



## MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

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No. MPERC/2022/310

Bhopal, Dated:10/02/2022

### **PUBLIC NOTICE**

(Petition no. 04/2022)

Madhya Pradesh Electricity Regulatory Commission (MPERC) has notified “**The Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for supply and wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 (RG-35 (III) of 2021)**” (hereinafter referred to as regulations) on 3<sup>rd</sup> Dec’2021.

MP Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur, MP Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore, MP Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal and M.P. Power Management Company Ltd., Jabalpur (hereinafter referred to as the ‘Petitioners or East Discom, West Discom and Central Discom and MPPMCL respectively’), are wholly owned Companies of the Government of Madhya Pradesh. MP Power Management Co. Ltd.(MPPMCL) is the holding Company of the above mentioned three electricity distribution companies (Discoms) of the State and have signed “Management and Corporate Functions Agreement” on 5<sup>th</sup> June 2012, with them.

In compliance to the Commission’s order dated 25.01.2022 in Petition no. 61 of 2021 in subject matter, a fresh petition (registered as Petition No. 04/2022) in accordance with the Tariff Regulations notified on 03.12.2021 has been filed by the aforementioned companies before the Commission on 07.02.2022 for consideration and approval of the Aggregate Revenue Requirement (ARR) for FY 2022-23 to FY 2026-27 and Tariff for FY2022-23. The Commission held the motion hearing on **09.02.2022** and admitted the said petition. As the earlier petition (P.No. 61/2021) is disposed of and a new petition is filed, hence stakeholders’ comments /suggestions/objections on this new petition (P.No 04/2022) shall only be considered by the Commission while determining ARR/Tariff for the aforesaid period.

Brief summary of the ARR for FY 2022-23 to FY 2026-27 as filed by the petitioners in subject petition (P.No 04/2022) is given in the table below:-

**Table 1: Summary of ARR filed by petitioners for FY 2022-23**

Particulars	All figures in Rs Crore			
	East Discom	Central Discom	West Discom	MP State
Power purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	8,598	9,426	15,735	33,760
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	1,262	1,487	1,507	4,256
R&M Expenses	506	494	359	1,359
Employee Expenses	1,323	1,205	1,225	3,753
A&G Expenses	126	120	139	385

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Other Debits, Write-offs (Prior period and bad debts)	131	140	179	450
Depreciation	715	708	498	1,921
Interest & Finance Charges	417	501	381	1,299
Return on Equity (RoE)	291	275	228	794
<b>Total Expenses Including RoE</b>	<b>13,370</b>	<b>14,356</b>	<b>20,251</b>	<b>47,977</b>
<b>Less:</b> Other income (excluding Delayed Payment Surcharge)	423	370	342	1,135
<b>Total ARR</b>	<b>12,947</b>	<b>13,987</b>	<b>19,910</b>	<b>46,843</b>
Impact of True Up of FY 2019-20 of MP Discoms	1,260	1,253	(482)	2,031
<b>Total ARR including True-up (A)</b>	<b>14,207</b>	<b>15,239</b>	<b>19,428</b>	<b>48,874</b>
Revenue from Sale of power at existing tariff (B)	13,066	14,026	17,866	44,957
<b>Total Revenue Gap (A-B)</b>	<b>1,141</b>	<b>1,213</b>	<b>1,562</b>	<b>3,916</b>
<b>Revenue from Sale of power at proposed tariff</b>	<b>14,207</b>	<b>15,239</b>	<b>19,428</b>	<b>48,874</b>
<b>Gap at proposed tariff</b>	-	-	-	-

**Table 2: Summary of ARR filed by petitioners for FY 2023-24**

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Power purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	10,658	11,384	14,427	36,469
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	1,291	1,504	1,544	4,339
R&M Expenses	594	580	452	1,626
Employee Expenses	1,456	1,300	1,335	4,091
A&G Expenses	132	125	145	402
Other Debits, Write-offs (Prior period and bad debts)	141	152	195	489
Depreciation	786	784	586	2,155
Interest & Finance Charges	450	519	437	1,406
Return on Equity (RoE)	312	295	239	846
<b>Total Expenses Including RoE</b>	15,818	16,644	19,359	51,821
<b>Less:</b> Other income (excluding Delayed Payment Surcharge)	432	399	395	1,226
<b>Total ARR</b>	<b>15,386</b>	<b>16,244</b>	<b>18,965</b>	<b>50,595</b>

