BEFORE THE MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL

CASE NO:

Filing of the Petition for ARR and Tariff determination for FY 2024-25 under tariff principles laid down in 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 and amendments thereof along with other guidelines and directions issued by the MPERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines.

Filed by: -

MADHYA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore- 452007, MP

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AND

IN THE MATTER OF Madhya Pradesh Industrial Development Corporation Limited.
1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore-452007, MP

PETITIONER

THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS

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1. Executive Summary

1.1. Preamble

1.1.1 Madhya Pradesh Industrial Development Corporation Limited, (hereinafter referred as the 'Petitioner', 'MPIDC', 'the Company' or 'the Licensee'), is a Company incorporated under the Companies Act, 1956 (Now Companies Act, 2013) having its regional office at 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore-452007, MP. The Petitioner is a deemed distribution licensee under the fifth Provision to Section 14 of the Electricity Act, 2003. The area of supply of the Petitioner is SEZ Indore (Pithampur) within the State of Madhya Pradesh ('MP').

1.1.2 The Government of Madhya Pradesh ('GoMP' or 'State Government') has passed the Special Economic Zone Policy in August 2003. The Indore Special Economic Zone (Special Provisions), Act 2003 was also enacted in the year 2003. This Act has been passed by the Madhya Pradesh Vidhan Sabha on dated 28th March 2003 (Madhya Pradesh Act No 23 of 2003), The Indore Special Economic Zone (Special Provisions), Act 2003 an Act to provide for the development, operation, maintenance, and administration of Indore Special Economic Zone.

1.1.3 It is submitted that licensee MPIDC is the wholly owned undertaking of Government of Madhya Pradesh and working for the Industrial Promotion & Development in the State. The following are the subsidiary companies of MPIDC after amalgamation w.e.f. 01/04/2018:

a) DMIC Pithampur Jal Prabandhan Limited
b) DMIC Vikram Udyogpuri Limited,
c) Pithampur Auto Cluster
d) Madhya Pradesh Plastic City Development Corporation Gwalior Limited
e) Madhya Pradesh Plastic City Development Corporation Bhopal Limited

1.1.4 In the backdrop of the above facts and circumstances, the present application is being submitted by the Petitioner (MPIDC Indore Ltd.) under Section 61 and Section 62 (1) (d) of the Electricity Act 2003 for determination of Tariff for Distribution and Retail supply business for the FY 2024-25.

1.1.5 The tariff principles laid down in 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 hereinafter referred to as “MYT Regulations, 2021” which were made effective from 1st April 2022 and up to 31st March 2027, made by the Hon’ble Commission in 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 and amendments thereof is being used to develop this application.

1.1.6 While filing the present ARR and Tariff Petition for FY 2024-25 as per the prevailing Regulations, the Petitioner has endeavoured to comply with the various applicable legal and regulatory directions and stipulations including the directions of the Hon’ble Commission in the Business Rules of the Commission, the Guidelines, previous ARR of Discoms and Tariff Orders and the Regulations.

1.1.7 For preparation of present ARR and Tariff Petition for FY 2024-25, Petitioner has used audited annual accounts of FY 2022-23, and provisional data available from April – Sept’22 (H1) of FY 2023-24, for power business. Considering the above-mentioned submissions, the Petitioner humbly request the Hon’ble Commission to accept its ARR and Tariff Petition for FY 2024-25.

1.1.8 Based on the information available, the Petitioner has made sincere efforts to comply with the Regulations of the Hon’ble Commission and discharge its obligations to the best of its capabilities. However, if any further material information becomes available soon, the applicant craves leave of the Hon’ble Commission to file such additional information and consequently amend/ revise the application.

1.1.9 The Tariff Proposal for FY 2024-25 has been prepared and submitted in the relevant section of this petition.

1.1.10 Shri Ashutosh Namdev, Assistant Engineer of MPIDC has been authorized to execute and file all the documents on behalf of the petitioner in this regard. Accordingly, the current filing is signed and verified by, and backed by the affidavit of Shri Ashutosh Namdev, Assistant Engineer.

1.2. ARR and Tariff determination for FY 2024-25

1.2.1 The Petitioner submits that for projecting various expenses and revenue components, it has used the Tariff Philosophy as per the MYT Regulations, 2021 and amendments thereof.

1.2.2 A summary of projections for various expenses and revenue components has been provided hereunder this Chapter. Details of projections for various expenses and revenue components have been provided in subsequent chapters of this Petition.

1.2.3 For estimating the sales, consumers and connected load for FY 2024-25, the Petitioner has used the historical data of previous four years from FY 2020-21 to FY 2023-24 (projected for full year using data from Apr-Sept'23) and used CAGR rates for projections for year-on-year, two years, and three years. For FY 2023-24, for energy sales, the Petitioner has doubled the energy sales as actually registered in H1 (April-Septemeber'23). The Petitioner has kept the same numbers for connected load and number of consumers for complete FY 2023-24 as registered in H1 of FY 2023-24 (April-September'23). Further, for projecting the data for FY 2024-25 for energy sales and connected load, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years for all consumer categories. For consumers, the Petitioner has kept the same number of consumers as in FY 2023-24. The following table summarises the revised estimates for FY 2023-24 and projected sales, number of consumers and connected load within various tariff categories for 2024-25.

Table 1: Projection of Sales for FY 2024-25

Category	Sales (MU)	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0.00	0.00
Non Domestic-DL	0.04	0.04
PWW	0.00	0.00
LT Industry	0.02	0.02
LT Industry (temp)	0.66	0.68
LT Total	**0.72**	**0.74**
HT Consumers		
Industrial		
33 KV	475.90	489.50
11 KV	0.12	0.12
Non Industrial		

33 KV	0.34	0.35
11 KV	0.00	0.00
HT Total	**476.36**	**489.97**
TOTAL	**477.07**	**490.70**

Table 2: Projection of No. of Consumers for FY 2024-25

Category	No. of Consumer	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0	0
Non Domestic-DL	15	15
PWW	0	0
LT Industry	10	10
LT Industry (temp)	15	15
LT Total	**40**	**40**
HT Consumers		
Industrial		
33 KV	48	48
11 KV	2	2
Non Industrial		
33 KV	1	1
11 KV	0	0
HT Total	**51**	**51**
TOTAL	**91**	**91**

Table 3: Projection of Connected Load for FY 2024-25

Category	Connected Load (KVA)	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0	0
Non Domestic-DL	103	106
PWW	0	0
LT Industry	200	206
LT Industry (temp)	558	574
LT Total	**861**	**886**
HT Consumers		
Industrial		

33 KV	85413	87872
11 KV	200	206
Non Industrial		
33 KV	1250	1286
11 KV	0	0
HT Total	**86863**	**89363**
TOTAL	**87724**	**90249**

1.2.4 The Petitioner has used the normative loss levels for FY 2024-25, as defined by the Hon'ble Commission in the MYT Regulations, 2021. The Hon'ble Commission is humbly requested to approve the distribution loss levels as considered.

Table 4: Normative Distribution Losses (%) for FY 2024-25

Category	Distribution Loss (%)	
	FY 2023-24	FY 2024-25
Distribution Loss (Normative)	1.40%	1.35%

1.2.5 Transmission losses of 2.63% for FY 2024-25 is considered based on the loss levels approved by the Hon'ble Commission in the Retail supply Tariff Order of Petitioner for the FY 2023-24. External losses are not considered as the entire energy requirement is expected to be met by supply from within the state through MPPMCL.

1.2.6 Based on the information provided above, energy requirement of the company for the FY 2024-25 is as shown below:

Table 5: Energy Balance for FY 2024-25

Sl. No.	Particulars	FY 2023-24		FY 2024-25	
		%	MU	%	MU
1	**Energy Sales**				
	LT Sales		0.72		0.74
	HT Sales		476.36		489.97
	Total Energy Sales		**477.07**		**490.70**
2	Distribution Losses	1.40%	6.77	1.35%	6.72

3	Energy Requirement at T-D Boundary – (1+2)		483.85		497.42
4	Intra-state transmission losses	2.63%	13.07	2.63%	13.44
5	Energy requirement at the State periphery – (3+4)		496.91		510.86
6	Inter-state transmission losses	0.00%	0.00	0.00%	0.00
7	**Total energy requirement – (5+6)**		**496.91**		**510.86**

1.2.7 The Petitioner has been procuring power from MPPMCL as per agreement signed on 29th March 2016. It is pertinent to note that as per the Supplementary Agreement signed on 31st March 2017, the contracted capacity of MPIDC with MPPMCL has been enhanced to 45 MW, which was further enhanced to 50 MW from August 2018. Later, the Petitioner has further revised the contracted capacity to 55 MW and then to 60 MW (effective from 01st July 2021) considering load enhancements. The Petitioner is also planning to purchase renewable power in line with Renewable Power Obligation for FY 2024-25.

1.2.8 Further, the transmission charges of MPPTCL for FY 2023-24 and FY 2024-25 have been determined based on the actual transmission charges of FY 2022-23 and escalated with a nominal factor of 5%. The estimated and projected transmission charges for FY 2023-24 and FY 2024-25 respectively have been tabulated below.

Table 6: Transmission Charges (Rs. Cr.) for FY 2024-25

Category	Transmission Charges (in Crs.)	
	FY 2023-24	FY 2024-25
Transmission Charges	14.76	15.50

1.2.9 Like transmission charges, the SLDC charges for FY 2023-24 and FY 2024-25 have also been determined based on the actual SLDC charges of FY 2022-23 and escalated with a nominal factor of 5%. The estimated transmission charges for FY 2023-24 and projected transmission charges for FY 2024-25 have been tabulated below.

Table 7: SLDC Charges (Rs. Cr.) for FY 2024-25

Category	SLDC Charges (in Crs.)	
	FY 2023-24	FY 2024-25

SLDC Charges	0.02	0.02

1.2.10 The power procurement expenses including trading margin, transmission and SLDC charges, as projected for FY 2024-25 are summarised below:

Table 8: Power Procurement Charges (Rs. Cr.) for FY 2024-25

Sl. No.	Source of Power Purchase	FY 2023-24			FY 2024-25		
		Quantum	Rate	Power Purchse Cost	Quantum	Rate	Power Purchse Cost
		(MU)	(Rs/KWh)	(in Crs.)	(MU)	(Rs/KWh)	(in Crs.)
1	MPPMCL	360.55	3.55	128.10	361.84	3.73	134.98
2	**Renewables**	**136.01**		**46.37**	**149.02**		**49.72**
	Other RPO	124.79	*3.32*	*41.43*	130.93	*3.32*	*43.47*
	HPO	3.28	*5.09*	*0.90*	5.52	*5.09*	*2.81*
	Wind RPO	7.95	*2.74*	*4.04*	12.57	*2.74*	*3.44*
3	Transmission Charges			14.76			15.50
4	SLDC Charges			0.02			0.02
5	**Total**	**496.56**		**189.25**	**510.86**		**200.23**

1.2.11 For the FY 2024-25, capital expenditure of Rs. 7.21 Cr. is projected to be incurred, mainly on on account of installation of additional 63 MVA Transformer and the same shall be capitalized during the FY 2024-25. The funding for this capital expenditure is proposed to be met through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The remaining expenditure after consumer contribution & grants is proposed to be funded through debt and equity in the ratio of 70:30. The breakup of funding of capitalization for FY 2024-25 is mentioned below:

Table 9: Funding Plan of Capitalisation (Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
	Estimation	Projection
Total Capitalization	0.00	7.21
Consumer Contribution	0.35	0.36
Grants	0.00	0.00
Balance Capitalization for the Year	-0.35	6.85

Debt	0.00	4.79
Equity	0.00	2.05

1.2.12 Employee and A&G Expenses for the Control Period i.e., FY 2024-25, have been projected, as per the methodology prescribed in MYT Regulations, 2021 and amendments thereof, with the escalation factor derived using Consumer Price Index (CPI) and Wholesale Price Index (WPI).

1.2.13 Since the repair and maintenance of electrical distribution network is not a core specialisation of the Petitioner, thus the Petitioner has engaged specialised agencies for effective execution of R&M activities (for Distribution Network and 132/33 kV Substation). The Petitioner submits that it has engaged PTC India Limited, through a competitive bidding process (award mandated on L1 basis), to carry out all R&M activities on its electrical network and to provide consultancy services in various techno-commercial matters relating to the distribution and supply of electricity in the Special Economic Zone. The agreement is in effect from 01st January 2020 and shall be valid for three years. Considering the same, the Hon'ble Commission is humbly requested to approve R&M expenses as per the agreement signed with PTC India Ltd. Further, the R&M activities on 132 kV substation are being carried out by MP Transmission Company. The actual R&M expenses for the FY 2022-23 have been considered as same for FY 2023-24 and FY 2024-25.

1.2.14 The Petitioner has considered the MPERC fees for FY 2023-24 and FY 2024-25 to be same as per actual of FY 2022-23 i.e. Rs. 0.02 Crores.

1.2.15 The gist of total O&M expenses for the FY 2024-25 is as given in table below:

Table 10: O&M Expenses (Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Employee Expenses	5.39	5.62
Repair & Maintenance Expenses	2.26	2.26
Administrative & General Expenses	2.44	2.54
MPERC Fees	0.02	0.02
Operation & Maintenance Expenses	**10.11**	**10.44**

1.2.16 The projected assets addition for FY 2024-25 have been considered to calculate addition to GFA. Depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the projected capitalisation. Asset head wise depreciation rates are provided in Annexure II of MYT Regulations, 2021 and the same rates are applied to work out depreciation. Further, the depreciation on assets funded through consumer contribution and grants has been reduced to arrive at the net depreciation for each year. The projected depreciation for FY 2024-25 has been tabulated below.

Table 11: Net Depreciation (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Depreciation	1.20	1.35
Less: Consumer contribution/ grant amortized	0.41	0.42
Net Depreciation	**0.79**	**0.93**

1.2.17 The Petitioner submits that it does not have any borrowed capital, however, considering the provisions of the MYT Regulations, 2021, normative loans have been worked out for FY 2024-25. Interest has been calculated with interest rate considering the rate as approved by Hon'ble Commission under its Tariff Order for FY 2023-24.

1.2.18 Interest on consumer security deposit has been paid to the consumers according to the Hon'ble Commission's regulations for security deposit. Interest rate is considered as prevailing RBI bank rate of 4.25%.

