

Ref. No.: SE/TRC/EA2003/

NU 20413

Date: - 5 NOV 2018

To,

The Secretary (Power),
Ministry of Power,
Government of India,
Shram Shakti Bhavan, Rafi Marg,
New Delhi.

Subject: Proposed amendment to Electricity Act 2003 – submission of comments thereof.

Reference: 1. MoP Letter No. 42/6/2011 – R&R (Vol VIII), dated 07.09.2018
2. MSEDCL Letter No. SE/TRC/24386, dated 12.10.2018
3. MSEDCL Letter No. SE/TRC/EA2003/No.24939, dated 22.10.2018
4. MoP Letter No. 42/6/2011 – R&R (Vol VIII), dated 23.10.2018

Sir,

Vide letter under reference (1), comments have been invited by Ministry of Power (MoP) on the proposed amendments on Electricity Act, 2003. Considering major impact of certain proposed amendments on the Distribution Sector as envisaged in the proposed draft amendments, MSEDCL has sought 30 days extension for submission of its comments vide letter under reference (2). Meanwhile, MSEDCL has submitted its preliminary comments vide letter under reference (3). MoP has extended the date for submissions of comments up to 5th November, 2018 vide its letter under reference (4).

Now, consolidated comments including the additional comments as below needs to be considered while finalization of proposed amendments in the Electricity Act 2003;

1. Separation of Wire and Supply business

This structural change proposed is to promote competition in the Sector ultimately providing more choice to consumers for availing power supply. However, in the proposed Bill explicit clarity is required in terms of the segregation mechanism to be adopted for splitting of existing Distribution Business. Further, existing Power Purchase Agreements are the major cost components of the present licensees. The PPAs will have to be transferred to the Intermediary Company. The PPAs have to be ultimately used by the supply licensees and in case of multiple supply licenses operating in the same area, explicit clarity is essential regarding how the PPAs will be utilized. Hence the functions of the Intermediary Company shall have to be clearly defined in the Act itself.

2. Multiple Distribution & Supply Licensee

Multiple supply licensing is a welcome step. However, Incoming new supply licensees will resort to cherry picking by taking cities/urban pockets giving assured revenue thereby disturbing cross subsidy balance of incumbent supply licensee and also discriminate rural consumers.

The proposed Amendment Bill also provides for multiple distribution licensees. Such provision may lead to duplication of network resulting into wastage of national resources.

3. Promotion of renewable energy

The proposed Amendment Bill provides for several additional provisions for promotion of RE power which is a good move however while doing so concerns of Distribution Companies needs to be taken into account.

As Generation is a de-licensed activity; verification of the implementation of Renewable Generation Obligation RGO will be difficult and further, lead to confusion as the same transaction would be accounted twice.

The proposed Amendment Bill envisages penalty in the range of Rs. 1 per unit to Rs 5 per unit to the extent of shortfall of energy for non-compliance of RPO is huge and further it is not mentioned how the RPO gap will be mitigated by Obligator.

Also considering intermittent nature of RE sources, it should not be allowed to be supply licensees or otherwise the DISCOMs have to always make standby provision for such consumers opting from RE Sources, this will also affect the power purchase and revenue model of DISCOMs.

4. Cross Subsidy Surcharge

As per sub-section 1 (g) to Section 61 of the proposed Amendment, the cross subsidization of tariff of the consumers within the distribution area shall not exceed 20% and shall be progressively reduced & eliminated within 3 years.

The proposed amendment will have a huge tariff impact on low end domestic and AG consumers at large and will result into a steep tariff hike for these consumers. Based on the present tariff structure and Consumer Mix of MSEDCL for FY 18-19, if the cross subsidy is to be limited to 20% of Average Cost of Supply (ACoS), the tariff of AG consumers will see a steep tariff hike otherwise Government of Maharashtra (GoM) subsidy will increase substantially. Considering the AG tariff & subsidy applicable for FY 2017-18 the impact on AG tariff & government subsidy is shown in following table:

Parameters	UoM	Immediate (80% of ACoS)	Within 3 yrs time (100% of ACoS)
Existing Subsidy to AG consumers by GoM (FY 2017-18)	Rs Crs	4870	4870
Additional Subsidy Burden if impact of tariff hike as per proposed provision is borne by GoM	Rs Crs	7064	10997
Total Subsidy burden on GoM as a result of proposed amendment	Rs Crs	11934	15867
Required Tariff Hike for AG consumer (If GoM retains current subsidy) & proposed provision is implemented		2.86 times	3.90 times
if subsidy is totally withdrawn, effective increase in tariff of AG consumers due to proposed amendment		4.14 times	5.18 times

From the above table, it is clear that within 3 years of implementation of Amended Act, either Government subsidy for AG consumers need to be increased substantially or tariff of AG Consumers need to be increased by around 4 to 5 times.

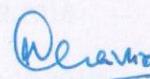
5. Open Access Charges

In the proposed Amendment, Cross Subsidy Surcharge (CSS) has been proposed to limit at 20% of Wheeling Charges & existing provision related to recovery of current level of Cross Subsidy has been deleted. Further Amendment Bill proposes to abolish the Additional Surcharge. These amendments will lead to under recovery of CSS as well as additional surcharge and its burden will be passed on to common consumers.

The clause wise comments covering inter-alia above said issues are annexed with this letter.

It is requested that the aforementioned comments along with Annexure may be taken on record and considered while finalization of the Proposed Amendment to Electricity Act, 2003.

Yours Sincerely,



(Satish Chavan)
Director (Commercial)
MSEDCL

Copy s.w.r.t:

The Principal Secretary (Energy),
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Mumbai – 400032

Introduction

Ministry of Power notified the Draft Amendment to Electricity Act 2003 on 7th September 2018. The Act to be called Electricity (Amendment) Act 2018 and will be applicable to entire India except for the state of Jammu & Kashmir.

In pursuance to the above notification, comments and suggestions on the proposed Electricity (Amendment) Act 2018 to be submitted within 45 days from the date of public notification. It is proposed to submit the comments as below:

Remarks on Proposed Amendments

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Section 2 (8)	(8) "Captive generating plant" means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association subject to such other conditions as may be prescribed by the Central Government from time to time;	The captive power plant has to be conceived / conceptualized for self-use i.e. owners must be the power consumers. However, it has been observed that by taking advantage in the provisions in Electricity Rules 2005, IPPs have been converted to CPPs and the majority shareholders (74%) avail the financial benefits of group captive structures without consuming any power. This was not the intent of the Electricity Act, 2003.	(8) "Captive generating plant" means a power plant set up by any person to generate electricity primarily for its 75% of his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for 75% of use of by members of such co-operative society or association subject to such other conditions as may be prescribed by the Central Government from time to time;

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		Hence, the word “Primarily” needs to be deleted to maintain spirit of the Act.	
Section 2, (57B)	(57B) “Renewable Energy Service Company” means an energy service company which provides renewable energy to the consumers in the form of electricity for the purposes of this Act;	Lack of clarity on the nature of business of “Renewable Energy Service Company”. The proposed Bill nowhere mentions RESC except in definition part. Licensing requirement of “Renewable Energy Service Company” is ambiguous. Considering intermittency in RE power, RE sources should not be allowed as a supply Licensee. RE Companies needs to be restricted only up to Generation Business. No such nomenclature is required.	(57B) “Renewable Energy Service Company” means an energy service company which provides renewable energy to the consumers in the form of electricity for the purposes of this Act;
Section 2, (Definitions),	(57D) “Renewable Generation Obligation” means the Renewable Energy Generation capacity required to	Implementation of RGO will lead to following:	(57D) “Renewable Generation Obligation” means the Renewable Energy Generation capacity required to

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
(57D)	<p>be established or its equivalent capacity required to be procured from Renewable Energy Sources or any instrument representing renewable energy, as the case may be, and sale of such energy along with the electricity generated from the coal or lignite based thermal generating station, by a generating company establishing a coal or lignite based thermal generating station;</p>	<ul style="list-style-type: none"> • Generation is de-licensed business and after enforcing RGO, it is difficult to ensure compliances. • One transaction of RE power will be accounted in RGO as well as RPO, which may lead to confusion. • Difficulty in computation of Tariff, because the Thermal/ Hydro power have two-part tariff but RE power has single part tariff <p>In view of the above, the proposed clause is not required</p>	<p>be established or its equivalent capacity required to be procured from Renewable Energy Sources or any instrument representing renewable energy, as the case may be, and sale of such energy along with the electricity generated from the coal or lignite based thermal generating station, by a generating company establishing a coal or lignite based thermal generating station;</p>
Section 2 - Definitions	<p>(57B) “Renewable Energy Service Company” means an energy service company which provides renewable energy to the consumers in the form of electricity for the purposes of this Act;</p>	<p>RESCO has been defined in the Act, however that term has not been used anywhere in the Act itself.</p> <p>In absence of any statutory function defined in the Act,</p>	<p>(57B) “Renewable Energy Service Company” means an energy service company which provides renewable energy to the consumers in the form of electricity for the purposes of this Act;</p>

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		<p>the said definition seems redundant.</p> <p>Further, MSEDCL has submitted its comments on Proviso 18 to Section 14 which exempts generation and supply of renewable energy from requirement of License.</p> <p>In view of this, the proposed definition is not necessary.</p>	
<p>Part-III, Section 7</p>	<p>Generating Company and requirement for setting up of generating station</p> <p>1. Any generating company may establish, expand, operate and maintain a generating station without obtaining a licence under this Act, if it complies with the technical standards relating to connectivity with the grid referred to in clause (b) of section 73.</p> <p>Provided that any generating company before establishing or expanding the capacity of a generating station shall submit a detailed project report, as may be specified, to the Authority.</p> <p>Provided further that any generating company</p>	<p>DISCOMs have already signed/ signing long term PPAs with Renewable Generators to meet the designated RPO targets.</p> <p>Thus, there is no need for generators to perform the same through bundling of power</p> <p>The Discoms will lose the flexibility and cost advantage in sourcing of RE Power</p>	<p>Generating Company and requirement for setting up of generating station</p> <p>1. Any generating company may establish, expand, operate and maintain a generating station without obtaining a licence under this Act, if it complies with the technical standards relating to connectivity with the grid referred to in clause (b) of section 73.</p> <p>Provided that any generating company before establishing or expanding the capacity of a generating station shall submit a detailed project report, as may be specified, to the Authority.</p> <p>Provided further that any generating company</p>

