									-	-
(A) (i): 0 – 20 kW	10.44	4.71	12.00%	3.28%	14.89%	2.18	2.73	1.82	NA	NA

Cross Subsidy Surcharge for FY 2025-26 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
(B): >20 kW and ≤ 50 kW	14.56	4.71	12.00%	3.28%	14.89%	2.18	6.85	1.82	NA	NA
(C): >50 KW	16.56	4.71	12.00%	3.28%	14.89%	2.18	8.85	1.82	1.82	1.73
LT II: LT - Non-Residential Total									-	-
LT III: LT - Public Water Works (PWW)									-	-
(A): 0-20 KW	6.22	4.71	12.00%	3.28%	14.89%	2.18	-	1.82	NA	NA
(B): > 20 kW and ≤ 40 kW	8.71	4.71	12.00%	3.28%	14.89%	2.18	1.00	1.82	NA	NA
(C): > 40 kW	10.81	4.71	12.00%	3.28%	14.89%	2.18	3.09	1.82	1.82	1.73
LT III: LT - Public Water Works (PWW) Total										
LT IV: LT - Agriculture										
LT IV(A): LT - AG Un-metered - Pumpsets										
Category 1 Zones (Above 1318 Hrs/HP/Annum)										
(a) 0-5 HP	10.20	4.71	12.00%	3.28%	14.89%	2.18	2.49	1.82	-	-
(b) Above 5 HP - 7.5 HP	17.68	4.71	12.00%	3.28%	14.89%	2.18	9.97	1.82	-	-
(c) Above 7.5 HP	-	4.71	12.00%	3.28%	14.89%	2.18	-	1.82	-	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)										
(a) 0-5 HP	4.06	4.71	12.00%	3.28%	14.89%	2.18	-	1.82	-	-
(b) Above 5 HP - 7.5 HP	10.21	4.71	12.00%	3.28%	14.89%	2.18	2.50	1.82	-	-
(c) Above 7.5 HP	-	4.71	12.00%	3.28%	14.89%	2.18	-	1.82	-	-
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	6.17	4.71	12.00%	3.28%	14.89%	2.18	-	1.82	-	-
LT IV(C): LT - Agriculture Metered – Others	8.08	4.71	12.00%	3.28%	14.89%	2.18	0.37	1.82	0.37	0.35
LT IV: LT - Agriculture Total										-

Cross Subsidy Surcharge for FY 2025-26 – LT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./kWh		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
LT V (A): LT - Industry - Powerlooms									-	-
(i): 0-20 kW	7.90	4.71	12.00%	3.28%	14.89%	2.18	0.18	1.82	NA	NA
(ii): Above 20 kW	8.51	4.71	12.00%	3.28%	14.89%	2.18	0.80	1.82	0.80	0.76
LT V (A): LT - Industry - Powerlooms Total									-	-
LT V(B): LT - Industry - General									-	-
(i): 0-20 kW	7.90	4.71	12.00%	3.28%	14.89%	2.18	0.18	1.82	NA	NA
(ii): Above 20 kW	8.51	4.71	12.00%	3.28%	14.89%	2.18	0.80	1.82	0.80	0.76
LT V(B): LT - Industry Total									-	-
LT VI: LT - Street Light									-	-
(A): Grampanchayat; A B & C Class Municipal Council	8.91	4.71	12.00%	3.28%	14.89%	2.18	1.20	1.82	1.20	NA
(B): Municipal corporation Area	10.77	4.71	12.00%	3.28%	14.89%	2.18	3.06	1.82	1.82	NA
LT VI: LT - Street Light Total									-	-
LT X - Public Services										-
(i): ≤ 20 kW	7.88	4.71	12.00%	3.28%	14.89%	2.18	0.17	1.82	NA	NA
(ii): >20 - ≤ 50 kW	10.98	4.71	12.00%	3.28%	14.89%	2.18	3.27	1.82	NA	NA
iii): >50 kW	10.94	4.71	12.00%	3.28%	14.89%	2.18	3.23	1.82	1.82	1.73
LT XI – Electric Vehicle Charging Station	8.13	4.71	12.00%	3.28%	14.89%	2.18	0.42	1.82	0.42	0.40

Table 447: Cross Subsidy Surcharge approved by Commission for FY 2026-27

Cross Subsidy Surcharge for FY 2026-27 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT Category - EHV (66kV and Above)										
HT I (A) (i): HT - Industry	8.64	4.69	0.00%	3.26%	3.26%	0.91	2.88	1.79	1.79	1.75
HT I (B): HT - Industry (Seasonal)	9.47	4.69	0.00%	3.26%	3.26%	0.91	3.71	1.79	1.79	1.75
HT II (A): HT - Commercial	12.17	4.69	0.00%	3.26%	3.26%	0.91	6.41	1.79	1.79	1.75
HT III (A): HT - Railways/Metro/Monorail Traction	9.13	4.69	0.00%	3.26%	3.26%	0.91	3.37	1.79	1.79	1.75
HT IV: HT - Public Water Works (PWW)	8.21	4.69	0.00%	3.26%	3.26%	0.91	2.45	1.79	1.79	1.75
HT V(B): HT - Agriculture Others	-	4.69	-	3.26%	3.26%	0.91	-	1.79	-	-
HT VI: HT - Group Housing Societies (Residential)	-	4.69	0.00%	3.26%	3.26%	0.91	-	1.79	-	-
HT IX: HT - Public Services	-	4.69	0.00%	3.26%	3.26%	0.91	-	1.79	-	-
HT Category - HT (33kV, 22kV and 11 kV)										
HT I (A) (i): HT - Industry	9.14	4.69	7.50%	3.26%	10.52%	1.51	2.38	1.79	1.79	1.75
HT I (B): HT - Industry (Seasonal)	11.52	4.69	7.50%	3.26%	10.52%	1.51	4.76	1.79	1.79	1.75
HT II (A): HT - Commercial	11.21	4.69	7.50%	3.26%	10.52%	1.51	4.45	1.79	1.79	1.75
HT III (A): HT - Railways/Metro/Monorail Traction	9.41	4.69	7.50%	3.26%	10.52%	1.51	2.65	1.79	1.79	1.75
HT IV: HT - Public Water Works (PWW)	9.24	4.69	7.50%	3.26%	10.52%	1.51	2.48	1.79	1.79	1.75
HT V(A): HT - Agriculture Pumpsets	8.35	4.69	0.08	0.03	0.11	1.51	1.60	1.79	1.60	1.56
HT V(B): HT - Agriculture Others	9.63	4.69	7.50%	3.26%	10.52%	1.51	2.87	1.79	1.79	1.75
HT VI: HT - Group Housing Societies (Residential)	8.91	4.69	7.50%	3.26%	10.52%	1.51	2.15	1.79	1.79	1.75

Cross Subsidy Surcharge for FY 2026-27 – HT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./kWh		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
HT VIII(B): HT - Temporary Supply Others (TSO)										
HT IX : HT - Public Services	10.58	4.69	7.50%	3.26%	10.52%	1.51	3.82	1.79	1.79	1.75
HT X: HT – Electric Vehicle Charging Station	7.70	4.69	7.50%	3.26%	10.52%	1.51	0.94	1.79	0.94	0.92

Cross Subsidy Surcharge for FY 2026-27 – LT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./kWh		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
LT Residential										
LT I(A): LT - Residential-BPL	3.45	4.69	12.00%	3.26%	14.87%	2.11	-		-	-
LT I(B): LT - Residential									-	-
1-100 units	7.15	4.69	12.00%	3.26%	14.87%	2.11	-		-	-
101-300 units	11.28	4.69	12.00%	3.26%	14.87%	2.11	3.65	1.79	1.79	1.70
301-500 units	14.46	4.69	12.00%	3.26%	14.87%	2.11	6.83	1.79	1.79	1.70
Above 500 units	15.05	4.69	12.00%	3.26%	14.87%	2.11	7.42	1.79	1.79	1.70
Three Phase Charges									-	-
LT II: LT - Non-Residential									-	-
(A) (i): 0 – 20 kW	10.10	4.69	12.00%	3.26%	14.87%	2.11	2.47	1.79	NA	NA
(B): >20 kW and ≤ 50 kW	-	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	NA	NA
(C): >50 KW	14.37	4.69	12.00%	3.26%	14.87%	2.11	6.74	1.79	1.79	1.70
LT III: LT - Public Water Works (PWW)									-	-
(A): 0-20 KW	6.10	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	NA	NA
(B): > 20 kW and ≤ 40 kW	8.55	4.69	12.00%	3.26%	14.87%	2.11	0.92	1.79	NA	NA

Cross Subsidy Surcharge for FY 2026-27 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
(C): > 40 kW	10.61	4.69	12.00%	3.26%	14.87%	2.11	2.98	1.79	1.79	1.70
LT IV: LT - Agriculture										
LT IV(A): LT - AG Un-metered - Pumpsets										
Category 1 Zones (Above 1318 Hrs/HP/Annum)										
(a) 0-5 HP	10.77	4.69	12.00%	3.26%	14.87%	2.11	3.14	1.79	-	-
(b) Above 5 HP - 7.5 HP	18.61	4.69	12.00%	3.26%	14.87%	2.11	10.99	1.79	-	-
(c) Above 7.5 HP	-	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	-	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)										
(a) 0-5 HP	4.32	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	-	-
(b) Above 5 HP - 7.5 HP	10.83	4.69	12.00%	3.26%	14.87%	2.11	3.20	1.79	-	-
(c) Above 7.5 HP	-	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	-	-
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	6.50	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	-	-
LT IV(C): LT - Agriculture Metered – Others	8.02	4.69	12.00%	3.26%	14.87%	2.11	0.39	1.79	0.39	0.37
LT V (A): LT - Industry - Powerlooms									-	-
(i): 0-20 kW	7.73	4.69	12.00%	3.26%	14.87%	2.11	0.11	1.79	NA	NA
(ii): Above 20 kW	8.33	4.69	12.00%	3.26%	14.87%	2.11	0.70	1.79	0.70	0.67
LT V(B): LT - Industry - General										
(i): 0-20 kW	7.71	4.69	12.00%	3.26%	14.87%	2.11	0.08	1.79	NA	NA
(ii): Above 20 kW	9.66	4.69	12.00%	3.26%	14.87%	2.11	2.03	1.79	1.79	1.70
LT VI: LT - Street Light									-	-

Cross Subsidy Surcharge for FY 2026-27 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
(A): Grampanchayat; A B & C Class Municipal Council	8.68	4.69	12.00%	3.26%	14.87%	2.11	1.05	1.79	1.05	1.00
(B): Municipal corporation Area	10.50	4.69	12.00%	3.26%	14.87%	2.11	2.88	1.79	1.79	1.70
LT X - Public Services										
(i): ≤ 20 kW	7.62	4.69	12.00%	3.26%	14.87%	2.11	-	1.79	NA	NA
(ii): >20 - ≤ 50 kW	10.65	4.69	12.00%	3.26%	14.87%	2.11	3.03	1.79	NA	NA
iii): >50 kW	10.64	4.69	12.00%	3.26%	14.87%	2.11	3.01	1.79	1.79	1.70
LT XI – Electric Vehicle Charging Station	7.93	4.69	12.00%	3.26%	14.87%	2.11	0.30	1.79	0.30	0.28

Table 448: Cross Subsidy Surcharge approved by Commission for FY 2027-28

Cross Subsidy Surcharge for FY 2027-28 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT Category - EHV (66kV and Above)										
HT I (A) (i): HT - Industry	8.49	4.72	0.00%	3.24%	3.24%	0.93	2.69	1.77	1.77	1.73
HT I (B): HT - Industry (Seasonal)	9.33	4.72	0.00%	3.24%	3.24%	0.93	3.53	1.77	1.77	1.73
HT II (A): HT - Commercial	12.02	4.72	0.00%	3.24%	3.24%	0.93	6.22	1.77	1.77	1.73
HT III (A): HT - Railways/Metro/Monorail Traction	9.07	4.72	0.00%	3.24%	3.24%	0.93	3.27	1.77	1.77	1.73
HT IV: HT - Public Water Works (PWW)	8.02	4.72	0.00%	3.24%	3.24%	0.93	2.22	1.77	1.77	1.73
HT V(B): HT - Agriculture Others	-	4.72	-	3.24%	3.24%	0.93	-	1.77	-	-
HT VI: HT - Group Housing Societies (Residential)	-	4.72	0.00%	3.24%	3.24%	0.93	-	1.77	-	-
HT IX: HT - Public Services	-	4.72	0.00%	3.24%	3.24%	0.93	-	1.77	-	-

Cross Subsidy Surcharge for FY 2027-28 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT Category - HT (33kV, 22kV and 11 kV)										
HT I (A) (i): HT - Industry	8.96	4.72	7.50%	3.24%	10.50%	1.50	2.19	1.77	1.77	1.73
HT I (B): HT - Industry (Seasonal)	11.34	4.72	7.50%	3.24%	10.50%	1.50	4.58	1.77	1.77	1.73
HT II (A): HT - Commercial	11.05	4.72	7.50%	3.24%	10.50%	1.50	4.28	1.77	1.77	1.73
HT III (A): HT - Railways/Metro/Monorail Traction	9.32	4.72	7.50%	3.24%	10.50%	1.50	2.55	1.77	1.77	1.73
HT IV: HT - Public Water Works (PWW)	9.04	4.72	7.50%	3.24%	10.50%	1.50	2.27	1.77	1.77	1.73
HT V(A): HT - Agriculture Pumpsets	8.47	4.67	0.08	0.03	0.10	1.50	1.75	1.77	1.75	1.71
HT V(B): HT - Agriculture Others	9.53	4.72	7.50%	3.24%	10.50%	1.50	2.76	1.77	1.77	1.73
HT VI: HT - Group Housing Societies (Residential)	8.83	4.72	7.50%	3.24%	10.50%	1.50	2.06	1.77	1.77	1.73
HT VIII(B): HT - Temporary Supply Others (TSO)										
HT IX: HT - Public Services	10.41	4.72	7.50%	3.24%	10.50%	1.50	3.64	1.77	1.77	1.73
HT X: HT – Electric Vehicle Charging Station	7.58	4.72	7.50%	3.24%	10.50%	1.50	0.81	1.77	0.81	0.79

Cross Subsidy Surcharge for FY 2027-28 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
LT Residential										
LT I(A): LT - Residential-BPL	3.37	4.69	12.00%	3.24%	14.85%	2.07	-		-	-
LT I(B): LT - Residential									-	-
1-100 units	7.06	4.69	12.00%	3.24%	14.85%	2.07	-		-	-
101-300 units	11.12	4.69	12.00%	3.24%	14.85%	2.07	3.54	1.77	1.77	1.68
301-500 units	14.39	4.69	12.00%	3.24%	14.85%	2.07	6.81	1.77	1.77	1.68

Cross Subsidy Surcharge for FY 2027-28 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
Above 500 units	14.86	4.69	12.00%	3.24%	14.85%	2.07	7.28	1.77	1.77	1.68
Three Phase Charges										
LT II: LT - Non-Residential										
(A) (i): 0 – 20 kW	9.93	4.69	12.00%	3.24%	14.85%	2.07	2.35	1.77	NA	NA
(B): >20 kW and ≤ 50 kW	-	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	NA	NA
(C): >50 KW	14.33	4.69	12.00%	3.24%	14.85%	2.07	6.75	1.77	1.77	1.68
LT III: LT - Public Water Works (PWW)										
(A): 0-20 KW	6.04	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	NA	NA
(B): > 20 kW and ≤ 40 kW	8.46	4.69	12.00%	3.24%	14.85%	2.07	0.88	1.77	NA	NA
(C): > 40 kW	10.50	4.69	12.00%	3.24%	14.85%	2.07	2.92	1.77	1.77	1.68
LT IV: LT - Agriculture										
LT IV(A): LT - AG Un-metered - Pumpsets										
Category 1 Zones (Above 1318 Hrs/HP/Annum)										
(a) 0-5 HP	10.85	4.69	12.00%	3.24%	14.85%	2.07	3.27	1.77	-	-
(b) Above 5 HP - 7.5 HP	18.76	4.69	12.00%	3.24%	14.85%	2.07	11.18	1.77	-	-
(c) Above 7.5 HP	-	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	-	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)										
(a) 0-5 HP	4.35	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	-	-
(b) Above 5 HP - 7.5 HP	10.91	4.69	12.00%	3.24%	14.85%	2.07	3.33	1.77	-	-
(c) Above 7.5 HP	-	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	-	-
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	6.46	4.69	12.00%	3.24%	14.85%	2.07	-	1.77		

Cross Subsidy Surcharge for FY 2027-28 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
LT IV(C): LT - Agriculture Metered – Others	7.97	4.69	12.00%	3.24%	14.85%	2.07	0.39	1.77	0.39	0.37
LT V (A): LT - Industry - Powerlooms										
(i): 0-20 kW	7.67	4.69	12.00%	3.24%	14.85%	2.07	0.09	1.77	NA	NA
(ii): Above 20 kW	8.25	4.69	12.00%	3.24%	14.85%	2.07	0.67	1.77	0.67	0.64
(i): 0-20 kW	7.64	4.69	12.00%	3.24%	14.85%	2.07	0.06	1.77	NA	NA
(ii): Above 20 kW	9.52	4.69	12.00%	3.24%	14.85%	2.07	1.94	1.77	1.77	1.68
LT VI: LT - Street Light										
(A): Grampanchayat; A B & C Class Municipal Council	8.61	4.69	12.00%	3.24%	14.85%	2.07	1.02	1.77	1.02	0.97
(B): Municipal corporation Area	10.41	4.69	12.00%	3.24%	14.85%	2.07	2.83	1.77	1.77	1.68
LT X - Public Services										-
(i): ≤ 20 kW	7.51	4.69	12.00%	3.24%	14.85%	2.07	-	1.77	NA	NA
(ii): >20 - ≤ 50 kW	10.50	4.69	12.00%	3.24%	14.85%	2.07	2.91	1.77	NA	NA
iii): >50 kW	10.50	4.69	12.00%	3.24%	14.85%	2.07	2.92	1.77	1.77	1.68
LT XI – Electric Vehicle Charging Station	7.78	4.69	12.00%	3.24%	14.85%	2.07	0.20	1.77	0.20	0.19

Table 449: Cross Subsidy Surcharge approved by Commission for FY 2028-29

Cross Subsidy Surcharge for FY 2028-29 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT Category - EHV (66kV and Above)										
HT I (A) (i): HT - Industry	8.47	4.94	0.00%	3.22%	3.22%	0.91	2.45	1.75	1.75	1.72

Cross Subsidy Surcharge for FY 2028-29 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT I (B): HT - Industry (Seasonal)	9.30	4.94	0.00%	3.22%	3.22%	0.91	3.28	1.75	1.75	1.72
HT II (A): HT - Commercial	11.97	4.94	0.00%	3.22%	3.22%	0.91	5.94	1.75	1.75	1.72
HT III (A): HT - Railways/Metro/Monorail Traction	8.98	4.94	0.00%	3.22%	3.22%	0.91	2.96	1.75	1.75	1.72
HT IV: HT - Public Water Works (PWW)	7.91	4.94	0.00%	3.22%	3.22%	0.91	1.89	1.75	1.75	1.72
HT V(B): HT - Agriculture Others	-	4.94	-	3.22%	3.22%	0.91	-	1.75	-	-
HT VI: HT - Group Housing Societies (Residential)	-	4.94	0.00%	3.22%	3.22%	0.91	-	1.75	-	-
HT IX: HT - Public Services	-	4.94	0.00%	3.22%	3.22%	0.91	-	1.75	-	-
HT Category - HT (33kV, 22kV and 11 kV)										
HT I (A) (i): HT - Industry	8.91	4.94	7.50%	3.22%	10.48%	1.47	1.92	1.75	1.75	1.72
HT I (B): HT - Industry (Seasonal)	11.30	4.94	7.50%	3.22%	10.48%	1.47	4.31	1.75	1.75	1.72
HT II (A): HT - Commercial	10.97	4.94	7.50%	3.22%	10.48%	1.47	3.99	1.75	1.75	1.72
HT III (A): HT - Railways/Metro/Monorail Traction	9.21	4.94	7.50%	3.22%	10.48%	1.47	2.22	1.75	1.75	1.72
HT IV: HT - Public Water Works (PWW)	8.94	4.94	7.50%	3.22%	10.48%	1.47	1.95	1.75	1.75	1.72
HT V(A): HT - Agriculture Pumpsets	8.68	4.94	0.08	0.03	0.10	1.47	1.69	1.75	1.69	1.66
HT V(B): HT - Agriculture Others	9.52	4.94	7.50%	3.22%	10.48%	1.47	2.53	1.75	1.75	1.72
HT VI: HT - Group Housing Societies (Residential)	8.80	4.94	7.50%	3.22%	10.48%	1.47	1.81	1.75	1.75	1.72
HT IX: HT - Public Services	10.32	4.94	7.50%	3.22%	10.48%	1.47	3.33	1.75	1.75	1.72
HT X: HT – Electric Vehicle Charging Station	7.55	4.94	7.50%	3.22%	10.48%	1.47	0.56	1.75	0.56	0.55

Cross Subsidy Surcharge for FY 2028-29 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
LT Residential										
LT I(A): LT - Residential-BPL	3.37	4.94	12.00%	3.22%	14.83%	2.02	-		-	-
LT I(B): LT - Residential									-	-
1-100 units	7.05	4.94	12.00%	3.22%	14.83%	2.07	-		-	-
101-300 units	11.09	4.94	12.00%	3.22%	14.83%	2.07	3.21	1.75	1.75	1.67
301-500 units	14.60	4.94	12.00%	3.22%	14.83%	2.07	6.72	1.75	1.75	1.67
Above 500 units	14.89	4.94	12.00%	3.22%	14.83%	2.07	7.01	1.75	1.75	1.67
Three Phase Charges									-	-
LT II: LT - Non-Residential									-	-
(A) (i): 0 – 20 kW	9.85	4.94	12.00%	3.22%	14.83%	2.07	1.97	1.75	NA	NA
(B): >20 kW and ≤ 50 kW	-	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	NA	NA
(C): >50 KW	14.50	4.94	12.00%	3.22%	14.83%	2.07	6.62	1.75	1.75	1.67
LT III: LT - Public Water Works (PWW)									-	-
(A): 0-20 KW	6.02	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	NA	NA
(B): > 20 kW and ≤ 40 kW	8.44	4.94	12.00%	3.22%	14.83%	2.07	0.57	1.75	NA	NA
(C): > 40 kW	10.48	4.94	12.00%	3.22%	14.83%	2.07	2.61	1.75	1.75	1.67
LT IV: LT - Agriculture										-
LT IV(A): LT - AG Un-metered - Pumpsets										-
Category 1 Zones (Above 1318 Hrs/HP/Annum)										-
(a) 0-5 HP	10.64	4.94	12.00%	3.22%	14.83%	2.07	2.76	1.75	-	-
(b) Above 5 HP - 7.5 HP	18.42	4.94	12.00%	3.22%	14.83%	2.07	10.54	1.75	-	-
(c) Above 7.5 HP	-	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	-	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)										-
(a) 0-5 HP	4.24	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	-	-
(b) Above 5 HP - 7.5 HP	10.66	4.94	12.00%	3.22%	14.83%	2.07	2.78	1.75	-	-
(c) Above 7.5 HP	-	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	-	-

Cross Subsidy Surcharge for FY 2028-29 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	6.24	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	-	-
LT IV(C): LT - Agriculture Metered – Others	8.03	4.94	12.00%	3.22%	14.83%	2.07	0.15	1.75	0.15	0.14
LT V (A): LT - Industry - Powerlooms									-	-
(i): 0-20 kW	7.70	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	NA	NA
(ii): Above 20 kW	8.27	4.94	12.00%	3.22%	14.83%	2.07	0.39	1.75	0.39	0.37
LT V(B): LT - Industry - General									-	-
(i): 0-20 kW	7.67	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	NA	NA
(ii): Above 20 kW	9.48	4.94	12.00%	3.22%	14.83%	2.07	1.61	1.75	1.61	1.53
LT VI: LT - Street Light									-	-
(A): Grampanchayat; A B & C Class Municipal Council	8.14	4.94	12.00%	3.22%	14.83%	2.07	0.26	1.75	0.26	0.25
(B): Municipal corporation Area	9.94	4.94	12.00%	3.22%	14.83%	2.07	2.06	1.75	1.75	1.67
LT X - Public Services										-
(i): ≤ 20 kW	7.37	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	NA	NA
(ii): >20 - ≤ 50 kW	10.36	4.94	12.00%	3.22%	14.83%	2.07	2.48	1.75	NA	NA
iii): >50 kW	10.38	4.94	12.00%	3.22%	14.83%	2.07	2.50	1.75	1.75	1.67
LT XI – Electric Vehicle Charging Station	7.74	4.94	12.00%	3.22%	14.83%	2.07	-	1.75	-	-

Table 450: Cross Subsidy Surcharge approved by Commission for FY 2029-30

Cross Subsidy Surcharge for FY 2029-30 – HT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./kWh		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
HT Category - EHV (66kV and Above)										
HT I (A) (i): HT - Industry	8.46	5.01	0.00%	3.20%	3.20%	0.89	2.39	1.75	1.75	1.71
HT I (B): HT - Industry (Seasonal)	9.29	5.01	0.00%	3.20%	3.20%	0.89	3.22	1.75	1.75	1.71
HT II (A): HT - Commercial	11.95	5.01	0.00%	3.20%	3.20%	0.89	5.88	1.75	1.75	1.71

Cross Subsidy Surcharge for FY 2029-30 – HT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./kWh		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
HT III (A): HT - Railways/Metro/Monorail Traction	8.91	5.01	0.00%	3.20%	3.20%	0.89	2.84	1.75	1.75	1.71
HT IV: HT - Public Water Works (PWW)	7.86	5.01	0.00%	3.20%	3.20%	0.89	1.79	1.75	1.75	1.71
HT V(B): HT - Agriculture Others	-	5.01	-	3.20%	3.20%	0.89	-	1.75	-	-
HT VI: HT - Group Housing Societies (Residential)	-	5.01	0.00%	3.20%	3.20%	0.89	-	1.75	-	-
HT IX: HT - Public Services	-	5.01	0.00%	3.20%	3.20%	0.89	-	1.75	-	-
HT Category - HT (33kV, 22kV and 11 kV)										
HT I (A) (i): HT - Industry	8.87	5.01	7.50%	3.20%	10.46%	1.43	1.85	1.75	1.75	1.71
HT I (B): HT - Industry (Seasonal)	11.28	5.01	7.50%	3.20%	10.46%	1.43	4.26	1.75	1.75	1.71
HT II (A): HT - Commercial	10.93	5.01	7.50%	3.20%	10.46%	1.43	3.91	1.75	1.75	1.71
HT III (A): HT - Railways/Metro/Monorail Traction	9.11	5.01	7.50%	3.20%	10.46%	1.43	2.09	1.75	1.75	1.71
HT IV: HT - Public Water Works (PWW)	8.89	5.01	7.50%	3.20%	10.46%	1.43	1.87	1.75	1.75	1.71
HT V(A): HT - Agriculture Pumpsets	9.08	5.01	0.08	0.03	0.10	1.43	2.06	1.75	1.75	1.71
HT V(B): HT - Agriculture Others	9.52	5.01	7.50%	3.20%	10.46%	1.43	2.49	1.75	1.75	1.71
HT VI: HT - Group Housing Societies (Residential)	8.78	5.01	7.50%	3.20%	10.46%	1.43	1.75	1.75	1.75	1.71
HT VIII(B): HT - Temporary Supply Others (TSO)										
HT IX: HT - Public Services	10.23	5.01	7.50%	3.20%	10.46%	1.43	3.21	1.75	1.75	1.71
HT X: HT – Electric Vehicle Charging Station	7.53	5.01	7.50%	3.20%	10.46%	1.43	0.51	1.75	0.51	0.50

Cross Subsidy Surcharge for FY 2029-30 – LT Category										
Consumer Category	T (ABR)	C	WL	TL	L	D = WL + Tx	CSS Computed	20% of ACoS	Approved CSS	Approved CSS
	Rs./Unit		%	%	%	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kVAh
LT Residential										
LT I(A): LT - Residential-BPL	3.37	5.01	12.00%	3.20%	14.82%	1.97	-		-	-
LT I(B): LT - Residential										
1-100 units	6.17	5.01	12.00%	3.20%	14.82%	1.97	-		-	-
101-300 units	11.80	5.01	12.00%	3.20%	14.82%	1.97	3.95	2.12	2.12	2.02
301-500 units	16.42	5.01	12.00%	3.20%	14.82%	1.97	8.57	2.12	2.12	2.02
Above 500 units	16.45	5.01	12.00%	3.20%	14.82%	1.97	8.60	2.12	2.12	2.02

Cross Subsidy Surcharge for FY 2029-30 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./Unit		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
Three Phase Charges										
LT II: LT - Non-Residential										
(A) (i): 0 – 20 kW	9.78	5.01	12.00%	3.20%	14.82%	1.97	1.93	2.12	NA	NA
(B): >20 kW and ≤ 50 kW	-	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	NA	NA
(C): >50 KW	14.82	5.01	12.00%	3.20%	14.82%	1.97	6.97	2.12	2.12	2.02
LT III: LT - Public Water Works (PWW)										
(A): 0-20 KW	5.99	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	NA	NA
(B): > 20 kW and ≤ 40 kW	8.42	5.01	12.00%	3.20%	14.82%	1.97	0.57	2.12	NA	NA
(C): > 40 kW	10.46	5.01	12.00%	3.20%	14.82%	1.97	2.61	2.12	2.12	2.02
LT IV: LT - Agriculture										
LT IV(A): LT - AG Un-metered - Pumpsets										
Category 1 Zones (Above 1318 Hrs/HP/Annum)										
(a) 0-5 HP	10.43	5.01	12.00%	3.20%	14.82%	1.97	2.58	2.12	-	-
(b) Above 5 HP - 7.5 HP	18.09	5.01	12.00%	3.20%	14.82%	1.97	10.24	2.12	-	-
(c) Above 7.5 HP	-	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	-	-
Category 2 Zones (Below 1318 Hrs/HP/Annum)										
(a) 0-5 HP	4.14	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	-	-
(b) Above 5 HP - 7.5 HP	10.42	5.01	12.00%	3.20%	14.82%	1.97	2.56	2.12	-	-
(c) Above 7.5 HP	-	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	-	-
LT IV(B): LT - Agriculture Metered Tariff - Pumpsets	6.03	5.01	12.00%	3.20%	14.82%	1.97	-	2.12		
LT IV(C): LT - Agriculture Metered – Others	8.09	5.01	12.00%	3.20%	14.82%	1.97	0.24	2.12	0.24	0.23
LT V (A): LT - Industry - Powerlooms									-	-
(i): 0-20 kW	7.70	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	NA	NA
(ii): Above 20 kW	8.26	5.01	12.00%	3.20%	14.82%	1.97	0.40	2.12	0.40	0.38
LT V(B): LT - Industry - General										
(i): 0-20 kW	7.66	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	NA	NA
(ii): Above 20 kW	9.42	5.01	12.00%	3.20%	14.82%	1.97	1.57	2.12	1.57	1.49
LT VI: LT - Street Light									-	-

Cross Subsidy Surcharge for FY 2029-30 – LT Category										
Consumer Category	**T (ABR)**	**C**	**WL**	**TL**	**L**	**D = WL + Tx**	**CSS Computed**	**20% of ACoS**	**Approved CSS**	**Approved CSS**
	Rs./Unit		**%**	**%**	**%**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kWh**	**Rs./kVAh**
(A): Grampanchayat; A B & C Class Municipal Council	8.10	5.01	12.00%	3.20%	14.82%	1.97	0.25	2.12	0.25	0.24
(B): Municipal corporation Area	9.92	5.01	12.00%	3.20%	14.82%	1.97	2.06	2.12	2.06	1.96
LT X - Public Services										
(i): ≤ 20 kW	7.36	5.01	12.00%	3.28%	14.89%	1.97	-	2.12	NA	NA
(ii): >20 - ≤ 50 kW	10.33	5.01	12.00%	3.28%	14.89%	1.97	2.47	2.12	NA	NA
iii): >50 kW	10.37	5.01	12.00%	3.28%	14.89%	1.97	2.51	2.12	2.12	2.02
LT XI – Electric Vehicle Charging Station	7.71	5.01	12.00%	3.20%	14.82%	1.97	-	2.12	-	-

7.36 Additional Surcharge

MSEDCL's Submission

7.36.1 MSEDCL submitted that the Section 42(4) of the Electricity Act, 2003, provides the levy of Additional Surcharge to a consumer who receives supply of electricity from a person other than the distribution licensee of his area of supply.

7.36.2 Further, section 42(2) of the Electricity Act, 2003 exempts Captive Open Access customers from payment of Cross Subsidy Surcharge and Additional Surcharge.

> *"Section 42. (Duties of distribution licensee and open access):*
>
> *(2)…*
>
> *Provided also that such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use."*

7.36.3 Regulation 14.8 of the Commission's Distribution OA Regulations, 2016 outlines the principles for determination and levy of Additional Surcharge as below:

> *"14.8. Additional Surcharge*
>
> *a. An Open Access Consumer receiving supply of electricity from a person other than the Distribution Licensee of his area of supply shall pay to the Distribution Licensee an Additional Surcharge on the charges of wheeling and Cross-Subsidy Surcharge to meet the fixed cost of such Distribution Licensee arising out of its obligation to supply, as provided in sub-section (4) of Section 42 of the Act.*
>
> *b. The Additional Surcharge shall become applicable only when, due to the Open Access being granted or having been granted, the obligation of the Distribution Licensee in terms of power purchase commitments has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such commitments.*
>
> *c. The Distribution Licensee shall submit to the Commission, with its Petitions under the Commission's Regulations governing Multi-Year Tariff, detailed computations of the fixed cost which it is incurring towards its obligation to supply, and the actual expenses incurred vis-à-vis those approved by the Commission.*

d. The Commission shall determine the category-wise Additional Surcharge to be recovered by the Distribution Licensee from an Open Access Consumer, based on the following principles:

i. The cost must have been incurred by or be expected, with reasonable certainty, to be incurred by the Distribution Licensee on account of such Consumer; and

ii. The cost has not been or cannot be recovered from such Consumer, or from other Consumers who have been given supply from the same assets or facilities, through Wheeling Charges, stand-by charges or other charges approved by the Commission:

Provided that such Additional Surcharge shall be applicable to all Consumers who have availed Open Access to receive supply from a source other than the Distribution Licensee to which they are connected.

e. ...

f. ...”

7.36.4 Further, the amendment to the Distribution Open Access Regulation, 2023 states the following with respect to levy of Additional Surcharge for the Open Access customer:

“7 Amendment to Regulation 14 of the Principal Regulation “Provided also that additional surcharge shall not be applicable for Green Energy Open Access consumers, if fixed charges are being paid by such consumer.”

7.36.5 MSEDCL submitted that it has been casted by Universal Service Obligation (USO) under the Section 43 of the Electricity Act 2003. Hence, in order to cater to the consumer demand, it has to purchase power on long term basis from Mahagenco, NTPC under the MoU route and from IPPs through competitive bidding process. Petitioner further submitted that the tariff for generation as per PPA/MoU comprises of two parts viz. Fixed Charge which is dependent on declared availability of generator and variable charge which is dependent on declared availability of generator and variable charge which is dependent on actual energy supplied.

7.36.6 MSEDCL submitted that capacity addition was done by signing the PPAs with generating companies after due approval of the Commission and based on estimated demand as per the projections published in 16th Electric Power Survey (EPS) published by CEA. However, there is a variation in projected and actual demand due to various reasons such as increase in Open Access.

7.36.7 MSEDCL also submitted that to manage surplus power, MSEDCL gives zero schedule/backdown to the high variable cost thermal generation as per Merit Order Despatch or sell in energy market depending upon market rates thereby reducing the burden of energy charges. MSEDCL further submitted that it has to pay fixed/capacity charges irrespective of the scheduling or non-scheduling of power from the units which declare its availability whenever surplus capacity remains available.

7.36.8 MSEDCL further submitted that whenever there is unavailability of generation due to the forced outage/coal shortage, there is requirement of additional power during certain blocks of the day, sometimes the duration of shortfall during the day is so small that to cater the demand for such small period, it is unviable to take a generation unit on bar to cater the demand for small period. In such cases, the Petitioner forecasts the demand, availability and shortfall on day-ahead basis and procures power from Short Tern Markets such as Energy Exchanges.

7.36.9 MSEDCL also submitted that it has to plan in advance and procure the power on short term through bilateral transactions on DEEP Portal considering the historical trend of demand, coal shortage scenario, trend of rates in exchanges, etc.

7.36.10 MSEDCL submitted that it also explores the option of optimisation of power purchase cost by backing down of costly generation unit as per MOD and procuring the cheaper power available in Short Term Market/Exchange.

7.36.11 MSEDCL further submitted that it has to pay fixed charges to the generators as per the terms and conditions of the PPAs irrespective of utilisation of generation capacity and thus it gets burdened by fixed cost of surplus capacity.

7.36.12 MSEDCL submitted that the short term power is purchased for cost optimization or to meet demand during coal shortage scenario and hence, additional surcharge is justifiable & needs to be made applicable to all OA consumers.

Surcharge Computation as submitted by MSEDCL

7.36.13 MSEDCL submitted that it has implemented Intra State ABT in Maharashtra since 1st August 2011 and SLDC/ Discom are granting approvals/ consent to open access consumers for purchase and sale of power through open access as per Open Access Regulations. MSEDCL further submitted that open access consumers are buying considerable quantum of power under open access and on the other hand, it has tied up sufficient quantum of power after approval of the Commission to meet the expected demand by considering the overall growth in the state.

7.36.14 MSEDCL also submitted that it needs to back down the generation and also has to pay Fixed Charges (or Capacity Charges) to the Generators as per the terms and conditions of the PPAs irrespective of utilization of generation capacity, when the tied up generation capacity becomes excess and that the burden of fixed cost is affecting the viability and sustainability of its operations, which ultimately adversely affects the tariff of its common consumers.