1.2.19 The projected interest and finance charges for FY 2024-25 are summarised below:

Table 12: Interest & Finance Charges (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Interest on normative loan	**0.77**	**0.88**
Interest on Consumer Security Deposit	**0.86**	**0.88**
Total	**1.63**	**1.76**

1.2.20 The Interest on Working Capital has been calculated based on the provisions of the Regulation 38 of MYT Regulations, 2021. Interest rate is considered at a rate equal Base Rate as on 01st April of the relevant year plus 350 basis points. Thus, an interest rate of 12% (8.5+3.5) has been considered for computations. The Petitioner is making power purchase payments on immediate basis to earn power purchase rebate and considered the same as other income. Further, the Petitioner is also considering 30 days credit principle while estimating the Interest on Working Capital according to the provisions of the Regulation 38 of MYT Regulations, 2021. However, Hon'ble Commission considering both the factors at the time of calculating ARR in past years. Therefore, the Petitioner is requesting Hon'ble Commission to look into the fact suitably.

1.2.21 The projection of the Interest on Working Capital is as shown below.

Table 13: Interest on Working Capital (in Rs. Cr.) for FY 2024-25.

Particulars	**FY 2023-24**	**FY 2024-25**
For Wheeling Activity		
Inventory for 2 months based on ARR considered at 1% of GFA for previous year	0.25	0.25
1/12th of O&M Expenses	0.84	0.87
2 months of Receivables from Wheeling charges	0.00	0
Total Working Capital	**1.09**	**1.12**
Rate of Interest	10.50%	12.00%
Interest on Working Capital	0.11	0.13
For Retail Activity		
Inventory for 2 months based on ARR for previous year	0.00	0.00
O&M expenses for one month	0.00	0.00

2 months of Receivables of average billing	33.63	34.60
Minus: 1/12th of Power Purchase expenses	14.54	15.39
Minus: Consumer Security Deposit	20.19	20.77
Total Working Capital	-1.10	-1.56
Rate of Interest	10.50%	12.00%
Interest on Working Capital	-0.12	-0.19
Total Interest on Working Capital (1+2)	**0.00**	**0.00**

1.2.22 The Petitioner humbly requests that it has incurred considerable expenses towards the lease rent for the land used for the purpose of power business. The Petitioner has worked out land premium and lease rent charges for such portion of the land as given in the following table.

Table 14: Lease Rent (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Lease Rent	2.19	2.19

1.2.23 As per the MYT Regulations, 2021, a return @ 14% on the equity base is allowed by Hon'ble Commission. An additional rate of 1.25% is also allowed linked to parameters related to metering, capitalisation of capital investment, and expenditure of R&M expenses. Since the Petitioner is complying with all mentioned parameters, thus the Petitioner has computed the Return on Equity considering a rate of return at 15.25%.

1.2.24 The return on equity has been computed on average equity based upon the opening balance of equity and normative additions during the year, which has been arrived at by considering 30% of the capitalization net of consumer contribution and grants as funded from equity as already explained above. Accordingly, the projected return on equity for FY 2024-25 is as shown below.

Table 15: Return on Equity (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Equity associated with GFA as on the beginning of the year	5.12	5.12
30% of addition to net GFA considered as funded through equity	0.00	2.05
Total equity associated with GFA at the end of the year	5.12	7.18
Average equity associated with GFA at the end of the year	5.12	6.15
Return on equity	0.78	0.94

1.2.25 The Petitioner has not considered any provision for bad debts as tabulated below:

Table 16: Doubtful Debt (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Revenue at existing Tariff	201.80	207.62
Doubtful Debt @ 1% of the Yearly Revenue	**0.00**	**0.00**

1.2.26 The Petitioner has considered the Other Income for FY 2024-25 to be same as per the actual amount received during FY 2022-23. The Petitioner submits that the rebate as received on purchase of power has not been considered under the other income, as the Petitioner proactively timely paid the expenses for purchase of power and earned the rebate. The Other Income for FY 2024-25 is provided in table below:

Table 17: Other Income (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Other Income	0.03	0.03

1.2.27 Accordingly, the ARR for FY 2024-25 proposed by the Petitioner is as follows:

Table 18: Aggregate Revenue Requirement (in Rs. Cr.) for FY 2024-25

Sl. No.	Particulars	FY 2023-24	FY 2024-25
1	Purchase of Power (incl Trading Margin)	176.46	186.75
2	Power Transmission Charges	14.76	15.50
3	Power Scheduling & Operation Charges	0.02	0.02
4	O&M Expenses	**10.11**	**10.44**
	Employee Expenses	5.39	5.62
	R&M Expenses	2.26	2.26
	A&G Expenses	2.44	2.54
	MPERC and MPPMCL Fees & Other	0.02	0.02
5	Depreciation	0.79	0.93
6	Interest & Finance Charges	1.63	1.76
7	Interest on Working Capital	0.00	0.00
8	Lease Rent	2.19	2.19
9	**Sub Total (1 to 8)**	**205.96**	**217.59**
10	Return on Equity	0.78	0.94
11	Income Tax	0.00	0.00
12	Doubtful Debt	0.00	0.00
13	**Total Expenditure (9+10+11+12)**	**206.74**	**218.53**
14	Less: Other Income	0.03	0.03
15	**Aggregate Revenue Requirement (13 - 14)**	**206.71**	**218.50**

1.2.28 The revenue from sale of power for FY 2024-25 has been estimated based on sales and connected load projected in this Petition. Accordingly, the net revenue, at existing tariff, from sale of power for FY 2024-25 is projected to be Rs 207.62 Crores.

1.2.29 Accordingly, the projected revenue gap for FY 2024-25 at existing tariffs is as under:

Table 19: Total Revenue Gap/ (Surplus) for FY 2024-25 (in Rs. Cr.)

Particulars	FY 2024-25
Aggregate Revenue Requirement	218.50
Revenue at Existing Tariff	207.62
Revenue Gap/ (Surplus)	**10.88**

1.2.30 To meet the revenue gap for the FY 2024-25, the Petitioner has proposed a revised tariff schedule. The consumer category wise revenue for FY 2024-25, at proposed tariff, as estimated by MPIDC is as given in the following table:

Table 20: Revenue at proposed tariff (in Rs. Cr.) for FY 2024-25

Particulars	FY 2024-25		
	Fixed Charges	Variable Charges	Total Revenue
LT CATEGORIES			
Domestic	0.00	0.00	0.00
Non Domestic-DL	0.01	0.02	0.03
PWW	0.00	0.01	0.01
LT Industry	0.08	0.26	0.34
HT CATEGORIES			
HT I : 33 kV Industrial	24.80	192.67	217.47
HT I : 11 kV Industrial	0.05	0.05	0.10
HT 2: Non Industrial			
33 KV	0.42	0.14	0.56
11 KV	0.00	0.00	0.00
Total	**25.36**	**193.15**	**218.51**

2. Introduction

2.1. Introduction

2.1.1 Madhya Pradesh Industrial Development Corporation, (hereinafter referred as the 'MPIDC' or 'Petitioner' or 'the Company' or 'the Licensee'), is a Company incorporated under the Companies Act, 1956 (which has now been superseded by the Companies Act, 2013) having its regional office at 1st Floor, Atulya IT Park, Near Crystal IT Park, Khandwa Road, Indore- 452007, MP. The Petitioner is a deemed distribution licensee under the fifth Proviso to Section 14 of the Electricity Act, 2003. The area of supply of the Petitioner is SEZ Indore (Pithampur) within the State of Madhya Pradesh ('MP').

2.1.2 The Government of Madhya Pradesh ('GoMP' or 'State Government'), has passed the Special Economic Zone Policy in August 2003. The Indore Special Economic Zone (Special Provisions), Act 2003 was also enacted in the year 2003. This Act has been passed by the Madhya Pradesh Vidhan Sabha on dated 28th March, 2003 (Madhya Pradesh Act No 23 of 2003) and was enacted to provide for the development, operation, maintenance and administration of Indore Special Economic Zone.

2.1.3 It is submitted that licensee MPIDC is the wholly owned undertaking of Government of Madhya Pradesh and working for the Industrial Promotion & Development in the State. The following are the subsidiary companies of MPIDC after amalgamation w.e.f. 01/04/2018:

a) DMIC Pithampur Jal Prabandhan Limited
b) DMIC Vikram Udyogpuri Limited,
c) Pithampur Auto Cluster
d) Madhya Pradesh Plastic City Development Corporation Gwalior Limited
e) Madhya Pradesh Plastic City Development Corporation Bhopal Limited

2.1.4 The Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as "MPERC" or "the Hon'ble Commission"), an independent statutory body constituted by Government of Madhya Pradesh vide Gazette Notification dated 20th August, 1998 under Electricity Regulatory Commission's Act, 1998. Subsequently after the M.P. Vidyut Sudhar Adhiniyam, 2000 came into effect from 03rd July, 2001, the State Regulatory Commission was deemed to have been constituted under State Act. The Electricity Act 2003 (No. 36 of 2003) enacted by parliament has come into force w.e.f. 10th June, 2003 and the Commission is now deemed to have been constituted and functioning under the provisions of Electricity Act 2003.

2.1.5 The Hon'ble Commission has issued the MPERC (Terms and Conditions for determination of tariff for supply and wheeling of electricity and methods and principles for fixation of charges) Regulations, 2021 (hereinafter referred as "MYT Regulations, 2021") which is effective from 1st April 2022 and up to 31st March 2027.

2.2. Compliance of the Directives of the Hon'ble Commission

2.2.1 The Petitioner hereby submits the status of the directives issued by the Commission in its previous Tariff Order for the Petitioner.

Submission of Depreciation Model

2.2.2 The Hon'ble Commission, in its Tariff Order for FY 2023-24, directed the Petitioner to submit the Fixed Asset Register up to FY 2022-23 along with the Tariff Petition for FY 2024-25 as per the format specified by the Commission.

- The Petitioner submits that it has considered the depreciation rates, for various asset heads/classes, as prescribed by the Commission in the Annexure-II of MYT Distribution Regulations, 2021 for computing the depreciation for FY 2024-25. The Petitioner also submits that while preparing the Petition, it has duly reduced the value of the assets created from the consumer contributions from the gross value of the assets and thereafter worked out the net depreciation. Further, the Petitioner has also submitted that the ARR/ Tariff model in MS Excel Format to the Commission consisting of computation of depreciation in "Depreciation" sheet for the kind reference of the Commission.

  The Petitioner further submits that the process of preparation of separate Fixed Assets Register (as directed by the Hon'ble Commission), has been started and already appointed agency for the said assignment. The Petitioner hereby assure Hon'ble Commission to submit a separate Fixed Assets Register up to FY 2022-23 as per the format stipulated in the MYT Distribution Regulation 2021 along with Second Amendment to MYT Distribution Regulation 2021 dt.08.12.2023 on or before 31st January, 2024.

Technical studies of the Distribution network to ascertain voltage-wise cost of supply

2.2.3 The Commission directs the Petitioner to submit a comprehensive study on voltage wise cost of supply with large representative sample covering all consumer categories.

The study should be conducted through an outsource independent agency of repute. The outcome/conclusion of the study to be shared with the Commission within two months of issue of this Tariff Order.

- The Petitioner had submitted the comprehensive energy audit report along with assessment of category wise voltage wise cost of supply on 5th August, 2022 for kind consideration of the Hon'ble Commission, however, the same was not considered by the Hon'ble Commission and directed the Petitioner to re-submit the report considering the observation of the Hon'ble Commission. Accordingly, the Petitioner is in the process of appointing competent independent agency for conducting energy audit of the electrical network of MPIDC. The Petitioner hereby submits that Comprehensive energy audit report as directed by the Hon'ble Commission will be submitted on or before 31st January, 2024.

Compliance of Renewable Purchase Obligation

2.2.4 *The Commission directs the Petitioner to submit the details of the compliance made by the Petitioner towards RPO trajectory specified by the Commission in MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations and amendments thereof from FY 2010-11 to FY 2021-22 within three months from the date of issuance of Tariff Order for FY 22-23 for MPIDC.*

- The Petitioner has been procuring power from MPPMCL through long term contract since 29th March, 2016 onwards. Prior to 29th March, 2016, the Petitioner was procuring power from MPPMCL through short term contracts and had an RPO arrangement with MPPMCL, as mentioned in the MPPMCL letter to MPIDC vide no. GM (PM)/MPAKVN/Sale 14-15/368 dated 24th June, 2014. Further, the Petitioner has already submitted a petition (No.46/2023) with MPERC on 18th August, 2023 to allow Petitioner to procure REC for the period from FY 2015-16 to FY 2021-22. The said petition has been admitted by the Hon'ble Commission through its motion hearing held on 31st Oct, 2023. Order from Hon'ble Commission is awaited.

  The total requirement of RE Power is 93.46 MUs for FY 2022-23, for which MPIDC has already procured 97000 RECs in FY 2022-23. Further, for FY 2023-24 the Petitioner has already initiated the process the of procuring REC for its total renewable power requirement of ~96.97 Mus.

The Petitioner further submits that it has granted three net metering connections to its consumers amounting to (474 kWp + 800 kWp + 3124.58 kWp) = 4398.58 kWp. The quantum of renewable energy produced from the RE-Systems of the Net Metered Consumers, shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the Petitioner.

For future requirement of renewable energy the Petitioner is planning to set up a 5 MW ground mounted solar power plant within its licensee area to meet out a part renewable energy requirement and for rest the Petitioner is planning to procure REC considering the factor of low quantum and limited demand of SEZ.

Submission of Draft Policy for Bad and Doubtful Debts

2.2.5 The Petitioner is directed to submit draft policy and procedure for identification of bad debts and writing off the same for the approval of the Commission within three months from the date of issuance of this tariff order.

- The Petitioner humbly submits that it has not written off any Bad Debt amount in the books so far. The Petitioner monitors continuously on the outstanding of consumer and take appropriate action time to time. However, there are only 2 cases of Bad Debts comes out so far as shown below:

Name of the Consumer	**Year of Default**	**Amount (Rs.)**
1. Mission Viva Care	FY 2016-17	79,32,227
2. Geotech Worldwide	FY 2018-19	43,32,416

Both the above cases are under jurisdiction of court. Appropriate action will be taken according to the verdicts of the Hon’ble Court will come.

Further, MPIDC (the parent company) has not yet adopted any policy related to Bad Debt. However, as directed by the Hon’ble Commission, the Petitioner is preparing a separate policy and procedure for identification of bad debts and writing off the same and will submit the same shortly.