**Table 3: Summary of ARR filed by petitioners for FY 2024-25**

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Power purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	11,409	12,187	15,443	39,039
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	1,342	1,564	1,606	4,512
R&M Expenses	838	764	633	2,235
Employee Expenses	1,574	1,401	1,452	4,427
A&G Expenses	137	131	151	419
Other Debits, Write-offs (Prior period and bad debts)	152	165	210	527
Depreciation	910	896	702	2,508
Interest & Finance Charges	509	568	509	1,586

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Return on Equity (RoE)	330	311	250	891
<b>Total Expenses Including RoE</b>	<b>17,201</b>	<b>17,987</b>	<b>20,956</b>	<b>56,144</b>
<b>Less:</b> Other income (excluding Delayed Payment Surcharge)	479	447	458	1,384
<b>Total ARR</b>	<b>16,722</b>	<b>17,540</b>	<b>20,498</b>	<b>54,761</b>

**Table 4: Summary of ARR filed by petitioners for FY 2025-26**

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Power purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	12,167	12,997	16,470	41,633
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	1,396	1,627	1,670	4,693
R&M Expenses	921	845	709	2,476
Employee Expenses	1,699	1,508	1,577	4,784
A&G Expenses	143	136	157	436
Other Debits, Write-offs (Prior period and bad debts)	161	177	224	562
Depreciation	1,026	1,010	815	2,851
Interest & Finance Charges	545	579	555	1,679
Return on Equity (RoE)	341	324	262	928
<b>Total Expenses Including RoE</b>	<b>18,400</b>	<b>19,203</b>	<b>22,439</b>	<b>60,043</b>
<b>Less:</b> Other income (excluding Delayed Payment Surcharge)	524	514	530	1,568
<b>Total ARR</b>	<b>17,877</b>	<b>18,689</b>	<b>21,909</b>	<b>58,475</b>

**Table 5: Summary of ARR filed by petitioners for FY 2026-27**

All figures in Rs Crore

Particulars	East Discom	Central Discom	West Discom	MP State
Power purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	12,882	13,759	17,436	44,077
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	1,452	1,692	1,737	4,880
R&M Expenses	985	910	769	2,664
Employee Expenses	1,831	1,622	1,709	5,163
A&G Expenses	149	142	164	455
Other Debits, Write-offs (Prior period and bad debts)	172	188	237	597
Depreciation	1,108	1,039	909	3,055
Interest & Finance Charges	540	543	556	1,640
Return on Equity (RoE)	348	338	274	959
<b>Total Expenses Including RoE</b>	<b>19,467</b>	<b>20,232</b>	<b>23,791</b>	<b>63,491</b>
<b>Less:</b> Other income (excluding Delayed Payment Surcharge)	558	518	597	1,673
<b>Total ARR</b>	<b>18,909</b>	<b>19,714</b>	<b>23,195</b>	<b>61,818</b>

For FY 2022-23 the petitioners have estimated that Revenue from Sale of power at existing tariff will be Rs 44,957 Crore and there will be a revenue gap of Rs 3,916 Crore. The petitioners have proposed to recover this revenue gap through revision of tariff for FY 2022-23. Petitioners have proposed the

category-wise average increase in Tariff for FY 2022-23 by considering the gap of Rs 3,916 Crore only as given below: -

