
 <p>MAHAVITARAN Maharashtra State Electricity Distribution Co. Ltd.</p> <p>(A Govt. of Maharashtra Undertaking)</p> <p>CIN : U40109MH2005SGC153645</p>	<p>Maharashtra State Electricity Distribution Co. Ltd.</p> <p>महाराष्ट्र राज्य विद्युत वितरण कंपनी मर्यादित</p> <p>Office of the Superintending Engineer (Tariff Regulatory Cell)</p> <p>5th Floor, 'Prakashgad' Plot No.G-9, Prof. Anant Kanekar Marg, Bandra (E), Mumbai-400 051. Tel: 69852200/69853535 Extn.:2515</p> <p>Email: setcrmsedcl@gmail.com Website: www.mahadiscom.in</p>	
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Ref: SE/TRC/MYT-2024/Review/

No 1 5 1 5 6

Date: **16 MAY 2025**

To,
The Secretary,
Maharashtra Electricity Regulatory Commission,
World Trade Centre, Centre No 1,
13th Floor, Cuffe Parade, Mumbai.

Subject : Petition seeking review of MYT order dated 28th March 2025 in Case no. 217 of 2024 under section 94 (1) (f) of the Electricity Act, 2003 and Regulation 28 of MERC (Transaction of Business and Fees and Charges) Regulations, 2022 in the matter of Final True Up of FY 2022-23 & FY 2023-24, Provisional True Up for FY 2024-25 and Projections of ARR & Tariff for FY 2025-26 to FY 2029-30 – **Additional submission thereof.**

Reference : MSSEDCL's letter No : SE/TRC/MYT-2024/Review/ 13166 dated 28th April, 2025.

Sir,

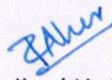
MSSEDCL under reference has filed its Review Petition seeking review of MYT order dated 28th March 2025 in Case no. 217 of 2024 under section 94 (1) (f) of the Electricity Act, 2003 in the matter of Final True Up of FY 2022-23 & FY 2023-24, Provisional True Up for FY 2024-25 and Projections of ARR & Tariff for FY 2025-26 to FY 2029-30. The E-hearing for review petition in case no. 75/RC/2025 was scheduled on 6th & 9th May, 2025. During the course of hearing Hon'ble Commission directed MSSEDCL to file its additional submission on certain issues of review petition.

In view of the above, MSSEDCL is hereby filing its additional submission, which is enclosed herewith, this may please be taken on record and be placed before Hon'ble Commission for its kind consideration.

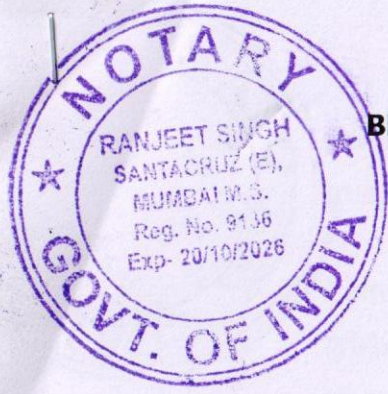
Thanking you.

Encl: As above

Yours faithfully,


(Pralhad H. Aher)

Superintending Engineer,
(Tariff Regulatory Cell), MSSEDCL.



**BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

FILING NO. _____ OF 2025

CASE NO. _____ OF 2025

**PETITION UNDER SECTION 94(1)(F) OF THE ELECTRICITY ACT, 2003
READ WITH REGULATION 28 OF THE MERC (TRANSACTION OF BUSINESS
AND FEES AND CHARGES) REGULATIONS, 2022 FOR REVIEW OF THE
ORDER DATED 28.03.2025 PASSED BY THIS HON'BLE COMMISSION IN
CASE NO. 217 OF 2024**

In the matter of:

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

AFFIDAVIT VERIFYING THE PETITION

I, Pralhad Hiranman Aher, son of Mr. Hiranman D. Aher, being the Superintending Engineer of the Applicant, the authorized signatory of the Petitioner, having my office at MSEDCL, Prakashgad, Plot No. G-9, Anant Kanekar Marg, Bandra (E), Mumbai – 400051, do hereby solemnly affirm and state as under:

1. I am the Authorized Signatory of the Applicant/Petitioner in the above matter and I am duly authorised by the said Applicant/Petitioner and competent to depose this Affidavit.
2. The statements made in paragraphs Nos. _____ of the Additional Submission of Petition are true to my knowledge and belief, and statements made in



paragraph Nos. _____ are based on information and I believe them to be true.

3. I say that there are no proceedings pending in any court of law/tribunal or arbitrator or any other authority, wherein the Petitioners are a party and where issues arising and/or reliefs sought are identical or similar to the issues arising in the matter pending before the Commission.

4. Solemnly affirm at Mumbai on this 16 MAY 2025 day of _____ that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

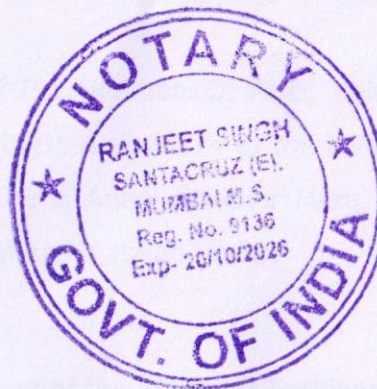
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Rahul
DEPONENT

Identified before me

Place

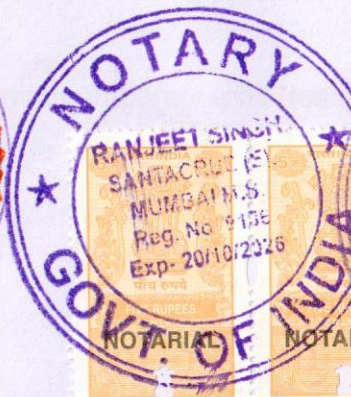
Dated



BEFORE ME

Rahul
RANJEET SINGH
M.Sc., LL.B.
NOTARY, SANTACRUZ (E)
MUMBAI MAHARASHTRA
(GOVT OF INDIA)

16 MAY 2025



BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION, MUMBAI
Case No. 75/RC/2025

IN THE MATTER OF:

Maharashtra State Electricity Distribution Co. Ltd.
Through its Superintending Engineer (Tariff Regulatory Cell)
Prakashgad, Plot No. G-9
Anant Kanekar Marg, Bandra (East)
Mumbai, Maharashtra – 400 015

...Review Petitioner

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WRITTEN SUBMISSIONS ON BEHALF OF THE PETITIONER

1. The instant Written Submissions are being filed in furtherance of the oral submissions/presentation made by the Petitioner during e-hearing scheduled on 06.05.2025 and 09.05.2025 on behalf of Maharashtra State Electricity Distribution Co. Ltd ("**MSEDCL**" / "**Review Petitioner**") and in compliance of order dated 09.05.2025 passed by this Hon'ble Commission. The instant Written Submissions contain:
 - (a) Computation of the claims of MSEDCL (wherever applicable and quantifiable) along with
 - (b) Responses to the queries raised by the Hon'ble Commission during the hearings held of 06.05.2025 and 09.05.2025
2. The Petitioner is seeking corrections of the errors, and consequential determination of tariff by way of the Petition. Before adverting to the specifics

of the errors, the Petitioner herein states/provides the powers of the Hon'ble Commission that it seeks to invoke.

I. Powers of the Hon'ble Commission to rectify or amend clerical or arithmetical mistakes arising from accidental slip or omission in the MYT Order and/or (*in alternative, without prejudice*) review the claims raised by the Review Petitioner

3. By way of the Review Petition, the Petitioner has raised claims/issues in relation to Order dated 28.03.2025 passed by this Hon'ble Commission in Case No. 217 of 2024 for Truing-up of Aggregate Revenue Requirement (ARR) for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR and Tariff for FY 2025-26 to FY 2029-30 ("**Fifth Control Period**") for its Distribution Business ("**MYT Order**"). The Petitioner seeks:

(a) Rectification or amendment of clerical or arithmetical mistakes arising from accidental slip or omission in the MYT Order passed by the Hon'ble Commission under Regulation 40 of MERC (Transaction of Business and Fees and Charges) Regulations, 2022 ("**Transaction of Business Regulations**")

and/or

(b) *In the alternative and without prejudice* review of the issues/claims raised under section 94 (1)(f) of the Electricity Act, 2003 ("**Act**" / "**Electricity Act**") read with Regulation 28 of the Transaction of Business Regulations

4. In respect of (a) i.e. the *suo-motu* rectification or amendment of clerical or arithmetical mistakes or errors arising from accidental slip or omission in the MYT Order, it is stated that this Hon'ble Commission is empowered to *suo motu* rectify and amend orders in respect of clerical or arithmetical mistakes and any errors arising from accidental slips or omissions. That such power must therefore be exercised to correct/rectify the MYT Order to the extent of correcting the clerical or arithmetical mistakes, which have arisen due to accidental slips and omissions which may have crept in due to inadvertence or due to non-consideration of any material fact or statutory provision. In this regard, reliance is placed on Regulation 40 of the Transaction of Business Regulations which is extracted below for ease of reference:

"40. General power to amend/rectify:

a) *The Commission may, **at any time** and on such terms as to costs or otherwise, as it may think fit, **either of its own motion** or on the application of any of the parties, **rectify or amend any clerical or arithmetical mistake in any order passed by the Commission or***

errors arising therein from any accidental slip or omission.

- b) *The Commission may at any time, and on such terms as to costs or otherwise as it may think fit, amend any defect or error in any proceeding and all necessary amendments, rectifications shall be made for the purpose of determining the real question or issue arising in the proceedings:*

Provided that if the Commission desires to make amendments or rectifications in order to determine the real question or issue arising the Commission shall provide an opportunity to the parties affected by such amendment or rectification touching the real question or issue to make representations and submissions with respect to the proposed amendment or rectification."

5. It is submitted that while exercising such power, the Hon'ble Commission is further empowered to amend/carry out the consequential change in the tariff. In this regard, reliance is placed on the decision of the Hon'ble Supreme Court in *UPPCL v. NTPC Ltd. and Ors.*, 2009 (6) SCC 235, where the Hon'ble Supreme Court interpreted a similar provision in Hon'ble CERC's Conduct of Business Regulations in respect of a regulatory commission's power to amend the tariff (***emphasis supplied***):

- "6. *We are in this batch of appeals are concerned with the power of the Central Commission to make tariff **and to revise the same** at the instance of a generating company.*

...

28. *Power and/ or jurisdiction of the Central Commission to frame tariff and/ or carry out revision thereof is not in dispute. It is in fact a well-settled that the Central Commission has the exclusive jurisdiction to frame not only tariff **but also any amendment, alterations and additions** in regard thereto.*

...

36. *...Regulations 92 and 94, in our opinion, do not restrict the power of the Central Commission to make additions or alterations in the tariff. **Making of a tariff is a continuous process. It can be amended or altered by the Central Commission, if any occasion arises therefor.** The said power can be exercised not only on an application filed by the generating companies **but by the Commission also on its own motion.***

37. *Assuming that Regulation 103 of the 1999 Regulations would be applicable in a case of this nature, the same also confers a wide jurisdiction. The Commission, apart from entertaining an application for review on an application filed by a party, may exercise its suo motu jurisdiction. While the Central Commission exercises a suo motu jurisdiction, the period of limitation prescribed in Regulation 103 shall not apply. There cannot, however, by any doubt whatsoever that while exercising such jurisdiction, the Central Commission must act within a reasonable time. Furthermore, the statute does not provide for the manner in which a petition is to be filed before the Central Commission or the manner in which the tariff order is to be passed or revision or non-revision thereof."*

6. Hence, the Hon'ble Commission is fully empowered to *suo-motu* or on an application by a party, make any necessary corrections/amendments in the MYT Order and thereby on the consequential tariff determined.
7. In respect of para 3 (b), *strictly in the alternative and without prejudice* to the aforementioned powers of the Hon'ble Commission, MSEDCL submits that the Hon'ble Commission is empowered to correct and rectify the errors pointed out in the captioned Petition in exercise of its review jurisdiction under section 94 (1) (f) of the Electricity Act, read with Regulation 28 of the Transaction of Business Regulations. For ease of reference, the said provisions are extracted below (***emphasis supplied***):

"Section 94. (Powers of Appropriate Commission):

- (1) *The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 in respect of the following matters, namely: -*

...

- (f) **reviewing its decisions, directions and orders;**

...

28. Review of decisions, directions, and orders:

- (a) *Any person aggrieved by a direction, decision or order of the Commission, from which (i) no appeal has been preferred or (ii) from which no appeal is allowed, may, upon the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the direction, **decision or order was passed or on account of some mistake or error apparent from the face of the record, or for any other sufficient reasons,** may apply for a review*

of such order, within Forty-Five (45) days of the date of the direction, decision or order, as the case may be, to the Commission."

