

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE NO. 67 of 2020

Case of M/s Eon Kharadi Infrastructure Pvt. Ltd. for taking on record its Deemed Distribution Licensee status for the IT and ITES SEZ at MIDC Knowledge Park, Survey No.77, Kharadi, Pune (EON SEZ Phase I) and for specifying the applicable Specific Conditions of its Distribution Licence

And

CASE NO. 68 of 2020

Case of M/s Eon Kharadi Infrastructure Pvt. Ltd. for taking on record its Deemed Distribution Licensee status for the IT and ITES SEZ at Survey No.72, Kharadi, Pune (EON SEZ Phase II) and for specifying the applicable Specific Conditions of its Distribution Licence

Coram

I.M. Bohari, Member
Mukesh Khullar, Member

M/s Eon Kharadi Infrastructure Pvt. Ltd. : Petitioner

Appearance

For the Petitioner : Shri. M. Palaniappan ((Rep.))

COMMON ORDER

Date: 5 June, 2020

1. M/s Eon Kharadi Infrastructure Pvt. Ltd. (EON), Tech Park One, Tower E, Sr. No. 191/A/2A/1/2, Next to Don Bosco School, Off. Airport Road, Yerwada, Pune, filed its

Petition (**Case No. 67 of 2020**) on 4 March, 2020 under Sections 14 of the Electricity Act, 2003 (**EA**) for taking on record its deemed Distribution Licensee status for Information Technology and Information Technology Enabled Service (IT & ITES) SEZ at Survey No. 77, MIDC Knowledge Park- Kharadi, Pune (*referred as EON SEZ Phase I hereinafter*) and for issuing the Specific Conditions of Distribution Licence applicable to it. Another Petition (**Case No. 68 of 2020**) has been filed by EON seeking identical relief for its another IT & ITES SEZ at Survey No. 72, Kharadi, Pune (*referred as EON SEZ Phase II hereinafter*). Since the reliefs sought and submissions made by the Petitioner in both these Petitions are identical in nature, the Commission is disposing of these two Cases through the present common Order.

2. The main prayers of EON (Phase I and Phase II) in the Petitions are as under-

- i. take on record the deemed Distribution Licensee status of the Petitioner, M/s Eon Kharadi Infrastructure Pvt. Ltd, under Section 14 of the Electricity Act, 2003 in terms of notification dated March 3, 2010, issued by the Ministry of Commerce & Industry (Department of Commerce), Government of India.*
- ii. Issue Specific Conditions of Distribution Licence applicable to M/s Eon Kharadi Infrastructure Pvt. Ltd.*
- iii. to allow the Petitioner, in the interim, to charge consumers in its licence area, the tariff that is applicable for the respective category of consumers in the MSEDCL area of supply, as modified from time to time, as the 'ceiling tariff' in its area of supply and approve the appropriate tariff schedule.*
- iv. allow the Petitioner to charge consumers in its licence area the same Schedule of Charges that is applicable in the MSEDCL area of supply, as modified from time to time.*

3. EON's Petitions state as follows:

- 3.1 M/s. Eon Kharadi Infrastructure Pvt. Ltd. (**EON**) is a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at Tech Park One, Tower E, S.No. 191/A/2A/1/2, Next to Don Bosco School, Off. Airport Road, Yerwada, Pune, Maharashtra, India.
- 3.2 Under Section 3 of the Special Economic Zones Act, 2005 (**SEZ Act**), EON is setting up an IT/ITES SEZ (**SEZ Phase I**) at MIDC Knowledge Park- Kharadi, Pune, Maharashtra, India. Another IT/ITES SEZ (**SEZ Phase II**) is being developed by EON at Survey No. 72, Village- Kharadi, Pune.
- 3.3 On being satisfied that the requirements under sub-section (8) of Section 3 of the SEZ Act, 2005, have been fulfilled, the Ministry of Commerce & Industry (Department of Commerce),

Government of India, granted the Letter of Approval (**LoA**) and notified an area of 18 Hectares as SEZ area for SEZ Phase I, in the name of EON under sub-section (10) of Section 3 of the SEZ Act, 2005 for development, operation and maintenance of the sector Specific IT & ITES SEZ at Kharadi, District Pune, in the State of Maharashtra. Also, similar LoA has been received by EON in respect of SEZ Phase II for an area admeasuring 4.86 Hectares for SEZ Phase II at Survey No. 2, Village Kharadi, Pune.

