

**Bhopal, Dated: January,2024**

No. /MPERC/ 2024 ..... In exercise of the powers conferred by Section 181 (1) read with Section 65 of the Electricity Act, 2003, the Madhya Pradesh Electricity Regulatory Commission had notified MPERC (Manner of payment of subsidy by State Government) Regulation, 2007. Now, the Commission has decided to repeal the above Regulations to align these with Electricity (Second Amendment) Rules, 2023 notified on 26<sup>th</sup> July, 2023 by the Ministry of Power, Government of India. Therefore, the Commission makes following Regulations namely Madhya Pradesh Electricity Regulatory Commission (Manner of payment of subsidy by the State Government) (Revision-I) Regulations, 2023.

**Madhya Pradesh Electricity Regulatory Commission (Manner of payment of subsidy by the State Government) Regulation, (Revision-I) 2024 {c}.**

**1. Short Title and Commencement:-**

- (1) These Regulations shall be called the “**Madhya Pradesh Electricity Regulatory Commission (Manner of payment of subsidy by State Government) Regulations, (Revision-I), 2024**” {RG-32 (I) of 2024}.
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette of the Government of Madhya Pradesh.
- (3) These Regulations shall extend to the whole of Madhya Pradesh.
- (4) These Regulations shall apply to subsidy, if any, payable under Section 65 of the Act by the State Government of Madhya Pradesh.

**2. Definition:-**

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003), as amended from time to time;
- (2) “**Beneficiary**” means any consumer or class of consumers who is granted subsidy by the State Government under Section 65 of the Act.
- (3) “**Commission**” means the Madhya Pradesh Electricity Regulatory Commission;
- (4) “**Distribution Licensee**” means a Licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (5) “**State Government**” means the Government of Madhya Pradesh.
- (6) Unless the context otherwise requires, the words and expressions in this Regulation, shall bear the same meaning as defined in the Electricity Act, 2003 (36 of 2003) and

amendments thereof.

**3. Purpose of these Regulations:-**

The purpose of these Regulations is to specify procedure for subsidy accounting and manner of subsidy payment in which it shall be paid by the State Government, in accordance with the provisions of the Act and Rules made thereunder.

**4. Manner of Accounting and payment of subsidy:-**

- (i) Any direct financial grant by the State Government of Madhya Pradesh to compensate any person affected by waiver or exemption or reduction directed by State Government in tariffs as determined by the Commission under Section 62 constitutes subsidy.
- (ii) The State Government if it desires to grant any subsidy, shall inform the Commission and the Distribution Licensees of its decision. The tariff subsidy shall be declared by the State Government for each of the consumer categories (to whom it desires to grant subsidy) separately on per unit (kWh/kVAh) basis for energy charges and /or per kW/kVA/HP basis (for fixed charges, if any).
- (iii) The accounting of subsidy payable under Section 65 of the Act, shall be done by the distribution licensee, in accordance with the Standard Operating Procedure issued by the Central Government, in this regard.
- (iv) A quarterly report shall be submitted by the distribution licensee within thirty days from end date of the respective quarter to the Commission. The report shall include:-
  - a) The actual subsidy demands raised by the distribution licensee in the relevant quarter based on accounts of the energy consumed by the subsidised category and consumer category wise per unit subsidy declared by the State Government;
  - b) The actual payment of subsidy in accordance with Section 65 of the Act and
  - c) The gap/surplus in subsidy due and paid as well as other relevant details sought by the Commission.
- (v) The Commission shall examine the quarterly report, and issue it with corrections, if any, within thirty days of the submission of quarterly report. In case of unmetered and/or assessed consumption and non-availability of energy audit reports from the Distribution licensee, the Commission shall make its own assumptions to work out subsidy and the report so finalized by the Commission shall be final and binding on the Distribution licensee.
- (vi) Distribution Licensee shall raise bill of subsidy due to Energy department of State Government on quarterly basis net of advanced subsidy paid for the quarter with a copy to the Commission. This exercise shall be completed along with necessary billing and

collection details within 60 days of end of the relevant quarter.

- (vii) The Energy department of the State Government shall ensure the balance payment of reconciled subsidy of the last quarter within 30 days of receipt of the subsidy bill from the Distribution Licensee for the last quarter. The advance subsidy payment of the next quarter shall be paid and it shall not be linked with the settlement of the subsidy bill of the previous quarter.
- (viii) Without prejudice to mechanism of raising bills at full tariff (without subsidy), State Government shall also pay interest at the rate of late payment surcharge in accordance with Electricity (Late Payment Surcharge and related matters) Rules, 2022 and amendments thereof, for the period of delay in balance payment beyond the period of 30 days.
- (ix) In case the subsidy has not been paid in advance, the Distribution Licensees shall bill the consumers as per the provisions of the Section 65 of the Act.
- (x) If subsidy accounting and the raising bills for subsidy is not found in accordance with the Act or Rules, or Regulations issued there-under, the Commission shall take appropriate action against concerned Distribution Licensee for non-compliance under Section 142 of the Act after giving an opportunity to the Distribution licensee to be heard.
- (xi) Distribution licensees shall mention both per unit full cost tariff and subsidy provided by the State Government separately on the consumer bill.

## **5. Power to Amend :-**

The Commission may, at any time add, vary, alter, modify or amend any provisions of these Regulations.

## **6. Repeal and Savings:-**

- (i) The Regulations namely “Madhya Pradesh Electricity Regulatory Commission (Manner of payment of subsidy by State Government) Regulation, 2007 (G-32 of 2007)” published vide Notification No.821/MPERC/2007 in the Gazette dated 11th May, 2007, as applicable to the subject matter of these Regulations are hereby superseded.
- (ii) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission.
- (iii) Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances

of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

- (iv) Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

**By Order of the Commission**

**Secretary**