7.36.15 MSEDCL submitted that, hence, to mitigate this, it is appropriate to determine the Additional Surcharge for OA consumers, as per Section 42 (4) of the EA, 2003. MSEDCL also submitted that the Commission in its Order dated 3rd November 2016 (Case No. 48/2016) had observed that there was a case for recovery of the part of fixed cost towards the stranded capacity arising from the power purchase obligation through levy of Additional Surcharge from OA consumers. Accordingly, the Commission has determined the additional surcharge in its Previous Orders.

7.36.16 MSEDCL submitted that it has calculated the Additional Surcharge for the 5th control period i.e. FY 2025-26 to FY 2029-30 as per DOA Regulations 2016 as per the methodology adopted by the Commission in the past Orders.

Table 451: Proposed Additional Surcharge for the Control Period FY 2025-26 to FY 2029-30 as proposed by MSEDCL

Particulars	Reference	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Step-1: Establishing contribution of OA to backing-down/stranded capacity							
OA volume for FY 2024-25 (Upto Sept-24)	(a)	MU	4,354	4,354.28	4354.28	4354.28	4354.28
Backing Down quantum for FY 2024-25 (Upto Sept-24)	(b)	MU	7,715	7,715.00	7715.00	7715.00	7715.00
Ratio to OA to Backed down for FY 2024-25 (Upto Sept-24)	(c)=(b)/(a)	%	56.4%	56.44%	56.44%	56.44%	56.44%
Step-2: Ascertaining Cost of Stranded Capacity							
Fixed Cost of Thermal Generating Sources for FY 2025-26	(d)	Rs. Crores	22,124	22469.01	24068.52	25582.49	28205.15
Total Available MU from Thermal Generating Stations for FY 2025-26	(e)	MUs	1,57,258	157258.13	157258.13	169171.73	177235.70
Wt. Avg. Per Unit FC of Thermal Generating Stations for FY 2025-26	(f)=(d)/(e) x10	Rs/kWh	1.41	1.43	1.53	1.51	1.59
Projected Open Access Volume for year for FY 2025-26	(h)	MUs	8,967	10230.51	11355.26	12381.37	13211.13
Fixed Cost pertaining to Backdown/RSD capacity for FY 2025-26	(i)=(f)*(h)/10	Rs. Crores	1,262	1461.73	1737.93	1872.34	2102.41
Step-3: Determination of Additional Surcharge							
Per Unit Additional Surcharge (to be applicable on OA Consumers)	**j=(i)/(h)*10**	**Rs/Unit**	**1.41**	**1.43**	**1.53**	**1.51**	**1.59**
Per Unit Additional Surcharge (to be applicable on OA Consumers)		**Rs/kVAh**	**1.38**	**1.40**	**1.50**	**1.48**	**1.56**

7.36.17 MSEDCL has submitted that, considering the levy of Green Energy Open Access Regulations, 2023, which exempts Green Energy Open Access consumers paying Demand charges to pay Additional Surcharge, it has not envisaged any income from Levy of Additional surcharge from the Green Energy Open Access customers in the Control Period. MSEDCL has envisaged the levy of such Additional surcharge only from the conventional IPP Open Access customers.

7.36.18 Summary of Additional Surcharge for the Control Period for FY 2025-26 to FY 2029-30 as proposed by MSEDCL is provided in the table below:

Table 452: Summary of Additional Surcharge for the Control Period FY 2025-26 to FY 2029-30 as proposed by MSEDCL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Proposed Additional Surcharge (Rs/unit)	1.41	1.43	1.53	1.51	1.59

7.36.19 MSEDCL has requested the Commission to approve the Additional Surcharge for the Open Access customers as provided in the above tables.

Commission's Analysis & Ruling

7.36.20 The Commission had raised a query regarding the additional surcharge proposed by MSEDCL in the data gaps. In response to the data gaps, MSEDCL submitted that during supply disruptions or generator failures, industrial consumers retain contract demand and draw power from the MSEDCL grid to avoid material wastage or machinery damage. Such Unscheduled Interchange (UI) attracts penal charges under Regulation 19.2 of the MERC (DOA) Regulations, 2016, equivalent to temporary connection charges. MSEDCL further highlighted that partial open access consumers can draw power from the grid without prior intimation, albeit at a higher cost, and MSEDCL remains obligated to supply power under such circumstances. The Commission, through the MERC (DOA) (Second Amendment) Regulations, 2023, dated 10 November 2023, reduced the open access eligibility criteria from 1 MVA to 100 kW. With increased open access transactions, MSEDCL's power purchase commitments remain stranded, leading to unavoidable fixed costs that cannot be recovered through Wheeling or Stand-by Charges. Hence, MSEDCL has proposed an additional surcharge to be recovered from OA consumers.

7.36.21 The Commission notes the justification provided by MSEDCL in support of the projections of income from additional surcharge. The Commission would like to highlight that in earlier Orders, the additional surcharge was determined mainly with attributing costs of backing down the thermal generators due to OA consumers. With new regime of resource adequacy-based power procurement planning and as per MSEDCL's submission under its RA plan, with increasing share of RE procurement and flexible operation of thermal generators, there would be several factors influencing the need for backing down of thermal generating stations. Thus, backing down of thermal generation or stranded thermal capacity scenario cannot be solely attributed to open access consumption. Thus, imposing additional burden of additional surcharge on OA consumers is not justified.

7.36.22 Further, as per Rule 9 of Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 and it amendments thereof (GEOA Rules) notified by Central Government, additional surcharge shall not be applicable on Green Energy Open Access consumers if fixed charges are being paid for such GEOA consumers. The overall consumption of OA consumers in past years ranged from 5,300 to 7,000 MUs during FY 2021-22 to FY 2023-24, out of which captive open access consumption is more than 98%, out of which renewable energy open access 26% MU (or %) which will not attract levy of Additional Surcharge. Further, non-captive and non-renewable open access consumption amounts to 1 MU and the total revenue of additional surcharge claimed by MSEDCL for FY 2023-24 is only around 0.14 Rs Cr.

7.36.23 Tariff Policy, 2016 stipulates that for determination of additional surcharge, Distribution Licensee ought to demonstrate that its obligation in terms of existing PPAs has been stranded. The relevant extract is reproduced below: "

8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges." The Commission notes that at one hand, MSEDCL is showcasing power surplus scenario and on contrary it has planned to procure thermal based power on long term basis coupled with solar power (1600 MW Thermal+5000 MW Solar). If such surplus capacity is available, then MSEDCL do not need additional power in its power purchase basket."

7.36.24 Further, the Commission notes that for the 5th Control Period, MSEDCL has projected total open access consumption as (from FY2025-26 to FY 2029-30) comprising out of which avg. captive open access consumption is more than 90%, out of which renewable energy open access 64%, for which No Additional Surcharge shall be applicable. Further, MSEDCL has projected open access consumption for Non-captive and Non-Renewable of 1 MU only.

7.36.25 The Commission observes that it would not be appropriate to levy Additional Surcharge unless Utility demonstrates that the Capacity is stranded to be able to claim Additional Surcharge. The relevant extracts of DOA Regulations for principles for determination of Additional Surcharge is outlined below:

"14.8. Additional Surcharge

a. An Open Access Consumer receiving supply of electricity from a person other than the Distribution Licensee of his area of supply shall pay to the Distribution Licensee an Additional Surcharge on the charges of wheeling and Cross-Subsidy Surcharge to meet the fixed cost of such Distribution Licensee arising out of its obligation to supply, as provided in sub-section (4) of Section 42 of the Act.

b. The Additional Surcharge shall become applicable only when, due to the Open Access being granted or having been granted, the obligation of the Distribution Licensee in terms of power purchase commitments has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such commitments.

c. The Distribution Licensee shall submit to the Commission, with its Petitions under the Commission's Regulations governing Multi-Year Tariff, detailed computations of the fixed cost which it is incurring towards its obligation to supply, and the actual expenses incurred vis-à-vis those approved by the Commission."

7.36.26 Further the Commission notes that, MSEDCL in Case No. 96 of 2024 for approval of long-term procurement of 1600 MW thermal power and bidding guidelines for long-term procurement of 5000 MW solar power had submitted that, no stranded capacity is expected as the capacity planning is based on incremental demand estimates.

7.36.27 In view of the foregoing, the Commission opines that the case to demonstrate stranded capacity on account of non-captive and non-renewable open access transactions is weak.

7.36.28 Hence, the Commission is not approving the claim to levy of additional surcharge during the 5th Control Period.

7.37 Issuance of Commercial Circular for Tariff Rates and related matters by MSEDCL

7.37.1 The Commission notes that, post issuance of Tariff Order by the Commission, MSEDCL issues the Commercial circulars for its consumers and own officers providing details of the tariff rates for various consumer categories and other conditions thereof. However, the Commission observes that, on multiple occasions in past, the consumers have pointed out discrepancies or errors in the commercial circulars issued by MSEDCL which causes the avoidable consumer grievances and hardships. The Commission is of the view that, the Tariff philosophy and Tariff Schedule included as part of Tariff Order provides sufficient clarity to the consumers and MSEDCL may not require to issue separate commercial circular for tariff. In case, MSEDCL requires to issue separate circular for administrative purpose or otherwise, it should be strictly in line with the provisions of the Tariff Schedule, Commission’s Rulings on applicability of Tariff categories, classification thereof as covered in the Tariff Order. In case of any ambiguity or interpretation of any of the provisions of Tariff Order, MSEDCL should seek necessary clarifications rather than unilateral interpretation of provisions through issuance of Commercial Circulars. Further, any Administrative Circular for internal purpose or otherwise shall clearly mention that in case any conflict or interpretation of clauses covered under Administrative Circular, the provisions of the Tariff Order shall prevail.

8 Compliance of earlier Directives

8.1 Background

8.1.1 The Commission in its MTR Order dated 31 March 2023 in Case No. 226 of 2022 has issued various directives to MSEDCL for compliance along with the timelines. The Commission in its Order mentioned that it shall initiate Suo-Motu proceedings for review of status of compliances of various directions after twelve months from issuance of this Order and prior to next tariff review exercise.

8.1.2 Accordingly, the Commission scheduled Suo-Motu e-hearing vide notice dated 26 April 2024 in Case No. 4/SM/2024 and directed MSEDCL to submit its compliance on the said directives. MSEDCL submitted the said compliances vide its reply dated 1 July 2024 and made additional submissions dated 23 September 2024 and 17 November, 2024. The status of compliance of directives was reviewed by the Commission in the said Suo-Moto proceedings. Subsequently the Commission issued the Suo-Moto Order in Case no. 4/SM/2024 dated 22 January 2025.

8.1.3 Additionally, some of the compliances in Case No. 04/SM/2024 were to be submitted by MSEDCL during filing of MYT petition. Accordingly, MSEDCL has submitted compliances of such directives in the present MYT Petition. Further there were certain directives by the Commission in the MTR Order in Case No. 226 of 2022 for which the compliances have been submitted by MSEDCL in the present Order. Summary of the compliances is reproduced below:

<u>**Compliances of Suo Motu-Case No 04/SM/2024 and MTR Order in Case No. 226 of 2022**</u>

8.2 Directive 1: Changes in ToD Tariff Structure

8.2.1 The Commission directed MSEDCL to propose changes in ToD tariff structure during next tariff filling process.

MSEDCL's Submission:

8.2.2 MSEDCL has proposed changes in ToD charges and rebates along with slabs with detailed reasoning and calculations in Section 6: Tariff Design and Philosophy of the submitted MYT Petition.

Commission's Analysis and Ruling:

8.2.3 The Commission notes that MSEDCL has proposed changes in the **ToD tariff structure**, including revised charges and rebates with reasoning and calculations. The Commission while preparing MYT Regulations 2024, had referred the MOP Consumers Rules 2022 for TOD tariff structure and directed Distribution Licensees to submit their proposal along with MYT Petition. The

Commission has reviewed MSEDCL's proposal and its detailed analysis along with the rulings with regards to the ToD Tariff structure has been elaborated in the Section 8: "Tariff Design and Philosophy" of this order.

8.2.4 The Commission recognises that revision in ToD Slabs and ToD Rates (Charge/Rebate) approved through this Order is taking place after many years. The implementation aspects of adoption of Smart Meters, change in consumer behaviour, understanding impact of revised ToD regime on consumer billing and its revenue impact on MSEDCL need to be carefully studied. At the same time frequent revision in the ToD regime would not yield desirable results. Besides, any further revision needs to be backed with supporting load survey, field studies and impact analysis. The Commission directs MSEDCL to undertake such studies and analyse the impact from consumer perspective as well as from Utility point of view, before proposing review at the time of Mid-term review process.

8.3 Directive 2: Roadmap for Cross Subsidy Reduction

8.3.1 The Commission directed MSEDCL to submit 5/10-year roadmap for Cross Subsidy reduction and its implication on subsidised categories during next tariff filing.

MSEDCL's Submission:

8.3.2 MSEDCL has proposed details of the Cross Subsidy reduction trajectory for next 5 years on the basis of proposed ABR for applicable categories. Major portion of Cross Subsidy in earlier years were directed towards Agricultural Consumers.

8.3.3 MSEDCL has also calculated separate CoS for LT AG Consumers on basis of Distributed RE sources and has determined tariff for the category in accordance with the calculated CoS. This has led to reduction in Cross Subsidy requirement for remaining categories and bring them with limit of 20% as per MYT Regulations 2024. For further 5 years after 5th Control Period, MSEDCL has proposed same Cross Subsidy trajectory as for FY 2029-30.

Commission's Analysis and Ruling:

8.3.4 The Commission notes that MSEDCL submitted a five-year cross-subsidy roadmap. MSEDCL has calculated a separate Cost of Supply (CoS) for LT agriculture consumers, reducing the cross-subsidy requirement for other categories within the 20% limit of MERC MYT Regulations 2024.

8.3.5 The Commission has analysed the Tariff proposal of MSEDCL in this Petition which also includes the Tariff for separate AG company and approved the Tariff for the 5th Control Period upto 2029-30 with specific objective for reduction in Cross Subsidy as per the provisions of the Act, MOP Rules and its own Regulations. The Commission discussed the details in the Section 8 and 9 of this Order.

8.4 Directive 3: Framework for Billing

8.4.1 The Commission directed MSEDCL to prepare zone wise process flow diagram marked with time frame for billing (start from Meter reading to handover of bills to consumers). Further, suitable timelines be prepared considering field circumstances and pass on appropriate directions to field offices. The Commission will review the said exercise during next MYT filing.

MSEDCL's Submission:

8.4.2 MSEDCL has started Centralized Billing for HT & LT non-Ag consumers in 2019. In Centralized Billing all the LT non-Ag consumers are equally divided in fixed A to Y groups called "clusters" for meter reading. The clusters start from date 1 (cluster A) & lasts till date 25 (cluster Y) each month. For HT & LT consumers having load above 20 kW the reading is done through AMR/MRI. In the circumstances if reading is not available through AMR/MRI manual reading is done. The meter reading schedule for HT consumers is from Date 1 to 10 of every month & that of LT consumers having load above 20 kW is from Date 1 to 12 of every month.

8.4.3 MSEDCL has planned to install Smart Meters to all the consumers under RDSS scheme & the modem replacement will boost the AMR count. With implementation of smart metering solution, all the consumers will be billed promptly. The detail of Compliance is submitted to the Commission vide letter no CE/B&R/06627 dated 29 February 2024.

Commission's Analysis and Ruling:

8.4.4 The Commission notes MSEDCL's efforts in implementing **Centralized Billing** for HT and LT non-Agricultural consumers since 2019, organizing meter reading into clusters from the 1st to the 25th of each month, and utilizing **AMR/MRI** technology for consumers with loads above 20 kW. The initiative to install **Smart Meters** under the RDSS scheme is also noted.

8.4.5 As the Commission has emphasizes the need for a 'Z**one-wise process flow diagram'** detailing the billing process from meter reading to bill delivery, including specific timeframes. MSEDCL has submitted process flow diagram for HT and LT above 20kW Consumer billing process Flow, LT Consumers Billing Process Flow.

8.5 Directive 4: Protocol for automated measurement and reporting of Supply Availability

8.5.1 The Commission directed MSEDCL to put in place a protocol for automated measurement and reporting of supply availability across various circles/ divisions and submit such records along with next tariff review exercise.

MSEDCL's Submission:

8.5.2 MSEDCL submitted that for computation of supply availability, the data of interruption is received through AMR, MRI, Mobile app and Network Data Mover (NDM) system of respective feeders and is processed at MSEDCL centralised IT system. For receiving data of interruptions without manual intervention, the work of installation of smart meters to all the feeders is in process. LOA details of the work are as below:

1. **M/s Adani Energy Solutions Ltd, Ahmedabad**.

- MMD/T-NSC-05/0323/24021 dated 07.08.2023 (Bhandup, Kalyan and Kokan Zone)
- MMD/T-NSC-06/0323/24022 dated 07.08.2023 (Pune and Baramati Zone)
- Amendment-1 MMD/T-NSC-05/0323/additional scope/7965 dated 11.03.2024 (Kolhapur Zone)
- M/s NCC Ltd, Hyderabad
- MMD/T-NSC-08/0323/24023 dated 07.08.2023 (Nasik and Jalgaon Zone)
- MMD/T-NSC-08/0323/24024 dated 07.08.2023 (Latur, Nanded and Ch. Sambhaji Nagar Zone)

2. M/s Montecarlo Ltd. Ahmedabad

- MMD/T-NSC-08/0323/24025 dated 07.08.2023 (Nagpur, Chandrapur and Gondia Zone)

3. **M/s Genus Power Solutions Pvt Ltd. Jaipur**

- MMD/T-NSC-08/0323/24025 dated 07.08.2023 (Akola and Amaravati Zone)

8.5.3 As on the date of filing of tariff petition, out of 27,826 feeders; smart meters have been installed on 24,145 feeders. Remaining work of installing smart meters in 3,681 feeders is in progress. Installation of smart meters on all feeders, would enable measurement of supply availability automatically without manual intervention. After completion of the activity of installation of feeder meters, software / program will be developed after checking & verification of all technical possibilities and accordingly, automated measurement and reporting of supply availability across various circles/ divisions will be carried out. MSEDCL requested the Commission that after completion of the said activity, it would submit detailed report.

Commission's Analysis and Ruling:

8.5.4 The Commission notes MSEDCL's progress in installing smart meters on 24,145 out of 27,826 feeders, with the remaining 3,681 feeders scheduled to be completed by December 2024. This initiative aims to automate the measurement and reporting of supply availability across various circles and divisions. Only installation of smart meters will not suffice the need of measurement of supply availability. It requires necessary IT systems in place for recording and carry out analysis. The Commission directs MSEDCL to submit the roadmap and timelines for completion of smart meter installations and development of necessary software for automated reporting within three months from date of issuance of the Order.

8.5.5 Further, reliability indices in the Supply Code Regulations relates to availability of supply to consumer. Earlier as there was no tool to measure such availability to individual consumers, such indices were being computed on feeder level availability. But with installation of Smart Meters to consumers, supply availability to each of the consumer can easily be recorded and monitored. Hence, MSEDCL should use such data of consumer smart meter for computing reliability indices under Supply Code Regulations. MSEDCL shall submit roadmap for the same within three months from date of this Order.

8.6 Directive 5: Separate Agriculture Company

8.6.1 The Commission had directed MSEDCL that, "Formation of separate agriculture company would enable monitoring and ensuring accountability with two separate organisations, as their mandate would drive such focussed efforts necessary at this stage. In view of above, the Commission directed MSEDCL to pursue this option and chart out the modalities for implementation of the same expeditiously."

MSEDCL's Submission:

8.6.2 MSEDCL acknowledges the Commission's directive to explore the formation of a separate agriculture company aimed at enhancing monitoring and ensuring accountability through distinct organizational mandates. MSEDCL submitted modalities of separation of Agriculture & Non-agriculture categories in Section No. 7: Separation of Agricultural and Non-Agricultural Supply of the submitted petition.

Commission's Analysis and Ruling:

8.6.3 The Commission notes, that, MSEDCL has submitted its proposal for Tariff for separate AG company which includes methodology of carving out a separate agricultural company along with respective roles and responsibilities as part of the present Petition. MSEDCL has also proposed broad terms and condition of commercial transactions between itself and the new agricultural supply company. The Commission's analysis and rulings in this matter is discussed in detail under Section No. 9 "Separation of Agricultural and Non-Agricultural Supply" of the present Order.

8.6.4 The Commission recognizes that MSEDCL, being a government-owned entity, must seek a guidance of the Government of Maharashtra. Additionally, MSEDCL also needs to obtain the Commission's approval as the Commission is responsible for issuing the distribution license and regulate such entity subject to specific conditions to be specified that would govern the operations of the new company to supply electricity to agricultural consumers. The Commission will scrutinise the application and undertake regulatory process for grant of license to such new Agriculture Supply Company within the statutory framework enshrined under the Electricity Act 2003. MSEDCL and the applicant company should ensure that the new company meets the necessary regulatory requirements and can operate effectively within the statutory framework and regulatory requirements for grant license and operations of such licensee to cater to agriculture consumers. Hence, the Commission directs MSEDCL to submit the action plan for segregation of the separate agriculture supply company within three months of issuance of this order. Further, MSEDCL and the Applicant company needs to file its Petition before the Commission upon seeking the guidance from State Government.

Pending Directives from Suo Motu Order in Case No. 4/SM/2024

8.6.5 The Commission in Suo Motu Order in Case No. 4/SM/2024 has dealt with compliance of directives given in Case No. 226 of 2022. In said order, certain course of action have been recommended for timebound actions. For sake of brevity, the Commission is not repeating the directives but the Commission expects that MSEDCL shall report the compliance of said directives within the timelines specified in the Suo Motu Order.

8.7 Performance Review and Review of Compliance of Directions

8.7.1 As per the MYT framework prescribed in the MYT Regulation, 2024, the distribution licensees are subject to process of Mid-Term Review which is due on 30 November 2027. Further, as per Regulation 16.3 of MYT Regulations Licensee need to submit periodic returns containing operational and cost data to enable monitoring implementation of the Order.

8.7.2 In the present MYT Order, the Commission has operationalized several important provisions related ToD Tariffs, implementation of kVAh billing for LT consumers with load above 20 kW. It is important to ascertain the impact and operational benefits of same and undertake suitable regulatory measures earlier than mid-term review, if necessary. Further, as per RA Regulations, distribution licensees are required to submit Annual RA rolling plans by

September 2025, by which time the impact of new measures under this Order as well as Audited Annual Accounts for previous year would be available. Hence, the Commission directs MSEDCL to submit report on compliance of directions and operational performance for review by 30th November of each year of the control period. The Commission shall scrutinize such submissions and pass necessary directions for improvement in performance, as necessary.

9 Schedule of Charges

9.1 Background

9.1.1 MSEDCL is recovering various charges from the consumers for various services provided as per the Schedule of charges approved by the Commission vide its Order dated 31 March 2023 (Case No. 226 of 2022). Basically, these charges are for recovery of cost incurred for availing supply of electricity and various other services provided to the consumers.

9.1.2 The section 46 of the EA, 2003, specifies that the Commission may authorize a Distribution Licensee to charge a person requiring a supply of electricity any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply. Otherwise, these costs will get passed on to regular consumers of MSEDCL.

9.1.3 The EA 2003 provides Distribution Licensees to recover charges incurred for supply of electricity from its consumers in accordance with tariff determined by the State Regulatory Commission. The charges to be recovered may include fixed charges in addition to charges for supply of electricity and rent or other charges for meter or other equipment provided by licensees.

Section 45 of EA 2003 reads as follows-

"(3) The charges for electricity supplied by a distribution licensee may include

(a) fixed charge in addition to the charge for the actual electricity supplied;

(b) rent or other charges in respect of any electric meter or electrical plant provided by the distribution licensee ………"

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(5) The charges fixed by the distribution licensee shall be in accordance with the provisions of this Act and the regulations made in this behalf by the concerned State Commission. "

MSEDCL's Submission

9.1.4 MSEDCL stated that in accordance with the provisions of EA 2003, the Commission has notified MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021(herein after referred as MERC Supply Code Regulations, 2021). As per the Regulation 19.1 of the MERC Supply code Regulation, 2021, Distribution Licensees are required to submit the proposal before Commission for approval of Schedule of Charges (SoC) for such matters required by the Distribution Licensee to fulfil its obligation to supply electricity to its consumers along with every application for determination of tariff under Section 64 of the Act together with such particulars as the Commission may require under the EA, 2003 and other relevant Regulations.

9.1.5 MSEDCL relied upon the Judgement of the High Court, Bombay, Aurangabad Bench in the Writ Petitions No. 6382/6383/6384 of 2020 dated 22 January 2021. As per said Judgement, if the consumer has opted and agreed to bear the infrastructure cost and does accordingly then Distribution licensee cannot be said to be under any statutory obligation to refund the infrastructural cost.

9.1.6 The relevant ruling of Hon'ble High Court i.e. Para 24 and 27 of the said order are reproduced below for ready reference and consideration of Hon'ble Commission:

> *"….24. As a logical and legal corollary, if a consumer agrees to purchase a meter, it cannot be said that such an agreement is unconscionable or against public policy merely because like in the present case, a proposal was made by the Distribution Licensee to provide electricity supply subject to various terms and conditions, including the one obligating the consumers in installing the electricity meters and developing necessary infrastructure for facilitating a DDF connection. Therefore, the submission of the learned Advocate for the Consumers that a consumer cannot be legally contracted out is fallacious.* ***As is demonstrated hereinabove, a DDF connection is a facility which has been duly recognized by Regulations of 2005 and if the Consumers have opted to have it, no statutory obligation is created in their favor to claim the refund****. And*
>
> *….. 27. In this respect, it is also pertinent to note that although a Distribution Licensee is under statutory obligation to provide electricity supply, in a given case like the present ones, the Consumers have opted to succumb to the demand of the Distribution Licensee wherein by separate communications, terms and conditions were put to them subject to which they were supposed to enter into an agreement and receive electricity supply. The terms and conditions inter alia require them to bear the expenditure on a non-refundable basis. After having availed of the benefit, they cannot now be allowed to turn around and claim refund. They could have very well insisted for supply of electricity strictly in accordance with the provisions of the Electricity Act and the Regulations framed thereunder.* ***They having agreed to bear such infrastructural costs and agreed to purchase meters and metering cubicles, the Distribution Licensee cannot be said to be under any statutory obligation to refund the infrastructural cost and metering cubicles cost****………*

9.1.7 Accordingly, if consumers opt or agree to bear the infrastructure cost, then it has to bear the infrastructure cost incurred at actual and the same cannot be claimed for refund in future. Accordingly, MSEDCL requested the Commission to include the following provisions in the Schedule of charges.

> *"If consumer opts or agrees to bear the charges of infrastructure including meter cost for getting electricity supply, then he will cease its right to claim the refund of the cost of infrastructure in future before any forum".*

9.1.8 MSEDCL submitted that SoC represent the charges levied to consumers/ applicants for new connection and on existing consumers for various activities carried out by the Licensee such as load enhancement, change of name, category, etc., meter testing and various other miscellaneous activities required to be performed as a Distribution Licensee.

9.1.9 MSEDCL stated that Income from these charges form a part of the non-tariff income of MSEDCL and such benefit is passed on to all the consumers of the State by way of reduced ARR.

9.1.10 MSEDCL stated that the Service Connection Charges (SCC) will be discriminated based on the connected load, current carrying capacity of service line and standard construction norms for Service line setup. In metro and big cities, MSEDCL's infrastructure is mostly underground and service line setup offered to the prospective consumers is also underground. On the other hand, in rural areas the infrastructure is mostly overhead. The existing categorization of SCC has addressed all these issues.

9.1.11 MSEDCL submitted that, the existing Schedule of Charges has been enforced from 1 April 2023. Prices of metals, raw materials, energy, food, non-food items and inputs, supply disruptions, disruptions in the global supply chain and rising global freight prices pushed up the inflation. The same will be witnessed from increase in inflation indices viz. Wholesale Price Index (WPI) and Consumer Price Index (CPI). The rise in material prices is the one of the causes for revision in Schedule of Charges.

9.1.12 MSEDCL further stated that as per Regulations 3.2 System of Supply and Classification of Consumers of MERC Supply code Regulations, 2021, maximum load to be released in the identified areas has been revised. Now maximum load of 160 kW/ 200 kVA can be supplied on Low Tension Supply. These modifications are also required to be addressed in the Schedule of Charges.

Commission's Analysis & Ruling

9.1.13 The Commission notes that MSEDCL has sought categoric provision in SoC that if infrastructure is willingly created by consumer at its own cost, then he cannot claim the refund of the same. To support the claim MSEDCL has referred to Bombay High Court Judgement in Writ Petition No. 6382/6383/6384 of 2020 dated 22 January 2021.

9.1.14 The Commission notes that assets are created by Distribution Licensee or by consumer under DDF. The Commission has perused the referred Judgement and find that context of the Judgement is related to DDF infrastructure. Considering same the Commission clarifies that if infrastructure is created by choice under DDF then the consumer cannot claim the refund of the same.

9.1.15 At the same time, it is pertinent to note that the provision of refund of infrastructure cost created under DDF has been created in Supply Code Regulations, 2021 only when supply is permanently disconnected of upon termination of agreement.

"

> *4.3.5 Where the Distribution Licensee has recovered the expenses referred to in Regulation 4.3.3 above,* ***the Consumer shall be entitled to the depreciated value of such DDF, upon termination of the agreement or permanent discontinuance of supply in accordance with these Regulations if Distribution Licensee opts for taking over of such assets****:" (Emphasis added)*

9.2 Revision in schedule of charges

MSEDCL 's Submission

9.2.1 MSEDCL have provided the necessary calculation to rationalize the proposed charges. While providing power supply to prospective consumer(s), the Discoms are entitled to recover the infrastructure costs to the extent of the SoC as determined by the Commission vide its MTR Order in Case No. 226 of 2022 dated 31 March 2023.

9.2.2 MSEDCL submitted that, while going through the existing SoC being recovered from prospective consumer(s), it is observed that these are quite subnormal as compared to the actual expenditure incurred by MSEDCL in providing power supply to new consumers. MSEDCL has to therefore incur additional expenditure over and above the SoC in providing power supply to the prospective consumer(s). Due to this, the overall CAPEX is increased exorbitantly causing to the rise in tariff.

9.2.3 The SoC for the consumers having load above 27 HP/ 20 kW is proposed at actual irrespective of jurisdiction whether it is urban or rural or industrial zone. This will help to mitigate the gap between SoC, and the actual expenditure incurred by MSEDCL in providing the power supply. Especially, SoC (charges) while releasing power supply on EHV is very meagre. For e.g. a new applicant seeking power supply on EHV has to pay "at actual" on case-to-case basis subject to ceiling of Rs. 5,41,500.00 The socialization of infrastructure cost being incurred in giving power supply to such consumer/s, unnecessarily burdens the consumers of Rural and other areas. With such revision in SoC, MSEDCL will be in position of keeping the tariff hike to the bare minimum level on account of CAPEX. The Commission is therefore requested to kindly review the present level of SoC.

9.2.4 MSEDCL further stated that the Commission in its Order in Case No. 322 of 2019 dated 30 March 2020 has estimated the SCC on the basis of 20 meters as the average length. MSEDCL in present proposal has followed the same estimation and worked out the service connection charges.

9.2.5 MSEDCL has provided that as per revision in cost data of FY 2024-25 and centages, the estimates are prepared to derive the Service Connection charges. In this proposal the loading-unloading and handling charges for meter, Contingencies, insurance of material & price variation/ escalation were taken into consideration. The centages over and above the total estimated cost of materials is 23.00%. All other things are kept unchanged such as supervision charges, variable charges etc.

9.2.6 It is stated that while estimating charges for new HT Overhead connection, MSEDCL has considered all the legitimate expenditure for works of Gantry, Earthing, protection and metering etc. The same works has considered in case of HT underground service connection. Accordingly, MSEDCL has proposed the new service connection charges based on all legitimate costs.

9.2.7 Accordingly, MSEDCL had proposed following schedule of charges for approval of the Commission to be made applicable for 5 years of 5th Control Period.

9.2.8 Proposed normative SCC for new Overhead & Underground Connection as below.

Table 453: Service Connection Charges for new Overhead & Underground Connection submitted by MSEDCL

Sr. No.	Particulars		Existing Charges (Rs.)	Proposed Charges (Rs.)
I) SERVICE CONNECTION CHARGES FOR NEW OVERHEAD CONNECTION				
1	**Low Tension (LT) Supply.**			
	a. Single Phase			
	i.	For load up to 0.5kW	1,410	3,000
	ii.	For load above 0.5kW and up to 7.5kW	1,840	3,800
	b. Three Phase			
	i.	Motive power up to 27 HP or other loads up to 20 kW	7,790	11,800

Sr. No.	Particulars		Existing Charges (Rs.)	Proposed Charges (Rs.)
	ii.	Motive power above 27 HP but up to 107 HP or other loads above 20 kW but up to 80 kW	13,640	17,600
	iii.	Motive power above 107 HP but up to 214 HP or other loads above 80 kW but up to 160 kW	23,380	35,800
2	**High Tension (HT) Supply**			
	i.	11kV Supply up to 1,000 kVA	2,38,110	3,22,300
	ii.	11kV Supply above 1,000 kVA up to 5,000 kVA	2,79,230	3,72,700
	iii.	22kV Supply up to 1,000 kVA	2,81,400	3,70,000
	iv.	22kV Supply above 1,000 kVA up to 10,000 kVA	3,29,900	4,44,000
	v.	33kV Supply up to 20,000 kVA	3,98,290	4,79,900
	vi	EHV Supply and beyond SOP Cases	At actual	At actual
II) SERVICE CONNECTION CHARGES FOR NEW UNDERGROUND CONNECTION				
1	**Low Tension (LT) Supply**			
	a. Single Phase			
	i.	For load up to 0.5 kW	3,680	6,000
	ii.	For load above 0.5 kW & up to 7.5 kW	8,230	9,700
	b. Three Phase			
	i.	Motive power up to 27 HP or other loads up to 20 kW	14,940	20,400
	ii.	Motive power above 27 HP but up to 67 HP or for other loads above 20 kW but up to 50 kW	26,300	29,200
	iii.	Motive power above 67 HP but up to 134 HP or for other loads above 50 kW but up to 100 kW (150)	50,760	55,300
	iv.	Motive power above 134 HP but up to 214 HP or for other loads above 100 kW but up to 160 kW	76,950	80,600
2	**High Tension (HT) & Extra High Voltage (EHV) Supply**			
	i.	11kV Supply up to 1,000 kVA	2,73,820	4,06,500
	ii.	11kV Supply above 1,000 kVA up to 5,000 kVA	2,85,730	4,17,700
	iii.	22kV Supply up to 1,000 kVA	3,10,360	4,30,000
	iv.	22kV Supply above 1,000 kVA up to 10,000 kVA	3,49,580	4,89,900
	v.	33kV Supply up to 20,000 kVA	4,09,110	5,29,000
	vi	EHV Supply & beyond SOP Cases	At actual	At actual

Notes:

1. In case MSEDCL permits an applicant to carry out the work through a Licensed Electrical Contractor (LEC), a rate of 1.30% of the normative charges will be applicable towards supervision charges.

   In case of extension of load, the normative charges will be applicable on the total load (existing as well as additional load demanded) as per the load slabs indicated above and the earlier recovered normative charges will be deducted from the same.

2. The road opening charges vary from area to area, hence will be levied on actual basis.

3. In case of Applicant's load above 3 MVA which necessitates establishment of substation, if the applicant provides less than the required land or provided land nearby their project due to non-availability of land in the project, the applicant at their own cost has to carry out the establishment of required infrastructure viz. Sub-station with allied lines by paying the charges at a rate of 1.30 % of the expenditure required for the infrastructure development towards supervision charges.

4. The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.2.9 The Commission notes that MSEDCL considered average length of service wires as 20 metres which is the same as considered by the Commission in MTR Order in Case No.266 of 2023 dated 31 March 2023.

9.2.10 The proposed revision in LT-Service connection charges (SCC) (for overhead lines) amounts to increase of 53.00% (LT-single phase up to 0.5kW) to 34.69% (LT-3ph up to 160 kW) as against that existing SCC (as approved under MTR Order) whereas proposed revision in LT-Service connection charges (for underground) amounts to increase of 38.67% (LT-single phase up to 0.5 kW) to 26.76% (LT-3ph upto 20 kW).

9.2.11 The percentage rise proposed for HT-Service connection charges (SCC) (for overhead lines) amounts to increase of 26.12% (HT-11kV up to 1,000kVA) as against that existing SCC whereas proposed revision in HT-Service connection charges (for underground) amounts to increase of 32.64% (HT-11kV Supply up to 1,000 kVA).

9.2.12 The Commission notes that MSEDCL has submitted the SoC for the consumers having load above 27 HP/ 20 kW is proposed at actual irrespective of jurisdiction whether it is urban or rural or industrial zone. The Commission has approved the charges by escalating MTR approved charges by 2.32% considering average of WPI for the period April 2023 to September 2024 (1.5 years).

9.2.13 The Commission has noted that MSEDCL has revised the SCC based on the updated cost data for FY 2024-25, incorporating loading-unloading, handling charges, contingencies, insurance, and price variation/escalation. The centages applied over the total estimated material cost is 23.00%, while other components such as supervision and variable charges remain unchanged. Additionally, for new HT Overhead and HT Underground connections, which also includes expenses related to Gantry, Earthing, Protection, and Metering.

9.2.14 For normative SCCs, the Commission finds it appropriate to apply escalation on the approved SCC in MTR Order dated 31 March 2023 for arriving the revised SCC for 5th Control Period. For escalating the approved SCC rates in MTR Order, the Commission has approved the charges by escalating MTR approved charges by 2.32% considering average of WPI for the period April 2023 to September 2024 (1.5 Years) Further, for Application Registration and processing Charges, the Commission has considered the 1.5 years average of CPI and WPI with 50% weightage to each for escalate previously approved charges under MTR Order dated 31 March 2023.

