



MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

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No. MPERC/RE/2023/2932

Bhopal, Dated: 28/12/2023

PUBLIC NOTICE

(Petition No.73 / 2023)

Madhya Pradesh Electricity Regulatory Commission (MPERC) had notified “**The Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for supply and wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 (RG-35 (III) of 2021) and amendments thereof**” (hereinafter referred to as Tariff Regulations).

The Petitioners M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd. Jabalpur, MP Madhya Kshetra Vidyut Vitaran Co. Ltd. Bhopal, M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. Indore and M.P. Power Management Company Ltd. Jabalpur (hereinafter referred to as the ‘Petitioners or East Discom (EZ), West Discom (WZ), Central Discom (CZ) and MPPMCL respectively’), are wholly owned Companies of the Government of Madhya Pradesh. MPPMCL is the holding Company of the above mentioned Distribution Companies (Discoms).

As per provisions of Regulation 7.2 of the Tariff Regulations, petition had been filed by the aforementioned companies before the Commission on 30th November, 2023 for approval of the Revised Aggregate Revenue Requirement (ARR) and determination of Tariff for FY 2024-25. Subsequently the Commission on 8th December, 2023 notified Second Amendment to Tariff Regulations, 2021 and directed the petitioners to revise the petition accordingly. Petitioners on 12th December, 2023 submitted revised petition in accordance to the amended Tariff Regulations, 2021. The Commission held motion hearing on 13th December, 2023 and admitted the revised petition. The Commission has now decided to seek the stakeholders’ comments through this notice. Brief summary of the ARR for FY 2024-25 as filed by the petitioners is given in the table below:-

Table 1: Summary of ARR filed by petitioners for FY 2024-25

All figures in Rs. Crores

Particulars	MP State	East Discom	Central Discom	West Discom
Power Purchase Cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	41,491	10,384	13,756	17,351
Inter-State Transmission charges				
Intra-State Transmission (MP Transco) Charges and SLDC Charges	5,103	1,688	1,709	1,706
R&M Expenses	901	351	330	220
Employee Expenses	4,455	1,428	1,447	1,579
A&G Expenses	446	142	150	153
Depreciation	1,158	376	437	345
Interest & Finance Charges	1,105	396	489	219
Other Debits, Write-offs (Prior period and bad debts)	6	2	2	2
Return on Equity (RoE)	691	238	276	177

All figures in Rs. Crores

Particulars	MP State	East Discom	Central Discom	West Discom
Total Expenses	55,355	15,006	18,596	21,753
Less: Other income (excluding Delayed Payment Surcharge)	581	182	179	220
Total ARR	54,774	14,824	18,417	21,533
Impact of True Up of FY 2021-22 of MP GENCO*	(1,540)	(436)	(530)	(574)
Impact of True Up of FY 2022-23 of MP Discoms#	1,837	740	841	256
Total ARR including True-up (A)	55,072	15,128	18,729	21,215
Revenue from Sale of power at existing tariff (B)	53,026	14,556	18,025	20,445
Total Revenue Gap (A-B)	2,046	572	704	770
Revenue from Sale of power at proposed tariff	55,072	15,128	18,729	21,215
Gap at proposed tariff	0.00	0.00	0.00	0.00

* As per MP GENCO True-up order for FY 2021-22 issued in Petition No. 85 of 2022.

#As per MP DISCOM True-up for FY 2022-23 Petition filed before the Commission in Petition No. 68 of 2023.

For FY 2024-25 the petitioners have estimated that the Revenue from Sale of power at existing tariff will be Rs 53,026 Crore and there will be a revenue gap of Rs 2,046 Crore. The petitioners have proposed to recover this revenue gap through revision of tariff for FY 2024-25. Petitioners have proposed the tariff hike of 3.86% for FY 2024-25 by considering the gap of Rs 2,046 Crore only as given below:-

Table 2: - Impact on Revenue due to proposed tariff for FY 2024-25 for the State.