3. ARR for FY 2024-25 and Tariff Determination for FY 2024-25

3.1. Preamble

3.1.1 This section outlines the ARR for FY 2024-25 of MPIDC, which takes into consideration:

- Audited annual accounts of FY 2022-23
- Provisional (unaudited) accounts of FY 2023-24 (H1: Apr-Sept).
- MYT Regulations, 2021 and amendments thereof from time to time.

3.2. Projection of energy requirement for FY 2024-25

3.2.1 Clause 25 of the MYT Regulations, 2021 provides the method for the estimation of sales for each year of tariff period. The relevant provision is reproduced as below: -

"25.1. The estimation of the sales for each year of the Control Period shall be based on the category-wise and slab-wise actual/audited data of the sale of electricity, number of consumers, connected/contracted load, etc., of the preceding three years as well as considering any other relevant factors or studies carried out that may result into variance in estimation of sale to that based on actual/audited data. Reasons for variance with the historical trends shall be submitted by the Licensee with due justifications for consideration of the Commission. The year-wise projections of the parameters for the Control Period shall also be provided along with the Petition

"25.2 The reasonableness of growth in number of consumers, consumption, demand of electricity and trend of reduction of losses in previous years and anticipated growth in the next years and any other factor, which the Hon'ble Commission may consider relevant, may be examined and subsequently approved for deciding the quantum of electricity to be purchased by the Licensees with such modifications as deemed fit."

3.2.2 It has been observed from experience that the historical trend method has proved to be reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption.

3.2.3 For estimating the sales, consumers and connected load for FY 2024-25, the Petitioner has used the historical data of previous four years from FY 2020-21 to FY 2023-24 (projected for full year using data from Apr-Sept'23) and used YoY, two years, three-year CAGR rates.

3.2.4 The Petitioner has kept the same numbers for connected load and number of consumers for complete FY 2023-24 as registered in H1 of FY 2023-24 (April-September'23).

3.2.5 Further, for projecting the data for FY 2024-25 for energy sales and connected load, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years for all consumer categories. For consumers, the Petitioner has kept the same number of consumers as in FY 2023-24.

Table 21: Historical data and growth rates for estimation of Sales

Sales (MU)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	YoY	2 Years	3 years
	Actuals	Actuals	Actuals	Estimation	%Growth		
LT Consumers							
Domestic	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%
LV2: Non Domestic (temp)	0.09	0.08	0.07	0.04	-45.87%	-20.64%	-18.11%
Non Domestic-DL	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%
LV 3: PWW	0.14	0.08	0.02	0.02	-27.18%	-40.82%	-41.14%
LV4: LT Industry	0.16	0.21	0.38	0.66	75.47%	46.09%	42.24%
LT Industry:PWW	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%
LT Total	**0.39**	**0.37**	**0.47**	**0.72**	**51.68%**	**24.58%**	**16.68%**
HT Consumers							
HV-1 Industrial	**434.76**	**468.43**	**451.04**	**476.02**	**5.54%**	**0.54%**	**2.29%**
33 KV	434.69	468.35	450.90	475.90	5.54%	0.53%	2.29%
11 KV	0.07	0.08	0.14	0.12	-11.75%	13.92%	14.40%
HV-1.2 Industrial	0.00	0.00	0.00	0.34	0.00%	0.00%	0.00%
33 KV		0.00	0.00	0.34			
11 KV				0.00			
HT Total	**434.76**	**468.43**	**451.04**	**476.36**	5.61%	3.09%	**2.31%**
TOTAL	**435.15**	**468.80**	**451.51**	**477.07**	**5.66%**	**0.58%**	**2.33%**

Table 22: Historical data and growth rates for estimation of No. of Consumers

No. of Consumers (in No's)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	YoY	2 Years	3 years
	Actuals	Actuals	Actuals	Estimation	%Growth		
Domestic	0	0	0	0	0.00%	0.00%	-100.00%
LV2: Non Domestic (temp)	15	15	15	15	0.00%	0.00%	49.53%
Non Domestic-DL	0	0	0	0	0.00%	0.00%	-100.00%

LV 3: PWW	10	10	10	10	0.00%	0.00%	77.83%
LV4: LT Industry	12	13	16	15	15.38%	7.72%	25.74%
LT Industry:PWW	0	0	0	0	0.00%	0.00%	-100.00%
LT Total	**37**	**38**	**41**	**40**	**5.26%**	**2.63%**	**2.67%**
HT Consumers							
Industrial	**48**	**49**	**49**	**50**	**2.04%**	**1.37%**	**0.00%**
33 KV	46	47	47	48	2.13%	1.43%	0.00%
11 KV	2	2	2	2	0.00%	0.00%	0.00%
HV-1.2 Industrial	0	0	0	1	0.00%	0.00%	0.00%
33 KV				1			
11 KV				0			
HT Total	**48**	**49**	**49**	**51**	**4.08%**	**2.04%**	**0.50%**

Table 23: Historical data and growth rates for estimation of Connected Load

Connected Load (KVA)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	YoY	2 Years	3 years
	Actuals	Actuals	Actuals	Estimation	%Growth		
LT Consumers							
Domestic	0	0	0	0	0.00%	0.00%	0.00%
LV2: Non Domestic (temp)	103	103	103	103	0.00%	0.00%	0.00%
Non Domestic-DL	0	0	0	0	0.00%	0.00%	0.00%
LV 3: PWW	200	200	200	200	0.00%	0.00%	0.00%
LV4: LT Industry	393	402	608	558	-8.22%	11.55%	9.16%
LT Industry:PWW	0	0	0	0	0.00%	0.00%	0.00%
LT Total	**696**	**705**	**911**	**861**	**-5.49%**	**6.89%**	**5.46%**
HT Consumers							
HV-1.1 Industrial	**77298**	**81628**	**83833**	**85613**	**2.12%**	**1.60%**	**2.59%**
33 KV	77098	81428	83633	85413	2.13%	1.61%	2.59%
11 KV	200	200	200	200	0.00%	0.00%	0.00%
HV-1.2 Industrial	0.00	0.00	0.00	1250	0.00%	0.00%	0.00%
33 KV	0	0	0	1250			
11 KV	0	0	0	0			
HT Total	**77298**	**81628**	**83833**	**86863**	**3.61%**	**2.09%**	**2.96%**
TOTAL	**77994**	**82333**	**84744**	**87724**	**3.52%**	**2.14%**	**2.98%**

Growth Projections for FY 2024-25:

This section discusses the basis for estimating the growth projections for various categories of consumers as enumerated above.

3.2.6 For projecting the sales, no. of consumers and connected load for FY 2024-25, data of FY 2023-24 (projected for full year using data from Apr-Sept'23) has been considered as base.

LT Domestic Category

3.2.7 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

LT Non-Domestic Category

3.2.8 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

Public Water Works (PWW) and Street Light

3.2.9 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

LT Industrial

3.2.10 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

HT Industrial – 11 KV

3.2.11 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

HT Industrial – 33 KV

3.2.12 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

HT Non-Industrial – 11 KV

3.2.13 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

HT Non-Industrial – 33 KV

3.2.14 For projecting the growth in sales and connected load for FY 2024-25, the Petitioner has used the average of CAGRs obtained with year-on-year, two years, and three years, for escalating the base of FY 2023-24. Considering the patterns for number of consumers, the Petitioner has considered no growth for number of consumers for FY 2024-25.

Table 24: Assumptions for forecast of all consumer categories for FY 2024-25

Sl. No.	All Consumer Categories	Growth (Avg.)	Assumption
1	Consumers (in No.)	Nil	No Growth Expected
2	Connected Load (in KVA)	2.88%	Growth Expected
3	Consumption (in MUs)	2.86%	Growth Expected

3.2.15 The following tables summarises the resultant projected sales, number of consumers and connected load within various tariff categories for the FY 2024-25.

Table 25: Projection of Sales for FY 2024-25

Category	Sales (MU)	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0.00	0.00
Non Domestic-DL	0.04	0.04
PWW	0.00	0.00
LT Industry	0.02	0.02
LT Industry (temp)	0.66	0.68
LT Total	**0.72**	**0.74**
HT Consumers		
Industrial		
33 KV	475.90	489.50
11 KV	0.12	0.12
Non Industrial		
33 KV	0.34	0.35
11 KV	0.00	0.00
HT Total	**476.36**	**489.97**
TOTAL	**477.07**	**490.70**

Table 26: Projection of No. of Consumers for FY 2024-25

Category	No. of Consumer	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0	0
Non Domestic-DL	15	15
PWW	0	0
LT Industry	10	10
LT Industry (temp)	15	15
LT Total	**40**	**40**
HT Consumers		
Industrial		
33 KV	48	48

11 KV	2	2
Non Industrial		
33 KV	1	1
11 KV	0	0
HT Total	**51**	**51**
TOTAL	**91**	**91**

Table 27: Projection of Connected Load for FY 2024-25

Category	Connected Load (KVA)	
	FY 2023-24	FY 2024-25
LT Consumers		
Domestic	0	0
Non Domestic-DL	103	106
PWW	0	0
LT Industry	200	206
LT Industry (temp)	558	574
LT Total	**861**	**886**
HT Consumers		
Industrial		
33 KV	85413	87872
11 KV	200	206
Non Industrial		
33 KV	1250	1286
11 KV	0	0
HT Total	**86863**	**89363**
TOTAL	**87724**	**90249**

3.3. Distribution Losses

3.3.1 The Petitioner has used the normative loss levels as specified by the Hon'ble Commission in its MYT Regulations, 2021. The Hon'ble Commission is humbly requested to approve the distribution loss levels as proposed by the Petitioner:

Table 28: Distribution Loss for the FY 2023-24

Category	Distribution Loss (%)	
	FY 2023-24	FY 2024-25
Distribution Loss (Normative)	1.40%	1.35%

3.4. Energy Requirement and Energy Balance

3.4.1 Transmission losses have been considered at 2.63% for FY 2024-25 based on the loss levels approved by the Hon’ble Commission in the Retail Supply Tariff Order for the Petitioner for FY 2023-24. External losses are not considered as the entire energy requirement is expected to be met by supply from MPPMCL.

3.4.2 Based on the information provided above, energy requirement of the company for the FY 2024-25 is as shown below:

Table 29: Energy Requirement for FY 2024-25

Sl. No.	Particulars	FY 2023-24		FY 2024-25	
		%	MU	%	MU
1	**Energy Sales**				
	LT Sales		0.72		0.74
	HT Sales		476.36		489.97
	Total Energy Sales		**477.07**		**490.70**
2	Distribution Losses	1.40%	6.77	1.35%	6.72
3	Energy Requirement at T-D Boundary – (1+2)		483.85		497.42
4	Intra-state transmission losses	2.63%	13.07	2.63%	13.44
5	Energy requirement at the State periphery – (3+4)		496.91		510.86
6	Inter-state transmission losses	0.00%	0.00	0.00%	0.00
7	**Total energy requirement – (5+6)**		**496.91**		**510.86**

3.5. Power Purchase

3.5.1 This section details the power purchase availability thereof for the future years for the Petitioner. The forecast considers the sources mentioned in the subsequent paras of this petition. A Bulk Power Supply Agreement (BPSA) has been signed between MP Power Management Company Ltd. (MPPMCL) and MPIDC Indore on 29th March 2016 for supply of power on long term basis up to 40 MW which is effective from 1st April 2015.

3.5.2 Further, as per the Supplementary Agreement signed on 31st March 2017, the contracted capacity of MPIDC with MPPMCL has been enhanced to 45 MW. As per the BPSA "The Bulk Electricity shall be supplied to procurer at the weighted average tariff as determined/approved by the State Commission in tariff order of MPGENCO of the state for the allocated thermal power station". The capacity was later enhanced to 50 MW from August 2018. Considering the increase in demand, the Petitioner then enhanced the demand to 55 MW and then to 60 MW effective from 01st July 2021.

Renewable Purchase Obligation

3.5.3 The Hon'ble Commission has notified MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), (Revision-II), Regulations, (First Amendment) 2021 [ARG-33(II) (i) of 2023], on 16th January 2023. The Commission has considered procurement of power from renewable energy sources through PPA or short-term market to ensure RPO compliance. The relevant section of the mentioned regulation is reiterated below:

"3.1 The minimum quantum of electricity to be procured by all the Obligated Entities from generators of Energy including Co-generation from Renewable Sources of electricity expressed as percentage of their total annual procurement of Electrical Energy during the following Financial years shall be as under:-

Table 30: Co-generation and Other renewable sources of energy for FY 2023-24 and FY 2024-25

	Co-generation and Other renewable sources of energy			
Financial Year	***Wind RPO (%)***	***HPO (%)***	***Other RPO***	***Total (%)***
FY 2023-24	*1.60%*	*0.66%*	*25.13%*	*26.89%*
FY 2024-25	*2.46%*	*1.08%*	*25.63%*	*29.17%*

3.5.4 The Petitioner is planning to purchase renewable power through their own or through MPPMCL in line with Renewable Power Obligation for FY 2024-25. Power purchase requirement from renewable sources is worked out in table below:

Table 31: Renewable Power Purchase Requirement for FY 2023-24

S.No.	Particulars	FY 2023-24	FY 2024-25
1	RPO Other (%)	25.13%	25.63%
2	RPO HPO (%)	0.66%	1.08%
3	RPO Wind (%)	1.60%	2.46%
4	Total	27.39%	29.17%
5	**Ex-bus requirement**	**496.56**	**510.86**
5	RPO Other (MU)	124.79	130.93
7	RPO HPO (MU)	3.28	5.52
8	RPO Wind (MU)	7.95	12.57
8	**Total Renewable Power Purchase (MU)**	**136.01**	**149.02**

3.5.5 The Petitioner is planning to buy remaining power from MPPMCL as per the supplementary agreement signed on 31st March 2017. Based on all the above factors a detailed forecast for power purchase scenario has been worked out for FY 2024-25 as summarised below:

Table 32: Source wise Power Purchase (in MU) for FY 2024-25

Sl. No.	Source	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projections)
1	Renewable Power Purchase (in MU)	136.01	149.02
2	MPPMCL (in MU)	360.55	361.84
3	**Total** (in MU)	**496.56**	**510.86**

3.6. Power Purchase Cost

3.5.6 **Energy procured from MPPMCL:** The Petitioner has been making efforts for optimisation of its power purchase costs. For computation of fixed and energy charges for FY 2024-25, the Petitioner has considered a very nominal escalation of 5% on the actual fixed charges as observed by the Petitioner for FY 2023-24 (H1).