9.2.15 The Commission has considered the Wholesale Price Index (WPI) and Consumer Price Index (CPI) published by the Government of India for the period April 2023 to September 2024 in the ratio of 50:50 as shown in table below:

Table 454: WPI CPI linked escalation factor

Particulars	%
Average of WPI (April 2023 to September 2024)	2.32%
Average of CPI (April 2023 to September 2024)	6.78%
Ratio of WPI: CPI - 50:50	4.55%

9.2.16 The Commission is of the view that, activities under miscellaneous and general charges are mostly labour incentive, accordingly the Commission has considered average of CPI of the period from April 2023 to September 2024 published by the Labour Bureau, Government of India to escalate previously approved charges in MTR Order on compounded basis.

9.2.17 Further, while approving the revised SCC, the Commission, in case if the proposed rate of MSEDCL is lesser than the rate derived by the Commission with applying escalation on MTR approved rates the Commission has considered the rates proposed by MSEDCL. Accordingly, the approved SCCs as shown in table below:

Table 455: Service Connection Charges for new Overhead & Underground Connection approved by the Commission

Sr. No.		Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
I) SERVICE CONNECTION CHARGES FOR NEW OVERHEAD CONNECTION					
1	**Low Tension (LT) Supply.**				
	a. Single Phase				
	i.	For load up to 0.5kW	1,410	3,000	1,440
	ii.	For load above 0.5kW and up to 7.5kW	1,840	3,800	1,880

Sr. No.	Particulars		MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
	b. Three Phase				
	i.	Motive power up to 27 HP or other loads up to 20 kW	7,790	11,800	7,979
	ii.	Motive power above 27 HP but up to 107 HP or other loads above 20 kW but up to 80 kW	13,640	17,600	13,960
	iii.	Motive power above 107 HP but up to 214 HP or other loads above 80 kW but up to 160 kW	23,380	35,800	23,920
2	**High Tension (HT) Supply**				
	i.	11kV Supply up to 1,000 kVA	2,38,110	3,22,300	2,43,630
	ii.	11kV Supply above 1,000 kVA up to 5,000 kVA	2,79,230	3,72,700	2,85,710
	iii.	22kV Supply up to 1,000 kVA	2,81,400	3,70,000	2,87,930
	iv.	22kV Supply above 1,000 kVA up to 10,000 kVA	3,29,900	4,44,000	3,51,050
	v.	33kV Supply up to 20,000 kVA	3,98,290	4,79,900	4,07,530
	vi	EHV Supply and beyond SOP Cases	At actual on case to case basis subject to ceiling of Rs 5,41,500	At actual	At actual on case to case basis subject to ceiling of Rs 5,54,060
II) SERVICE CONNECTION CHARGES FOR NEW UNDERGROUND CONNECTION					
1	**Low Tension (LT) Supply**				
	a. Single Phase				
	i.	For load up to 0.5 kW	3,680	6,000	3,770
	ii.	For load above 0.5 kW & up to 7.5 kW	8,230	9,700	8,420
	b. Three Phase				
	i.	Motive power up to 27 HP or other loads up to 20 kW	14,940	20,400	15,290
	ii.	Motive power above 27 HP but up to 67 HP or for other loads above 20 kW but up to 50 kW	26,300	29,200	26,910
	iii.	Motive power above 67 HP but up to 134 HP or for other loads above 50 kW but up to 100 kW (150)	50,760	55,300	51,940
	iv.	Motive power above 134 HP but up to 214 HP or for other loads above 100 kW but up to 160 kW	76,950	80,600	78,740
2	**High Tension (HT) & Extra High Voltage (EHV) Supply**				

Sr. No.	Particulars		MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
	i.	11kV Supply up to 1,000 kVA	2,73,820	4,06,500	2,80,170
	ii.	11kV Supply above 1,000 kVA up to 5,000 kVA	2,85,730	4,17,700	2,92,360
	iii.	22kV Supply up to 1,000 kVA	3,10,360	4,30,000	3,37,760
	iv.	22kV Supply above 1,000 kVA up to 10,000 kVA	3,49,580	4,89,900	3,57,690
	v.	33kV Supply up to 20,000 kVA	4,09,110	5,29,000	4,18,600
	vi	EHV Supply & beyond SOP Cases	At actual on case to case basis subject to ceiling of Rs 5,41,500	At actual	At actual on case to case basis subject to ceiling of Rs 5,54,060

9.2.18 MSEDCL has proposed that in case of Applicant's load above 3 MVA which necessitates establishment of substation, if the applicant provides less than the required land or provided land nearby their project due to non-availability of land in the project, the applicant at their own cost has to carry out the establishment of required infrastructure viz. Sub-station with allied lines by paying the charges at a rate of 1.30 % of the expenditure required for the infrastructure development towards supervision charges. In this manner, MSEDCL cannot force the prospective consumer to incur the expenditure towards infrastructure. Such provisioning will create hardship to consumers where redevelopment activities are going on and locations have space constraints. The Commission has already accorded its approval towards NSC scheme which aims at creating backbone infrastructure for supplying prospective consumers. The Commission expects that MSEDCL will plan and expand the network to cater new load along with other existing load. However, in case consumer is seeking supply under DDF then all expenses need to be incurred by it.

9.3 Cost of Meter, Metering Cubicle Etc.

MSEDCL's Submission

9.3.1 MSEDCL stated that as per MERC Supply Code Regulations, 2021 at the time of releasing a new connection, the MSEDCL shall not recover any cost towards meter and allied equipment. The Consumer may opt to purchase the meter and allied equipment from the DISCOM, or suppliers empanelled by the DISCOM, provided the same are of a specification approved by the Distribution Licensee from time to time. The consumer can also install the check meter as per specification approved by the technical specifications as laid down in the Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006 as amended from time to time.

9.3.2 MSEDCL stated that in the case of a burnt meter or a lost meter, the Distribution Licensee is authorized to recover the price of the meter from the Consumer in accordance with the clause 15.3 of the MERC Supply code Regulations, 2021.

9.3.3 MSEDCL proposed the metering rates based on the discovered rates in RDSS Smart Metering Tenders. The proposed rates are as under:

Table 456: Charges for metering submitted by MSEDCL

Sr. No	Particulars		Existing Charges (Rs.)	Proposed Charges (Rs.)
Applicable in case consumer opts to purchase the meter, metering Cabinet/cubicle from MSEDCL & in case of Lost & Burnt Meter & metering Cabinet/ cubicle.				
1	**LT Single Phase**			
a	5-30A 6LoWPAN RF Meter without enclosure		820	695
b	10-60A Smart Meter (including GPRS communication Module) as per IS:16444 Part-I		2,610	5,200
2	**LT Three Phase**			
a	10-40A 6LoWPAN RF Meters without enclosure		1,650	1,683.14
b	10-60A Smart Meter (including GPRS communication Module) as per IS:16444 Part-I		4,050	8,666.10
3	**LT-CT Operated Three Phase Metering Unit**			
a	250/5 A Meter with CTs & MCCB		22,500	—
b	40-200A CT embedded Meter		14,200	10,950
c	300/5 A Smart Meter with CTs, Meter Box & MCCB		—	42,651
d	i.	LT-CT Operated Three Phase Smart Meter (including GPRS Communications Module) as per 15:16444 Part-2 with Accuracy Class 0.5S and current rating of -/5 A.	3,570	20,060
	ii.	Supporting CTs and MCCB for LT-CT Operated Three Phase Smart Meters as above	18,750	19,430
4	**HT ToD Meter**			
a	5A rating with 0.5s accuracy class		2,420	3,015
b	1A rating with 0.5s accuracy class		2,870	3,600
c	1A & 5A rating with 0.2s accuracy class		6,420	6,899
d	HT TOD Smart Meter as per IS:16444 Part-I		—	43,072.88

Sr. No	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
5	**HT Metering cubical including C.T. & P.T.**		
a	For 11 kV Supply	91,500	1,08,000
b	For 22 kV Supply	1,38,000	1,50,000
c	For 33 kV Supply	2,01,500	2,12,280

Notes:

1. In case of lost and burnt meter and metering cabinet/cubicle, the installation testing fees will be recovered from the consumer as per approved Schedule of Charges.
2. Meter box will be provided by MSEDCL at its own cost.
3. The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.3.4 The Commission notes that MSEDCL has proposed the charges for new category in LT-CT Operated Three Phase Metering Unit is for 300/5 A Smart Meter with CTs, Meter Box & MCCB and new category in HT ToD Meter is for HT TOD Smart Meter as per IS:16444 Part-I.

9.3.5 The Commission also notes that the MSEDCL has proposed higher charges for 300/5 A Smart Meter with CTs, Meter Box & MCCB and for HT TOD Smart Meter as per IS:16444 Part-I. Hence the Commission has approved the charges for smart meters as per actual tender cost.

9.3.6 The Commission has approved the SoC by applying average of 1.5 years WPI inflation rate as discussed in above sections. Accordingly, the Commission approves the rates proposed by MSEDCL as indicated in table below, which would be applicable only in case of a burnt or a lost meter or where a consumer opts to purchase the meter from MSEDCL.

9.3.7 Further, while approving the revised SOC, the Commission, in case if the proposed rate of MSEDCL is lesser than the rate derived by the Commission with applying escalation on MTR approved rates the Commission has considered the rates proposed by MSEDCL. Accordingly, the approved Charges for Meters as shown in table below:

Table 457: Charges for Metering approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
Applicable in case consumer opts to purchase the meter, metering Cabinet/cubicle from MSEDCL & in case of Lost & Burnt Meter & metering Cabinet/ cubicle.				
1	**LT Single Phase**			
a	5-30A 6LoWPAN RF Meter without enclosure	820	695	695

Sr. No.	Particulars		MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
b	10-60A Smart Meter (including GPRS communication Module) as per IS:16444 Part-I		2,610	5,200	5,200
2	**LT Three Phase**				
a	10-40A 6LoWPAN RF Meters without enclosure		1,650	1,683.14	1,683.14
b	10-60A Smart Meter (including GPRS communication Module) as per IS:16444 Part-I		4,050	8,666.10	8,666.10
3	**LT-CT Operated Three Phase Metering Unit**				
a	40-200A CT embedded Meter		14,200	10,950	10,950
b	300/5 A Smart Meter with CTs, Meter Box & MCCB		-	42,651	42,651
c	i.	LT-CT Operated Three Phase Smart Meter (including GPRS Communications Module) as per 15:16444 Part-2 with Accuracy Class 0.5S and current rating of -/5 A.	3,570	20,060	20,060
	ii.	Supporting CTs and MCCB for LT-CT Operated Three Phase Smart Meters as above	18,750	19,430	19,190
4	**HT ToD Meter**				
a	5A rating with 0.5s accuracy class		2,420	3,015	2,480
b	1A rating with 0.5s accuracy class		2,870	3,600	2,940
c	1A & 5A rating with 0.2s accuracy class		6,420	6,899	6,570
d	HT TOD Smart Meter as per IS:16444 Part-I		—	43,072.88	43,072.88
5	**HT Metering cubical including C.T. & P.T.**				
a	For 11 kV Supply		91,500	1,08,000	93,620
b	For 22 kV Supply		1,38,000	1,50,000	1,41,200
c	For 33 kV Supply		2,01,500	2,12,280	2,06,170

9.4 Application Registration and Processing Charges

MSEDCL's Submission

9.4.1 MSEDCL stated that most of the activities covered under this category are labour intensive viz. application scrutiny & processing, written/e-mails, telephonic correspondence, web-based services for new connections/ Change of name/ Reduction or Enhancement of Load/ Shifting of service/ Temporary connection etc. Considering the inflation witnessed from the rise in WPI and CPI, 5.35% rise on existing charges is proposed.

Table 458: Application registration and processing charges submitted by MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
1	Single Phase	120	130
2	Three Phase	170	180
3	LT (Agriculture)	170	180
4	HT Supply up to 33 kV	2,660	2,810
5	EHV Supply	5,400	5,690

Notes:

1. The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.4.2 The Commission had expressed its views in context of the above-mentioned activities vide the Order dated 8 September 2006 in Case No. 70 of 2005. The relevant portion of the said Order is reproduced herein under:

"8) Application registration and processing charges: As per Supply code regulation 4, in respect of Application for supply, the applicant is required to submit various documents and details. Besides, as per regulation no.4.1(ix), consumer is required to pay fee for processing the application or receipt thereof, based on schedule of charges approved by the Commission under regulation 18.

Following activities are involved in processing the application as mentioned in Regulation 5 of Supply Code:

(i) study of technical requirements of giving supply,

(ii) inspect the premises,

(iii) joint inspection along with an applicant to fix the position of service, mains, meters, sanction of load, etc.

However, all the above activities fall under normal activities of the Licensee's staff. As the expenditure on the staff is covered under ARR, the Processing fee should not include the expenditure towards the staff employed for processing the application to avoid double accounting. At the same time the Commission feels that there should be a minimum barrier to discourage frivolous or non-serious consumers.

In view of above, the Commission allows MSEDCL to collect a token amount towards the application processing or receipt thereof as indicated in Annexure-5."

9.4.3 In view of the above the Commission finds it appropriate to allow the Application Registration and Processing Charges by considering the escalation factor of 1.5 years average CPI and WPI in a ratio of 50:50 which works out to be 4.55% considering that most of the activities are labour intensive.

9.4.4 Further, while approving the revised SoC, the Commission, in case if the proposed rate of MSEDCL is lesser than the rate derived by the Commission with applying escalation on MTR approved rates the Commission has considered the rates proposed by MSEDCL. Accordingly, approved charges for application registration and processing are mentioned in table below:

Table 459: Application registration and processing charges approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
1	Single Phase	120	130	130
2	Three Phase	170	180	180
3	LT (Agriculture)	170	180	180
4	HT Supply up to 33 kV	2,660	2,810	2,780
5	EHV Supply	5,400	5,690	5,650

9.5 Processing fees for change of name/ change of ownership of generator

MSEDCL's Submission

9.5.1 MSEDCL stated that these charges are newly proposed. The processing fees applicable to EHV consumer for Change in name was recovered from the generator for change in ownership and change in name as per schedule of Charges approved by Commission vide Case No 226 of 2022. The factors considered for proposing the said charges are as follows:

i. Number of applications related to Change of Name/ Change of Ownership of generator is increased tremendously.

ii. MSEDCL is in process for development of online system for submission of application & documents related to Change of Name/ Change of Ownership of generator with online payment of application fee.

iii. MSEDCL has to pay service charges to the service provider of online payment system.

iv. Generator has to upload required documents on which is having 50 to 100 MB Capacity. Thus, MSEDCL have to purchase additional storage space to save all the documents.

v. Discrepancies in applications shall be communicated to applicants via electronic media.

vi. Issuance of Periodical Covey letters.

vii. Processing fees of Change of Name/ Change of Ownership of generator not revised since last decade.

9.5.2 In view of aforementioned factors, Processing Fees for Change of Name/ Change of Ownership of generator are proposed as below:

Table 460: Processing fees for change of name/ ownership of generators submitted by MSEDCL

Generation Type	Proposed Charges
Wind	Rs. 10000/- per Application / windmill
Solar	
Up to 5 MW	Rs. 10000/-
More than 5 MW and up to 20 MW	Rs. 15000/-
More than 20 MW	Rs. 30000/-

Commission's Analysis & Ruling

9.5.3 The Commission notes that MSEDCL proposed new charges as a processing fee for change of name/ change of ownership of generator. Further, the Commission acknowledged the factors the factors that considered for proposing the charges.

9.5.4 The Commission is of the view that, change of name application process may not require many categories based on MW capacity. Accordingly, the Commission allows two capacities only viz. upto 5 MW and above 5 MW. Further, the Commission notes that MSEDCL is in process of developing online facility for the same, which will reduce the workload. Hence, the Commission has rationalised the processing fees.

9.5.5 Further, the Commission clarifies that, these charges shall not be applicable for RE generators developed under MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 and its amendments.

9.5.6 Accordingly, the Commission has approved the processing fees for wind and solar generation for application registration and processing for change of name/change of ownership as mentioned in table below:

Table 461: Processing fees for change of name/ change of ownership of generator approved by the Commission

Generation Type	MYT Petition Proposed Charges (Rs.) per Application/Windmill	Approved by the Commission (Rs.) per Application
Wind / Solar		
Up to 5 MW	Rs. 10000/-	Rs. 5000/-
More than 5 MW and up to 20 MW	Rs. 15000/-	Rs. 10000/-

Generation Type	MYT Petition Proposed Charges (Rs.) per Application/Windmill	Approved by the Commission (Rs.) per Application
More than 20 MW	Rs. 30000/-	

9.6 Charges for Open Access

MSEDCL's Submission

9.6.1 MSEDCL stated that the services involved in open access are application processing & scrutiny, preparation of agreement, maintenance of Web-Portal & billing software, up-gradation, data storage and jointly visits for meter reading & processing etc.

9.6.2 As per new RE Policy by GoI and GoM, new RE Sources are introduced such as Solar, small hydro. Also, the number of open access consumers is increased. No. of Open access applications received per Month is 350 (Approx.). The processing fees and operating charges should be revised.

9.6.3 MSEDCL stated the following reasons for revising the processing fees and the operating charges are below.

9.6.4 **Processing Fees- Activities:**

a) As per MERC DOA Regulation 2016 an open access consumer can avail open access from Multiple generators and multiple sources. Thus, the number of applications has increased. MSEDCL has developed an online system for submission of OA applications and has to pay service charges to service provider of the online payment system.

b) The numbers of consumers availing of short-term open access are more. These consumers apply every month for STOA and upload the required Final True Up for FY 2022-23 & FY 2023-24, Provisional True Up for FY 2024-25 and Multi Year Tariff for FY 2025-26 to FY 2029-30 Main Petition. MSEDCL in January 2025 has 326 documents having 50 to 100 MB Capacity. Thus, MSEDCL have to purchase additional storage space to save all the documents.

c) Discrepancies in OA applications shall be communicated to applicants within three working days via electronic media.

d) Issuance of Periodical Open Access permissions.

e) Execution of Open Access Agreement.

f) The information of open access consumers like list of open access applications, date of application, open access quantum, generating stations, period of open access, action taken and status is provided in downloadable format on internet website every month.

g) The applicant wise details are to be made available on public domain.

9.6.5 **Operating Charges- Activities:**

a) Deployment of Engineers and staff.

b) As per DOA Regulations 2019, Individual SEM is being installed for separate RE generator.

c) Purchase of meter reading instruments and Laptops for meter reading.

d) A multiple monthly joint meter reading is to be taken for consumers from multiple generators.

e) Providing vehicle for monthly joint meter reading. The rate of fuel is almost doubled.

f) Forwarding the metering data from the consumer end through electronic media.

g) Monitoring the daily schedule of open access consumers.

h) Keeping the track of schedules from WRLDC, MSLDC and Exchange website for billing.

i) Compilation of consumer wise, date wise monthly schedule.

j) Development in open access billing software as per changes in Regulations and MERC Orders.

9.6.6 MSEDCL submitted that as the volume of OA applications are increasing on day-to-day basis, the expenditure of MSEDCL has gone up with reference to the reasons cited under processing fees & operating fee activities.

Table 462: Charges for Open Access submitted by MSEDCL

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Existing Charges (Rs.)</th><th>Proposed Charges (Rs.)</th></tr>
<tr><td>1</td><td colspan="3">Processing Fees per Application</td></tr>
<tr><td>a.</td><td>Up to 1 MW</td><td>15,450</td><td>25,000</td></tr>
<tr><td>b.</td><td>More than 1 MW & up to 5 MW</td><td>23,440</td><td>35,000</td></tr>
<tr><td>c.</td><td>More than 5 MW & up to 20 MW</td><td>47,890</td><td>65,000</td></tr>
<tr><td>d.</td><td>More than 20 MW</td><td>79,920</td><td>1,00,000</td></tr>
<tr><td>2</td><td colspan="3">Operating Charges per month</td></tr>
<tr><td>a.</td><td>Up to 1 MW</td><td rowspan="2">15,450</td><td rowspan="2">25,000</td></tr>
<tr><td>b.</td><td>More than 1 MW & up to 5 MW</td></tr>
<tr><td>c.</td><td>More than 5 MW & up to 20 MW</td><td rowspan="3">29,830</td><td rowspan="3">40,000</td></tr>
<tr><td>d.</td><td>More than 20 MW & up to 50 MW</td></tr>
<tr><td>e.</td><td>More than 50 MW</td></tr>
</table>

Commission's Analysis & Ruling

9.6.7 The Commission noticed that MSEDCL has submitted reasons for proposed processing and Operating Charges for Open Access.

9.6.8 Mahanagar Gas Ltd has contended that proposed charges are cumbersome for green energy transactions. The Commission has amended DOA Regulations and allowed Green Open Access for consumer even below earlier threshold limit of 1 MW. Accordingly, considering the fact that such consumers availing Green Open Access will have lower consumption and imposing processing fees and operating charges as applicable for consumers opting for open access will increase per unit cost and make open access unviable. Accordingly, to promote Green Open Access, the Commission on notional basis has worked out processing fees and operating charges for consumer having Contract Demand /Sanctioned load of less than 1 MW opting for Green Open Access.

9.6.9 The Commission has applied 1.5 years average of CPI inflation rate on the charges which were approved in MTR Order. The summary of Open Access charges approved by the Commission is given table below:

Table 463: Charges for Open Access approved by the Commission

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>MTR Order Existing Charges (Rs.)</th><th>MYT Petition Proposed Charges (Rs.)</th><th>Approved by the Commission (Rs.)</th></tr>
<tr><td>1</td><td colspan="3">Processing Fees per Application</td><td></td></tr>
<tr><td>a.</td><td>Upto 100kW</td><td></td><td></td><td>1,550</td></tr>
<tr><td>b.</td><td>Above 100 kW and Up to 1 MW</td><td>15,450</td><td>25,000</td><td>4,000</td></tr>
<tr><td>c.</td><td>More than 1 MW & up to 5 MW</td><td>23,440</td><td>35,000</td><td>25,030</td></tr>
<tr><td>d.</td><td>More than 5 MW & up to 20 MW</td><td>47,890</td><td>65,000</td><td>51,140</td></tr>
<tr><td>e.</td><td>More than 20 MW</td><td>79,920</td><td>1,00,000</td><td>85,340</td></tr>
<tr><td>2</td><td colspan="3">Operating Charges per month</td><td></td></tr>
<tr><td>a.</td><td>Upto 100kW</td><td></td><td></td><td>1,550</td></tr>
<tr><td>b.</td><td>Above 100 kW and Up to 1 MW</td><td rowspan="2">15,450</td><td rowspan="2">25,000</td><td>4,000</td></tr>
<tr><td>b.</td><td>More than 1 MW & up to 5 MW</td><td>16,500</td></tr>
<tr><td>c.</td><td>More than 5 MW & up to 20 MW</td><td rowspan="3">29,830</td><td rowspan="3">40,000</td><td rowspan="3">31,850</td></tr>
<tr><td>d.</td><td>More than 20 MW & up to 50 MW</td></tr>
<tr><td>e.</td><td>More than 50 MW</td></tr>
</table>

9.7 Miscellaneous and General Charges

MSEDCL's Submission

9.7.1 MSEDCL stated that as most of the activities covered under this category are labour incentive and the schedule of charges determined in these proceedings will be applicable till FY 2029-30, it is necessary to consider the trends in inflation. These charges are proposed considering the escalation factor 5.78% devised from the five-year average CPI.

Installation Inspection & Testing Charges:

9.7.2 MSEDCL submitted that the work of wiring at the premises of the consumer beyond the point of supply shall be carried out by the consumer and shall conform to the standards specified in the Indian Electricity Rules, 1956. As per Rule 53(1), the cost of first inspection and testing of a consumer's installation carried out in pursuance of the provisions of Rule 47 shall be borne by the supplier and the cost of every subsequent inspection and test shall be borne by the consumer.

9.7.3 MSEDCL stated that the first inspection and testing of a consumer's installation will be free of cost as done currently for the release of new service connection. For every subsequent inspection and testing, following rates have been proposed applying escalation factor of 5.78% devised from the five-year average Consumer Price Index (CPI).

Table 464: Installation Inspection & Testing Charges submitted by MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
a.	**Low Tension Service**		
i.	Single phase	120	130
ii.	Three phases	230	250
b.	**High Tension Service**		
i.	Agricultural Connection	600	640
ii.	Other than AG Connection	790	840
c.	**Renewable Energy Installations with Net Metering features**		
i.	Single phase	500	530
ii.	Three phases	1000	1060

Notes:

1. Applicable only after first inspection & testing of a consumer's installation if done currently for the release of new service connection. Further, it is applicable for restoration of supply after burnt/ lost meter replacement, change of meter location in same premises, change of services etc. other than routine inspection activities of MSEDCL.
2. The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.7.4 The Commission notes that MSEDCL has proposed charges by applying escalation factor of 5.78% devised from the five-year average CPI and in this order the Commission has applied 1.5 years average of CPI inflation rate (6.78%) on the charges which were approved in MTR Order. The summary of

Open Installation Inspection and Testing charges approved by the Commission is given table below:

Table 465: Installation Inspection & Testing Charges approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
a.	**Low Tension Service**			
i.	Single phase	120	130	130
ii.	Three phases	230	250	250
b.	**High Tension Service**			
i.	Agricultural Connection	600	640	640
ii.	Other than AG Connection	790	840	840
c.	**Renewable Energy Installations with Net Metering features**			
i.	Single phase	500	530	530
ii.	Three phases	1000	1060	1060

9.8 Reconnection Charges:

MSEDCL's Submission

9.8.1 MSEDCL stated that the supply of electricity is disconnected on account of failure of the consumer to comply with his obligations under Electricity Act or MERC Regulations, the Distribution Licensee shall recover the costs for restoration of supply from the consumer.

9.8.2 Further, in case of HT consumers, more manpower as well as man-hours are required for reconnection of supply. Also, it may require outages on HT line which leads to unwanted interruptions to other consumers. This also results in financial loss to the company.

9.8.3 Hence the higher charges are proposed to encourage consumer for prompt payment and discourage from becoming a defaulter.

Table 466: Reconnection charges submitted by MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
a	Low tension Service at Meter incoming main		
i.	Single Phase	210	250
ii.	Three phases	420	500
b.	At overhead distributing main:		
i.	Single phase	310	350
ii.	Three phases	520	600

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
c.	At underground distributing main:		
i.	Single phase (cut out/ reinstallation of meter)	310	350
ii.	Three phases	520	600
d.	Re-installation of Cut out, Meter & Service cable	-	1,000
e.	High Tension Supply	3,150	5,000

Note: The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.8.4 The Commission has applied 1.5 years average of CPI inflation rate (6.78%) on the charges which were approved in MTR Order. It is noted that MSEDCL has proposed new charges for Re-installation of Cut out, Meter & Service cable, The Commission approved 0.75 times of proposed charges by MSEDCL.

9.8.5 The reconnection charges approved by the Commission is given table below:

Table 467: Reconnection charges approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by the Commission (Rs.)
a	Low tension Service at Meter incoming main			
i	Single Phase	210	250	220
ii.	Three phases	420	500	450
b.	At overhead distributing main:			
i.	Single phase	310	350	330
ii.	Three phases	520	600	560
c.	At underground distributing main:			
i.	Single phase (cut out/ reinstallation of meter)	310	350	330
ii.	Three phase	520	600	560
d.	Re-installation of Cut out, Meter & Service cable	-	1,000	750
e.	High Tension Supply	3,150	5,000	3,360

9.9 Changing location of meter within same premises

MSEDCL's Submission

9.9.1 MSEDCL submitted that, the consumer may require change of meter location in reinstallation/ renovation of wiring in the premises. In such cases, the Distribution licensee entitles to recover the reasonable charges for this service. The material, labour, Tools & Plants and sundries required will be different for 1-phase, 3-phase, Overhead and Underground supply.

9.9.2 The existing charges approved by commission are same for overhead as well as underground supply. For underground supply, the material, labour, Tools & Plants and sundries required are on higher side & hence proposed separately on notional basis.

Table 468: Charges for Changing location of meter within same premises submitted by the MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
a.	For Overhead Supply		
i.	Single phase supply	400	430
ii.	Three phase supply	1050	1120
b.	For Underground Supply		
i.	Single phase supply	400	700
ii.	Three phase supply	1050	1500

Note: GST will be levied extra as per applicable rates

Commission's Analysis & Ruling

9.9.3 The Commission has applied 1.5 years average of CPI inflation rate (6.78%) on the charges which were approved in MTR Order. The approved charges for changing location of meter within same premises is shown in table below:

Table 469: Charges for Changing location of meter within same premises approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by the Commission (Rs.)
a.	For Overhead Supply			
i.	Single phase supply	400	430	430
ii.	Three phase supply	1050	1,120	1,120
b.	For Underground Supply			
i.	Single phase supply	400	700	430
ii.	Three phase supply	1050	1,500	1,120

9.10 Shifting of utility services/ Poles/ Lines etc.

MSEDCL's Submission

9.10.1 MSEDCL stated that the consumer's request may not be limited to shifting of a single meter within the same meter cabin or another meter box but may also require shifting of the entire meter box along with its service cable or shifting of poles. This may involve partial or complete removal of the existing service cable. It may also involve relocation of the meter along with the service cable, fuse unit and other safety arrangements. In case of underground cable, if the cable is to be removed, it will require excavation which may be in private property or on public roads. Accordingly, reinstatement charges become applicable. Thus, additional manpower and resources are required which would vary from case-to-case basis considering consumer requirement and site conditions

9.10.2 MSEDCL stated that further, due to development work, many consumers approach MSEDCL to shift the Utility Services viz. HT/LT Lines, DTC etc. in their premises. In many cases consumers are approaching MSEDCL to shift Poles/Lines (Utility) to secure non-agricultural (NA) land status. Also, various agencies such as PWD, Railway, NHAI, etc. are requesting for shifting the Utility Services viz. HT/LT Lines, DTC etc. for their development works

9.10.3 The Commission in its Order in Case No.83 of 2014 dated 25 July, 2014 in the matter of Petition filed by Tata Power Company for review of Order dated 28 December, 2012 in Case No. 47 of 2012 in the matter of its Schedule of Charges for (a) Service Connection for "Switchover" consumers (b) Service shifting and Meter shifting on the consumer's request has accorded its approval to recover actual expenditure incurred in shifting of services.

9.10.4 In view of above, the charges for Shifting of utility services/ Poles/ Lines etc. on consumers request are proposed as "At Actual". Such charges will be different for case to case and will be appropriate to recover based on prevailing approved cost data of MSEDCL.

Table 470: Charges for Shifting of utility services/ Poles/ Lines etc. submitted by MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
a.	1-Phase (Overhead & Underground Supply)	At actual	At actual
b.	3-Phase (Overhead & Underground Supply)	At actual	At actual

Notes:

1. In case MSEDCL permits an applicant to carry out the works through a Licensed Electrical Contractor (LEC), a rate of 1.30 % of the normative charges will be applicable towards supervision charges of such shifting.
2. The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.10.5 The Commission notes the submission of MSEDCL and approved the Charges "At Actual" as shown in table below:

Table 471: Charges for Shifting of utility services/ Poles/ Lines etc. approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
a.	1-Phase (Overhead & Underground Supply)	At actual	At actual	At actual
b.	3-Phase (Overhead & Underground Supply)	At actual	At actual	At actual

9.11 Charges for Temporary Supply:

MSEDCL's Submission

9.11.1 MSEDCL submitted that the clause no. 4.3.5 of Supply Code Regulations 2021 stipulates that, where an Applicant requires temporary supply, the Distribution Licensee shall be authorized to recover expenses reasonably incurred for the purpose of giving such temporary supply and for the purpose of discontinuance of such temporary supply based on the Schedule of Charges approved by the Commission.

9.11.2 It is submitted that as per the afore mentioned clause, if an applicant needs temporary electricity, the Distribution Licensee (electricity supplier) can recover the reasonable costs incurred for setting up the temporary supply. This includes costs for installation as well as discontinuance of the supply after the temporary period.

9.11.3 It is stated that a temporary connection may require significant infrastructure, such as a substation, distribution transformer, HT line, and LT line which would vary from case to case considering consumer requirement and site conditions.

9.11.4 In view of above, the charges for "Temporary Supply" are proposed as "At Actual". Such charges will be different for case to case and will be appropriate to recover based on prevailing approved cost data of MSEDCL.

Table 472: Charges for Temporary Supply submitted by the MSEDCL

Sr. No.	Particulars	Proposed Charges (Rs.)
a.	1-Phase (Overhead & Underground Supply	At actual
b.	3-Phase (Overhead & Underground Supply	At actual

Notes:

1. In case MSEDCL permits an applicant to carry out the works through a Licensed Electrical Contractor (LEC), a rate of 1.30 % of the normative charges will be applicable towards supervision charges of such shifting.
2. If the infrastructure is intended to be removed after the temporary supply ends, the applicant should pay the dismantling costs estimated by MSEDCL as per prevailing approved Cost Data.

3. The road opening charges vary from area to area, hence will be levied on actual basis.
4. The Charges for Statutory Permissions, if required, shall be borne by the applicant.
5. The GST will be levied extra as per applicable rates.

9.11.5 It is submitted that if the infrastructure remains useful to the Distribution Licensee (e.g., for future connections in the area), the Distribution Licensee may utilize the same, but this depends on local conditions,

9.11.6 In essence, the applicant for the temporary supply bears the majority of the costs for new infrastructure. This approach helps the Distribution Licensee manage resources effectively and avoids burdening other consumers with costs for infrastructure primarily serving a temporary purpose.

Commission's Analysis & Ruling

9.11.7 The Commission notes the submission of MSEDCL and approved the charges "At actual" as same proposed by the MSEDCL.

Table 473: Charges for Temporary Supply approved by the Commission

Sr. No.	Particulars	MYT Petition Proposed Charges (Rs.)	Approved by the Commission (Rs.)
a.	1-Phase (Overhead & Underground Supply	At actual	At actual
b.	3-Phase (Overhead & Underground Supply	At actual	At actual

9.11.8 MSEDCL is intending to retain the infrastructure is it is useful for it (e.g., for future connections in the area). As the cost of infrastructure is borne by consumer, Distribution Licensee shall compensate for the same at depreciated rates.

9.12 Inspection & Testing of Meters, metering equipment and others

MSEDCL's Submission

9.12.1 MSEDCL submitted proposal for revision in charges for Inspection & Testing of Meters, metering equipment and others.

9.12.2 Category wise Justification submitted by the MSEDCL is as follows:

Table 474: Category wise justification for Inspection & Testing of Meters, metering equipment and other on request

Sr. No.	Particulars	Justification
1	Testing of Single Phase, Poly-phase,	• Since 2019, no hike is proposed.

Sr. No.	Particulars	Justification
	LTMD & Tri-vector Meters	• Considering incremental expenditure (inflation rate) towards labour and maintenance cost, about 20% hike is proposed per load point. • List of load points and expenditure incurred is attached.
2	Testing of Net Meters	• Being bi-directional meters, the load points will get doubled. • Since 2019, no hike is proposed. • Considering incremental expenditure (inflation rate) towards labour and maintenance cost, about 20% hike is proposed per load point.
3	Testing of meters at TQA lab (NABL)	• Considering other NABL lab charges and NABL lab expenses and also considering no hike from 2019, the rates with 20% hike is proposed for good competition for commercial utilization.
4	Testing of Summator Meters	• Summator meters testing work requires three to four days as per the number of modules considering various load points. • Summator meter cost is minimum 20 lakhs approx. • The per load point rate is taken in line with existing approved ABT Meter Testing Rate and considering NABL lab expenses (sheet attached), 20% hike is proposed.
5	Calibration of Testing Equipment on Other Utilities'/ Agencies' request at TQA Laboratories	• M/s YMPL, Udaipur charges Rs 1260 per load point (Quotation attached), M/s Nishitronics Pune has charges of Rs 625 per load point. • Considering NABL lab expenses and no revision in charges since 2019, the charges are revised in line with other labs' rates.
6	Cable Testing and Fault Detection & Testing of Distribution Transformer	• Considering incremental expenditure towards staff, fuel, and maintenance of vehicle and cable testing equipment, the rates are increased by 20%.

9.12.3 MSEDCL submitted that consumers do have option to test meters as well as equipment at NABL accredited TQA labs of MSEDCL. MSEDCL has procured CT PT Test Setup & Dist. Transformer Test setup at its 06 nos. of NABL labs. On these setups, testing will be carried out on commercial basis after receipt of NABL accreditation for the said scope.

9.12.4 In view, some additional charges mentioned below are proposed to be incorporated in the proposal. (Sr. No. 7 in the Table below)

9.12.5 MSEDCL stated the CT/PT & Dist. Transformer Testing Charges at NABL lab of MSEDCL:

a) LT CT/ PT per unit Testing at MSEDCL NABL labs

b) HT CT/ PT per unit Testing at MSEDCL NABL labs

c) Dist. Transformer Testing at MSEDCL NABL Labs

9.12.6 The rates are proposed reasonably in line with MERC approved charges of the said materials and also considering NABL accreditation lab expenses

9.12.7 In view of above, the existing & proposed testing charges are as follows:

Table 475: Proposed charges for Inspection & Testing of Meters, metering equipment and others submitted by MSEDCL

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
1	Inspection & Testing of meters and metering equipment at site/ in Lab on Consumer's/ Generator's Request		
a.	Single Phase	220	270
b.	Poly-phase Meter/ RkVAh Meter	880	1,060
c.	LT MD Meters (With/ Without CTs)	1,100	1,320
d.	Tri-vector Meter	1,100	1,320
e.	LT Metering Equipment like CT/PT per Unit	1,000	1,000
f.	HT Metering equipment like CT/PT per Unit (up to and including 33kV)	3,000	3,000
g.	HT & EHV Metering equipment like CT/PT per Unit (above 33kV)	5,000	5,000
	Net Meter		
i.	Single Phase	500	600
ii.	Three Phase LT CT operated Bidirectional	1,100	1,320
iii.	Three Phase HT Tod Bidirectional	1,100	1,320
2	Testing of Meters at NABL Accredited TQA Laboratories		
a.	Single Phase	2,000	2,400
b.	Three Phase	9,500	11,400
c.	LT CT Operated Meters	10,000	12,000
d.	HT Tod Meters	15,000	18,000
e.	ABT/Apex Meters	20,000	24,000
3	Summator meter – module		
a.	Two modules + Summator	46,500	55,800
b.	Three modules + Summator	68,200	81,840
c.	Four modules + Summator	89,900	1,07,990
4	Calibration of Testing Equipment's on Other Utilities'/ Agencies' request at TQA Laboratories		
a.	Active/ Reactive Energy	400 per Load Point	700 per Load Point
b.	Active/ Reactive/ Apparent Power		
c.	Voltage	500 per Load Point	800 per Load Point
d.	Current		
e.	Power Factor		
f.	Frequency		
5	Cable Testing and Fault Detection on request		
a.	33/11KV cable fault location	12,000	14,400
b.	33/11KV cable Hi-pot	4,500	5,400

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
c.	33/11KV Cable Identification	4,500	5,400
d.	33/11KV Cable fault Identification	4,500	5,400
e.	LT U.G. Cable Fault location and identification	4,500	5,400
6	Distribution Transformer	3,000	3,600
7	CT/PT & Dist. Transformer Testing Charges at NABL lab of MSEDCL		
a.	LT CT/ PT per unit Testing at MSEDCL NABL labs	–	1,200
b.	HT CT/ PT per unit Testing at MSEDCL NABL labs	–	3,500
c.	Dist. Transformer Testing at MSEDCL NABL Labs	–	6,000

Note: The GST will be levied extra as per applicable rates.