8. In this regard, reference may also be had to some landmark decisions of the Hon'ble Supreme Court where the nature of power which can be exercised by a court in its review jurisdiction has been laid down. It is submitted that the following instances constitute a basis for a court to exercise its review jurisdiction i.e. ignorance or disregard of a provision of law, misconception of fact or law by the court and glaring omission or patent mistakes which inadvertently creep in the judicial decision making. In this regard, reliance is placed on the following:

(a) **Lily Thomas and Ors. v. Union of India and Ors., (2000) 6 SCC 224**

"53. This Court in MJs Northern India Caterers (India) Ltd. v. Lt. Governor of Delhi considered the powers of this Court under Article 137 of the Constitution read with Order 47 Rule 1 CPC and Order 40 Rule 1 of the Supreme Court Rules and held:

*It is well settled that a party is not entitled to seek a review of a judgment delivered by this Court merely for the purpose of a rehearing and a fresh decision of the case. The normal principle is that a judgment pronounced by the Court is final, and departure from that principle is justified only when circumstances of a substantial and compelling character make it necessary to do so. Sajjan Singh v. State of Rajasthan . **For instance, if the attention of the Court is not drawn to a material statutory provision during the original hearing.** G.L Gupta v. D.N. Mehta . **The Court may also reopen its judgment if a manifest wrong has been done and it is necessary to pass an order to do full and effective justice** ON Mohindroo v. Dist. Judge, Delhi . Power to review its judgments has been conferred on the Supreme Court by Article 137 of the Constitution, and that power is subject to the provisions of any law made by Parliament or the rules made under Article 145. In a civil proceeding, an application for review is entertained only on a ground mentioned in O. XLVII, Rule 1 of the CPC and in a criminal proceeding on the ground of an error apparent on the face of the record. (Order XL, R.1, Supreme Court Rules, 1966). But whatever the nature of the proceeding, it is beyond dispute that a review proceeding cannot be equated with the original hearing of the case, and the finality of the judgment delivered by the Court will not be reconsidered **except where a glaring omission or patent mistake or like grave error has crept in earlier by judicial fallibility**'. Chandra Kanta v. Sheikh Habib.*

...

58. ... Error contemplated under the rule must be such which is apparent on the face of the record and not an error which has to be fished out and searched. It must be an error of inadvertence. No such error has been pointed out by the learned Counsel appearing for the parties seeking review of the judgment. The only arguments advanced were that the judgment interpreting Section 494 amounted violation of some of the fundamental rights. No other sufficient cause has been shown for reviewing the judgment. The words "any-other sufficient reason appearing in Order XLVII Rule 1 CPC" must mean "a reason sufficient on grounds at least analogous to those specified in the rule" as was held in *Chajju Ram v. Neki Ram* AIR 1922 PC 112 and approved by this Court in *Moron Mar Baseless Catholics and Anr. v. Most Rev. Mar Poulouse Athanasius and Ors.* AIR 1954 SC 526. **Error apparent on the face of the proceedings is an error which is based on clear ignorance or disregard of the provisions of law."**

(b) **BCCI and Anr. v. Netaji Cricket Club and Ors., (2005) 4 SCC 741**

"90. Thus, a mistake on the part of the court which would include a mistake in the nature of the undertaking may also call for a review of the order. **An application for review would also be maintainable if there exists sufficient reason therefor. What would constitute sufficient reason would depend on the facts and circumstances of the case. The words "sufficient reason" in Order 4 7 Rule 1 of the Code are wide enough to include a misconception of fact or law by a court or even an advocate. An application for review may be necessitated by way of invoking the doctrine "actus curiae neminem gravabit".**

9. It is humbly submitted that the issues/claims raised in the present Petition squarely fall within the aforementioned categories of apparent errors for which jurisdiction of this Hon'ble Commission ought to be exercised *suo moto*.

II. Summary of Claims and Corrections/Amendments sought in the MYT Order

10. As directed by this Hon'ble Commission, MSEDCL has set out below a table specifying issue-wise list of corrections sought by MSEDCL (wherever applicable and quantifiable):

Particulars	UoM	Impact
A. Erroneous Disallowance of Capex and consequential impact on ARR:		
(i) Capitalisation disallowance for the DPR approved schemes for Fourth and Fifth Control Period	Rs. Crs.	4,722.51

Particulars	UoM	Impact
(ii) Capitalisation disallowance for the 100% grants and consumer contribution funded for fourth and fifth control period	Rs. Crs.	1582.54
(iii)Capex disallowance for capex schemes for which DPRs are already submitted	Rs. Crs.	49,319.46
Total	Rs. Crs.	55,624.51
B. Manifest error in disallowance of power purchase cost for the FY 2024-25	Rs. Crs.	6,057
C. Power Procurement Expense for the Fifth Control Period		
(i) Errors in estimation of total sales for the Fifth Control Period	MUs	54,094
(ii) Errors in Commissions Power Procurement Model	Rs. Crs.	69,824
(iii)Other patent errors in projection and determination of power purchase cost		
a. Inconsistency and apparent error in rate of variable charge/ECR of MSPGCL thermal stations assumed in the MYT Order	Rs. Crs.	98.15
b. Non-consideration of impact of Reagent Cost of FGD on ECR of MSPGCL projects in the MYT Order	Rs. Crs.	3056.71
c. Apparent error in computation of power purchase cost from Small Hydro projects of MSPGCL	Rs. Crs.	1322.14
d. Apparent error in computation of power purchase cost from GMR for FY 2026-27 due to wrong VC considered	Rs. Crs.	6.48
D. Manifest errors in determination of Agricultural Sales: disallowance of technical losses and impact on AG sales index		
Impact of sharing of Gains/Losses for True-up years of FY 2022-23	Rs. Crs.	2,324
Impact of sharing of Gains/Losses for True-up years of FY 2023-24	Rs. Crs.	948
E. Erroneous findings with respect to Time-of-Day tariff and banking provisions	-	-
F. Manifest error in disallowing the additional ROE for FY 2022-23 and FY 2023-24 for the Distribution Wires Business	Rs. Crs.	382.52
G. Erroneous and arbitrary change in classification of the Hotel Industry and undue benefit to the Hotel	Rs. Crs.	854.92

Particulars	UoM	Impact
Industry		
H. Undue benefit on account of Wheeling charges due to non-establishment of EHV network by MSETCL	Rs. Cr./Year	127.15
I. Manifest error in non-consideration of assets created through grants and consumer contribution in determination of Operation & Maintenance ("O&M") expenses	Rs. Crs.	8,309.27
J. Disallowance in Interest on Working Capital	-	-
K. Manifest error in calculation of rate of depreciation for FY 2022-23 to FY 2024-25 and for the fifth control period	-	-
L. Disallowance of Grid Support Charges	-	-
M. Manifest error in respect of removal of RPO fulfilment in respect of green power supplied to non-obligated entities at the green tariff	-	-
N. Erroneous energy balance calculation in True-up period (FY 2022-23 & FY 2023-24)	MUs	363
O. Inequitable distribution of savings in Power Purchase Cost	-	-

III. Issue-specific Submissions

A. ERRONEOUS DISALLOWANCE OF CAPEX AND CONSEQUENTIAL IMPACT ON ARR

11. The following disallowances are errors apparent and must be corrected by the Hon'ble Commission:

(i) Capitalisation disallowance for the DPR approved schemes for Fourth and Fifth Control Period

12. It is humbly submitted while passing the MYT Order, this Hon'ble Commission has erroneously disallowed the capitalisation for certain capex schemes citing non-approval of the DPR for the said schemes, even though the DPRs for the said schemes have already been approved by this Hon'ble Commission. The details of such schemes are as follows:

Scheme name	In Principle Approval No.	4th Control Period	5th Control Period	Total
DPDC / non-tribal	MERC /CAPEX/2019-20/for DPDC 2019-20	401.06	2925.30	3326.36

Scheme name	In Principle Approval No.	4th Control Period	5th Control Period	Total
DPDC / SCP (Loan up to 2012-13)	MERC /CAPEX/2019-20/for DPDC 2019-20	86.05	490.25	576.30
DPDC / TSP + OTSP	MERC /CAPEX/2019-20/for DPDC 2019-20	13.08	168.95	182.03
Evacuation of Power from EHV Substation (Phase-III)	MERC/Capex/2022-23/673	20.00	135.81	155.81
RDSS-Raynagar Colony Solapur -PMAY	MERC/Capex/MSEDCL/2023-24/179	29.86	28.05	57.90
RDSS-Cyclone Resilient Network NCRMP Works	MERC/Capex/MSEDCL/2023-24/0179	340.00	83.93	423.93
DELP	MERC/Cell No 6/DSM/MSEDCL/204 dated 29 May 2015	0.17	0.00	0.17
Total disallowance		890.22	3,832.29	4,722.51

13. **Query of Hon'ble Commission during hearing on 06.05.2025:** This Hon'ble Commission during the e-hearing held on 06.05.2025 had enquired as to whether these schemes are expired schemes, for which in-principal approval has already lapsed. In this regard, it is humbly submitted that the schemes are currently active schemes, in which works have been started within the stipulated timelines. The scheme wise status update of these schemes is set out at **ANNEXURE – 1** attached herewith.

(ii) Capitalisation disallowance for the 100% grants and consumer contribution funded for Fourth and Fifth Control Period:

14. It is humbly submitted that this Hon'ble Commission has erroneously disallowed the capitalisation proposed in respect of capex schemes funded 100 percent by government grants or consumer contribution, as there is no requirement of in-principle approval for such schemes as per Regulation 4.4 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022. The details of such schemes, are as follows:

Scheme name	Nature of Grant	4th Control Period	5th Control Period	Total
Sukanu Samiti for 2019-20	100% Consumer Contribution	0.25	0.00	0.25
Underground works of extended area of Baramati Municipal Corporation	100% Grant Scheme	38.51	9.10	47.61

RDSS-DVP of Particular Vulnerable Tribal Group (PVTG)	100% Grant Scheme	20.00	10.30	30.30
TSP Grant substation scheme	100% Grant Scheme	112.08	855.00	967.08
Nagpur OH to UG	100% Grant Scheme	8.00	529.30	537.30
Total Disallowance		178.83	1403.70	1582.54

(iii) Capitalisation disallowance for capex schemes for which DPRs are already submitted:

15. It is humbly submitted that MSEDCL has submitted DPRs for in-principal approval of this Hon'ble Commission under the MERC (Approval of Capital Investment Schemes) Regulations, 2022, which are currently pending, however, the Hon'ble Commission has erred in not granting any provisional capitalisation approval for such schemes in the MYT Order. The details of such schemes are as follows:

Scheme name	4th Control Period	5th Control Period	Total
System Strengthening (MSKVY 2.0)	758.20	1,596.17	2,354.37
MSKVY 2.0 Under RDSS	298.70	2,680.20	2,978.90
Off-grid Solar Photovoltaic Water Pumping Systems & Agricultural Feeder Solarisation Project with Conventional AG connections. (funded by AIIB) Component AA	100.00	1,428.68	1,528.68
Maharashtra Power Distribution Enhancement Program for Facilitating Solarisation and Expanding Agricultural Connections (Funded by ADB)	-	7,600.00	7,600.00
New Consumers 2025-	-	3,750.00	3,750.00

Scheme name	4th Control Period	5th Control Period	Total
2030			
Special Assistance-Nagpur & Pune System Strengthening	16.00	139.73	155.73
SIDBI Cluster Development Fund (CDF)	40.00	210.00	250.00
Evacuation of Power from EHV Substation (Phase-IV)	4.00	151.00	155.00
Substation Monitoring System	186.36	124.24	310.60
Approval for installation of Rooftop solar at MSEDCL owned Building such as offices, substations, stores, Rest house and CFC's for total pf 50MW	85.00	199.50	284.50
RDSS-System Strengthening & Modernization	2,500.00	27,450.67	29,950.67
Submitted DPR Sub-Total (A)	3988.26	45330.18	49318.45
Meter Replacement (Old Scheme)	0.02	-	0.02
System Improvement Scheme (Old Scheme)	0.99	-	0.99
Old Schemes –Sub Total (B)	1.01	-	1.01
Total Disallowance (A+B)	3,989.28	45,330.18	49,319.46

