

**MADHYA PRADESH ELECTRICITY REGULATORY
COMMISSION
BHOPAL, MADHYA PRADESH**



**Madhya Pradesh Electricity Regulatory Commission
(Methods and Principles for Fixation of Charges including
Miscellaneous Charges recoverable by Distribution
Licensee for Supply of Electricity) Regulations, 2006**

Bhopal dated: 25th February 2006

No.579/MPERC/2006. In exercise of the powers under sections 45 read with section 181 (1) and 181 (2)(k),(p) and (u) of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that behalf, the Madhya Pradesh Electricity Regulatory Commission hereby makes the following Madhya Pradesh Electricity Regulatory Commission (Methods and Principles for Fixation of Charges including Miscellaneous Charges recoverable by the Distribution Licensee for Supply of electricity) Regulation, 2006:

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
(METHODS AND PRINCIPLES FOR FIXATION OF CHARGES INCLUDING
MISCELLANEOUS CHARGES RECOVERABLE BY DISTRIBUTION
LICENSEE FOR SUPPLY OF ELECTRICITY) REGULATION, 2006
(RG-22 OF 2006)**

1. Short title, extent and commencement

- 1.1 These Regulations shall be called the Madhya Pradesh Electricity Regulatory Commission (Methods and principles for fixation of charges including miscellaneous charges recoverable by distribution licensee for supply of Electricity) Regulations 2006 (RG-22 of 2006).
- 1.2 These Regulations shall apply to all distribution licensees including deemed licensees operating within the State of Madhya Pradesh and all consumers receiving supply as per proviso 1 of section 43(2) of the Electricity Act 2003.
- 1.3 These Regulations shall come into force from the date of their publication in the Official Gazette.

2. Definitions

- 1.4 In these Regulations, unless the context or subject matter otherwise requires:
 - (a) “Act” means the Electricity Act, 2003 (36 of 2003);
 - (b) “Commission” means the Madhya Pradesh Electricity Regulatory Commission;
 - (c) “Distribution Licensee” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
 - (d) “Extra High Tension (EHT) consumer” means a consumer who is supplied electricity at a voltage higher than 33000 volts;
 - (e) “High Tension (HT) consumer” means a consumer who is supplied electricity at a voltage higher than 440 volts but not exceeding 33000 volts;
 - (f) “Low Tension (LT) consumer” means a consumer who is supplied electricity at a voltage up to 440 Volts;
 - (g) “MP Act” means the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No 4 of 2001);

- (h) “Authorised load” means load duly sanctioned by the utility to any consumer for the purpose of electric connection to that consumer’s premises. This shall be expressed in kW, kVA or HP units and shall be determined as per procedure laid down in this regulation;
- (i) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings as assigned to them in the Act.

3. General Principles for fixation of charges

1.5 The commission shall endeavour to ensure that the charges recoverable from different consumer categories for the actual electricity consumed by the consumer as well as the expenses incurred on its delivery (wheeling) and consumer care services reflect the efficient cost incurred by the distribution licensee towards providing service and supply to each consumer category to the extent possible. The extent of system loss incurred by the distribution licensee in different areas in its jurisdiction in respect of EHT, HT and LT consumers shall also be taken into consideration while computing the cost incurred in the distribution process.

1.6 The charges to be recovered from the consumers for supply of electricity may include all or any of the following:

(i) Fixed charges: A fixed network charge in addition to the charge for the actual electricity supplied to recover the expenditure on fixed network, which the licensee incurs to maintain the network for sub transmission, shall be recoverable by the licensee. For HT consumers and LT consumers with Demand based tariff, the fixed charges shall be linked to their full contract demand. For LT consumers, the fixed charges shall be linked to their authorised load for domestic and non domestic connections or sanctioned load in other cases.

Revenue earned by the licensee from fixed charges shall be counted towards the total expected revenue of the licensee and shall be disclosed for public information at the time of determination of tariff.

(ii) Energy Charges: These are recoverable from the consumer to meet the cost towards purchase of electricity supplied to the consumer. Energy charges for all units purchased by distribution licensee including those required for transmission/sub-transmission, loss compensation shall be recoverable.

(iii) Distribution licensee will be entitled to recover rent or other charges for meter or electrical plant provided by the licensee at different stages of distribution system on the request of the consumer.

