

**Bhopal, 28<sup>th</sup> September, 2005**

No.2346/MPERC-In exercise of powers conferred on it by subsection (2) (zf) of section 181 of the Electricity Act 2003 (No. 36 of 2003) read with subsection 5 of section 62 of the Act, the Madhya Pradesh Electricity Regulatory Commission hereby makes the following regulations:

**Madhya Pradesh Electricity Regulatory Commission (Procedure for Calculating Expected Revenue from Tariff and Charges) Regulations, 2005'**

**(No.G-25 of 2005)**

**CHAPTER I**

**General**

**1. Short title, commencement and applicability**

- (1) These regulations shall be called 'The Madhya Pradesh Electricity Regulatory Commission (Procedure for Calculating Expected Revenue from Tariff and Charges) Regulations, 2005'.
- (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 apply to all licensees and generating companies, in the State of Madhya Pradesh.

**2. Definition**

- (1) In these Regulations, unless the context otherwise requires:
  - (a) **"Act"** means the Electricity Act, 2003(Central Act 36 of 2003);
  - (b) **"Commission"** means The Madhya Pradesh Electricity Regulatory Commission;
  - (c) **"Licensee"** means a person who has been granted a licence and deemed to be a licensee under section 14 of the Act;
- (2) Words or expressions occurring in these Regulations and not defined herein but defined in the Act or in the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No. 4 of 2001) or in any other Regulations published by the Commission, shall bear the same meanings assigned to them respectively in the Act, Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 and such other Regulations.

### **3. Interpretation**

- (1) In the interpretation of these Regulations, unless the context otherwise requires, the following provisions shall apply
  - (a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
  - (b) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;
  - (c) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
  - (d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
  - (e) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be;
- (2) Wherever extracts of the Act are reproduced, any changes/ amendments to the original Act shall automatically be deemed to be effective under this regulation also.

## CHAPTER II

### 4. Filing of the Expected Revenue from Tariffs and Charges

- (1) The licensee or the generating company shall file with the Commission annual expected revenue from tariff and charges, not later than 15<sup>th</sup> of October each year.
- (2) The licensee or the generating company shall file with the Commission the expected revenue from tariff and charges pertaining to the entire control period, as may be specified, at the start of the control period and shall report the annual performance not later than 15<sup>th</sup> of October each year and quarterly performance within a month of conclusion of the relevant quarter. The financial year may be divided into four quarters viz. April to June, July to September, October to December and January to March. *The Licensee or the generating company shall also publish quarterly balance sheets in terms of Companies Act.*
- (3) The licensee or the generating company shall file the expected revenue from tariff and charges for each quarter in such manner to reflect its financial position during the previous financial year, the current financial year and the ensuing financial year. *The licensee or the generating company shall file reasons for deviation, if any, by more than +5% or - 5% and measures adopted to avoid large deviation in future.*
- (4) The licensee or the generating company shall calculate the expected revenue from tariff and charges for each quarter of the ensuing financial year with application of the current year's tariff as specified by the Commission.

Provided in case the Commission approved multi-year tariff is in place covering the period of application under consideration, the licensee or the generating company shall calculate the expected revenue from tariff and charges for each quarter of the ensuing financial year with application of the appropriate principles as approved by the Commission for the said period.

- (5) The licensee or the generating company shall along with the expected revenue from tariff and charges, also provide information regarding *following* manner in which the licensee or the generating company intends to make good the gap, between the annual revenue requirement and the expected revenue from tariff and charges :
  - (a) *Efficiency improvement*
  - (b) *Expenditure reduction*
  - (c) *Reduction in T&D losses*
  - (d) *Better management of purchase of power*
  - (e) *Marketing of sale of power to earn more revenue*

*(f) Others*

- (6) The licensee or the generating company if intending to meet the gap or a portion of the gap through revision in tariff or charges, shall along with the expected revenue from tariff and charges, also file appropriate petition with the Commission requesting it to consider revision in tariff or charges to be applicable for the ensuing financial year.

## **5. Accuracy**

- (1) The licensee or the generating company while calculating the annual statement of revenue requirement and estimated revenue from tariff and charges shall as far as possible follow appropriate scientific principles and also take necessary care to carryout the assessment with technical and commercial reasonableness.
- (2) The licensee or the generating company shall ensure that the electricity supplied by it to any consumer and/ or other licensee is made through appropriate meters of specified quality and accuracy affixed to the point of supply.

Provided in case of licensee providing supply to its consumers without appropriate meters, due to its legacy of such practice before the Act came into force, shall carry out metering of such installations on a plan as approved by the Commission.