16. It is humbly submitted that these DPRs have been prepared strictly in accordance with the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022, and they fall within the categories specified under Regulation 3.9 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022, and none of the submitted DPRs fall within the negative list of items specified under Regulation 3.19 of the said Regulations. MSEDCL had received certain queries from this Hon'ble Commission vide email dated 13.02.2025, which have been duly responded to by MSEDCL vide its letter dated 13.03.2025. It is humbly submitted that due to inadvertence, these DPRs despite being submitted have been ignored by this Hon'ble Commission while passing the MYT Order, and that the lack of approval of capitalisation for the said schemes is an error apparent on the face of the record as it is contrary to Regulation 24.6 of the MYT Regulations. In this regard, it is pertinent to highlight that Regulation 24.6 delineates the scope of scrutiny by this Hon'ble Commission of such projected capital expenditure and capitalisation plan.
17. **Query of Hon'ble Commission during hearing on 06.05.2025:** This Hon'ble Commission was pleased to enquire as to the requirement of prudence check of such expenditure, and verification as to whether the approved amounts have actually been deployed for the relevant schemes. In response thereto, it is submitted that any amounts approved towards projected capitalisation shall be subject to a prudence check at the true-up stage, where this Hon'ble Commission will be empowered to undertake a prudence check and consider all such factors as may be deemed appropriate. In this regard, reference may also be had to Regulation 29.9 of the MYT Regulations which specifically provides for true-up of projected capitalisation.
18. It is further submitted that under the MYT Regulations, **there is no mandatory requirement of having an in-principal approval for the projected capitalisation of such scheme to be approved at the ARR stage.** Reference may be had to this Hon'ble Commission's order dated 28.03.2025 passed in **Case No. 211 of 2024 filed by Adani Electricity Mumbai Limited (Distribution Business)** for Approval of Truing-up of FY 2022-23 and FY 2023-24, Provisional Truing-up for FY 2024-25, and ARR and Tariff for Fifth Control Period from FY 2025-26 to FY 2029-30, filed under the MYT Regulations 2024. **In the said order, this Hon'ble Commission itself has provisionally allowed the capitalisation for capex schemes for which DPR is submitted and is pending approval based on factors set out in Regulation 24.6 of the MYT Regulations, 2024.**
19. It is also submitted that the MYT Order has been passed in ignorance of various factors delineated in Regulation 24.6 of the MYT Regulations, and hence it is an error apparent on the face of the record. This Hon'ble Commission has failed to apply the principles set out in Regulation 24.6 of the MYT Regulations while granting capex approval as it has restricted its decision-making process only to past capitalisation trends and availability of

in-principal approval of DPRs, while ignoring the other important factors. This includes the non-consideration of projected distribution growth, capacity addition, and demand growth. The lack of application of these principles has resulted in an arbitrary and unjust disallowance of capital expenditure, which is essential for the sustainable growth and development of the distribution network. In this regard, reference may be had to the table below, which shows a consistent growth in the addition of generation capacity, peak demand and no. of consumers over the Fifth Control Period, whereas the quantum of approved Capex over the same period is manifestly adequate and sees a clear downward trend:

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capitalization (Rs. Crs.) <i>(as approved in the MYT Order)</i>	9,319	2,973	1,556	1,369	1,371
Peak Demand (MW) <i>(as per the RA Plan)</i>	27,732	30,520	33,521	34,287	35,334
Number of Consumers	3,24,91,795	3,33,78,773	3,42,92,210	3,52,32,842	3,62,01,521
Generation Capacity Addition (MW)	10,008	12,152	4,922	3,454	5,466

20. It is also submitted that the disallowance of capital expenditure at the ARR stage pending the approval of the DPRs has a substantial financial impact on MSEDCL, which cannot be offset through internal accruals pending the Mid Term Review (**MTR**), as has been suggested by this Hon'ble Commission in the MYT Order. The burden of carrying cost and Interest During Construction (**IDC**) further exacerbates the financial strain on MSEDCL, which shall be ultimately passed on to its consumers, thereby having an adverse impact on tariff. On the basis of the aforementioned facts and submissions, it is humbly submitted that this Hon'ble Commission be pleased to approve the projected capitalisation, as projected and proposed by MSEDCL.

B. MANIFEST ERROR IN DISALLOWANCE OF POWER PURCHASE COST FOR THE FY 2024-25

21. It is submitted that this Hon'ble Commission has committed a serious error while provisionally approving the Distribution Loss for FY 2024-25, which resulted in the severe disallowance of power purchase quantum and power purchase expenses for the MSEDCL.
22. In this regard, it is submitted that at paragraph 4.1.7 of the MYT Order, this Hon'ble Commission has mentioned that it has considered the AG sales index of FY 2023-24 for determining the AG Sales of FY 2024-25, which resulted in the disallowance of 2,999 MUs in Total Energy Sales (Incl. of DF sales). Total Energy Sales (Incl. of DF sales) submitted by MSEDCL is 1,37,036 MUs, while Hon'ble Commission has approved 1,34,037 MUs.
23. In this regard, the Petitioner craves leave to refer to and rely upon its averments and submissions made hereinabove in the section pertaining to disallowance of AG sales and humbly requests this Hon'ble Commission to consider the AG sales for FY 2024-25 as originally submitted by MSEDCL.
24. Without prejudice to the aforesaid, it is submitted that this Hon'ble Commission has failed to carry out a provisional true up of the distribution loss for FY 2024-25 based on the approved sales, and has, instead, in a wholly mechanical fashion retained the distribution loss approved at the time of MTR for the Fourth Control Period.
25. The distribution loss trajectory from FY 2022-23 to FY 2029-30 as approved by the Hon'ble Commission represents the sudden decline in Distribution loss of FY 2024-25 which is inconsistent and having detrimental impact on Power purchase expense of MSEDCL.
26. Further, MSEDCL would like to refer to the approach followed by this Hon'ble Commission in the MYT order for the Fourth Control Period (Case No. 322 of 2019), where this Hon'ble Commission had revised (reduced) the estimation of AG sales for FY 2019-20 (Provisional true up year) but considered the Energy requirement same as submitted by the MSEDCL, thereby revising the distribution loss for FY 2019-20 (Provisional true up year).
27. The Petitioner humbly requests this Hon'ble Commission to maintain consistency and follow similar approach for FY 2024-25, as followed previously by this Hon'ble Commission.
28. In addition to the aforementioned, the determination of power purchase cost for FY 2024-25 suffers from the following additional errors:

- (i) **Issue with short term Power purchase:** At paragraph 4.4.24 of the MYT Order, this Hon'ble Commission has observed that *"till October 2024, MSEDCL has procured 1189.92 MUs at an average rate of Rs. 4.91 per kWh which is under the ceiling tariff of Rs. 7.90 per kWh for FY 2024-25 in Case No. 190 of 2023."* In spite of this, Hon'ble Commission has considered short term power purchase quantum as 1097 MUs.
- (ii) **Issue of Technical Minimum in Model of FY2024-25:** As seen from this Hon'ble Commission's model for expected power purchase, monthly MOD projection without considering technical minimum requirements has resulted in no schedule for NTPC Solapur, Adani 1200, 125, 440 PPA, Parli 6/7,8, Bhusawal-3, Nashik 3-4-5, Uran, Kawas & Gandhar Gas Plant. Further, no short-term power purchase has been considered from Oct-24 to Mar-25, whereas power purchase from short term as well as IEX has been considered in FY25 to FY30.
- (iii) **Issue of wrong VC for TAPP 1&2 units:** TAPP 1&2 units are under outage for fuel refuelling since 08.01.2020, which are not expected to start before 30th July 2025 as per WRLDC website. MSEDCL has considered negative power purchase units (due to actual drawal by this NPCIL station, which is billed to MSEDCL) and hence no power purchase cost was considered by MSEDCL for Apr-2024 to Sep-2024 based on actual data. However, MSEDCL has inadvertently considered dispatch of 553 MUs at zero cost for Oct-24 to Mar-25 from TAPP 1&2 Units in the MYT Petition. Further, the same inadvertent error is also reflected in this Hon'ble Commission's model.

29. It is submitted that the aforementioned errors as well as the critical errors points above, viz., erroneous determination of AG sales, inconsistent distribution loss trajectory and error in power purchase modelling for FY 2024-25 by Hon'ble Commission, have unjustifiably reduced the power purchase quantum for the Petitioner by 11,531 MUs, ultimately resulting in a significant disallowance of approved power purchase expense by Rs. 6,057 Cr.
30. Further it is humbly submitted that the Provisional figures of FY 2024-25 for power purchase quantum and power purchase cost is available with the petitioner and said figures are found to be in line with MSEDCL's projected figures given in MYT petition and same are summarised as under:

Financial Year	MYT Petition			Provisional Figures		
	Energy Purchase at bus bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs./kWh)	Energy Purchase at bus bar (MU)	Total Cost (Rs. Crore)	Rate per unit of power procured (Rs./kWh)

FY 2024-25	1,68,448	84,286	5.00	167741.26	85416.76	5.09
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31. It is further submitted that while this disallowance will have an immediate impact on the financial health and liquidity of the Petitioner, these disallowances will ultimately also lead to higher carrying cost in subsequent MTR process resulting in higher tariffs thereon, ultimately impacting the consumer in both short term as well as long term. MSEDCL accordingly requests Hon'ble Commission for allowing the Power Purchase Expense for FY 2024-25 as originally submitted by the MSEDCL.

C. POWER PROCUREMENT EXPENSES FOR THE FIFTH CONTROL PERIOD

(i) Errors in estimation of total sales for the Fifth Control Period:

32. It is submitted that the sales forecast for the Fifth Control Period, as submitted in the MYT Petition was based on the methodologies stipulated in the RA Regulation 2024 and sales forecast submitted in the RA plan to the Hon'ble Commission on 15.10.2024. It is submitted that disallowance of the sales forecast is based on an erroneous noting/understanding of the Hon'ble Commission, i.e. that MSEDCL has prepared the sales forecast based on the CAGR, when MSEDCL has prepared the same basis the RA Framework, specifically in terms of Regulation 6.4. The Hon'ble Commission has erroneously disregarded the same while noting that MSEDCL's CAGR method is erroneous at Para 5.3.1.7 and 5.3.1.10 which is in contradiction to the noting at Para 5.1.4.
33. It is stated that not only the Hon'ble Commission has grossly erred running the CAGR method on its own to arrive at sales forecasts, which is rather in complete contradiction of the RA Framework Regulations. Additionally, there is lot of inconsistency in considering CAGR for different categories such as using y-o-y approach for few categories, considers 3 yr / 5 yr CAGR for few categories, weighted Avg. CAGR for few categories, Avg. CAGR of two subcategories which reflects that there is no consistency in the approach adopted by this Hon'ble Commission. MSEDCL's sales projections were reflective of proposed tariff, whereas this Hon'ble Commission has grossly ignored its tariff structure like new ToD regime, re-categorization of certain consumer category. Hence, it is stated that any disallowance basis an incorrect understanding must therefore be corrected to correctly appreciate the submissions of MSEDCL which were based on the RA Framework.

(ii) Errors in the Commission's power procurement model:

34. It is humbly submitted that there are several manifest factual and technical errors apparent while Hon'ble Commission carried out its own modelling of MSEDCL's MOD based estimated power procurement cost for the Fifth Control

Period. In this regard, it is stated that even if this Hon'ble Commission's projection of total sales and power purchase requirement (in MUs) is assumed to be correct, the adverse financial impact of the errors in the model applied for projection of the power purchase cost is approximately Rs. 69,824 crores for the Fifth Control Period.

35. Here, it is pertinent to rely on the judgment of the Hon'ble APTEL passed in *Bangalore Electricity Supply Co. Ltd. and Ors. v. Karnataka Electricity Regulatory Commission and Anr.*, Appeal No. 250 of 2006, where the Hon'ble APTEL was pleased to hold that the estimation and projection of power procurement related expenses are within the exclusive domain of the licensee.
36. It is humbly submitted that due to the errors in model assumed by this Hon'ble Commission, the power procurement cost estimated by this Hon'ble Commission is significantly lower than the actual estimated cost. As such, any erroneous under representation of power purchase cost at the ARR stage shall lead to FAC shock resulting in only a mere illusion of reduced tariff. Such an approach may lead to discontent amongst the consumers, which is not desirable. This approach further affects the industrial consumers as subsequent imposition of unanticipated steep FAC may upset their budgetary planning and operational expenses, which is not desirable. As such, best practices require that the tariff determination should reflect the true cost of supply.
37. It is further submitted that, this will affect the reliability of supply to MSEDCL's consumers and may also result in MSEDCL defaulting its payment obligations to its generators, which will not only result in LPS liability but may also invite penal action under the LPS Rules, further crippling MSEDCL's ability to serve its consumers. Needless to add, any such revenue gap at the time of true-up will result in the consumers being saddled with unnecessary carrying costs. Overall, this unjustified and significant reduction in approved power purchase costs will have dire consequences on the financial and operational health of MSEDCL, which is not in the public interest. On the other hand, no prejudice will be caused to the consumers of MSEDCL as even if its projected power procurement cost is approved at this stage, it shall be subject to true up at the MTR stage.
38. It is also submitted that there are several apparent errors and manifest inconsistencies in the model and assumptions adopted by this Hon'ble Commission for projecting the power purchase expenses for the Fifth Control Period. In this regard, it is stated that even if this Hon'ble Commission's projection of total sales and power purchase requirement (in MUs) is assumed to be correct, the adverse financial impact of the errors in the model applied

for projection of the power purchase cost is approximately Rs. 69,824 crore for the Fifth Control Period.