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	<p>establishing or expanding the generating station, after a date as notified by the Central Government for the purpose, shall build and maintain reserve including spinning reserve of such capacity as may be specified by the Authority from time to time based on the requirement given by the National Load Despatch Centre or the Regional Load Despatch Centre or the State Load Despatch Centre as the case may be.</p> <p>Explanation.—For the purposes of sub-section (1), the expression “reserve including spinning reserve” means the backup capacity of a generating station which shall be exclusively made available on the directions of the National Load Dispatch Centre or Regional Load Dispatch Centre or State Load Dispatch Centre, as the case may be, within a time limit as may be notified by the Central Government, to maintain grid safety and security.</p> <p>(a) Notwithstanding anything contained in sub-section (1), any generating company, establishing a new or expanding an existing, coal or lignite based thermal generating station, after a date as notified by the Central Government for the purpose, shall be obligated to meet Renewable Generation Obligation,</p>	<p>Hence, provision of RGO is proposed to be deleted.</p>	<p>establishing or expanding the generating station, after a date as notified by the Central Government for the purpose, shall build and maintain reserve including spinning reserve of such capacity as may be specified by the Authority from time to time based on the requirement given by the National Load Despatch Centre or the Regional Load Despatch Centre or the State Load Despatch Centre as the case may be.</p> <p>Explanation.—For the purposes of sub-section (1), the expression “reserve including spinning reserve” means the backup capacity of a generating station which shall be exclusively made available on the directions of the National Load Dispatch Centre or Regional Load Dispatch Centre or State Load Dispatch Centre, as the case may be, within a time limit as may be notified by the Central Government, to maintain grid safety and security.</p> <p>(a) Notwithstanding anything contained in sub-section (1), any generating company, establishing a new or expanding an existing, coal or lignite based thermal generating station, after a date as notified by the Central Government for the purpose, shall be obligated to meet Renewable Generation Obligation,</p>

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	<p>as may be notified by the Central Government from time to time.</p> <p>(b) The Renewable Generation Obligation provided in sub-clause (a) shall be fulfilled either by establishing Renewable Energy Sources or by purchase of Renewable Sources Energy or any instrument representing renewable energy, as the case may be, and sale of such energy along with the electricity generated from the coal or lignite based thermal generating station. Such renewable power procured by the obligated entity shall be considered for meeting the RPO.</p>		<p>as may be notified by the Central Government from time to time.</p> <p>(b) The Renewable Generation Obligation provided in sub-clause (a) shall be fulfilled either by establishing Renewable Energy Sources or by purchase of Renewable Sources Energy or any instrument representing renewable energy, as the case may be, and sale of such energy along with the electricity generated from the coal or lignite based thermal generating station. Procurement of Such renewable power (including any instruments representing renewable energy) shall be considered for meeting the RPO of procurer entity.</p>
<p>Part-III, Section 8 (1)</p>	<p>Hydro-electric generation</p> <p>(1) Notwithstanding anything contained in section 7, any generating company intending to set up a hydro-generating station including multipurpose hydro facilities with power generation shall prepare and submit to the Authority for its concurrence, a scheme estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government, from time-to-time, by notification.</p>	<p>In case of hydro-generating station including multi-purpose facilities, only the costs pertaining to generation of electricity and share in its facilities should be considered for determination of tariff</p>	<p>Hydro-electric generation</p> <p>(1) Notwithstanding anything contained in section 7, any generating company intending to set up a hydro-generating station including multipurpose hydro facilities with power generation shall prepare and submit to the Authority for its concurrence, a scheme estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government, from time-to-time, by notification.</p> <p>Provided that In case of hydro-generating station</p>

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			including multi-purpose facilities, only the costs pertaining to generation of electricity shall be considered for determination of tariff.
Part-III, Section 9 (1)	<p>Section 9 - Captive Generation</p> <p>(1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:</p> <p>Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company.</p> <p>Provided further that no licence shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made thereunder and to any consumer subject to the regulations made under sub-section (2) of section 42.</p>	<p>The 2nd proviso is proposed to be modified because the electricity generated from Captive Generating Plant, should only be for self-use.</p> <p>Captive generation was encouraged by the Government during the period when the electricity requirements of the industrial consumers were to be met by captive generation due to the shortage of power to meet the continuous power requirements of such consumers. The Act also provided for various commercial benefits to such plants including exemption from levy of Cross Subsidy Surcharge (CSS) on such</p>	<p>Section 9 - Captive Generation</p> <p>(1) Notwithstanding anything contained in this Act, a person may construct, maintain or operate a captive generating plant and dedicated transmission lines:</p> <p>Provided that the supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company.</p> <p>Provided further that no licence shall be required under this Act for supply of electricity generated from a captive generating plant to any licensee in accordance with the provisions of this Act and the rules and regulations made thereunder and to any consumer for self use subject to the regulations made under sub-section (2) (6) of section 42.</p>

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		<p>captive consumption. However, over the period the situation has changed and sufficient power is available with utilities to cater the demand of industrial consumers and hence extension of such benefits any further is not required.</p>	
<p>Part-III, Section 9(2)</p>	<p>(2) Every person, who has constructed a captive generating plant and maintains and operates such, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use:</p>		<p>The same is proposed to be modified to: “(2) Every person, who has constructed a captive generating plant and maintains and operates such, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use subject to the regulations made under sub-section (6) of section 42”</p>
<p>Part-III, Section 10(2)</p>	<p>(2) A generating company may supply electricity to any licensee in accordance with this Act and the rules and regulations made thereunder and may, subject to the regulations made under sub-section (2) of section 42, supply electricity to any consumer.</p>	<p>As per Amendment Bill, the sub-section (2) of Section 42 has been mentioned but the same stands deleted. The correct sub-section in this context is sub-section (6) of</p>	<p>The said clause is proposed to be modified to: “ (2) A generating company may supply electricity, to any licensee in accordance with this Act and the rules and regulations made thereunder and may, subject</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		Section 42.	to the regulations made under sub-section (2) (6) of section 42, supply electricity to any consumer.”
Part-IV, Section 13	<p>Power to exempt:</p> <p>The Appropriate Commission Government may, on the recommendations of the Appropriate Government, in accordance with the national policy formulated under section 5 and in the public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users' association, co-operative societies, non - governmental organizations, or franchisees.</p>	<p>The existing provision in Electricity Act 2003 should be adopted after suitable modification and franchisee should be excluded from the proposed amendment.</p> <p>The appropriate commission is an expert body which can assess techno-commercial aspects of interested entity, while granting licensee or exempting any-body from the license requirement.</p>	<p>Power to exempt:</p> <p>The Appropriate Commission Government may, on the recommendations of the Appropriate Government, in accordance with the national policy formulated under section 5 and in the public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users' association, co-operative societies, non - governmental organizations, or franchisees.</p>
Part-IV, Section 14	<p>Provided also that Railways as defined under the Indian Railways Act 1989 and Metro Rail Corporation established under the Metro Railways (Operation and Maintenance) Act, 2002, Mono rail and such other transport or other entities as may be notified by the Central Government, from time to time, shall be deemed to be a licensee under this Act, and shall not be required to obtain a licence under this Act:</p>	<p>It is necessary to explicitly spell out Deemed Licensee Status granted to railway, mono rails, metro rail. As in proposed Bill only licensee word has been used.</p> <p>Ideally Railway is an entity that buys power for self-</p>	<p>Provided also that Railways as defined under the Indian Railways Act 1989 and Metro Rail Corporation established under the Metro Railways (Operation and Maintenance) Act, 2002, Mono rail and such other transport or other entities as may be notified by the Central Government, from time to time, shall be deemed to be a supply licensee only for self-consumption under this Act, and shall not be</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		consumption and not involved in any retail sale. Further, for distribution of electricity, boundaries are not clear. Hence, if at all such provision is required then railway, mono rails, metro rail need to be a supply Licensee for self-consumption only.	required to obtain a licence under this Act:
Part-IV, Section 14	Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution undertaking supply of electricity through own distribution system within the same area of supply, subject to the conditions that the applicant for grant of supply licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (relating to the capital adequacy, creditworthiness or code of conduct) as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same	This provision enables multiple supply licensees in the same area. Incoming new supply licensees will resort to cherry picking by taking cities/ urban pockets giving assured revenue thereby disturbing cross subsidy balance of incumbent supply licensee. It is likely that new supply licensees will choose to operate only in urban area which may discriminate rural	

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	purpose:	consumers.	
Part-IV, Section 14	Provided also that the State Government in consultation with the Appropriate Commission and Central Government may, in public interest, permit more than one distribution licensee to operate in any area, if it is considered necessary.	Permitting more than one distribution licensee in the same area would lead to cherry picking and network duplication. It is suggested to delete this provision from proposed Bill.	Provided also that the State Government in consultation with the Appropriate Commission and Central Government may, in public interest, permit more than one distribution licensee to operate in any area, if it is considered necessary.
Part-IV, Section 14	Provided that where a person intends to generate and supply electricity from Renewable Energy Sources, such person shall not require any licence for such generation and supply of electricity, but he shall comply with the measures which may be specified by the Authority under section 53 and 73:	RE sources should not be allowed to be a supply licensee. As the Renewable power is intermittent in nature, such generators will not be able to fulfill the demand of consumers and the same will fall back on grid. Hence this will lead to unscheduled drawl and deviation from grid discipline. In view of this the said provision is not required.	Provided that where a person intends to generate and supply electricity from Renewable Energy Sources, such person shall not require any licence for such generation and supply of electricity, but he shall comply with the measures which may be specified by the Authority under section 53 and 73:
Part-IV,	Provided also that a distribution supply licensee shall	Clarity is required for the role	Provided also that a distribution intermediary

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Section 14	not require a licence to undertake trading in electricity.	of intermediary company with respect to trading business. As intermediary company holds all PPAs of parent Discom, it should be allowed to undertake trading to offset any surplus or deficit.	company and supply licensee shall not require a license to undertake trading in electricity.
Part-IV, Section 14	Provided also that in a case where a distribution licensee or a supply licensee proposes to undertake distribution or supply of electricity for a specified area within his area of distribution or supply through a franchisee, the franchisee shall not be required to obtain any separate licence from the Appropriate Commission however agreements including terms and condition for appointment of franchisee shall be approved by the Appropriate Commission and distribution licensee or a supply licensee shall be held responsible for non-compliance of any provision of the law or Rules or Regulations by the franchisee;	There are cases in which Distribution Franchisees are operating as per the provisions of existing Act. In amendment Bill, it is necessary to provide provision for suitably amending Distribution Franchisee agreements.	Provided also that in a case where a distribution licensee or a supply licensee proposes to undertake distribution or supply of electricity for a specified area within his area of distribution or supply through a franchisee, the franchisee shall not be required to obtain any separate licence from the Appropriate Commission however agreements including terms and condition for appointment of franchisee shall be approved by the Appropriate Commission and distribution licensee or a supply licensee shall be held responsible for non-compliance of any provision of the law or Rules or Regulations by the franchisee; Provided also that where distribution licensee is already undertaking its distribution business through franchisee on the date of the commencement of the Electricity (Amendment) Act,2018, franchisee shall continue its operation and distribution licensee and

