

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005  
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**Case No. 167 of 2016**

**Dated: 23 March, 2017**

**CORAM: Shri Azeez M. Khan, Member  
Shri. Deepak Lad, Member**

**In the matter of  
Petition of Maha Cold Storage Association for Review of Tariff Order dated  
03.11.2016 issued in Case No. 48 of 2016 ), related to application of tariff to “Pre-cooling  
and cold storage units for Agricultural Products-Processed or Otherwise”**

Maha Cold Storage Association .....Petitioner

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) .....Respondent

**Appearance:**

For the Petitioner: Shri. Tushar Parakh (Rep)

For the Respondent: Shri. Satish Chavan (Rep)

**Daily Order**

1. Heard the representatives of the Petitioner and the Respondent.
2. Maha Cold Storage Association stated that:
  - i. Cold storages for Agricultural products are categorized under ‘Agriculture-Others’ category. In the Multi Year Tariff (MYT) Order dated 3 November, 2016, ‘HT Agriculture-other’ category has been subjected to a very large tariff hike for FY 2016-17.
  - ii. In the MYT Order, base energy charges for almost all categories have been reduced except for ‘HT Agriculture-other’ which has been increased by 25%. If all other charges are considered, such increase is by 42%. Generally, tariff increase exceeding 15 to 20% is not allowed as it is considered as a tariff shock. Such a large tariff

increase in the 'Agriculture-other' category might be typographical error as the energy charge for all other categories have been reduced.

- iii. This tariff hike is also against the philosophy of incentivizing agricultural cold storage industry which helps in avoiding wastage of food. Cold storages are very capital intensive with longer period for returns, and also power intensive. They cannot function without external support such as low electricity tariff. During the public hearing held at Pune, the Association had opposed the tariff hike proposed by MSEDCL.
  - iv. Further, there is a discrepancy in the tariff increase for HT and LT cold storages. HT cold storages have been subjected to a large tariff increase whereas the tariff of LT cold storages has been increased moderately by 4 to 5%. This anomaly needs to be corrected by reducing the tariff of HT cold storages for FY 2016-17, and thereafter applying year on year increase of 3 o 4% in the balance Control Period.
  - v. Although the Commission has categorised cold storages as 'Agricultural product-processed or otherwise' under 'Agriculture-other' category, MSEDCL's field officers are denying the benefit of this category to agricultural cold storages on account of lack of clarity on what are agricultural products. Hence, the Commission may clarify the applicability of Agricultural cold storages as 'food and agricultural products-processed or otherwise'.
3. Representative of MSEDCL stated that the Petitioner has failed to show any error in the MYT Order, and hence the review Petition needs to be rejected as not maintainable. MSEDCL agreed to resolve the issue of applicability of tariff category for Agriculture cold storages through discussion with the Petitioner.

**The case is reserved for Order.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**