39. It is stated that optimising despatch of power according to dynamic demand requirements and other environmental factors are strictly within the domain of the distribution licensee as it is the licensee who is responsible for operating the distribution business and serving its consumers on a day-to-day basis, as is best placed to decide optimal despatch schedule considering the relevant factors.
40. It is humbly submitted that this Hon'ble Commission's model suffers from the following apparent and technical errors which deserve to be corrected:
- (i) Non-consideration of technical minimum and ramp-up, ramp-down principles for despatch of generation from thermal power projects and number of start/stop operations permitted for Thermal Generating station during a year;
 - (ii) Non-consideration of significant changes in demand profile in Fifth Control Period vis-à-vis FY 2023-24;
 - (iii) Discrepancy between Distributed Solar CUF assumed in the MYT Order and applied in the overall power procurement model for Distributed Solar projects;
 - (iv) Inconsistency in energy requirement considered at state periphery in the power procurement model and in MYT Order.
41. Here, it is pertinent to highlight that while the MYT Order expressly notes that this Hon'ble Commission has factored in operational constraints such as ramp-up, ramp-down, technical minimum and associated start-up, shut-down costs thereof, a technical scrutiny of the model adopted by this Hon'ble Commission for allocation and determination of power purchase cost clearly shows that the said considerations have been conspicuously and erroneously overlooked by this Hon'ble Commission.
42. In this regard, reference may also be had to various instances across the entire control period, as set out in the captioned Petition, as the model suffers from an apparent conceptual error where bucket filling approach has been applied to meet daily demand without taking in consideration these unavoidable operational constraints. References to such instances have been indicated in the Petition.
43. A bare perusal of the MOD stack provided in the MYT Order demonstrates that there are several instances where the thermal plants are switched off completely in the next hour after running at full capacity in the previous hour. Further, the model does not factor in the minimum gap required between

reserve shut down of the plant and restart thereof, and that the model has failed to take into account the financial impact of compensation payable under the grid codes for such kind of operation.

44. It is humbly stated that, if only the aforesaid errors are corrected, the estimated power purchase cost for the Fifth Control Period will have to be revised upwards by Rs. 69,824 crores.
45. In addition to the aforesaid, it is humbly submitted that this Hon'ble Commission has erred by adopting the demand profile for FY 2023-24 without any adjustments to the actual and anticipated changes in demand profile for the Fifth Control Period, despite noting in the MYT Order that it has considered the projection of load profile as per submissions of MSEDCL.
46. Lastly, there is another serious and apparent error where there is a factual discrepancy between the Solar CUF for distributed solar projects, as indicated in the MYT Order and as applied in the model adopted by the Commission, as the Hon'ble Commission has stated in the MYT Order that it has considered the normative CUF of 19% for such projects in its model, whereas the actual CUF assumed in the model is 24.69%.
47. It is therefore submitted that this is a clear case of apparent and serious inconsistencies between the contents of the MYT Order and the data fed into the actual MOD model adopted by this Hon'ble Commission. These errors, therefore, deserve to be corrected and rectified suo-motu by this Hon'ble Commission at the earliest.

(iii) Other patent errors in projection and determination of power purchase cost

48. It is humbly submitted that in addition to the aforementioned errors in the determination of power purchase cost for the Fifth Control Period, there are certain other apparent errors in the projection of power purchase cost which have a significant financial impact and hence ought to be immediately corrected and rectified. The Petitioner's issue wise submissions on the said additional errors are hereunder:

a. Inconsistency and apparent error in rate of variable charge/ECR of MSPGCL thermal stations assumed in the MYT Order

49. It is humbly stated that there is a difference between the ECR considered by this Hon'ble Commission for calculation of approved monthly MOD stack in the MYT Order (Page No.808 to 824) and ECR approved by this Hon'ble Commission for MSPGCL's thermal power stations vide order dated 28.03.2025 passed in Case No. 187 of 2024 (Page No. 252) ("**MSPGCL MYT Order**"). The said difference/inconsistency is an error apparent on the face of

the record as this Hon'ble Commission appears to have inadvertently failed to incorporate the ECR as approved in its order passed in Case No. 187 of 2024 in the power purchase cost determination for the Petitioner. It is submitted that due to the aforementioned inconsistency in ECR, power purchase cost considered for MSEDCL in respect of MSPGCL thermal stations for the Fifth Control Period as a whole is under-accounted for by approximately Rs. 98.15 crore.

b. Non-consideration of impact of Reagent Cost of FGD on ECR of MSPGCL projects in the MYT Order

50. It is stated that this Hon'ble Commission in the MSPGCL MYT Order has provisionally approved the Reagent Cost payable (in Rs. /kWh) over and above the approved ECR for various thermal plants of MSPGCL in the MSPGCL MYT Order (Page No. 253). However, this Hon'ble Commission has failed to consider the impact of the said additional Reagent Cost in the computation of power purchase expenses of the Petitioner in the MYT Order. It is submitted that the said error is apparent on the face of the record as this Hon'ble Commission ought to have made a corresponding provision for impact of Reagent Cost over and above the ECR in the MYT Order of the Petitioner as well. Indeed, the Petitioner cannot be expected to make payments to MSPGCL towards additional impact of Reagent Cost of FGD units without having the corresponding right to recover the same from its ARR. It is stated that the cumulative financial impact of the said error is approximately Rs. 3,056.71 crore for the Fifth Control Period.

c. Apparent error in computation of power purchase cost from Small Hydro projects of MSPGCL

51. It is submitted that this Hon'ble Commission in MSPGCL MYT Order has approved integrated AFC for all small hydro stations of MSPGCL under 'SHP' head, which also includes AFC for Ghatghar & Vaitarna hydro power projects considering Installed capacity mentioned in MSPGCL's MYT order under SHP . The AFC, as approved by this Hon'ble Commission for the said MSPGCL's Small Hydro projects is set out below (Amt in Rs. Cr):

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Approved AFC for SHP, including Ghatghar, as per MSPGCL MYT Order	413.61	428.47	446.7	440.81	445.86	2175.45

52. However, in the Petitioner's MYT Order, this Hon'ble Commission has approved only Rs. 177 Crs/annum towards power purchase cost for all small hydro stations. In this regard, it is submitted that while the approved amount does not even cover the power procurement cost payable to MSPGCL's SHPs, it is humbly submitted that MSEDCL has contracted other small hydro power stations in addition to small hydro stations contracted with MSPGCL, whose costs also need to be factored in and allowed by this Hon'ble Commission.
53. It is submitted that last three years average power purchase cost for MSEDCL towards other SHP (excluding MSPGCL SHP) is about Rs. 172 Crs/annum, which also needs to be factored in as the Hon'ble Commission has not approved the power purchase cost towards other SHP (excluding MSPGCL SHP) in MSEDCL's MYT Order.
54. It is further reiterated that the approved power purchase cost to MSEDCL towards all SHP is even less than the charges allowed to MSPGCL for its SHP. Hence, power purchase cost towards other SHPs (excluding MSPGCL SHP) also needs to be considered while approving power purchase cost to MSEDCL towards small hydro stations.
55. The details of shortfall in approved power purchase cost for SHP are as follows:

Particulars (Amt. in Rs. Crs.)		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Total
Approved AFC for SHP including Ghatghar as per MSPGCL MYT order case no 187 of 2024	A	413.61	428.47	446.70	440.81	445.86	2175.45
Power purchase cost required for other SHPs (excluding MSPGCL SHP)	B	172.00	172.00	172.00	172.00	172.00	860.00
Approved PP cost for SHP in MSEDCL MYT order 217 of 2024	C	177.00	177.00	177.00	177.00	177.00	885.00
Approved PP cost for Ghatghar in MSEDCL MYT order 217 of 2024	D	169.85	167.76	165.66	163.57	161.47	828.31
Shortfall in approved AFC to MSEDCL wrt AFC for MSPGCL SHP	E = (A+B)-(C+D)	238.76	255.71	276.04	272.24	279.39	1322.14

56. As such, this Hon'ble Commission has made an apparent error by not approving the power purchase cost for procurement of power from SHPs in

the power procurement, despite no express or implied disallowance of the procurement from these sources.

d. Apparent error in computation of power purchase cost from GMR for FY 2026-27 due to wrong VC considered

57. It is stated that this Hon'ble Commission has noted at para 5.9.34 of MYT order that for IPP's variable cost as submitted by MSEDCL is considered. It is humbly submitted that despite the aforementioned findings, this Hon'ble Commission has committed an apparent error as it has approved the variable cost for procurement from GMR's thermal project for FY 2026-27 at the same rate as FY 2025-26, without any escalation. In this regard, reference is invited to "Annexure VIII: Monthly MoD Stacks Approved for FY 2026-27" and "Annexure VII: Monthly MoD Stacks Approved for FY 2025-26" from the MYT Order, from which it is apparent that this Hon'ble Commission has considered variable cost of GMR Energy as Rs. 3.26 for both FY2025-26 and FY2026-27, whereas actual variable cost submitted by MSEDCL for FY2026-27 for GMR Energy is Rs. 3.32 /Kwh. Due to apparent error, there is a consequent disallowance of Rs.6.48 Crs.

D. MANIFEST ERRORS IN DETERMINATION OF AGRICULTURAL SALES: DISALLOWANCE OF TECHNICAL LOSSES AND INCONSISTENT APPROACH IN TRUE-UP PERIOD

(i) Non-consideration of Technical Losses of 9.1%

58. At the outset it is stated that for arriving at AG Sales Index, the three factors that must be considered are, Feeder Input Energy, Technical Losses & Connected AG Load. That the Hon'ble Commission has erroneously omitted to consider the technical losses (which impact the AG Index and in consequence AG Sales, distribution losses and thereby whole energy balance) submitted by the Petitioner.
59. In respect of the technical losses on AG Feeders, this Hon'ble Commission has merely noted the submission of the Petitioner qua technical losses, which were submitted at 9.1% without any further basis or statement towards erroneously omitting to consider the same, and thereby notionally rejecting the same. That MSEDCL has computed and submitted the technical losses based on data that has been scientifically procured from reliable and consistent software (CYMDIST) and is in complete compliance with any directions given by the Hon'ble Commission in this regard, in its earlier orders. That CYMDIST is a Ministry of Power recommended software which requires no manual interference while collating and computing data, including the technical loss percentage.

60. Rather, by erroneously omitting to consider/accidentally overlooking and discarding the technical loss computation provided by the Petitioner, this Hon'ble Commission has also not provided a better way forward and has rather set the clock back to the erstwhile computation of technical losses.

61. In the order, the Hon'ble Commission has noted 9.1% technical losses but has neither commented nor accepted the feeder technical loss as 9.1%. That the non- consideration is in completely erroneous and oversight. Hence, the Hon'ble Commission is requested to consider the technical losses at 9.1%, based on the scientific data submitted by the Petitioner.

(ii) Inconsistency in approach qua AG Sales and Technical Losses for the True-Up Periods of FY 2022-23 and FY 2023-24

62. In respect of the true-up periods, the Hon'ble Commission has erred by applying inconsistent AG Sales Index. In FY 2022-23, this Hon'ble Commission has approved the Sales Index of 1,216 kWh/HP per annum. This figure was arrived at basis the data submitted by the Petitioner. The Hon'ble Commission has considered 506 to 514 feeders for different quarters (please see Table 7 of the MYT Order) and data corresponding to the year – basis this AG Sales for that year were decided and that was around 28, 758 MUs while the Petitioner proposed 36, 635 MUs. Basis the said AG Sale Index was calculated at 1,216 kWh/HP per annum.

63. However, in complete inconsistent consideration, for the FY 2023-24, Hon'ble Commission has approved the Ag Sale Index of 1377 kWh/HP per annum. In this calculation, the Hon'ble Commission has considered 525 additional feeders, i.e. a total of 1054 feeders (please see Table 12 of the MYT Order) as opposed to 506 to 514 feeders for the FY 2022-23. The implication of the erroneous conduct of the Hon'ble Commission is that if the AG Sales index of 1054 feeders of FY 2023-24 are considered for FY 2022-23 then the AG Sales would alone go up for FY 2022-23 by 3,552 MUs. The Hon'ble Commission has previously retrospectively approved the AG sales for past period. The Hon'ble Commission in its MYT Order 322 of 2019 has considered the AG Sales Index to be applicable for a period prior to 2019.

64. It is stated that while arriving at the technical loss of 18% the Hon'ble Commission had considered 44 feeders of the total feeder data available at that relevant time, however **based on the CYMDIST software with data from the same 44 feeders, the average technical loss was found to be 8.33%**. MSEDCL has claimed the technical losses of 9.1% for the 524 feeders in the MYT Petition.