3.5.7 Considering the historic variations and present trends in the power purchase rates across bilateral modes and power exchanges, and also variations as observed in the premium prices of domestic coal auctions and various indices for prices of international coal and gas, the Petitioner finds it prudent to assume an escalation rate of 5% for projections for FY 2024-25.

3.5.8 The computation for power purchase costs from MPPMCL for FY 2024-25 as per the above methodology is provided in tables below:

Table 33: Power purchase from MPPMCL for allocated capacity for the FY 2024-25

S. No	Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projections)
1	Total required Units from MPPMCL in (MU)	360.55	361.84
2	Average Power Purchase Cost (Rs./kWh)	3.55	3.73
3	**Total PP cost from MPPMCL (Rs. Cr.)**	**128.10**	**134.98**

3.5.9 **Energy procured from Renewable Sources:** It is submitted that MPIDC is looking forward to procuring power from Renewable Sources. The per unit rate for renewables for FY 2024-25 has been considered same as approved by the Hon'ble Commission in the Tariff Order of the Petitioner for FY 2023-24.

3.5.10 **Trading Margin:** It is submitted by the Petitioner that it has been paying the Trading Margin @4 paisa/ kWh to MPPMCL for the power procurement through it. The same could also be verified with the audited accounts of the Petitioner. Considering the same, it has projected payment of Trading Margin for power procurement for FY 2024-25.

3.5.11 Summary of power purchase quantum & cost from various sources is given below:

Table 34: Total Power Purchase Cost (in Rs Cr) for FY 2024-25

Year	Source of Power Purchase	Rate	Quantum	Cost
		Rs./kWh	MU	Rs. Crore
FY 2023-24 (Revised Estimates)	MPPMCL	3.55	360.55	128.10
	Other RPO	3.32	124.79	41.43
	HPO	5.09	3.28	0.90
	Wind RPO	2.74	7.95	4.04
	Trading Margin	0.04		1.99
	Total		**496.56**	**176.46**
FY 2024-25 (Projections)	MPPMCL	3.73	361.84	134.98
	Other RPO	3.32	130.93	43.47
	HPO	5.09	5.52	2.81
	Wind RPO	2.74	12.57	3.44
	Trading Margin	0.04		2.04
	Total		**510.86**	**186.75**

3.7. Transmission Charges

3.7.1 The transmission charges of MPPTCL for FY 2023-24 and FY 2024-25 have been determined based on the actual transmission charges of FY 2022-23 and escalated with a nominal factor of 5%. With the projection of increasing consumption and connected load, the petitioner finds it prudent to escalate the transmission charges with an escalation rate of 5%. Further, the Petitioner submits that in case the actual transmission charges payable to MPPTCL are different from the approved charges, the same would be sought at the time of true-up.

3.7.2 Based on the above methodology, the transmission charges for FY 2024-25 are as given in table below:

Table 35: Projected Transmission charges (in Rs. Cr.) for FY 2023-24 to FY 2024-25

Category	Transmission Charges (in Crs.)	
	FY 2023-24	FY 2024-25
Transmission Charges	14.76	15.50

3.8. SLDC Charges

3.8.1 The SLDC charges of MPPTCL for FY 2023-24 and FY 2024-25 have been determined based on the actual transmission charges of FY 2022-23 and escalated with a nominal factor of 5%. With the projection of increasing consumption and connected load, the petitioner finds it prudent to escalate the SLDC charges with an escalation rate of 5%.

3.8.2 The Petitioner humbly submits that in case the actual SLDC charges vary from the approved charges, the same would be sought at the time of true-up. The SLDC charges considered are detailed in the following table:

Table 36: Projected SLDC charges (in Rs. Cr.) for FY 2024-25

Category	SLDC Charges (in Crs.)	
	FY 2023-24	FY 2024-25
SLDC Charges	0.02	0.02

3.9 Capitalisation

3.9.1 The scheme-wise projected capitalisation for the FY 2024-25 is as shown below.

3.9.2 For the FY 2024-25, capital expenditure of Rs. 7.21 Cr. is projected to be incurred mainly on account of installation of additional 63 MVA Transformer and the same shall be capitalized during the FY 2024-25.

Table 37: Capitalisation plan (in Rs Cr) for the FY 2024-25

S. No.	Particulars	FY 2023-24	FY 2024-25
1.	Furniture & Fixtures	0.00	0.00
2.	Computers	0.00	0.00
3.	Buildings	0.00	0.00
4.	Plant & Machinery	0.00	7.21
	Total	**0.00**	**7.21**

3.10 Funding of Capitalization

3.10.1 The funding of capitalization is envisaged through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt.

3.10.2 The balance expenditure after deducting consumer contribution & grants is proposed to be funded through debt and equity in the ratio of 70:30. The detailed breakup of funding of capitalization for FY 2024-25 is mentioned below.

Table 38: Funding Plan of Capitalization (in Rs. Cr) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
	Estimation	Projection
Total Capitalization	0.00	7.21
Consumer Contribution	0.35	0.36
Grants	0.00	0.00
Balance Capitalization for the Year	-0.35	6.85
Debt	0.00	4.79
Equity	0.00	2.05

3.11 Operation & Maintenance Expenses

Employee and Administrative & General Expenses

3.11.1 Employee Expenses for the Control Period i.e., FY 2024-25, have been projected, as per the methodology prescribed in MYT Regulations, 2021, in Clause 36 of the Regulations, with the escalation factor derived using Consumer Price Index (CPI) and Wholesale Price Index (WPI).

3.11.2 The relevant extract of the said Regulations is as reproduced below:

36.2. The Employee expenses and Administrative and General expenses shall be derived based on the average of the actual expenses for the period from FY 2018-19 to FY 2020-21, excluding abnormal expenses, if any, subject to prudence check by the Commission:

Provided that the average of such expenses shall be considered as expenses for the Year ended 31 March 2020, and shall be escalated at the respective escalation rate for FY 2020-21 and FY 2021-22, to arrive at the expenses for the base year ending 31 March 2022:

Provided further that the escalation rate for FY 2020-21 and FY 2021-22 shall be computed by considering 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for

Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau, Government of India.

36.3. The Employee expenses and Administrative and General expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2022-23 by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, to arrive at the permissible expenses for each year of the Control Period.

3.11.3 The Petitioner has considered WPI series (Base Year: 2011-12) for the relevant period as released by the Office of the Economic Adviser of Government of India. The CPI for Industrial Workers (all-India) for the relevant period has been considered as per the Labour Bureau, Government of India. Petitioners further wishes to submit that Labour Bureau, Government of India has recently revised the CPI-IW series from base year 2001=100 to 2016=100. In the new CPI-IW series base 2016=100, the number of centres covered has been increased from 78 to 88. The number of markets has also been enhanced from 289 to 317. The coverage of workers has also been increased from 41040 to 48384. The new CPI-IW series data is available from September 2020 onwards and the old series has been discontinued, hence, no data is available for old series from September 2020 onwards. Due to aforesaid changes, the new CPI-IW index numbers are not comparable with previous CPI-IW series base 2001=100. Therefore, considering the new series data for part of the year, particularly for FY 2020-21 shall not reflect the actual inflation during the year.

3.11.4 Since, the Regulations stipulate to consider average yearly inflation of past 5 years, it is necessary to derive the old series CPI-IW data for the remaining period of FY 2020-21, i.e., from September 2020 to March 2021. For doing so, the Petitioners have considered a multiplication factor of 2.88, which has been provided by the Labour Bureau, Government of India in its report on “New Series of Consumer Price Index for Industrial Workers (CPI-IW) (Base 2016=100)” dated 21 October 2020. Hence, based on above to calculate the yearly inflation of FY 2020-21, the Petitioners have considered CPI-IW series base 2001=100 data up to August 2020, thereafter, Petitioners have derived the CPI-IW index data by multiplying the respective months’ new series CPI-IW index numbers by 2.88.

3.11.5 Further, the escalation rate to be considered for calculating the normative expenses of FY 2020-21 has been derived based on the average yearly inflation of past five years, i.e., from FY 2015-16 to FY 2019-20 with 30% and 70% weightage to WPI and CPI, respectively. However, Petitioners find that yearly WPI inflation mainly for FY 2015-16 comes out to be negative (3.65%) which is abnormal. Hence, the Petitioners have excluded the same in its calculation and accordingly have arrived at escalation rate of 4.41% for FY 2020-21. Similarly, the escalation rate for FY 2021-22 has been worked out as 4.24% as shown in the flowing Table.

Table 39: Computation of Escalation Factor using CPI and WPI

Year	Yearly WPI	WPI Inflation	Yearly CPI	CPI Inflation
FY 2015-16	109.72	-3.65%	265	5.65%
FY 2016-17	111.62	1.73%	275.92	4.12%
FY 2017-18	114.88	2.92%	284.42	3.08%
FY 2018-19	119.79	4.27%	299.92	5.45%
FY 2019-20	121.8	1.68%	322.5	7.53%
FY 2020-21	123.38	1.30%	338.69	5.02%
Average from FY16 to FY20		2.65%		5.17%
Average from FY17 to FY21		2.38%		5.04%
Weightage		30%		70%
Escalation rate for FY 2020-21 (2.65%*30%+5.17%*70%)	4.41%			
Escalation rate for FY 2021-22 (2.38%*30%+5.04%*70%)	4.24%			

3.11.6 The actual Employee and A&G Expenses for FY 2022-23 have been tabulated as below.

Table 40: Employee Expenses for FY 2021-22

Particulars	FY 2022-23 (Actuals)
Employee Expenses	5.17

3.11.7 An escalation factor of 4.24% has been used to project Employee expenses for FY 2023-24 and FY 2024-25.

Table 41: Projection of Employee Expenses for FY 2024-25

Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projection)
Employee Expenses	5.39	5.62

3.11.8 Administrative and General (A&G) Expenses for FY 2023-24 and FY 2024-25, have been considered as at normative levels as prescribed by the Hon’ble Commission.

Table 41: Projection of A&G Expenses for FY 2024-25

Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projection)
Employee Expenses	2.44	2.54

Repair and Maintenance Expenses

3.11.9 Since the repair and maintenance of electrical distribution network is not a core specialisation of the Petitioner, thus the Petitioner has engaged specialised agencies for effective execution of R&M activities (for Distribution Network and 132/33 kV Substation). The Petitioner submits that it has engaged PTC India Limited, through a competitive bidding process (award mandated on L1 basis), to carry out all R&M activities on its electrical network and to provide consultancy services in various techno-commercial matters relating to the distribution and supply of electricity in the Special Economic Zone. The agreement is in effect from 01st January 2020 and shall be valid for three years. Considering the same, the Hon’ble Commission is humbly requested to approve R&M expenses as per the agreement signed with PTC India Ltd. Further, the R&M activities on 132 kV substation are being carried out by MP Transmission Company. The R&M expenses for the Control Period have been estimated using base as provisional of FY 2020-21 and escalated using a factor @4.24% derived with Consumer Price Index (CPI) and Wholesale Price Index (WPI) since they are a true measure of inflation indices.

3.11.10 It is submitted that the Hon’ble Commission had considered this expenditure in its earlier Tariff Order for the FY 2013-14, FY 2014-15, and FY 2015-16. The relevant extracts of the Tariff Order for FY 2013-14 dated September 10, 2013, has been reproduced below:

“2.47 The Commission noticed that the petitioner has filed O&M expenses as per the Regulations and has also filed the expenses as per the agreement signed with MPPKVVCL, Indore dated March 26, 2013. The petitioner has requested that the expenses in accordance with the agreement executed by them with MPPKVVCL be allowed. MPPKVVCL has to undertake all activities related to O&M expenses and also to provide consultancy services in various techno-commercial matters relating to the distribution and supply of electricity in the SEZ area. **The Commission is of the view**

that looking at the difficulties faced by the petitioner in the past related to its power business, it would be prudent to consider the contract between the petitioner and MPPKVVCL, Indore in the interest of the consumers. MPPKVVCL is a State-owned Distribution Licensee and has expertise in operation and maintenance of power distribution system. [Emphasis Added]".

3.11.11 With PTC India managing R&M activities, various distribution of power related aspects has improved considerably, including:

- The loss levels have reduced significantly, and hard efforts are being pushed to reduce it further and bring the same in the trajectory as approved by MPERC.
- The Petitioner has successfully upgraded its connectivity levels to grid from 33 kV to 132 kV voltage level.
- Quality of supply has improved considerably with minimum tripping and uninterrupted supply of power
- Scheduling practices are optimized resulting into effective procurement.
- Number of incoming and outgoing feeders have been optimized and increased resulting into redundant supply, appropriate loading levels, load bifurcation and further reduction of distribution losses
- Customer satisfaction level have improved with implementation of 24x7 call centre and expeditious resolution of network and supply related issues.

3.11.12 The Hon'ble Commission is humbly requested to approve R&M expenses as per the agreements signed with PTC India Ltd owing to the criticality of incurring such expenses to ensure proper operation and maintenance and upkeep of the electrical network which ensures supply of quality and reliable power supply to the consumers.

MPERC Fees

3.11.13 The Petitioner has considered the MPERC fees for FY 2024-25 to be same as per actuals of FY 2022-23 i.e. Rs. 0.02 Crores.

Total O&M Expenses

3.11.14 The summary of the total O&M expenses for FY 2024-25 has been tabulated below:

Table 42: O&M expenses (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Employee Expenses	5.39	5.62
Repair & Maintenance Expenses	2.26	2.26

Administrative & General Expenses	2.44	2.54
MPERC Fees	0.02	0.02
Operation & Maintenance Expenses	**10.11**	**10.44**

3.12 Depreciation

3.12.1 MPIDC has considered the opening gross block of fixed assets of FY 2024-25 as per the closing block for FY 2023-24 (as per provisional accounts of Apr-Sept 23), and thereafter considering provisional asset addition in FY 2024-25.