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			supply licensee shall within three years after implementation of transfer scheme suitably amend its agreement in accordance with the provisions of the Electricity (Amendment) Act,2018
Part-IV, Section 15(5)	(5) Before granting a licence under section 14, the Appropriate Commission shall - (a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence; (b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or State Transmission Utility, as the case may be.	Before granting a supply license, the respective Commission needs to consider the concerns of incumbent supply licensee. The Commission shall give due regards to the issues pertaining to consumer migration affecting revenue, cherry-picking of consumers and level of cross-subsidy involved in the tariff.	(5) Before granting a licence under section 14, the Appropriate Commission shall - (a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence; (b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or State Transmission Utility, as the case may be. (c) give due regards to issues pertaining to consumer migration affecting revenue, cherry-picking of consumers and level of cross-subsidy involved in the tariff, in case of supply licensees.
Part-IV, Section 20(1)(a)	Sale of utilities of licensees: (1) Where the Appropriate Commission revokes under section 19 the licence of any licensee or on expiry of licence , the following provisions shall apply,	Now the sale of licensee has been extended in case of expiration of license also. Earlier it was limited only to	

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	<p>namely: --</p> <p>(a) the Appropriate Commission shall invite applications for acquiring the utility of the licensee whose licence has been revoked or expires (hereinafter referred to as the outgoing licensee) and determine which of such applications should be accepted through a transparent process, primarily on the basis of the highest and best price offered for the utility;</p> <p>Provided that whenever the duration of any licence is due to expire, the Appropriate Commission shall review the performance of licensee prior to the extension of the licence.</p>	<p>revocation of license.</p>	
<p>Part-V, Section-26, 28 & 32</p>	<p>Section 26. (National Load Despatch Centre)</p> <p>Section 28. (Functions of Regional Load Despatch Centre)</p> <p>Section 32. (Functions of State Load Despatch Centres)</p>	<p>The Act should mention if RLDC, SLDC & NLDC shall be the nodal agency for managing the ancillary support.</p> <p>If so, then explicit functions of these nodal agencies in terms of procuring and managing ancillary support should also be defined.</p>	

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
<p>Part-V, Section- 29(6)</p>	<p>Compliance of directions: (6) If any generating company or licensee, generating company or any other person fails to comply with the directions issued under sub-section (2) or sub-section (3), he shall be liable to a penalty not exceeding rupees fifteen lacs one crore.</p> <p>Provided that in case of non-compliance of the directions issued under sub-section(2) or sub-section (3), by a generating company for generating renewable energy, such generating company shall be liable to a penalty not exceeding rupees fifty lacs.</p>	<p>The proposed penalty limit in case of non-compliance with RLDC's or SLDC's directions has been increased from Rs. 15 Lacs to Rs. 1 Crore</p> <p>A distribution utility faces several difficulties at ground level and at many instances the non-compliance of the directions is due to the reasons beyond the control of utility. Thus, levying such high penalty would be detrimental to the financial health of discom.</p> <p>Thus, the penalty should be retained to Rs. Fifteen lacs.</p> <p>Also, the penalty quantum for the generator generating RE power shall also be equal to the penalty being levied on other licensees.</p>	<p>Compliance of directions: (6) If any generating company or licensee, generating company or any other person fails to comply with the directions issued under sub-section (2) or sub-section (3), he shall be liable to a penalty not exceeding rupees fifteen lacs one crore.</p> <p>rovided that in case of non-compliance of the directions issued under sub-section(2) or sub-section (3), by a generating company for generating renewable energy, such generating company shall be liable to a penalty not exceeding rupees fifty lacs.</p>

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Section 30 to 32		<p>In view of multiple distribution and supply licensee, the function of SLDC (As outlined in Section 30 to 32) should also be extended to cover distribution network.</p> <p>With multiple supply and distribution Licensees, energy accounting and settlement will be a challenge.</p>	
Part-V, Section-33(5)	<p>(5) If any generating company or licensee, generating company or any other person fails to comply with the directions issued under sub-section (1), he shall be liable to a penalty not exceeding rupees five lacs one crore.</p> <p>Provided that in case of non-compliance of the directions issued under sub section(1), by a generating company for generating renewable energy, such generating company shall be liable to a penalty not exceeding rupees fifty lacs.</p>	<p>The proposed penalty limit in case of non-compliance with RLDC's or SLDC's directions has been increased from Rs. 15 Lacs to Rs. 1 Crore.</p> <p>A distribution utility faces several difficulties at ground level and at many instances the non-compliance of the directions is due to the reasons beyond the control of utility. Thus, levying such high penalty would be detrimental</p>	<p>(5) If any generating company or licensee, generating company or any other person fails to comply with the directions issued under sub-section (1), he shall be liable to a penalty not exceeding rupees five lacs one crore.</p> <p>Provided that in case of non-compliance of the directions issued under sub section(1), by a generating company for generating renewable energy, such generating company shall be liable to a penalty not exceeding rupees fifty lacs.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		<p>to the financial health of discom.</p> <p>Thus, the penalty should be retained to Rs. five lacs.</p> <p>Also, the penalty quantum for the generator generating RE power shall also be equal to the penalty being levied on other licensees.</p>	
<p>Part-V, Section-39 2(d)(ii)</p>	<p>(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:</p> <p>Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:</p> <p>Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:</p> <p>Provided also that the manner of payment and</p>	<p>Typographical Error, “sub section 2 of section 42” should be “sub section 6 of section 42”</p>	<p>(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) (6) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:</p> <p>Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:</p> <p>Provided further that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:</p> <p>Provided also that the manner of payment and</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>utilisation of the surcharge shall be specified by the State Commission:</p> <p>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.</p>		<p>utilisation of the surcharge shall be specified by the State Commission:</p> <p>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.</p>
Part-V, Section-40(c)(ii)	<p>Duties of transmission licensees:</p> <p>(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission : as may be specified by the Appropriate Commission of the state in which the premises of the consumer is situated:</p>	<p>Typographical Error,</p> <p>“sub section 2 of section 42” should be “sub section 6 of section 42”</p>	<p>Duties of transmission licensees:</p> <p>(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) (6) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission : as may be specified by the Appropriate Commission of the state in which the premises of the consumer is situated:</p>
Part-VI	DISTRIBUTION AND SUPPLY OF ELECTRICITY		
Part-VI, Section-42(1)	<p>Duties of distribution licensee and supply licensee and open access:</p> <p>(1) The distribution licensee or supply licensee, as the case may be, shall have the obligation to supply 24x7 power to its consumers.</p>	<p>24 x 7 supply of power may not be required by AG consumers.</p> <p>In case of MSEDCL, AG demand is 35% of total demand which is subject to</p>	<p>Duties of distribution licensee and supply licensee and open access:</p> <p>(1) The distribution licensee or supply licensee, as the case may be, shall have the obligation to supply 24x7 power to its consumers.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		<p>seasonal variation and also varies between day and night. In case of supply of 24 x 7 power, MSEDCL would require to execute PPA corresponding to peak AG demand which will remain idle when the AG demand is low Thus, resulting in additional financial burden to discoms.</p> <p>Also, in case of state government directive of restricted power supply to AG consumers considering impact on water table, soil erosion, etc., the distribution licensee or supply licensee would not be in a position to supply 24x7 power to AG consumers.</p> <p>The consideration for the same should be given in the act. Further, considering ground water potential, Maharashtra has a policy for</p>	<p>Provided that in case of directives of the appropriate Government to restrict supply to any area or any consumer category due to any reasonable circumstances, in such situations sub-section (1) of Section 42 will not be applicable.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		restricting supply availability on Agricultural Feeders to 08 to 10 Hrs.	
Part-VI, Section- 42(2)	(2) The distribution licensee or supply licensee, as the case may be, shall tie up long term/medium term power purchase agreements to meet the annual average demand of power of the area which it has the obligation to serve.	<p>The proposed Bill mandates to tie up power requirement based on average power demand of the area. With the advent of multiple supply licensees, the existing PPAs would get stranded. This would result into fixed cost obligation to the licensee. Thus, the licensee should be allowed to manage power procurement in a more efficient manner by contracting a certain percentage of annual demand through long/ medium term PPA</p> <p>In case of multiple supply licensees, contract such average demand of the area by each of the licensee would</p>	(2) The distribution licensee or supply licensee, as the case may be, shall tie up long term/medium term power purchase agreements to meet the annual average demand of power of the consumers the area which it has the obligation to serve.