65. The approved and revised AG sales with AG Index of 1537 kWh/HP/annum for the true-up period is as below:

Particular	FY 2022-23	FY 2023-24
Approved	28,758 MUs	33,349 MUs
Revised @ 1537 kWh/HP/ Annum	36,289 MUs	37,217 Mus

66. **Query of Hon'ble Commission during hearing on 09.05.2025:** The Hon'ble Commission enquired about the pendency of the dispute relating to AG Sales Index and the methodology set by the Hon'ble Commission before Ld. APTEL and its co-relation or impact herein. It is stated that the issue in the pending appeal is different and distinct, for it challenges the methodology has while in the instant MYT Petition the methodology has been followed by MSEDCL. It is stated that the pending appeal has no bearing on the CYMDIST data of "Technical Losses" being submitted by MSEDCL and its consideration by the Hon'ble Commission for the purposes of the MYT.

E. ERRONEOUS FINDINGS WITH RESPECT TO TIME OF DAY ("TOD") TARIFF AND BANKING PROVISIONS

67. It is submitted that this Hon'ble Commission has committed a manifest error by issuing banking related directions in the MYT Order, while determining the ToD slots and ToD tariff, as such directions were beyond its jurisdiction in the present proceedings and also squarely inconsistent with the provisions of the MERC (Distribution Open Access) Regulations, 2016 ("**DOA Regulations**"). Briefly put, this Hon'ble Commission's mandate in the present proceedings was limited to determining the duration and slot of solar hours and peak hours and the applicable ToD tariff, as the issues with respect to banking of power are exclusively governed by the provisions of the DOA Regulations, which could not have been modified in any manner in these proceedings.
68. It is submitted that this Hon'ble Commission's findings pertaining to revision of banking related provisions have also been passed in violation of principles of natural justice, as neither there was any proposal from MSEDCL in its MYT petition to revise the banking provisions (as it would be procedurally impermissible), nor was MSEDCL provided any prior notice regarding this Hon'ble Commission decision to revise the banking provisions in the MYT proceedings. As such, the decision to revise the banking related provisions was passed by this Hon'ble Commission without affording an opportunity to be heard to the Petitioner, and hence the said decision needs to be corrected by this Hon'ble Commission on this ground alone.
69. In addition to the aforesaid, this Hon'ble Commission has also seriously erred in providing rebate of 10 percent during 00.00 hrs to 06.00 hrs. In this regard, it is stated that the Electricity (Rights of Consumers) Rules, 2023

("MoP Rules") only require providing a rebate during the designated solar hours and charging a premium during the peak hours, as such, this Hon'ble Commission exceeded its jurisdiction by granting a rebate *suo-motu* during the 00.00 to 06.00 hrs time slot. The Scope of MoP Rules and MYT Regulations on TOD issues is as follows:

- (i) On 14.06.2023, Ministry of Power, Government of India, issued the Electricity (Rights of Consumers) Amendment Rules, 2023 in exercise of power under Section 176(1) & 176(2)(z) of the Act. These amendment rules amended the MoP Rules to include provisions delineating the principle and mechanism for introduction and determination of TOD tariff for distribution licensees. The relevant provision of the MoP Rules, *inter alia*, provides for:
 - (ii) Demarcation of 8 hours in a day as "solar hours";
 - (iii) Demarcation of up to 8 hours in a day as peak hours;
 - (iv) Rebate on tariff of at least 20 percent during the "solar hours"; and
 - (v) Premium on tariff of at least 20 percent for Commercial and Industrial consumers, and at least 10 percent for other consumers, during the designated "peak hours".
70. It is thus, submitted that that there is no mandate/requirement with respect to banking of electricity and the modalities thereof in the MoP Rules. Furthermore, it is also palpably clear that the MoP Rules contemplate providing a rebate on tariff only during "solar hours". This position is also evident by reference to the term "normal tariff" for periods other than "solar hours" and "peak hours", for which a rebate and premium, respectively, is contemplated in the MoP Rules.
71. In furtherance of the aforementioned provisions of the MoP Rules and to give effect to ToD tariff, this Hon'ble Commission included Regulation 115.1 and 115.2 in the MYT Regulations 2024. Based on a perusal of the said provisions of the MYT Regulations 2024, the following points are palpably clear (a) Ample freedom is contemplated for the distribution licensees to propose and structure their ToD tariff, subject to compliance with MoP Rules; (b) The ToD slots and ToD rebate/penalty mentioned in Regulation 115.2 is only indicative in nature and not mandatory; and (c) there is no reference to banking of electricity or modalities thereof in relation to ToD tariff or slots.
72. As such, based on a combined reading of the MoP Rules, it is clear that, neither the MoP Rules, nor the MYT Regulations 2024 provide for banking related provisions in the context of banking of power. The mandate of this Hon'ble Commission is limited to designating "solar hours" and "peak hours" and determining the ToD rebate and penalty, respectively, only for the said hours and no other time slot; and the onus to structure and propose the ToD tariff rests with the distribution licensee and this Hon'ble Commission is merely required to scrutinize its compliance with the MoP Rules.

Manifest illegality in amendment of banking related provisions:

73. It is humbly submitted that in spite of the aforementioned limited statutory mandate, this Hon'ble Commission has seriously erred by exceeding its jurisdiction by passing directions in respect of modalities of banking of electricity in the MYT Order. In this regard, it is humbly submitted that the provisions with respect to banking of electricity have been set out in the DOA Regulations. It is clear from Regulation 20.3 of the DOA Regulations that, any units banked during a particular TOD slot can be adjusted during the "respective TOD slot", i.e., the same TOD slot. The only exception to this rule has been provided under the proviso to Regulation 20.3, which relaxes the general rule to say that energy banked during peak TOD slots may be adjusted during off-peak TOD slots as well. Conspicuously, the proviso **does not** further state that power banked during any off-peak TOD slot can be adjusted during any other off-peak TOD slot.
74. It is submitted that by way of the illustration to Regulation 20.3, this Hon'ble Commission has consciously followed a clear approach that power banked during a TOD slot can only be adjusted either in the same off-peak TOD slot, or in another TOD slot with a lower tariff (net off any rebate/penalty, as applicable). For instance, energy injected during the night off-peak TOD slot, which had the lowest net tariff (due to the applicable rebate) at the time of promulgation of the amendment regulations in 2019, was permitted to be adjusted in the same TOD slot.
75. It is humbly submitted that the aforementioned differential approach for various off-peak TOD slots ensured that no undue benefit is derived by a banking consumer, by injecting units during a TOD slot of lower applicable tariff and withdrawing the same during a TOD slot having relatively higher tariff. This approach also adequately protected the interests of the distribution licensee.

Banking provisions were introduced and amended in the past by this Hon'ble in exercise of its legislative powers to issue regulations after following a public consultation process:

76. It is submitted that the aforementioned provisions were introduced by this in 2016 by way of DOA Regulations, after a robust public consultation process, where all relevant considerations and data, including data with respect to load profile, cost of procurement of power, comments received from stakeholders, including MSEDCL, etc. were scrutinised, before fixation of the norms and modalities for banking of power. Further, even when this Hon'ble Commission recognised the need to revise the banking related provisions, it undertook such revision process by promulgating the MERC (Distribution Open Access) First Amendment Regulations, 2019 and amending the regulations itself. This

approach ensured that the commercial interests of both the licensees as well as the open access consumers are balanced out.

Hon'ble Commission has committed an apparent error by seeking to amend the provisions of the DOA Regulations by way of passing the MYT Order in exercise of its tariff determination powers

77. However, by way of the MYT Order, this Hon'ble Commission has effectively modified the banking related provisions in the DOA Regulations by changing the timeslots for injection and withdrawal of banked units, without undertaking any amendment to the DOA Regulations or undertaking a public consultation process. The relevant paragraph of the MYT Order is Para 7.13.94, as extracted below:

"7.13.94 Thus, the Commission observes that as per existing banking and ToD regime the open access consumer was able to adjust its surplus generation during daytime (06:00 hrs to 18:00 hrs – i.e. 12 hours) during respective slots and night hours (22:00 hrs to 06:00 hrs – i.e. 8 hours) together for 20 hours (except for evening 4 hours from 18:00 hrs to 22:00 hrs). With proposed Banking arrangement as outlined under this Order, the open access consumer would be able to adjust its surplus generation during day-time (06:00 hrs to 17:00 hrs – i.e. 11 hours) during respective slots and night hours (00:00 hrs to 06:00 hrs – i.e. 6 hours) together for 17 hours (except for evening 7 hours from 17:00 hrs to 24:00 hrs). The Commission believes that this addresses the concerns expressed by objectors/stakeholders as well as that of MSEDCL about management during Peak Hours"

78. The aforesaid modifications made by this Hon'ble Commission are not only inconsistent and contrary to parallel provisions under the DOA Regulations, but such modifications are also impermissible in law **as provisions of a regulation cannot be modified by way of an order passed under section 86 of the Act.** Further, as per settled law, this Hon'ble Commission is bound by its own regulations and any order passed by this Hon'ble Commission must be consistent with its regulations.

Hon'ble Commission's decision to amend banking provisions also suffers from other serious factual and conceptual apparent errors

79. In addition to the above, the aforementioned findings of this Hon'ble Commission also suffer from an apparent factual error where they have assumed that in the existing banking TOD regime, open access consumers are able to adjust surplus generation during respective slots and night hours,

cumulatively for 20 hours, and that in the newly approved TOD and banking regime, they will be able to adjust the surplus during 17 hours a day.

80. It is submitted that the said submission is patently erroneous and completely alien to the provisions of the DOA Regulations, which contemplates "respective", slot-specific approach to adjustment of banked units. This Hon'ble Commission appears to have erroneously treated all off-peak TOD slots alike while observing that power banked can be drawn during 20 hours a day. Reference may be had to the table below which sets out the maximum no. of hours within which units injected in the said time slot can be adjusted:

Slots	Banking Adjustment should be as per MERC DOA Regulation 2019 First Amendment	Maximum no. of hours in which unit can be adjusted
Night Off-Peak - 2200 Hrs. to 0600 Hrs	Night Off-Peak	8 hours
Off-peak - 0600 Hrs. to 0900 Hrs. & 1200 Hrs. to 1800 Hrs	Night off-peak, off-peak	17 hours
Morning peak – 0900 Hrs. to 1200 Hrs	All except evening peak	20 hours
Evening peak – 1800 hrs. to 2200 hrs.	All except morning peak	21 hours

81. As is clear from the aforementioned table, the maximum no. of hours in which energy injected during a particular TOD slot may be adjusted varies from slot to slot, and ranges between 8 to 21 hours (as opposed to a flat duration of 20 hours incorrectly assumed by this Hon'ble Commission). This Hon'ble Commission, therefore, has committed a fatal error by removing this distinction inter-se different off-peak TOD slots and has rendered the phrase "**in the respective Time of Day ('TOD') slots**" in Regulation 20.3 as well as its proviso and illustration completely redundant and otiose. Such an order is manifestly illegal and suffers from an error apparent on the face of the record as it has been passed in the teeth of clear provisions of the DOA Regulations.
82. On the basis of the aforementioned facts and submissions, it is humbly submitted that this Hon'ble Commission's findings and directions with respect to banking of electricity, including as mentioned at paragraph 7.13.94 of the MYT Order, have been passed in excess of jurisdiction conferred under the MoP Rules and MYT Regulations 2024; are passed in violation of principles of natural justice; are grossly inconsistent with and contrary to the provisions of

the DOA Regulations; and have been passed without any due-application of mind.

Manifest illegality in grant of rebate during night hours

83. It is submitted that the Hon'ble Commission's decision to suo-motu grant a rebate on tariff during the night hours (00.00 hrs to 06.00 hrs) has been passed in excess of the jurisdiction conferred on this Hon'ble Commission under the MoP Rules and on the basis of patently erroneous assumptions and hence deserves to be corrected.
84. In this regard, it is reiterated that the MoP Rules as well as the MYT Regulations provide for flexibility to the licensees in respect of structuring of ToD tariff and time slots. The provisions thereunder only contemplate the quantum of solar hours, maximum limit of peak hours and minimum rebate/penalty to be applied to solar hours and peak hours, respectively. The MoP Rules do not, in any manner, require or mandate grant of any rebate for any time slots beyond the "solar hours". As such, this Hon'ble Commission has seriously erred by granting a rebate during the aforementioned night hours.
85. It is further submitted that such a direction impinges on the right of the Petitioner as a distribution licensee to structure its ToD tariff. In this regard, it becomes clear that **this Hon'ble Commission's suo-motu decision to offer a rebate during the night hours has been passed without any consideration** of the fact that it will seriously affect the Petitioner's plan to shift the night time load during the day hours/ solar hours, so as to balance and offset the anticipated significant solar capacity addition, which cannot be stored. By erroneously offering a rebate during the night hours, this Hon'ble Commission has left an insignificant incentive for the consumers to shift their load from the night hours to the solar hours, defeating the entire objective of ToD tariff structure.
86. It is, therefore, submitted that this Hon'ble Commission's aforementioned findings and directions in respect of banking of electricity and grant of rebate during night hours are expressly in the teeth of applicable statutory provisions and regulations of this Hon'ble Commission and hence suffer from manifest errors apparent on the face of the record. As such, the said findings and directions deserve to be immediately corrected and set aside by this Hon'ble Commission, failing which irreparable harm will be caused to the Petitioner.

