

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

(Appointed by the Maharashtra Electricity Regulatory Commission
under Section 42(6) of the Electricity Act, 2003)

REPRESENTATION NO. 71 OF 2026

In the matter of Change of tariff category from Commercial to Public Services – Others
& refund of the excess amount paid.

Dattatray Yashwant Bhakare Appellant
(Cons. No. 000023393328)
(Aarathi Scans & Labs)

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Thane -1 Dn.Respondent
(MSEDCL)

Appearances:

Appellant: Sarang Pande, Representative

Respondent: 1. C. G. Meshram, Executive Engineer, MSEDCL, Thane 1 Dn.
2. Manisha Bhoi, Additional Executive Engineer (B & R) Sub. Dn.

Coram: Vandana Krishna [I.A.S. (Retd.)]

Date of hearing: 19th August 2026

Date of Order: 4th September 2026

ORDER

This Representation was filed on 2nd July 2026 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the order dated 12th May 2026 passed by the Consumer Grievance Redressal Forum, Thane Urban Circle (the Forum) in Case No. 145 of 2026. The Forum partly allowed the grievance application of the Appellant. The operative part of the order is as below:


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1. *Rejection of Retrospective Claim: The request for retrospective applicability of the LT VII – Public Services tariff from April 8, 2021, is hereby rejected. MSEDCL is not in a position to verify the historical usage of tenanted premises for a period prior to the formal application for a tariff change.*
2. *Effective Date of Reclassification: MSEDCL is directed to apply the LT VII – Public Services tariff effective from the date of the formal application, i.e., October 27, 2025.*
3. *Refund/Credit: Any excess amount recovered from October 27, 2025, onwards (if billing was continued under the Commercial category) shall be adjusted/credited in the upcoming billing cycles, subject to the consumer providing the necessary rent agreement as requested by MSEDCL*
4. *No Interest: As the delay in reclassification is attributable to the consumer's failure to intimate the change in activity, no interest under Section 62(6) of the Electricity Act, 2003, is applicable.*

2. Aggrieved with the order passed by the Forum, the Appellant has filed the present representation. An e-hearing was conducted on 19th August 2026 through video conferencing, wherein the Appellant and the Respondent were present. The parties were heard at length. The Appellant's submissions and arguments are stated below: *[The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.]*

- (i) Dattatray Yashwant Bhakare has been a Commercial Consumer (No. 000023393328). The particulars of the Consumer & date of application for change of tariff category are set out in Table 1 below:

Table 1: -

Name of Consumer	Consumer No.	Address	Date of Supply	Additional Load applied & released	Total Sanct. Load / Contract Demand	Date of Application for Public Services - Others Tariff	Date of Inspection	Date of Sanction of change in tariff category
Dattatray Yashwant Bhakare	000023393328	Shop No.11, Ground Floor, Sivanta Building, Almei, Thane (M Corp.)	22.10.2018 (Sanc.Load 12 kW)	80 kW released on 23.04.2021 (Total Load 92 kW)	92 kW / 92 kVA	27.10.2025	27.10.2025	05.12.2025

- (ii) Shri Dattatray Yashwant Bhakare executed a Leave and License Agreement with Aarathi Scans Pvt. Ltd. on 08.04.2021 for the period from 08.06.2021 to 07.06.2026, in respect of premises admeasuring 1,139 sq. ft. carpet area, situated at Shop No. 11, Ground


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Floor, Sivanta Building, Thane. The said Agreement was duly registered on 07.04.2021 before the Sub-Registrar, Thane-1, upon payment of the applicable stamp duty and registration charges which are kept on record.