Tariff Category		Sale	Revenue at Current Tariff	Revenue at Proposed Tariff	Additional Revenue at proposed Tariff
		MU	Rs. Crore	Rs. Crore	Rs. Crore
LV-1	Domestic	20,009	13,448	13,913	465
LV-2	Non-Domestic	4,607	4,254	4,340	86
LV-3	Public Water Works & Street Light	1,835	1,228	1,309	81
LV-4	LT Industrial	1,760	1,564	1,605	41
LV-5	Agriculture and Allied Activities	30,022	18,394	19,213	819
LV-6	E Vehicle/E-Rickshaws Charging Stations	1.86	1.26	1.33	0
	Total - LT	58,234	38,889	40,381	1,493
HV-1	Railway Traction	55	40	41	2
HV-2	Coal Mines	546	472	487	16
HV-3.1	Industrial	11,245	8,661	8,987	326
HV-3.2	Non-Industrial	1,362	1,241	1,293	53
HV-3.3	Shopping Mall	88	75	79	4
HV-3.4	Power Intensive Industries	2,812	1,604	1,678	74
HV-4	Seasonal	24	25	26	1
HV-5	Irrigations, Public Water Works and other than Agricultural	2,048	1,588	1,649	61
HV-6	Bulk Residential Users	464	352	367	15
HV-7	Synchronization of Power for Generators connected to the Grid	43	47	49	2
HV-8	E Vehicle /E-Rickshaws Charging Stations	22	15	16	0
HV-9	Metro Rail	20	18	18	0
	Total- HT	18,729	14,137	14,691	553
	TOTAL- (LT+HT)	76,963	53,026	55,072	2,046

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

1. Simplification of Tariff slabs in LV-1.2: Domestic Tariff is proposed by removal of **“Above 300 units”** slab and modification of the tariff slab **“151 - 300 unit”** as **“Above 151 units”**.
2. For the purpose of reduction in complexity in Tariff, it is proposed to merge LV-5.1 and LV-5.4 Tariff categories as both the categories have the same Tariff. It is proposed to extend LV-5.1 tariff category to flat rate consumers also, after which LV-5.4 category will no longer be required.
3. For ease of implementation of provision of the Electricity (Second Amendment) Rules, 2023 and Standard Operating Procedure (SOP), for subsidy accounting and disbursement, issued by the MoP, GoI, the Petitioners have proposed **to merge the slabs under Tariff Sub-Category LV 5.1. For simplification of tariff the petitioners have also proposed to merge the slabs under tariff category LV 5.2.** The Petitioners have worked out proposed tariff for **LV 5.1 and LV 5.2** categories by following the revenue neutral approach in respect of revenue from all the slabs in the proposed tariff.
4. In line with the provision of Standard Operating Procedure (SOP) for subsidy accounting and disbursement issued by the MoP, GoI, the Petitioners have proposed to **calculate common measured norms at circle level to be used for the purpose of billing of unmetered permanent and temporary connections under Agriculture Category.**
5. **Introduction of kVAh billing for HT categories:** kVAh tariff has been proposed for implementation in view of various advantages of switching over to kVAh billing to both licensee and consumers.
6. **For aligning the Existing ToD structure with the Electricity (Rights of Consumers) Amendment Rules, 2023 notified by MoP, GoI** ToD Tariff during off peak period of the day at specified time block (i.e., proposed solar hours) has been proposed at 0.80 times the normal tariff, whereas tariff during peak period of the day is proposed at 1.20 times the normal tariff by the petitioners.
7. **Introduction of ToD (Time-of-Day) Tariff is proposed for Non-Domestic and Industrial consumers having maximum/contracted demand more than ten Kilowatt** in line with the provisions of the Electricity (Rights of Consumers) Amendment Rules, 2023 notified by the MoP.
8. In line with Revised Guidelines & Standards regarding Charging Infrastructure for Electric Vehicle (EV) issued by the MoP, the Petitioners have proposed differential tariff during solar and non-solar hours for EV Charging categories under LV & HV Tariff schedules.
9. All applicable rebates for HV-3 category consumers have been proposed to be continued for FY 2024-25 except for PF incentives and penalties as kVAh billing has been proposed for HT consumers. Therefore, the existing provision of PF incentives and penalties has been omitted.

10. The Petitioners have proposed **two types of Green Energy Charges / Tariff** for FY 2024-25 with suitable modifications, one for the purpose of reducing carbon footprint and seeking Certification to this effect and other as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 as amended, for RPO compliance of the consumers.