- 3.4 Eon has been notified as the Developer of the SEZ Phase I and SEZ Phase II by the Ministry of Commerce & Industry (Department of Commerce) vide Notification No. S.O. 1631(E) dated 28 September, 2006 and Notification No. S.O. 1036 (E) dated 31 March, 2017 respectively.
- 3.5 The Ministry of Commerce & Industry (Department of Commerce), Government of India vide its Notification dated 3 March, 2010 under clause (b) of sub section (1) of Section 49 of the SEZ Act, 2005, specified that the Developer of the SEZ is deemed to be a Distribution Licensee under the provisions of the EA.
- 3.6 In view of the above, EON, is a deemed Distribution Licensee in both the SEZ areas (SEZ Phase I and SEZ Phase II) at Village Kharadi, Taluka Haveli, District Pune, in the State of Maharashtra and hence, the Commission is requested to take on record the deemed Distribution Licensee status of EON for both SEZ Phase I and SEZ Phase II, under Section 14 of the EA, in terms of notification dated 3 March, 2010 issued by the Ministry of Commerce & Industry (Department of Commerce), Government of India and the consequent amendment to the EA.
- 3.7 EON has developed the IT/ITES SEZ over an area of approximately 18 Hectares for SEZ Phase I and on an area of approximately 4.86 Hectares for SEZ Phase II. These SEZ areas also overlap with the Distribution Licence area of MSEDCL. The project consists of five (5) numbers of buildings/blocks to accommodate Units related to IT and ITES for SEZ Phase I. SEZ Phase II consists of two (2) numbers of buildings/blocks. Presently, the power is being supplied by MSEDCL under HT-1 Category at 22 kV voltage level for both these SEZs.
- 3.8 The consumer base of a typical Distribution Licensee would include diverse consumer categories, viz., residential, industrial, commercial, agriculture, public lighting, public works, railways, etc. The SEZs set up under the SEZ Act, 2005 are unlikely to include the entire consumer mix of a typical Distribution Licensee. EON has developed a sector specific SEZ meant exclusively for IT and ITeS, which has industrial category consumers. The SEZ areas are of 18 Hectares and 4.86 Hectares only. Therefore, the Petitioner(s), who is a deemed Distribution Licensee, can be said to be a niche class of Licensee.
- 3.9 As per provisions of EA and the governing Regulations of the Commission, EON would comply with the MERC (General Conditions of Distribution Licence) Regulations, 2006 and undertake all the functions as envisaged in the EA and under the various Regulations notified by the Commission.

- 3.10 Under Section 16 of EA, the Commission is empowered to frame Specific Conditions applicable to a Licensee or class of Licensee.
- 3.11 There is sufficient regulatory precedence in the State of Maharashtra for similar SEZs, who have opted to take up the responsibility of becoming the Distribution Licensee in their area of supply, and the Commission, after due regulatory process, has taken on record the Distribution Licensee status and notified the Specific Conditions of Distribution Licence, for the following SEZs, inter-alia:
- i. M/s Mindspace Business Parks Private Ltd. for its IT & ITES SEZ at Plot No. 3 Airoli, Kalwa TTC Industrial Area, MIDC, District Thane;
 - ii. M/s Maharashtra Airport Development Company Limited for its Multi Product SEZ at Mihan, Nagpur;
 - iii. M/s. Quadron Business Park Ltd. for the IT/ITES SEZ at Plot No. 28, Rajiv Gandhi Info Tech Park, Phase-II, Hinjewadi, Pune;
 - iv. M/s Gigaplex Estate Private Ltd. for its IT & ITES SEZ at Plot No. IT-5, Airoli Knowledge Park, TTC Industrial Area, Villages Airoli and Dighe, Thane.
- 3.12 The reliefs sought by EON in the Petitions are exactly the same as the reliefs granted by the Commission by virtue of the aforementioned Orders to other SEZs in the State of Maharashtra.