Commission's Analysis & Ruling

9.12.8 The Commission notes that MSEDCL has submitted the category wise justification for Inspection & Testing of Meters, metering equipment and other in detail.

9.12.9 It is noted that MSEDCL has proposed some new charges for CT/PT & Distribution Transformer Testing Charges at NABL lab of MSEDCL, The Commission approved 0.75 times of proposed charges by MSEDCL.

9.12.10 The Commission notes that, as most of the activities are labour incentive, the Commission has considered the 1.5years average of CPI published by the Labour Bureau, Government of India to escalate previously approved charges in Order dated 31 March 2022 on compounded basis. The Commission has applied 1.5 years CPI rate where MSEDCL has proposed changes and where the proposed charges are less than that calculated as per methodology explain above, the Commission has considered charges as proposed by MSEDCL. Accordingly, approved charges Inspection & Testing of Meters, metering equipment and others are mentioned in table below.

Table 476: Proposed charges for Inspection & Testing of Meters, metering equipment and others approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
1	Inspection & Testing of meters and metering equipment at site/ in Lab on Consumer's/ Generator's Request			
a.	Single Phase	220	270	230
b.	Poly-phase Meter/ RkVAh Meter	880	1,060	940
c.	LT MD Meters (With/ Without CTs)	1,100	1,320	1,170
d.	Tri-vector Meter	1,100	1,320	1,170
e.	LT Metering Equipment like CT/PT per Unit	1,000	1,000	1,000

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
f.	HT Metering equipment like CT/PT per Unit (up to and including 33kV)	3,000	3,000	3,000
g.	HT & EHV Metering equipment like CT/PT per Unit (above 33kV)	5,000	5,000	5,000
	Net Meter			
i.	Single Phase	500	600	530
ii.	Three Phase LT CT operated Bidirectional	1,100	1,320	1,170
iii.	Three Phase HT Tod Bidirectional	1,100	1,320	1,170
2.	Testing of Meters at NABL Accredited TQA Laboratories			
a.	Single Phase	2,000	2,400	2,140
b.	Three Phase	9,500	11,400	10,140
c.	LT CT Operated Meters	10,000	12,000	10,680
d.	HT Tod Meters	15,000	18,000	16,020
e.	ABT/Apex Meters	20,000	24,000	21,360
3.	Summator meter – module			
a.	Two module + Summator	46,500	55,800	49,650
b.	Three module + Summator	68,200	81,840	72,820
c.	Four modules + Summator	89,900	1,07,990	96,000
4	Calibration of Testing Equipment's on Other Utilities'/ Agencies' request at TQA Laboratories			
a.	Active/ Reactive Energy	400 per Load Point	700 per Load Point	430 per Load Point
b.	Active/ Reactive/ Apparent Power			
c.	Voltage	500 per Load Point	800 per Load Point	530 per Load Point
d.	Current			
e.	Power Factor			
f.	Frequency			
5.	Cable Testing and Fault Detection on request			
a.	33/11KV cable fault location	12,000	14,400	12,810
b.	33/11KV cable Hi-pot	4,500	5,400	4,810
c.	33/11KV Cable Identification	4,500	5,400	4,810
d.	33/11KV Cable fault Identification	4,500	5,400	4,810
e.	LT U.G. Cable Fault location and identification	4,500	5,400	4,810
6	Distribution Transformer	3,000	3,600	3,200
7	CT/PT & Dist. Transformer Testing Charges at NABL lab of MSEDCL			
a.	LT CT/ PT per unit Testing at MSEDCL NABL labs	–	1,200	900
b.	HT CT/ PT per unit Testing at MSEDCL NABL labs	–	3,500	2,630
c.	Dist. Transformer Testing at MSEDCL NABL Labs	–	6,000	4,500

9.13 Administrative charges for cheque bouncing:

MSEDCL's Submission

9.13.1 MSEDCL stated that the revision in administrative charges for Cheque bouncing is proposed on notional basis to discourage wilful defaulters.

Table 477:Administrative charges foe cheque bouncing submitted by MSEDCL

Sr. No	Particulars	Existing Charges (Rs.)	Proposed Charges (Rs.)
1	Administrative charges for cheque bouncing	Rs. 750/- or Bank charges whichever is higher	Rs. 1000/- or Bank charges whichever is higher

Note: The GST will be levied extra as per applicable rates.

Commission's Analysis

9.13.2 The Commission has noted the submission of MSEDCL and approved the administrative charges for cheque bouncing as same as existing charges in MTR Order. Approved charges are given in table below:

Table 478: Administrative charges foe cheque bouncing approved by the Commission

Sr. No.	Particulars	MTR Order Existing Charges (Rs.)	MYT Petition Proposed Charges (Rs.)	Approved by Commission (Rs.)
1	Administrative charges for Cheque bouncing	Rs. 750/- or Bank charges whichever is higher	Rs. 1000/- or Bank charges whichever is higher	Rs. 750/- or Bank charges whichever is higher

9.14 Performance Review and Review of Compliance of Directions

9.14.1 As per the MYT framework prescribed in the MYT Regulation, 2024, the distribution licensees are subject to process of Mid-Term Review which is due on 30 November 2027. Further, as per Regulation 16.3 of MYT Regulations Licensee need to submit periodic returns containing operational and cost data to enable monitoring implementation of the Order.

9.14.2 In the present MYT Order, the Commission has operationalized several important provisions related ToD Tariffs, implementation of kVAh billing for LT consumers with load above 20 kW. It is important to ascertain the impact and operational benefits of same and undertake suitable regulatory measures earlier than mid-term review, if necessary. Further, as per RA Regulations, distribution licensees are required to submit Annual RA rolling plans by September 2025, by which time the impact of new measures under this Order as well as Audited Annual Accounts for previous year would be available. Hence, the Commission directs MSEDCL to submit report on compliance of directions and operational performance for review by 30th November of each year of the control period. The Commission shall scrutinize such submissions and pass necessary directions for improvement in performance, as necessary.

10 Applicability of the Order

10.1.1 This Order shall come into effect from 1st April, 2025.

10.1.2 The Petition of Maharashtra State Electricity Distribution Company Limited in Case No. 217 of 2024 stands disposed of accordingly.

Sd/-	Sd/-	Sd/-
(Surendra J. Biyani)	**(Anand M. Limaye)**	**(Sanjay Kumar)**
Member	**Member**	**Chairperson**

(Dr. Rajendra G. Ambekar)
Secretary

11 Appendix-1: List of Persons Present at the Technical Validation Session on 26 December, 2024

Sr. No.	Name of person	Organization
1	Shri. Y.M. Gadkari	Director (Commercial), MSEDCL
2	Shri. Dinesh Agrawal	Executive Director (Commercial), MSEDCL
3	Shri. Paresh Bhagwar	Executive Director (Billing & Revenue), MSEDCL
4	Smt. Swati Vyavahau	Executive Director (Finance & ATCS), MSEDCL
5	Smt. Shailaja Sawant	CGM (F), MSEDCL
6	Shri. Gorimella G.K.	GM (CF), MSEDCL
7	Shri. Anil Kalekar	CGM (CA), MSEDCL
8	Shri. Dinkar Mandlik	AFM (F&A), MSEDCL
9	Shri. Rameshwar S. Kumavat	Sr. Manager (F&A), MSEDCL
10	Smt. Suchita S. Bhalerao	Deputy Manager (F&A), MSEDCL
11	Smt. Sarita Thakur	AFM (CA), MSEDCL
12	Smt. Pallavi Sherkar	EE, MSEDCL
13	Shri. Pralhad Aher	SE TRC, MSEDCL
14	Shri. Manoj. B. Dhabade	SE (Dist), MSEDCL
15	Shri. Ajit Pandit	Consultant Idam Infra
16	Shri Anant Sant	Consultant Idam Infra
17	Shri. Parag Joshi	Consultant Idam Infra

12 Appendix-2: List of Persons Present at the Public Hearing held between February 25, 2025 to March 4, 2025

Attached separately.

13 Annexure I: Tariff Schedule for 5th Control Period from FY 2025-26 to FY 2029-30

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.

APPROVED TARIFF SCHEDULE
(With effect from 1 April 2025)

Maharashtra Electricity Regulatory Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, has determined, by its Multi Year Tariff Order dated **31 March, 2025** in Case No. 217 of 2024, the Tariff for supply of electricity by the Distribution Licensee, Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) to various classes of consumers as applicable from **1 April, 2025.**

General

1. These tariffs supersede all tariffs so far in force.
2. The Tariffs are subject to revision and/or surcharge that may be levied by the Distribution Licensee from time to time as per the directives of the Commission.
3. The tariffs are exclusive of the separate Electricity Duty, Tax on Sale of Electricity and other levies by the Government or other competent authorities, which will be payable by consumers over and above the tariffs.
4. The tariffs are applicable for supply at one point only.
5. The Distribution Licensee may measure the Maximum Demand for any period shorter than 30 minutes of maximum use, subject to conformity with the Commission's Electricity Supply Code Regulations, 2021 where it considers that there are considerable load fluctuations in operation.
6. The tariffs are subject to the provisions of the applicable Regulations and any directions that may be issued by the Commission from time to time.
7. Unless specifically stated to the contrary, the figures for Energy Charge and Wheeling Charge are denominated in Rupees per unit (kWh or kVAh as case may be) for the energy consumed during the month.
8. Fuel Adjustment Charge (FAC) computed in accordance with the provisions of MYT Regulations, 2024 and the Commission's directions in this regard from time to time shall be applicable to all categories of consumers and will be charged over and above the base tariff.
9. A transition period upto three-month period to implement the revised ToD tariff for HT consumers and a transition period upto six-month period for LT consumers after notifying this Order. During Transition Period below ToD Tariffs will be applied.

ToD slots	ToD Charges/(Rebate) (Rs. /kWh or Rs. /kVA)
2200 Hrs to 0600 Hrs	-0.80
0600 Hrs to 0900 Hrs	0.00

ToD slots	ToD Charges/(Rebate) (Rs. /kWh or Rs. /kVA)
0900 Hrs to 1200 Hrs	0.00
1200 Hrs to 1800 Hrs	-0.80
1800 Hrs to 2200 Hrs	1.30

10. ToD Rebate during solar hours (i.e., 0900 Hrs to 1700 Hrs) proposed to increase in steps as shown in below table:

Years	April to September	October to March
FY 2025-26	-15%	-25%
FY 2026-27	-15%	-25%
FY 2027-28	-20%	-30%
FY 2028-29	-20%	-30%
FY 2029-30	-20%	-30%

LOW TENSION (LT) TARIFF

LT I (A): LT – Residential (BPL)

Applicability:

This Below Poverty Line (BPL) tariff category is applicable to Residential consumers who have a Sanctioned Load upto 0.25 kW and who have consumed upto 360 units per annum in the previous financial year. The eligibility of such consumers will be reassessed at the end of each financial year. If more than 360 units have been consumed in the previous financial year, the LT I (B) - Residential tariff shall thereafter be applicable, and such consumer cannot revert thereafter to the BPL category irrespective of his future consumption level.

The categorisation of BPL consumers will be reassessed at the end of the financial year on a pro rata basis if there has been consumption for only a part of the year. The categorisation of BPL consumers who have been added during the previous year would be assessed on a pro rata basis, i.e., 30 units per month.

This BPL category will also be applicable to all new consumers subsequently added in any month with a Sanctioned Load of up to 0.25 kW and consumption between 1 to 30 units (on pro rata basis of 1 unit/day) in the first billing month.

The BPL tariff is applicable only to individuals and not to institutions.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab	Fixed/Demand Charges (Rs. /Month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
BPL Category	34	1.48	-

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab	Fixed/Demand Charges (Rs. /Month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
BPL Category	35	1.44	-

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab	Fixed/Demand Charges (Rs. /Month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
BPL Category	35	1.42	-

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab	Fixed/Demand Charges (Rs. /Month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
BPL Category	35	1.42	-

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab	Fixed/Demand Charges (Rs. /Month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
BPL Category	35	1.42	-

<u>LT I (B): LT – Residential</u>

<u>Applicability:</u>

This tariff category is applicable for electricity used at Low/Medium Voltage for operating various appliances used for purposes such as lighting, heating, cooling, cooking, washing/cleaning, entertainment/leisure, water pumping in the following premises:

a. Private residential premises, Government/semi-Government residential quarters; Private corporate bodies staff quarters.

b. Premises used exclusively for worship, such as temples, gurudwaras, churches, mosques, etc.; provided that halls, gardens or any other part of such premises that may be let out for a consideration or used for commercial activities would be charged at the applicable LT-II tariff, unless specified in any other category;

c. Government / Private / Co-operative Housing Societies / Colonies/complexes (where electricity is used exclusively for domestic purposes) only for common facilities such as Water Pumping / Street and other common area Lighting / Lifts /Parking Lots/ Fire-fighting Pumps and other equipment, etc.;

d. Sports Clubs or facilities / Health Clubs or facilities / Gymnasium / Swimming Pool / Community Hall of Government / Private / Co-operative Housing Colonies/ complexes - provided that they are situated in the same premises, and are for the exclusive use of the members and employees of such Housing Colonies/complexes;

e. Stalls certified by Local Government owned/operated by Persons with Disabilities/Handicapped persons;

f. Residential premises used by professionals like Teachers, Lawyers, Doctors, Engineers, Chartered Accountants/ Tax Consultants, etc., in furtherance of their professional activities, but not including, offices, Nursing Homes and Surgical Wards or Hospitals;

g. Single-phase household Flour Mills (Ghar-ghanti) used only for captive purposes;

h. A residential LT consumer with consumption up to 500 units per month (current month of supply) who undertakes construction or renovation activity in his existing premises excluding redevelopment activity: such consumer shall not require a separate temporary connection, and would be billed at this Residential tariff rate;

i. Home-stay facilities at tourist destinations and religious places.

j. Consumers undertaking business or commercial/industrial / non-residential activities from a part of their residence, whose monthly consumption is up to 300 units a month and annual consumption in the previous financial year was up to 3600 units. The applicability of this tariff to such consumers will be assessed at the end of each financial year. In case consumption has exceeded 3600 units in the previous financial year, the consumer will thereafter not be eligible for the tariff under this category but be charged at the tariff otherwise applicable for such consumption, with prior intimation to him.

k. Entities supplied electricity at a single point at Low/Medium Voltage for residential purposes, in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:

(i) a Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes; and

(ii) a person, for making electricity available to its employees residing in the same premises for residential purposes.

l. Crematoriums and Burial Grounds for all purposes, including lighting, Electric Kiln, water pumps etc.

m. Temporary purposes for public religious functions/ festivals like Ganesh Utsav, Navaratri, Eid, Muharram, Ram Lila, Diwali, Christmas, Guru Nanak Jayanti, Gopalkala Utsav, Dashahara etc., and for areas where community prayers are held; and for functions to commemorate anniversaries of personalities and National or State events for which Public Holidays have been declared, such as Gandhi Jayanti, Ambedkar Jayanti, Chhatrapati Shivaji Jayanti, Republic Day, Independence Day, Maharashtra Day etc.

Provided that such temporary connection shall be subjected to 1.5 times of fixed charges.

Note:

This tariff category shall also be applicable to consumers who are supplied power at High Voltage for any of the purpose above other than (i) and (j) above.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-100 units	Single Phase: Rs. 130 per month Three Phase - Rs. 430 per month$^{\$\$}$	4.43	1.24
101 – 300 units		9.64	1.24
301 – 500 units		12.83	1.24
Above 500 Units (Balance Units)		14.33	1.24
TOD Tariffs (in addition to above base Tariffs)			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.80	
1700 Hrs - 2400 Hrs		-	

TOD Tariff applicable for FY 2025-26 as per Para 9 of this section

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-100 units	Single Phase: Rs. 130 per month Three Phase - Rs. 435 per month$^{\$\$}$	4.32	1.20
101 – 300 units		9.40	1.20
301 – 500 units		12.51	1.20
Above 500 Units (Balance Units)		13.97	1.20
TOD Tariffs (in addition to above base Tariffs)			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.85	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-100 units	Single Phase: Rs. 135 per month Three Phase - Rs. 440 per month$$	4.27	1.15
101 – 300 units		9.28	1.15
301 – 500 units		12.35	1.15
Above 500 Units (Balance Units)		13.80	1.15
TOD Tariffs (in addition to above base Tariffs)			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.90	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-100 units	Single Phase: Rs. 140 per month Three Phase - Rs. 445 per month$$	4.26	1.11
101 – 300 units		9.27	1.11
301 – 500 units		12.34	1.11
Above 500 Units (Balance Units)		13.78	1.11
TOD Tariffs (in addition to above base Tariffs)			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.95	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-100 units		3.35	1.07

Consumption Slab (kWh)	Fixed/Demand Charge (Rs. per month) #(ref. note (o))	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
101 – 300 units	Single Phase: Rs. 145 per month Three Phase - Rs. 450 per month$$	10.02	1.07
301 – 500 units		13.74	1.07
Above 500 Units (Balance Units)		15.28	1.07
TOD Tariffs (in addition to above base Tariffs)			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-1.00	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Note:

$$An Additional Fixed Charge of Rs.210 per 10 kW load or part thereof above 10 kW load shall also be payable for FY 2025-26. This amount will increase to Rs. 215, Rs. 220, Rs. 225, Rs. 230, per month and per 10 kW, in FY 2026-27, FY 2027-28, and FY 2028-29, FY 2029-39 respectively.

n. Professionals like Teachers, Lawyers, Doctors, Professional Engineers, Chartered Accountants/Tax Consultants etc., occupying premises exclusively for conducting their profession, shall not be eligible for this Tariff, and will be charged at the Tariff applicable to the respective categories.

o. Additional Fixed Charge of Rs 10 per connection per month shall be applicable for LT-Domestic category consumers in Urban Divisions of MSEDCL.

LT II: LT – Non-Residential or Commercial

(A) 0-20kW

Applicability:

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

a) Non-Residential, Commercial and Business premises, including shopping malls and Showrooms, Exhibition Centres;

b) Warehouses / Godowns;

c) Combined lighting and power supply for facilities relating to Entertainment, including film studios, cinemas and theatres (including multiplexes), Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment; Offices, including Commercial Establishments; Marriage Halls, Canteens / Cafeterias, Ice-cream parlours, Coffee / Tea Shops, Internet / Cyber Cafes, Telephone Booths not covered under the LT I category, and Fax / Photocopy shops;

d) Automobile and all other types of repairs, servicing and maintenance centres (unless specifically covered under another tariff category); Retail Gas Filling, Petrol Pumps and Service Stations, including Garages;

e) Toll Collection plazas;

f) Tailoring Shops, Computer Training Institutes, Private Training centres, Typing Institutes, Photo Laboratories, Beauty Parlours and Saloons, Mobile Shope's;

g) Banks and ATM centres, Telephone Exchanges, TV Stations, Microwave Stations, Radio Stations;

h) Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area lighting, etc., in Commercial Complexes;

i) Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;

j) External illumination of monuments/ historical/ heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;

k) Construction of all types of structures/ infrastructures such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels, for laying of pipelines for all purposes;

Note:
Residential LT consumers with consumption above 500 units per month (current month of supply) and who undertake construction or renovation activity in their existing premises shall not require a separate Temporary category connection, and shall be billed at the LT-II Commercial Tariff rate;

l) Sewage Treatment Plants/ Common Effluent Treatment Plants for Commercial Complexes not covered under the LT – Public Water Works or LT – Industry categories.

m) Advertisements, hoardings (including hoardings fixed on lamp posts/installed along roadsides), and other commercial illumination such as external flood-lights, displays, neon signs at departmental stores, malls, multiplexes, theatres, clubsand other such establishments.

n) Temporary supply for any of the activity not covered under Residential category.

Provided that Temporary supply consumer shall pay 1.5 time applicable fixed/demand charges and 1.25-time applicable energy charge.

Provided further that temporary supply for operating Fire-Fighting pumps and equipment in residential or other premises shall be charged as per the Tariff category applicable to such premises.

(B) 20 kW and ≤ 50 kW and (C) > 50 kW

Applicability:

As per the applicability described in LT II (A) and for the Sanctioned Load in the range applicable in this sub- category, i.e., LT II (B) and LT II (C).

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT II (A) 0-20 kW	Rs. 520/Conn./Month	Rs. 6.60/kWh	Rs. 1.24/kWh
LT II (B) > 20 kW and ≤ 50 kW	Rs. 520/kVA/ Month	Rs. 10.33/kVAh	Rs. 1.17/kVAh
LT II (C) > 50 kW	Rs. 520/kVA/ Month	Rs. 12.47/kVAh	Rs. 1.17/kVAh
TOD Tariffs (in addition to above base Tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge.

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT II (A) 0-20 kW	Rs. 525/Conn./Month	Rs. 6.44/kWh	Rs. 1.20/kWh
LT II (B) > 20 kW and ≤ 50 kW	Rs. 525/kVA/ Month	Rs. 10.07/kVAh	Rs. 1.14/kVAh
LT II (C) > 50 kW	Rs. 525/kVA/ Month	Rs. 12.16/kVAh	Rs. 1.14/kVAh
TOD Tariffs (in addition to above base Tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT II (A) 0-20 kW	Rs. 530/Conn./Month	Rs. 6.35/kWh	Rs. 1.15/kWh
LT II (B) > 20 kW and ≤ 50 kW	Rs. 530/kVA/ Month	Rs. 9.94/kVAh	Rs. 1.09/kVAh
LT II (C) > 50 kW	Rs. 530/kVA/ Month	Rs. 12.01/kVAh	Rs. 1.09/kVAh
TOD Tariffs (in addition to above base Tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT II (A) 0-20 kW	Rs. 535/Conn./Month	Rs. 6.35/kWh	Rs. 1.11/kWh
LT II (B) > 20 kW and ≤ 50 kW	Rs. 535/kVA/ Month	Rs. 9.93/kVAh	Rs. 1.05/kVAh
LT II (C) > 50 kW	Rs. 535/kVA/ Month	Rs. 12.00/kVAh	Rs.1.05/kVAh
TOD Tariffs (in addition to above base Tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT II (A) 0-20 kW	Rs. 540/Conn./Month	Rs. 6.35/kWh	Rs. 1.07/kWh
LT II (B) > 20 kW and ≤ 50 kW	Rs. 540/kVA/ Month	Rs. 9.93/kVAh	Rs. 1.02/kVAh
LT II (C) > 50 kW	Rs. 540/kVA/ Month	Rs. 12.00/kVAh	Rs. 1.02/kVAh
TOD Tariffs (in addition to above base Tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Note: *The ToD tariff is applicable to the LT-II (A) above 10 kW, LT-II (B) and (C) categories, and optionally available to LT- II (A) below 10 kW category consumers having ToD meter installed.*

LT III: LT-Public Water Works (PWW) and Sewage Treatment Plants

Applicability:

This tariff category is applicable for electricity / power supply at Low / Medium Voltage for pumping of water, purification of water and allied activities relating to Public Water Supply Schemes, Sewage Treatment Plants and Waste Processing Units, provided they are either owned/or operated/or managed or operated by designated operator appointed by Local Self-Government Bodies (Gram Panchayats, Panchayat Samitis, Zilla Parishads, Municipal Councils and Corporations, etc.), or by Maharashtra Jeevan Pradhikaran (MJP), Maharashtra Industries Development Corporation (MIDC), CIDCO, Cantonment Boards, Housing Societies/complexes (including operated by developer/s in integrated township projects), Water ATM (RO/UV/UF) Water Purifier Plants which are operated by Gram panchayat / local body or women's self-help groups.

All other Public Water Supply Schemes and Sewage Treatment Plants (including allied activities) shall be billed under the respective tariff category, as the case may be.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(A): 0-20 kW	Rs. 130/Conn./Month	Rs.4.71/kWh	Rs. 1.24/kWh

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(B): >20 kW and ≤40 kW	Rs. 160/kVA/ Month	Rs. 6.50/kVAh	Rs. 1.17/kVAh
LT III(C): >40 kW	Rs. 195/kVA/ Month	Rs. 8.37/kVAh	Rs. 1.17/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(A): 0-20 kW	Rs. 130/Conn./Month	Rs. 4.62/kWh	Rs. 1.20/kWh
LT III(B): >20 kW and ≤40 kW	Rs. 160/kVA/ Month	Rs. 6.36/kVAh	Rs. 1.14/kVAh
LT III(C): >40 kW	Rs. 200/kVA/ Month	Rs. 8.19/kVAh	Rs. 1.14/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(A): 0-20 kW	Rs. 130/Conn./Month	Rs. 4.61/kWh	Rs. 1.15/kWh
LT III(B): >20 kW and ≤40 kW	Rs. 160/kVA/ Month	Rs. 6.33/kVAh	Rs. 1.09/kVAh
LT III(C): >40 kW	Rs. 200/kVA/ Month	Rs. 8.13/kVAh	Rs. 1.09/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
1700 Hrs - 2400 Hrs		+20%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(A): 0-20 kW	Rs. 130/Conn./Month	Rs. 4.63/kWh	Rs. 1.11/kWh
LT III(B): >20 kW and ≤40 kW	Rs. 160/kVA/ Month	Rs. 6.34/kVAh	Rs.1.05/kVAh
LT III(C): >40 kW	Rs. 200/kVA/ Month	Rs. 8.14/kVAh	Rs. 1.05/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT III(A): 0-20 kW	Rs. 130/Conn./Month	Rs. 4.63/kWh	Rs. 1.07/kWh
LT III(B): >20 kW and ≤40 kW	Rs. 160/kVA/ Month	Rs. 6.34/kVAh	Rs. 1.02/kVAh
LT III(C): >40 kW	Rs. 200/kVA/ Month	Rs. 8.14/kVAh	Rs. 1.02/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD Tariff is applicable as % of Energy Charge

LT IV: Agriculture

LT IV (A): LT - Agriculture Un-metered - Pumpsets

Applicability:

This tariff category is applicable for motive power supplied for Agriculture un-metered pumping loads, and for one lamp of wattage up to 40 Watt to be connected to the motive power circuit for use in pump-houses at Low/Medium Voltage.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
LT IV (A): LT - Agriculture Un-metered Tariff - Pumpsets			
Category 1 Zones*			
(a) 0-5 HP	675	-	154
(b) > 5 HP and ≤ 7.5 HP	719	-	154
(c) > 7.5 HP	796	-	154
Category 2 Zones #			
(a) 0-5 HP	545	-	154
(b) > 5 HP and ≤ 7.5 HP	586	-	154
(c) > 7.5 HP	663	-	154

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
LT IV (A): LT - Agriculture Un-metered Tariff - Pumpsets			
Category 1 Zones*			
(a) 0-5 HP	725	-	151
(b) > 5 HP and ≤ 7.5 HP	769	-	151
(c) > 7.5 HP	847	-	151
Category 2 Zones #			
(a) 0-5 HP	593	-	151
(b) > 5 HP and ≤ 7.5 HP	635	-	151
(c) > 7.5 HP	713	-	151

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
LT IV (A): LT - Agriculture Un-metered Tariff - Pumpsets			
Category 1 Zones*			
(a) 0-5 HP	739	-	143
(b) > 5 HP and ≤ 7.5 HP	784	-	143
(c) > 7.5 HP	862	-	143
Category 2 Zones #			
(a) 0-5 HP	606	-	143
(b) > 5 HP and ≤ 7.5 HP	648	-	143
(c) > 7.5 HP	727	-	143

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
LT IV (A): LT - Agriculture Un-metered Tariff - Pumpsets			
Category 1 Zones*			
(a) 0-5 HP	726	-	138
(b) > 5 HP and ≤ 7.5 HP	772	-	138
(c) > 7.5 HP	851	-	138
Category 2 Zones #			
(a) 0-5 HP	592	-	138
(b) > 5 HP and ≤ 7.5 HP	635	-	138
(c) > 7.5 HP	714	-	138

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
LT IV (A): LT - Agriculture Un-metered Tariff - Pumpsets			
Category 1 Zones*			
(a) 0-5 HP	714	-	134

Consumer Category	Fixed / Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs/ HP/ month)
(b) > 5 HP and ≤ 7.5 HP	759	-	134
(c) > 7.5 HP	840	-	134
Category 2 Zones #			
(a) 0-5 HP	578	-	134
(b) > 5 HP and ≤ 7.5 HP	621	-	134
(c) > 7.5 HP	701	-	134

***Category 1 Zones (with consumption norm above 1,318 hours/HP/year)**		
1) Bhandup (U)	2) Pune	3) Nashik
4) Baramati	5) Jalgaon	
#Category 2 Zones (with consumption norm below 1,318 hours/HP/year)		
1) Amravati	2) Aurangabad	3) Kalyan
4) Konkan	5) Kolhapur	6) Latur
7) Nagpur (U)	8) Chandrapur	9) Gondia
10) Nanded	11) Akola	

Note:

i. *The Flat Rate Tariff as above will remain in force only till meters are installed; once meter is installed, the consumer will be billed as per the Tariff applicable to metered agricultural consumers.*

ii. *The list of Category 1 Zones (with consumption norm above 1318 hours/ HP/year) and Category 2 Zones (with consumption norm below 1318 hours/HP/year) is given above.*

iii. *Supply under this Tariff will be given for a minimum load of 2 HP. If any consumer requires any load less than 2 HP for agricultural purposes, he shall be required to pay the Fixed Charge/Energy Charge on this basis as if a load of 2 HP is connected.*

LT IV (B): LT – Agriculture metered - Pumpsets

Applicability:

This tariff category is applicable for motive power supplied for Agriculture metered pumping loads for irrigation purposes, and for one lamp of wattage up to 40 Watt to be connected to the motive power circuit for use in pump-houses at Low/Medium Voltage.

This tariff is also applicable for floriculture, horticulture, nursery and plantation.

It is also applicable for power supply for cane crushers and/or fodder cutters for self-use for agricultural processing operations, but not for operating a flour mill, oil mill or expeller in the same premises, either operated by a separate motor or a change of belt drive.

This Tariff is also applicable to Feeder Input based Group Metering wherein Input recorded on 11/22 kV Feeder minus Technical Loss of that particular feeder is billed to the consumers connected on that Feeder in proportionate to the sanctioned load of pump.

High-Technology Agriculture (i.e. Tissue Culture, Green House, Mushroom cultivation activities Banana Ripening), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	75	4.28	1.24

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	80	4.60	1.20

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	80	4.62	1.15

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	82	4.41	1.11

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ HP/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	85	4.21	1.07

LT IV (C): LT – Agriculture – Others

Applicability:

This tariff category is applicable for use of electricity / power supply at Low / Medium Voltage for:

a. Pre-cooling plants and cold storage units for Agricultural Products as defined under APMC Act, 1963 – processed or otherwise;

b. Poultries exclusively undertaking layer and broiler activities, including Hatcheries;

c. Aquaculture, Sericulture, Cattle Breeding Farms, Livestock Farming, Indoor Vertical Farming etc;

d. Tabela, which does not involve associated industrial/commercial activity of sales counter, milk processing or Dairy/Chilling plant;

e. Milk Collection Centre(s) with/without first stage chilling plant and storage unit which does not involves any milk processing;

f. Agro Tourism unit(s) registered under Tourism Policy of Government of Maharashtra, 2024

g. Khawa manufacturing unit(s).

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	170	5.43	1.24

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	177	5.29	1.20

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	180	5.23	1.15

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	185	5.22	1.11

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charge (Rs/ kW/ month)	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
All Units	190	5.22	1.07

LT V: LT- Industry:

Applicability:

This tariff category is applicable for electricity for Industrial use, at Low/Medium Voltage, for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, Research & Development, manufacturing, Processing, Melting, Blending, Mixing, Refining, Printing, Product Testing, Packing, etc.

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

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

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

This Tariff Category shall be also applicable integrated logistics parks under Government of Maharashtra Policy, 2024.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

a. Flour Mill, Dal Mill, Rice Mill, Poha Mill, Masala Mill, Saw Mill, Cattle / Poultry Feed Manufacturing plants;

b. Ice Factory, Ice-cream manufacturing units, Milk Processing or Chilling Plants (Dairy);

c. Engineering Workshops, Engineering Goods Manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remoulding/Rethreading units; and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;

d. Ordinance / Ammunition Factories of Defence Establishments;

e. Mining, Quarrying and Stone Crushing units;

f. Garment Manufacturing units;

g. Soap and cosmetics, Deodorant manufacturing, etc.

h. LPG/CNG bottling plants and associated retail gas filling stations, Bulk Fuel Blending Units;

i. Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the LT – Public Water Works category;

j. Start-up power for Generating Plants, i.e. the power required for trial run of a Power Plant during commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);

k. Brick Kiln (Bhatti), Biomass Pellet;

l. Biotechnology Industries covered under the Biotechnology Policy of the Government of India and the Government of Maharashtra;

m. Cold Storages not covered under LT IV (C) – Agriculture (Others), Packaged Drinking water plant;

n. Food (including seafood and meat) Processing units, Khandsari / Jaggery Manufacturing Units;

o. Stand-alone Research and Development units;

p. Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlets etc.

q. Powerlooms including other allied activities like, Warping, Doubling, Twisting, etc., connected at Low/Medium Tension only.

r. Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)

s. Ready-mix Concrete or hot mix plants.

t. Dhobi/Laundry activities;

u. $Resorts, Hotels, Guest-Houses with lodging facilities;

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT -V: LT - Industry			
(i) 0-20 kW	Rs. 590/Conn./Month	Rs. 5.96/kWh	Rs. 1.24/kWh
(ii) Above 20 kW	Rs. 390/kVA/ Month	Rs. 6.69/kVAh	Rs. 1.17/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT -V: LT - Industry			
(i) 0-20 kW	Rs. 595/Conn./Month	Rs. 5.86/kWh	Rs. 1.20/kWh
(ii) Above 20 kW	Rs. 395/kVA/ Month	Rs. 6.57/kVAh	Rs. 1.14/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

TOD Tariff is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT -V: LT - Industry			
(i) 0-20 kW	Rs. 600/Conn./Month	Rs. 5.89/kWh	Rs. 1.15/kWh
(ii) Above 20 kW	Rs. 400/kVA/ Month	Rs. 6.58/kVAh	Rs. 1.09/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT -V: LT - Industry			
(i) 0-20 kW	Rs. 605/Conn./Month	Rs. 5.98/kWh	Rs. 1.11/kWh
(ii) Above 20 kW	Rs. 405/kVA/ Month	Rs. 6.67/kVAh	Rs. 1.05/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT -V: LT - Industry			
(i) 0-20 kW	Rs. 610/Conn./Month	Rs. 6.03/kWh	Rs. 1.07/kWh
(ii) Above 20 kW	Rs. 410/kVA/ Month	Rs. 6.72/kVAh	Rs. 1.02/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+25%	

Note:1

The ToD Tariff is compulsorily applicable for LT V (ii) (i.e., above 10 kW), and optionally available to LT- V (i) (i.e., up to 10 kW) having ToD meter installed.

*****Lower tariff (discount/rebate) of (2.5%) shall be available in Energy Charge Component (including FAC, if applicable) of Tariff for both slabs (<10 kW and > 10 kW) for LT – Industry (Powerloom) as against approved Energy Charge Component of Tariff applicable for respective slabs under LT-Industry.*

$ As per Clause 14.2.1 of the Tourism Policy of Maharashtra Government, 2024 dated 18 July, 2024, Zone classification for the Resorts, Hotels, Guest-Houses shall be applicable for availing the Lower tariff (discount/rebate) as shown in the table below;

Zone Classification	Area	Discount/Rebate in Energy Charge (Rs./kWh or Rs./kVA)
A	Mumbai, Thane, Navi Mumbai, Mumbai Municipal Area	0
B	Nashik, Pune, CH. Sambhaji Nagar, Nagpur Municipal Corporation	0.25
C	Other Municipal Corporation/ Municipal Council	0.50
D	Area not covered under 'A' to 'C' above	0.75

LT VI: LT – Street Light

Applicability:

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

Street-lights in residential complexes, commercial complexes, industrial premises, etc. will be billed at the tariff of the respective applicable categories.