**Table 6: - Impact on Revenue due to proposed tariff for FY2022-23 for the State**

Tariff Category		Sale	Revenue at Current Tariff	Revenue at Proposed Tariff	Additional Revenue at proposed Tariff	Proposed Average increase in Tariff category
		MU	Rs. Cr	Rs. Cr	Rs. Cr	%
LV 1	Domestic	19,074	12,659	13,921	1,262	9.97%
LV 2	Non-Domestic	3,776	3,421	3,573	152	4.44%
LV 3	Public Water Works & Street Light	1,451	968	1,066	98	10.11%
LV 4	LT Industrial	1,537	1,413	1,485	72	5.11%
LV 5	Agriculture and Allied Activities	27,665	16,133	17,844	1,711	10.61%
LV 6	E Vehicle/E-Rickshaws Charging Stations	3	2	2	0	0.00%
	<b>Total (LT)</b>	<b>53,506</b>	<b>34,596</b>	<b>37,891</b>	<b>3,295</b>	<b>9.52%</b>
HV 1	Railway Traction	111	80	80	0	0.00%
HV 2	Coal Mines	554	482	507	25	5.19%
HV 3.1	Industrial	6,803	5,342	5,385	43	0.81%
HV 3.2	Non-Industrial	1,034	780	844	64	8.24%
HV 3.3	Shopping Mall	132	111	115	3	3.11%
HV 3.4	Power Intensive Industries	3,730	2,179	2,471	292	13.38%
HV 4	Seasonal	25	20	21	1	4.90%
HV 5	Irrigations, Public Water Works and other than Agricultural	1,584	1,034	1,195	161	15.58%
HV 6	Bulk Residential Users	457	306	335	29	9.61%
HV 7	Synchronization of Power for Generators connected to the Grid	22	24	25	1	4.37%
HV 8	E Vehicle /E-Rickshaws Charging Stations	6	4	4	0	0.00%
	<b>Total (HT)</b>	<b>14,457</b>	<b>10,362</b>	<b>10,982</b>	<b>620</b>	<b>5.99%</b>
	<b>TOTAL LT+HT</b>	<b>67,964</b>	<b>44,957</b>	<b>48,874</b>	<b>3,916</b>	<b>8.71%</b>

The aforesaid proposed tariff hike also includes some changes in Tariff structure and General Terms & Conditions, which are discussed in detail in petition along with the reasons. Some Prominent changes proposed are as below: -

- 1. Modification in applicability clauses of LV-5.1 and LV-5.2 Tariff Sub-categories by merging the applicability of connections for farms growing flowers/plants/fruits/sapling in LV-5.1 and deleting it from LV-5.2:** Practically it is very difficult to restrict the use of power for specific purposes of agricultural irrigation. Agriculture consumers are often cultivating flowers along with the regular crop on the same farm and it is not feasible to install separate connections for separate crops.
- 2. In General Terms and Conditions of LT Tariff, clause 6(i) is proposed to be modified by introducing additional Energy Charges for excess Connected Load or Excess Demand beyond 120% of CD at the rate 1.3 times the Normal Energy Charges.:** For consumption corresponding to the excess demand in excess to the CD of consumers the licensee has to procure costlier power from generators hence some portion of such burden is to be shared by those Consumers who exceeds the maximum demand over and above 120% of CD as provided in the Tariff order.

3. ***Amendment in clause 7(e) of General Terms & Conditions of LT Tariff:*** In order to have clarity in providing the Power factor incentive to the actually eligible consumers in line with the provisions of Supply Code 2021, the petitioners are submitting to amend the existing clause 7 (e) of the General terms and Conditions for LT Tariff.
4. ***Continuation of Rebate of Rs 1/- per unit on incremental consumption of existing Consumers of HV-3 Category:*** Since, the Petitioners have estimated energy surplus scenario for FY 2022-23 and also considering the adverse impact of Covid-19 lockdown on Industrial consumers, it is proposed to continue the incremental rebate of Rs 1 per unit on Energy charges for incremental energy as compared to the corresponding month in FY 2015-16.
5. ***Continuation of Rebate of Rs 1/- per unit or 20% whichever would be less, for new service connection under HV-3 Category:*** Since, the Petitioners have estimated energy surplus scenario for FY 2022-23 and also considering the adverse impact of Covid-19 lockdown on Industrial consumers, it is proposed to continue the rebate of Rs 1 per unit or 20% whichever would be less applicable in energy charges for new connection for the consumption recorded.
6. ***Continuation of Rebate of Rs 1/- per unit on incremental consumption of Open Access consumers of HV-3 Category:*** Since, the Petitioners have estimated energy surplus scenario for FY 2022-23 and also considering the adverse impact of Covid-19 lockdown on Industrial consumers, it is proposed to continue the incremental rebate of Rs 1 per unit on Energy charges on incremental energy of HV-3 category consumers subject to corresponding reduction from Open Access.
7. ***Continuation of Rebate of Rs 2/- per unit on incremental consumption of Captive power plants consumers of HV-3 Category:*** Since, the Petitioners have estimated energy surplus scenario for FY 2022-23 and also considering the adverse impact of Covid-19 lockdown on Industrial consumers, it is proposed to continue the incremental rebate of Rs 2 per unit on Energy charges till FY 2022-23, on incremental energy of HV-3 category consumers having captive power plants subject to reduction in captive generation.
8. ***Rebate for supply through feeders feeding supply to predominantly rural area to be abolished:*** It is stated that HT consumers are receiving supply through Industrial feeders which are having supply 24x7 and as of now no framework exists for classification of feeders as Urban or Rural. This leads to avoidable disputes with consumers regarding applicability of above-mentioned rebate. In fact, many consumers have approached forum for adjudication of such disputes. It is further stated that other rebates to promote consumption from Discom are provided to consumers.
9. ***Amendment in applicability clause for HV-3.4 Tariff Sub-category for Power Intensive Industries.***