Specific Conditions of Distribution Licence applicable to EON

- 3.13 The Ministry of Commerce & Industry (Department of Commerce), Government of India, vide Notification No. S.O.1631 (E) dated 28 September 2006, has notified an area of 18 Hectares as SEZ area for SEZ Phase I. Hence, the Commission is requested to specify the notified SEZ area of 18 Hectares in case of EON SEZ Phase I as 'area of supply', in the Specific Conditions of Distribution Licence applicable to EON.
- 3.14 Further, vide Notification No. S.O.1036 (E) dated 31 March 2017, the Ministry of Commerce & Industry (Department of Commerce), Government of India, has notified an area of 4.86 Hectares as SEZ area for SEZ Phase II. The Commission is therefore requested to specify the notified SEZ area of 4.86 Hectares in case of EON SEZ Phase II as 'area of supply', in the Specific Conditions of Distribution Licence applicable to EON.
- 3.15 As per the proviso inserted in clause (b) of Section 14 of the EA, the developer of the SEZ notified under sub-section (1) of Section 4 of the SEZ Act, 2005, shall be deemed to a Licensee with effect from the date of notification of SEZ. EON has been notified as the developer of the SEZ vide Notification No. S.O. 1631 (E) dated 28 September 2006. Further, as per the EA, the period of Licence is 25 years. Accordingly, the Commission is requested to specify the 'period of Licence' of the distribution Licence in case of EON SEZ Phase I as the 25-year period from 28 September 2006 to 27 September 2031 in the Specific Conditions of Distribution Licence applicable to EON for Phase I. Further, the "period of Licence" of

the Distribution Licence in case of EON SEZ Phase II may be specified as the 25-year period from 31 March 2017 to 30 March 2042.

- 3.16 The Commission is requested to issue the Specific Conditions of Distribution Licence applicable to EON for both SEZ Phase I and SEZ Phase II thereby specifying areas of supply and periods of Licences.

Permission to Charge Ceiling Tariff for their notified SEZ areas

- 3.17 EON understands that as per provisions of the EA, and governing Regulations of the Commission, as a Distribution Licensee, it is required to comply with the MERC (General Conditions of Distribution Licence) Regulations, 2006 and undertake all the functions as envisaged in the EA and in the various Regulations framed by the Commission.
- 3.18 At present, there is no Power Purchase Agreement or arrangement in place and the Tariff to be charged to the consumers is yet to be approached by EON for both the SEZ areas. It is envisaged that EON may require the following time frame for both SEZ Phase I and SEZ Phase II:

Sr. No.	Activity	Time Frame
1	Completion of the competitive bidding process for undertaking power purchase	July 2020
2	Submission of Petitions for approval of PPA and adoption of tariff discovered through competitive bidding	August 2020

- 3.19 On submission of the respective Petitions, the Commission will undertake the regulatory process for granting approval for the same, which may take another 2-3 months. Once these approvals are in place, EON shall start the distribution operations and shall be in a position to file the Petitions for approval of Aggregate Revenue Requirement (**ARR**) and Tariff based on the actual data after 6-8 months.
- 3.20 Hence, in the interim, until the approval of ARR and determination of Tariff for EON by the Commission, EON desires to undertake the electricity distribution activities in both these SEZ areas in accordance with the various provisions of the EA and Rules and Regulations made thereunder.
- 3.21 These SEZ areas overlaps with the area of supply of MSEDCL. Hence, EON is the second Distribution Licensee for its areas of supply, with MSEDCL being the first Licensee. In accordance with Section 62(1)(d) of the EA, the Commission is empowered to approve the ceiling Tariff in an area where two or more Distribution Licensees are operating in the same area of supply.
- 3.22 The Commission, in its Order dated 12 June, 2014 in Case No. 15 of 2014 in the matter of M/s Serene Properties Private Limited (**SPPL**) has allowed the Petitioner therein, to charge

consumers in its Licence area, the Tariff that is applicable for the respective category of consumers in the MSEDCL's area of supply, as the ' Ceiling Tariff' in its area of supply, and approved the appropriate Tariff Schedule i.e. the Industrial Tariff for Industrial consumers and Commercial Tariff for the facilities established for commercial purpose within the Licence area. The Commission also allowed the Petitioner therein to charge consumers in its Licence area at the same Schedule of Charges that is applicable in the MSEDCL's area of supply.