- (iii) Aarthi Scans & Labs operated by Aarthi Scans Pvt. Ltd. is a leading diagnostic service provider in India, established in 1985. It operates diagnostic centers at various locations, including Mumbai and Thane, and provides radiology imaging and pathology diagnostic services.
- (iv) Shri Dattatray Yashwant Bhakare applied on 27.10.2025 on MSEDCL online Web Self Service (WSS) portal for reclassification of the tariff from LT-II (Commercial) to LT-VII (Public Services–Others), submitting the relevant documents of Aarthi Scans & Labs, the tenant, in support of his claim that the premises had been used exclusively as a Health Diagnostic Centre since 2021.
- (v) MSEDCL inspected the premises on 27.10.2025 and thereafter approved the change of tariff category from LT-II to LT-VII with effect from December 2025. However, the benefit of the revised tariff was granted only prospectively and the excess amount already recovered under the Commercial tariff was neither refunded nor adjusted.
- (vi) According to the Appellant, the subsequent change of tariff category itself establishes that the earlier classification was incorrect. The Appellant therefore claims that the correct tariff ought to have been applied from the date on which the premises became eligible for the Public Services–Others Tariff Category.
- (vii) The Appellant filed a grievance application before the Forum on 03.02.2026 for retrospective change of Tariff Category and refund of the excess amount paid, the Forum had principally rejected the grievance without properly appreciating that the diagnostic center had been continuously functioning since 2021.
- (viii) The Appellant contends that, under Regulation 14 of the MERC Electricity Supply Code and Standards of Performance of Distribution Licensees Regulations, 2021, the Distribution Licensee is required to classify or reclassify consumers according to the purpose for which electricity is used. The Regulation 14 is reproduced as below:


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"The Distribution Licensee may classify or reclassify a Consumer into various Commission-approved tariff categories based on the purpose of usage of supply by such Consumer."

Hence, the Appellant stated that MSEDCL was required to apply Public Services- Others Tariff Category from April 2021 onwards.

- (ix) The Appellant further relies upon Section 62(6) of the Electricity Act, 2003, contending that any amount recovered in excess of the tariff determined by the Commission is required to be refunded along with applicable interest.
- (x) The Appellant relied upon the judgment of the Hon'ble Bombay High Court in MSEDCL v. M/s. Jindal Polyfilms Ltd., Writ Petition No. 7152 of 2019, decided on 16.07.2024, wherein the Hon'ble Court upheld the orders of the Consumer Grievance Redressal Forum directing MSEDCL to refund the excess AEC and Additional FAC recovered from the consumer, along with applicable interest. The Hon'ble Court dismissed the petitions filed by MSEDCL and upheld the retrospective refund directed by the CGRF.
- (xi) The Appellant relied upon the judgment dated 27.02.2020 of the Hon'ble Appellate Tribunal for Electricity (APTEL) in Appeal No. 363 of 2018 in Case of Dhariwal Infrastructure Limited v. MERC & MSEDCL, concerning the applicability of tariff for start-up power, wherein the Hon'ble Tribunal directed refund of the differential tariff amount to the Appellant along with applicable interest.
- (xii) The Appellant also relied upon the order of the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) in Pragati Agencies & 12 Others v. MSEDCL, Case No. 232 of 2023 & connected cases, concerning refund of excess wheeling and transmission charges collected from the consumers. The Hon'ble Commission allowed the retrospective refund of the excess charges along with applicable interest.
- (xiii) The Appellant also referred to the order dated 11.09.2015 passed by the Hon'ble CGRF, NUZ, in Case No. 125 of 2015, Tanna Hospital Pvt. Ltd. v. MSEDCL, wherein the Forum directed MSEDCL to refund the excess amount recovered on account of tariff difference with effect from 10.08.2013.


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- (xiv) The Appellant further referred to the order dated 19.01.2026 passed by the Hon'ble CGRF, Satara Circle, in Case No. 01 of 2026, Sandip Ganpat Adsul v. MSEDCL, wherein the Forum directed MSEDCL to refund the excess amount recovered due to incorrect classification under the Commercial tariff instead of the Residential tariff, with effect from January 2025.
- (xv) In support of the claim for retrospective application of the appropriate tariff category, the Appellant has placed on record relevant documentary evidence demonstrating that the premises have been continuously used as a Health Diagnostic Centre since 2021, as detailed below:
- a) Shri Dattatray Yashwant Bhakare entered into and executed a Leave and License Agreement with Aarthi Scans Pvt. Ltd. on 08.04.2021 for the period from 08.06.2021 to 07.06.2026
 - b) License for operation of Medical Diagnostic X-Ray Equipment issued by the Government of India, Atomic Energy Regulatory Board (AERB), dated 29.04.2022.
 - c) Combined Consent and Bio-Medical Waste Authorization (CCA) issued by the Maharashtra Pollution Control Board (MPCB), dated 26.02.2022.
 - d) Certificate of Registration – Form B for permission for issued by the Thane Municipal Corporation, dated 21.05.2021 for operating pathology laboratory
- (xvi) The electricity bills are required to be revised in accordance with the tariff applicable under the relevant MYT Tariff Orders. The provisions of the Electricity Act, 2003, the Supply Code Regulations and the applicable Tariff Orders are binding upon the Respondent. Despite this statutory obligation, the Respondent failed to classify the Appellant under the appropriate tariff category from the commencement of the eligible activity. The Respondent recovers its approved revenue through the Aggregate Revenue Requirement (ARR) determined by the Hon'ble Commission under the MYT framework. Therefore, retrospective correction of the tariff classification and consequential adjustment/refund of the excess amount recovered would not cause any financial prejudice or revenue loss to the Distribution Licensee.