The petitioners have proposed cross subsidy reduction trajectory for the ensuing years as given below:-

Table 3: - Cross-Subsidy reduction trajectory

Tariff Categories	Cross-Subsidy (%) Approved in Tariff Order FY 2023-24	Proposed Cross-Subsidy (%) for FY 2024-25	Projected Cross-Subsidy (%) for FY 2025-26	Projected Cross-Subsidy (%) for FY 2026-27
LV-1: Domestic	96%	97%	97%	98%
LV-2: Non Domestic	139%	132%	129%	120%
LV-3: Public Water Works & Street Light	103%	100%	100%	100%
LV-4: LT Industrial	132%	127%	124%	120%
LV-5: Agriculture and Allied Activities	89%	90%	90%	91%
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	100%	100%	100%	100%
HV-1: Railway Traction	80%	104%*	104%	104%
HV-2: Coal Mines	128%	125%	122%	120%
HV-3.1: Industrial and HV-3.4: Power Intensive Industries	109%	106%	110%	112%
HV-3.2: Non Industrial and HV-3.3: Shopping Malls	133%	132%	127%	120%
HV-4: Seasonal	124%	150%*	137%	130%
HV-5: Irrigation, Public Water Works and Other than Agricultural	116%	113%	112%	112%
HV-6: Bulk Residential Users	111%	110%	110%	110%
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	100%	98%	100%	100%
HV 9: Metro Rail	100%	122%*	120%	120%
Total	100%	100%	100%	100%

* Average Realisation as % of ACoS is increasing as compared to pervious year mainly because growth in the connected load/ demand outnumbers growth in Sales resulting in increase in revenue from fixed charges.

Interested persons may file their objections / comments / suggestions alongwith documents/evidence, if any relating to the ARR and Tariff proposals in three copies to the **Secretary, Madhya Pradesh Electricity Regulatory Commission, 5th Floor “Metro Plaza” E-5 Arera Colony, Bittan Market Bhopal- 462 016** so as to reach the Commission’s office latest by **22/01/2024**. A copy of objections / comments / suggestions be also sent to respective DISCOMs and MPPMCL (via e-mail at setracez@yahoo.co.in to East DISCOM, cecomwz@gmail.com to West DISCOM, regulatorycellcz@gmail.com to Central DISCOM and cgmrmppmcl@gmail.com to MPPMCL) followed by its hard copy. Advance copy of the objections / comments / suggestions can also be sent by “e-mail at secretary@mperc.nic.in” followed by its hard copy which should reach the Commission’s Office latest by **22/01/2024**. Objections / comments / suggestions received after **22/01/2024** shall not be considered.

Copy of petition along with Tariff proposal may be obtained on any working day between 11:00 AM and 4:00 PM upto **22/01/2024** onwards from the Commission's office or Headquarters of MPPMCL at Block No. 15, Shakti Bhawan, Rampur, Jabalpur-482 008 or Headquarters of M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd. at Block No. 7, Shakti Bhawan, Rampur, Jabalpur or M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. at GPH Compound, Polo Ground, Indore or M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd. at Nishtha Parisar, Govindpura, Bhopal on payment of **Rs.1000** for one copy in cash or demand draft drawn in favor of "DGM (Accounts) MPPMCL, Jabalpur" or "RAO JC MPPKVVCL, Jabalpur" or "RAO MPPKVVCL, Indore" or "RAO MPMKVVCL, Bhopal", respectively. Copy of petition can also be obtained by post on additional payment of Rs.100 towards postage expenses. Copy of petition & Tariff proposal can also be downloaded free of charge from Commission's website- <https://mperc.in/> and from petitioners' website viz. <https://www.mppmcl.com/>, <https://www.mpez.co.in/>, <https://www.mpwz.co.in/#/home> and <https://portal.mpcz.in/web/> respectively.

The Commission shall arrange public hearing on virtual mode , for East, West and Central DISCOMs on **29/01/2024, 30/01/2024 and 31/01/2024**, respectively at **11 A.M.** The person who has filed their representation in writing with the Commission may intimate mobile number and e-mail ID to the Commission Secretary at e-mail ID secretary@mperc.nic.in to participate in the public hearing as per the relevant guidelines available on the Commission website.

By Order of the Commission
Secretary