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		result into higher than required capacity	
Part-VI, Section- 42(4)	<p>(4) The Appropriate Commission shall carry out a review every two years and assess whether (a) the Distribution/Supply Company has tied up adequate sources of supply through long/medium term PPAs to meet the annual average demand of the area it is required to serve, (b) that it is maintaining the distribution system in good order in order to ensure reliable 24 X 7 supply (c) that the complaints of the consumers are promptly addressed and in case of persistent shortfall in the above, the Commission may:</p> <p>(i) require that remedial action be taken within a specified time frame failing which</p> <p>(ii) suspend the license under Section 24;</p> <p>(iii) revoke the license under Section 19 and take further action mandated by law.</p> <p>Provided that, the State Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in supply of electricity of such Distribution</p>	<p>The review of sub-clause (a) is not required as the same is already being reviewed/ approved in MYT/ Tariff Orders (already covered under functions of the Commission as per Section 86 of the Act)</p>	<p>(4) The Appropriate Commission shall carry out a review every two years and assess whether (a) the Distribution/Supply Company has tied up adequate sources of supply through long/medium term PPAs to meet the annual average demand of the area it is required to serve, (b) a) that it is maintaining the distribution system in good order in order to ensure reliable 24 X 7 supply (c-b) that the complaints of the consumers are promptly addressed and in case of persistent shortfall in the above, the Commission may:</p> <p>(i) require that remedial action be taken within a specified time frame failing which</p> <p>(ii) suspend the license under Section 24;</p> <p>(iii) revoke the license under Section 19 and take further action mandated by law.</p> <p>Provided that, the State Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in supply of electricity of such Distribution</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>Utility, to a company or companies to be incorporated or registered under the Companies Act, 2013 to function as a supply licensee, through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed to be supply licensees under this Act.</p>		<p>Utility, to a company or companies to be incorporated or registered under the Companies Act, 2013 to function as a supply licensee, through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed to be supply licensees under this Act.</p>
<p>Part-VI, Section- 42(6)</p>	<p>(6) The State Commission shall facilitate open access subject to such conditions, as may be specified by it: Provided that such open access shall be allowed on payment of wheeling charges and a surcharge thereon as may be determined by the State Commission; provided that the surcharge shall not be more than twenty percent of the wheeling charges. Provided also that such surcharge shall be progressively reduced and eliminated in two years in the manner as may be specified by the State Commission.</p>	<p>Open Access should be allowed only if the consumer is not maintaining any demand with the licensee Restricting Surcharge to 20% ceiling of wheeling charges is not appropriate as it does not reflect the actual cross subsidy levels within the category and would lead to under recovery of cross subsidy which will impact the tariff of common consumers.</p>	<p>(6) The State Commission shall facilitate open access subject to such conditions, as may be specified by it: Provided that such open access shall be allowed on payment of wheeling charges and a surcharge thereon as may be shall be determined by the State Commission to meet the current level of Cross Subsidy; provided that the surcharge shall not be more than twenty percent of the wheeling charges. Provided that such open access shall be allowed to a consumer only when he does not maintain any contract demand with the distribution licensee or the supply licensee as the case may be. Provided also that such surcharge shall be progressively reduced and eliminated in two years in the manner as may be specified by the State</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>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:</p> <p>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.</p>	<p>Hence, Proviso 3 should be retained.</p> <p>When, tariffs are equal to ACoS, Cross Subsidy will automatically be eliminated</p>	<p>Commission:</p> <p>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:</p> <p>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.</p>
<p>Part-VI, Section- 42(4)</p>	<p>(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.</p>	<p>Additional surcharge is vital for recovery of fixed cost liability that is being stranded due to Open Access. If this stranded cost is not recovered through Additional surcharge then this cost would be passed on to the consumers for no fault of theirs</p>	<p>(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		In view of the same, Additional Surcharge should be retained as such to recover the cost of stranded power.	
Part-VI, Section-42(9)	9) Any consumer, who is aggrieved by non-redressal of his grievance under subsection (5), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.	The subsection (5) is wrongly referred herein instead of subsection (8).	9) Any consumer, who is aggrieved by non-redressal of his grievance under subsection (5) (8), may make a representation for the redressal of his grievance to an authority to be known as Ombudsman to be appointed or designated by the State Commission.
Part-VI, Section-43(1)	Duty to distribute and supply on request: (1) Save as otherwise provided in this Act, every distribution licensee or supply licensee, as the case may be , shall, on an application by the owner or occupier of any premises, give connection or supply of electricity to such premises, within one month seven days after receipt of the application requiring such connection or supply, as the case may be : Provided that where such supply connectivity requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall enable supply of the electricity to such premises immediately after such extension or commissioning or within such period as may be	1. Giving a connection and supply of electricity are two different distinct works. The application ought to be made to supply Licensee and supply Licensee is required to co-ordinate with Distribution Licensee for connection purpose. 2. Distribution Licensee cannot provide the Connection without identification of source of supply or Supply Licensee.	Duty to distribute and supply on request: (1) Save as otherwise provided in this Act, every distribution licensee or supply licensee, as the case may be , shall, on an application by the owner or occupier of any premises, give connection or supply of electricity to such premises, within the timeline as specified by the Appropriate Commission after receipt of the application requiring such connection or supply, as the case may be : Provided that where such supply connectivity requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall enable supply connection of the electricity to such premises immediately after such

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>specified by the Appropriate Commission.</p> <p>Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.</p> <p>Explanation.--For the purposes of this sub-section, "application" means the application complete in all respects in the appropriate form, as required by the licensee, along with documents showing payment of necessary charges and other compliances</p>	<p>3. In view of the above practical difficulties, the time period for providing the connection/ supply should be determined by the Appropriate Commission.</p> <p>4. Responsibility for complying universal supply obligation is not clearly specified.</p>	<p>extension or commissioning or within such period as may be specified by the Appropriate Commission.</p> <p>Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.</p> <p>Explanation.--For the purposes of this sub-section, "application" means the application complete in all respects in the appropriate form, as required by the supply licensee, along with documents showing payment of necessary charges and other compliances. Application shall necessarily be made to supply Licensee. Supply licensee shall co-ordinate with Distribution Licensee for connection to premises.</p>
Part-VI, Section-43(3)	(3) If a distribution licensee fails to connect or supply the electricity, as the case may be , within a period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default.	The quantum of penalty should not be specified in the act and should be allowed to be determined by the appropriate State Commission	(3) If a distribution licensee fails to connect or supply the electricity, as the case may be , within a period specified in sub-section (1), he shall be liable to a penalty as determined by the appropriate State Commission.
Part-VI, Section-	Power to recover charges:	DBT mechanism is a good initiative and needs to be	

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
45(1)(a), (b)	<p>(1) Subject to the provisions of this section, the prices to be charged by a distribution licensee for the connection or supply, as the case may be, of electricity by him in pursuance of section 43 shall be in accordance with such tariffs fixed from time to time and conditions of his licence which includes:-</p> <p>(a) Consumption of electricity by the consumer shall be metered and charges shall be paid in accordance with the tariff determined by the Appropriate Commission;</p> <p>b) Where the State Government or any other agency proposes to provide any subsidy to any category of consumer, it shall be through Direct Benefit Transfer.</p>	promoted.	
Part-VI, Section-45 2(a)	<p>(2) The charges for electricity supplied by a distribution licensee shall be-</p> <p>(a) fixed in accordance with the methods and the principles as may be specified by the concerned State Commission;</p> <p>(2) The charges for connection or supply of electricity supplied by a distribution licensee shall be –</p> <p>a) fixed recovered in accordance with the methods and the principles as may be specified by the</p>	<p>Considering the consumer mix, currently, the cross subsidy burden of certain categories is passed on to cross subsidizing consumers of the licensee.</p> <p>However, after creation of multiple supply licensees, the balance of cross subsidy will be disturbed.</p>	

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>concerned State Commission;</p> <p>b) published in such manner so as to give adequate publicity for such charges and prices.</p> <p>Provided that the State Commission shall determine the ceiling tariff only for the electricity supplied by the supply licensee(s) from the date of implementation of the Transfer Scheme.</p>	<p>In order to maintain the same, a separate state pool should be created wherein every supply licensee should deposit the cross subsidy amount in order to appropriately compensate the licensees for loss of cross subsidy.</p>	
<p>Part-VI, Section-45(5)</p>	<p>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.</p>	<p>distribution licensee should be changed to “distribution and supply”</p>	<p>The charges fixed by the distribution and supply licensee shall be in accordance with the provisions of this Act and the regulations made in this behalf by the concerned State Commission.</p>
<p>Part-VI, Section-49</p>	<p>Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers notwithstanding the provisions contained in clause (d) of subsection(1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.</p> <p>(1) All sale/purchase of power shall be through Long Term/Medium Term/Short Term Power Purchase</p>	<p>PPAs are contractual agreements. It does contain dispute resolution mechanism and reliefs for any violation of terms of contract. Mechanism of penalty is already covered under PPA and the proposed /penalty would lead to duplication of penalty. Hence Clause (3) is not required.</p>	<p>Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers notwithstanding the provisions contained in clause (d) of subsection(1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.</p> <p>(1) All sale/purchase of power shall be through Long Term/Medium Term/Short Term Power Purchase</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>Agreements, the format for which shall be laid down by the Authority, with the approval of Central Government.</p> <p>(2) No PPA shall be cancelled except with the approval of the Appropriate Commission.</p> <p>(3) Violation of PPA will lead to penalties which may be as determined by the Appropriate Commission which may be fines which may extend to Rupees One crore per day, and, in case of licensees may also extend to suspension and cancellation of licence.</p> <p>(4) With effect from the commencement of the Electricity (Amendment) Act, 2018, all consumers having a connected load of 1 Mega Watt and above with the power system, may procure at their option electricity through open access under contractual agreement from any generating company, trading licensee, or from any other source.</p> <p>(5) Notwithstanding anything contained in clause (d) of sub-section (1) of section 62, the consumers mentioned in sub-section (4), may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including</p>	<p>Any Open Access shall necessarily be driven by Open Access Regulations made by appropriate Commission under the Act and should not be construed as automatic open access without any regulatory framework.</p> <p>The Open Access necessarily be driven by Regulations made by SERCs under the Act.</p> <p>In sub clause (5), the words “<i>supply or</i>” should be deleted as the OA consumer can consume power and cannot supply.</p> <p>Following statement should be included at the end of sub clause (5) “Subject to Section 42 (6) of</p>	<p>Agreements, the format for which shall be laid down by the Authority, with the approval of Central Government.</p> <p>(2) No PPA shall be cancelled except with the approval of the Appropriate Commission.</p> <p>(3) Violation of PPA will lead to penalties which may be as determined by the Appropriate Commission which may be fines which may extend to Rupees One crore per day, and, in case of licensees may also extend to suspension and cancellation of licence.</p> <p>(4) With effect from the commencement of the Electricity (Amendment) Act, 2018, all consumers having a connected load of 1 Mega Watt and above with the power system, may procure at their option electricity through open access under contractual agreement from any generating company, trading licensee, or from any other source subject to Regulations made under the Act.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	tariff) as may be agreed upon by them.	the Act.”	(5) Notwithstanding anything contained in clause (d) of sub-section (1) of section 62, the consumers mentioned in sub-section (4), may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them subject to Section 42 (6) of the Act.
Part-VI, Section-51	<p>Other businesses of distribution licensees:</p> <p>A distribution licensee may, with prior intimation to the Appropriate Commission, engage in any other business for optimum utilisation of its assets:</p> <p>Provided that a proportion of the revenues derived from such business shall, as may be specified by the concerned State Commission, be utilised for reducing its charges for wheeling :</p> <p>Provided further that the distribution licensee shall maintain separate accounts for each such business undertaking to ensure that distribution business neither subsidises in any way such business undertaking nor encumbers its distribution assets in any way to support such business:</p> <p>Provided also that nothing contained in this section</p>	<p>The proposed Section envisages that only Distribution Licensee will be allowed to move in to other businesses to utilize its assets.</p> <p>However, Supply Licensee also has a potential to generate money by optimally utilizing its assets.</p> <p>Thus, Supply Licensee should also covered under Section 51.</p>	<p>Other businesses of distribution licensees:</p> <p>A distribution and/ or supply licensee may, with prior intimation to the Appropriate Commission, engage in any other business for optimum utilisation of its assets:</p> <p>Provided that a proportion of the revenues derived from such business shall, as may be specified by the concerned State Commission, be utilised for reducing its charges for wheeling :</p> <p>Provided further that the distribution and/ or supply licensee shall maintain separate accounts for each such business undertaking to ensure that distribution and/ or supply business neither subsidises in any way such business undertaking nor encumbers its distribution and/ or supply assets in any way to</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	shall apply to a local authority engaged, before the commencement of this Act, in the business of distribution of electricity.		support such business: Provided also that nothing contained in this section shall apply to a local authority engaged, before the commencement of this Act, in the business of distribution/ supply of electricity.
Part-VI, Section-55(1)	<p>Use, etc., of meters:</p> <p>(1) No licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter, including smart meter or pre-payment meter, in accordance with the regulations to be made in this behalf by the Authority:</p> <p>Provided that the licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:</p> <p>Provided further that the State Commission may, by notification extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.</p>	<p>Un metered AG consumers is one of the area of concern. Presently unmetered consumer consumption is assessment based. In MSEDCL's case there are around 15.04 Lakhs AG Unmetered consumers.</p> <p>It is necessary to devise a roadmap for metering of AG consumers otherwise, Supply Licensee will have to incur huge capex for procurement of meters and it will lead to tariff increase.</p> <p>To address the said issue the Appropriate commission needs to be empowered for deciding</p>	<p>Use, etc., of meters:</p> <p>(1) No licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter, including smart meter or pre-payment meter, in accordance with the regulations to be made in this behalf by the Authority:</p> <p>Provided that the licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:</p> <p>Provided further that the State Commission shall devise a roadmap for metering, considering impact of metering infrastructure capex on tariff.may, by notification extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		the roadmap of metering.	
Part-VI, Section- 56(1)	<p>Disconnection of supply in default of payment:</p> <p>Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the licensee or the generating company may, after giving not less than fifteen clear days' notice, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:</p> <p>Provided that the supply of electricity shall not be cut off if such person deposits, under protest, -</p> <p>(a) an amount equal to the sum claimed from him,</p>	<p>Hon'ble High Court of Mumbai has allowed serving of notice through WhatsApp. In line with the same it is proposed that the Word "in writing " should be deleted and replaced by "through Email, WhatsApp, SMS, electricity bills of consumers"</p> <p>Moreover, as per the Section 171 of proposed EA amendment Bill, serving of notices through electronic mode has been proposed</p>	<p>Disconnection of supply in default of payment:</p> <p>Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the licensee or the generating company may, after giving not less than fifteen clear days' notice in writing, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:</p> <p>Provided that the supply of electricity shall not be cut off if such person deposits, under protest, -</p> <p>(a) an amount equal to the sum claimed from him,</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>or</p> <p>(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months,</p> <p>whichever is less, pending disposal of any dispute between him and the licensee.</p> <p>Provided further that disconnection of connectivity or supply of electricity, as the case may be, to a consumer due to non-payment of charges or otherwise under the provisions of this Act, shall only be made by the licensee or any other person authorized for installation and maintenance of the electricity meter;</p> <p>(1A) In case of prepayment meter, the supply shall automatically stop when the quantum of electricity for such payment has been consumed. This shall not amount to disconnection of supply.</p>	<p>MSEDCL submits that in clause (b) of the proviso, average charge paid during preceding 12 months needs to be considered to shave off seasonal variation.</p> <p>Moreover, consumer rating should be done based on the payment history and in case of non-payment by consumers with poor rating, disconnection should be done without serving the notice.</p> <p>-</p>	<p>or</p> <p>(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six twelve months,</p> <p>whichever is less, pending disposal of any dispute between him and the licensee.</p> <p>Provided further that disconnection of connectivity or supply of electricity, as the case may be, to a consumer due to non-payment of charges or otherwise under the provisions of this Act, shall only be made by the licensee or any other person authorized for installation and maintenance of the electricity meter;</p> <p>(1A) In case of prepayment meter, the supply shall automatically stop when the quantum of electricity for such payment has been consumed. This shall not amount to disconnection of supply.</p> <p>Explanation: for the purpose of serving notice means any such communication by way of a letter, email, SMS, WhatsApp Message or any social media</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
			applications etc. may be adopted.
Part-VI, Section-56(2)	(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not has cut off the supply of the electricity	As per the Indian Limitation Act, 1963 (Schedule – Period of Limitations, PART I – Suits Relating to Accounts), for recovery of arrears there shall be a period of limitation of 3 years from the date when the arrears become due.	(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two three years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not has cut off the supply of the electricity
Part-VI, Section-57(1)	Standards of performance of licensee: (1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees. The said standards of performance shall include, amongst other aspects, the following: (i) that the licensee shall have the obligation to supply 24x7 power to its consumers. In case of power cuts other than reasons attributable to distribution or supply licensee as the case may be or technical	As per Section 181 (za) of the proposed Bill, the state Commission is empowered to make Regulations stipulating standards of performance (SoP) of a licensee under Section 57 of the proposed Bill. The State Commission will determine the level of services, response time for services rendered and appropriate Compensation	Standards of performance of licensee: (1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees. The said standards of performance shall include, amongst other aspects, the following: (i) that the licensee shall have the obligation to supply 24x7 power to its consumers unless otherwise directed by Appropriate State Government. In case of power cuts other than reasons attributable to