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- (xvii) In view of the above, the Appellant prays that the Respondent be directed to apply LT-VII (Public Services-Others) tariff from the actual date of commencement of the Health Diagnostic Centre from April 2021 onwards and revise the electricity bills for the relevant period, and refund the excess amount recovered along with applicable interest under Section 62(6) of the Electricity Act, 2003.

3. The Respondent's submissions and arguments are stated as below:

Preliminary Submissions:

- (i) Mr. Dattatray Yashwant Bhakare (Consumer No. 000023393328), Shop No. 11, Ground Floor, Sivanta Building, filed a grievance application before the Forum on 03.02.2026, seeking retrospective refund of the tariff differential arising from classification under the Commercial tariff instead of Public Services–Others. The Forum, on merits, rejected the grievance application. However, the present representation before the Electricity Ombudsman (Mumbai) has been filed by Aarathi Scans & Labs, which is not the registered consumer of MSEDCL under the said connection. Therefore, the representation is not maintainable on this preliminary technical ground.

Submissions on Merit:

- (ii) Meridian Buildpro Pvt. Ltd. was the registered consumer under Consumer No. 000023393328 from 22.10.2018, with a sanctioned load of 12 kW, for the said shop under commercial tariff category. Subsequently, Shri Dattatray Yashwant Bhakare applied for change of name, which was effected in January 2020. Accordingly, from January 2020 onwards, Shri Dattatray Yashwant Bhakare became the registered consumer under the said connection, which continued to be billed under the Commercial Tariff category. The consumer particulars are provided in Table 1.
- (iii) Shri Dattatray Yashwant Bhakare subsequently applied for an additional load of 80kW for commercial purpose. As per the survey/feasibility report and sanction letter, the


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additional load was sanctioned for commercial use. Accordingly, the additional load was subsequently released on 23.04.2021.

- (iv) At the time of applying for load enhancement in April 2021, the “Public Services – Others” tariff category was already in force. However, the Appellant specifically sought the enhanced load for commercial purpose, and accordingly, it was sanctioned under the Commercial tariff category. Hence, the benefit of “Public Services – Others” cannot be granted retrospectively. It was the consumer’s responsibility to inform the change in purpose of use and apply for the appropriate tariff category as required under the Electricity Act, 2003 and the applicable Supply Code & Standard of Performance Regulations, 2021.
- (v) Dattatray Yashwant Bhakare submitted an online application only on 27.10.2025, vide Application ID No. 71223089, seeking change of tariff category from **LT-II Commercial** to **LT-VII (B) Public Services – Others**. The screenshot of the application is reproduced below:

<i>Application ID</i>	<i>Application Date</i>	<i>Activity Type</i>	<i>Activity Group</i>	<i>Activity Name</i>	<i>Status of Application</i>
71223089	27.10.2025	Public Services	Group -Govt. Other	Blood Bank (Govt.)	Submitted

- (vi) The consumer submitted a hard copy of the application on 27.10.2025, along with documents pertaining to Aarthi Laboratory, namely, the AERB License for Operation of Medical Diagnostic X-Ray Equipment dated 29.04.2022, the Combined Consent and Bio-Medical Waste Authorisation (CCA) issued by the MPCB dated 26.02.2022, and the Certificate of Registration in Form B issued by the Thane Municipal Corporation dated 21.05.2021, permitting operation of the pathology laboratory.
- (vii) The Respondent approved the change of tariff category from **Commercial** to **Public Services – Others** with effect from 05.12.2025, i.e., from the December 2025 billing cycle, within the second billing cycle, as prescribed under Annexure II of the Supply Code & SoP Regulations, 2021.