This category is also applicable for use of electricity / power supply at Low / Medium Voltage or at High Voltage for (but not limited to) the following purposes, irrespective of who owns, operates or maintains these facilities:

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

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
LT VI: LT – Street Light			
(A) Gram Panchayat, A, B & C Class Municipal Councils	145	7.00	1.24
(B) Municipal Corporation Areas	145	8.40	1.24

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
LT VI: LT – Street Light			
(A) Gram Panchayat, A, B & C Class Municipal Councils	145	6.78	1.20
(B) Municipal Corporation Areas	145	8.14	1.20

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
LT VI: LT – Street Light			
(A) Gram Panchayat, A, B & C Class Municipal Councils	145	6.74	1.15
(B) Municipal Corporation Areas	145	8.09	1.15

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
LT VI: LT – Street Light			

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
(A) Gram Panchayat, A, B & C Class Municipal Councils	145	6.28	1.11
(B) Municipal Corporation Areas	145	7.63	1.11

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumer Category	Fixed/Demand Charge (Rs/kW/Month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
LT VI: LT – Street Light			
(A) Gram Panchayat, A, B & C Class Municipal Councils	150	6.23	1.07
(B) Municipal Corporation Areas	150	7.58	1.07

Note:

The above street and other lighting facilities having 'Non-Automatic/manual operation and 'Automatic Timers' for switching On/Off would be levied Demand Charges on the higher of the following–

i) Actual 'Record Demand' or

ii) 50 percent of 'Contract Demand'

LT VII: LT - Public Services

Applicability:

This tariff category is applicable for electricity supply at Low/Medium Voltage for:

a. Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Bank and Pathology Laboratories; Libraries and public reading rooms;
b. Hostels/ Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Hospitals/ Health

Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;

c. This Tariff is also applicable for electricity supply at Public Sanitary Conveniences;

d. All offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats; Police Stations and Police Chowkies; Post Offices; Armed Forces/Defense and Para-Military establishments;

e. Service-oriented Spiritual Organisations;

f. Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees;

g. State or Municipal/Local Authority Transport establishments, including their Workshops;

h. Fire Service Stations; Jails, Prisons; Courts;

i. Airports;

j. Ports and Jetties and provision for Shore Power Supply;

k. Railway/Metro/Monorail Stations, including Shops, Workshops, Yards, etc, if the supply is at Low/ Medium Voltage;

l. Waste processing units and Water ATM not covered under LT public Service-Government;

m. All Students Hostels affiliated to Educational Institutions not covered under LT Public Service - Government;

n. All other Students' or Working Men/Women's Hostels;

o. Other types of Homes/Hostels, such as (i) Homes/Hostels for Destitutes, Disabled Persons (physically or mentally handicapped persons, etc.) and mentally ill persons (ii) Remand Homes (iii) Dharamshalas, (iv) Rescue Homes, (v) Orphanages - subject to verification and confirmation by the Distribution Licensee's concerned Zonal Chief Engineer or equivalent;

p. Dam operation including Lighting and other activities, etc.

q. Independent Pay and Parks;

r. Border Check Posts excluding commercial activities. Other activities to be billed as per relevant tariff category.

s. Professionals like Teacher, Lawyers, Doctors, Professional Engineers, Chartered Accountants/ Tax Consultants, etc., occupying premises exclusively for conducting their profession.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT VII :LT - Public Services			
(i) 0-20 kW	Rs. 450/Conn./month	Rs. 4.93/kWh	Rs. 1.24/kWh
(ii) >20 - ≤ 50 kW	Rs. 450/kVA/ Month	Rs. 7.93/kVAh	Rs. 1.17/kVAh
(iii) > 50 kW	Rs. 450/kVA/ Month	Rs. 8.25/kVAh	Rs. 1.17/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT VII :LT - Public Services			
(i) 0-20 kW	Rs. 455/Conn./Month	Rs. 4.81/kWh	Rs. 1.20/kWh
(ii) >20 - ≤ 50 kW	Rs. 455/kVA/ Month	Rs. 7.73/kVAh	Rs. 1.14/kVAh
(iii) > 50 kW	Rs. 455/kVA/ Month	Rs. 8.04/kVAh	Rs. 1.14/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT VII :LT - Public Services			
(i) 0-20 kW	Rs. 460/Conn./Month	Rs. 4.85/kWh	Rs. 1.15/kWh
(ii) >20 - ≤ 50 kW	Rs. 460/kVA/ Month	Rs. 7.73/kVAh	Rs. 1.09/kVAh
(iii) > 50 kW	Rs. 460/kVA/ Month	Rs. 8.03/kVAh	Rs. 1.09/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT VII :LT - Public Services			
(i) 0-20 kW	Rs. 465/Conn./Month	Rs. 4.84/kWh	Rs. 1.11/kWh
(ii) >20 - ≤ 50 kW	Rs. 465/kVA/ Month	Rs. 7.72/kVAh	Rs. 1.05/kVAh
(iii) > 50 kW	Rs. 465/kVA/ Month	Rs. 8..03/kVAh	Rs. 1.05/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab (kWh)	Fixed/ Demand Charges	Energy Charges	Wheeling Charges
LT VII :LT - Public Services			
(i) 0-20 kW	Rs. 470/Conn./Month	Rs. 4.94/kWh	Rs. 1.07/kWh
(ii) >20 - ≤ 50 kW	Rs. 470/kVA/ Month	Rs. 7.82/kVAh	Rs. 1.02/kVAh
(iii) > 50 kW	Rs. 470/kVA/ Month	Rs. 8.12/kVAh	Rs. 1.02/kVAh
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Note:

The ToD Tariff is applicable for LT-VII (ii) and LT-VII (iii) (i.e., above 10 kW) and optionally available to LT- VII (i) (i.e., up to 10 kW) having ToD meter installed.

LT VIII: LT – Electric Vehicle (EV) Charging Stations

Applicability:

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

In case the consumer uses the electricity supply for charging his own electric vehicle at their premises, the tariff applicable shall be as per the category of such premises. Consumer may take separate connection under this category for charging of their EV(s).

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

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab	Fixed/ Demand Charges (Rs./kVAh/Month	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
All Units	-	7.21	1.24
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab	Fixed/ Demand Charges (Rs./kVAh/Month	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
All Units	-	7.03	1.20
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab	Fixed/ Demand Charges (Rs./kVAh/Month	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
All Units	-	6.94	1.15
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab	Fixed/ Demand Charges (Rs./kVAh/Month	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
All Units	-	6.93	1.11
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab	Fixed/ Demand Charges (Rs./kVAh/Month	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
All Units	-	6.93	1.07
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge

HIGH TENSION (HT) TARIFF

HT I: HT – Industry

HT I (A): Industry – General

Applicability:

This tariff category is applicable for electricity for Industrial use at High Voltage for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, Research & Development, manufacturing, Processing, Melting, Blending, Mixing, Refining, Printing, Product Testing, Packing, etc.

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

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

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

This Tariff Category shall be also applicable integrated logistics parks under Government of Maharashtra Policy, 2018.

It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

a. Dhobi and Laundry activities;
b. Flour Mills, Dal Mills, Rice Mills, Poha Mills, Masala Mills, Saw Mills, Cattle / Poultry Feed Manufacturing plants;
c. Ice Factories, Ice-cream manufacturing units, Milk Processing, / Milk Chilling Plants (Dairy);
d. Engineering Workshops, Engineering Goods manufacturing units; Printing Presses; Transformer Repair Workshops; Tyre Remolding/Rethreading units, and Vulcanizing units, Rubber product manufacturing, Packaging material manufacturing;
e. Ordinance / Ammunition Factories of Defence Establishments;
f. Minnig, Quarrying and Stone Crushing units;

g. Garment Manufacturing units;

h. Soap and cosmetics, Deodorant manufacturing, etc.

i. LPG/CNG bottling plants and associated retail filling stations;

j. Sewage Treatment Plant/ Common Effluent Treatment Plant for industries, and not covered under the HT – PWW category

k. Start-up power for Generating Plants, i.e., the power required for trial run of a Power Plant during commissioning of the Unit and its Auxiliaries, and for its start-up after planned or forced outage (but not for construction);

l. Brick Kiln (Bhatti), Biomass Pellet;

m. Biotechnology Industries covered under the Biotechnology Policy of the Government India and the Government of Maharashtra;

n. Cold Storages not covered under HT – Agriculture (Others), Packaged Drinking Water Plant;

o. Food (including Seafood and meat) Processing units;

p. Stand-alone Research and Development units;

q. Seed manufacturing;

r. Dedicated Water Supply Schemes to Power Plants;

s. Auxiliary Power Supply to EHV/Distribution Substations (but not for construction)

t. Telecommunications Towers and associated telecom infrastructure but does not cover offices/outlet etc.

u. Ready-mix Concrete or hot mix plants;

v. $^{\$\$}$Resorts, Hotels, Guest-Houses;

w. $^{\#}$Data Centre(s) and semi-conductor unit(s);

<u>HT I (B): Industry - Seasonal</u>

<u>Applicability:</u>

Applicable to Seasonal consumers, who are defined as those who normally work during a part of the year up to a maximum of 9 months, such as Cotton Ginning Factories, Cotton Seed Oil Mills, Cotton Pressing Factories, Salt Manufacturers, Khandsari/Jaggery Manufacturing Units, excluding Sugar Factories or such other consumers who opt for a seasonal pattern of consumption, such that the electricity requirement is seasonal in nature.

Provided that the period of operation of in a financial year should be limited upto 9 months, and the category should be opted for by the consumer within first quarter of the financial year.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I: HT - Industry		
HT I(A): HT - Industry - General	555	7.48
HT I(B): HT - Industry - Seasonal	555	7.78
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I: HT - Industry		

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I(A): HT - Industry - General	560	7.27
HT I(B): HT - Industry - Seasonal	560	7.56
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I: HT - Industry		
HT I(A): HT - Industry - General	565	7.11
HT I(B): HT - Industry - Seasonal	565	7.40
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I: HT - Industry		
HT I(A): HT - Industry - General	570	7.07
HT I(B): HT - Industry - Seasonal	570	7.36
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT I: HT - Industry		
HT I(A): HT - Industry - General	575	7.04
HT I(B): HT - Industry - Seasonal	575	7.33
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Note:1

i. *High Tension Industrial consumers having captive generation facility synchronized with the grid may opt for Standby Capacity at rate of 25% of applicable Demand Charges.*

ii. *Demand Charge shall be applicable at 25% of the above rates on the start-up demand contracted by the Power Plant (as referred to at (h) above) with the Distribution Licensee.*

iii. *Demand Charge shall be applicable at 75% of the above rates for Steel Plant operating with electric arc furnaces.*

Note:2 *[$$] As per Clause 14.2.1 of the Tourism Policy of Maharashtra Government, 2024 dated 18 July, 2024, Zone classification for the Resorts, Hotels, Guest-Houses shall be applicable for availing the Lower tariff (discount/rebate) as shown in the table below;*

Zone Classification	Area	Discount/Rebate in Energy Charge (Rs./kWh or Rs./kVA)
A	Mumbai, Thane, Navi Mumbai, Mumbai Municipal Area	0
B	Nashik, Pune, CH. Sambhaji Nagar, Nagpur Municipal Corporation	0.25
C	Other Municipal Corporation/ Municipal Council	0.50
D	Area not covered under 'A' to 'C' above	0.75

Note:3

[#]Data Centres and semi-conductor units which consume 100% Green Energy either through open access or through Green Tariff or combination thereof, the discount of 10% in Wheeling Charges applicable to such Data Centres and semi-conductor units.

HT II: HT- Commercial

Applicability:

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

a. Non-Residential, Commercial and Business premises, including Shopping malls and Showrooms;

b. Warehouses/Godowns

c. Combined lighting and power services for facilities relating to Entertainment, including film studios, cinemas and theatres (including multiplexes), Hospitality, Leisure, Meeting/Town Halls, and places of Recreation and Public Entertainment;

d. Offices, including Commercial Establishments;

e. Marriage Halls, Canteens / Cafeterias, Ice-cream parlours, Coffee Shops, Internet / Cyber Cafes, Telephone Booths and Fax / Photocopy shops;

f. Automobile and all other types of repairs, servicing and maintenance centres (unless specifically covered under another tariff category); Retail Gas Filling Stations, Petrol Pumps & Service Stations, including Garages, Toll Collection plazas;-

g. Tailoring Shops, Computer Training Institutes, Private Training centres, Typing Institutes, Photo Laboratories, Laundries, Beauty Parlours and Saloons;

h. Banks and ATM centres, Telephone Exchanges, TV Stations, Micro Wave Stations, Radio Stations;

i. Common facilities, like Water Pumping / Lifts / Fire-Fighting Pumps and other equipment / Street and other common area Lighting, etc., in Commercial Complexes;

j. Sports Clubs/facilities, Health Clubs/facilities, Gymnasiums, Swimming Pools not covered under any other category;

k. External illumination of monuments/ historical/heritage buildings approved by Maharashtra Tourism Development Corporation (MTDC) or the concerned Local Authority;

l. Construction of all types of structures/ infrastructures such as buildings, bridges, flyovers, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines for all purposes;

m. Sewage Treatment Plant/ Common Effluent Treatment Plant for Commercial Complexes, not covered under the HT- PWW category or HT I – Industry

n. Advertisements, hoardings (including hoardings fixed on lamp posts/installed along roadsides), and other commercial illumination such as external flood-lights, displays, neon signs at departmental stores, malls, multiplexes, theatres, clubs and other such establishments;

o. Temporary supply for any of the activity not covered under any other HT category

Provided that Temporary supply consumer shall pay 1.5 time applicable fixed/demand charges and 1.25 times applicable energy charge.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	555	9.26
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	560	8.83
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	565	8.72
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	570	8.69
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	575	8.67
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+25%

TOD is applicable as % of Energy Charge (Rs/kVAh)

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

HT III - Railways/Metro/Monorail

Applicability:

This tariff category is applicable to power supply at High Voltage for Railways, Metro and Monorail, including Stations and Shops, Workshops, Yards, etc.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	555	7.16	-
HT	555	7.16	0.62
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	560	6.98	-
HT	560	6.98	0.60
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	565	6.89	-
HT	565	6.89	0.57
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept)	

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
		-30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	570	6.79	-
HT	570	6.79	0.55
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	575	6.69	-
HT	575	6.69	0.53
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)			
0000 Hrs - 0600 Hrs		-10%	
0600 Hrs - 0900 Hrs		0%	
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)	
1700 Hrs - 2400 Hrs		+20%	

TOD is applicable as % of Energy Charge (Rs/kVAh)

<u>HT IV: HT - Public Water Works (PWW) and Sewage Treatment Plants</u>

<u>Applicability:</u>

This tariff category is applicable for electricity / power supply at High Voltage for pumping of water, purification of water and allied activities relating to Public Water

Supply Schemes, Sewage Treatment Plants and waste processing units, provided that they are owned or operated or managed by Local Self-Government Bodies (Gram Panchayats, Panchayat Samitis, Zilla Parishads, Municipal Councils and Corporations, etc.), or by Maharashtra Jeevan Pradhikaran (MJP), Maharashtra Industries Development Corporation (MIDC), CIDCO Cantonment Boards and Housing Societies/complexes (including operated by developers in integrated township projects), Water ATM (RO/UV/UF), Water Purifier Plants which are operated by Gram panchayat / local body or women's self-help groups.

All other Public Water Supply Schemes and Sewage Treatment Plants (including allied activities) shall be billed under the respective tariff category, as the case may be.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	555	7.98
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	560	7.78
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	565	7.58
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	570	7.48
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	575	7.43
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

HT V: HT – Agriculture

HT V(A) : HT – Agriculture Pumpsets

Applicability:

This category shall be applicable for Electricity / Power Supply at High Tension for pumping of water exclusively for the purpose of Agriculture / cultivation of crops including HT Lift Irrigation Schemes (LIS) irrespective of ownership.

This tariff is also applicable for floriculture, horticulture, nursery and plantation.

It is also applicable for power supply for cane crushers and/or fodder cutters for self-use for agricultural processing operations, but not for operating a flour mill, oil mill or expeller in the same premises, either operated by a separate motor or a change of belt drive.

High-Technology Agriculture (i.e. Tissue Culture, Green House, Mushroom cultivation activities), provided the power supply is exclusively utilized for purposes directly concerned with the crop cultivation process, and not for any engineering or industrial process;

HT V(B) : HT – Agriculture Others

Applicability:

This tariff category is applicable for use of electricity / power supply at High Voltage for:

a. Pre-cooling plants and cold storage units for Agriculture Products as defined under APMC Act 1963 – processed or otherwise;
b. Poultry exclusively undertaking layer and broiler activities, including Hatcheries;
c. Aquaculture, Sericulture, Cattle Breeding Farms, etc;
d. Milk Collection Centre(s) with /without first stage chilling plant and storage units which does not involve any milk processing;
e. Agro Tourism unit(s) registered under Tourism Policy of Government of Maharashtra, 2024
f. Khawa Manufacturing unit(s)

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V: HT Agriculture		
HT V (A): HT Agriculture Pumpsets	100	7.40

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V (B): HT Agriculture Others	100	7.60

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V: HT Agriculture		
HT V (A): HT Agriculture Pumpsets	100	7.47
HT V (B): HT Agriculture Others	100	7.41

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V: HT Agriculture		
HT V (A): HT Agriculture Pumpsets	100	7.62
HT V (B): HT Agriculture Others	100	7.32

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V: HT Agriculture		
HT V (A): HT Agriculture Pumpsets	100	7.86
HT V (B): HT Agriculture Others	100	7.31

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
HT V: HT Agriculture		
HT V (A): HT Agriculture Pumpsets	100	8.29
HT V (B): HT Agriculture Others	100	7.31

<u>HT VI: HT - Group Housing Society (Residential)</u>

<u>Applicability:</u>

Entities supplied electricity at a single point at High Voltage for residential purposes in accordance with the Electricity (Removal of Difficulties) Eighth Order, 2005, in the following cases:

a. Co-operative Group Housing Society which owns the premises, for making electricity available to the members of such Society residing in the same premises for residential purposes; and
b. A person, for making electricity available to its employees residing in the same premises for residential purposes.
c. Serving Armed Forces/Paramilitary forces residential establishments

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	440	7.06	-
HT	440	7.06	0.62
ToD tariff (in addition to above base tariffs) is applicable			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.80	
1700 Hrs - 2400 Hrs			

TOD Tariff applicable for FY 2025-26 as per Para 9 of this section

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	445	6.98	-
HT	445	6.98	0.60
ToD tariff (in addition to above base tariffs) is applicable			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.85	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	450	6.95	-
HT	450	6.95	0.57
ToD tariff (in addition to above base tariffs) is applicable			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.90	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	455	6.94	-
HT	455	6.94	0.55
ToD tariff (in addition to above base tariffs) is applicable			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-0.95	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Consumption Slab	Demand Charges (Rs. /kVA/month)	Energy Charges (Rs. /kVAh)	Wheeling Charges (Rs. /kVAh)
EHV	460	6.94	-
HT	460	6.94	0.53
ToD tariff (in addition to above base tariffs) is applicable			
0000 Hrs - 0600 Hrs		-	
0600 Hrs - 0900 Hrs		-	
0900 Hrs - 1700 Hrs		-1.00	
1700 Hrs - 2400 Hrs		-	

TOD Tariff is applicable as shown in above table

Note: *20% reduction in Energy Charge (incl. FAC) shall be applicable for Serving Armed Forces/Paramilitary forces residential establishments including allied services such as Canteen/ Mess/ Street lighting/Sport Club/ Water Supply covered under the HT-Group Housing category. Other Defence establishments such as Hospitals / Training Centers/Military Schools & Collages will be covered under HT-VIII Public Service Category.*

<u>HT VIII: HT Public Services</u>

<u>Applicability:</u>

This tariff category is applicable for electricity supply at High Voltage for:

a. Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Pathology Laboratories; Libraries and public reading rooms;

b. Hostels/Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for the students / faculty/ employees/ patients of such Educational Institutions and Hospitals;

c. This Tariff is also applicable for electricity supply at Public Sanitary Conveniences;

d. Sports Clubs and facilities / Health Clubs, Student / working Men / Women Hostel and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions / Health Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;

e. All offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats; Police Stations and Police Chowkies; Post Offices; Armed Forces/Defense and Para-Military establishments;

f. Service-oriented Spiritual Organisations;

g. Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees. State or Municipal/Local Authority Transport establishments, including their Workshops;

h. Fire Service Stations; Jails, Prisons; Courts;

i. Airports;

j. Ports and Jetties and provision for Shore Power Supply;

k. Waste processing units and Water ATM not covered under HT IV category;

l. Dam operation including Lighting and other activities, etc.

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	555	8.80

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	560	8.58
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	565	8.40
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	570	8.29
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
All Units	575	8.19
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

HT IX: HT – Electric Vehicle (EV) Charging Stations

Applicability:

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

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

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

Rate Schedule

Tariff w.e.f. 1 April, 2025 to 31 March, 2026

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.62

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
EHV	-	8.03
HT	-	7.84

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2026 to 31 March, 2027

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.60

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
EHV	-	7.83
HT	-	7.64
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-15% (Apr to Sept) -25% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2027 to 31 March, 2028

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.57

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
EHV	-	7.73
HT	-	7.55
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2028 to 31 March, 2029

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.55

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
EHV	-	7.72
HT	-	7.54
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

Tariff w.e.f. 1 April, 2029 to 31 March, 2030

Supply Voltage Level	Wheeling Charges (Rs. /kVAh)
EHV	-
HT	0.53

PLUS

Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)

Consumer Category	Demand Charges (Rs./kVA/month	Energy Charges (Rs. /kVAh)
EHV	-	7.72
HT	-	7.54
ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)		
0000 Hrs - 0600 Hrs		-10%
0600 Hrs - 0900 Hrs		0%
0900 Hrs - 1700 Hrs		-20% (Apr to Sept) -30% (Oct to Mar)
1700 Hrs - 2400 Hrs		+20%

TOD is applicable as % of Energy Charge (Rs/kVAh)

MISCELLANEOUS AND GENERAL CHARGES

Fuel Adjustment Charge (FAC) Component of Z-factor Charge

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

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

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

Electricity Duty and Tax on Sale of Electricity

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

Prompt Payment Discount

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

Delayed Payment Charges

In case the electricity bill is not paid within the due date mentioned on the bill, delayed payment charges on the billed amount, including the taxes, cess, duties, etc., shall be levied on simple interest basis at the rate of 1.25% on the billed amount for the first month of delay.

Discount for digital payment

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

Rate of Interest on Arrears

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

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

Rebate for On-time regular payment for LT-AG, LT-PWW and LT-Streetlight

Rebate of 1% for On-time regular payment before due date shall be available for consumers under LT-AG, LT-PWW and LT-Streetlight categories and the same shall be governed as per following conditions:

a. Consumers under LT-PWW and LT-Streetlight shall be eligible for consistent payment rebate of 1% and rebate 5% for LT-AG consumers, for consistently making payments within due date.

b. Such rebate would be monitored and offered on quarterly basis to only those consumers upon maintaining regular payment track record with the Utility.

c. For example, if consumer makes regular payment of its monthly within due date during previous quarter, then, such consumer shall be entitled to a rebate of 1% in its next monthly bill amount (excluding taxes and duties) for the subsequent quarter.

d. In case of any default or non-adherence to bill payment within due date in previous quarter, such benefit of rebate shall be withdrawn for the full next billing quarter.

e. However, the consumer shall be entitled to rebate in subsequent quarters in case it maintains payment track record within due date in the previous quarter. In case of consumer having quarterly billing, such scheme shall be monitored on six monthly basis and rebate shall be given in next quarterly bill.

Rebate for consumers with Prepaid connections

Consumers with prepaid metered connections shall be entitled for rebate of 2% in the Energy Charge Rate (incl FAC) applicable for the consumer category.

Rebate on Incremental Consumption

Rebate for incremental consumption for applicable consumer categories and eligible consumers shall be governed as per following conditions:

a. The rebate for incremental consumption shall be allowed at the rate of Rs 0.75/kVAh for incremental consumption
b. The rebate for incremental consumption shall be applicable for HT industries, HT commercial, HT public services, HT-PWW, HT Railways/Metro/Mono and HT-Group Housing Society (Residential) including EHV consumers under these categories.
c. Further, the rebate for incremental consumption shall be applicable for LT industries (incl powerloom), LT commercial and LT public services.
d. The rebate shall be given to eligible consumers including open access consumers falling under above consumer categories to the extent of procurement from MSEDCL.
e. The rebate shall be applicable for the first 3 years of 5th Control Period (i.e. for FY 2025-26 and FY 2027-28) subject to reconsideration during the MTR Tariff Order.
f. The rebate shall be allowed to eligible consumers who consume power above threshold limit.
g. The 3-year average monthly consumption by consumer from FY 2022-23 to FY 2024-25 shall be considered as baseline consumption (or monthly threshold consumption) for determination of incremental consumption by such eligible consumers.
h. In case of a consumer registered into system for duration lower than 3 years, such consumer shall be eligible for availing incremental rebate from the next billing cycle upon completion of 3-year period and average monthly consumption for past three years shall be considered as its baseline consumption (or monthly threshold consumption) in such cases for determination of their incremental consumption for the purpose of rebate.
i. In case continuation of such incremented consumption rebate mechanism is found necessary and proposed by MSEDCL during next MTR Petition (i.e. beyond FY 2027-28), baseline consumption (or monthly threshold consumption) shall be reset based on 3-year average from FY 2025-26 to FY 2027-28 or such other benchmark, upon following due consultation process and upon prudence check.
j. The billing at the reduced rates after allowing the rebate shall be done on monthly basis subject to condition that net entitlement for the rebate under this head of incremental consumption shall be determined on annual basis (April to March) equal to energy units consumption in excess of baseline consumption (i.e. annual threshold consumption). The adjustment for shortfall/excess in case cumulative monthly consumption for the yearly consumption vis-à-vis its baseline consumption (i.e. annual threshold consumption) shall be affected in the last monthly (for March) billing period. No carry-forward of shortfall/excess shall be allowed from one year to next year.
k. For example, If a consumer’s 3-year average annual consumption was 12,000 units, the consumer shall be entitled for the rebate of Rs.0.75/kVAh for

consumption exceeding its monthly threshold consumption (not below the baseline consumption of 1,000 units per month). However, in case its cumulative monthly consumption for the yearly period falls short of annual threshold consumption of 12,000 units then, consumer shall not be entitled for incremental consumption rebate for that financial year and adjustment for shortfall (or rebate already availed by consumer in earlier months, if any) shall be adjusted for recovery in monthly billing period for March.

l. The rebate shall be over and above the existing rebates subject to the fact that the consumer's total variable charges should not be less than Rs.4.75/kVAh after accounting for all applicable rebates.
m. The rebates would also be applicable to Partial Open Access consumers, subject to conditions outlined above.
n. In case of amalgamation/merging of entity/load with permanent disconnection of the load of one of the entity, incremental consumption in such cases shall be applicable on aggregate consumption of such merged or amalgamated load for the surviving (or amalgamated entity) as the case may be.
o. Period of Temporary Disconnection (TD) shall be excluded from computation of baseline consumption
p. In case Permanently Disconnected (PD) consumer is reconnected, it shall be treated as new consumer and its computation prior to PD shall not be used for computing baseline consumption.

<u>Rebate on Bulk Consumption</u>

a. Rebate for Bulk consumption for eligible consumers within HT-Industrial category shall be governed as per following conditions:

b. The Base Bulk Consumption Rebate would be applicable for all HT Industrial consumers with consumption above Threshold value of consumption of 1 lakh units per month (0.1 MU per month), whereas rate of Additional Bulk Consumption Rebate would be increases in stages across the three consumption slabs eligible to avail Bulk Consumption Rebate. The Bulk Consumption Rebate shall be in two parts, as outlined in the Table below.

Table: Bulk Consumption Rebate approved by Commission (Rs./unit)

Particulars	Total Bulk Consumption Rebate
a) For monthly consumption (> 1 Lakh units to 1 MU) per month:	Rs. 0.07/unit
b) For monthly consumption (> 1 MU to 5 MU) per month:	Rs. 0.09/unit
c) For monthly consumption (> 5 MU) per month:	Rs. 0.11/unit

c. Bulk Consumption Rebate shall be applicable on the Energy Charge component including FAC of the Bill excluding taxes and duty.

Discount in Demand Charges for Single Shift operation of HT-Industry

In case of industrial consumer under HT-Industry with single shift operation, Demand Charges at the rate of 60% of Applicable Demand Charges as per Tariff Schedule shall be levied, subject to following conditions:

a. Single shift operation means running of operations at a stretch for maximum 10 Hrs. For illustration, a consumer running 4hrs.in one stretch and 6hrs.in another stretch cannot be considered as running in a single shift. However, a maximum of three instances of running beyond 10hrs up to 12hrs is permitted in a billing cycle.

b. Consumer must declare in advance about one shift operation. In absence of such declaration, it shall be billed as per the applicable demand charges.

c. Billing will be done based on MRI/AMR Data.

Load Factor Incentive

a. Consumers having Load Factor above 75% and upto 85% will be entitled to an incentive in the form of a rebate of 0.75% on Energy Charges for every percentage point increase in Load Factor from 75% to 85%. Consumers having a Load Factor above 85 % will be entitled to a rebate of 1% on Energy Charges for every percentage point increase in Load Factor from 85%. The total rebate will be subject to a ceiling of 15% of the Energy Charges applicable to the consumer.

b. This incentive is applicable only to consumers in the tariff categories HT I: Industry, HT II: Commercial and HT VIII: Public Services only.`

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

1. The Load Factor is to be computed as follows:

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

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

In case the consumer exceeds its Contract Demand in any particular month, the Load Factor Incentive will not be payable to the consumer in that month

Penalty for exceeding Contract Demand

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

In case a LT consumer with a sanction demand/ contract demand less than 20 kW records actual contract demand above 20 kW, he will be billed at the tariff applicable for the respective load slab approved by the Commission, in which recorded demand falls for that billing cycle only and also be charged an additional amount at the rate of 150% of the applicable charge for the Demand in excess of the Contract Demand.

Further Distribution licensee can enhance the Contract Demand of the consumer when the consumers exceeds the Contract Demand on more than three occasions during a calendar year, irrespective whether the Consumer submits an application for the same or otherwise. However, before such revision of Contact Demand, Distribution Licensee must give 15 days’ notice to such consumer. Also, the Consumer is liable to pay necessary charges as may be stipulated in the approved Schedule of Charges for the revised Contract Demand.

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

Additional Demand Charges for Consumers having Captive Power Plant

Consumers having a Captive Power Plant can opt for Standby Demand and Additional Demand Charges for such Standby Demand will be as follows:

a. 25% of the Applicable Demand Charges for months when standby capacity is not utilized
b. Demand Charges at the rate of 100% of Applicable Demand Charges for months when standby capacity is used under planned or un-planned shutdown of CPP

c. In case recorded Demand exceeds Contract Demand + Standby Capacity, then applicable Demand Charge for the Demand actually recorded, and an additional amount at the rate of 150% of the applicable Demand Charge (only for the Demand in excess of the Contract Demand + Standby Capacity)

d. In case no Standby capacity has been opted by consumer having CPP, then additional amount for exceeding Contract Demand be charged at 200% of applicable Demand Change (only for demand excess of Contracted Demand)

Consumers' Security Deposit

As specified under Regulations 13 of the MERC (Supply Code Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021, Consumer shall pay Security Deposit and will be entitle for interest on such Security Deposit.

Definitions

Maximum Demand

Maximum Demand in kilo-Watts or kilo-Volt Amperes, in relation to any period shall, unless otherwise provided in any general or specific Order of the Commission, mean twice (or four times for fifteen minute time block) the highest number of kilo-watt-hours or kilo-Volt Ampere hours supplied and taken during any consecutive thirty minute blocks (or fifteen minute time block) in that period, as the case may be.

Contract Demand

Contract Demand means the demand in kilo-Watt (kW) or kilo–Volt Amperes (kVA), mutually agreed between the Distribution Licensee and the consumer as entered into in the agreement or agreed through other written communication. (For conversion of kW into kVA, the Power Factor of 0.80 shall be applied.)

Sanctioned Load

Sanctioned Load means the load in kW mutually agreed between the Distribution Licensee and the consumer.

In case the meter is installed on the LV/MV side, the methodology to be followed for billing purpose is as follows

2% to be added to MV demand reading, to determine the kW or kVA billing demand, and

'X' units to the MVA reading to determine the total energy compensation to compensate the transformation losses, where is calculated as follows

'X' = (730 * kVA rating of transformer)/500 Units/month, to compensate for the iron losses, plus one percent of units registered on the LT side for copper losses.

Billing Demand - LT tariff categories

Billing Demand for LT Non-Residential / Commercial [LT: II (B) , LT II (C)] , LT III: Public Water Works [LT: III (B) , LT III (C)], LT V (A) (ii): Industry - Power Looms (above 20 kW) , LT V (B) (ii): Industry - General (above 20 kW), LT VII: Public Services, LT VIII – Electric Vehicle Charging Station categories having MD based Tariff:-

Monthly Billing Demand will be the higher of the following:

a) 65% of the actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;

b) 40% of the Contract Demand.

Note:

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*

- *In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change in Contract Demand is effected.*

Billing Demand - HT tariff categories

Billing Demand for HT I: Industry, HT II: Commercial, HT III Railway/Metro/Monorail, HT IV: Public Water Works, HT V: Agriculture, HT VI: Group Housing Society (Residential), HT VIII: Public Services and HT IX: HT – Electric Vehicle Charging Station

Monthly Billing Demand will be the higher of the following:

a. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;

b. 75% of the highest Billing Demand recorded during the preceding eleven months, subject to the limit of Contract Demand;

c. 70% of the Contract Demand.*

   For FY 2025-26: 75%, FY 2026-27: 75%, FY 2027-28: 75%, FY 2028-29: 75%, FY 2029-30: 75%

Note:

- *Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*

- *In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change of Contract Demand is effected.*

HT Seasonal Category (HT I)

During Declared Season, Monthly Billing Demand will be the higher of the following:

i. Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours
ii. 75% of the Contract Demand
iii. 50 kVA.

During Declared Off-season, Monthly Billing Demand will be the following:

Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours

The Billing Demand for the consumers with CPP will be governed as per the CPP Order in Case No. 55 and 56 of 2003.