F. MANIFEST ERROR IN DISALLOWING THE ADDITIONAL ROE FOR FY 2022-23 AND FY 2023-24 FOR THE DISTRIBUTION WIRES BUSINESS

87. The Petitioner, in the MYT Petition, had sought additional Return on Equity (ROE) for the FY 2022-23 and FY 2023-24 for both its Wire Business and Supply Business. However, contrary to Regulation 29.8, the Commission disallowed the same based on erroneous considerations. In this regard, it may be noted that as per MYT Regulations 2019, additional RoE shall be approved at the time of truing up and it shall be equivalent to 1.5% for Distribution Wire Business on achieving wire availability of 95% (for the Petitioner). That the Petitioner stated before this Hon'ble Commission and submitted the following RoEs for the Wires Business and the Supply Business as follows:
- (a) For the FY 2022-23: RoE for the Wires Business was calculated at INR 1,743.54 Crore and RoE for the Supply Business was calculated at INR 217.60 Crore
 - (b) For the FY 2023-24: RoE for the Wires Business was calculated INR 1,826.67 Crore and RoE for the Supply Business was calculated at INR 227.83 Crore
88. In light of the foregoing submissions, the Petitioner seeks from the Hon'ble Commission correction of the erroneous rejection of the additional RoE for Wires Business. The Petitioner, therefore, seeks a correction in appropriate consideration of the additional RoE of INR 186.81 Crores for the Wires Business basis a wire availability of 99.98% for the FY 2022-23 and Additional RoE of INR 195.71 Crores for the Wires Business basis a wire availability of 99.99% for the FY 2023-24.
89. The Distribution Licensee, under the Regulation has been mandated to calculate the reliability of its distribution system on the basis of number and duration of sustained interruptions in a reporting period, using the 3 indices, namely, System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI).
90. That the Hon'ble Commissions rejection of the additional ROE on the basis of a few stakeholders' inputs and certain extraneous requirements (for instance, Smart Meters) is contrary to the regulations that provide for the very basis of entitlement of the additional ROE, which is on the basis of the indices stipulated in the regulations, namely, SAIDI, SAIFI and CAIDI.

G. ERRONEOUS AND ARBITRARY CHANGE IN CLASSIFICATION OF THE HOTEL INDUSTRY AND UNDUE BENEFIT TO THE HOTEL INDUSTRY

91. The Hon'ble Commission has erroneously changed the category of 'Hotels with Lodging facility' from Commercial to Industrial Tariff Category, in a purported attempt to allegedly promote tourism in furtherance of the Tourism Policy which in the first place does not, by any stretch of reading or interpretation suggest change of category for 'Hotels with Lodging facility'. Additionally, the Ld. Commission has also incorrectly provided a discount in Energy charge of 25 paise/unit, 50 paise/unit and 75 paise/unit based on the city in which Hotels/Resorts/Guesthouse with lodging facility is located taking into consideration the classification of tourism units/zones in Maharashtra specified in the Tourism Policy of Maharashtra 2024.
92. That the Government of Maharashtra, Tourism Policy 2024 based on inputs from various stakeholders identifies 23 key fiscal and 13 non-fiscal parameters across the tourism policies, which in provide for "Electricity & Power Subsidy" as a Fiscal incentive. In furtherance of the same, in Paragraph 14.2.2 of the Tourism Policy 2024, under the title of "*Other Fiscal incentives to Large, Mega and Ultra Mega tourism projects*" the following fiscal benefits have been provided, as "*Electricity Tariff Refund (Difference between Commercial Tariff and Industrial Tariff)*". It is therefore relevant to note that the Maharashtra Tourism Policy 2024 provides for a benefit has been given in the form of '**Electricity Tariff Refund**' which seeks to ease the operational burden on tourism enterprises. Under the said incentive it is the intent of the State Government of Maharashtra that the eligible tourism units are "**entitled to a refund**" of the difference between commercial and industrial electricity tariffs. The extent of this refund varies based on the classification and location of the project, ranging from 50% to 100%. This benefit is available for new investments and for specified eligibility period, which differs depending on whether the unit is categorised as MSME, Large, Mega, Ultra Mega, or is located in a Special Tourism Zone.
93. Most importantly, this is a "**post-consumption reimbursement**" and not a "direct concession/fiscal benefit" that must be passed on at the very inception of consumption and billing, reflected in the initial payment on the electricity tariff. The policy is premised on the fact that the ones seeking benefit under this category are entitled to a "**difference**" between the electricity tariff of two categories and not an entitlement to pay only for the lower of the two categories. Hence, the eligibility of the benefit and the transfer of the benefit is in the manner of "**refund**".
94. Hence, by changing the category, there is a manifest error in applicability of the Maharashtra Tourism Policy by the Hon'ble MERC in complete contradiction of the policy itself and the provisions of the Electricity Act and Regulations made thereunder.
95. It is further stated that the Government of Maharashtra, Tourism Policy 2024 is for a certain eligible category and for a time-bound period, however the Hon'ble Commissions erroneous categorization extends the benefit to a larger category and erodes the time-bound benefit extended under the said policy (*please see Sr. No. 4 at the bottom of the table at Point 14.4.4. of the Tourism Policy, 2024*). Furthermore, the Hon'ble Commission has beyond the terms of the Tourism Policy and its powers

also incorrectly provided a discount in Energy charge of 25 paise/unit, 50 paise/unit and 75 paise/unit based on the city in which Hotels/Resorts/Guesthouse with lodging facility is located taking into consideration the classification of tourism units/zones in Maharashtra specified in the Tourism Policy of Maharashtra 2024

96. That in complete contradiction, the Hon'ble Commission in the erstwhile years, where the Government of Maharashtra, Tourism Department had issued a specific mandate for Hotel Industry, rejected any change in category. The tourism policy at that point in time provided as under:

- 1) *From April 1, 2021, the hoteliers registered with the Ministry of Tourism of the Central Government should be charged the industrial rate of electricity tariff, electricity charge, water tariff, property tax, development tax, increased mat area index and non-agricultural tax.*
- 2) *Hoteliers who are not registered with the Ministry of Tourism of the Central Government should be levied tax / duty at the industrial rate after fulfilling the prescribed criteria to achieve the Basic Minimum Standards. For that, an expert committee should be appointed and the process of determining the criteria of the state should be completed within two months.*

97. However, even with the specific mandate as extracted above, it is pertinent to note that in the MYT Order for FY 2020-21 to FY 2024-25, the Ld. Commission did not specifically re-classify the same and rather placed *inter alia* marriage halls, hotels/restaurants', in the LT – Non-residential or Commercial category for electricity used at Low/Medium voltage in non-residential, non-industrial and/or commercial premises for commercial consumption, or in the HT – Commercial for electricity used at High Voltage.

98. That the erroneous interpretation given by the Hon'ble Commission has resulted in loss/financial burden on MSEDCL (which was never envisaged by the Tourism Policy, 2024) on account of the change in the tariff category of hotels is approx. 171 crore per year, which will have a debilitating impact on the development of the electricity industry and affect MSEDCL's ability to supply electricity, thereby defeating the entire objective of the Electricity Act, 2003. As per projections, the financial burden is expected to be as follows:

Total Projected burden of Hotel/Lodging Consumers category change from Commercial to Industrial (HT+LT)			
FY	Consumption	Burden in (Rs)	Burden in (Crs.)
25-26	287900062.8	1610332628	161.03
26-27	304134198.5	1644651658	164.47
27-28	321285921.7	1691045084	169.10
28-29	339407212.1	1759017291	175.90
29-30	358553000.2	1844236577	184.42

99. In light of the foregoing, it is evident that the Ld. Commission's decision to reclassify hotels with lodging facilities from the Commercial to the Industrial Tariff Category is legally untenable, violative of the policy and contrary to the statutory framework established under the Electricity Act, 2003. The Tourism Policy of Maharashtra 2024

does not mandate or even suggest a change in the tariff category; rather, it envisages a refund mechanism that operates *post facto* and through direct government subsidy.

H. UNDUE BENEFIT ON ACCOUNT OF WHEELING CHARGES DUE TO NON-ESTABLISHMENT OF EHV NETWORK BY MSETCL

100. MSEDCL submitted that, as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019, wheeling charges for consumers should be levied based on their Billing Demand, provided the requisite demand is maintained for at least 9 months in a financial year. Additionally, Clause 4.2 of the MERC Supply Code & SoP Regulations, 2021 mandates that the cost of network for providing connections to EHV consumers is to be borne by the Transmission Licensee i.e., MSETCL. The Commission, in its Order dated 02.09.2022 in Case Nos. 62, 63 & 64 of 2022, reaffirmed this obligation and ruled that any cost incurred by the consumer in establishing EHV infrastructure should be reimbursed by MSETCL to the Distribution Licensee within seven (7) days of asset transfer, after deducting applicable charges.
101. MSEDCL further highlighted that many consumers eligible for EHV-level connectivity (above 33 kV) are currently connected at HV levels (33 kV/22 kV) due to non-establishment of EHV infrastructure by MSETCL. This results in higher current drawl and increased line losses, as HV losses (7.5%) are significantly higher than EHV losses (3.16%–3.28%). That the Billing data from October 2024 indicates that eight consumers collectively consume 106.85 MUs per month at HV levels. Due to higher losses at HV levels, MSEDCL incurs an additional energy requirement of 5.15 MUs per month, translating into an estimated financial burden of Rs. 4.18 crore per month (Rs. 50.22 crore per year) at the prevailing industrial tariff of Rs. 8.12 per unit. 241. Furthermore, MSEDCL has submitted that it is also burdened by the exemption of wheeling charges, leading to an additional financial impact of Rs. 6.41 crore per month (Rs. 76.93 crore per year), considering a wheeling charge rate of Rs. 0.60 per unit. Consequently, the total financial burden due to higher line losses and wheeling charge exemption amounts to Rs. 10.59 crore per month (Rs. 127.15 crore per year). Given this financial strain, MSEDCL has challenged the levy of wheeling charges before the Hon'ble APTEL (DFR No. 667/2023, filed on 29.11.2023) against the Order dated 31.03.2023 in Case No. 226 of 2022. MSEDCL submitted that, as a revenue-neutral entity, it cannot continue bearing this financial burden due to MSETCL's failure to establish the necessary EHV infrastructure within a reasonable timeframe.
102. That for the years under the Control Period, MSEDCL requested the Ld. Commission to allow it to recover these financial losses from MSETCL in cases where MSETCL fails to establish the required EHV infrastructure within the stipulated period. That the Ld. Commission has erroneously denied the same.

103. That the Ld. Commission while noting the concerns raised by MSEDCL regarding the financial burden caused by the lack of necessary EHV network development, merely observes that this issue is related to limited consumers and is primarily a matter between MSEDCL and MSETCL.
104. Given the limited scope and specific nature of this issue, the Commission determines that it is not suitable for resolution within the MYT proceedings. The Ld. Commission erroneously overlooks the financial burden by merely suggesting that MSETCL and MSEDCL shall resolve the issues amicably and in case of unresolved disputes, if any, the Parties are free to seek remedy for adjudication through separate regulatory process, which cannot be addressed as part of present MYT petition process.
105. While concluding the above, the Ld. Commission re-sets the clock to the erstwhile position, overlooking the data presented for the future period, and suggests that the dispensation given in earlier order will be continued, which include the following:
- a. In case of non-availability of EHV or requisite voltage level, the wheeling charges to the consumer shall be applicable as per the Billing Demand recorded i.e. based on recorded billing demand, the consumer is eligible for connection at EHV level, then wheeling charges applicable for EHV level i.e. 'W' shall be billed to such consumer.
 - b. Applicability of such concession shall be subject to MSEDCL internally certifying the non-availability of the requisite voltage level and further that the billing demand shall be as per the requisite voltage level is met by the consumer for at least 9 months in a financial.
 - c. In case actual billing is less than a year, in that case, the Commission clarifies that consumer needs to maintain billing demand as per requisite voltage level for 75% of bills actually raised during the Financial Year.
106. Further the Ld. Commission has noted in Common Order in Case No. 62 of 2022, Case No. 63 of 2022 and Case No. 64 of 2022 that categories of consumers requiring EHV can establish their own dedicated network of their respective voltage requirement and get a reimbursement. Hence, while MSETCL is not providing for the said network and neither is consumer establishing the network, an undue advantage is being given to these category of consumer who are then not paying the wheeling charges and thereby resultantly burdening MSEDCL. The relevant parts of the said order are extracted below:

"18.11 The Commission notes that the Supply Code Regulations 2021 have clearly provided the necessity of bearing the EHV infrastructure cost on a transmission licensee. **The Regulation further provides that the cost of network if incurred by the Consumer, shall be reimbursed by the Transmission Licensee to the Distribution Licensee** within seven (7) days of assets being handed over to Transmission Licensee after deducting applicable charges as per approved Schedule of Charges."