3.12.2 The additions to asset have been considered as per the projected capitalisation for the FY 24-25. Depreciation has been worked out considering the asset head wise depreciation rates provided in Annexure II of MYT Regulations, 2021. The projected depreciation for FY 2024-25 is as shown below:

Table 43: Depreciation (in Rs. Cr.) for FY 2024-25

Sl .No.	Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projections)
1	Opening Gross Fixed Asset	24.79	24.79
2	Addition during the year	-	7.21
3	Deduction	-	-
4	Closing Gross Fixed Asset	24.79	32.01
5	**Depreciation**	**1.20**	**1.35**

3.12.3 MPIDC has reduced the amortization of the assets capitalized from the consumer contribution & grant. Accordingly, net depreciation on GFA for FY 2024-25 after reducing amortization on consumer contribution is shown in the table below:

Table 44: Net Depreciation (in Rs. Cr.) for the FY 2024-25

Particulars	FY 2023-24	FY 2024-25
Depreciation	1.20	1.35
Less: Consumer contribution/ grant amortized	0.41	0.42
Net Depreciation	**0.79**	**0.93**

3.13 Interest & Finance Charges

3.13.1 Regulation 32 of the MYT Regulations, 2021 outlines the method of calculation of interest and finance charges on loan capital.

3.13.2 It is humbly submitted that the Petitioner does not have any borrowed capital, however, as per the provisions of the regulations, normative loans has been considered for FY 2024-25.

3.13.3 The Petitioner submits that it has computed the Interest & Finance Charges with interest rate as 7.14 % as per Tariff Order of the Petitioner for the FY 2023-24.

3.13.4 The Interest on Normative Loan considered for FY 2024-25 has been tabulated below:

Table 45: Interest on Normative Loans (in Rs. Cr.) for the FY 2024-25

Interest on Loan (in Rs Cr)	FY 2023-24	FY 2024-25
Particulars	**Estimation**	**Projection**
Debt Associated with GFA as on the beginning of the year (Net of consumer contribution & grant)	11.14	10.35
Additions to loans during the year	-	4.79
Repayment during the year	0.79	0.93
Total debt associated with GFA at the end of the year	10.35	14.22
Average Loan	10.75	12.28
Weighted average interest rate of state Discoms	7.14%	7.14%
Interest on project loans(normative)	**0.77**	**0.88**

3.13.5 **Interest on Consumer Security Deposit:** Interest on consumer security deposit has been paid to the consumers according to the provisions of the Regulation for security deposit notified by the Hon'ble Commission. Interest rate is considered same as the RBI bank rate of 4.25% prevailing as on 1st April 2021.

3.13.6 Below table shows projections of Interest on Consumer Security Deposit:

Table 46: Interest on Consumer Security Deposit (in Rs. Cr.) for FY 2024-25

Sl. No.	Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projections)
1	Consumer security deposit	20.19	20.77
2	**Interest on CSD**	**0.86**	**0.88**

3.13.7 The Interest and Finance Charges projected for the 2024-25 is as tabulated below:

Table 47: Interest & Finance Charges (in Rs Cr) for FY 2024-25

Particulars		FY 2023-24	FY 2024-25
Interest on normative loan		**0.77**	**0.88**

Interest on Consumer Security Deposit	**0.86**	**0.88**
Total	**1.63**	**1.76**

3.14 Interest on Working Capital

3.14.1 The interest on working capital has been computed as per the provisions of the Regulation 38 of MYT Regulations, 2021.

3.14.2 Interest rate is considered at a rate equal Base Rate as on 01st April of the relevant year plus 350 basis points. Thus, an interest rate of 12% (8.5+3.5) has been considered for computations.

3.14.3 The Petitioner is making power purchase payments on immediate basis to earn power purchase rebate and considered the same as other income. Further, the Petitioner is also considering 30 days credit principle while estimating the Interest on Working Capital according to the provisions of the Regulation 38 of MYT Regulations, 2021. However, Hon'ble Commission considering both the factors at the time of calculating ARR in past years. Therefore, the Petitioner is requesting Hon'ble Commission to look into the fact suitably.

3.14.4 The projection of the Interest on Working Capital is as shown below:

Table 48: Interest on Working Capital (in Rs. Cr.) for FY 2024-25

Particulars	**FY 2023-24**	**FY 2024-25**
For Wheeling Activity		
Inventory for 2 months based on ARR considered at 1% of GFA for previous year	0.25	0.25
1/12th of O&M Expenses	0.84	0.87
2 months of Receivables from Wheeling charges	0.00	0
Total Working Capital	**1.09**	**1.12**
Rate of Interest	10.50%	12.00%
Interest on Working Capital	0.11	0.13

For Retail Activity		
Inventory for 2 months based on ARR for previous year	0.00	0.00
O&M expenses for one month	0.00	0.00
2 months of Receivables of average billing	33.63	34.60
Minus: 1/12th of Power Purchase expenses	14.54	15.39
Minus: Consumer Security Deposit	20.19	20.77
Total Working Capital	-1.10	-1.56
Rate of Interest	10.50%	12.00%
Interest on Working Capital	-0.12	-0.19
Total Interest on Working Capital (1+2)	**0.00**	**0.00**

3.15 Lease Rent

3.15.1 MPIDC is the SEZ developer who is responsible for providing various services to the business units who setup their factories in the SEZ premises. As a deemed licensee, MPIDC also supplies power to the occupants of the SEZ. For this purpose, MPIDC (SEZ Developer) has provided land to power business of MPIDC for setting up its infrastructure necessary for providing power to the industrial units. Against this land which has been allocated to the power business, MPIDC is charging lease rent for the area allocated to the power business which is a separate business unit within the company and is a distribution licensee recognised by the Hon'ble Commission. The lease rent applicable for the land allocated for establishing various assets is shown below in the table:

Table 49: Lease Rent (in Rs. Cr.) for FY 2024-25

Particulars	**FY 2023-24 (Revised Estimates)**	**FY 2024-25 (Projection)**
Lease Rent	2.19	2.19

3.8.1. As per Clause 33 of the MYT Regulations, 2021

"33. Lease/ Hire Purchase charges. -

Lease charges for assets taken on lease by Distribution Licensee shall be considered as per lease agreement provided the charges are considered reasonable by the Commission."

3.15.2 It is humbly submitted that lease rent is legitimate expense and should be permitted to be recovered as an expense through the ARR. The lease rent is being charged by MPIDC as it is an opportunity cost lost for MPIDC SEZ business as they could have leased out this land to some other industry and received lease rent against it.

3.15.3 Further, as a distribution licensee, in normal course of action MPIDC would have purchased this land for establishment of its power distribution infrastructure. The cost incurred for purchase of land gets capitalized and the Hon'ble Commission allows depreciation, interest on loan and return on equity chargeable on account of this cost as part of ARR. Accordingly, this expenditure, in the form of either lease rent or depreciation, interest on loan and return on equity chargeable on the capital cost incurred by MPIDC, is inevitable.

3.15.4 MPIDC has sought lease rent in its review petition 86 of 2012 and the Hon'ble Commission in its Order dated 21st December 2012 has disallowed lease rent sighting reason of non-payment. The relevant part of the same is reproduced here below for reference.

"ii. Land Premium and Lease rent charges:

…….

The Commission considered the matter and observed that in the instant case since no actual payments are being made to the SEZ on account of land premium or lease rent such notional expense cannot be charged to the consumers. The claim made by the petitioner in this regard is not sustainable."

3.15.5 MPIDC has now made all past payments towards lease rent and hence the Hon'ble Commission is requested to approve lease rent on actual basis as incurred by the Petitioner.

3.15.6 There have been instances in other states wherein the Commission has allowed this expenditure pertaining to lease rental as a pass through in the tariff over and above the other expenses.

3.15.7 A precedence in this matter can be seen in case of approval of the Truing-up of FY 2013-14 and FY 2014-15, Provisional Truing-up of FY 2015-16, and Projection of ARR for the 3rd Control Period FY 2016-17 to FY 2019-20 for the transmission licensee MEGPTCL in Maharashtra by the Hon'ble MERC in Case no. 50 of 2016. In the said case, the land for Akola-II Sub-station was initially to be purchased and handed over by MSETCL to MEGPTCL, however, later based on management decision, the land was later leased out to MEGPTCL. Accordingly, while the total capital cost of land in the overall capital cost was reduced, the corresponding increase in the lease rental for the same was factored as additional Operation and Maintenance (O&M) expenses in the ARR for the Control Period. Considering the facts of the case, the Hon'ble Commission had approved the least rent for Akola II Sub-station over and above the normative O&M expenses of MEGPTCL prescribed in the MYT Regulations.

3.15.8 In view of the above, the Hon'ble Commission is humbly requested to allow lease rent charged to MPIDC to the power business as a legitimate expenditure as part of the ARR for the FY 2024-25.

Table 50: Lease Rent (in Rs. Cr.) for FY 2024-25

Particulars	FY 2023-24 (Revised Estimates)	FY 2024-25 (Projection)
Lease Rent	2.19	2.19

3.16 Return on Equity and tax on income

3.16.1 As per the MYT Regulations, 2021, a return @ 14% on the equity base is allowed by Hon'ble Commission.

3.16.2 Further, an additional rate of 1.25% is also allowed linked to parameters related to metering, and expenditure of R&M expenses.

3.16.3 The relevant extracts of the Petition are reproduced below for reference:

31.4. The Additional Return on Equity shall be allowed at the time of true-up subject to the following:

(a) If the status of metering of rural consumers under the domestic categories is achieved at the levels specified below, the Additional Return on Equity of 0.75% shall be allowed:

(c) If the actual Repairs and Maintenance expenses in a year is more than 95% of the approved Repairs and Maintenance expenses for that year, the Additional Return on Equity of 0.50% shall be allowed.

3.16.4 Since the Petitioner is complying with all above mentioned parameters, thus the Petitioner has computed the Return on Equity considering a rate of return at 15.25%. The return on equity has been computed on average equity based upon the opening balance of equity and normative additions during the year, which has been arrived at by considering 30% of the capitalization net of consumer contribution and grants as funded from equity as already explained above. Accordingly, the projected return on equity for FY 2024-25 is as shown below.

Table 51: Return on Equity (in Rs. Cr.) for the FY 2024-25

Particulars	**FY 2023-24**	**FY 2024-25**
Equity associated with GFA as on the beginning of the year	5.12	5.12
30% of addition to net GFA considered as funded through equity	0.00	2.05
Total equity associated with GFA at the end of the year	5.12	7.18
Average equity associated with GFA at the end of the year	5.12	6.15
Return on equity	0.78	0.94

3.16.5 MPIDC is not expected to have any tax liability in FY 2024-25 and accordingly, no tax on income has been projected by the Petitioner.

3.17 Provision for Doubtful Debts

3.17.1 As per clause 37 of the MYT Regulations, 2021, bad and doubtful debts in the ARR can be considered up to 1% of the yearly revenue.

3.17.2 However the Petitioner has not considered any bad debts for FY 2024-25 basis its experience in FY 2022-23.

Table 52: Doubtful Debt in Rs. Cr.) For FY 2024-25

Particulars	**FY 2023-24**	**FY 2024-25**
Revenue at existing Tariff	201.80	207.62
Doubtful Debt @ 1% of the Yearly Revenue	**0.00**	**0.00**

3.18 Other Income

3.18.1 MPIDC has considered the other Income for the FY 2024-25 to be same as per actuals for the FY 2022-23.

3.18.2 The Petitioner submits that the rebate as received on purchase of power has not been considered under the other income, as the Petitioner proactively timely paid the expenses for purchase of power and earned the rebate.

3.18.3 The Other Income for FY 2024-25 is provided in table below:

Table 53: Other Income (in Rs. Cr) for FY 2024-25

Sl. No.	Particulars	FY 2023-24	FY 2024-25
1	Miscellaneous Income	0.00	0.00
2	Interest Received on Deposit with MPSEB	0.00	0.00
3	Shutdown Charges	0.01	0.01
4	Power Application Processing Fees	0.02	0.02
5	Supervision Charges	0.00	0.00
6	**Total Other Income**	**0.03**	**0.03**

3.19 Aggregate Revenue Requirement for FY 2024-25

3.19.1 The table below shows projection of Aggregate Revenue Requirement by MPIDC for the FY 2024-25.

Table 54: Proposed ARR (in Rs. Cr.) for FY 2024-25

Sl. No.	Particulars	FY 2023-24	FY 2024-25
1	Purchase of Power (incl Trading Margin)	176.46	186.75
2	Power Transmission Charges	14.76	15.50
3	Power Scheduling & Operation Charges	0.02	0.02
4	O&M Expenses	**10.11**	**10.44**
	Employee Expenses	5.39	5.62
	R&M Expenses	2.26	2.26
	A&G Expenses	2.44	2.54
	MPERC and MPPMCL Fees & Other	0.02	0.02
5	Depreciation	0.79	0.93

6	Interest & Finance Charges	1.63	1.76
7	Interest on Working Capital	0.00	0.00
8	Lease Rent	2.19	2.19
9	**Sub Total (1 to 8)**	**205.96**	**217.59**
10	Return on Equity	0.78	0.94
11	Income Tax	0.00	0.00
12	Doubtful Debt	0.00	0.00
13	**Total Expenditure (9+10+11+12)**	**206.74**	**218.53**
14	Less: Other Income	0.03	0.03
15	**Aggregate Revenue Requirement (13 - 14)**	**206.71**	**218.50**

3.19.2 The Hon'ble Commission is humbly requested to approve the Aggregate Revenue Requirement for the FY 2024-25 as proposed by the Petitioner.

3.20 Revenue from existing tariff for FY 2024-25

3.20.1 The revenue for the FY 2024-25 has been estimated based on projected sales, connected load, number of consumers and the existing Tariff as per the Tariff Order of MPIDC for FY 2023-24.

3.20.2 The revenue from sale of power at existing tariff is estimated to be Rs. 207.62 Crores for FY 2024-25.

3.20.3 Category-wise revenue from existing tariff from sale of power to retail consumers is shown in table below:

Table 55: Projected Revenue (in Rs. Cr.) at existing tariff for the FY 2024-25

Particulars	**FY 2024-25**		
	Fixed Charges	**Variable Charges**	**Total Revenue**
LT CATEGORIES			
Domestic	0.00	0.00	0.00
Non Domestic-DL	0.01	0.02	0.03
PWW	0.00	0.01	0.01
LT Industry	0.07	0.25	0.32
HT CATEGORIES			

HT I : 33 kV Industrial	23.56	183.07	206.63
HT I : 11 kV Industrial	0.05	0.05	0.09
HT 2: Non Industrial			
33 KV	0.40	0.13	0.53
11 KV	0.00	0.00	0.00
Total	**24.09**	**183.53**	**207.62**

3.21 Revenue Gap/ (surplus)

3.21.1 Based on the projected aggregate revenue requirement and revenue at existing tariffs, the revenue gaps for FY 2024-25 is summarised in the following table:

Table 56: Revenue Gap/ (Surplus) in Rs. Cr. for FY 2024-25

Particulars	FY 2024-25
Aggregate Revenue Requirement	218.50
Revenue at Existing Tariff	207.62
Revenue Gap/ (Surplus)	**10.88**

3.21.2 The Petitioner has proposed a revised tariff, in next chapter of the petition, to meet the revenue gap for FY 2024-25 and the Hon'ble Commission is requested to approve the same.