(iv) Miscellaneous charges and security authorised to be recovered under sections 46 and 47 of Electricity Act, 2003 are recoverable by the licensee. Some of the services for which the licensee may levy a charge are given below for illustration;

- (a) Fee for test of meters at consumer’s request at premises: For test at laboratory separate charges shall be payable. Other conditions on metering shall be as per Electricity Supply Code
- (b) New Service Connection or load enhancement: Separate charges shall be payable for disconnection/ reconnection. (Explanation : When new connection or up gradation is sought for a load of more than 10 KW, the

licensee may recover the proportionate cost of transformer if the load required is more than 10 KW and may additionally recover proportionate cost of sub station if the load required is more than 200 KW)

- (c) Cost of burnt or damaged meters if responsibility can be fixed on consumers: If the consumer does not agree with the decision of the licensee the matter shall be referred to the metering consultant of the Commission.
- (d) Shifting of connection (including shifting of meter) from one premises to another or another site within the same premises at the request of the consumer
- (e) Supervision charges for specific services of capital intensive or labour intensive nature
- (f) Hiring of licensee's plants and equipments
- (g) Fee for verification of old dues /records or obtaining duplicate copies of bills or documents
- (h) Fee for special meter reading when requested by consumers
- (i) Maintenance of public street lights or other equipment when requested by a consumer.
- (j) Replacement of fuses/glass/meter seals or meter reading cards
- (k) Resealing of meters, MD indicators and instruments of the licensee in the consumer premises if seal is found broken
- (l) Re-rating of installations where done at the request of the consumer
- (m) Testing of installations at consumer's request
- (n) Any other service provided by the licensee on the request of the consumers

1.7 After due scrutiny and consultation, the Commission shall accord approval for miscellaneous charges when proposed by the licensee and in doing so shall consider the reasonableness and actual cost to the licensee and such charges shall be recoverable only after the approval of the Commission.

4.1 Authorised Load for domestic and non domestic consumers

1.8 Consumption of 75 units or part in a billing month will be construed to be equivalent to an authorised load of 0.5 KW based on a load factor of 20 %. Any additional consumption of every 75 units or part thereof shall be construed to be equivalent of additional 0.5 KW of authorised load.

4.2 Authorised Load for other LT consumers

The authorised load for other LT consumers shall be the sanctioned/connected load.

5. General

1.9 BI-ANNUAL PUBLICATION OF INFORMATION:

Licensee must keep account of revenue(demand raised) accruing on account of fixed charges, energy charges, Metering charges, Billing and recovery/realisation charges, Miscellaneous charges, any other charges and arrears payable for each administrative unit of division level and the revenue (demand raised) and collected for each category of consumers under each of the components of tariff (including subcategory whenever provided) and the compiled data at company level must be published for public information and presented to the Commission in January and July each year for half year ending in September and March respectively. This information must also be placed on the website of the licensee. The Distribution Licensee shall publish abstract of statement of accounts six monthly.

1.10 TARIFF CATEGORIES AND INTIMATION OF TARIFF RATES TO CONSUMERS:

The Commission, while determining the tariff for retail sale of electricity under section 62 shall specify details of charges to be recovered by the distribution licensee from different consumer categories. The Commission may also specify seasonal surcharge/Time of use surcharge, power factor/load factor surcharge, reactive energy charges etc. The Commission may require the licensee to send a tariff card to each consumer showing the details of various charges approved by the Commission after each tariff determination.

1.11 DEMAND BASED TARIFF:

The demand based tariffs may be made applicable to consumers with specified connected load as may be determined by the Commission in the tariff order. However, for consumers with connected load of 25 BHP(18 KW/ 23 KVA) or more, the licensee may be required to have meters capable of recording KVA based demand and the Commission may determine tariff for this purpose.

1.12 POWER FACTOR, LOAD FACTOR, DEMAND SIDE MANAGEMENT AND QUALITY OF SUPPLY

The Commission may provide rebate to consumers for maintaining appropriate power factor, achieving higher load factor or for implementation of energy conservation measures. The Commission may provide incentive or penalty for the licensee in its tariff structure for any deviation from the standards approved by the Commission in its regulations on performance standards.

1.13 MINIMUM CHARGES

The Commission may provide for minimum charges recoverable from different consumer categories to ensure that the licensee receives adequate compensation for the commitment charges payable by him for ensuring supply and transmission of electricity.

6. Power to remove difficulties

- 1.14 If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, do or undertake or direct the licensees to do or undertake things, which in the opinion of the Commission is necessary or expedient for the purpose of removing the difficulties.

7. Power to Amend and Review

- 1.15 The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations and miscellaneous charges after giving prior publicity and shall review and re-notify these regulations every three years after initial notification.

8. Savings

- 1.16 The Regulation MPERC (Methods and Principles for Fixation of Charges and Schedules of Miscellaneous Charges Recoverable by Distribution Licensee for Supply of Electricity) Regulation 2005 published vide Notification No.751/MPERC/2005 dated 28th March, 2005 published in the gazette on 15th April 2005 and read with all amendments, thereto as applicable to the subject matter of these regulations are hereby superceded.
- 1.17 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.
- 1.18 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.
- 1.19 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