

Notified on 23/04/2010
Bhopal dated: 13th April, 2010

No. 941/MPERC/2010 – In exercise of powers conferred by Section 181 read with Section 45(3)(b) and 46 of the Electricity Act 2003 (No. 36 of 2003), the Madhya Pradesh Electricity Regulatory Commission hereby makes the following amendments/addendum in Madhya Pradesh Electricity Regulatory Commission (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) Regulations (Revisions-I), 2009, notified on 7th September, 2009:

Second Amendment to Madhya Pradesh Electricity Regulatory Commission (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) (Revisions-I) Regulations, 2009 (RG-31(I) of 2009).

1. **Short Title and Commencement:** (i) These Regulations may be called the “**Madhya Pradesh Electricity Regulatory Commission (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) Regulations (Revisions-I) (Second Amendment) (No. RG 31(I)(ii) of 2010)**”.

(ii) These Regulations shall come into force with effect from the date of their Notification in the official gazette.

(iii) These Regulations shall extend to whole of the State of Madhya Pradesh.

2. **Amendment to Chapter IV:**

In the **Madhya Pradesh Electricity Regulatory Commission (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) (Revisions-I) Regulations, 2009** hereinafter called the Principal Regulations, in the Regulation 4.3.2, under the Sub Head (C) **For all Categories of EHT/HT Consumers** the following sentence shall be added after the first sentence "In addition to above, Supply Affording Charges @ Rs 750 per KVA or part thereof of Contract Demand Shall be payable.", i.e., “Out of the Supply Affording Charges received by Distribution Licensees from Consumers at 33 kV and above, an amount of Rs 650/- per KVA or part thereof of Contract Demand shall be remitted by the Distribution Licensee to the Transmission Licensee directly to part finance the Transmission Licensees expenditure for system infrastructure development at EHT Sub-station.”

3. **Amendment to Chapter VI:**

In the Principal Regulations, under the Head ‘**Miscellaneous**’ of Regulations 6, **Regulation 6.1.1(c)** shall be substituted as under :

“The charges/cost recovered as allowed in above said Sections of these Regulations shall be separately captured by the Licensees in their books of Accounts. These shall be construed as cost recovered for the Deposit Works and shall have the same accounting treatment as that of works carried out with consumer contributions. Detailed instructions in this regards are mentioned in Annexure II of this Regulation.”

4. Amendment to Chapter V

In the Principal Regulations, under the Regulation 5.1.1 the word “Annexure” shall be substituted by the words “Annexure 1”

By order of the Commission

Commission Secretary

Annexure II

"The Licensees shall adopt the following accounting procedure:

(a) If new asset is required to be created then,

(i) On receipt of Consumer's contribution, **Bank A/c** shall be **debited** and "**Consumer Contribution Head**" shall be **credited**.

(ii) On Commissioning of the Asset (at the time of capitalization), "**Consumer contribution Head**" shall be **debited** and "**Deferred Income (Consumer contribution) Head**" shall be **credited** to the extent of Consumer's contribution. The asset shall be capitalized under Account Head of the Fixed Asset (Group 10).

(b) If no new asset is required to be created and the consumer contribution is against the existing asset, then **Bank A/c** shall be **debited** and "**Deferred Income (Consumer contribution)**" shall be **credited**.

(c) If the asset is created by the consumer under para(ix) of Chapter III of these Regulations, then on commissioning, **Fixed Assets** shall be **debited** and "**Deferred Income (Consumer contribution) Head**" shall be **credited** with the actual cost of the asset.

(d) At the time of preparation of Annual Account Statements, to offset the impact of Depreciation expenditure of asset created from the consumer contribution, the "**Deferred Income (Consumer contribution) Head**" shall be **debited** and "**Income from amortization of deferred income (Consumer contribution) Head**" shall be **credited** to the extent of the Depreciation charged against such asset.

(e) The Licensee must show the "**Consumer contribution received Head**", "**Deferred Income (Consumer contribution) Head**" and "**Income from amortization of deferred income (Consumer contribution) Head**" in their Annual Accounts as under:

(i) Balance Sheet:

Consumer contribution received Head shall be shown separately under sources of funds.

(ii) Profit & Loss Account

Depreciation	A
Less: Income from amortization (10% per annum) of deferred income (Consumer contribution)	B
Depreciation after Deferred Income (A-B)	C

(iii) Balance Sheet

Gross Block	G
Less: Deferred Income (Consumer contribution)	H
Less: Accumulated depreciation	C
Net Block (G-H-C)	K

(f) The work funded through Consumer contribution should not be recorded as Deposit work in the books of accounts.

(g) The amount allocated to the Companies through final Opening Balance sheet as "Consumer contribution/ Capital Grant & subsidy" should be transferred to "Deferred income (Consumer contribution/ Capital Grant & subsidy A/c" immediately and same shall be amortized over 10 years in equal installments (10% p.a.) w.e.f FY 2010-11.

The Consumer contribution received during FY 2005-06 (after 01/06/2005) to FY 2009-10 shall be accounted as per the procedure prescribed above in the FY 2010-11 only.

The Companies are required to file complete details of above transactions along with their true-up petition of FY 2010-11.”