4. Tariff Proposal for FY 2024-25

4.1. Revenue Gap for FY 2024-25

4.1.1 As can be seen from the previous section, the estimated revenue gap for FY 2024-25 is to the tune of Rs. 10.88 Crores. The subsequent paragraphs highlight the changes proposed by MPIDC to bridge the revenue gap.

4.2. Tariff Proposal

4.2.1 To bridge the revenue gap, MPIDC proposes change in the tariff for various categories of consumers.

4.3. Proposed tariff schedule for FY 2024-25

4.3.1 Comparison of fixed and energy charges as per existing tariff schedule and proposed tariff schedule is shown in table below:

Table 57: Fixed & Energy Charges as per Existing Tariff & Proposed Tariff for FY 2024-25

Tariff Proposal for the FY 2024-25		Existing Tariff for FY 24-25		Proposed tariff for FY 24-25	
Category	**UoM**	**Fixed Charge (Rs.)**	**Energy Charge (Rs./kWh)**	**Fixed Charge (Rs.)**	**Energy Charge (Rs./kWh)**
LT CATEGORIES					
LV 1 : Domestic	Rs/KW/Month	58	3.22	62	3.39
LV 2 : Non- Domestic (Temp)	Rs/KW/Month	108	4.42	114	4.65
LV 2 : Non- Domestic	Rs/KW/Month	88	3.67	93	3.86
LV 3 : Public Waterworks & Streetlights	Rs/KW/Month	0	4.12	0	4.34
LV 4 : LT Industry	Rs/KW/Month	108	3.67	114	3.86
LV 4 : LT Industry (Temp)	Rs/KW/Month	135	4.59	143	4.83
HT CATEGORIES					
HV-1.1: INDUSTRIAL					
33 kV	Rs/KVA/Month	228	3.74	240	3.94
11 kV	Rs/KVA/Month	193	3.77	204	3.97
HV-1.2: Non INDUSTRIAL					
33 kV	Rs/KVA/Month	263	3.87	277	4.07
11 kV	Rs/KVA/Month	248	3.97	261	4.18

4.4. Revenue from sale of power for FY 2024-25 at proposed tariffs

4.4.1 Based on the projected sales & proposed retail tariff, the revenue from sale of power works out to Rs. 218.51 Crore. The consumer category wise revenue for FY 2024-25 estimated by MPIDC is as given in the following table:

Table 58: Revenue at Proposed Tariff (in Rs Cr) for FY 2024-25.

Particulars	FY 2024-25		
	Fixed Charges	**Variable Charges**	**Total Revenue**
LT CATEGORIES			
Domestic	0.00	0.00	0.00
Non Domestic-DL	0.01	0.02	0.03
PWW	0.00	0.01	0.01
LT Industry	0.08	0.26	0.34
HT CATEGORIES			
HT I : 33 kV Industrial	24.80	192.67	217.47
HT I : 11 kV Industrial	0.05	0.05	0.10
HT 2: Non Industrial			
33 KV	0.42	0.14	0.56
11 KV	0.00	0.00	0.00
Total	**25.36**	**193.15**	**218.51**

5. Prayer

MPIDC Indore Ltd. respectfully prays to the Hon'ble Commission as under:

1. To admit this petition seeking ARR for FY 2024-25 and Tariff determination for FY 2024-25.
2. To approve Aggregate Revenue Requirement for FY 2024-25 and Revenue Gap for FY 2024-25 as per the provisions of the MYT Regulations, 2021 and amendments thereof from time to time.
3. To allow recovery of the Revenue Gap for FY 2024-25 through the approved retail tariff for FY 2024-25.
4. To allow recovery of lease rent charges for the use of land for the substation and line and premium for the substation land.
5. To consider and determine the wheeling charges, cross subsidy surcharge, and additional surcharge for open access customers based on the ARR approved for FY 2024-25.
6. To approve the Tariff Schedule for FY 2024-25.
7. To grant any other relief as the Hon'ble Commission may consider appropriate.
8. To condone any inadvertent omissions, errors, short comings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
9. To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

Place: Indore

Date: XXX **Signature of the Petitioner**

6. Annexure 1: Tariff Schedule for FY 2024-25

TARIFF SCHEDULE FOR LOW TENSION CONSUMERS OF MPIDC (Indore), LTD., SEZ PITHAMPUR

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Tariff Schedules
LV-1 Domestic
LV-2 Non-Domestic
LV-3 Public Water Works and Street Lights
LV-4 LT Industrial
LV -5 E- VEHICLE / E- RICKSHAWS CHARGING STATIONS
General Terms and Conditions of Low-Tension Tariff

Tariff Schedule-- LV-1

DOMESTIC: ---

Applicability:

This tariff is applicable for light, fan and power for residential use only. Dharamshalas, old Age houses, rescue houses, orphanages, places of worship and religious institutions will also be covered under this category.

Tariff:

Energy Charges (paisa per unit)	Monthly Fixed Charges (in Rs)
3.39	62 per connection

Minimum charges: Rs. 72 per connection per month as minimum charges towards energy charges are applicable for above category.

Specific Terms and conditions for LV-1 category

a. In case energy charges for actual consumption are less than minimum charges, minimum charges shall be billed towards energy charges. All other charges, as applicable, shall also be billed.

b. Other terms and conditions shall be as specified under General Terms and Conditions for Low Tension consumers.

Tariff Schedule – LV-2

NON-DOMESTIC: ---

Applicability:

This tariff is applicable for light, fan and power to Railways (for purposes other than traction and supply to Railway Colonies/water supply), Shops/showrooms, Parlours, All Offices, Hospitals and medical care facilities including Primary Health Centres, clinics, nursing homes belonging to either Govt. or public or private organisations, public buildings, guest houses, Circuit Houses, Government Rest Houses, X-ray plant, recognized Small Scale Service Institutions, clubs, restaurants, eating establishments, meeting halls, places of public entertainment, circus shows, hotels, cinemas, professional's chambers (like Advocates, Chartered Accountants, Consultants, Doctors etc.), bottling plants, marriage gardens, marriage houses, advertisement services, advertisement boards/ hoardings, training or coaching institutes, petrol pumps and service stations, tailoring shops, laundries, gymnasiums, health clubs, telecom towers for mobile communication and any other establishment (except those which are covered in LV 2.1), who is required to pay Commercial tax/service tax/value added tax (VAT)/entertainment tax/luxury tax under any Central/State Acts., Educational Institutions including workshops and laboratories of Engineering Colleges / Polytechnics/ITIs (which are registered with /affiliated/ recognized by the relevant Govt. body or university), Hostels for students or working women or sports persons (run either by Govt. or individuals)

Tariff:

Sub Category	Energy Charges (paisa/unit)	Monthly Fixed Charges (in Rs.)
LV 2.1 Sanctioned load based tariff (only for connected load up to 20 kW)		
On all units if monthly consumption is not more than 50 units	349.40	56 per KW
On all units in case monthly consumption exceeds 50 units	386.23	93 per KW
LV 2.2 contract demand based tariff		
OPTIONAL Demand based tariff (only for contract demand above 10 kW and up to 20 kW)	415.70	114 per KW or 91 per KVA of billing demand
Mandatory demand based tariff for contract demand above 20 kW	415.70	114 per KW or 91 per KVA of billing demand

Sub Category	Energy Charges (paisa/unit)	Monthly Fixed Charges (in Rs.)
Temporary connections including Multi point temporary connection at LT for mela*	465.17	114 per KW or 91 per kVA or part thereof of sanctioned or connected or recorded load whichever is highest
For X-Ray plant	**Additional Fixed charges (Rs. Per machine per month)**	
Single Phase	586	
Three Phase	821	
Dental X-ray machine	88	

*In case permission for organizing Mela is granted by Revenue Authorities of Government of Madhya Pradesh or by MPIDC/SEZ.

Specific Terms and Conditions for LV-2 category:

a. **Minimum consumption:** The consumer shall guarantee a minimum annual consumption of 360 units per kW or part thereof of **sanctioned load or contract demand (in case of demand based charges).** However, the load of X-Ray unit shall be excluded while considering the load of the consumer for calculation of minimum consumption. The method of billing minimum consumption shall be as given in General Terms and Conditions of Low Tension tariff.

b. **Additional Charge for Excess demand:** Shall be billed as given in General Terms and Conditions of Low Tension tariff.

c. Other terms and conditions shall be as specified under General Terms and Conditions.

Tariff Schedule – LV-3

PUBLIC WATER WORKS AND STREET LIGHTS

Applicability:

The tariff **LV-3.1** is applicable for Public Utility Water Supply Schemes, Sewage Treatment Plants, Sewage Pumping Installations run by SEZ or any other organization authorised by the Government in the area of SEZ to supply/ maintain public water works / sewerage installations and shall also be applicable to electric crematorium maintained by local bodies/trusts.

Note: Private water supply scheme, water supply schemes run by institutions for their own use/employees/townships etc. shall not fall in this category. These shall be billed under the appropriate tariff category to which such institution belongs. In case water supply is being used for two or more different purposes then entire consumption shall be billed for purpose for which the tariff is higher.

The tariff **LV-3.2** is applicable to traffic signals and lighting of public streets or public places including parks, town halls, monuments and its institutions, museums, public toilets, public libraries, reading rooms run by Government or Local Bodies or SEZ and Sulabh Shochalaya**.**

Tariff: For Public Water Works and Street Light

Category	Energy Charges (paisa per unit)	Monthly Fixed Charges (in Rs. Per KW)	Minimum Charges (Rs)
LV 3.1 Public Water Works	433.60	NIL	316 per kW
Temporary supply for **Public Water Works**	1.25 times the applicable tariff		

Specific Terms and Conditions for LV-3 category:

a. **Incentives for adopting Demand Side Management**
An **incentive** equal to 5 % of energy charges shall be given on installation and use of energy saving devices (such as ISI energy efficient motors for pump sets and programmable on-off/ dimmer switch with automation for streetlights). **Incentive** will

be admissible only if full bill is paid within due dates failing which all consumed units will be charged at normal rates. Such incentive will be admissible from the month following the month in which energy saving devices are use and are verified by a person authorized by the licensee. This incentive will continue to be allowed till such time these energy saving devices remain in service. The licensee is required to arrange wide publicity of above incentive.

b. Other terms and conditions shall be as specified under General Terms and Conditions.

Tariff Schedule – LV-4

LT INDUSTRIAL

Applicability:

Tariff **LV-4** is applicable to light, fan and power for operating equipment used by printing press and any other industrial establishments and workshops (where any processing or manufacturing takes place including tyre re-treading). These tariffs are also applicable to cold storage, Gur (jiggery) making machines, flour mills, Masala Chakkies, hullers, khandsari units, ginning and pressing units, sugar cane crushers (including sugar cane juicing machine), power looms, dal mills, besan mills, and ice factories and any other manufacturing or processing units (excluding bottling plant) producing/processing food items or processing agriculture produce for preservation/increasing its shelf life and Dairy units (where milk is processed to produce other end products of milk other than chilling, pasteurization etc.)

Tariff: For industrial consumers

	Category	Monthly Fixed Charges (in Rs.)	Energy Charges (paisa per unit)
4.1	**Industrial Consumers**		
4.1 a	Demand based tariff (for contract demand up to 150 HP)	114 per KW or 91 per KVA of billing demand	386
4.1 b	Temporary Connection	1.25 times of the applicable tariff	

<u>**Terms and Conditions**</u>:

a. The maximum demand of the consumer in each month shall be reckoned as four times the largest amount of kilovolt ampere hours delivered at the point of supply of the consumer during any continuous fifteen minutes in that month.

b. Demand based tariff is mandatory and the licensee shall provide Tri vector/ Bi vector Meter capable of recording Demand in kVA/ kW, kWh, kVAh and Time of Use consumption

c. **Minimum Consumption:** Shall be as per following:
   i. The consumer shall guarantee a minimum annual consumption (kWh) based on 360 units per HP or part thereof of contract demand irrespective of whether any energy is consumed or not during the year.

ii. The consumer shall be billed monthly minimum 30 units per HP per month in case the actual consumption is less than above specified units.

iii. Method of billing of minimum consumption shall be as given in the General Terms and Conditions of Low Tension tariff.

d. **Additional Charge for Excess Demand:** Shall be billed as given in the General Terms and Conditions of Low Tension tariff.

e. Other terms and conditions shall be as specified under General Terms and Conditions.

Tariff Schedule – LV-5

E- VEHICLE / E-RICKSHAWS CHARGING STATIONS

Applicability:

The tariff is applicable exclusively for Electric Vehicle / Electric Rickshaws charging stations. However, tariff for other consumers who use electricity for charging their own Vehicle / Rickshaws shall be the same as applicable for the relevant category of metered connection from which the Vehicle / Rickshaws are being charged.

Tariff: E- VEHICLE / E-RICKSHAWS CHARGING STATIONS

Category	Energy Charges (paisa per unit)
E- VEHICLE / E-RICKSHAWS CHARGING STATIONS	444

Monthly Fixed Charges (in Rs.): 121 per KW or 96 per KVA of billing demand

a. **Additional Charge for Excess demand:** Shall be billed as given in General Terms and Conditions of Low Tension tariff.
b. For the consumers in this category, demand based tariff is mandatory. The Distribution Licensee shall provide Trivector /Bivector Meter capable of recording Demand in kVA/kW, kWh, kVAh.
c. Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

GENERAL TERMS AND CONDITIONS OF LOW TENSION TARIFF

1. **SEZ Area** means the area notified by Government of Madhya Pradesh (GoMP) as may be amended from time to time.

2. Rounding off: All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be ignored and 50 paisa upwards shall be rounded off to next Rupee

3. Billing Demand: In case of demand based tariff, the billing demand for the month shall be the actual maximum kVA demand of the consumer during the month or 90% of the contract demand, whichever is higher. The billing demand shall be rounded off to the nearest integer number i.e. fraction of 0.5 or above will be rounded to next higher integer and the fraction of less than 0.5 shall be ignored.