3.23 On similar lines, the Commission is requested to allow EON, in the interim, to charge consumers in SEZ Phase I and SEZ Phase II, the Tariff that is applicable for the respective category of consumers in the MSEDCL's area of supply, as modified from time to time, as the 'ceiling tariff' in its area of supply and approve the appropriate Tariff schedule.

3.24 EON envisages that the following Tariff Categories shall exist in the Licence area of the Petitioner:

- a. LT II (A) – Non-residential or commercial 0-20 kW
- b. LT II (B) – Non-residential or commercial Above 20 kW and upto 50 kW
- c. LT II (C) – Non-residential or commercial Above 50 kW
- d. LT V (B) – LT Industry General
- e. LT T VII (B) – LT Temporary Supply Others
- f. HT I (A) – HT Industrial General
- g. HT II – HT Commercial
- h. HT VIII (B) - HT Temporary Supply Others

3.25 The Commission is requested to approve the applicable Tariff, including FAC, and as modified from time to time, as the applicable ceiling Tariff for the same categories, in the Licence area of supply of EON for SEZ Phase I and SEZ Phase II.

3.26 The Commission is also requested to allow EON to charge consumers in its Licence areas the same Schedule of Charges that is applicable in the MSEDCL's area of supply, as modified from time to time. EON requests the Commission to approve only the following Charges, which are relevant for the Petitioner's Licence area:

- a. Administrative Charges for Cheque Bouncing
- b. Processing Fees for Open Access
- c. Operating Charges for Open Access

4. On 15 April, 2020, the Commission raised certain queries for getting additional details/clarifications from EON. Vide its email dated 15 April and 17 April, 2020, EON submitted its response. The issue-wise responses submitted by EON are summarized below:

a. **Copy of incorporation certificate and details of promoters:**

EON has submitted the copies of the Incorporation Certificates issued by Registrar of Companies according to which Eon Kharadi Infrastructure Pvt. Ltd. was originally incorporated on 7 January, 2004 as Panchsheel Premises Pvt. Ltd. and on 15 September, 2005, the name of the Company was changed from Panchsheel Premises Pvt. Ltd. to Eon Kharadi Infrastructure Pvt. Ltd. Also, following shareholding details have been submitted by EON:

Sr. No.	Name of Promotors	% of Holding
1.	Premsagar Infra Realty Private Limited	50.00%
2.	SG Indian Holding (NQ) Co. VII Pte. Ltd.	49.75%
3.	SG Indian Holding (NQ) Co. IX Pte. Ltd.	0.25%

b. **Present status of SEZ development:**

- I. SEZ Phase I:- Present load 17 MW, 5 Buildings constructed with 90% occupancy, total 270 Consumers of HT and LT Industrial category, SEZ is in operational stage.
- II. SEZ Phase II:- Present load 5 MW, 2 Buildings constructed with 50% occupancy, total 75 consumers of HT and LT Industrial category, SEZ is partly operational and still under development.

c. **Preparedness to undertake Distribution Business:**

EON is setting up a team of power sector professionals who can handle and perform this power distribution business. Both the SEZ areas are supplied power through dedicated 22 kV feeders. Further, in case of grid failure, EON has 100% DG back up in place. This ensures 24x7 power supply to the SEZ areas, as mandated under the SEZ Act. Further, EON understands that as per provisions of the EA, and governing Regulations of the Commission, as a Distribution Licensee, EON is required to comply with the MERC (General Conditions of Distribution Licence) Regulations, 2006 and undertake all the functions as envisaged in the EA and in the various Regulations framed by the Commission. EON would be undertaking its power procurement through competitive bidding process and submit its Petition for approval of PPA by 31 August, 2020.