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>faults an appropriate penalty, as determined by the SERC under sub-section (3) shall be levied on the Distribution Company and credited to the account of the respective consumers.</p> <p>(ii) The response time for rectification of different types of faults.</p> <p>(iii) The quality of supply and such requirements to make the quality/services as may be specified.</p>	<p>In proposed Bill under Sub Section (3) minimum penalty is stipulated. It is submitted that while deciding penalty /compensation it is necessary to consider factors like service quality, response time, geographical area where Licensee operates and density of consumers etc. Hence It is suggested that Minimum penalty clause may be deleted and SoP may be governed by Regulations of the state Commission. As SoP also covers compensation payable for not meeting any service standards.</p>	<p>distribution or supply licensee as the case may be or technical faults an appropriate compensation, as determined by the SERC under sub-section (3) shall be levied on the Distribution Company and credited to the account of the respective consumers.</p> <p>(ii) The response time for rectification of different types of faults shall be specified considering geographical area of supply, network (underground/overhead), density of consumers etc.</p> <p>(iii) The quality of supply and such requirements to make the quality/services as may be specified.</p>
<p>Part-VI, Section- 57(1A)</p>	<p>(1A) In case of non-compliance of the renewable purchase obligation by the licensee, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order impose a penalty which shall be minimum of Rs 1 per unit with maximum of Rs 5 per unit to the extent of</p>	<p>Since, appropriate State Commission is monitoring the compliance of RPO trajectory as per Section 86 (e) of the Act, the penalty in case of non-compliance should also be</p>	<p>(1A) In case of non-compliance of the renewable purchase obligation by the licensee, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order impose a penalty which shall be minimum of Rs 1 per unit with maximum of Rs 5 per unit to the extent of</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>shortfall of energy to be complied under renewable purchase obligation as may be specified by the appropriate commission.</p>	<p>decided by the appropriate Commission and thus should not be specified in the Act</p>	<p>shortfall of energy to be complied under renewable purchase obligation as may be specified by the appropriate commission.</p>
<p>Part-VI, Section- 57(3)</p>	<p>(3) Notwithstanding anything contained in sub-section (1), the minimum penalty and the compensation on each default specified in the standards of performance of a licensee or a class of licensees would be 2% of the bill amount of the previous month or the previous billing cycle and amount would get adjusted in the next billing cycle. In case of prepayment meter consumers, 2% of the total amount for which electricity has been consumed during the previous month, would be credited into the consumer's bill in the next month.</p> <p>Provided that the maximum amount of compensation shall not exceed 30% of the bill amount of the previous month or the previous billing cycle during the first year of notification of the Electricity (Amendment) Act, 2018 or as prescribed.</p> <p>(4) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.</p>	<p>Levying of penalty amount of 2% on previous bill subject to the cap of 30% is quite steep. The same should be reduced.</p> <p>Moreover, the capping should not only be limited to first year of the notification of the Act.</p>	<p>(3) Notwithstanding anything contained in sub-section (1), the minimum penalty and the compensation on each default specified in the standards of performance of a licensee or a class of licensees would be 2%1% of the bill amount of the previous month or the previous billing cycle and amount would get adjusted in the next billing cycle. In case of prepayment meter consumers, 2% of the total amount for which electricity has been consumed during the previous month, would be credited into the consumer's bill in the next month.</p> <p>Provided that the maximum amount of compensation shall not exceed 30% 10% of the bill amount of the previous month or the previous billing cycle. during the first year of notification of the Electricity (Amendment) Act, 2018 or as prescribed.</p> <p>(4) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Part-VII			
Part-VII, Section- 61(1) (d)	<p>(e) consider capital cost as well as other incidental costs and where such costs are found excessive and unreasonable as per prevailing industry norms, shall scale it down to industry norms.</p> <p>(G) the cross subsidization of tariff of the consumers within the distribution area shall not exceed 20 percent and shall be progressively reduced and eliminated within three years. The Appropriate Commission shall determine the trajectory for reduction of cross subsidization of tariff, among the class of consumers and shall ensure that the reduction in cross subsidy shall be not less than six</p>	<p>MSEDCL suggest that the industrial norms should be specified beforehand by the appropriate Commission</p> <p>MSEDCL further suggests that in exceptional circumstances wherein such norms cannot be applied, appropriate Commission should approve the actual cost based on prudence check</p> <p>CSS is levied on OA consumers to compensate the loss of cross subsidy. If the tariffs equal to ACoS, the Cross Subsidy will automatically get eliminated and hence such provision is not required in the Act and thus should be</p>	<p>(e) consider capital cost as well as other incidental costs and where such costs are found excessive and unreasonable as per prevailing industry norms, shall scale it down to industry norms as specified by the appropriate Commission.</p> <p>Further, provided that in exceptional cases wherein the prevailing industry norms cannot be applied, the appropriate Commission shall approve the actual costs subject to prudence check.</p> <p>(G) the cross subsidization of tariff of the consumers within the distribution area shall not exceed 20 percent and shall be progressively reduced and eliminated within three years. The Appropriate Commission shall determine the trajectory for reduction of cross subsidization of tariff, among the class of consumers and shall ensure that the reduction in cross subsidy shall be not less than six percent in one year.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	percent in one year.	deleted.	
<p>Part-VII, Section-62</p>	<p>The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for--</p> <p>(a) supply of electricity by a generating company to a distribution licensee authorised to supply electricity including supply of electricity under a back to back arrangement involving an electricity trader or any other licensee;</p> <p>Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity:</p> <p>Provided further that there shall be no such determination of tariff by the Appropriate Commission under this clause (a) where the Central</p>	<p>Cost of ancillary support must be Determined by the appropriate commission in advance so that the stakeholders are aware of the cost implications in transparent manner. Hence the tariff structure shall be determined under Section 62 of the Act.</p>	<p>The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for--</p> <p>(a) supply of electricity by a generating company to a distribution licensee authorised to supply electricity including supply of electricity under a back to back arrangement involving an electricity trader or any other licensee;</p> <p>Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity:</p> <p>Provided further that there shall be no such determination of tariff by the Appropriate Commission under this clause (a) where the Central Government specifies that the procurement of electricity from the sources identified for the purpose by the supply licensee shall be done only by</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>Government specifies that the procurement of electricity from the sources identified for the purpose by the supply licensee shall be done only by competitive bidding as per section 63;</p> <p>(b) transmission of electricity;</p> <p>(c) wheeling of electricity;</p> <p>(d) retail sale of electricity:</p>		<p>competitive bidding as per section 63;</p> <p>(b) transmission of electricity;</p> <p>(c) wheeling of electricity;</p> <p>(d) retail sale of electricity;</p> <p>(e) ancillary services:</p>
<p>Part-VII, Section-62(7)</p>	<p>(7) No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms any fuel surcharge formula fuel and power purchase price adjustment, including surcharge if any, which shall be permitted under the terms of the fuel and power purchase price adjustment formula as may be specified by the Appropriate Commission.</p>	<p>Any cost incidental due to any lawsuit may also be allowed to be a pass through.</p>	<p>(7) No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms any fuel surcharge formula fuel and power purchase price adjustment, including surcharge if any including any incidental costs due to lawsuit, which shall be permitted under the terms of the fuel and power purchase price adjustment formula, as may be specified by the Appropriate Commission.</p>
<p>Part-VII, Section-64(6)</p>	<p>(6) A tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order accordance with the Tariff Policy.</p>	<p>Earlier clause to be retained.</p>	<p>(6) A tariff order shall, unless amended or revoked, continue to be in force for such period as may be specified in the tariff order accordance with the Tariff Policy.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Part-VII, Section-65(1)	1. Notwithstanding anything contained in the Act if the State Government or Central Government, as the case may be, desires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62 and as per the final tariff order issued under section 64, such subsidy shall be directly transferred to the beneficiary by direct benefit transfer into the bank account of the beneficiary.	DBT mechanism is good initiative and should be promoted.	
Part-VII, Section-66A	Ensuring Performance of the agreements for Sustainable power market: (1) The agreements for power purchase, etc entered between the licensees or by the licensees and generating Company, once approved by the Appropriate Commission, shall be mandatorily complied with by both parties failing which the Appropriate Commission may levy penalties as deemed appropriate. Any dispute between licensees which may arise may be adjudicated by the Appropriate Commission which shall pass orders in the matter.	PPAs are contractual agreements and if it contains dispute resolution mechanism the same needs to be adhered to.	Ensuring Performance of the agreements for Sustainable power market: (1) The agreements for power purchase, etc entered between the licensees or by the licensees and generating Company, once approved by the Appropriate Commission, shall be mandatorily complied with by both parties failing which the Appropriate Commission may levy penalties in accordance with terms of PPA as—deemed appropriate. Any dispute between licensees which may arise may be referred to adjudicating mechanisms specified in PPA. Appropriate Commission which shall pass orders in the matter.
Part-X,	(ca) regulate electricity purchase and procurement	Railways is a deemed licensee	(ca) regulate electricity purchase and procurement