4. Fixed charges billing: Unless specified otherwise, fractional load for the purposes of billing of fixed charges shall be rounded off to nearest integer i.e. fraction of 0.5 or above will be rounded to next higher integer and the fraction of less than 0.5 shall be ignored. However for loads less than one kW/HP, it shall be treated as one kW/HP.

5. **Method of billing of minimum consumption:**

    a. The consumer shall be billed one twelfth of guaranteed annual minimum consumption (KWH) specified for his category each month in case the actual consumption is less than above mentioned minimum consumption.

    b. During the month in which actual cumulative consumption equals or is greater than the annual minimum guaranteed consumption, no further billing of monthly minimum consumption shall be done in subsequent months of the financial year and only actual recorded consumption shall be billed.

    c. Tariff minimum consumption shall be adjusted in the month in which cumulative actual or billed monthly consumption exceeds cumulative monthly prorated minimum annual guaranteed consumption. If actual cumulative consumption does not get fully adjusted in that month, adjustment shall continue to be provided in subsequent months of the financial year. The following example illustrates the procedure for monthly billing of consumption where prorated monthly minimum consumption is 100 kWh based on annual consumption of 1200 kWh

Month	Actual cumulative consumption (kwh)	Cumulative minimum consumption* (kwh)	Higher of 2 and 3 (kwh)	Already billed in the year (kwh)	To be billed in the month = (4-5) (kwh)
1	2	3	4	5	6
April	95	100	100	0	100
May	215	200	215	100	115
June	315	300	315	215	100
July	395	400	400	315	85
August	530	500	530	400	130
September	650	600	650	530	120
October	725	700	725	650	75
November	805	800	805	725	80
December	945	900	945	805	140
January	1045	1000	1045	945	100
February	1135	1100	1135	1045	90
March	1195	1200	1200	1135	65

6. **Additional Charge for Excess Demand:** Shall be billed as per following procedure:

   a. **Consumers availing supply at demand based tariff:** The consumers availing supply at demand based tariff shall restrict their actual maximum demand within the contract demand. However, in case the actual maximum demand recorded in any month exceeds 105% of the contract demand, the tariff in this schedule shall apply to the extent of 105 % of the contract demand only. The consumer shall be charged for demand recorded in excess of 105% of contract demand (termed as Excess Demand) and consumption corresponding thereto at the following rates:-

   b. **Energy charges for Excess Demand**: The consumer shall pay charges @ 1.3 times the tariff for energy charges for consumption corresponding to excess demand in case the maximum demand recorded exceeds the 105% of the contract demand.

      Example: If a consumer having a contract demand of 50 kVA records a maximum demand of 60 kVA, the billing of energy charges for excess demand of (60 kVA- 52.5 kVA)= 7.5 kVA shall be = (total consumption recorded during the month* 7.5 kVA/maximum recorded demand)*1.3* energy charge unit rate.

c. **Fixed charges for Excess Demand:** These charges shall be billed as per following:

   1. **Fixed charges for Excess Demand when the recorded maximum demand is up to 115% of the contract demand**:- fixed charges for Excess Demand over and above the 105 % of contract demand shall be charged at 1.3 times the normal rate of fixed charges

   2. **Fixed charges for Excess Demand when the recorded maximum demand exceeds 115% of contract demand** :- In addition to fixed charges in 1 above, recorded demand over and above 15 % of the contract demand shall be charged at 2 times the normal rate of fixed charges

d. The above billing for Excess Demand, applicable to consumers is without prejudice to the licensee's right to ask for revision of agreement and other such rights that are provided under the Regulations notified by the Commission or under any other law.

e. The maximum demand of the consumer in each month shall be reckoned as four times the largest amount of kilovolt ampere hours delivered at the point of supply of the consumer during any continuous fifteen minutes in that month.

7. Other Terms and Conditions:

a. For **advance payment** made before commencement of consumption period for which bill is prepared, a rebate of 1 % per month on the amount (excluding security deposit) which remains with the licensee at the end of calendar month shall be credited to the account of the consumer after adjusting any amount payable to the licensee.

b. **Incentive for prompt payment**: An incentive for prompt payment @0.25% of the bill amount (excluding electricity duty and Cess) shall be given in case the payment is made at least 7 days in advance of the due date of payment where the current month billing amount is equal to or greater than Rs. One lakh. The consumers in arrears shall not be entitled for this incentive.

c. The Sanctioned load or connected load in case of connected load based tariff should not exceed 112.5 kW / 150 HP. In case of demand based tariff the contract demand should not exceed 112.5 kW / 150 HP without any ceiling on connected load. If the consumer exceeds his load / demand beyond this ceiling on more than two occasions in two billing months during the tariff period, the Licensee may insist on the consumer to avail HT supply.

d. Metering Charges shall be billed as per schedule of Metering and Other Charges as prescribed in MPERC (Recovery of expenses and other charges for providing electric line or plant used for the purpose of giving supply), Regulations (Revision-I),2009. Part of a month will be reckoned as full month for purpose of billing.

e. In case the cheque presented by the consumer is dishonoured, without prejudice to Licensee's rights to take recourse to such other action as may be available under the relevant law, a service charge of Rs. 150 per cheque shall be levied in addition to delayed payment surcharge

f. Other charges as stated in schedule of miscellaneous charges shall also be applicable.

g. **Welding surcharge** is applicable to installations with welding transformers, where the connected load of welding transformers exceeds 25% of the total connected load and where suitable capacitors of prescribed capacity have not been installed to ensure power factor of not less than 0.8 (80%) lagging. Welding Surcharge of 75 (seventy five) paisa per unit shall be levied for the consumption of the entire installation during the month. However, no welding surcharge shall be levied when recorded power factor is 0.8 or more.

h. For purposes of computing the connected load in kW of the welding transformers, a power factor of 0.6 (60%) shall be applied to the maximum current or kVA rating of such welding transformers.

i. Existing LT power consumer shall ensure that LT capacitor of proper rating is provided. In his regard, Madhya Pradesh Electricity Supply Code 2013 may be referred for guidance. It shall be the responsibility of the consumer to ensure that overall average power factor during any month is not less than 0.8 (80%) failing which the consumer shall be liable to pay low power factor surcharge on the entire billed amount against energy charges during the month at the rates given below:

1. **For the consumer whose meter is capable of recording average power factor**:
   a. Surcharge @ 1 % of energy charges for every 1% fall in power factor below 80% up to 75 %.
   b. Surcharge of 5% plus 1.25% of energy charges for every 1% fall in power factor below 75% up to 70%.

   The maximum limit of surcharge will be 10 % of the energy charges billed during the month.
2. **For LT consumer having meter not capable of recording average power factor**: The consumer shall ensure that LT capacitors of proper rating are provided and are in good working condition. In this regard, Madhya Pradesh Electricity Supply Code, 2013 may be referred for guidance. In case of failure to meet the above criteria, the consumer would be levied a low power factor surcharge of 10% on the entire billed amount against energy charges during the month and would be continued to be billed till such time the consumer meets the above criteria .

j. Levy of welding / power factor surcharge as indicated hereinabove shall be without prejudice to the rights of the Licensee to disconnect the consumer’s installation, if steps are not taken to improve the power factor by installing suitable shunt capacitors.

k. In case of any dispute on applicability of tariff on a particular LT category, the decision of the Commission shall be final.

l. The tariff does not include any tax, cess or duty, etc. on electrical energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall also be payable by the consumer in addition to the tariff charges and applicable miscellaneous charges.

m. **Delayed payment Surcharge for all categories:** Surcharge at the rate of 1.00 % per month or part thereof on the amount outstanding (including arrears) will be payable if the bills are not paid up to due date subject to a minimum of Rs.5/- per month for total outstanding bill amount up to Rs. 500/- and Rs 10/ per month for amount of bill more than Rs.500/. The part of a month will be reckoned as full month for the purpose of calculation of delayed payment surcharge. The delayed payment surcharge will not be levied for the period after supply to the consumer is permanently disconnected.

n. In case of conversion of LT connection into HT connection, it is mandatory on the part of both the consumer and the licensee to get the HT agreement executed before availing supply at HT.

o. Use of mix loads in one connection: Unless otherwise permitted specifically in the tariff category, the consumer requesting for use of mix loads for different purposes shall be billed for the purpose for which the tariff is higher.

p. No change in the tariff or the tariff structure including minimum charges for any category of consumer is permitted except with prior written permission from the Commission. Any action taken without such written permission of the Commission shall be treated as null and void and shall also be liable for action under relevant provisions of the Electricity Act, 2003.

q. All conditions prescribed herein shall be applicable to the consumer notwithstanding if any contrary provisions exist in the agreement entered into by the consumer with the licensee.

8. Additional conditions for Temporary Supply at LT:

a. Temporary supply cannot be demanded by a prospective/ existing consumer as a matter of right but will normally be arranged by the licensee when a requisition giving due notice is made. The temporary additional supply to an existing consumer also shall be treated as a separate service and charged subject to following conditions. However service under Tatkal Scheme shall be made available within 24 hours according to the charges specified in the order of the Commission regarding Schedule of Miscellaneous Charges.

b. Fixed Charge and energy charge for temporary supply shall be billed at **1.25** times the normal charges as applicable to relevant category if not specified otherwise specifically.

c. Estimated bill amount is payable in advance before serving the temporary connection subject to replenishment from time to time and adjustment as per final bill after disconnection. No interest shall be given to consumers for this advance payment.

d. The Sanctioned load or connected load in case of connected load based tariff should not exceed 112.5 kW / 150 HP. In case of demand based tariff the contract demand should not exceed 112.5 kW / 150 HP without any ceiling on connected load.

e. The month for the purpose of billing of charges for temporary supply shall mean 30 days from the date of connection. Any period less than 30 days shall be treated as full month for the purpose of billing.

f. Connection and disconnection charges and other miscellaneous charges shall be paid separately as may be specified in the Schedule of Miscellaneous Charges.

g. Power factor incentive/penalty shall be applicable at the same rate as applicable for permanent connection.

TARIFF SCHEDULE FOR HIGH TENSION CONSUMERS OF MPIDC (Indore), LTD., SEZ PITHAMPUR

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HV – 1 Industrial and Non Industrial
HV – 2 Public Water Works
HV – 3 Synchronization and start up power for Generators
HV – 4 E- VEHICLE / E-RICKSHAWS CHARGING STATIONS
General Terms and Conditions of High Tension Tariff

Tariff Schedule – HV - 1

INDUSTRIAL AND NON-INDUSTRIAL

Applicability:

The **tariff HV-1.1(Industrial)** shall apply to all HT industrial consumers including Mini Steel Plants (MSP), MSP with rolling mills/ sponge iron plants in the same premises, electro chemical/ electro thermal industry, Ferro alloy industry etc. for power, light and fan etc. which shall mean and include all energy consumed for factory and lighting in the offices, main factory building, stores, canteen, residential colonies of industries, compound lighting, common and ancillary facilities such as Banks, General purpose shops, Water supply, Sewage pumps, Police Stations etc. in the premises of the industrial units and Dairy units where milk is processed (other than chilling, pasteurization etc.) to produce other end products of milk.

The **tariff HV-1.2 (Non Industrial)** shall apply to establishments like Railway Stations, Offices, Hotels, Hospitals, Institutions etc. (excluding group of consumers) having mixed load for power, light and fan etc. which shall mean and include all energy consumed for lighting in the offices, stores, canteen, compound lighting etc. This shall also cover all other categories of consumers, defined in LT non-domestic category subject to the condition that the HT consumer shall not redistribute/sub-let the energy in any way to other person.

Tariff:

S. No.	Category	Monthly Fixed Charges (Rs./KVA of billing demand of month)	Energy Charges (Paisa/unit)
1.1	**Industrial**		
	11 KV Supply	204	3.97
	33 KV Supply	240	3.94
1.2	**Non-Industrial**		
	11 KV Supply	261	4.18
	33 KV Supply	277	4.07

Specific Terms and Conditions:

a. **Guaranteed Minimum Consumption** for all the above categories shall be on following basis :

Supply Voltage	Sub-category	Guaranteed annual minimum consumption in units (KWH) per KVA of contract demand
For supply at 33 kV and 11 kV	Contract demand up to 100 kVA	600
	Others	1200

Note: The method of billing of minimum consumption shall be as given in General Terms and Conditions of High Tension tariff.

b. Other terms and conditions shall be as specified under General Terms and Conditions of High Tension Tariff.

Tariff Schedule – HV - 2

PUBLIC WATER WORKS

Applicability:

The Tariff Category HV-2 shall apply to supply of power to Public Utility Water Supply schemes, sewage treatment plants /sewage pumping plants and for energy used in lighting pump house and dairy (for those dairy units where only extraction of milk and its processing such as chilling, pasteurization etc. is done).

Note: Private water supply scheme, water supply schemes run by institutions for their own use/employees/townships etc. will not fall in this category but billed under the appropriate tariff category to which such institution belongs. In case water supply is being used for two or more different purposes then the highest tariff shall be applicable.

Tariff:

Category	Monthly Fixed Charges (Rs./KVA of billing demand per month)	Energy Charges (paisa per unit)
11 kV Supply	208	386
33 kV Supply	235	355

Specific Terms and Conditions:

a. **Guaranteed Annual Minimum Consumption** shall be 720 units (KWH) per kVA of contract demand. The method of billing of minimum consumption shall be as given in General Terms and Conditions of High Tension tariff

b. Other terms and conditions shall be per the General Terms and Conditions of High Tension Tariff.

Tariff Schedule – HV - 3

SYNCHRONIZATION AND START UP POWER FOR GENERATORS CONNECTED TO THE GRID

Applicability:

This Tariff shall apply to those generators who are already connected to the grid but who are not consumers of the Distribution Licensee and seek to avail power for synchronization with the grid or for start-up.

Tariff for all voltages:

Category	Energy Charges (paisa/unit)
Generators for Startup power or synchronization with Grid	814

Terms and Conditions:

a. The supply for synchronization with the grid or for start-up power shall not exceed 15% of the capacity of unit of highest rating in the Power Plant.

b. The condition for minimum consumption shall not be applicable to the generators including CPP. Billing shall be done for energy recorded on each occasion of availing supply.

c. The supply shall not be allowed to the CPP for production purpose for which they may avail stand-by support under the relevant Regulations.

d. The synchronization with the grid or the start-up power shall only be made available after commissioning of plant and in the event of outages for annual planned maintenance, other maintenance, forced outages of generating units or also in the event of separation of generator from grid.

e. The synchronization with the grid, power shall be provided for a maximum period of 2 hours on each occasion. This time limit shall not be applicable to start up activity.