107. Hence, the Ld. Commission has erroneously given an undue benefit to a specific category of consumers, in complete violation of the provisions of the Act and Regulations made thereunder. MSEDCL seeks correction of the same from the Ld. Commission.

I. MANIFEST ERROR IN NON-CONSIDERATION OF ASSETS CREATED THROUGH GRANTS AND CONSUMER CONTRIBUTION IN DETERMINATION OF O&M EXPENSES

108. The Hon'ble Commission has computed the normative O&M expenses in line with the provisions of the MYT Regulations, 2024 and accordingly, the GFA considered for computation of the normative O&M expenses is excluding the assets funded through the grants and consumer contribution. Accordingly, for deriving the normative O&M expenses. That the Average GFA is allocated between Wires and Supply business in the ratio of 90% and 10%, respectively. The Hon'ble Commission has approved normative O&M expense of Rs. 10,683.50 Crore for FY 2025-26 (incl. Wage revision impact), Rs. 11,141.44 Crore for FY 2026-27, Rs. 11,818.01 Crore for FY 2027-28, Rs. 12,519.50 Crore for FY 2028-29 and Rs. 13,245.83 Crore for FY 2029-30. It is stated that the Petitioner/MSEDCL is permitted to recover Operation and Maintenance expenses relating to Wire & Retail Supply of electricity in terms of Regulation 26, Regulation 93 and Regulation 103 of MERC MYT Regulations, 2024, which are reproduced below:

"26. Consumer Contribution, Deposit Work, Grant and Capital Subsidy

26.1 The expenses on the following categories of works carried out by the Generating Company or Licensee or MSLDC or STU shall be treated as specified in Regulation 26.2:

(a) Works undertaken from funds, partly or fully, provided by the users, which are in the nature of deposit works or consumer contribution works;

(b) Capital works undertaken with grants or capital subsidy received from the State and Central Governments;

(c) Other works undertaken with funding received without any obligation of repayment and with no interest costs.

(d) Capital works undertaken by the Licensee by utilisation of Contingency Reserve.

26.2 The expenses on such capital works shall be treated as follows:-

(a) normative O&M expenses as specified in these Regulations shall be allowed

(b) the debt:equity ratio, shall be considered in accordance with Regulation 27, after deducting the amount of such financial support received;

(c) provisions related to depreciation, as specified in Regulation 28, shall not be applicable to the extent of such financial support received;

(d) provisions related to return on equity, as specified in Regulation 29 shall not be applicable to the extent of such financial support received;

(e) provisions related to interest on loan capital, as specified in Regulation 30 shall not be applicable to the extent of such financial support received.

93 Operation and Maintenance Expenses

93.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Distribution Wires Business as specified in the norms below for each year of the Control Period:

Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average GFA pertaining to Distribution Wires Business (in INR Crore) shall be multiplied by the O&M Norms in terms of "percentage of Average GFA", for the respective years.

93.2 For applying normative O&M expenses with respect to Consumer's growth, the O&M Norms in terms of "INR Lakhs/'000 Consumers" or "INR Lakhs/'00 Consumers" (in case of Deemed Distribution Licensees) shall be multiplied by the closing total Wheeling Consumers inclusive of full Open Access Consumers, if any, of the Distribution Wires Business, during the respective financial year.

Provided that the Partial Open Access consumers are embedded within the Wheeling Consumers of the Distribution Wires Business, hence, no separate addition of such Partial Open Access consumers will be allowed to avoid double accounting:

Provided further that the Distribution Licensee shall submit the details of its consumer base having the break-up of its direct consumers, Partial Open Access consumers and Full Open Access consumers for the respective years at the time of filing MYT Petition for Distribution Wires Business.

MSEDCL	FY 26	FY 27	FY 28	FY 29	FY 30
O&M (% of Average GFA - Wires)	9.66%	10.10%	10.55%	11.03%	11.52%
O&M (INR Lakhs/'000 Consumers)	2.16	2.25	2.35	2.46	2.57

103 Operation and Maintenance Expenses

103.1 The Distribution Licensees shall be permitted to recover Operation and Maintenance expenses relating to the Retail Supply of

electricity as specified in the norms below for each year of the Control Period:

Explanation: For the purpose of applying normative O&M expenses with respect to Gross Fixed Assets (GFA) growth under these Regulation, the average

GFA pertaining to Retail Supply Business (in INR Crore) shall be multiplied by the O&M Norms in terms of "percentage of Average GFA", for the respective years.

103.2 For applying normative O&M expenses with respect to Consumer's growth, the O&M Norms in terms of "INR Lakhs/'000 Consumers" or "INR Lakhs/'00 Consumers" (in case of Deemed Distribution Licensees) shall be multiplied by the closing total Retail Supply Consumers, if any, of the Retail Supply Business, for the respective financial year

Provided that the Partial Open Access consumers are embedded within the Retail Supply Consumers of the Retail Supply Business, hence, no separate addition of such Partial Open Access consumers will be allowed to avoid double accounting:

Provided further that the Distribution Licensee shall submit the details of its consumer base having the break-up of its direct consumers and Partial Open Access consumers for the respective years at the time of filing MYT Petition for its Retail Supply Business.

<i>MSEDCL</i>	<i>FY 26</i>	<i>FY 27</i>	<i>FY 28</i>	<i>FY 29</i>	<i>FY 30</i>
<i>O&M (% of Average GFA - Wires)</i>	<i>5.20%</i>	<i>5.44%</i>	<i>5.68%</i>	<i>5.94%</i>	<i>6.20%</i>
<i>O&M (INR Lakhs/'000 Consumers)</i>	<i>10.44</i>	<i>10.91</i>	<i>11.4</i>	<i>11.92</i>	<i>12.45</i>

109. As per Regulation 26.2 (a), Normative **O&M Expenses are allowed on the Capital Works undertaken with Capital Grant or Subsidy or Consumer Contribution.** For the calculation of O&M Expenses for the control period, GFA applicable for the calculation of depreciation is to considered. However, the Ld. Commission has not considered the Gross Value of assets created out of consumer contribution/ grant/ subsidy. The Gross Fixed Asset and Net Impact on O&M Expenses are as below:

O&M Expenses Net Impact (Rs. In Crs)					
FY	Average GFA without considering Consumer contribution & Grants	O&M Expenses approved by Commission	Average GFA considering Consumer contribution & Grants	O&M Expenses per Calculation	Net Impact
2025-26	67912.04	10683.5(including wage revision of Rs.332.12 crs)	79268.58	11729.89 (including wage revision of Rs.332.12 crs)	1046.39
2026-27	70051.81	11141.44	85414.35	12621.46	1480.03
2027-28	70583.69	11818.03	87678.87	13538.32	1720.29
2728-29	70839.48	12519.50	89141.48	14445.06	1925.55
2029-30	71062.67	13245.83	90511.28	15382.85	2137.01
Total O&M Expenses Net Impact					8309.27

110. Thus, in computing the normative O&M expenses as per the MYT Regulations, 2024, the Ld. Commission has erroneously considered the GFA net of assets created out of grants and consumer contributions, resulting in an error apparent on the face of the record. It is submitted that Ld. Commission has erred in not-considering the specific mandated of the Regulation and therefore the rejection of the O&M expenses is erroneous and must be corrected.
111. As per the calculated impact of Rs. 8309.27 Crores on O&M expenses from FY 2025-26 to FY 2029-30, without considering consumer contributions and grants after considering approved Capitalization in the MYT Order, it is requested to give the similar treatment as a consequential impact on submitted Capitalization of Rs. 55,624.50 Crs in this Petition while calculating O&M expenses.

J. DISALLOWANCE IN INTEREST ON WORKING CAPITAL (IOWC)

112. Considering the submissions made in respect of error in non-consideration of assets created through grants and consumer contributions in determination of O&M Expenses, it is submitted that the Hon'ble Commission must consider granting the consequential impact of revision in Capitalization to Interest on Working Capital ("**IoWC**"). The Commission has approved IoWC of Rs. 135.60 Crore for FY 2025- 26, Rs. 128.88 Crore for FY 2026-27, Rs. 115.43 Crore for FY 2027-28, Rs. 102.55 Crore for FY 2028-29 and Rs. 88.60 Crore for FY 2029-30. It is apposite to state that Regulation 32.3 and Regulation 32.4 of the MYT Regulations, 2024 provide for IOWC for Wires Business and Retail Supply Business of Electricity. The relevant extract is reproduced below:

"32. Interest on Working Capital:
32.3 Distribution Wires Business

(a) The working capital requirement of the Distribution Wires Business shall cover:

- (i) Normative Operation and maintenance expenses for one month;*
- (ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and*
- (iii) One and half month equivalent of the expected revenue from charges for use of Distribution Wires at the Tariff approved by the Commission for ensuing year(s)*
minus
- (iv) Amount held as security deposits in cash from Distribution System Users:*

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;

32.4 Retail Supply of Electricity

(a) The working capital requirement of the Retail Supply Business shall cover: (i) Normative operation and maintenance expenses for one month;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and

(iii) One and half months equivalent of the expected revenue from sale of electricity at the Tariff approved by the Commission for ensuing year/s, and including revenue from cross-subsidy surcharge and additional surcharge, if any;

minus

(iv) Amount held as security deposits in cash from retail supply consumers;

(v) One month equivalent of cost of power purchased, including the Transmission Charges, MSLDC

Provided that in case of power procurement from own Generating Stations of the Retail Supply Business, no amount shall be reduced from working capital requirement towards payables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations:

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses:”

113. Thus, it is as per Regulations 32.3 & 32.4 that the normative interest on working capital for the control period is calculated. The working capital

requirement shall include Maintenance Spares at 1% of the opening GFA for the year. The Hon'ble Commission has considered IoWC @ 1% on Opening GFA of Wire Business only and Opening GFA is considered net of Consumer Contribution & Grant. Further the Hon'ble Commission has considered Nil maintenance spares for Supply Business, which is an error apparent on record.

K. MANIFEST ERROR IN CALCULATION OF RATE OF DEPRECIATION FOR FY 2022-23 TO FY 2024-25 AND FOR THE FIFTH CONTROL PERIOD

114. It is submitted that the MYT Order suffers from an apparent error in the calculation and application of depreciation rates during the True-Up & Annual Performance Review (APR) period, as well as the Fifth Control Period.
115. It is humbly submitted that it is imperative that depreciation, is computed in accordance with the Multi Year Tariff Regulations, 2019 for True up and Provisional True up years and MYT Regulations, 2024 for Fifth Control Period. The errors in the current depreciation calculation have led to under-recovery of costs, adversely impacting the financial health of MSEDCL and adversely impacted the accurate determination of tariff requirements.

Fourth Control Period: True up & Provisional True-Up Period (FY 2022-23 to FY 2024-25)

116. It is stated that as per the Multi Year Tariff Regulations 2019 and 2024 for the True up and Provisional True-Up period depreciation is to be computed on the approved original cost of the fixed assets, following the Straight-Line Method (**SLM**) at the rates specified in Annexure I to the said Regulations. This Hon'ble Commission in its MYT Order under section 3.12.3 stated that as per the provision of MYT Regulations, 2019, consumer contribution and grants has been deducted from GFA while working out depreciation. However, while calculating the depreciation rate, this Hon'ble Commission has considered the GFA addition inclusive of Consumer Contributions (CC) and Grants, thereby resulting in a lower depreciation rate. It is submitted that after erroneously computing the depreciation rate as mentioned above, this Hon'ble Commission has subsequently applied this on the Regulatory GFA and GFA additions excluding CC and Grants, resulting in a situation where depreciation itself has not been granted for assets created with grants and consumer contribution, but the said assets have been considered while calculating the average rate of depreciation, which is a clear and manifest error.
117. It is submitted that the error in calculating the depreciation rate has resulted in the lesser approval of depreciation expenses, which will lead to inadequate recovery of MSEDCL's legitimate costs from its consumers. It is prayed that This Hon'ble Commission is accordingly requested to rectify the erroneous

depreciation rate and accordingly approve the depreciation expenses for FY 2022-23 to FY 2024-25 as per the correct approach.