14 Annexure II: Revenue from Revised Tariff effective from 1st April 2025

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
HT Category													
HT I(A): HT - Industry (General)	15,194	Rs/kVA/mth	555	7.48	0.62	42,199	1,04,02,303	6,928	31,544	1,822	(1,507)	38,787	9.19
HT I(C): HT - Industry (Seasonal)	594	Rs/kVA/mth	555	7.78	0.62	203	1,12,343	75	157	13	(7)	237	11.72
HT I - Industry (Sub-Total)	**15,788**					**42,402**	**1,05,14,646**	**7,003**	**31,701**	**1,835**	**(1,514)**	**39,024**	**9.20**
HT II: HT - Commercial	3,216	Rs/kVA/mth	555	9.26	0.62	2,007	6,69,393	446	1,859	122	(76)	2,350	11.71
HT III: HT - Railways/Metro/Monorail Traction	133	Rs/kVA/mth	555	7.16	0.62	146	42,143	28	104	6	-	138	9.48
HT IV: HT - Public Water Works (PWW)	1,117	Rs/kVA/mth	555	7.98	0.62	1,991	3,76,703	251	1,589	116	(92)	1,864	9.36
HT V(A): HT - Agriculture Pumpsets	945	Rs/kVA/mth	100	7.40	0.62	2,092	4,76,320	57	1,548	46	-	1,651	7.89
HT V(B)): HT - Agriculture Others	430	Rs/kVA/mth	100	7.60	0.62	65	86,326	10	49	4	-	64	9.82
HT VI: HT - Group Housing Societies (Residential)	410	Rs/kVA/mth	440	7.06	0.62	235	59,219	31	166	15	-	212	9.01
HT VIII(A): HT - Public Services-Government	438	Rs/kVA/mth	555	8.80	0.62	373	89,851	60	328	23	(21)	390	10.47
HT VIII(B): HT - Public Services-Others	1,336	Rs/kVA/mth	555	8.80	0.62	931	2,81,216	187	819	58	(49)	1,015	10.91
HT VIII: HT - Public Services	1,774	Rs/kVA/mth				1,304	3,71,067	247	1,147	81	(70)	1,405	-
HT - MSPGCL-Aux Supply	34	Rs/kVA/mth	-	-	-	394	2,58,754	-	-	-	-	-	-
HT IX: HT – Electric Vehicle Charging Station	33	Rs/kVA/mth	-	7.84	0.62	1,025	3,53,197	-	804	64	(58)	809	7.90
Sub-Total HT Category	**23,880**					**51,660**	**1,32,07,768**	**8,073**	**38,968**	**2,286**	**(1,811)**	**47,516**	**9.20**
LT Category													
LT I(A): LT - Residential-BPL Category (0-30 units)	1,66,734	Rs/conn/mth	34	1.48	-	35	20,674	7	5	-	-	12	3.43

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
LT I(B): LT - Residential	-	-	-	-	-	-	**2,83,05,152**	-	-	-	-	-	-
0-100	1,67,27,794	Rs/conn/mth	130	4.43	1.24	14,435	-	2,610	6,395	1,785	(217)	10,572	7.32
101-300	60,75,961	Rs/conn/mth	130	9.64	1.24	9,346	-	948	9,009	1,156	(306)	10,806	11.56
301-500	9,88,616	Rs/conn/mth	130	12.83	1.24	1,398	-	154	1,794	173	(61)	2,060	14.73
501-1000	3,58,614	Rs/conn/mth	130	14.33	1.24	1,711	-	56	2,452	212	(83)	2,636	15.41
Three Phase Connection	-	Rs/conn/mth	430	-	-	-	-	-	-	-	-	-	-
LT I: LT - Residential (Sub-Total)	**2,43,17,719**	-	-	-	-	**26,925**	**2,83,25,826**	**3,774**	**19,655**	**3,325**	**(668)**	**26,086**	**9.69**
LT II(A): LT - Non-Residential (0-20 kW)	23,80,074	Rs/Conn/mth	520	6.60	1.24	5,289	47,52,144	1,485	3,491	654	(108)	5,522	10.44
LT II(B): LT - Non-Residential (>20 kW and ≤ 50 kW)	27,512	Rs/kVA/mth	520	10.87	1.24	933	4,38,696	274	1,014	115	(45)	1,359	14.56
LT II(C): LT - Non-Residential (Above 50 kW)	9,754	Rs/kVA/mth	520	13.13	1.24	894	3,98,934	249	1,174	111	(53)	1,480	16.56
LT II: LT - Non-Residential (Sub-Total)	**24,17,340**	-	-	-	-	**7,116**	**55,89,774**	**2,008**	**5,679**	**880**	**(206)**	**8,361**	**11.75**
LT III(A): LT - Public Water Works (0-20 kW)	58,828	Rs/kVA/mth	130	4.71	1.24	737	1,28,798	20	347	91	-	458	6.22
LT III(B): LT - Public Water Works (>20 kW-40 kW)	1,587	Rs/kVA/mth	160	6.84	1.24	121	40,162	8	83	15	-	105	8.71
LT III (C): LT - Public Water Works (Above 40 kW)	1,011	Rs/kVA/mth	195	8.81	1.24	173	56,110	13	152	21	-	187	10.81
LT III: LT - Public Water Works (Sub-Total)	**61,426**	-	-	-	-	**1,031**	**2,25,070**	**41**	**582**	**127**	-	**750**	**7.28**
LT IV(A): LT - AG Un-metered-Pumpsets (Category 1 Zones)													
(a) 0 - 5 HP	651363	Rs/HP/mth	675	-	154.56	3,181	32,61,196	2,642	-	605	-	3,246	
(b) > 5 HP - 7.5 HP	153780	Rs/HP/mth	719	-	154.56	457	7,69,932	664	-	143	-	807	

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
(c) Above 7.5 HP	-	Rs/HP/mth	796	-	154.56	82	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Category 2 Zones)													
(a) 0 - 5 HP	6,84,469	Rs/HP/mth	545	-	154.56	7,088	34,26,948	2,241	-	636	-	2,877	
(b) > 5 HP - 7.5 HP	2,32,468	Rs/HP/mth	586	-	154.56	1,013	11,63,905	818	-	216	-	1,034	
(c) Above 7.5 HP	-	Rs/HP/mth	663	-	154.56	49	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Sub-Total)													
LT IV(B): LT -AG Metered-Pumpsets	31,24,151	Rs/HP/mth	75	4.28	1.24	22,057	1,60,30,780	1,443	9,441	2,727	-	13,611	6.17
LT IV(C): LT - AG Metered-Others	31,551	Rs/KW/mth	170	5.43	1.24	212	1,47,496	30	115	26	-	172	8.08
LT IV - LT - Agriculture (Sub-Total)	**48,77,782**	**-**	**-**	**-**	**-**	**34,140**	**2,48,00,258**	**7,838**	**9,556**	**4,353**	**-**	**21,747**	**6.37**
LT V -Industry (0 - 20 kW)	3,55,794	Rs/Conn/mth	590	5.96	1.24	3,738	40,39,037	252	2,228	462	-	2,942	7.87
LT V -Industry (Above 20 kW)	81,400	Rs/kVA/mth	390	7.04	1.24	6,149	27,63,716	1,293	4,329	760	(292)	6,090	9.90
LT V -Industry(Sub-Total)	**4,37,194**	**-**	**-**	**-**	**-**	**9,886**	**68,02,753**	**1,545**	**6,556**	**1,222**	**(292)**	**9,032**	**9.14**
LT VI (A) Street Light-Gram Panchayat, A,B&C Class MCs	73,331	Rs/KW/mth	145	7.00	1.24	746	2,87,705	50	522	92	-	664	8.91
LT VI (B) Street Light - Municipal Corporation Areas	35,780	Rs/KW/mth	145	8.40	1.24	375	2,43,670	42	315	46	-	403	10.77
LT VI Street Light (Sub-Total)	**1,09,111**	**-**	**-**	**-**	**-**	**1,120**	**5,31,375**	**92**	**837**	**139**	**-**	**1,068**	**9.53**
LT VII Public Services													
(i) 0-20 kW	1,71,219	Rs/kVA/mth	450	4.93	1.24	540	3,91,238	92	266	67	-	426	7.88
(ii) 20 kW-50 kW	6,227	Rs/kVA/mth	450	8.35	1.24	187	74,539	40	156	23	(14)	205	10.98
(iii) Above 50 kW	2,821	Rs/kVA/mth	450	8.68	1.24	265	91,505	49	230	33	(22)	291	10.94

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
LT VII Public Services Total	1,80,267	-	-	-	-	993	5,57,282	182	653	123	(36)	921	9.28
LT VIII – Electric Vehicle Charging Station	1,924	-	-	7.21	1.24	236	3,08,004	-	170	29	(7)	192	8.13
Sub-Total LT Category	**3,24,61,737**	**-**	**-**	**-**	**-**	**83,852**	**6,76,29,076**	**15,665**	**45,293**	**10,495**	**(1,275)**	**70,178**	**8.37**
Distribution Franchisees													
Bhiwandi	-	-	-	5.77	-	4,416	-	-	-	-	-	2,546	5.77
Thane	-	-	-	7.21	-	862	-	-	-	-	-	621	7.21
Malegaon	-	-	-	5.68	-	1,612	-	-	-	-	-	915	5.68
Stand By Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
LF/ Incentives/Discount	-	-	-	-	-	-	-	-	(1,136)	-	-	(1,136)	-
MSEDCL Total Revenue	**3,24,85,617**	**-**	**-**	**-**	**-**	**1,42,402**	**8,08,36,845**	**23,739**	**83,124**	**12,774**	**(3,086)**	**1,20,633**	**8.47**

15 Annexure III: Revenue from Revised Tariff effective from 1st April 2026

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
HT Category													
HT I(A): HT - Industry (General)	15,334	Rs/kVA/mth	560	7.27	0.60	44,174	1,08,11,563	7,260	32,106	1,855	(1,534)	39,686	8.98
HT I(C): HT - Industry (Seasonal)	604	Rs/kVA/mth	560	7.56	0.60	212	1,16,764	78	160	13	(8)	244	11.50
HT I - Industry (Sub-Total)	**15,938**					**44,386**	**1,09,28,327**	**7,338**	**32,266**	**1,867**	**(1,541)**	**39,930**	**9.00**
HT II: HT - Commercial	3,222	Rs/kVA/mth	560	8.83	0.60	2,119	6,88,212	462	1,870	125	(77)	2,380	11.24
HT III: HT - Railways/Metro/Monorail Traction	142	Rs/kVA/mth	560	6.98	0.60	152	43,945	30	106	6	-	141	9.31
HT IV: HT - Public Water Works (PWW)	1,137	Rs/kVA/mth	560	7.78	0.60	2,052	3,90,057	262	1,596	116	(93)	1,882	9.17
HT V(A): HT - Agriculture Pumpsets	945	Rs/kVA/mth	100	7.47	0.60	2,177	4,89,402	59	1,625	47	-	1,731	7.95
HT V(B)): HT - Agriculture Others	430	Rs/kVA/mth	100	7.41	0.60	65	88,155	11	48	4	-	63	9.63
HT VI: HT - Group Housing Societies (Residential)	433	Rs/kVA/mth	445	6.98	0.60	243	60,017	32	170	15	-	217	8.91
HT VIII: HT - Public Services	1,842	Rs/kVA/mth				1,352	3,86,915	260	1,160	82	(71)	1,431	-
HT - MSPGCL-Aux Supply	36	Rs/kVA/mth	-	-	-	417	2,69,699	-	-	-	-	-	-
HT IX: HT – Electric Vehicle Charging Station	37	Rs/kVA/mth	-	7.64	0.60	1,648	4,65,951	-	1,260	100	(91)	1,269	7.70
Sub-Total HT Category	**24,162**					**54,611**	**1,38,10,680**	**8,453**	**40,103**	**2,359**	**(1,873)**	**49,042**	**8.98**
LT Category													
LT I(A): LT - Residential-BPL Category (0-30 units)	1,66,734	Rs/conn/mth	35	1.44	-	35	20,674	7	5	-	-	12	3.45
LT I(B): LT - Residential	**-**	**-**	**-**	**-**	**-**	**-**	**2,96,08,445**	**-**	**-**	**-**	**-**	**-**	**-**
0-100	1,72,29,964	Rs/conn/mth	130	4.32	1.20	15,193	-	2,694	6,562	1,831	(223)	10,864	7.15
101-300	62,58,362	Rs/conn/mth	130	9.40	1.20	9,836	-	979	9,245	1,185	(314)	11,095	11.28
301-500	10,18,295	Rs/conn/mth	130	12.51	1.20	1,365	-	159	1,707	164	(58)	1,973	14.46
501-1000	3,69,380	Rs/conn/mth	130	13.97	1.20	1,671	-	58	2,334	201	(79)	2,514	15.05
Three Phase Connection	-	Rs/conn/mth	435	-	-	-	-	-	-	-	-	-	-

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
LT I: LT - Residential (Sub-Total)	**2,50,42,734**	**-**	**-**	**-**	**-**	**28,100**	**2,96,29,119**	**3,897**	**19,854**	**3,381**	**(675)**	**26,457**	**9.42**
LT II(A): LT - Non-Residential (0-20 kW)	24,62,535	Rs/kVA/mth	525	6.44	1.20	5,595	49,45,404	1,552	3,600	674	(175)	5,651	10.10
LT II(B): LT - Non-Residential (>20 kW and ≤ 50 kW)	28,466	Rs/kVA/mth	525	10.60	1.20	949	4,56,537	288	1,006	114	(44)	1,364	14.37
LT II(C): LT - Non-Residential (Above 50 kW)	10,092	Rs/kVA/mth	525	12.80	1.20	908	4,17,054	263	1,163	109	(52)	1,483	16.32
LT II: LT - Non-Residential (Sub-Total)	**25,01,093**	**-**	**-**	**-**	**-**	**7,452**	**58,18,995**	**2,103**	**5,769**	**898**	**(272)**	**8,497**	**11.40**
LT III(A): LT - Public Water Works (0-20 kW)	60,052	Rs/kVA/mth	130	4.62	1.20	774	1,36,613	21	358	93	-	472	6.10
LT III(B): LT - Public Water Works (>20 kW-40 kW)	1,623	Rs/kVA/mth	160	6.70	1.20	127	42,599	8	85	15	-	108	8.55
LT III (C): LT - Public Water Works (Above 40 kW)	1,034	Rs/kVA/mth	200	8.62	1.20	182	59,515	14	157	22	-	193	10.61
LT III: LT - Public Water Works (Sub-Total)	**62,709**	**-**	**-**	**-**	**-**	**1,082**	**2,38,727**	**44**	**599**	**130**	**-**	**773**	**7.15**
LT IV(A): LT - AG Un-metered-Pumpsets (Category 1 Zones)													
(a) 0 - 5 HP	651363	Rs/HP/mth	725	-	150.61	3,181	32,61,196	2,836	-	589	-	3,426	
(b) > 5 HP - 7.5 HP	153780	Rs/HP/mth	769	-	150.61	457	7,69,932	711	-	139	-	850	
(c) Above 7.5 HP	-	Rs/HP/mth	847	-	150.61	82	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Category 2 Zones)													
(a) 0 - 5 HP	6,84,469	Rs/HP/mth	593	-	150.61	7,088	34,26,948	2,440	-	619	-	3,060	
(b) > 5 HP - 7.5 HP	2,32,468	Rs/HP/mth	635	-	150.61	1,013	11,63,905	887	-	210	-	1,097	
(c) Above 7.5 HP	-	Rs/HP/mth	713	-	150.61	49	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Sub-Total)													
LT IV(B): LT -AG Metered-Pumpsets	31,75,698	Rs/HP/mth	80	4.60	1.20	22,472	1,63,32,593	1,563	10,344	2,708	-	14,614	6.50
LT IV(C): LT - AG Metered-Others	32,072	Rs/KW/mth	177	5.29	1.20	216	1,54,871	33	114	26	-	173	8.02

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
LT IV - LT - Agriculture (Sub-Total)	**49,29,850**	**-**	**-**	**-**	**-**	**34,558**	**2,51,09,446**	**8,470**	**10,458**	**4,289**	**-**	**23,217**	**6.72**
LT V -Industry (0 - 20 kW)	3,69,512	Rs/Conn/mth	595	5.86	1.20	4,123	42,10,781	264	2,416	497	-	3,177	7.71
LT V -Industry (Above 20 kW)	84,539	Rs/kVA/mth	395	6.91	1.20	6,802	28,81,232	1,365	4,703	820	(317)	6,570	9.66
LT V -Industry (Sub-Total)	**4,54,051**	**-**	**-**	**-**	**-**	**10,924**	**70,92,013**	**1,629**	**7,119**	**1,315**	**(317)**	**9,746**	**8.92**
LT VI (A) Street Light- Gram Panchayat, A,B&C Class MCs	74,253	Rs/KW/mth	145	6.78	1.20	753	3,00,625	52	510	91	-	653	8.68
LT VI (B) Street Light - Municipal Corporation Areas	36,460	Rs/KW/mth	145	8.14	1.20	378	2,50,722	44	308	46	-	397	10.50
LT VI Street Light (Sub-Total)	**1,10,713**	**-**	**-**	**-**	**-**	**1,131**	**5,51,347**	**96**	**818**	**136**	**-**	**1,051**	**9.29**
LT VII Public Services													
(i) 0-20 kW	1,76,302	Rs/kVA/mth	455	4.81	1.20	598	4,10,319	96	287	72	-	456	7.62
(ii) 20 kW-50 kW	6,413	Rs/kVA/mth	455	8.14	1.20	207	77,709	42	168	25	(15)	220	10.65
(iii) Above 50 kW	2,905	Rs/kVA/mth	455	8.46	1.20	292	95,397	52	247	35	(24)	311	10.64
LT VII Public Services Total	**1,85,620**	**-**	**-**	**-**	**-**	**1,097**	**5,83,425**	**191**	**703**	**132**	**(39)**	**987**	**8.99**
LT VIII – Electric Vehicle Charging Station	**2,117**	**-**	**-**	**7.03**	**1.20**	**388**	**2,64,729**	**-**	**273**	**47**	**(12)**	**308**	**7.93**
Sub-Total LT Category	**3,33,48,452**	**-**	**-**	**-**	**-**	**87,358**	**6,97,86,449**	**16,620**	**47,315**	**10,642**	**(1,386)**	**73,191**	**8.38**
Distribution Franchisees													
Bhiwandi	-	-	-	5.88	-	4,664	-	-	-	-	-	2,744	5.88
Thane	-	-	-	7.25	-	876	-	-	-	-	-	635	7.25
Malegaon	-	-	-	5.72	-	1,701	-	-	-	-	-	972	5.72
Stand By Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
LF/ Incentives/Discount	-	-	-	-	-	-	-	-	(1,193)	-	-	(1,193)	-
MSEDCL Total Revenue	**3,33,72,614**	**-**	**-**	**-**	**-**	**1,49,211**	**8,35,97,129**	**25,073**	**86,225**	**13,001**	**(3,258)**	**1,25,392**	**8.40**

16 Annexure IV: Revenue from Revised Tariff effective from 1st April 2027

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
HT Category													
HT I(A): HT - Industry (General)	15,476	Rs/kVA/mth	565	7.11	0.57	46,173	1,12,36,924	7,621	32,817	1,841	(1,568)	40,710	8.82
HT I(C): HT - Industry (Seasonal)	614	Rs/kVA/mth	565	7.40	0.57	222	1,21,359	82	164	13	(7)	251	11.33
HT I - Industry (Sub-Total)	**16,090**					**46,395**	**1,13,58,283**	**7,703**	**32,981**	**1,853**	**(1,576)**	**40,961**	**8.83**
HT II: HT - Commercial	3,228	Rs/kVA/mth	565	8.72	0.57	2,229	7,07,561	480	1,943	124	(80)	2,468	11.07
HT III: HT - Railways/Metro/Monorail Traction	152	Rs/kVA/mth	565	6.89	0.57	158	45,823	31	109	6	-	146	9.22
HT IV: HT - Public Water Works (PWW)	1,158	Rs/kVA/mth	565	7.58	0.57	2,114	4,03,889	274	1,603	114	(93)	1,898	8.98
HT V(A): HT - Agriculture Pumpsets	945	Rs/kVA/mth	100	7.62	0.57	2,266	5,03,068	60	1,727	46	-	1,834	8.09
HT V(B)): HT - Agriculture Others	430	Rs/kVA/mth	100	7.32	0.57	66	90,039	11	48	4	-	63	9.53
HT VI: HT - Group Housing Societies (Residential)	457	Rs/kVA/mth	450	6.95	0.57	251	60,829	33	174	14	-	222	8.83
HT VIII: HT - Public Services	1,913	Rs/kVA/mth				1,403	4,03,442	274	1,179	80	(72)	1,461	
HT - MSPGCL-Aux Supply	38	Rs/kVA/mth	-	-	-	443	2,81,110	-	-	-	-	-	-
HT IX: HT – Electric Vehicle Charging Station	41	Rs/kVA/mth	-	7.55	0.57	2,474	5,74,131	-	1,868	142	(134)	1,875	7.58
Sub-Total HT Category	**24,452**					**57,799**	**1,44,28,175**	**8,865**	**41,632**	**2,382**	**(1,955)**	**50,925**	**8.81**
LT Category													
LT I(A): LT - Residential-BPL Category (0-30 units)	1,66,734	Rs/conn/mth	35	1.42	-	36	20,674	7	5	-	-	12	3.37
LT I(B): LT - Residential	-	-	-	-	-	-	**3,09,71,747**	-	-	-	-	-	-
0-100	1,77,47,209	Rs/conn/mth	135	4.27	1.15	15,988	-	2,867	6,819	1,833	(232)	11,287	7.06

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
101-300	64,46,238	Rs/conn/mth	135	9.28	1.15	10,351	-	1,041	9,608	1,187	(327)	11,509	11.12
301-500	10,48,864	Rs/conn/mth	135	12.35	1.15	1,290	-	169	1,594	148	(54)	1,857	14.39
501-1000	3,80,468	Rs/conn/mth	135	13.80	1.15	1,579	-	61	2,179	181	(74)	2,348	14.86
Three Phase Connection	-	Rs/conn/mth	440	-	-	-	-	-	-	-	-	-	-
LT I: LT - Residential (Sub-Total)	**2,57,89,514**	**-**	**-**	**-**	**-**	**29,245**	**3,09,92,421**	**4,146**	**20,205**	**3,348**	**(687)**	**27,012**	**9.24**
LT II(A): LT - Non-Residential (0-20 kW)	25,47,853	Rs/kVA/mth	530	6.35	1.15	5,918	51,46,523	1,622	3,761	678	(183)	5,878	9.93
LT II(B): LT - Non-Residential (>20 kW and ≤ 50 kW)	29,453	Rs/kVA/mth	530	10.47	1.15	952	4,75,104	302	996	109	(43)	1,364	14.33
LT II(C): LT - Non-Residential (Above 50 kW)	10,442	Rs/kVA/mth	530	12.64	1.15	910	4,35,997	278	1,151	104	(52)	1,481	16.27
LT II: LT - Non-Residential (Sub-Total)	**25,87,748**	**-**	**-**	**-**	**-**	**7,780**	**60,57,624**	**2,202**	**5,907**	**892**	**(279)**	**8,722**	**11.21**
LT III(A): LT - Public Water Works (0-20 kW)	61,301	Rs/kVA/mth	130	4.61	1.15	812	1,44,902	23	375	93	-	490	6.04
LT III(B): LT - Public Water Works (>20 kW-40 kW)	1,660	Rs/kVA/mth	160	6.67	1.15	133	45,184	9	89	15	-	113	8.46
LT III (C): LT - Public Water Works (Above 40 kW)	1,057	Rs/kVA/mth	200	8.56	1.15	191	63,126	15	163	22	-	200	10.50
LT III: LT - Public Water Works (Sub-Total)	**64,018**	**-**	**-**	**-**	**-**	**1,136**	**2,53,212**	**46**	**627**	**130**	**-**	**803**	**7.07**
LT IV(A): LT - AG Un-metered-Pumpsets (Category 1 Zones)													
(a) 0 - 5 HP	651363	Rs/HP/mth	739	-	143.38	3,181	32,61,196	2,892	-	561	-	3,453	
(b) > 5 HP - 7.5 HP	153780	Rs/HP/mth	784	-	143.38	457	7,69,932	724	-	132	-	857	
(c) Above 7.5 HP	-	Rs/HP/mth	862	-	143.38	82	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Category 2 Zones)													

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
(a) 0 - 5 HP	6,84,469	Rs/HP/mth	606	-	143.38	7,088	34,26,948	2,494	-	589	-	3,083	
(b) > 5 HP - 7.5 HP	2,32,468	Rs/HP/mth	648	-	143.38	1,013	11,63,905	905	-	200	-	1,106	
(c) Above 7.5 HP	-	Rs/HP/mth	727	-	143.38	49	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Sub-Total)													
LT IV(B): LT -AG Metered-Pumpsets	32,28,096	Rs/HP/mth	80	4.62	1.15	22,894	1,66,40,088	1,588	10,567	2,624	-	14,780	6.46
LT IV(C): LT - AG Metered-Others	32,601	Rs/KW/mth	180	5.23	1.15	220	1,62,615	35	115	25	-	176	7.97
LT IV - LT - Agriculture (Sub-Total)	**49,82,777**	**-**	**-**	**-**	**-**	**34,985**	**2,54,24,685**	**8,639**	**10,682**	**4,132**	**-**	**23,453**	**6.70**
LT V -Industry (0 - 20 kW)	3,83,759	Rs/Conn/mth	600	5.89	1.15	4,543	43,89,828	276	2,675	521	-	3,472	7.64
LT V -Industry (Above 20 kW)	87,799	Rs/kVA/mth	400	6.93	1.15	7,522	30,03,745	1,441	5,211	862	(352)	7,162	9.52
LT V -Industry(Sub-Total)	**4,71,558**	**-**	**-**	**-**	**-**	**12,065**	**73,93,573**	**1,717**	**7,885**	**1,383**	**(352)**	**10,634**	**8.81**
LT VI (A) Street Light-Gram Panchayat, A,B&C Class MCs	75,187	Rs/KW/mth	145	6.74	1.15	761	3,14,125	55	513	87	-	654	8.60
LT VI (B) Street Light - Municipal Corporation Areas	37,153	Rs/KW/mth	145	8.09	1.15	382	2,57,978	45	309	44	-	398	10.41
LT VI Street Light (Sub-Total)	**1,12,340**	**-**	**-**	**-**	**-**	**1,143**	**5,72,103**	**99**	**822**	**131**	**-**	**1,052**	**9.21**
LT VII Public Services													
(i) 0-20 kW	1,81,536	Rs/kVA/mth	460	4.85	1.15	662	4,30,382	100	321	76	-	497	7.51
(ii) 20 kW-50 kW	6,605	Rs/kVA/mth	460	8.14	1.15	229	81,014	45	186	26	(17)	240	10.50
(iii) Above 50 kW	2,993	Rs/kVA/mth	460	8.46	1.15	322	99,454	55	272	37	(26)	338	10.50
LT VII Public Services (Sub-Total)	**1,91,134**	**-**	**-**	**-**	**-**	**1,212**	**6,10,850**	**200**	**779**	**139**	**(43)**	**1,075**	**8.87**
LT VIII – Electric Vehicle Charging Station	**2,329**	**-**	**-**	**6.94**	**1.15**	**591**	**2,72,559**	**-**	**410**	**68**	**(18)**	**460**	**7.78**

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
Sub-Total LT Category	**3,42,61,580**	**-**	**-**	**-**	**-**	**91,011**	**7,20,85,902**	**17,248**	**49,197**	**10,550**	**(1,456)**	**75,539**	**8.30**
Distribution Franchisees													
Bhiwandi	-	-	-	6.00	-	4,933	-	-	-	-	-	2,960	6.00
Thane	-	-	-	7.30	-	892	-	-	-	-	-	651	7.30
Malegaon	-	-	-	5.80	-	1,797	-	-	-	-	-	1,042	5.80
Stand By Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
LF/ Incentives/Discount	-	-	-	-	-	-	-	-	(1,252)	-	-	(1,252)	-
MSEDCL Total Revenue	**3,42,86,032**	**-**	**-**	**-**	**-**	**1,56,431**	**8,65,14,077**	**26,113**	**89,576**	**12,932**	**(3,411)**	**1,29,864**	**8.30**

17 Annexure V: Revenue from Revised Tariff effective from 1st April 2028

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
HT Category													
HT I(A): HT - Industry (General)	15,619	Rs/kVA/mth	570	7.07	0.55	48,168	1,16,79,020	7,986	34,056	1,850	(1,627)	42,262	8.77
HT I(C): HT - Industry (Seasonal)	624	Rs/kVA/mth	570	7.36	0.55	232	1,26,135	86	170	13	(8)	261	11.28
HT I - Industry (Sub-Total)	**16,243**					**48,400**	**1,18,05,155**	**8,072**	**34,226**	**1,862**	**(1,635)**	**42,524**	**8.79**
HT II: HT - Commercial	3,234	Rs/kVA/mth	570	8.69	0.55	2,335	7,27,455	497	2,029	126	(83)	2,568	11.00
HT III: HT - Railways/Metro/Monorail Traction	162	Rs/kVA/mth	570	6.79	0.55	164	47,782	33	112	6	-	150	9.12
HT IV: HT - Public Water Works (PWW)	1,179	Rs/kVA/mth	570	7.48	0.55	2,178	4,18,218	286	1,628	113	(94)	1,933	8.87
HT V(A): HT - Agriculture Pumpsets	945	Rs/kVA/mth	100	7.86	0.55	2,358	5,17,345	62	1,855	46	-	1,963	8.32
HT V(B)): HT - Agriculture Others	430	Rs/kVA/mth	100	7.31	0.55	67	91,979	11	49	4	-	63	9.52
HT VI: HT - Group Housing Societies (Residential)	483	Rs/kVA/mth	455	6.94	0.55	258	61,657	34	179	14	-	227	8.80
HT VIIII: HT - Public Services	1,986	Rs/kVA/mth				1,455	4,20,673	288	1,207	80	(74)	1,501	-
HT - MSPGCL-Aux Supply	40	Rs/kVA/mth	-	-	-	469	2,93,008	-	-	-	-	-	-
HT IX: HT – Electric Vehicle Charging Station	46	Rs/kVA/mth	-	7.54	0.55	3,658	6,88,779	-	2,758	202	(199)	2,762	7.55
Sub-Total HT Category	**24,748**					**61,343**	**1,50,72,051**	**9,282**	**44,042**	**2,453**	**(2,085)**	**53,691**	**8.75**
LT Category													
LT I(A): LT - Residential-BPL Category (0-30 units)	1,66,734	Rs/conn/mth	35	1.42	-	36	20,674	7	5	-	-	12	3.37
LT I(B): LT - Residential	-	-	-	-	-	-	**3,23,97,821**	-	-	-	-	-	-
0-100	1,82,79,982	Rs/conn/mth	140	4.26	1.11	16,822	-	3,070	7,168	1,863	(244)	11,857	7.05
101-300	66,39,755	Rs/conn/mth	140	9.27	1.11	10,891	-	1,115	10,099	1,206	(343)	12,077	11.09

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
301-500	10,80,351	Rs/conn/mth	140	12.34	1.11	1,156	-	181	1,426	128	(49)	1,687	14.60
501-1000	3,91,890	Rs/conn/mth	140	13.78	1.11	1,415	-	66	1,950	157	(66)	2,106	14.89
Three Phase Connection	-	Rs/conn/mth	445	-	-	-	-	-	-	-	-	-	-
LT I: LT - Residential (Sub-Total)	**2,65,58,712**	**-**	**-**	**-**	**-**	**30,320**	**3,24,18,495**	**4,439**	**20,648**	**3,354**	**(702)**	**27,740**	**9.15**
LT II(A): LT - Non-Residential (0-20 kW)	26,36,127	Rs/kVA/mth	535	6.35	1.11	6,260	53,55,821	1,692	3,974	693	(194)	6,165	9.85
LT II(B): LT - Non-Residential (>20 kW and ≤ 50 kW)	30,474	Rs/kVA/mth	535	10.46	1.11	935	4,94,426	317	977	104	(43)	1,355	14.50
LT II(C): LT - Non-Residential (Above 50 kW)	10,804	Rs/kVA/mth	535	12.63	1.11	893	4,55,800	292	1,128	99	(51)	1,469	16.44
LT II: LT - Non-Residential (Sub-Total)	**26,77,405**	**-**	**-**	**-**	**-**	**8,088**	**63,06,047**	**2,301**	**6,079**	**896**	**(287)**	**8,989**	**11.11**
LT III(A): LT - Public Water Works (0-20 kW)	62,576	Rs/kVA/mth	130	4.63	1.11	853	1,53,694	24	395	94	-	513	6.02
LT III(B): LT - Public Water Works (>20 kW-40 kW)	1,697	Rs/kVA/mth	160	6.68	1.11	140	47,926	9	93	15	-	118	8.44
LT III (C): LT - Public Water Works (Above 40 kW)	1,081	Rs/kVA/mth	200	8.57	1.11	200	66,956	16	172	22	-	210	10.48
LT III: LT - Public Water Works (Sub-Total)	**65,354**	**-**	**-**	**-**	**-**	**1,193**	**2,68,576**	**49**	**660**	**132**	**-**	**841**	**7.05**
LT IV(A): LT - AG Un-metered-Pumpsets (Category 1 Zones)													
(a) 0 - 5 HP	651363	Rs/HP/mth	726	-	138.54	3,181	32,61,196	2,843	-	542	-	3,384	10.64
(b) > 5 HP - 7.5 HP	153780	Rs/HP/mth	772	-	138.54	457	7,69,932	713	-	128	-	841	18.42
(c) Above 7.5 HP	-	Rs/HP/mth	851	-	138.54	82	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Category 2 Zones)													
(a) 0 - 5 HP	6,84,469	Rs/HP/mth	592	-	138.54	7,088	34,26,948	2,436	-	569	-	3,006	4.24
(b) > 5 HP - 7.5 HP	2,32,468	Rs/HP/mth	635	-	138.54	1,013	11,63,905	886	-	193	-	1,080	10.66

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
(c) Above 7.5 HP	-	Rs/HP/mth	714	-	138.54	49	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Sub-Total)													
LT IV(B): LT -AG Metered-Pumpsets	32,81,358	Rs/HP/mth	82	4.41	1.11	23,325	1,69,53,372	1,675	10,288	2,583	-	14,547	6.24
LT IV(C): LT - AG Metered-Others	33,139	Rs/KW/mth	185	5.22	1.11	224	1,70,746	38	117	25	-	180	8.02
LT IV - LT - Agriculture (Sub-Total)	**50,36,577**	**-**	**-**	**-**	**-**	**35,419**	**2,57,46,100**	**8,592**	**10,405**	**4,041**	**-**	**23,038**	**6.50**
LT V -Industry (0 - 20 kW)	3,98,555	Rs/Conn/mth	605	5.98	1.11	5,000	45,76,488	289	2,991	554	-	3,834	7.67
LT V -Industry (Above 20 kW)	91,185	Rs/kVA/mth	405	7.02	1.11	8,314	31,31,468	1,521	5,837	921	(394)	7,885	9.48
LT V -Industry(Sub-Total)	**4,89,740**	**-**	**-**	**-**	**-**	**13,314**	**77,07,956**	**1,811**	**8,828**	**1,475**	**(394)**	**11,719**	**8.80**
LT VI (A) Street Light-Gram Panchayat, A,B&C Class MCs	76,133	Rs/KW/mth	145	6.28	1.11	768	3,28,231	57	483	85	-	625	8.14
LT VI (B) Street Light - Municipal Corporation Areas	37,859	Rs/KW/mth	145	7.63	1.11	386	2,65,444	46	294	43	-	383	9.94
LT VI Street Light (Sub-Total)	**1,13,992**	**-**	**-**	**-**	**-**	**1,154**	**5,93,675**	**104**	**777**	**128**	**-**	**1,009**	**8.74**
LT VII Public Services													
(i) 0-20 kW	1,86,925	Rs/kVA/mth	465	4.84	1.11	732	4,51,481	104	354	81	-	540	7.37
(ii) 20 kW-50 kW	6,802	Rs/kVA/mth	465	8.13	1.11	253	84,460	47	206	28	(19)	262	10.36
(iii) Above 50 kW	3,083	Rs/kVA/mth	465	8.45	1.11	355	1,03,684	58	300	39	(29)	368	10.38
LT VII Public Services (Sub-total)	**1,96,810**	**-**	**-**	**-**	**-**	**1,340**	**6,39,625**	**209**	**860**	**148**	**(47)**	**1,170**	**8.73**
LT VIII – Electric Vehicle Charging Station	**2,562**	**-**	**-**	**6.93**	**1.11**	**881**	**2,89,654**	**-**	**611**	**98**	**(27)**	**682**	**7.74**
Sub-Total LT Category	**3,52,01,916**	**-**	**-**	**-**	**-**	**94,806**	**7,44,89,554**	**17,711**	**50,936**	**10,614**	**(1,543)**	**77,718**	**8.20**
Distribution Franchisees													
Bhiwandi	-	-	-	6.12	-	5,223	-	-	-	-	-	3,196	6.12
Thane	-	-	-	7.34	-	909	-	-	-	-	-	668	7.34

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
Malegaon	-	-	-	5.84	-	1,775	-	-	-	-	-	1,037	5.84
Stand By Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
LF/ Incentives/Discount	-	-	-	-	-	-	-	-	(1,315)	-	-	(1,315)	-
MSEDCL Total Revenue	**3,52,26,664**	**-**	**-**	**-**	**-**	**1,64,056**	**8,95,61,605**	**26,993**	**93,663**	**13,066**	**(3,629)**	**1,34,994**	**8.23**

18 Annexure VI: Revenue from Revised Tariff effective from 1st April 2029

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
HT Category													
HT I(A): HT - Industry (General)	15,766	Rs/kVA/mth	575	7.04	0.53	50,114	1,21,38,509	8,383	35,281	1,859	(1,686)	43,837	8.75
HT I(C): HT - Industry (Seasonal)	634	Rs/kVA/mth	575	7.33	0.53	241	1,31,099	91	177	13	(8)	272	11.27
HT I - Industry (Sub-Total)	**16,400**					**50,355**	**1,22,69,608**	**8,473**	**35,458**	**1,872**	**(1,694)**	**44,109**	**8.76**
HT II: HT - Commercial	3,240	Rs/kVA/mth	575	8.67	0.53	2,431	7,47,907	517	2,107	126	(87)	2,663	10.96
HT III: HT - Railways/Metro/Monorail Traction	172	Rs/kVA/mth	575	6.69	0.53	171	49,824	34	114	6	-	155	9.04
HT IV: HT - Public Water Works (PWW)	1,200	Rs/kVA/mth	575	7.43	0.53	2,244	4,33,061	299	1,667	112	(97)	1,981	8.83
HT V(A): HT - Agriculture Pumpsets	945	Rs/kVA/mth	100	8.29	0.53	2,454	5,32,259	64	2,036	46	-	2,146	8.74
HT V(B)): HT - Agriculture Others	430	Rs/kVA/mth	100	7.31	0.53	67	93,977	11	49	4	-	64	9.52
HT VI: HT - Group Housing Societies (Residential)	510	Rs/kVA/mth	460	6.94	0.53	265	62,498	34	184	14	-	232	8.78
HT VIII: HT - Public Services	2,061	Rs/kVA/mth				1,510	4,38,640	303	1,237	81	(76)	1,545	
HT - MSPGCL-Aux Supply	42	Rs/kVA/mth	-	-	-	498	3,05,413	-	-	-	-	-	-
HT IX: HT – Electric Vehicle Charging Station	52	Rs/kVA/mth	-	7.54	0.53	5,228	8,31,024	-	3,942	279	(284)	3,937	7.53
Sub-Total HT Category	**25,052**					**65,223**	**1,57,64,211**	**9,736**	**46,794**	**2,539**	**(2,237)**	**56,832**	**8.71**
LT Category													
LT I(A): LT - Residential-BPL Category (0-30 units)	1,66,734	Rs/conn/mth	35	1.42	-	36	20,674	7	5	-	-	12	3.37
LT I(B): LT - Residential	-	-	-	-	-	-	**3,38,89,558**	-	-	-	-	-	-
0-100	1,88,28,749	Rs/conn/mth	145	3.35	1.08	17,697	-	3,284	5,930	1,902	(202)	10,914	6.17
101-300	68,39,081	Rs/conn/mth	145	10.02	1.08	11,457	-	1,193	11,483	1,231	(390)	13,517	11.80

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
301-500	11,12,783	Rs/conn/mth	145	13.74	1.08	936	-	194	1,286	101	(44)	1,537	16.42
501-1000	4,03,655	Rs/conn/mth	145	15.28	1.08	1,146	-	70	1,751	123	(60)	1,885	16.45
Three Phase Connection	-	Rs/conn/mth	450	-	-	-	-	-	-	-	-	-	-
LT I: LT - Residential (Sub-Total)	**2,73,51,002**	**-**	**-**	**-**	**-**	**31,272**	**3,39,10,232**	**4,749**	**20,455**	**3,357**	**(695)**	**27,865**	**8.91**
LT II(A): LT - Non-Residential (0-20 kW)	27,27,459	Rs/kVA/mth	540	6.35	1.08	6,622	55,73,631	1,768	4,203	712	(205)	6,478	9.78
LT II(B): LT - Non-Residential (>20 kW and ≤ 50 kW)	31,530	Rs/kVA/mth	540	10.46	1.08	889	5,14,534	333	930	96	(41)	1,318	14.82
LT II(C): LT - Non-Residential (Above 50 kW)	11,179	Rs/kVA/mth	540	12.63	1.08	849	4,76,503	309	1,072	91	(48)	1,423	16.78
LT II: LT - Non-Residential (Sub-Total)	**27,70,168**	**-**	**-**	**-**	**-**	**8,359**	**65,64,668**	**2,410**	**6,205**	**898**	**(294)**	**9,219**	**11.03**
LT III(A): LT - Public Water Works (0-20 kW)	63,878	Rs/kVA/mth	130	4.63	1.08	895	1,63,019	25	415	96	-	536	5.99
LT III(B): LT - Public Water Works (>20 kW-40 kW)	1,735	Rs/kVA/mth	160	6.68	1.08	147	50,834	10	98	16	-	124	8.42
LT III (C): LT - Public Water Works (Above 40 kW)	1,106	Rs/kVA/mth	200	8.57	1.08	210	71,019	17	180	23	-	220	10.46
LT III: LT - Public Water Works (Sub-Total)	**66,719**	**-**	**-**	**-**	**-**	**1,252**	**2,84,872**	**52**	**693**	**135**	**-**	**880**	**7.02**
LT IV(A): LT - AG Un-metered-Pumpsets (Category 1 Zones)													
(a) 0 - 5 HP	651363	Rs/HP/mth	714	-	134.42	3,181	32,61,196	2,793	-	526	-	3,319	10.43
(b) > 5 HP - 7.5 HP	153780	Rs/HP/mth	759	-	134.42	457	7,69,932	702	-	124	-	826	18.09
(c) Above 7.5 HP	-	Rs/HP/mth	840	-	134.42	82	-	-	-	-	-	-	
LT IV(A): LT - AG Un-metered-Pumpsets (Category 2 Zones)													
(a) 0 - 5 HP	6,84,469	Rs/HP/mth	578	-	134.42	7,088	34,26,948	2,378	-	552	-	2,931	4.14
(b) > 5 HP - 7.5 HP	2,32,468	Rs/HP/mth	621	-	134.42	1,013	11,63,905	867	-	188	-	1,055	10.42
(c) Above 7.5 HP	-	Rs/HP/mth	701	-	134.42	49	-	-	-	-	-	-	