The generator including CPP shall execute an agreement with the Licensee for meeting the requirement of synchronization with the grid or for start-up power incorporating the above terms and conditions.

Tariff Schedule – HV-4

E- VEHICLE / E-RICKSHAWS CHARGING STATIONS

Applicability:

The tariff is applicable exclusively for Electric Vehicle / Electric Rickshaws charging stations. However, tariff for other consumers who use electricity for charging their own Vehicle / Rickshaws shall be the same as applicable for the relevant category of metered connection from which the Vehicle / Rickshaws are being charged.

Tariff: E- VEHICLE / E-RICKSHAWS CHARGING STATIONS

Category	Energy Charges (paisa per unit)
E- VEHICLE / E-RICKSHAWS CHARGING STATIONS	444

Monthly Fixed Charges (Rs/ kVA of Billing Demand per month): 96 per kVA of Billing Demand

a. **Additional Charge for Excess demand:** Shall be billed as given in General Terms and Conditions of High Tension tariff.
b. For the consumers in this category, demand based tariff is mandatory. The Distribution Licensee shall provide Trivector /Bivector Meter capable of recording Demand in kVA/kW, kWh, kVAh.
c. Other terms and conditions shall be as specified under General Terms and Conditions of High Tension Tariff.

GENERAL TERMS AND CONDITIONS OF HIGH TENSION TARIFF

The following terms and conditions shall be applicable to all HT consumer categories subject to specific terms and conditions for that category as mentioned in the tariff schedule of respective category:

1.1 The contract demand shall be expressed in whole number only.

1.2 Character of Service: The character of service shall be as per Madhya Pradesh Electricity Supply Code, 2013.

1.3 Point of Supply: The point of supply shall be as per provisions of Madhya Pradesh Electricity Supply Code, 2013.

1.4 **Determination of Demand:** The **maximum demand** of the supply in each month shall be four times the largest number of kilovolt ampere hours delivered at the point of supply during any continuous 15 minutes during the month as per sliding window principle of measurement of demand.

1.5 **Billing demand:** The billing demand for the month shall be the actual maximum kVA demand of the consumer during the month or 90% of the contract demand, whichever is higher. The billing demand shall be rounded off to the nearest integer number i.e. the fraction of 0.5 or above will be rounded off to next integer figure and the fraction of less than 0.5 shall be ignored.

1.6 **Tariff minimum consumption shall be billed** as follows :

1. The consumer shall be billed for guaranteed annual minimum consumption (KWH) based on number of units per kVA of contract demand specified for his category, irrespective of whether any energy is consumed or not during the year.

2. The consumer shall be billed one twelfth of guaranteed annual minimum consumption (KWH) specified for his category each month in case the actual consumption is less than above mentioned minimum consumption.

3. During the month in which actual cumulative consumption equals or greater than the annual minimum guaranteed consumption, no further billing of monthly minimum consumption shall be done in subsequent months of the financial year.

4. In the month which cumulative actual or billed monthly consumption of the consumer exceeds the cumulative monthly prorated minimum annual guaranteed consumption and if the consumer was charged in earlier months for tariff minimum difference consumption on account of his actual consumption being less, then such tariff minimum consumption shall be adjusted in the month in which cumulative actual or billed monthly consumption exceeds cumulative monthly prorated minimum annual guaranteed consumption. If such tariff difference consumption does not get fully adjusted in that month, such adjustment shall continue to be done in subsequent months of the financial year. The following example illustrates the procedure for monthly billing of consumption where prorated monthly minimum consumption is 100 kWh based on annual consumption of 1200 kWh.

Month	Actual cumulative consumption (kwh)	Cumulative minimum consumption* (kwh)	Higher of 2 and 3 (kwh)	Already billed in the year (kwh)	To be billed in the month = (4-5) (kwh)
1	2	3	4	5	6
April	95	100	100	0	100
May	215	200	215	100	115
June	315	300	315	215	100
July	395	400	400	315	85
August	530	500	530	400	130
September	650	600	650	530	120
October	725	700	725	650	75
November	805	800	805	725	80
December	945	900	945	805	140
January	1045	1000	1045	945	100
February	1135	1100	1135	1045	90
March	1195	1200	1200	1135	65

1.7 **Rounding off:** All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be ignored and 50 paisa upwards shall be rounded off to next Rupee.

Incentive/ Rebate / penalties

1.8 For **advance payment** made before commencement of consumption period for which bill is prepared, an incentive of 1 % per month on the amount which remains with the licensee at the end of calendar month (excluding security deposit) shall be credited to the account of the consumer after adjusting any amount payable to the licensee.

1.9 An incentive for prompt payment @0.25% of the bill amount (excluding electricity duty and other Government levies) shall be given in case the payment is made at least 7 days in advance of the due date of payment where the current month billing amount is equal to or greater than Rs. One lakh. The consumers in arrears shall not be entitled for this incentive.

1.10 Power Factor Penalty

i. If the average monthly power factor of the consumer falls below 90 percent, the consumer shall be levied a penalty @ 1% (one percent), for each one percent fall in his average monthly power factor below 90 percent, on total amount of bill under the head of “Energy Charges”.

ii. If the average monthly power factor of the consumer falls below 85 percent, the consumer shall be levied a penalty of 5% (five percent) plus @ 2% (two percent) for each one percent fall in his average monthly power factor below 85 percent, on the total amount of bill under the head of “Energy Charges”. This penalty shall be subject to the condition that overall penalty on account of low power factor does not exceed 35%.

iii. Should the average monthly power factor fall below 70%, the Licensee reserves the right to disconnect the consumer’s installation till steps are taken to improve the same to the satisfaction of the Licensee. This is, however, without prejudice to the levy of penalty charges for low power factor in the event of supply not being disconnected.

iv. For this purpose, the "average monthly power factor" is defined as the ratio expressed in percentage of total Kilo Watt hours to the total kilo volt Ampere hours recorded during the billing month. This ratio (%) shall be rounded off to the nearest integer figure and the fraction of 0.5 or above will be rounded to next higher integer and the fraction of less than 0.5 shall be ignored.

v. Notwithstanding what has been stated above, if the average monthly power factor of a new consumer is found to be less than 90% in any month during the first 6 (six) months from the date of connection, the consumer shall be entitled to a maximum period of six months to improve it to not less than 90% subject to following conditions:

   a. This period of six months shall be reckoned from the month following the month in which the average power factor was found for the first time to be less than 90%.

   b. In all cases, the consumer will be billed the penal charges for low power factor, but in case the consumer maintains the average monthly power factor in subsequent three months (thus in all four months) to not less than 90%, the charges on account of low power factor billed during the said six months period, shall be withdrawn and credited in next monthly bills.

   c. The facility, as mentioned herein, shall be available not more than once to new consumer whose average monthly power factor is less than 90% in any month during 6 months from the date of connection. Thereafter, the charges on account of low average power factor, if found less than 90%, shall be payable as applicable to any other consumer.

1.11 Additional Charges for Excess Demand

i. The consumer shall at all times restrict their actual maximum demand within the contract demand. In case the actual maximum demand in any month exceeds 105% of the contract demand, the tariffs given in various schedules shall apply to the extent of the 105% of the contract demand only. The consumer shall be charged for excess demand computed as difference of recorded maximum demand and 105% of contract demand on energy charges and fixed charges and while doing so, the other terms and conditions of tariff, if any, shall also be applicable on the said excess demand. The excess demand so computed, if any, in any month shall be charged at the following rates from all consumers except Railway Traction

ii. **Energy charges for excess demand**: The consumer shall pay charges @ 1.3 times the tariff for energy charges for consumption corresponding to excess demand in case the maximum demand recorded exceeds 105% of the contract demand.

Example: If a consumer having a contract demand of 200 kVA records a maximum demand of 250 kVA, the billing of energy charges for excess demand of (250 kVA- 210 kVA)= 40 kVA shall be = (total consumption recorded during the month* 40 kVA/maximum recorded demand)*1.3* energy charge unit rate.

iii. **Fixed charges for excess demand: -** These charges shall be billed as per following:

1. **Fixed charges for Excess Demand when the recorded maximum demand is up to 115% of the contract demand :-** fixed charges for Excess Demand over and above the 105 % of contract demand shall be charged at 1.3 times the normal fixed charges
2. **Fixed charges for Excess Demand when the recorded maximum demand exceeds 115% of contract demand** :- In addition to fixed charges in 1 above, recorded demand over and above 15 % of the contract demand shall be charged at 2 times the normal fixed charges

Example for fixed charges billing for excess demand: If the contract demand of a consumer is 100 kVA and the maximum demand recorded in the billing month is 140 kVA, the consumer shall be billed towards fixed charges as under:-

a. Up to 105 kVA at normal tariff.
b. Above 105 kVA up to 115 kVA i.e. for 10 kVA at 1.3 times the normal tariff.
c. Above 115 kVA up to 140 kVA i.e. for 25 kVA at 2 times the normal tariff.

While doing so, other provisions of electricity tariff (such as tariff minimum charge etc.) will also be applicable on aforesaid excess demand.

iv. The excess demand computed in any month will be charged along with the monthly bill and shall be payable by the consumer.

v. The billing of excess demand at higher tariff is without prejudice to the Licensee's right to discontinue the supply in accordance with the provisions contained in the Electricity Supply Code, 2013.

1.12 **Delayed Payment Surcharge:** Surcharge at the rate of 1.00 % per month or part thereof on the amount outstanding (including arrears) will be payable if the bills are not paid up to due date. The part of a month will be reckoned as full month for the purpose of calculation of delayed payment surcharge. The delayed payment surcharge will not be applicable after supply to the consumer is permanently disconnected.

1.13 **Service Charge for Dishonoured Cheques:** In case the cheque(s) presented by the consumer are dishonoured, a service charge at the rate of Rs. 1000/- per cheque shall be levied in addition to delayed payment surcharge as per rules. This is without prejudice to the Licensee's rights to take action in accordance with any other applicable law.

1.14 **Temporary supply at HT:** If any consumer requires supply for a temporary period, the temporary supply shall be treated as a separate service and charged subject to the following conditions:

a. Fixed Charges and Energy Charges shall be charged at 1.3 times the normal tariff. The fixed charge shall be recovered for the full billing month or part thereof.

b. The consumer shall guarantee minimum consumption (KWH) as applicable to the permanent consumers on pro-rata basis based on number of days as detailed below:

Minimum consumption = Annual minimum consumption as applicable to Permanent supply X No. of days of temporary connection

For additional supply = --
For temporary period No. of days in the year

c. The billing demand shall be the demand requisitioned by the consumer or the highest monthly maximum demand during the period of supply commencing from the month of connection ending with the billing month, whichever is higher. For example:

Month	Recorded Maximum Demand (kVA)	Billing Demand (kVA)
April	100	100
May	90	100
June	80	100
July	110	110
August	100	110
September	80	110
October	90	110
November	92	110
December	95	110
January	120	120
February	90	120
March	80	120

d. The consumer shall pay the estimated charges in advance, before serving the Temporary Connection subject to replenishment from time to time and adjustment as per final bill after disconnection. No interest shall be given on such advance payment.

e. The consumer shall pay rental for the metering system.

f. Connection and Disconnection Charges shall also be paid.

g. In case of existing HT consumer, the temporary connection may be given through existing permanent HT connection on following methodology of assessment :

   i. Deemed contract demand for the month to be billed for the fixed charge= C.D. (existing) on normal tariff for permanent connection + C.D. for temporary connection on normal tariff for temporary supply.

   ii. Billing demand for the month shall be as per tariff order for the deemed contract demand for that month.

iii. Consumption during the month may be billed for Permanent connection (A)

$$A = \frac{\text{Contract demand (Permanent)}}{\text{Deemed contract demand}} \times \text{Total consumption}$$

Consumption of Temporary connection = Total consumption - (A)

iv. The consumption worked out above for temporary connection shall be billed at 1.25 times the normal energy charges.

v. The demand in excess of deemed contract demand as calculated above at **(g)** (i) shall be treated as Excess Demand. For billing purposes such Excess demand, if any, in any month shall be treated as pertaining to temporary connection load and shall be charged at 1.5 times the normal fixed charges & energy charges of temporary connection. Additional charges for excess demand recorded during the period of temporary connection shall be calculated as given below :

Fixed charges for excess demand = fixed charges per kVA for temporary connection * excess demand* 1.5 (one and half)

Energy charges for excess demand = energy charges per unit for temporary connection * 1.5(one and half)*(excess demand/deemed contract demand)*total consumption

h. Power factor incentives/penalties and the condition for Time of Day Surcharge/ rebate shall be applicable at the same rate as for permanent connection.

Other Terms and Conditions for permanent connections:

1.15 The existing 11KV consumer with contract demand exceeding 300 kVA who want to continue to avail supply at 11kV at his request, shall be required to pay additional charge at 5 % on the total amount of Fixed Charges and, Energy Charges billed in the month.

1.16 The existing 33KV consumer with contract demand exceeding 10,000 kVA who want to continue to avail supply at 33kV at his request, shall be required to pay additional charge at 3% on the total amount of Fixed Charges and Energy Charges billed in the month.

1.17 Metering Charges shall be billed as per schedule of Metering and Other Charges as prescribed in MPERC (Recovery of expenses and other charges for providing electric line or plant used for the purpose of giving supply), Regulations (Revision-I), 2009 as amended from time to time. Part of a month will be reckoned as full month for purpose of billing.

1.18 The tariff does not include any tax or duty, etc. on electrical energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall be payable by the consumer in addition to the tariff charges.

1.19 In case any dispute arises regarding interpretation of this tariff order and/or applicability of this tariff, the decision of the Commission will be final and binding.

1.20 No changes in the tariff or the tariff structure including minimum charges for any category of consumer are permitted except with prior written permission of the Commission. Any order without such written permission of the Commission will be treated as null and void and also shall be liable for action under relevant provisions of the Electricity Act, 2003.

1.21 In case a consumer, at his request, avails supply at a voltage higher than the standard supply voltage as specified under relevant category, he shall be billed at the rates applicable for actually availed supply voltage and no extra charges shall be levied on account of higher voltage.

1.22 All consumers to whom fixed charges are applicable are required to pay fixed charges in each month irrespective of whether any energy is consumed or not.

1.23 All conditions prescribed herein shall be applicable notwithstanding if any contrary provisions, exist in the agreement entered into by the consumer with the licensee.