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Section-79(1) (ca)	process of Railways as defined in the Indian Railways Act, 1989 including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for the requirements of Railways throughout the country;	and also a consumer. There are cases in which railways is opting power from state distribution company. In such cases, tariff determination should be done by the State Commission.	process of Railways as defined in the Indian Railways Act, 1989 including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for the requirements of Railways throughout the country; Provided any retail sale of electricity by licensee to railways shall necessarily be decided by state Commission.
Part-X, Section-79(1)(cb)	(cb) to determine the tariff for supply and wheeling of electricity, wholesale, bulk or retail in respect of Railways as defined in the Indian Railways Act, 1989;	Modalities for determination of retail tariff for railways needs to be explicitly spelt out in the proposed Bill under Section 62 of the proposed Bill.	
Part-X, Section-84 (1)&(2)	Qualifications for appointment of Chairperson and Members of State Commission: Qualifications for appointment of Chairperson and Members of State Commission: (1) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of, and have	Qualification of the Members of SERC should be in-line with that specified in Section-77 for CERC which reads as- (a) one person having qualifications and experience in the field of engineering with specialization in generation,	Qualifications for appointment of Chairperson and Members of State Commission: Qualifications for appointment of Chairperson and Members of State Commission: (1) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of,

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management.</p> <p>(2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of a High Court:</p> <p>Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of that High Court.</p>	<p>transmission or distribution of electricity,</p> <p>(b) one person having qualifications and experience in the field of finance/economics/commerce,</p> <p>(c) one persons having qualifications and experience in the field of law or management</p>	<p>and have shown capacity in, dealing with problems relating to engineering, finance, commerce, economics, law or management and shall be appointed in the following manner, namely:-</p> <p>(a) one person having qualifications and experience in the field of engineering with specialization in generation, transmission or distribution of electricity,</p> <p>(b) one person having qualifications and experience in the field of finance/economics/commerce,</p> <p>(c) one persons having qualifications and experience in the field of law or management</p> <p>(2) Notwithstanding anything contained in sub-section (1), the State Government may appoint any person as the Chairperson from amongst persons who is, or has been, a Judge of a High Court:</p> <p>Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of that High Court.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
<p>Part-X, Section- 85(1)</p>	<p>(1) The State Government shall, for the purposes of selecting the Members of the State Commission, constitute a Selection Committee consisting of-</p> <p>(1) There shall be a Selection Committee for selection of the Chairman and Members of the State Electricity Regulatory Commission as follows:</p> <p>(a) a person who has been a Judge of the High Court.... Chairperson;</p> <p>(b) the Chief Secretary of the concerned State.....Member;</p> <p>(c) the Chairperson of the Authority or the Chairperson of the Central Commission Member:</p> <p>(a) a Serving Judge of the Supreme Court to be nominated by the Chief Justice of IndiaChairperson ;</p> <p>(b) the Secretary of the Ministry of Power, Government of IndiaMember Secretary</p> <p>(c) the Secretary of the Ministry of New and Renewable Energy, Government of India</p>	<p>It is proposed that earlier provision may be retained.</p>	<p>(1) The State Government shall, for the purposes of selecting the Members of the State Commission, constitute a Selection Committee consisting of-</p> <p>(1) There shall be a Selection Committee for selection of the Chairman and Members of the State Electricity Regulatory Commission as follows:</p> <p>(a) a person who has been a Judge of the High Court.... Chairperson;</p> <p>(b) the Chief Secretary of the concerned State.....Member;</p> <p>(c) the Chairperson of the Authority or the Chairperson of the Central Commission Member:</p> <p>(a) a Serving Judge of the Supreme Court to be nominated by the Chief Justice of IndiaChairperson ;</p> <p>(b) the Secretary of the Ministry of Power, Government of IndiaMember Secretary</p> <p>(c) the Secretary of the Ministry of New and Renewable Energy, Government of India</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>.....Member,</p> <p>d) Chief Secretary of the concerned state or the Secretary-in-charge of the Ministry of the concerned State Government dealing with Power.....Member,;</p> <p>(e) the Chairperson of the Central CommissionMember,</p> <p>(f) the Chairperson of the AuthorityMember,</p> <p>Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson who is or has been a Judge of the High Court.</p>		<p>.....Member,</p> <p>d) Chief Secretary of the concerned state or the Secretary-in-charge of the Ministry of the concerned State Government dealing with Power.....Member,;</p> <p>(e) the Chairperson of the Central CommissionMember,</p> <p>(f) the Chairperson of the AuthorityMember,</p> <p>Provided that nothing contained in this section shall apply to the appointment of a person as the Chairperson who is or has been a Judge of the High Court.</p>
<p>Part-X, Section- 92(6)</p>	<p>Proceedings of Appropriate Commission</p> <p>(6) Every proceeding before the Appropriate Commission shall be decided expeditiously. Matters pertaining to pass through in tariff on account of change in law/duties/taxes etc. shall be decided in a maximum of 30 days. The pass through will be applicable from the date of incidence and delayed payment will attract a Delayed Payment Surcharge at the rate of 18%. All other matters will be disposed off</p>	<p>The directive for expeditious decision making will be beneficial for MSEDCL.</p> <p>The proposed bill specify delayed payment surcharge at the rate of 18%. It is suggested that the rate of interest needs to be a interest rate specified by RBI.</p>	<p>Proceedings of Appropriate Commission</p> <p>(6) Every proceeding before the Appropriate Commission shall be decided expeditiously. Matters pertaining to pass through in tariff on account of change in law/duties/taxes etc. shall be decided in a maximum of 30 days. The pass through will be applicable from the date of incidence and delayed payment will attract a Delayed Payment Surcharge at the rate of interest as specified by RBI. All other</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>within ninety days and in the event of delay, beyond the said period the Appropriate Commission shall record the reasons for the delay.</p>	<p>In present scenario interest rates are declining and the 18% interest rate seems to be on higher side.</p>	<p>matters will be disposed off within ninety days and in the event of delay, beyond the said period the Appropriate Commission shall record the reasons for the delay.</p>
<p>Part-X, Section- 111(1)</p>	<p>(1) Any person aggrieved by an order made by an adjudicating officer under this Act (except under section 127) or an order made by the Appropriate Commission under this Act may prefer an appeal to the Appellate Tribunal for Electricity Energy:</p> <p>Provided that where an appeal is filed against an order of the Regulatory Commission allowing a pass through or an increase of tariff and if it is upheld in appeal the said increase in tariff or pass through on account of change in law/duties/taxes will be effective from the date of incidence/date when the said change in law/duty/taxes took place and there shall be a delayed payment surcharge of 18% on delayed payment.</p> <p>Provided also that any person appealing against the order of the adjudicating officer levying any penalty shall, while filing the appeal, deposit the amount of such penalty:</p> <p>Provided further that where in any particular case,</p>	<p>The interest rate should be aligned to bank rate as specified by RBI, as higher interest rates also burden the tariff of consumers.</p>	<p>(1) Any person aggrieved by an order made by an adjudicating officer under this Act (except under section 127) or an order made by the Appropriate Commission under this Act may prefer an appeal to the Appellate Tribunal for Electricity Energy:</p> <p>Provided that where an appeal is filed against an order of the Regulatory Commission allowing a pass through or an increase of tariff and if it is upheld in appeal the said increase in tariff or pass through on account of change in law/duties/taxes will be effective from the date of incidence/date when the said change in law/duty/taxes took place and there shall be a delayed payment surcharge at a rate of interest as specified by RBI on delayed payment.</p> <p>Provided also that any person appealing against the order of the adjudicating officer levying any penalty shall, while filing the appeal, deposit the amount of such penalty:</p> <p>Provided further that where in any particular case,</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	the Appellate Tribunal is of the opinion that the deposit of such penalty would cause undue hardship to such person, it may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the realisation of penalty.		the Appellate Tribunal is of the opinion that the deposit of such penalty would cause undue hardship to such person, it may dispense with such deposit subject to such conditions as it may deem fit to impose so as to safeguard the realisation of penalty.
Part- XII Section 126	<p>The assessment under this section shall be made at a rate equal to [twice] the tariff applicable for the relevant category of services specified in sub-section (5).</p> <p>Explanation: For the purposes of this section,--</p> <p>(a) "assessing officer" means an officer of a State Government or Board or licensee or franchisee appointed by licensee, as the case may be, designated as such by the State Government;</p> <p>(b) "unauthorised use of electricity" means the usage of electricity--</p> <p>(i) by any artificial means; or</p> <p>(ii) by a means not authorised by the concerned person or authority or licensee;</p> <p>or</p>	<p>Use of electricity through tampered meter and artificial means appears in Section 126 and Section 135 of the proposed Bill.</p> <p>This gives rise to discretion and therefore results in ambiguity in correct application and execution of law.</p> <p>Hence usages by artificial means and tampering of meter indicate dishonest intent and therefore need to be deleted from this section as same are proposed to be considered only under section 135.</p>	<p>The assessment under this section shall be made at a rate equal to [twice] the tariff applicable for the relevant category of services specified in sub-section (5).</p> <p>Explanation: For the purposes of this section,--</p> <p>(a) "assessing officer" means an officer of a State Government or Board or licensee or franchisee appointed by licensee, as the case may be, designated as such by the State Government;</p> <p>(b) "unauthorised use of electricity" means the usage of electricity--</p> <p>(i) by any artificial means; or</p> <p>(ii) by a means not authorised by the concerned person or authority or licensee;</p> <p>or</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>(iii) through a tampered meter; or</p> <p>(iv) for the purpose other than for which the usage of electricity was authorised;</p> <p>or</p> <p>(v) for the premises or areas other than those for which the supply of electricity was authorised.</p>		<p>(iii) through a tampered meter; or</p> <p>(iiiv) for the purpose other than for which the usage of electricity was authorised;</p> <p>or</p> <p>(iiiv) for the premises or areas other than those for which the supply of electricity was authorised.</p>
<p>Part-XII, Section- 131A</p>	<p>Vesting of property of Distribution Licensee:</p> <p>(a) The State Government shall, within such period as it may decide, implement the transfer scheme, in accordance with the provisions of the Act, for separation of distribution and supply of electricity; prescribing phases for transfer of such of the functions, property, interest in property, rights and liabilities of the distribution licensees relating to supply of electricity to a company which shall be the incumbent supply licensee for the concerned area of supply and so far as the existing power purchase agreements and procurement arrangements, to which the distribution licensee is the beneficiary in the intermediary company and publish such scheme as statutory transfer scheme under the Act.</p> <p>(b) The distribution licensee shall cease to be charged</p>	<p>Existing Power Purchase Agreements are the major cost components of the present licensees. The PPAs will have to be transferred to the Intermediary Company. The PPAs have to be ultimately used by the supply licensees and in case of multiple supply licenses operating in the same area, explicit clarity is essential regarding how the PPAs will be utilized.</p> <p>Hence the functions of the Intermediary Company shall have to be clearly defined in</p>	