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
LT IV(A): LT - AG Un-metered-Pumpsets (Sub-Total)													
LT IV(B): LT -AG Metered-Pumpsets	33,35,499	Rs/HP/mth	85	4.21	1.08	23,763	1,72,72,555	1,765	10,006	2,554	-	14,325	6.03
LT IV(C): LT - AG Metered-Others	33,686	Rs/KW/mth	190	5.22	1.08	228	1,79,284	41	119	25	-	185	8.09
LT IV - LT - Agriculture (Sub-Total)	**50,91,265**	**-**	**-**	**-**	**-**	**35,861**	**2,60,73,821**	**8,546**	**10,125**	**3,968**	**-**	**22,640**	**6.31**
LT V -Industry (0 - 20 kW)	4,13,922	Rs/Conn/mth	610	6.03	1.08	5,494	47,71,085	303	3,314	590	-	4,207	7.66
LT V -Industry (Above 20 kW)	94,701	Rs/kVA/mth	410	7.07	1.08	9,184	32,64,622	1,606	6,494	987	**(438)**	8,648	9.42
LT V -Industry(Sub-Total)	**5,08,623**	**-**	**-**	**-**	**-**	**14,678**	**80,35,707**	**1,909**	**9,808**	**1,577**	**(438)**	**12,856**	**8.76**
LT VI (A) Street Light-Gram Panchayat, A,B&C Class MCs	77,090	Rs/KW/mth	150	6.23	1.08	776	3,42,971	62	484	83	-	629	8.10
LT VI (B) Street Light - Municipal Corporation Areas	38,578	Rs/KW/mth	150	7.58	1.08	390	2,73,126	49	295	42	-	386	9.91
LT VI Street Light (Sub-Total)	**1,15,668**	**-**	**-**	**-**	**-**	**1,166**	**6,16,097**	**111**	**779**	**125**	**-**	**1,015**	**8.71**
LT VII Public Services													
(i) 0-20 kW	1,92,475	Rs/kVA/mth	470	4.94	1.08	810	4,73,673	109	400	87	-	596	7.36
(ii) 20 kW-50 kW	7,005	Rs/kVA/mth	470	8.23	1.08	280	88,052	50	230	30	**(21)**	289	10.33
(iii) Above 50 kW	3,175	Rs/kVA/mth	470	8.55	1.08	391	1,08,094	61	334	42	**(32)**	406	10.37
LT VII Public Services	**2,02,655**	**-**	**-**	**-**	**-**	**1,481**	**6,69,819**	**219**	**965**	**159**	**(53)**	**1,291**	**8.71**
LT VIII – Electric Vehicle Charging Station	**2,819**	**-**	**-**	**6.93**	**1.08**	**1,268**	**3,23,449**	**-**	**879**	**136**	**(39)**	**977**	**7.71**
Sub-Total LT Category	**3,61,70,291**	**-**	**-**	**-**	**-**	**98,684**	**7,70,08,975**	**18,211**	**52,162**	**10,716**	**(1,613)**	**79,475**	**8.05**
Distribution Franchisees													
Bhiwandi	-	-	-	6.23	-	5,538	-	-	-	-	**-**	3,453	6.23
Thane	-	-	-	7.39	-	929	-	-	-	-	**-**	686	7.39
Malegaon	-	-	-	5.98	-	2,013	-	-	-	-	**-**	1,204	5.98

Category	No. of consumers	Demand/ Fixed Charges		Variable Charges		Sales in MU/ MVAh #	Contract Demand in KVA/MVA	Full year revenue (Rs. Crore)					Average Billing Rate (Rs/kWh)
		Units	Proposed Demand/ Fixed Charges	Proposed Energy Charges (Rs./unit)*	Proposed Wheeling Charge (Rs/ Unit)$			Fixed / Demand Charge	Energy Charge	Wheeling Charge	ToD Charges	Net Revenue	
Stand By Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
LF/ Incentives/Discount	-	-	-	-	-	-	-	-	(1,381)	-	-	(1,381)	-
MSEDCL Total Revenue	**3,61,95,343**	**-**	**-**	**-**	**-**	**1,72,387**	**9,27,73,186**	**27,947**	**97,575**	**13,255**	**(3,850)**	**1,40,270**	**8.14**

19 Annexure VII: Monthly MoD Stacks Approved for FY 2025-26

Particulars	VC per unit (Rs. / kWh)	Apr-25		May-25		Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25		Jan-26		Feb-26		Mar-26	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Must Run Generating Station																									
KAPP	4.01	85	34.2	88	35.3	85	34.2	88	35.3	88	35.3	85	34.2	88	35.3	85	34.2	88	35.3	88	35.3	80	31.9	88	35.3
KAPP 3 & 4	4.01	256	102.8	265	106.2	256	102.8	265	106.2	265	106.2	256	102.8	265	106.2	256	102.8	265	106.2	265	106.2	239	95.9	265	106.2
TAPP 1 & 2	4.60	95	43.7	98	45.1	95	43.7	98	45.1	98	45.1	95	43.7	98	45.1	95	43.7	98	45.1	98	45.1	89	40.8	98	45.1
TAPP 3 & 4	3.69	248	91.8	257	94.8	248	91.8	257	94.8	257	94.8	248	91.8	257	94.8	248	91.8	257	94.8	257	94.8	232	85.7	257	94.8
SSP	2.05	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	75	15.3	83	16.9
Pench	2.05	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	10	2.1	11	2.3
Dodson II	0.00	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	9	0.0	10	0.0
Subhansari Hydro	5.00	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	34	17.1	38	19.0
Hydro	0.00	426	0.0	540	0.0	235	0.0	232	0.0	519	0.0	343	0.0	402	0.0	173	0.0	138	0.0	253	0.0	168	0.0	207	0.0
Renewable - Solar intra	3.20																								
Renewable - Solar inter (Loss not applicable)	3.87	1680	566.6	2000	670.0	2054	684.7	1796	596.5	2421	801.3	2128	703.2	2848	940.1	2221	732.2	2618	862.0	2794	919.0	2998	985.1	3840	1261.0
Renewable - Solar inter	0.00																								
Renewable - Wind	4.47	364	162.8	652	291.7	1197	535.4	1486	664.6	1093	488.9	853	381.3	273	122.0	294	131.3	360	161.2	313	139.8	271	121.3	421	188.5
Renewable - Bagasse based Co-gen	6.01	207	124.4	113	68.2	35	21.1	17	10.5	7	4.1	16	9.8	31	18.9	530	318.9	743	446.7	777	466.9	698	419.6	611	367.2
Renewable - Biomass	8.65	3	2.3	1	1.3	0	0.4	0	0.2	0	0.1	0	0.2	0	0.3	7	5.9	10	8.3	10	8.7	9	7.8	8	6.8
Renewable - Small Hydro	3.34	62	20.7	79	26.3	34	11.4	34	11.3	76	25.2	50	16.7	59	19.6	25	8.4	20	6.7	37	12.3	24	8.2	30	10.1

Particulars	VC per unit (Rs. / kWh)	Apr-25		May-25		Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25		Jan-26		Feb-26		Mar-26	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Renewable - MSW	4.88	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.4	1	0.5	1	0.5	1	0.5	1	0.4
Renewable - Hybrid intra	2.56	50	12.7	59	15.1	70	18.0	70	18.0	66	16.9	54	13.8	47	12.0	37	9.6	43	11.1	43	11.0	43	11.0	56	14.2
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	0.00	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	35	0.0	39	0.0
Short Term Power Purchase																									
Short term PX	5.50	82	45.2	72	39.7	168	92.2	0	0.0	3	1.4	9	4.9	347	190.9	65	35.8	2	1.2	8	4.1	58	31.8	254	139.8
Stations under MoD																									
Lara	1.52	171	25.9	176	26.7	171	25.9	176	26.7	176	26.7	171	25.9	176	26.7	171	25.9	176	26.7	176	26.7	159	24.1	176	26.7
KSTPS III	1.72	79	13.6	82	14.1	79	13.6	82	14.1	82	14.1	79	13.6	82	14.1	79	13.6	81	14.0	82	14.1	74	12.7	82	14.0
KSTPS	1.74	399	69.5	413	71.8	399	69.5	413	71.8	413	71.8	399	69.5	413	71.8	399	69.5	411	71.6	413	71.8	373	64.9	412	71.7
SIPAT TPS 1	2.06	343	70.5	354	72.8	343	70.5	354	72.8	354	72.8	343	70.5	354	72.8	343	70.5	352	72.4	354	72.8	320	65.8	352	72.4
VSTP II	2.07	205	42.6	212	44.0	205	42.6	212	44.0	212	44.0	205	42.6	212	44.0	205	42.6	211	43.7	212	44.0	192	39.7	211	43.7
VSTP III	2.08	174	36.3	180	37.5	174	36.3	180	37.5	180	37.5	174	36.3	180	37.5	174	36.3	178	37.2	180	37.5	163	33.9	178	37.1
VSTP IV	2.12	185	39.2	191	40.5	185	39.2	191	40.5	190	40.4	185	39.2	190	40.4	185	39.2	189	40.0	191	40.4	172	36.6	188	39.8
VSTP V	2.15	100	21.4	103	22.2	100	21.4	103	22.2	103	22.1	100	21.4	103	22.1	100	21.4	102	21.8	103	22.1	93	20.0	101	21.7
SIPAT TPS 2	2.16	174	37.5	180	38.7	174	37.5	180	38.7	179	38.6	174	37.5	178	38.5	174	37.5	176	38.0	179	38.6	162	35.0	174	37.6
VSTP I	2.18	253	55.3	262	57.2	253	55.3	262	57.2	260	56.9	253	55.3	259	56.7	253	55.3	255	55.8	261	57.0	235	51.4	250	54.7
RIPL 450 MW	2.64	271	71.6	280	74.0	271	71.6	280	73.9	278	73.4	271	71.6	276	72.9	270	71.4	273	72.0	279	73.7	252	66.5	263	69.4
RIPL 750 MW	2.64	452	119.4	467	123.3	452	119.4	464	122.6	460	121.5	451	119.2	458	120.9	449	118.6	450	119.0	462	122.0	412	108.9	422	111.3
KhSTPS -II	2.90	82	23.8	85	24.6	82	23.8	84	24.4	83	24.0	82	23.7	83	24.0	81	23.5	81	23.4	83	24.2	73	21.3	74	21.6
SWPGL 240 MW	3.12	145	45.1	149	46.6	145	45.1	148	46.1	146	45.5	144	44.8	146	45.4	143	44.5	142	44.2	145	45.3	128	40.0	131	40.7
GMR Energy	3.26	116	37.9	120	39.2	116	37.9	119	38.8	117	38.1	115	37.6	117	38.1	115	37.4	113	36.9	116	37.9	102	33.3	104	33.9

Particulars	VC per unit (Rs. / kWh)	Apr-25		May-25		Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25		Jan-26		Feb-26		Mar-26	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Koradi - 8 to 10	3.32	1005	333.8	1039	345.0	1004	333.5	1005	333.8	994	330.2	974	323.6	997	331.3	982	326.3	941	312.5	970	322.3	838	278.3	862	286.4
Khaparkheda - 5	3.33	271	90.1	280	93.1	269	89.5	260	86.6	261	86.7	254	84.7	266	88.6	261	86.9	244	81.3	249	82.9	216	72.0	224	74.5
CGPL	3.41	442	150.7	455	155.1	436	148.8	412	140.6	418	142.7	409	139.5	430	146.8	423	144.3	389	132.6	398	135.8	347	118.5	359	122.3
Bhusawal - 6	3.56	380	135.2	390	138.8	373	132.9	340	121.2	347	123.4	343	122.0	366	130.4	360	128.3	324	115.3	335	119.2	291	103.8	302	107.5
Koradi - 6	3.59	202	72.7	208	74.6	198	71.0	177	63.6	179	64.3	178	64.0	193	69.4	190	68.2	170	61.1	176	63.4	153	54.9	158	56.8
Chandrapur - 8 & 9	3.66	541	198.2	555	203.0	521	190.5	452	165.4	459	168.1	462	169.2	502	183.9	497	181.9	445	162.9	466	170.6	402	147.0	413	151.1
Khaparkheda - 1 to 4	3.73	406	151.5	416	155.1	380	141.6	319	119.0	334	124.6	337	125.5	361	134.5	361	134.5	329	122.6	341	127.3	295	110.1	304	113.3
Mauda I	3.99	244	97.1	248	98.8	223	89.0	184	73.5	195	77.8	197	78.5	211	84.0	211	84.0	195	77.7	200	79.7	173	69.0	180	71.9
Paras - 3 & 4	4.03	257	103.3	260	104.5	233	93.7	188	75.8	202	81.2	203	81.9	217	87.4	217	87.4	204	82.0	208	83.6	181	72.8	190	76.3
Mauda II	4.05	329	133.4	331	134.2	293	118.6	233	94.6	254	103.0	253	102.7	270	109.5	273	110.8	257	104.2	263	106.7	230	93.4	241	97.6
APML 1320 MW	4.27	784	334.8	745	318.4	655	279.6	503	215.0	577	246.4	583	249.2	628	268.3	632	270.0	600	256.1	620	264.8	540	230.4	569	243.1
Bhusawal - 4 & 5	4.28	547	233.8	485	207.4	430	183.9	299	127.7	375	160.2	401	171.5	433	184.9	424	181.3	419	179.1	438	187.3	377	161.4	402	171.8
Gadarwara	4.29	61	26.2	53	22.9	47	20.2	30	13.0	41	17.6	45	19.3	49	21.0	47	20.1	46	19.8	50	21.3	43	18.4	45	19.5
Khargone	4.44	52	23.2	45	20.1	40	17.8	25	11.2	35	15.5	38	17.1	42	18.6	40	17.9	39	17.4	42	18.8	37	16.4	39	17.3
APML 125 MW	4.46	68	30.4	59	26.5	53	23.4	32	14.5	46	20.4	51	22.6	55	24.5	53	23.6	51	22.7	56	24.9	49	21.7	51	22.7
APML 1200 MW	4.46	660	294.5	580	258.9	500	223.3	264	117.9	420	187.5	478	213.1	549	244.9	509	227.1	462	206.1	545	243.1	486	216.8	509	227.1
Chandrapur - 3 to 7	4.47	606	270.5	555	248.0	455	203.3	131	58.3	354	158.0	365	163.1	533	238.2	466	207.9	332	148.1	508	227.1	502	224.2	524	234.0
Short-term (100 MW)	4.50	4	1.9	2	1.1	2	1.0	0	0.1	1	0.6	2	0.9	3	1.3	3	1.3	3	1.5	5	2.4	4	2.0	3	1.3
Short-term (200 MW)	4.51	23	10.4	23	10.4	18	8.3	3	1.4	14	6.4	15	6.6	23	10.3	17	7.8	11	4.8	20	9.1	22	9.7	24	10.8
APML 440 MW	4.52	181	81.7	166	75.1	134	60.4	14	6.3	73	33.0	81	36.6	162	73.5	132	59.6	70	31.5	127	57.4	157	71.1	168	75.9
JSW	4.77	118	56.4	106	50.8	89	42.2	6	3.0	39	18.5	45	21.7	107	51.0	85	40.6	42	19.9	74	35.3	103	49.3	114	54.4

Particulars	VC per unit (Rs. / kWh)	Apr-25		May-25		Jun-25		Jul-25		Aug-25		Sep-25		Oct-25		Nov-25		Dec-25		Jan-26		Feb-26		Mar-26	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
NVVNL Coal	4.77	7	3.5	7	3.1	6	2.7	0	0.2	2	1.1	3	1.2	7	3.3	5	2.5	2	1.2	4	2.1	6	3.1	7	3.5
NTPC Solapur	5.12	239	122.6	211	107.9	178	91.1	6	3.3	61	31.4	70	35.6	225	115.0	161	82.7	71	36.6	123	63.0	204	104.4	239	122.5
Bhusawal - 3	5.17	61	31.5	54	28.2	47	24.2	1	0.3	13	6.7	14	7.2	60	30.9	37	19.1	16	8.5	27	13.8	53	27.2	64	32.9
Parli Replacement U 8	5.23	66	34.5	60	31.5	53	27.5	1	0.4	13	6.6	13	7.0	66	34.6	40	21.0	17	8.9	27	14.0	55	28.9	72	37.5
GTPS Uran	5.23	94	49.3	89	46.3	80	41.6	1	0.5	16	8.3	17	9.0	101	52.6	56	29.4	23	11.9	36	18.8	75	39.0	108	56.7
Nashik-3,4 & 5	5.24	115	60.4	114	59.6	107	55.9	0	0.3	14	7.4	20	10.2	141	73.8	75	39.1	23	12.0	43	22.3	82	42.8	147	76.9
Parli - 6 & 7	5.37	72	38.6	79	42.3	77	41.3	0	0.1	6	3.3	13	6.8	107	57.4	49	26.4	10	5.5	26	14.0	50	27.0	106	56.9
Kawas	12.44	29	36.6	34	42.9	35	44.1	0	0.0	2	2.4	6	7.4	51	63.9	20	24.5	3	4.0	9	11.1	21	25.7	49	60.5
Gandhar	12.44	25	30.9	29	36.2	33	41.0	0	0.0	1	1.7	4	5.5	47	59.0	16	20.1	2	2.1	6	7.1	18	21.8	44	54.5

20 Annexure VIII: Monthly MoD Stacks Approved for FY 2026-27

Particulars	VC per unit (Rs. / kWh)	Apr-26		May-26		Jun-26		Jul-26		Aug-26		Sep-26		Oct-26		Nov-26		Dec-26		Jan-27		Feb-27		Mar-27	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Must Run Generating Stations																									
KAPP	4.15	85	35.4	88	36.6	85	35.4	88	36.6	88	36.6	85	35.4	88	36.6	85	35.4	88	36.6	88	36.6	80	33.0	88	36.6
KAPP 3 & 4	4.15	256	106.3	265	109.9	256	106.3	265	109.9	265	109.9	256	106.3	265	109.9	256	106.3	265	109.9	265	109.9	239	99.2	265	109.9
TAPP 1 & 2	4.76	95	45.2	98	46.7	95	45.2	98	46.7	98	46.7	95	45.2	98	46.7	95	45.2	98	46.7	98	46.7	89	42.2	98	46.7
TAPP 3 & 4	3.78	248	94.0	257	97.2	248	94.0	257	97.2	257	97.2	248	94.0	257	97.2	248	94.0	257	97.2	257	97.2	232	87.8	257	97.2
SSP	2.05	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	75	15.3	83	16.9
Pench	2.05	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	10	2.1	11	2.3
Dodson II	0.00	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	9	0.0	10	0.0
Subhansari Hydro	5.00	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	34	17.1	38	19.0
Pakaldul HEP	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Ratle Hydroelectric Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Kwar HEP	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dugar HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Kiru HE Project	4.64	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	21	9.6	23	10.7
Sawalkot HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dibang Multipurpose Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - FDRE	4.46	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - BESS	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Hydro	0.00	426	0.0	540	0.0	235	0.0	232	0.0	519	0.0	343	0.0	402	0.0	173	0.0	138	0.0	253	0.0	168	0.0	207	0.0
Renewable - Solar intra	3.04	3454	1084.9	3911	1225.0	3856	1205.2	3261	1017.0	4125	1285.6	3575	1113.5	4726	1470.7	3642	1132.5	4245	1319.1	4483	1392.4	4639	1440.8	5763	1789.8
Renewable - Solar inter (Loss not applicable)	3.87																								

Particulars	VC per unit (Rs. / kWh)	Apr-26		May-26		Jun-26		Jul-26		Aug-26		Sep-26		Oct-26		Nov-26		Dec-26		Jan-27		Feb-27		Mar-27	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Renewable - Solar inter	2.67																								
Renewable - Wind	4.37	364	159.1	652	285.0	1197	523.1	1486	649.5	1093	477.8	853	372.6	273	119.2	294	128.3	360	157.5	313	136.6	271	118.5	421	184.2
Renewable - Bagasse based Co-gen	5.54	207	114.5	113	62.8	35	19.5	17	9.7	7	3.8	16	9.0	31	17.4	530	293.6	743	411.2	777	429.8	698	386.3	611	338.0
Renewable - Biomass	9.07	3	2.4	1	1.3	0	0.4	0	0.2	0	0.1	0	0.2	0	0.4	7	6.2	10	8.7	10	9.1	9	8.2	8	7.1
Renewable - Small Hydro	3.34	62	20.7	79	26.3	34	11.4	34	11.3	76	25.2	50	16.7	59	19.6	25	8.4	20	6.7	37	12.3	24	8.2	30	10.1
Renewable - MSW	4.88	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.4	1	0.5	1	0.5	1	0.5	1	0.4
Renewable - Hybrid intra	2.56	50	12.7	59	15.1	70	18.0	70	18.0	66	16.9	54	13.8	47	12.0	37	9.6	43	11.1	43	11.0	43	11.0	56	14.2
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	0.00	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	35	0.0	54	0.0
Renewable - Hybrid inter	3.43	115	39.3	141	48.3	176	60.2	181	62.0	165	56.5	133	45.7	107	36.6	87	29.8	101	34.5	99	33.9	98	33.7	129	44.1
Short Term Power Purchase																									
Short-term PX	5.50	166	91.3	161	88.3	253	139.0	0	0.0	7	4.1	24	13.4	483	265.9	118	64.8	11	6.1	30	16.4	108	59.4	390	214.3
Stations under MoD																									
Lara	1.58	171	26.9	175	27.6	166	26.3	164	25.8	158	24.9	160	25.3	158	24.9	161	25.5	147	23.2	150	23.6	131	20.7	139	21.9
KSTPS III	1.80	79	14.2	81	14.6	77	13.8	75	13.6	72	13.0	74	13.3	73	13.1	74	13.4	68	12.2	69	12.5	60	10.9	64	11.5
KSTPS	1.82	399	72.9	410	74.8	385	70.3	376	68.6	357	65.0	368	67.2	361	65.9	373	68.1	341	62.3	349	63.6	304	55.4	321	58.5
VSTP II	2.10	205	43.1	210	44.1	197	41.3	188	39.5	180	37.8	186	39.1	183	38.3	190	39.9	175	36.7	179	37.5	155	32.5	164	34.4
VSTP III	2.12	174	36.9	178	37.7	166	35.2	158	33.5	151	32.1	156	33.1	154	32.5	160	33.9	147	31.2	150	31.9	131	27.7	138	29.3
SIPAT TPS 1	2.16	343	74.0	348	75.0	323	69.7	306	66.0	295	63.7	305	65.7	297	64.1	310	67.0	287	61.9	294	63.5	256	55.2	267	57.7
VSTP I	2.21	253	55.9	254	56.1	234	51.7	221	48.7	216	47.8	220	48.5	215	47.4	226	50.0	210	46.3	215	47.5	187	41.2	195	42.9
VSTP IV	2.23	185	41.1	183	40.7	168	37.5	158	35.1	157	34.9	159	35.3	155	34.4	162	36.1	152	33.8	156	34.7	135	30.1	140	31.2
VSTP V	2.25	100	22.5	98	22.0	90	20.3	85	19.1	84	19.0	85	19.1	83	18.8	87	19.6	82	18.5	84	18.9	73	16.4	76	17.1
SIPAT TPS 2	2.26	173	39.1	168	38.0	154	35.0	146	33.1	146	33.0	147	33.2	144	32.7	151	34.1	142	32.2	146	32.9	126	28.6	131	29.7
RIPL 450 MW	2.68	268	71.8	255	68.4	236	63.4	225	60.3	224	60.1	227	60.7	223	59.9	232	62.3	221	59.3	225	60.4	195	52.4	204	54.7

Particulars	VC per unit (Rs. / kWh)	Apr-26		May-26		Jun-26		Jul-26		Aug-26		Sep-26		Oct-26		Nov-26		Dec-26		Jan-27		Feb-27		Mar-27	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
RIPL 750 MW	2.68	439	117.7	409	109.7	377	101.1	367	98.5	365	97.9	370	99.2	368	98.7	383	102.6	365	98.0	369	98.9	322	86.3	337	90.3
KhSTPS-II	3.05	78	23.8	72	22.1	67	20.4	65	19.9	65	19.9	66	20.1	66	20.2	69	20.9	66	20.1	66	20.2	58	17.6	61	18.5
SWPGL 240 MW	3.14	137	43.0	127	39.8	117	36.9	114	35.9	115	36.1	116	36.4	116	36.6	121	38.0	116	36.4	116	36.6	101	31.9	107	33.6
GMR Energy	3.26	109	35.7	101	33.0	94	30.5	91	29.7	92	30.1	92	30.2	93	30.4	97	31.6	93	30.2	93	30.5	81	26.5	86	28.0
Koradi - 8 to 10	3.38	906	305.9	840	283.5	785	265.3	767	258.9	773	261.0	780	263.5	791	267.0	815	275.2	784	264.9	796	268.8	695	234.7	737	248.9
Khaparkheda - 5	3.43	230	78.8	217	74.5	202	69.3	201	68.8	202	69.2	205	70.2	207	70.9	214	73.5	205	70.4	211	72.2	184	63.1	197	67.5
CGPL	3.56	364	129.5	347	123.4	324	115.2	319	113.6	323	114.8	329	117.2	334	118.8	345	122.7	332	118.2	342	121.6	298	105.9	318	113.2
Chandrapur - 8 & 9	3.62	430	155.7	416	150.4	390	141.1	379	137.0	385	139.4	396	143.3	403	145.8	413	149.4	402	145.3	416	150.4	360	130.1	385	139.4
Bhusawal - 6	3.67	292	107.3	286	104.9	270	99.2	258	94.8	265	97.0	270	99.0	280	102.8	285	104.4	280	102.7	288	105.7	249	91.2	266	97.6
Koradi - 6	3.70	154	57.0	150	55.6	142	52.5	136	50.2	138	51.0	142	52.5	149	55.1	150	55.7	149	55.1	152	56.1	132	48.8	141	52.3
Khaparkheda - 1 to 4	3.84	302	116.1	297	113.9	281	107.7	268	103.0	271	104.1	279	107.2	295	113.4	300	115.0	297	114.2	302	116.0	263	100.9	281	108.0
Mauda I	4.10	178	73.0	175	71.6	165	67.8	159	65.2	160	65.8	165	67.5	174	71.4	178	72.9	178	72.9	179	73.4	156	64.0	165	67.5
Paras - 3 & 4	4.20	186	78.0	182	76.3	172	72.1	164	68.8	168	70.6	172	72.3	182	76.7	186	78.0	187	78.5	187	78.5	162	68.3	172	72.1
Mauda II	4.24	237	100.7	229	97.2	215	91.1	205	86.8	215	91.4	218	92.3	232	98.6	235	99.5	238	101.1	239	101.3	207	87.9	218	92.7
Bhusawal - 4 & 5	4.40	404	178.1	391	172.0	367	161.8	342	150.7	371	163.5	372	163.6	397	174.8	404	177.9	410	180.4	408	179.5	358	157.5	375	165.2
APML 1320 MW	4.42	534	235.8	524	231.6	493	217.8	404	178.6	478	211.2	500	220.9	538	237.8	539	238.1	555	245.0	556	245.5	490	216.5	515	227.7
Short term (200 MW)	4.50	6	2.7	6	2.6	5	2.3	3	1.5	5	2.1	6	2.7	6	2.5	7	3.3	9	3.8	11	5.2	10	4.3	6	2.7
Gadarwara	4.51	43	19.3	43	19.4	40	17.9	30	13.4	37	16.8	41	18.4	44	19.9	43	19.3	44	20.1	46	20.5	40	18.3	43	19.3
Short term (400 MW)	4.51	46	20.9	48	21.6	46	20.9	41	18.7	47	21.3	46	20.9	48	21.6	46	20.8	48	21.6	48	21.6	43	19.5	48	21.6
APML 125 MW	4.52	49	22.0	49	22.1	45	20.3	32	14.5	42	18.9	46	20.8	50	22.6	48	21.9	50	22.6	52	23.3	46	20.8	49	22.0
APML 1200 MW	4.52	493	223.0	492	222.4	440	198.8	264	119.3	400	180.7	450	203.4	505	228.5	478	216.0	457	206.7	520	235.3	464	209.9	494	223.3
APML 440 MW	4.58	166	76.0	163	74.6	140	64.3	65	29.9	123	56.5	137	62.9	169	77.3	154	70.6	132	60.4	171	78.2	157	72.1	168	76.9
Chandrapur - 3 to 7	4.61	495	228.5	478	220.4	396	182.6	108	49.8	317	146.2	326	150.4	494	228.1	430	198.4	307	141.7	484	223.1	468	216.0	506	233.3
Khargone	4.67	34	15.7	32	15.0	26	12.0	3	1.4	17	7.8	18	8.3	34	15.7	27	12.8	16	7.3	28	13.2	32	15.1	35	16.2
NVVNL Coal	4.94	7	3.4	7	3.2	5	2.6	1	0.3	3	1.6	4	1.7	7	3.4	6	2.7	3	1.6	6	2.8	7	3.2	7	3.5

Particulars	VC per unit (Rs. / kWh)	Apr-26		May-26		Jun-26		Jul-26		Aug-26		Sep-26		Oct-26		Nov-26		Dec-26		Jan-27		Feb-27		Mar-27	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
JSW	4.99	105	52.4	100	49.8	80	40.0	8	4.0	46	22.9	50	25.1	105	52.4	84	42.1	46	23.1	82	41.1	101	50.4	110	54.9
GTPS Uran	5.23	109	57.0	103	53.8	83	43.3	6	3.3	40	20.9	46	24.0	108	56.6	86	45.1	44	23.1	79	41.2	106	55.2	117	61.0
Bhusawal - 3	5.33	59	31.7	55	29.6	45	24.1	2	1.1	19	10.2	22	11.8	59	31.5	47	24.9	22	11.9	38	20.5	57	30.4	65	34.4
NTPC Solapur	5.38	204	109.8	192	103.5	159	85.5	5	2.5	56	30.1	61	32.7	209	112.7	152	81.7	67	36.3	110	59.3	193	103.8	229	123.0
Parli Replacement U 8	5.39	60	32.3	58	31.1	49	26.7	1	0.4	13	7.3	14	7.3	64	34.4	41	22.3	17	9.3	28	14.9	58	31.1	70	37.5
Nashik- 3,4 & 5	5.40	125	67.6	125	67.5	109	59.1	1	0.6	23	12.3	24	12.8	140	75.7	82	44.1	32	17.4	53	28.6	116	62.5	152	82.3
Parli - 6 & 7	5.53	88	48.6	91	50.4	83	45.6	0	0.2	11	6.1	15	8.5	110	60.6	58	32.0	17	9.3	35	19.1	72	39.9	115	63.5
Kawas	12.44	39	48.6	41	51.3	39	48.9	0	0.0	4	4.7	7	8.1	54	66.9	26	32.3	7	8.1	15	18.9	29	35.6	54	67.2
Gandhar	12.44	34	42.8	38	46.7	37	45.4	0	0.0	3	3.7	6	7.7	51	63.4	23	28.3	5	6.2	13	15.6	25	31.1	51	63.3

21 Annexure IX: Monthly MoD Stacks Approved for FY 2027-28

Particulars	VC per unit (Rs. / kWh)	Apr-27		May-27		Jun-27		Jul-27		Aug-27		Sep-27		Oct-27		Nov-27		Dec-27		Jan-28		Feb-28		Mar-28	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Must Run Generating Stations																									
KAPP	4.29	85	36.6	88	37.9	85	36.6	88	37.9	88	37.9	85	36.6	88	37.9	85	36.6	88	37.9	88	37.9	80	34.2	88	37.9
KAPP 3 & 4	4.29	256	110.0	265	113.7	256	110.0	265	113.7	265	113.7	256	110.0	265	113.7	256	110.0	265	113.7	265	113.7	239	102.7	265	113.7
TAPP 1 & 2	4.93	95	46.8	98	48.4	95	46.8	98	48.4	98	48.4	95	46.8	98	48.4	95	46.8	98	48.4	98	48.4	89	43.7	98	48.4
TAPP 3 & 4	3.88	248	96.3	257	99.5	248	96.3	257	99.5	257	99.5	248	96.3	257	99.5	248	96.3	257	99.5	257	99.5	232	89.9	257	99.5
SSP	2.05	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	75	15.3	83	16.9
Pench	2.05	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	10	2.1	11	2.3
Dodson II	0.00	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	9	0.0	10	0.0
Subhansari Hydro	5.00	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	34	17.1	38	19.0
Pakaldul HEP	4.28	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	19	8.2	21	9.0
Ratle Hydroelectric Project	3.92	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	41	15.9	45	17.6
Kwar HEP	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dugar HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Kiru HE Project	4.64	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	21	9.6	23	10.7
Sawalkot HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dibang Multipurpose Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - FDRE	4.46	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - BESS	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Hydro	0.00	426	0.0	540	0.0	235	0.0	232	0.0	519	0.0	343	0.0	402	0.0	173	0.0	138	0.0	253	0.0	168	0.0	207	0.0
Renewable - Solar intra	3.04	5183	1609.8	5505	1709.1	5124	1590.1	4035	1252.2	4947	1535.2	4159	1290.6	5337	1656.1	3996	1240.0	4529	1405.4	4655	1444.6	4817	1494.8	5984	1856.9
Renewable - Solar (Loss not applicable)	3.87																								

Particulars	VC per unit (Rs. / kWh)	Apr-27		May-27		Jun-27		Jul-27		Aug-27		Sep-27		Oct-27		Nov-27		Dec-27		Jan-28		Feb-28		Mar-28	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Renewable - Solar intra	2.66																								
Renewable - Wind	4.37	364	159.1	652	285.0	1197	523.1	1486	649.5	1093	477.8	853	372.6	273	119.2	294	128.3	360	157.5	313	136.6	271	118.5	421	184.2
Renewable - Bagasse based Co-gen	5.21	207	107.8	113	59.1	35	18.3	17	9.1	7	3.5	16	8.5	31	16.4	530	276.4	743	387.2	777	404.7	698	363.7	611	318.2
Renewable - Biomass	9.48	3	2.5	1	1.4	0	0.4	0	0.2	0	0.1	0	0.2	0	0.4	7	6.5	10	9.1	10	9.5	9	8.5	8	7.5
Renewable - Small Hydro	3.34	62	20.7	79	26.3	34	11.4	34	11.3	76	25.2	50	16.7	59	19.6	25	8.4	20	6.7	37	12.3	24	8.2	30	10.1
Renewable - MSW	4.88	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.4	1	0.5	1	0.5	1	0.5	1	0.4
Renewable - Hybrid intra	3.52	566	199.1	695	244.7	868	305.4	893	314.5	813	286.3	658	231.7	527	185.5	429	151.0	497	174.9	488	171.9	485	170.8	635	223.7
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	0.00	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	35	0.0	54	0.0
Renewable - Hybrid inter	3.43	115	39.3	141	48.3	176	60.2	181	62.0	165	56.5	133	45.7	107	36.6	87	29.8	101	34.5	99	33.9	98	33.7	129	44.1
Short Term Power Purchase																									
Short-term PX	5.50	237	130.2	194	106.7	247	135.9	0	0.0	15	8.1	39	21.4	620	341.2	175	96.2	27	14.7	70	38.3	181	99.3	498	274.1
Stations under MoD																									
Lara	1.64	135	22.2	135	22.2	130	21.4	137	22.4	136	22.4	141	23.1	140	23.0	149	24.4	142	23.3	147	24.1	127	20.9	133	21.8
KSTPS III	1.88	63	11.7	62	11.7	60	11.3	63	11.8	63	11.8	65	12.2	65	12.1	69	12.9	65	12.3	68	12.7	59	11.0	61	11.5
KSTPS	1.91	313	59.8	313	59.8	300	57.4	314	60.1	316	60.5	324	62.0	325	62.1	343	65.6	329	62.9	340	65.0	295	56.4	306	58.6
VSTP II	2.13	158	33.7	159	33.9	153	32.5	160	34.1	161	34.3	164	34.9	166	35.3	175	37.2	169	35.9	173	36.9	150	31.9	156	33.2
VSTP III	2.15	133	28.7	135	29.1	129	27.8	135	29.1	136	29.3	139	29.9	140	30.1	148	31.8	143	30.8	146	31.5	127	27.3	132	28.4
VSTP I	2.23	192	42.9	194	43.2	187	41.6	195	43.4	195	43.5	200	44.7	203	45.2	214	47.6	207	46.1	211	47.0	183	40.8	191	42.5
SIPAT TPS 1	2.27	257	58.2	260	59.0	252	57.1	261	59.2	261	59.1	267	60.6	272	61.5	287	65.0	278	62.9	282	63.9	245	55.5	256	58.0
VSTP IV	2.34	137	32.0	139	32.6	134	31.4	139	32.5	140	32.7	143	33.4	145	33.9	153	35.8	149	34.7	151	35.2	131	30.7	137	32.1
VSTP V	2.37	74	17.5	75	17.8	72	17.1	75	17.8	75	17.7	77	18.2	78	18.4	82	19.5	80	19.0	81	19.2	71	16.7	74	17.5
SIPAT TPS 2	2.38	128	30.4	130	30.9	125	29.7	130	30.9	130	30.8	133	31.7	135	32.1	142	33.8	139	33.0	140	33.4	122	29.0	129	30.6
RIPL 450 MW	2.72	199	54.1	201	54.8	194	52.7	201	54.9	201	54.6	206	56.2	209	57.0	220	59.8	215	58.7	218	59.4	190	51.6	200	54.5