Fourth Control Period: True up & Provisional True-Up Period (FY 2022-23 to FY 2024-25)

118. It is submitted that For FY 2025-26, this Hon'ble Commission in its ARR Model has erroneously linked the depreciation rate of FY 2024-25 for calculating depreciation of existing assets. However, as per paragraph 4.9.5 of the MYT Order, the depreciation rate for FY 2024-25 was considered same as calculated for FY 2023-24. In this regard, it is submitted that the GFA base for FY 2025-26 is significantly different from the GFA base of FY 2024-25 due to key changes such as additional capitalisation and asset retirements during the period. Applying the depreciation rate of FY 2024 -25 to FY 2025-26 is, therefore, an apparent error, which ought to be rectified by this Hon'ble Commission. Failure to account for these differences has resulted in lower depreciation amount for FY 2025-26.
119. The aforementioned errors becomes even more apparent as the depreciation treatment for FY 2025-26 is not consistent with the approach adopted for the subsequent years, FY 2026-27 to FY 2029-30. For the latter period, this Hon'ble Commission has duly calculated and applied separate depreciation rate for each year, in line with the formula outlined above.
120. It is submitted that this inconsistency between FY 2025-26 and subsequent years is an apparent deviation from established regulatory framework. The failure to link the correct depreciation rate in the ARR Model results in underestimation of allowable depreciation expenses, which directly impedes MSEDCL's ability to recover its costs.
121. The Hon'ble Commission is, therefore, respectfully requested to rectify this error and approve the depreciation expenses for FY 2025-26 based on a revised depreciation rate. It is also requested to give the similar treatment for calculating depreciation expenses on the revised GFA (including Additions during the year) based on the submitted capitalisation in this petition.

L. DISALLOWANCE OF GRID SUPPORT CHARGES

122. The Hon'ble Commission, through MERC Grid Interactive Rooftop Renewable Energy Generating Systems Regulations, 2019, has mandated the levy of GSC under Net Metering systems. These charges are determined based on balancing, banking, and wheeling costs after adjusting for RPO benefits, avoided distribution losses, and other benefits.
123. The Hon'ble Commission in the Maharashtra Electricity Regulatory Commission (Grid Interactive Rooftop Renewable Energy Generating Systems)

(First Amendment) Regulations, 2023 introduced the proviso that the grid support charges shall not be levied till rooftop installations in the state reached 5000 MW.

124. As stated in the Petition, it is expected that cumulative rooftop solar (RTS) capacity in MSEDCL license area would reach 5,000 MW by August 2025 and hence it is humbly prayed that this Hon'ble Commission may be pleased to approve grid support charges so that they are made applicable once total RTS capacity reaches 5,000 MW.

M. MANIFEST ERROR IN RESPECT OF REMOVAL OF RPO FULFILMENT IN RESPECT OF GREEN POWER SUPPLIED TO NON-OBLIGATED ENTITIES AT THE GREEN TARIFF

125. It is submitted that this Hon'ble Commission has committed a gross error apparent on the face of the record by unilaterally changing the terms of supply of RTC green power at the green tariff by disapproving RPO fulfilment of the Petitioner in respect of power supplied to non-obligated entities as well. It is submitted that while doing so, this Hon'ble Commission has acted not only in an erroneous fashion by selectively approving the Petitioner's proposal to reduce the green tariff from Re. 0.66/unit to Re. 0.25/unit, but has also acted squarely in contravention of Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules ("**GEOA Rules**") and Regulation 7.6(c)(vi) of MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (First Amendment) Regulations, 2024 ("**MERC RPO Regulations**").
126. In this regard, it is submitted that this Hon'ble Commission while determining the Green Tariff in para no. 7.18.7 of the MYT Order, has directed that green attributes will remain with the consumer and the Petitioner will not be able to consider such energy for its RPO fulfilment, even if the consumer to which such power is supplied is a non-obligated entity under the MERC RPO Regulations.
127. It is humbly submitted that the aforementioned findings of this Hon'ble Commission suffer from an apparent error as they are inconsistent with the Rule 4 (C) (f) of the GEOA Rules and Regulation 7.6(c)(vi) of MERC RPO Regulations. The relevant provision of the MERC RPO Regulations are excerpted below for ease of reference:

"7.6 An Obligated Entity may meet its RPO target by one or more of the following methods:

.....

(c) By requisition from distribution licensee

.....

(vi) **The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee;**

....."

128. As is clear from a bare perusal of the aforementioned provision of this Hon'ble Commission's own MERC RPO Regulations, any excess green energy purchased even by a consumer who is an obligated entity shall be counted towards fulfilment of RPO obligations of the relevant distribution licensee. As such, any green energy purchased by a non-obligated entity shall certainly be counted towards the RPO fulfilment of the distribution licensee as a non-obligated entity does not have any RPO and hence does not utilise its green attributes.
129. Such an approach is, therefore, not only contrary to commercial tariff principles but is also contrary to this Hon'ble Commission's own MERC RPO Regulations and hence suffers from an error apparent on the face of the record, requiring an immediate rectification.

N. Erroneous Energy Balance calculation in True-up period

130. It is submitted that there is a clear mismatch in AG Sales Figures for true up period:

Financial Year	Para/Table Reference	Particulars	AG Sales Figures (in MUs)
FY 2022-23	Para 3.2.34	Approved AG Sales (Including DF)	28,758
	Table-22: Energy Balance	LT AG Sales (Including DF)	28,550
FY 2023-24	Para 3.2.57	Approved AG Sales (Including DF)	33,326
	Table-13: Sales	LT AG Sales (Excluding DF)	33,326
	Table-23: Energy Balance	LT AG Sales (Including DF)	33,137

131. In regard to the above table, it is submitted that:

(a) In FY 2022-23, different figures in Tariff Order are observed for LT AG Sales (Including DF) in AG sales index section (Para 3.2.34) and Energy Balance section (Table no. 22).

- (b) In FY 2023-24, same figures are mentioned for LT AG Sales Including DF & Excluding DF in AG Sales Index section (Para 3.2.57) and Sales Approved (Table no.13). Also, different figures for LT AG Sales (Including DF) are observed in AG sales index section (Para 3.2.57) and Energy Balance section (Table no. 23).
- (c) The figures for LT AG Sales (Including DF) differ across various references for both FY 2022-23 and FY 2023-24, indicating inconsistencies.
- (d) It is submitted that there are clear differences in Energy Balance Figures as well, in the manner indicated below:

Financial Year	Para Reference	Sales Figures in Tariff Order	Sales Figures in Table-13 & Form-1 of Model (MERC)	Remarks
FY 2022-23	Table-22: Energy Balance	Sales (Including DF, Excluding EHV): 1,04,675 MUs EHV Sales: 12,706 MUs Total Sales: 1,17,381 MUs	Total Sales (Including DF): 1,17,221 MUs	Discrepancy of 160 MUs between the two sources
FY 2023-24	Table-23: Energy Balance	Sales (Including DF, Excluding EHV): 1,14,369 MUs EHV Sales: 13,612 MUs Total Sales: 1,27,981 MUs	Total Sales (Including DF): 1,27,778 MUs	Discrepancy of 203 MUs between the two sources

132. As such, there is a clear mismatch between the total sales figures reported in the Energy Balance (Table no. 22 and 23) in Tariff Order and the Model Form-1 for both fiscal years. This discrepancy leads to erroneous T&D Loss calculations.
133. It is submitted that the Hon'ble Commission considers the correction sought herein in priority order to the correction sought qua technical losses and AG Sales Index at Point D herein above.

O. INEQUITABLE DISTRIBUTION OF SAVINGS IN POWER PURCHASE COST

134. It is stated that the Hon'ble Commission has not carried out an equitable distribution of savings from cost optimisation to different category of consumers, and the distribution of saving from cost optimization and it is rather against the principles laid down in Section 62 (3) of the Electricity Act. The Hon'ble Commission has acknowledged the allocation of MSKVY power for agricultural use but has apportioned the remaining demand across all other sources of power procurement in the range of 9 to 11%. It is envisaged from this order that the overall average price of electricity for HT-industry would decrease by 15% compared Existing Tariff, and in case of LT-Industry the average price of electricity would reduce by around 11%. Further, in case of HT commercial category, the average price of electricity would **reduce by around 30%** and that for LT-Commercial category would **reduce by 20%** as compared to Existing Tariff. Whereas the Agriculture tariff is witnessing **an increase of 15%** as compared to Existing Tariff.. Such an act is in teeth of the provisions of the Electricity Act and regulatory provisions made thereunder.
135. This Hon'ble Commission in its MTR Order in Case No. 226 of 2022 has ruled that the Petitioner should explore the possibility of formation of separate agriculture supply company. To meet the above objective MSEDCL has undertaken extensive programme for solarisation of Agriculture feeders under Government of Maharashtra's flagship programme of MSKVY2.0 to provide day-time power supply to agriculture consumers with projected solar capacity addition of around 16,000 MW. With the increase in solar capacity, it is envisaged that the cross-subsidy burden and subsidy burden on GoM would be reduced. The commission seems to have acknowledged the same and has reduced the cross-subsidy burden on commercial and industrial categories. The commission in its order para 7.1.12 states that, *"...with the increase in availability of power (generation) in the State and expected growth in Solar capacity addition along with robust transmission network for a reliable supply, the Commission deems it fit to reduce the overall cross-subsidy with overall reduction"*
136. The commission further in its order para 7.1.15 states that it has significantly reduced cross subsidy from commercial category. The Commission has ensured that Tariff for Commercial category consumers (HT and LT) is reduced significantly as compared to prevalent Tariff. Basis the above efforts taken by MSEDCL, in its MYT Petition for Fifth Control Period, MSEDCL has submitted that the Petitioner has segregated the ARR for agricultural and non-agricultural consumers based on a specific methodology detailed in its MYT Petition. However, while approving the ARR, the Hon'ble Commission adopted a different approach than the one proposed by the Petitioner. Instead of following the Petitioner's methodology, this Hon'ble Commission apportioned non-power purchase expenses based on the ratio of sales. This

approach is not appropriate, as most of these item of expenses (O&M, Depreciation, IoWC, etc.) are directly linked to the GFA, which in turn are more closely associated with the number of consumers rather than the volume of sales. As per section 7.7.2, this Hon'ble Commission has proposed that there is reduction in tariff by around 11% during first year and cumulative reduction of - 16% by FY 2029-30. However, while allocating the savings, this Hon'ble Commission has disproportionately passed on the advantage to consumer categories other than Agriculture. All other major categories have reducing tariff trend while Agri has a rise in tariff of 15%. The year-wise tariff reduction trend across major categories is provided in the Petition.

Concluding Submissions:

- (i) In view of the aforementioned facts and submissions, it is humbly submitted that the aforesaid errors apparent on the face of the record be corrected at this stage and the relevant findings of this Hon'ble Commission in the MYT Order be accordingly modified and rectified by this Hon'ble Commission, and the impact thereof be factored in the ARR and the tariff for the respective years.
- (ii) It is humbly submitted that unless the aforementioned errors are corrected, the Petitioner stands to suffer immensely, and the debilitating impact thereof will affect the Petitioner's ability to reliably serve its crores of consumers across the state. As such, the correction of these errors is also in the larger public interest.
- (iii) In light of the aforementioned facts and submissions, it is humbly prayed that this Hon'ble Commission be pleased to exercise its regulatory powers under the Electricity Act and Transaction of Business Regulations and correct the aforementioned errors suo-motu and appropriately modify the ARR and tariff applicable to the Petitioner and its consumers.


PETITIONER

Annexure - 1 DPR In-principle Approved - Schemewise Status

Scheme name	In Principle Approval No.	4th Control Period	5th Control Period	Total	Remarks
DPDC / Non-Tribal	MERC /CAPEX/2020-21 dtd 06.05.2020	401.06	2925.30	3326.36	On going Scheme. In the said approval letter, Hon'ble commission directed MSEDCL that henceforth the proposals with 100% grants from Central/ State Government shall be submitted to the Commission for post facto approval for the respective financial year alongwith MYT/ MTR Petition,
DPDC / SCP (Loan up to 2012-13)	MERC /CAPEX/2020-21 dtd 06.05.2020	86.05	490.25	576.30	
DPDC / TSP + OTSP	MERC /CAPEX/2020-21 dtd 06.05.2020	13.08	168.95	182.03	
Evacuation of Power from EHV Substation (Phase-III)	MERC/Capex/2022-23/673 dtd. 26-12-2022	20.00	135.81	155.81	on going scheme
RDSS-Raynagar Colony Solapur - PMAY	MERC/Capex/MSEDCL/2023-24/179 dtd 11-03-2024	29.86	28.05	57.90	on going scheme
RDSS-Cyclone Resilient Network NCRMP Works	MERC/Capex/MSEDCL/2023-24/179 dtd 11-03-2024	340.00	83.93	423.93	on going scheme
DELP	MERC/Cell No 6/DSM/MSEDCL/204 dated 29 May 2015	0.17	0.00	0.17	Scheme is financially closed during 2023-24.
Total Dis-allowance		890.22	3832.29	4,722.51	