d. **Map, duly certified by the competent authority, i.e. the concerned Development Commissioner (SEZ):**

EON has submitted the maps, duly certified by the Office of the Development Commissioner, SEEPZ SEZ, Mumbai for both the SEZ areas alongwith the respective Petitions. However, soft copies of the map being of A0 size, cannot be submitted.

e. **Necessity for the approval of Processing Fees and Operating Charges for Open Access:**

EON has made the above request in anticipation that any consumer from its Licence area may wish to avail Open Access (OA) and hence the OA Charges have been proposed at the same level as that for MSEDCL. However, it is now felt that OA may not be feasible, as all other charges, viz., Wheeling Charges, Cross-Subsidy Surcharge, etc. would also require to be determined. These charges can be determined only when EON files the Petitions for Tariff determination, based on its costs. Hence, the Commission is requested to drop the above request from the Prayers of the Petitioner.

f. **Areas of two SEZ contiguous or non- contiguous:**

The SEZ area under Phase I and Phase II are non-contiguous. The image from Google Maps are submitted alongwith replies.

5. On 11 May, 2020, EON submitted request letter to conduct an urgent E-hearings in both these Cases and stated as under:
 - i. EON has planned to start the distribution operations in its SEZ areas by 1 October 2020.
 - ii. The PPA is proposed to be executed in the month of June-2020 for which the Commission's Order acknowledging the Deemed Distribution Licensee status of EON is required.
 - iii. Other necessary arrangements like manpower, metering, billing software, etc., are already in place. Expenditure for the said work has already been started.
 - iv. ARR and Tariff Petition shall also be filed within 3-4 months of the start of power distribution operations.
 - v. This delay is due to COVID-19 lockdown. Hence, EON has prayed for ceiling Tariff in the interim, to start the power distribution operations.
6. At the e-hearing through video conferencing, held on 26 May 2020 in both these Cases, representative of EON reiterated its submissions as made out in the Petitions and requested the Commission to take on record its Deemed Distribution Licensee status and issue the Specific Conditions Regulations applicable to it for SEZ Phase I and SEZ Phase II.

Commission's Analysis and Ruling:

7. The Commission notes that vide Gazette Notification S.O.1631 (E) dated 28 September 2006, EON has been notified as the developer for the IT and ITES SEZ admeasuring 18 Hectares at MIDC Knowledge Park- Kharadi, Pune, Maharashtra, (SEZ Phase I) by the Ministry of Commerce and Industry (Department of Commerce), Government of India. Further, there is another Gazette Notification S.O.1036 (E) dated 31 March, 2017 issued by the Ministry of Commerce and Industry (Department of Commerce), Government of India, through which EON has been notified as the developer for the IT and ITES SEZ admeasuring 4.86 Hectares at Survey No. 72 at Village Kharadi, Pune, Maharashtra (SEZ Phase II).

8. The EA, 2003 was amended through Notification dated 3 March, 2010 to add a proviso to Section 14 (b) (underlined below):

“14. Grant of Licence

The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –

- a) To transmit electricity as a transmission licensee; or*
- b) To distribute electricity as a Distribution Licensee; or :*

Provided that the Developer of a Special Economic Zone notified under sub-section (1) of Section 4 of the Special Economic Zones Act, 2005, shall be deemed to be a licensee for the purpose of this clause, with effect from the date of notification of such Special Economic Zone;...”