Particulars	VC per unit (Rs. / kWh)	Apr-27		May-27		Jun-27		Jul-27		Aug-27		Sep-27		Oct-27		Nov-27		Dec-27		Jan-28		Feb-28		Mar-28	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
RIPL 750 MW	2.72	330	89.8	332	90.4	320	87.2	329	89.6	329	89.6	340	92.5	346	94.1	363	98.7	355	96.6	361	98.4	314	85.5	332	90.5
SWPGL 240 MW	3.17	105	33.3	105	33.4	101	32.1	103	32.7	104	33.0	107	34.1	110	34.9	115	36.4	112	35.4	114	36.3	100	31.7	106	33.7
KhSTPS-II	3.20	59	19.0	59	19.0	57	18.3	58	18.6	59	18.8	61	19.5	62	19.9	65	20.7	63	20.1	64	20.6	56	18.1	60	19.2
GMR Energy	3.38	84	28.4	84	28.5	81	27.3	82	27.7	83	28.1	86	29.1	88	29.8	92	30.9	88	29.9	91	30.8	80	27.0	85	28.7
Koradi - 8 to 10	3.41	720	245.4	717	244.5	689	235.0	694	236.6	702	239.4	728	248.3	751	256.0	777	264.8	756	257.8	782	266.5	681	232.2	728	248.3
Khaparkheda - 5	3.53	190	67.2	187	65.9	180	63.4	182	64.3	183	64.5	189	66.8	200	70.5	204	72.2	201	70.9	209	73.7	181	63.9	194	68.3
Chandrapur - 8 & 9	3.57	372	132.7	370	132.2	353	126.2	358	127.7	361	128.9	375	133.8	395	141.2	405	144.7	400	142.8	414	148.0	357	127.6	383	136.6
CGPL	3.70	298	110.3	297	109.9	282	104.6	287	106.4	291	107.7	300	111.1	316	117.1	326	120.6	325	120.5	333	123.4	288	106.8	309	114.3
Bhusawal - 6	3.78	249	94.3	251	94.8	240	90.8	241	91.2	248	93.7	253	95.7	269	101.5	278	105.1	278	105.1	283	106.8	246	92.9	263	99.3
Koradi - 6	3.81	132	50.3	132	50.5	127	48.4	126	48.2	131	50.1	133	50.8	142	54.3	147	56.0	148	56.5	150	57.1	130	49.7	138	52.5
Khaparkheda - 1 to 4	3.96	263	104.1	265	104.8	253	100.0	250	99.0	264	104.2	264	104.6	282	111.7	289	114.3	296	117.0	297	117.5	259	102.3	273	107.8
Mauda I	4.21	156	65.9	158	66.7	150	63.4	148	62.2	156	65.8	156	65.6	167	70.6	172	72.5	176	74.4	176	74.3	153	64.6	161	68.0
Paras - 3 & 4	4.33	164	71.0	167	72.1	158	68.3	153	66.3	163	70.4	163	70.4	176	76.2	181	78.3	185	80.2	185	80.2	161	69.5	169	73.0
Mauda II	4.44	210	93.2	214	95.0	201	89.5	192	85.4	207	91.8	209	92.7	225	99.9	231	102.5	236	104.7	235	104.5	206	91.4	215	95.7
Short term (400 MW)	4.50	46	20.8	48	21.5	46	20.8	47	21.4	48	21.5	46	20.8	48	21.5	46	20.8	48	21.5	48	21.5	43	19.4	48	21.5
Short term (200 MW)	4.50	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bhusawal - 4 & 5	4.54	361	163.9	370	167.8	348	158.0	309	140.3	347	157.6	362	164.2	389	176.5	395	179.2	406	184.3	405	183.5	356	161.3	374	169.4
APML 1320 MW	4.57	495	226.1	499	228.1	464	212.0	355	162.2	444	203.0	485	221.8	529	241.7	531	242.7	544	248.7	553	252.8	488	223.2	514	235.0
APML 125 MW	4.59	46	21.3	46	21.2	42	19.3	28	12.9	40	18.2	45	20.5	50	22.9	49	22.5	50	22.9	52	23.7	46	21.0	49	22.3
APML 1200 MW	4.59	471	216.0	458	210.2	406	186.0	232	106.4	384	176.1	433	198.8	502	230.1	483	221.3	471	215.9	522	239.5	464	212.9	493	226.0
APML 440 MW	4.65	158	73.2	151	70.1	130	60.3	60	27.7	120	55.5	134	62.1	165	76.9	158	73.2	139	64.8	173	80.2	157	73.1	167	77.8
Gadarwara	4.73	39	18.5	37	17.7	32	15.0	13	6.0	29	13.5	32	15.1	41	19.4	39	18.3	33	15.7	43	20.2	39	18.5	42	19.7
Chandrapur - 3 to 7	4.77	462	220.3	453	215.8	370	176.2	94	44.6	301	143.5	325	155.1	489	233.2	439	209.3	339	161.5	499	238.0	469	223.4	504	240.5
Khargone	4.90	31	15.2	32	15.4	24	11.9	3	1.4	16	8.0	18	8.7	33	16.3	28	13.9	18	8.7	31	15.2	32	15.8	35	17.1
NVVNL Coal	5.11	6	3.2	6	3.3	5	2.5	1	0.3	3	1.6	3	1.8	7	3.5	6	2.9	4	1.8	6	3.2	7	3.4	7	3.6

Particulars	VC per unit (Rs. / kWh)	Apr-27		May-27		Jun-27		Jul-27		Aug-27		Sep-27		Oct-27		Nov-27		Dec-27		Jan-28		Feb-28		Mar-28	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
JSW	5.22	98	51.1	99	51.9	77	40.1	7	3.6	45	23.5	50	25.9	105	54.8	88	45.7	52	27.1	92	48.1	102	53.2	110	57.4
GTPS Uran	5.23	103	54.0	104	54.3	81	42.4	6	2.9	39	20.6	46	24.0	111	57.8	90	47.0	50	26.0	89	46.4	107	56.0	116	60.9
Parli Replacement U 8	5.35	66	35.3	65	34.7	51	27.5	3	1.4	22	11.7	25	13.6	69	36.9	55	29.7	29	15.5	52	27.8	68	36.2	74	39.8
Bhusawal - 3	5.49	57	31.3	55	30.2	44	24.1	2	1.0	18	9.6	20	10.8	59	32.6	47	26.0	24	13.1	42	23.0	58	31.8	65	35.4
Nashik- 3,4 & 5	5.56	147	81.6	139	77.5	112	62.2	4	2.1	40	22.0	43	23.9	153	84.8	118	65.5	54	30.2	94	52.3	146	81.4	167	92.6
NTPC Solapur	5.65	187	105.5	179	101.2	147	83.0	2	1.1	39	22.0	39	21.8	202	113.9	135	76.3	58	32.9	96	54.3	184	104.2	219	123.4
Parli - 6 & 7	5.70	97	55.4	92	52.5	80	45.7	1	0.4	15	8.3	16	9.1	112	63.8	65	36.9	26	14.7	43	24.4	91	51.6	121	68.9
Kawas	12.44	45	55.5	43	53.1	38	47.3	0	0.0	5	6.8	7	8.7	55	68.9	30	37.3	10	12.1	19	23.4	39	48.8	59	73.5
Gandhar	12.44	41	50.4	39	48.5	36	44.6	0	0.0	4	5.4	6	7.9	54	66.7	28	35.0	8	9.8	17	21.5	34	41.9	56	69.4

22 Annexure X: Monthly MoD Stacks Approved for FY 2028-29

Particulars	VC per unit (Rs. / kWh)	Apr-28		May-28		Jun-28		Jul-28		Aug-28		Sep-28		Oct-28		Nov-28		Dec-28		Jan-29		Feb-29		Mar-29	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Must Run Generating Stations																									
KAPP	4.44	85	37.9	88	39.2	85	37.9	88	39.2	88	39.2	85	37.9	88	39.2	85	37.9	88	39.2	88	39.2	80	35.4	88	39.2
KAPP 3 & 4	4.60	256	117.9	265	121.8	256	117.9	265	121.8	265	121.8	256	117.9	265	121.8	256	117.9	265	121.8	265	121.8	239	110.0	265	121.8
TAPP 1 & 2	5.10	95	48.4	98	50.1	95	48.4	98	50.1	98	50.1	95	48.4	98	50.1	95	48.4	98	50.1	98	50.1	89	45.2	98	50.1
TAPP 3 & 4	3.97	248	98.7	257	102.0	248	98.7	257	102.0	257	102.0	248	98.7	257	102.0	248	98.7	257	102.0	257	102.0	232	92.1	257	102.0
SSP	2.05	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	75	15.3	83	16.9
Pench	2.05	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	10	2.1	11	2.3
Dodson II	0.00	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	10	0.0	9	0.0	10	0.0
Subhansari Hydro	5.00	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	34	17.1	38	19.0
Pakaldul HEP	4.28	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	19	8.2	21	9.0
Ratle Hydroelectric Project	3.92	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	41	15.9	45	17.6
Kwar HEP	4.44	11	4.9	11	5.1	11	4.9	11	5.1	11	5.1	11	4.9	11	5.1	11	4.9	11	5.1	11	5.1	10	4.6	11	5.1
Dugar HE Project	4.64	10	4.7	11	4.9	10	4.7	11	4.9	11	4.9	10	4.7	11	4.9	10	4.7	11	4.9	11	4.9	10	4.4	11	4.9
Kiru HE Project	4.64	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	21	9.6	23	10.7
Sawalkot HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dibang Multipurpose Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - FDRE	4.46	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - BESS	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Hydro	0.00	426	0.0	540	0.0	235	0.0	232	0.0	519	0.0	343	0.0	402	0.0	173	0.0	138	0.0	253	0.0	168	0.0	207	0.0
Renewable - Solar intra	3.04																								
Renewable - Solar (Loss not applicable)	3.87	5183	1611.8	5505	1711.2	5124	1592.0	4035	1253.8	4947	1537.1	4159	1292.2	5337	1658.1	3996	1241.5	4529	1407.1	4655	1446.4	4817	1496.7	5984	1859.1
Renewable - Solar inter	2.67																								

Particulars	VC per unit (Rs. / kWh)	Apr-28		May-28		Jun-28		Jul-28		Aug-28		Sep-28		Oct-28		Nov-28		Dec-28		Jan-29		Feb-29		Mar-29	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Renewable - Wind	4.37	364	159.1	652	285.0	1197	523.1	1486	649.5	1093	477.8	853	372.6	273	119.2	294	128.3	360	157.5	313	136.6	271	118.5	421	184.2
Renewable - Bagasse based Co-gen	5.05	207	104.4	113	57.3	35	17.8	17	8.8	7	3.4	16	8.2	31	15.8	530	267.8	743	375.1	777	392.1	698	352.4	611	308.3
Renewable - Biomass	9.77	3	2.6	1	1.4	0	0.4	0	0.2	0	0.1	0	0.2	0	0.4	7	6.7	10	9.4	10	9.8	9	8.8	8	7.7
Renewable - Small Hydro	3.34	62	20.7	79	26.3	34	11.4	34	11.3	76	25.2	50	16.7	59	19.6	25	8.4	20	6.7	37	12.3	24	8.2	30	10.1
Renewable - MSW	4.88	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.4	1	0.5	1	0.5	1	0.5	1	0.4
Renewable - Hybrid intra	3.52	566	199.1	695	244.7	868	305.4	893	314.5	813	286.3	658	231.7	527	185.5	429	151.0	497	174.9	488	171.9	485	170.8	635	223.7
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	0.00	36	0.0	37	0.0	36	0.0	37	0.0	37	0.0	36	0.0	37	0.0	36	0.0	37	0.0	37	0.0	34	0.0	53	0.0
Renewable - Hybrid inter	3.43	115	39.3	141	48.3	176	60.2	181	62.0	165	56.5	133	45.7	107	36.6	87	29.8	101	34.5	99	33.9	98	33.7	129	44.1
Short Term Power Purchase																									
Short-term PX	5.50	477	262.2	437	240.3	460	252.9	1	0.4	48	26.4	78	42.9	911	500.9	95	52.4	7	3.7	21	11.4	96	52.8	349	192.1
Stations Under MoD																									
Lara	1.71	138	23.6	139	23.7	135	23.0	140	24.0	140	23.9	144	24.6	142	24.3	154	26.2	144	24.6	149	25.4	129	22.0	136	23.2
Adani 1600 MW	1.72	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	841	144.6	801	137.7	829	142.5	719	123.6	752	129.4
KSTPS III	1.96	64	12.5	64	12.5	62	12.2	65	12.7	64	12.6	67	13.1	66	12.9	67	13.2	65	12.7	67	13.1	58	11.4	60	11.8
KSTPS	2.01	319	63.9	319	64.0	310	62.2	322	64.6	321	64.4	333	66.9	330	66.2	339	68.0	327	65.6	336	67.4	291	58.4	302	60.6
VSTP II	2.16	163	35.1	162	35.0	156	33.6	163	35.1	164	35.3	168	36.3	168	36.3	173	37.4	167	36.1	171	36.9	149	32.1	155	33.4
VSTP III	2.19	137	30.0	137	30.0	131	28.7	137	30.0	138	30.3	142	31.0	142	31.1	146	32.1	141	31.0	144	31.6	125	27.4	131	28.6
VSTP I	2.25	197	44.3	197	44.4	189	42.6	197	44.5	199	44.9	203	45.7	205	46.3	211	47.4	204	45.9	207	46.7	181	40.7	189	42.5
SIPAT TPS 1	2.38	263	62.5	265	63.1	254	60.3	265	63.0	267	63.6	273	64.9	275	65.6	282	67.1	275	65.3	278	66.2	242	57.7	254	60.5
VSTP IV	2.45	140	34.4	141	34.6	136	33.4	142	34.8	142	34.9	146	35.8	148	36.3	150	36.8	147	36.0	149	36.5	130	31.8	137	33.5
VSTP V	2.49	75	18.7	76	18.9	74	18.3	76	19.0	76	18.9	78	19.4	80	19.8	81	20.0	79	19.7	80	20.0	70	17.3	74	18.3
SIPAT TPS 2	2.50	130	32.5	132	33.0	128	31.9	132	32.9	132	33.0	135	33.8	138	34.4	140	34.9	137	34.3	140	34.8	121	30.2	128	31.9
RIPL 450 MW	2.77	202	55.8	205	56.7	197	54.5	204	56.4	205	56.7	210	58.0	213	59.0	217	60.0	212	58.7	217	59.9	188	52.1	199	55.2
RIPL 750 MW	2.77	333	92.0	338	93.5	324	89.7	337	93.1	336	93.0	346	95.6	351	97.2	357	98.8	346	95.6	356	98.6	311	86.2	331	91.6

Particulars	VC per unit (Rs. / kWh)	Apr-28		May-28		Jun-28		Jul-28		Aug-28		Sep-28		Oct-28		Nov-28		Dec-28		Jan-29		Feb-29		Mar-29	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
SWPGL 240 MW	3.20	106	33.8	107	34.2	103	32.9	106	34.1	106	33.9	110	35.1	111	35.6	113	36.1	110	35.1	113	36.2	99	31.6	105	33.7
Chandrapur - 8 & 9	3.21	394	126.6	396	127.2	382	122.6	389	124.8	392	125.9	405	129.9	413	132.7	419	134.5	408	130.9	421	135.2	367	117.8	393	126.1
Koradi - 8 to 10	3.30	723	238.8	722	238.3	693	229.0	697	230.1	708	233.7	734	242.4	754	248.9	757	250.1	744	245.8	773	255.3	669	221.1	716	236.4
KhSTPS-II	3.36	58	19.5	57	19.3	55	18.6	55	18.6	57	19.0	58	19.6	61	20.4	61	20.4	60	20.3	62	21.0	54	18.1	57	19.3
GMR Energy	3.43	82	28.2	81	27.8	78	26.8	78	26.9	79	27.2	82	28.2	86	29.5	86	29.5	86	29.4	88	30.3	76	26.1	81	27.9
Khaparkheda - 5	3.68	190	70.1	187	68.7	180	66.2	181	66.8	182	67.2	189	69.6	200	73.5	199	73.4	199	73.3	204	75.0	177	65.0	189	69.6
CGPL	3.87	304	117.7	303	117.2	289	111.8	291	112.8	294	114.1	306	118.5	324	125.4	323	125.3	323	125.3	329	127.5	286	110.9	306	118.5
Bhusawal - 6	3.89	257	100.0	256	99.6	243	94.7	247	96.2	250	97.4	258	100.5	273	106.4	273	106.1	277	107.9	280	108.8	244	94.8	257	99.9
Koradi - 6	3.93	135	53.2	135	53.0	129	50.6	130	51.0	133	52.2	136	53.6	144	56.5	143	56.2	147	57.6	147	57.8	128	50.3	135	53.1
Khaparkheda - 1 to 4	4.07	266	108.5	268	109.2	257	104.6	256	104.3	265	107.8	270	109.9	287	117.0	287	116.8	293	119.5	294	119.8	255	103.9	268	109.4
Mauda I	4.33	159	68.7	159	69.0	152	66.0	151	65.2	158	68.5	159	69.1	171	74.1	171	74.0	174	75.3	174	75.4	152	65.8	159	69.0
Paras - 3 & 4	4.46	166	74.1	167	74.6	160	71.1	157	70.0	166	74.2	167	74.4	178	79.4	178	79.5	183	81.5	182	81.3	160	71.2	167	74.6
Short term (200 MW)	4.50	6	2.8	6	2.8	6	2.6	6	2.8	7	3.2	8	3.5	8	3.5	9	4.1	11	4.8	13	5.8	11	4.9	7	3.0
Short term (400 MW)	4.51	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Mauda II	4.65	212	98.6	215	99.9	204	94.9	198	92.0	211	98.3	210	97.8	227	105.5	226	105.2	233	108.2	232	107.9	204	94.8	215	99.8
APML 125 MW	4.65	48	22.4	49	22.7	46	21.6	44	20.6	47	22.1	48	22.1	52	24.0	51	23.9	53	24.6	53	24.5	46	21.6	49	22.7
APML 1200 MW	4.65	488	227.2	498	231.6	469	218.2	431	200.5	475	220.8	486	226.2	524	243.7	514	238.9	528	245.6	537	249.7	474	220.3	499	231.9
Bhusawal - 4 & 5	4.70	359	169.0	365	171.7	342	161.0	279	131.2	332	156.1	357	167.6	385	181.0	364	171.1	364	171.0	391	184.0	347	163.2	369	173.6
APML 440 MW	4.71	165	77.7	165	77.7	153	72.0	114	53.5	145	68.4	160	75.6	176	82.8	163	76.9	151	71.1	178	84.0	159	74.9	169	79.7
APML 1320 MW	4.91	488	239.3	479	234.9	432	212.1	274	134.4	409	200.6	458	224.8	522	256.3	459	225.4	393	192.8	508	249.2	466	228.5	500	245.4
Chandrapur - 3 to 7	4.93	482	237.5	464	228.8	397	195.8	177	87.1	364	179.6	400	197.0	507	250.1	408	201.0	269	132.5	447	220.1	461	227.3	498	245.3
Gadarwara	4.97	38	18.7	37	18.4	31	15.4	9	4.5	27	13.2	28	14.1	40	19.9	31	15.3	17	8.3	30	14.7	36	18.1	40	19.8
Khargone	5.14	32	16.5	32	16.3	26	13.5	7	3.8	22	11.5	24	12.2	34	17.6	26	13.3	14	7.3	25	12.8	31	16.1	34	17.6
GTPS Uran	5.23	108	56.5	107	56.0	87	45.7	22	11.3	71	37.2	76	39.5	116	60.5	86	45.0	44	23.0	77	40.1	104	54.6	116	60.5
NVVNL Coal	5.29	6	3.4	6	3.4	5	2.7	1	0.6	4	2.2	4	2.3	7	3.6	5	2.7	2	1.3	4	2.3	6	3.3	7	3.7
JSW	5.46	100	54.4	100	54.6	80	43.6	14	7.5	60	32.6	63	34.3	107	58.3	76	41.5	36	19.5	62	34.0	94	51.2	107	58.2

Particulars	VC per unit (Rs. / kWh)	Apr-28		May-28		Jun-28		Jul-28		Aug-28		Sep-28		Oct-28		Nov-28		Dec-28		Jan-29		Feb-29		Mar-29	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Parli Replacement U 8	5.55	68	37.7	68	37.9	54	29.7	7	4.0	37	20.6	39	21.6	72	40.2	50	27.5	22	12.1	37	20.8	61	34.0	72	39.7
Bhusawal - 3	5.65	59	33.3	59	33.5	46	26.1	5	3.0	30	16.8	32	17.8	63	35.5	40	22.9	17	9.7	30	16.7	53	29.7	62	34.8
Nashik- 3,4 & 5	5.73	153	87.5	153	87.9	119	68.4	9	5.3	65	37.4	73	42.0	161	92.4	91	51.9	39	22.4	66	38.0	130	74.4	156	89.3
Parli - 6 & 7	5.87	122	71.7	120	70.5	95	55.6	5	2.7	42	24.6	47	27.8	128	75.0	63	37.2	24	13.8	43	25.3	90	52.6	120	70.5
NTPC Solapur	5.93	202	119.9	192	113.8	155	91.9	5	3.0	55	32.5	59	35.0	210	124.3	93	55.4	27	16.1	58	34.2	114	67.7	187	111.1
Kawas	12.44	59	73.4	55	68.2	46	57.0	1	1.0	13	16.0	13	16.1	61	75.6	24	29.6	5	6.0	13	16.3	26	32.5	50	62.4
Gandhar	12.44	56	69.1	52	64.7	44	55.1	0	0.6	11	13.3	11	13.7	59	72.8	19	24.2	4	4.7	11	13.4	23	28.1	47	57.9

23 Annexure XI: Monthly MoD Stacks Approved for FY 2029-30

Particulars	VC per unit (Rs. / kWh)	Apr-29		May-29		Jun-29		Jul-29		Aug-29		Sep-29		Oct-29		Nov-29		Dec-29		Jan-30		Feb-30		Mar-30	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Must Run Generating Stations																									
KAPP	4.60	85	39.3	88	40.6	85	39.3	88	40.6	88	40.6	85	39.3	88	40.6	85	39.3	88	40.6	88	40.6	80	36.6	88	40.6
KAPP 3 & 4	4.60	256	117.9	265	121.8	256	117.9	265	121.8	265	121.8	256	117.9	265	121.8	256	117.9	265	121.8	265	121.8	239	110.0	265	121.8
TAPP 1 & 2	5.28	95	50.1	98	51.8	95	50.1	98	51.8	98	51.8	95	50.1	98	51.8	95	50.1	98	51.8	98	51.8	89	46.8	98	51.8
TAPP 3 & 4	4.07	248	101.1	257	104.5	248	101.1	257	104.5	257	104.5	248	101.1	257	104.5	248	101.1	257	104.5	257	104.5	232	94.3	257	104.5
SSP	2.05	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	80	16.4	83	16.9	80	16.4	83	16.9	83	16.9	75	15.3	83	16.9
Pench	2.05	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	11	2.3	10	2.1	11	2.3
Dodson II	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	10	-	9	-	10	-
Subhansari Hydro	5.00	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	37	18.4	38	19.0	37	18.4	38	19.0	38	19.0	34	17.1	38	19.0
Pakaldul HEP	4.28	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	20	8.7	21	9.0	20	8.7	21	9.0	21	9.0	19	8.2	21	9.0
Ratle Hydroelectric Project	3.92	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	43	17.0	45	17.6	43	17.0	45	17.6	45	17.6	41	15.9	45	17.6
Kwar HEP	4.44	11	4.9	11	5.1	11	4.9	11	5.1	11	5.1	11	4.9	11	5.1	11	4.9	11	5.1	11	5.1	10	4.6	11	5.1
Dugar HE Project	4.46	10	4.6	11	4.7	10	4.6	11	4.7	11	4.7	10	4.6	11	4.7	10	4.6	11	4.7	11	4.7	10	4.2	11	4.7
Kiru HE Project	4.64	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	22	10.3	23	10.7	22	10.3	23	10.7	23	10.7	21	9.6	23	10.7
Sawalkot HE Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dibang Multipurpose Project	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - FDRE	4.46	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Renewable - BESS	0.00	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Hydro	0.00	426	0.0	540	0.0	235	0.0	232	0.0	519	0.0	343	0.0	402	0.0	173	0.0	138	0.0	253	0.0	168	0.0	207	0.0
Renewable - Solar intra	3.04	5,398	1,678.4	5,729	1,780.6	5,328	1,655.4	4,271	1,326.4	5,327	1,653.8	4,540	1,409.0	5,826	1,808.0	4,362	1,353.7	4,944	1,534.4	5,082	1,577.2	5,258	1,632.0	6,532	2,027.2
Renewable - Solar inter (Loss not applicable)	3.87																								

Particulars	VC per unit (Rs. / kWh)	Apr-29		May-29		Jun-29		Jul-29		Aug-29		Sep-29		Oct-29		Nov-29		Dec-29		Jan-30		Feb-30		Mar-30	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
Renewable - Solar inter	2.67																								
Renewable - Wind	4.37	364	159.1	652	285.0	1,197	523.1	1,486	649.5	1,093	477.8	853	372.6	273	119.2	294	128.3	360	157.5	313	136.6	271	118.5	421	184.2
Renewable - Bagasse based Co-gen	4.90	207	101.2	113	55.5	35	17.2	17	8.6	7	3.3	16	8.0	31	15.4	530	259.6	743	363.7	777	380.1	698	341.6	611	298.9
Renewable - Biomass	10.22	3	2.7	1	1.5	0	0.5	0	0.2	0	0.1	0	0.2	0	0.4	7	7.0	10	9.8	10	10.2	9	9.2	8	8.0
Renewable - Small Hydro	3.34	62	20.7	79	26.3	34	11.4	34	11.3	76	25.2	50	16.7	59	19.6	25	8.4	20	6.7	37	12.3	24	8.2	30	10.1
Renewable - MSW	4.88	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.4	1	0.5	1	0.5	1	0.5	1	0.4
Renewable - Hybrid intra	3.52	546	192.1	670	236.0	837	294.6	862	303.3	785	276.2	635	223.5	508	178.9	414	145.7	479	168.7	471	165.8	468	164.8	613	215.8
Renewable - PHSP (JSW, Torrent, SSP PHSP & Ghatghar)	0.00	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	38	0.0	39	0.0	38	0.0	39	0.0	39	0.0	35	0.0	54	0.0
Renewable - Hybrid inter	3.43	115	39.3	141	48.3	176	60.2	181	62.0	165	56.5	133	45.7	107	36.6	87	29.8	101	34.5	99	33.9	98	33.7	129	44.1
Short Term Power Purchase																									
Short-term PX	5.50	150	82.2	118	64.9	179	98.7	0	0.0	6	3.6	17	9.5	425	233.9	87	47.7	6	3.3	17	9.2	81	44.3	321	176.5
Stations under MoD																									
Lara - 2	1.34	103	13.8	103	13.9	100	13.4	104	14.0	102	13.7	105	14.0	104	13.9	110	14.8	105	14.1	109	14.6	94	12.7	99	13.2
SIPAT TPS 3	1.52	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	120	18.3	120	18.2	127	19.3	121	18.5	125	19.1	109	16.6	113	17.3
Adani 1600 MW	1.72	767	132.0	769	132.3	745	128.1	769	132.3	764	131.5	775	133.2	777	133.7	821	141.2	791	136.1	814	139.9	705	121.2	732	126.0
Lara	1.77	133	23.6	133	23.6	128	22.7	133	23.6	133	23.6	135	23.9	136	24.1	143	25.5	139	24.6	142	25.1	123	21.8	128	22.7
KSTPS III	2.05	61	12.5	61	12.6	59	12.1	61	12.6	61	12.6	62	12.7	63	12.8	66	13.6	64	13.1	65	13.4	57	11.6	59	12.1
KSTPS	2.10	306	64.4	309	65.0	296	62.3	308	64.8	306	64.3	311	65.3	314	66.0	332	69.9	322	67.8	327	68.7	284	59.8	297	62.5
VSTP II	2.19	156	34.0	157	34.3	151	33.1	157	34.4	156	34.1	159	34.7	160	35.0	169	36.9	165	36.0	167	36.4	145	31.7	152	33.3
VSTP III	2.23	131	29.2	133	29.6	128	28.6	132	29.5	132	29.4	133	29.7	135	30.2	142	31.6	139	31.0	141	31.4	122	27.2	129	28.7
VSTP I	2.27	189	43.0	192	43.7	186	42.2	191	43.4	189	43.1	193	43.9	195	44.3	205	46.6	201	45.7	204	46.3	177	40.2	187	42.5
MBPL	2.30	206	47.3	210	48.3	202	46.4	209	48.0	207	47.5	211	48.5	214	49.1	224	51.6	220	50.5	224	51.4	194	44.6	205	47.2
SIPAT TPS 1	2.50	252	62.9	255	63.8	245	61.3	254	63.5	251	62.7	256	63.9	261	65.2	273	68.1	266	66.5	273	68.1	237	59.2	252	62.9

Particulars	VC per unit (Rs. / kWh)	Apr-29		May-29		Jun-29		Jul-29		Aug-29		Sep-29		Oct-29		Nov-29		Dec-29		Jan-30		Feb-30		Mar-30	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
VSTP IV	2.58	135	34.8	136	35.1	131	33.9	135	34.7	134	34.5	137	35.3	140	36.2	146	37.6	141	36.4	145	37.5	127	32.7	135	34.9
VSTP V	2.61	73	19.0	73	19.2	71	18.5	72	18.8	72	18.8	74	19.3	76	19.7	78	20.4	76	19.8	78	20.4	69	17.9	73	19.0
SIPAT TPS 2	2.62	127	33.2	127	33.4	123	32.2	124	32.6	125	32.8	128	33.6	131	34.3	136	35.5	132	34.6	136	35.6	119	31.1	127	33.2
RIPL 450 MW	2.81	197	55.4	197	55.4	190	53.4	192	54.0	193	54.3	200	56.1	203	57.1	211	59.2	205	57.7	212	59.5	184	51.8	197	55.4
RIPL 750 MW	2.81	326	91.7	326	91.7	314	88.2	317	89.0	318	89.2	326	91.5	336	94.5	348	97.7	339	95.2	351	98.5	305	85.7	327	91.8
Chandrapur - 8 & 9	3.05	388	118.4	386	118.0	372	113.6	370	113.2	373	113.9	379	115.7	399	121.9	409	125.1	401	122.5	418	127.6	362	110.5	387	118.2
Koradi - 8 to 10	3.09	698	215.6	692	213.8	664	205.2	668	206.3	671	207.1	688	212.6	724	223.6	746	230.3	741	228.9	763	235.6	659	203.5	705	217.8
SWPGL 240 MW	3.23	98	31.6	98	31.6	93	30.0	94	30.4	95	30.7	97	31.4	102	33.0	106	34.3	106	34.2	108	34.8	94	30.3	101	32.5
GMR Energy	3.49	79	27.4	78	27.3	74	26.0	75	26.4	76	26.7	77	27.1	82	28.7	85	29.7	85	29.7	87	30.2	75	26.3	80	28.1
KhSTPS-II	3.53	55	19.4	55	19.4	52	18.5	53	18.7	54	19.0	54	19.2	58	20.4	60	21.0	60	21.2	61	21.5	53	18.7	56	19.8
Khaparkheda - 5	3.75	180	67.5	180	67.6	172	64.5	173	64.8	177	66.2	178	66.7	190	71.2	196	73.4	198	74.2	200	75.1	174	65.2	184	68.9
Bhusawal - 6	4.01	248	99.4	250	100.1	240	96.1	238	95.6	247	98.9	247	99.1	263	105.5	270	108.1	276	110.8	278	111.3	241	96.7	255	102.0
Koradi - 6	4.04	132	53.2	132	53.4	127	51.1	125	50.6	131	53.0	130	52.6	139	56.2	143	57.7	147	59.2	147	59.2	127	51.4	134	54.1
CGPL	4.04	285	115.2	288	116.2	274	110.9	269	108.9	284	114.7	280	113.3	302	122.2	311	125.6	318	128.7	318	128.7	276	111.7	290	117.2
Khaparkheda - 1 to 4	4.19	260	108.7	264	110.4	250	104.7	241	101.1	256	107.3	257	107.5	276	115.5	283	118.3	289	121.2	289	120.8	253	105.8	265	110.8
Mauda I	4.45	155	68.9	158	70.2	148	66.1	141	62.9	151	67.4	154	68.4	165	73.4	167	74.6	173	76.8	171	76.2	151	67.1	158	70.3
Short term (200 MW)	4.50	6	2.7	6	2.7	5	2.3	4	2.0	6	2.6	6	2.9	6	2.7	9	3.9	10	4.5	12	5.6	10	4.5	6	2.9
Short term (400 MW)	4.51	46	20.9	48	21.6	46	20.9	47	21.4	48	21.6	46	20.9	48	21.6	46	20.9	48	21.6	48	21.6	43	19.5	48	21.6
Paras - 3 & 4	4.53	162	73.5	166	75.1	156	70.8	142	64.5	156	70.8	161	73.1	173	78.4	175	79.4	180	81.6	180	81.6	158	71.7	167	75.5
APML 125 MW	4.72	47	22.4	48	22.9	46	21.6	40	19.1	45	21.4	47	22.3	51	23.8	51	24.1	53	24.9	53	24.9	46	21.9	49	23.1
APML 1200 MW	4.72	482	227.5	489	231.0	460	217.1	373	176.1	445	210.1	471	222.3	512	241.8	514	242.4	525	247.8	536	252.8	473	223.0	498	235.1
APML 440 MW	4.78	165	78.7	164	78.6	152	72.6	109	52.1	143	68.3	157	74.8	176	83.9	172	82.0	175	83.4	181	86.4	160	76.4	171	81.6
Bhusawal - 4 & 5	4.81	353	170.0	347	166.9	314	151.2	197	94.7	296	142.5	326	156.7	373	179.5	359	172.5	354	170.5	389	187.2	345	166.2	368	176.9
Mauda II	4.87	200	97.5	193	94.1	169	82.1	89	43.4	158	77.0	174	84.5	207	100.8	199	96.7	180	87.6	217	105.9	196	95.3	209	101.8
Chandrapur - 3 to 7	5.03	476	239.1	460	231.1	389	195.3	148	74.5	345	173.5	353	177.5	493	247.9	450	226.1	373	187.4	510	256.6	470	236.2	507	254.7

Particulars	VC per unit (Rs. / kWh)	Apr-29		May-29		Jun-29		Jul-29		Aug-29		Sep-29		Oct-29		Nov-29		Dec-29		Jan-30		Feb-30		Mar-30	
		Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)	Energy (MU)	VC (Rs. Crore)
APML 1320 MW	5.07	436	220.9	438	221.9	346	175.2	47	23.7	235	119.2	226	114.5	459	232.4	383	194.1	231	116.8	407	206.1	446	226.1	482	244.4
Gadarwara	5.22	35	18.5	35	18.5	28	14.5	2	0.9	13	6.7	13	6.9	36	19.0	29	15.2	15	7.8	27	14.0	36	18.8	40	20.8
GTPS Uran	5.23	103	53.7	101	52.6	80	42.0	4	2.0	34	18.0	34	17.9	104	54.7	84	43.7	41	21.2	71	37.2	103	53.7	115	60.0
Khargone	5.40	30	16.2	29	15.6	23	12.6	1	0.6	9	5.0	9	4.9	31	16.5	24	12.8	11	5.9	19	10.3	29	15.9	34	18.1
NVVNL Coal	5.47	6	3.3	6	3.2	5	2.6	0	0.1	2	1.0	2	1.0	6	3.4	5	2.6	2	1.2	4	2.0	6	3.3	7	3.7
Parli Replacement U 8	5.71	64	36.7	62	35.4	50	28.4	2	1.0	18	10.6	17	9.9	65	37.3	49	28.0	22	12.5	38	21.6	62	35.5	72	41.1
JSW	5.71	93	52.9	88	50.4	71	40.7	2	1.1	25	14.0	21	12.1	95	54.0	67	38.3	29	16.4	48	27.6	88	50.0	102	58.5
Bhusawal - 3	5.82	54	31.3	51	30.0	42	24.4	1	0.3	13	7.3	10	6.1	55	32.1	36	21.2	16	9.1	26	15.0	51	29.8	60	34.8
Nashik- 3,4 & 5	5.90	132	78.1	130	76.5	108	63.5	1	0.7	27	15.9	22	13.0	139	81.8	84	49.4	35	20.5	57	33.9	123	72.4	151	89.3
Parli - 6 & 7	6.03	98	58.9	95	57.3	82	49.7	1	0.4	15	9.3	14	8.7	109	65.6	59	35.7	20	12.0	38	23.0	81	48.9	117	70.5
NTPC Solapur	6.23	139	86.4	137	85.0	126	78.4	0	0.0	15	9.2	20	12.7	176	109.6	85	52.9	21	13.4	51	32.0	99	61.4	179	111.5
Kawas	12.44	34	42.6	34	42.8	33	40.7	-	-	3	3.5	5	6.4	49	61.1	20	25.0	4	4.9	11	14.2	22	27.7	47	59.0
Gandhar	12.44	31	38.1	31	38.1	29	36.3	-	-	2	2.9	5	5.8	47	58.2	17	20.9	3	4.1	9	10.7	20	24.3	44	54.7