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- (viii) As per the Leave and License Agreement submitted along with the representation, the tenancy commenced on 08.06.2021 and continued up to 07.06.2026. The additional load was released on 23.04.2021 under the Commercial tariff category.
- (ix) The Appellant filed a grievance application in the Forum on 03.02.2026. The Forum partly allowed the Appellant's grievance by rejecting retrospective reclassification from 08.04.2021, directing application of the LT-VII Public Services tariff from 27.10.2025, with adjustment of excess billing from that date, subject to submission of the required rent agreement.
- (x) The Respondent stated that the judgments and orders relied upon by the Appellant are distinguishable on facts and legal issues and, therefore, are not applicable to the present case. The Respondent contended that the ratio of the cited judgments does not apply to the present matter and that reliance on such decisions is misplaced.
- (xi) The Respondent contended that a change in the purpose of use of electricity cannot result in an automatic change of tariff category without informing the Licensee. Regulation 14 of the Supply Code & SoP Regulations, 2021 provides that the Distribution Licensee shall classify or reclassify a consumer into the applicable Commission-approved tariff category based on the purpose of use of electricity. While the initial classification is made at the time of release of supply, any subsequent change in the nature or purpose of use requires the consumer to inform the Licensee and apply for the appropriate tariff category through the Licensee's WSS portal, which has been operational since 2016 pursuant to the Commission's directions under the SoP Regulations, 2014. Upon receipt of a valid application, the Licensee is required to process and effect the tariff change within the second billing cycle, after necessary inspection and verification.
- (xii) In view of the foregoing facts and submissions, it is prayed that the Representation filed by the Appellant be rejected.


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Analysis and Ruling

4. Heard the parties and perused the documents placed on record.

5. The Appellant contended that Shri Dattatray Yashwant Bhakare, a Commercial consumer, had leased the premises to Aarthi Scans Pvt. Ltd. from 08.06.2021 to 07.06.2026 for operation of a Health Diagnostic Centre. The Leave and License Agreement, AERB License, MPCB Authorization and Thane Municipal Corporation registration established that the premises were being used for the said purpose since 2021. The Appellant applied online on 27.10.2025 for reclassification from LT-II Commercial to LT-VII Public Services – Others, which MSEDCL approved prospectively from December 2025. The Appellant contended that, in view of Regulation 14 of the MERC Supply Code & SoP Regulations, 2021 and the documents establishing eligible use since 2021, the appropriate tariff ought to have been applied from April 2021. Accordingly, the Appellant sought retrospective reclassification, revision of bills and refund of the differential amount with applicable interest.

6. The Respondent stated that the Representation is not maintainable as Aarthi Scans & Labs is not the registered consumer under the connection; Shri Dattatray Yashwant Bhakare is the registered consumer. The connection was under the Commercial tariff category since 2018 and continued as such after the change of name in January 2020. The additional load applied for in April 2021 was specifically for commercial purposes and was released on 23.04.2021 under the Commercial tariff. Although LT-VII (B) Public Services – Others was already in force, the consumer did not inform MSEDCL of any change in the purpose of use or apply for reclassification until 27.10.2025. Upon receipt of the application and supporting documents, MSEDCL approved the change to Public Services – Others with effect from 05.12.2025, within the prescribed second billing cycle and after verification. The judgments and orders relied upon by the Appellant were stated to be distinguishable and not applicable to the present case. The Respondent further relied on Regulation 14 of the Supply Code & SoP Regulations, 2021, under which any subsequent change in the purpose of use requires the consumer to inform the Licensee and apply for the appropriate tariff category through the


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WSS portal, followed by necessary verification. Accordingly, the Respondent prayed for rejection of the Representation.