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>with and shall not perform the functions and duties under this Act to the extent of the transfers made under sub clause (a) on and after the effective date of such transfer.</p> <p>(c) The functions of the intermediary company shall be such as may be prescribed by the Central Government.</p>	<p>the Act itself.</p> <p>After implementation of transfer scheme, in case of any issues, the appropriate government should be empowered to intervene.</p>	
<p>Part-XV, Section-135</p>	<p>Theft of Electricity</p> <p>(1) Whoever, dishonestly, --</p> <p>a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee or supplier as the case may be; or</p> <p>b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or</p> <p>c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them</p>	<p>As mentioned in Section 126 of proposed Bill it is necessary to remove discretion while application of the said sections.</p> <p>Unauthorized use has already been covered in Section 126 of EA 2003. Hence, (e) should not be a part of this Section so suggested to be deleted.</p> <p>The ambiguity in application of proper section results in unnecessary litigation.</p>	<p>Theft of Electricity</p> <p>(1) Whoever, dishonestly, --</p> <p>a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a licensee or supplier as the case may be; or</p> <p>b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or</p> <p>c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity,</p> <p>d. uses electricity through a tampered meter; or</p> <p>e. uses electricity for the purpose other than for which the usage of electricity was authorised, so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both:</p>		<p>to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity,</p> <p>d. uses electricity through a tampered meter; or</p> <p>e. uses electricity for the purpose other than for which the usage of electricity was authorised,</p> <p>so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both:</p>
<p>Part-XV, Section-135</p>	<p>Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use -</p> <p>(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity;</p> <p>(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not</p>	<p>It is observed from the extract of the law that whosoever, even if, consumer attempts abstraction or attempts consumption or attempts use such action is to be charged under theft of electricity. However, In such an 'ATTEMPT', if theft can't be established, then such case need to be covered under section 138.</p>	<p>Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use -</p> <p>(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity;</p> <p>(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:		less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:
Part-XV, Section-135	Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment.	Due to absence of explicit provision regarding period & rate for assessment, every State has its own provision. As the law is silent on the theft assessment rate and period to be considered by authorised officer, it is necessary to clearly specify such provision in the act itself.	<p>Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment.</p> <p>Explanation-</p> <p>For the purpose of this section assessment shall be carried out considering following:</p> <p>(a) If the authorized officer reaches to the conclusion that theft of electricity has taken place, the assessment shall be made for the entire period during which such Theft of electricity has taken place and if, however, the period during which such theft of electricity has taken place cannot be ascertained, such period shall be limited to a period of twenty four months immediately</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
			<p>preceding the date of inspection.</p> <p>(b) The assessment under this section shall be made at a rate equal to twice the tariff applicable for the relevant category of services.</p>
<p>Part-XV, Section-138</p>	<p>(1) Whoever, -</p> <p>a) unauthorisedly connects any meter, indicator or apparatus with any electric line through which electricity is supplied by a licensee or disconnects the same from any such electric line; or</p> <p>b) unauthorisedly reconnects any meter, indicator or apparatus with any electric line or other works being the property of a licensee when the said electric line or other works has or have been cut or disconnected; or</p> <p>c) lays or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a licensee; or</p> <p>d) maliciously injures any meter, indicator, or apparatus belonging to a licensee or willfully or fraudulently alters the index of any such meter,</p>	<p>Illegal attempt to abstract or consume or use electricity could be best included in Section 138 of the proposed Bill.</p>	<p>(1) Whoever, does or attempts to -</p> <p>a) unauthorisedly connects any meter, indicator or apparatus with any electric line through which electricity is supplied by a licensee or disconnects the same from any such electric line; or</p> <p>b) unauthorisedly reconnects any meter, indicator or apparatus with any electric line or other works being the property of a licensee when the said electric line or other works has or have been cut or disconnected; or</p> <p>c) lays or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a licensee; or</p> <p>d) maliciously injures any meter, indicator, or apparatus belonging to a licensee or wilfully or fraudulently alters the index of any such meter,</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	indicator or apparatus or prevents any such meter, indicator or apparatus from duly registering,		indicator or apparatus or prevents any such meter, indicator or apparatus from duly registering,
Part-XV, Section-139	<p>Negligently breaking or damaging works</p> <p>Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees.</p>	<p>The Section stipulates provision for fine. Here Licensee needs to be appropriately compensated for damages caused.</p> <p>Otherwise Licensee will have to file a legal suit for claiming damages. Hence there should be a provision for recovery of cost for damages.</p>	<p>Negligently breaking or damaging works</p> <p>Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees and shall be liable to pay the cost of damages to the Licensee.</p>
Part-XV, Section-140	<p>Penalty for intentionally injuring works</p> <p>Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees.</p>	<p>The Section stipulates provision for fine. Here Licensee needs to be appropriately compensated for damages caused.</p> <p>Otherwise Licensee will have to file a legal suit for claiming damages. Hence there should be a provision for recovery of cost for damages.</p>	<p>Penalty for intentionally injuring works</p> <p>Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees and shall be liable to pay the cost of damages to the Licensee.</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Part-XII, Section-142	<p>Punishment for non-compliance of directions by Appropriate Commission</p> <p>In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any generating company or licensee has contravened any of the provisions of this Act or the rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which the generating company or licensee may be liable under this Act, such person the generating company or licensee shall pay, by way of penalty a sum which shall not exceed one lakh one crore rupees for each contravention and in case of continuing failure with an additional penalty which may extend to six thousand rupees onelakh rupees for every day during which the failure continues after contravention of the first such direction.</p>	<p>Increasing the penalty is not a correct measure to ensure discipline with regards to compliance of orders.</p> <p>A distribution utility faces several difficulties at ground level and at many instances the non-compliance of the directions is due to the reasons beyond the control of utility. Thus, levying such high penalty would be detrimental to the financial health of discom.</p> <p>Thus, the penalty should be retained at its existing level</p>	<p>Punishment for non-compliance of directions by Appropriate Commission</p> <p>In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any generating company or licensee has contravened any of the provisions of this Act or the rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which the generating company or licensee may be liable under this Act, such person the generating company or licensee shall pay, by way of penalty which shall not exceed one lakh rupees for each contravention and in case of continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction.</p>
Part-XII, Section-152	<p>Compounding of offences:</p> <p>(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), the</p>	<p>- Other category includes residential premises, educational institutes;</p>	<p>Compounding of offences:</p> <p>(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), the</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>Appropriate Government or any officer authorised by it in this behalf may accept from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table below:</p> <p>....</p> <ol style="list-style-type: none"> 1. Industrial Service twenty Fifty thousand rupees 2. Commercial Service ten Thirty thousand rupees; 3. Agricultural Service-two thousand rupees 4. Other Services-four thousand rupees 	<p>Public water works etc. which also had significant share in consumption of electricity.</p> <p>- In line with increase in compounding charges for industrial and commercial category, it is proposed to increase compounding charges for other services.</p>	<p>Appropriate Government or any officer authorised by it in this behalf may accept from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table below:</p> <p>....</p> <ol style="list-style-type: none"> 1. Industrial Service twenty Fifty thousand rupees 2. Commercial Service ten Thirty thousand rupees; 3. Agricultural Service-two thousand rupees 4. Other Services- Ten thousand rupees
Part-XV, Section-153	Section 153- Compounding of offences	Title of section is wrongly mentioned as compounding of offences instead of constitution of special court.	Section 153- Constitution of special courts
Part-XV, Section-154	5) The Special Court shall determine the civil liability against a consumer or a person in terms of money for theft of energy which shall not be less than an amount equivalent to two times of the tariff rate	The provision deprives the Distribution Licensee from legitimate revenue due to restricted timeframe of 12	5) The Special Court shall determine the civil liability against a consumer or a person in terms of money for theft of energy which shall not be less than an amount equivalent to two times of the tariff rate of