In view of ambiguity arisen in case of consumers under this categories using coal furnaces for heating and melting of Iron and Steel, the applicability clause of Power intensive consumers has been proposed to be amended for “Melting and heating of Iron and Steel” using **Electric furnaces** only.

10. ***In General Terms and Conditions of HT Tariff clause 1.15 is proposed to be modified by introducing additional Energy Charges for excess Connected Load or Excess Demand beyond 120% of CD at the rate 1.3 times the Normal Energy Charges:*** For consumption corresponding to the excess demand in excess to the CD of consumers the licensee has to procure costlier power from generators hence some portion of such burden is to be shared by those Consumers who exceeds the maximum demand over and above 120% of CD as provided in the Tariff order.
11. ***Change in sub-clause (f) of Clause 1.19 meant for Temporary supply at HT in General Terms and Conditions of HT Tariff by introducing Deemed Contract Demand Concept for existing HT Consumers requesting Temporary supply within the premises of existing HT connection:*** In the present Tariff, as there is no methodology of separation of billing for CD of permanent connection and sanctioned demand for temporary connection. Therefore, some disputes are arising in billing of temporary connection given through existing permanent connection. Thus method of assessment is being proposed for FY 2022-23.

Interested persons may file their objections / comments / suggestions relating to the ARR and Tariff proposals in three copies to the **Secretary, Madhya Pradesh Electricity Regulatory Commission, 5<sup>th</sup> Floor “Metro Plaza” E-5 Arera Colony, Bittan Market Bhopal- 462 016** so as to reach the Commission’s office latest by **04.03.2022**. Advance copy of the objections / comments / suggestions can also be sent by “e-mail at [secretary@mperc.nic.in](mailto:secretary@mperc.nic.in)” followed by its hard copy which should reach the Commission’s Office latest by **04.03.2022**. Objections / comments / suggestions received after **04.03.2022** shall not be considered.

Copy of main petition along with Tariff proposal (in English /Hindi version) may be obtained on any working day between 11:00 AM and 4:00 PM from **11.02.2022** onwards from the Commission’s office or Headquarters of MPPMCL at Block No. 15, Shakti Bhawan, Rampur, Jabalpur–482008 or Headquarters of M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd. at Block No. 7, Shakti Bhawan, Rampur, Jabalpur or M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. at GPH Compound, Polo Ground, Indore or M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd. at Nishtha Parisar, Govindpura, Bhopal on payment of **Rs.1000** for one copy in cash or demand draft drawn in favor of “DGM (Accounts) MPPMCL, Jabalpur” or “RAO JC MPPKVVCL, Jabalpur” or “RAO MPPKVVCL, Indore” or “RAO MPMKVVCL, Bhopal” respectively. Copy of petition can also be obtained by post on additional payment of Rs.100 towards postage expenses. Copy of petition & Tariff proposal can also be downloaded free of charge from Commission’s website-[www.mperc.in](http://www.mperc.in) and from petitioners’ website viz. [www.mppmcl.com](http://www.mppmcl.com), [www.mpez.co.in](http://www.mpez.co.in), [www.mpwz.co.in](http://www.mpwz.co.in) and [www.mpcz.co.in](http://www.mpcz.co.in), respectively.

The Commission shall arrange public hearing through Video Conferencing for East, West and Central Discoms at **11 A.M** on **08.03.2022, 09.03.2022 and 10.03.2022** respectively. The person who has filed representation in writing with the Commission may intimate mobile number and e-mail ID to the Commission (Secretary, MPERC at [secretary@mperc.nic.in](mailto:secretary@mperc.nic.in)) to participate in the public hearing as per relevant guidelines available on the website of the Commission.

**By Order of the Commission**  
**Secretary**