7. The Commission introduced the “Public Services” tariff category vide Tariff Order dated 16.08.2012 in Case No. 19 of 2012, covering Educational Institutions, Hospitals, Dispensaries, etc. Subsequently, vide Tariff Order dated 26.06.2015 in Case No. 121 of 2014, the category was sub-divided into

A. LT X(A) – Public Services – Government Educational Institutions & Hospitals
and

B. LT X(B) – Public Services – Others.

This classification, particularly in respect of healthcare facilities including Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Laboratories, was continued in the subsequent Tariff Orders in Case Nos. 48 of 2016, 195 of 2017, 322 of 2019, 226 of 2022 and 217 of 2024.

8. As per the Tariff Order dated 31.03.2020 in Case No. 322 of 2019, **LT VII (B) – Public Services – Others** was applicable to Low/Medium Voltage supply to, inter alia, healthcare facilities such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks and Laboratories, other than those owned or operated by the State/Central Government or Local Self-Government bodies. The relevant extract of the said Tariff Order is reproduced below:

LT VII (B): LT - Public Services – Others

Applicability:

This tariff category is applicable for electricity supply at Low/Medium Voltage for:

- a) ***Educational Institutions, such as Schools and Colleges; Health Care facilities, such as Hospitals, Dispensaries, Clinics, Primary Health Care Centres, Diagnostic Centres, Blood Banks, Laboratories; Libraries and public reading rooms - other than those of the State or Central Government or Local Self-***


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Government bodies such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats, etc.

- b) Sports Clubs and facilities / Health Clubs and facilities / Gymnasium / Swimming Pools attached to such Educational Institutions /Health Care facilities, provided that they are situated in the same premises and are meant primarily for their students / faculty/ employees/ patients;*
- c) all offices of Government and Municipal/ Local Authorities/ Local Self-Government bodies, such as Municipalities, Zilla Parishads, Panchayat Samitis, Gram Panchayats; Police Stations and Police Chowkies; Post Offices; Armed Forces/Defence and Para Military establishments;*
- d) to m)*

9. The Consumer applied online only on 27.10.2025 for change of tariff category from LT-II Commercial to LT-VII (B) Public Services – Others, followed by submission of the hard copy and supporting documents. The Respondent inspected the premises on the same day and, upon verification, changed the tariff category to LT-VII (B) with effect from December 2025. In compliance with the Forum's order, the concessional tariff has also been extended from the date of application, i.e. 27.10.2025, and the Respondent is in the process of refunding/adjusting the tariff differential for October and November 2025.

10. The principal issue is whether the Respondent was required to suo motu reclassify the consumer from Commercial to Public Services – Others. Although the Commission had introduced the Public Services – Others category in June 2015, the original connection was applied for by Meridian Buildpro Pvt. Ltd. for commercial use. Thereafter, Shri Dattatray Yashwant Bhakare applied for enhancement of load, which was sanctioned and released on 23.04.2021 specifically for commercial purpose. Further, as per the Appellant's own documents, the Leave and Licence Agreement commenced only from 08.06.2021. Thus, despite the Public Services – Others category being in existence, the consumer continued to represent the purpose as commercial.


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It is notable that the Appellant, Dattatray Bhakre was the landlord, while the electricity bills were presumably paid by the tenant Aarti Scans. Probably for that reason, the consumer Dattatray Bhakre did not bother to apply for tariff under the Public Services (Others) tariff category in 2021. However, it was the tenant's obligation to ensure that the landlord applied for a change in the tariff category, since the electricity connection stood in the name of the original landlord.

11. The Respondent has stated that the premises were inspected only upon receipt of the application dated 27.10.2025, when the use as a diagnostic/scanning laboratory was verified for the first time. There was no prior intimation or record with the Respondent indicating such change in use. In these circumstances, the Respondent could not reasonably be expected to identify the change suo motu and apply the concessional tariff retrospectively. The consumer was required to intimate the change in purpose and apply for the appropriate tariff category. Accordingly, we find no merit in the Appellant's contention that the Respondent was required to reclassify the connection on its own.

12. The Forum has rightly analyzed the case and hence no interference in the order of the Forum is needed. The ratio of various orders referred to by the representative of the Appellant are not applicable in the instant case. Other prayers of the Appellant are rejected.

13. The Forum's order is upheld, and the Representation is rejected and disposed of accordingly.

Sd/-
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