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>applicable for a period of twelve months preceding the date of detection of theft of energy or the exact period of theft if determined which ever is less and the amount of civil liability so determined shall be recovered as if it were a decree of civil court.</p>	<p>months. If the period of theft determined to be more than this period, the assessment period gets restricted to twelve months.</p>	<p>energy. The assessment shall be made for the entire period during which theft is committed and if, the period of theft cannot be ascertained then such period shall be limited to a period of twenty four months immediately preceding the date of inspection applicable for a period of twelve months preceding the date of detection of theft of energy or the exact period of theft if determined whichever is less and the amount of civil liability so determined shall be recovered as if it were a decree of civil court.</p>
<p>Part-XV, Section-157</p>	<p>Section 157- Review</p> <p>The Special Court may , on a petition or otherwise and in order to prevent miscarriage of justice, review its judgment or order passed under section 154, but no such review petition shall be entertained except on the ground that it was such order passed under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record :</p> <p>Provided that the Special Court shall not allow any review petition and set aside its previous order or judgment without hearing the parties affected.</p>	<p>Their needs to be time limit for filing a Review application. It is suggested that a review needs to be filed within 45 days of Judgment given by special Court.</p>	<p>Section 157- Review</p> <p>The Special Court may , on a petition or otherwise and in order to prevent miscarriage of justice, review its judgment or order passed under section 154, but no such review petition shall be entertained except on the ground that it was such order passed under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record :</p> <p>Provided that such review shall be filed within 45 days of Judgment given by special Court.</p> <p>Provided that the Special Court shall not allow any review petition and set aside its previous order or</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
			judgment without hearing the parties affected.
Part-XVIII, Section- 166(6)	6) The recommendations of the coordination committee constituted under sub-section (5) shall be placed before the appropriate commission within a period not exceeding seven days.	<p>As the provisions in Section 166 (5) there shall be a coordination committee in each district constituted by the Appropriate Government. The Sub clause (6) mandates laying of recommendation of such committee before the Appropriate Commission within 7 days.</p> <p>It is suggested that the recommendation needs to be given to the Licensee first and Appropriate Government, who appoints such committee.</p> <p>Requirement of secretariat, staff and administrative expenses needs to be explicitly spelt out in the proposed amendment.</p>	<p>6) The recommendations of the coordination committee constituted under sub-section (5) shall be provided to the licensee within a period not exceeding thirty days. The licensee may consider such recommendations in its proposed network development plans, grievance redressal and inputs for efficient operation & maintenance etc shall be placed before the appropriate commission within a period not exceeding seven days.</p> <p>Provided further that any administrative expenses on account of such committee shall be included in annual revenue requirement of the Licensee.</p>
Part-XVIII,	Members, officers, etc. of Appellate Tribunal,	MSDCL suggest that the ambit of Section 169 of the EA	Members, officers, etc. of Appellate Tribunal,

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
Section-169	<p>Appropriate Commission to be public servants</p> <p>The Chairperson, Members, officers and other employees of the Appellate Tribunal and the Chairperson, Members, Secretary, officers and other employees of the Appropriate Commission and the assessing officer referred to in section 126 shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code.</p>	<p>2018 needs to be enlarged for covering officers and staff of the Government Company (MSEDCL, MSPGCL, MSETCL), Agency (MEDA) & Government Department (PWD) who work under the ambit of the EA 2018.</p>	<p>Appropriate Commission to be public servants</p> <p>The Chairperson, Members, officers and other employees of the Appellate Tribunal and the Chairperson, Members, Secretary, officers and other employees of the Appropriate Commission and the assessing officer referred to in section 126 and the officers and staff of the Government Company & Government Department who work under the ambit of the EA 2018 shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code.</p>
Part-XVIII, Section-171(1)	<p>1) Every notice, order or document by or under this Act required, or authorised to be addressed to any person may be served on him by delivering the same after obtaining signed acknowledgement receipt thereof or by registered post or any electronic mode or such means of delivery as may be prescribed--</p> <p>a) where the Appropriate Government is the addressee, at the office of such officer as the Appropriate Government may prescribe in this behalf;</p> <p>b) where the Appropriate Commission is the</p>	<p>Hon'ble High Court of Mumbai has allowed serving of notice through WhatsApp. In line with the same it is proposed that the Word "in writing " should be deleted and replaced by "through Email, WhatsApp, SMS, electricity bills of consumers"</p>	<p>1) Every notice, order or document by or under this Act required, or authorised to be addressed to any person may be served on him by delivering the same after obtaining signed acknowledgement receipt thereof or by registered post or any electronic mode or such means of delivery as may be prescribed--</p> <p>a) where the Appropriate Government is the addressee, at the office of such officer as the Appropriate Government may prescribe in this behalf;</p> <p>b) where the Appropriate Commission is the</p>

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	<p>addressee, at the office of the Appropriate Commission;</p> <p>c) where a company is the addressee, at the registered office of the company or, in the event of the registered office of the company not being in India, at the head office of the company in India;</p> <p>d) where any other person is the addressee, at the usual or last known place of abode or business of the person.</p>		<p>addressee, at the office of the Appropriate Commission;</p> <p>c) where a company is the addressee, at the registered office of the company or, in the event of the registered office of the company not being in India, at the head office of the company in India or any registered electronic credentials such as mobile number, email address, etc.;</p> <p>d) where any other person is the addressee, at the usual or last known place of abode or business of the person or any registered electronic credentials such as mobile number, email address, etc.</p>
<p>Part-XVIII, Section- 176(2)(u)</p>	<p>(u) the authority to whom the appeal shall be filed under sub-section (1) of section 127;</p> <p>(u) the functions of the intermediary company under clause (c) of section 131A;</p>	<p>Existing Power Purchase Agreements are the major cost components of the present licensees. The PPAs will have to be transferred to the Intermediary Company. The PPAs have to be ultimately used by the supply licensees and in case of multiple supply licenses operating in the same area, explicit clarity is essential regarding how the PPAs will be utilised.</p>	

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		Hence the functions of the Intermediary Company shall have to be clearly defined in the Act itself.	
Part-XVIII, Section-178(2)(r)	(r) the manner for reduction of cross-subsidies under clause (g) of sub-section (1) of section 61;	Clause (g) of sub-section (1) of section 61 states about elimination of cross subsidy over the period of 3 years. Though this clause provides for stipulating manner for reduction in cross subsidy there is little scope to work on charting out trajectory for reduction of Cross subsidy due to stipulation of 3 years of time for elimination of cross subsidy.	
Part-XVIII, Section-178 (2)(w)	(w) the manner of publication of draft tariff Order under sub-section (3) of section 64	As per Section 64 of the EA 2003, the Licensees are expected to publish the tariff application in abridge form and seek comments. After following a public consultation	w) the manner of publication of application for tariff draft tariff Order under sub-section (2) of section 64

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		<p>process tariff Order is issued by the Commission.</p> <p>Further Sub section (3) has been wrongly mentioned instead of subsection (2)</p>	
**Part-XVIII, Section-178 (2) (x)	Issue of tariff order with modifications or conditions under sub-section (4) of Section 64	Sub section (4) has been wrongly mentioned instead of subsection (3).	Issue of tariff order with modifications or conditions under sub-section (4) (3) of Section 64
Part-XVIII, Section-178(2)(ya)	(ya) the manner for obtaining prior consent of licensee or such other person under section 69A;	Section 69 A is not provided in the proposed Bill.	
Part-XVIII, Section-181(2) (q)	(q) payment of additional charges on charges of wheeling under sub-section (4) of section 42;	<p>Section 42 (4) specified in Section 181 (2) (q) deals with review of tied up power purchase capacity and hence it is nowhere related to additional charges.</p> <p>It is not clear, whether such surcharge includes additional surcharge and cross subsidy surcharge. Clarity is required in the proposed Amendment Bill.</p>	(q) payment of additional charges on charges of wheeling under sub-section (4) (6) of section 42;

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
		It is submitted that existing tariff structure involves inbuilt cross subsidies. After elimination of cross subsidy surcharges and surcharge the low end consumers will experience a tariff shock. Hence cross subsidy issue needs to be addressed in time bound manner.	
Part-XVIII, Section-181(2)(zba)	(zba) the manner of recovery of revenue deficit under proviso to clause (h) of sub section (1) of section 61;	Generally, the manner of recovery of revenue deficit is provided in the Tariff Order and differs on case to case basis.	
Part-XVIII, Section-181(2)(zia)	(zia) the manner for obtaining prior consent of licensee or such other person under section 69A;	Section 69 A is not provided in the proposed Bill.	
Part-XVIII, Section-184A(1)	(1) Notwithstanding anything contained in the Electricity (Amendment) Act, 2017, the provisions relating to – (a) the distribution and supply business; and	Here, typographical error has occurred. The proposed Bill refers to the Electricity (Amendment) Act, 2017 and	(1) Notwithstanding anything contained in the Electricity (Amendment) Act, 2017 2018, the provisions relating to – (a) the distribution and supply business; and

Clause No.	Proposed Amendment	Remarks	Suggested Amendment
	(b) the tariff for the distribution and supply, as they stood before the commencement of the Electricity (Amendment) Act, 2017 shall be continued till the transfer scheme is implemented by the State Government under section 131A.	not 2018.	(b) the tariff for the distribution and supply, as they stood before the commencement of the Electricity (Amendment) Act, 2017 shall be continued till the transfer scheme is implemented by the State Government under section 131A.
Part-XVIII, Section-186	<p>Removal of Difficulty:</p> <p>1) If any difficulty arises in giving effect to the provisions of the Electricity (Amendment) Act, 2018, the Central Government may, by order published, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty:</p> <p>Provided that no order shall be made under this section after the expiry of five years from the date of commencement of this Act.</p> <p>2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.</p>	<p>Needs to be deleted.</p> <p>This provisions in this Section are duplicated in Section 183</p>	<p>Removal of Difficulty:</p> <p>1) If any difficulty arises in giving effect to the provisions of the Electricity (Amendment) Act, 2018, the Central Government may, by order published, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty:</p> <p>Provided that no order shall be made under this section after the expiry of five years from the date of commencement of this Act.</p> <p>2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.</p>