- (3) The licensee or the generating company shall evolve schemes for periodic identification and replacement of faulty metering equipment, to facilitate accurate measurement of electricity supplied.

## **CHAPTER III**

### **Procedure**

#### **6. Expected Revenue from Tariffs and Charges**

- (1) Sales forecast for the ensuing financial year
  - (a) The licensee or the generating company shall forecast the sale of electricity for each quarter of the ensuing financial year and revise its forecast for each quarter of the remaining period of the current year, based on appropriate facts and forecast of consumer numbers and load profile, considering the historic trend, likely events during the ensuing year with justified reasons, and adopting technical and commercial reasonableness and consistent principles for assessment.
  - (b) The licensee or the generating company shall forecast sale or wheeling to open access consumers within its licensed area of business or any other, as may be appropriate, in accordance with the phasing plan for introduction of open access approved by the Commission and also report the impact thereof to its licensed area of business.
  - (c) The licensee or the generating company shall also estimate, as far as applicable, the bulk sale of electricity as agreed between the licensee or the generating company and a trader, either within the State or outside, through appropriate commercial agreements, and the impact of any such arrangement on the sale within the State.
  - (d) Till such time 100 percent metering is ensured, the licensee or the generating company shall carryout scientific sample studies, in accordance with the design of study approved by the Commission each year before 15<sup>th</sup> July, to assess consumption/ sale of electricity for each quarter , incorporating impact of seasons, geographical peculiarities and others.
  - (e) The licensee or the generating company in case of operating a computerised billing system, shall utilise the verified and validated data of such system, after incorporating appropriate annual corrections with reference to consumer addition/ deletion, load increment/ reduction etc as the basis for forecasting of the sale of electricity.

- (f) The licensee or the generating company shall submit to the Commission such database including consumer numbers, connected load/ demand, historic consumption and others, used for the purpose of assessment of the future sale of electricity.
  - (g) The generating companies shall also forecast their availability and expected plant load factor for each quarter of the ensuing year and for each quarter of the remaining period of the current year, based on the fuel availability, scheduled maintenance and operating norms approved by the Commission.
- (2) Expected revenue from tariff and charges based on sales forecast for the ensuing financial year and shall include the following
- (a) The licensee or the generating company shall estimate the expected revenue based on its forecast of sale for each quarter of the ensuing year and considering the tariffs applicable for the current year, as per the applicable rate schedules
  - (b) The licensee shall calculate the expected revenue from tariffs and charges, at the circle-level and shall aggregate the expected revenues of the circle-level assessment to arrive at the Regional level and then aggregate to licensee's total expected revenue from tariffs and charges for each quarter of the specified year.
  - (c) The licensee shall estimate the Transmission charges, Wheeling charges, SLDC charges (in case of SLDC being integral part of the licensee) and any other charges as may be applicable for the licensees for the period under consideration and as approved by the Commission.
  - (d) The licensee, in addition to the fixed and energy charges approved by the Commission shall also take into consideration the effect of other terms and conditions applicable to consumers such as Time-of-day charges, Tariff minimum charges and other conditions as may be applicable to the consumers
  - (e) The generating company shall take into consideration the effect of deemed generation, third-party sale, least-cost/ merit order despatch advice, implication of UI charges and other charges whichever is applicable, in addition to the fixed and energy charges approved by the Commission.
  - (f) The licensee or the generating company shall also estimate the revenue from non-tariff and other miscellaneous charges based on prevailing rates, but likely to accrue in the ensuing period.

## **7. Formats for filing of the estimated revenue from tariff and charges**

The Licensee or the generating company shall file with the Commission the estimated revenue from tariff and charges, as calculated above, in appropriate formats as appended to these regulations.

## **8. Miscellaneous**

### **(1) Use of the Information**

The Commission shall have the right to use the information submitted by the licensee or the generating company as it may deem fit, including publishing it or placing it on the Commission's website and/ or directing the licensee or the generating company to display the information on their website.

### **(2) Right to crosscheck and verify**

The Commission shall have the right to crosscheck and verify the correctness of the information provided by the licensee or the generating company, as part of the calculation of the Expected Revenue from Tariff and Charges, at anytime as the Commission feels necessary. *The Commission may appoint a consultant for validation of data and examining the assumptions made by the licensee or the generating company.* The licensee or the generating company shall provide access to such information as may be required by the Commission in this regard.

### **(3) Power to Amend**

The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations as it may deem fit.

### **(4) Savings**

(a) 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 to meet the ends of justice or to prevent abuses of the process of the Commission.

- (b) 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.
- (c) 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

(Ashok Sharma)  
Dy. Secretary

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