9. EON has submitted the maps of these SEZ areas, certified by the Office of the Development Commissioner, SEEPZ SEZ, Mumbai. As a part of meeting its obligations and discharge its duties as a Distribution Licensee as per the provisions of the EA and Rules and Regulations made thereunder, EON has indicated its timelines of 31st August 2020 for undertaking power purchase through competitive bidding and filing its Petition for seeking the Commission’s approval for PPA and adoption of Tariff discovered through competitive bidding.
10. Considering the proviso introduced to Section 14(b) of the EA, the Commission hereby confirms the status of EON as the deemed Distribution Licensee for both SEZ Phase I and SEZ Phase II areas under Section 14 of the EA.
11. As deemed Distribution Licensee, EON shall have to adhere to the following:
- (1) The relevant provisions of the EA and the applicable Rules, Regulations and Orders issued thereunder;
 - (2) Guidelines of the Commission for in-principle approval of its proposed capital investment schemes;
 - (3) The provisions of the SEZ Act, 2005 and SEZ Rules, 2006 including Rule 5A which provides as follows:

“5A. Infrastructure Requirements Relating To Information Technology In case of a Special Economic Zone relating to information technology, the following facilities shall be ensured, namely:-

 - a) twenty-four hours uninterrupted power supply at stable frequency in the Zone;*
 - b) reliable connectivity for uninterrupted and secure data transmission;*
 - c) provision for central air-conditioning system; and*
 - d) a ready to use, furnished plug and play facility for end users.”*

12. The Commission notes that EON has no PPA in place for fulfilling its Universal Service Obligation. In order to do so in accordance with Section 43 of the EA, EON must make necessary filings for PPA approval and subsequent approval of its ARR and Tariff to be paid by its consumers for both SEZ Phase I and SEZ Phase II. EON has sought approval of a ceiling Tariff and Schedule of Charges as applicable in the MSEDCL's area of supply on provisional basis till the PPA and ARR approvals are in place and proposed a time-frame for filing of PPA Petition is achieved.
13. Considering EON's proposal in this regard, the Commission directs EON to file its Petitions for PPA approval and adoption of Tariff, discovered through competitive bidding in accordance with the Central Government's Guidelines, under Section 63 of the EA by 31 August, 2020 as per the timelines proposed by EON in present Petitions.
14. EON has also requested the Commission to allow it to charge the consumers in its Licence areas the Tariff that is applicable for the respective category of consumers in the MSEDCL's area of supply, as the ' Ceiling Tariff' in its areas of supply. EON has cited Section 62(1)(d) of the EA and also earlier Order dated 12 June, 2014 in Case No. 15 of 2014 passed by the Commission wherein the Petitioner therein, M/s Serene Properties Private Limited (**SPPL**), was allowed to levy MSEDCL's Tariff as the Ceiling Tariff.
15. The Commission notes that, in the past, few SEZ deemed Distribution Licensees had been allowed to levy MSEDCL's Tariff as a Ceiling Tariff in their respective SEZ areas, based on request made by them as an interim arrangement for a specified timeframe till the Tariff is determined for these Licensees. However, there have been instances where some of Licensees, instead of filing their respective Tariff Petition, sought multiple extensions for the ceiling Tariff, citing one or the other reason. Further, there are as many as eleven SEZ Deemed Distribution Licensees (including EON) who have approached the Commission with a request to take on record their Deemed Distribution Licensee status and many such Deemed Distribution Licensees are likely to approach in future as well. In view of the above, the Commission deems it appropriate to reassess the position taken in the past on the ceiling Tariff issue.
16. In this context, it is imperative to examine the provision of EA under which the said relief has been sought by EON. Section 62 (1)(d) of EA reads as follows:

“ Section 62. (Determination of tariff): --- (1) The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for –

.....

(d) retail sale of electricity:

*Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, **for promoting competition among distribution licensees**, fix only maximum ceiling of tariff for retail sale of electricity.”*


17. It is observed that the fixation of ceiling Tariff under Section 62(1)(d) of EA has been envisaged in order to promote competition among the Distribution Licensees operating in the same area of supply. In the present case, MSEDCL and EON would be the Distribution Licensees having authorization to supply electricity in both these SEZ areas. However, there are issues such as different consumer mix, sales and revenue mix , level of cross subsidy built in tariff , social obligations, significant difference in the area to be served etc. due to which these two Licensees are not on the same level playing field. Also, in case of approving ceiling tariff, there is a possibility of differential tariff applicability within a consumer category which may subsequently result in socializing the difference in the Aggregate Revenue Recovery (ARR). The Commission is not in favour of this possibility. Lastly, since the ARR is proposed to be filed shortly, by 31st August 2020, the dispensation about ceiling tariff may not be necessary. Hence, the objective of allowing the ceiling Tariff may not be achieved in the present case. In light of the above, the Commission is not inclined to accept the prayer of EON regarding ‘ Ceiling Tariff’. However, considering the need for levy of some provisional Tariff, on interim basis, the Commission allows EON to charge consumers in its Licence area, the Tariff as is applicable for the respective category of consumers in the MSEDCL’s area of supply without FAC component and apply the same Schedule of Charges as is applicable to the consumers of MSEDCL.
18. EON is also required to establish mechanisms to serve its consumers, including Internal Grievance Redressal Cell, Consumer Grievance Redressal Forum, Customer Care Centre for complaint handling, and systems and modalities for billing, releasing new connections, ensuring reliable and uninterrupted power supply, etc. Section 42(5) of the EA provides that the Distribution Licensee shall establish a forum for redressal of grievances of the consumers within six months of the date of grant of Licence. Accordingly, EON is directed to establish its IGRC and CGRF (Only One IGRC and One CGRF covering both the SEZ’s) and comply with the other requirements of the MERC (CGRF and Electricity Ombudsman) Regulations, 2006 within six months from the issue of the Specific Conditions of its Licence for both SEZ Phase I and SEZ Phase II.
19. Under Section 16 of the EA, the Commission may specify general or specific conditions applicable to a Licensee, and these conditions shall be deemed to be conditions of its Licence. In view of the definition of the term ‘specified’ in Section 2(62), the specific conditions applicable to EON are required to be laid down by way of Regulations framed after previous publication and cannot be stipulated through this Order. Further, in terms of the provisions of EA, the Distribution Licence is granted for the specific area, hence for two separate areas (as in present Petitions), two separate Licences may be required to be granted even though the Licensee is same. Accordingly, the Commission shall separately notify two separate Regulations specifying the specific conditions of Licence applicable to EON for SEZ Phase I and SEZ Phase II. Hence the following Order:

ORDER

1. The Case No. 67 of 2020 and 68 of 2020 are partly allowed.
2. The Commission hereby confirms the status of Eon Kharadi Infrastructure Pvt. Ltd. as the deemed Distribution Licensee for the IT and ITES SEZ admeasuring 18 Hectares at MIDC Knowledge Park- Kharadi, Pune, Maharashtra (i.e. SEZ Phase I) under Section 14 of the EA. The Commission also confirms the status of Eon Kharadi Infrastructure Pvt. Ltd. as the deemed Distribution Licensee for the IT and ITES SEZ admeasuring 4.86 Hectares at Survey No. 72, Village Kharadi, Pune, Maharashtra (i.e. SEZ Phase II) under Section 14 of the EA.
3. Eon Kharadi Infrastructure Pvt. Ltd. is directed to file its Petitions for Power Purchase Agreements/ Arrangements approval and adoption of Tariff, discovered through competitive bidding in accordance with the Central Government's Guidelines, under Section 63 of the EA by 31 August, 2020.
4. The Petitioner shall file its Petitions for approval of ARR and Tariff determination within six months of the approvals of PPA.
5. The Petitioner's prayer regarding ceiling Tariff is rejected for the reasons as mentioned in para. 14 to para. 17 of this Order. Till the approvals of ARR are in place for the Petitioner, as an interim arrangement, the Commission allows Eon Kharadi Infrastructure Pvt. Ltd. to charge consumers in both these Licence areas (ESZ Phase I and SEZ Phase II) , the Tariff applicable to the respective categories of MSEDCL's consumers, as the provisional Tariff, and apply the same Schedule of Charges as is applicable to the consumers of MSEDCL.
6. Eon Kharadi Infrastructure Pvt. Ltd. is directed to establish its IGRC and CGRF and comply with the other requirements of the MERC (CGRF and Electricity Ombudsman) Regulations, 2006 within six months from the issue of the Specific Conditions of its Licence for both SEZ Phase I and SEZ Phase II.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I. M. Bohari)
Member


(Abhijit Deshpande)
Secretary

