



# MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

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No. MPERC/2021/265

Bhopal, Dated: 12.02.2021

## **PUBLIC NOTICE**

**(Petition no.05/2021)**

Madhya Pradesh Electricity Regulatory Commission (MPERC) has 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, 2015 (RG-35 (II) of 2015)**” (hereinafter referred to as regulations) on 17<sup>th</sup> December 2015 which were published in official gazette on 18<sup>th</sup> Dec’2015. The Commission has issued 3<sup>rd</sup> Amendment to these regulations vide order dated 25<sup>th</sup> Nov’2020 which were published in the M.P. Gazette notification dated 27<sup>th</sup> Nov’2020.

MP Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur, MP Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore, MP Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal and M.P. Power Management Company Ltd., Jabalpur (hereinafter referred to as the ‘Petitioners or East Discom, West Discom and Central Discom and MPPMCL respectively’), are wholly owned Companies of the Government of Madhya Pradesh. MP Power Management Co. Ltd. (MPPMCL) is the holding Company of the above mentioned three electricity distribution companies (Discoms) of the State and have signed “Management and Corporate Functions Agreement” on 5<sup>th</sup> June 2012, with them.

A petition has been filed by the aforementioned companies before the Commission on 15<sup>th</sup> Jan’2021 for consideration and approval of the Aggregate Revenue Requirement (ARR) and Tariff for FY 2021-22. The Commission held the motion hearing on 9<sup>th</sup> Feb’2021 and has admitted the said petition. The Commission has now decided to seek the stakeholders’ comments through this notice. Brief summary of the ARR for FY 2021-22 as filed by the petitioners is given in the table below: -

**Table 1: Summary of ARR filed by petitioners for FY 2021-22**

All figures in Rs Crores

| Particulars                                                               | East Discom | Central Discom | West Discom | MP State |
|---------------------------------------------------------------------------|-------------|----------------|-------------|----------|
| Power purchase cost (Ex-Bus, including MPPMCL costs allocated to Discoms) | 9,558       | 10,087         | 13,772      | 33,416   |
| Inter-State Transmission charges                                          |             |                |             |          |
| Intra-State Transmission (MP Transco) Charges and SLDC Charges            | 993         | 1,049          | 1,218       | 3,259    |
| R&M Expenses                                                              | 266         | 318            | 203         | 787      |
| Employee Expenses                                                         | 1,205       | 1,267          | 1,001       | 3,474    |
| A&G Expenses                                                              | 122         | 107            | 129         | 358      |
| Other Debits, Write-offs (Prior period and bad debts)                     | 127         | 133            | 162         | 422      |
| Depreciation                                                              | 669         | 557            | 327         | 1,554    |

All figures in Rs Crores

| Particulars                                              | East Discom   | Central Discom | West Discom   | MP State      |
|----------------------------------------------------------|---------------|----------------|---------------|---------------|
| Interest & Finance Charges                               | 351           | 445            | 238           | 1,034         |
| Return on Equity (RoE)                                   | 570           | 534            | 286           | 1,391         |
| <b>Total Expenses Including RoE</b>                      | <b>13,860</b> | <b>14,498</b>  | <b>17,336</b> | <b>45,694</b> |
| less: Other income (excluding Delayed Payment Surcharge) | 381           | 336            | 163           | 880           |
| <b>Total ARR (A)</b>                                     | <b>13,479</b> | <b>14,162</b>  | <b>17,173</b> | <b>44,814</b> |
| Revenue from Sale of power at existing tariff (B)        | 12,679        | 13,315         | 16,191        | 42,185        |
| <b>Total Revenue Gap (A-B)</b>                           | <b>801</b>    | <b>846</b>     | <b>982</b>    | <b>2,629</b>  |
| <b>Revenue from Sale of power at proposed tariff</b>     | <b>13,479</b> | <b>14,162</b>  | <b>17,173</b> | <b>44,814</b> |
| <b>Gap at proposed tariff</b>                            | <b>0</b>      | <b>0</b>       | <b>0</b>      | <b>0</b>      |

Petitioners have proposed to recover a gap of Rs 2,629 Crore through revision of tariff for FY 2021-22. Petitioners have proposed the category-wise average increase in Tariff for FY 2021-22 by considering the gap of Rs 2,629 Crore only as given below: -

**Table 2: - Impact on Revenue due to proposed tariff for FY 2021-22 for the State.**

| Tariff Category    |                                                               | Sale          | Revenue at Current Tariff | Revenue at Proposed Tariff | Additional Revenue at proposed Tariff | Proposed average increase in Tariff category |
|--------------------|---------------------------------------------------------------|---------------|---------------------------|----------------------------|---------------------------------------|----------------------------------------------|
|                    |                                                               | MU            | Rs. Cr                    | Rs. Cr                     | Rs. Cr                                | %                                            |
| LV 1               | Domestic                                                      | 18,330        | 11,198                    | 12,130                     | 932                                   | 8.32%                                        |
| LV 2               | Non-Domestic                                                  | 3,619         | 3,299                     | 3,392                      | 93                                    | 2.82%                                        |
| LV 3               | Public Water Works & Street Light                             | 1,247         | 828                       | 878                        | 50                                    | 6.04%                                        |
| LV 4               | LT Industrial                                                 | 1,455         | 1,334                     | 1,417                      | 83                                    | 6.22%                                        |
| LV 5               | Agriculture and Allied Activities                             | 25,143        | 14,446                    | 15,621                     | 1,175                                 | 8.13%                                        |
| LV 6               | E Vehicle /E-Rickshaws Charging Stations                      | 3             | 2                         | 2                          | 0                                     | 0.00%                                        |
| <b>Total (LT)</b>  |                                                               | <b>49,797</b> | <b>31,105</b>             | <b>33,439</b>              | <b>2,333</b>                          | <b>7.50%</b>                                 |
| HV 1               | Railway Traction                                              | 111           | 68                        | 68                         | 0                                     | 0.00%                                        |
| HV 2               | Coal Mines                                                    | 534           | 478                       | 484                        | 6                                     | 1.26%                                        |
| HV 3.1             | Industrial                                                    | 7,522         | 6,300                     | 6,463                      | 163                                   | 2.59%                                        |
| HV 3.2             | Non-Industrial                                                | 1,127         | 1,041                     | 1,065                      | 24                                    | 2.31%                                        |
| HV 3.3             | Shopping Mall                                                 | 116           | 96                        | 100                        | 4                                     | 4.17%                                        |
| HV 3.4             | Power Intensive Industries                                    | 2,782         | 1,724                     | 1,747                      | 24                                    | 1.33%                                        |
| HV 4               | Seasonal                                                      | 21            | 21                        | 22                         | 1                                     | 4.76%                                        |
| HV 5               | Irrigations, Public Water Works and other than Agricultural   | 1,489         | 988                       | 1,051                      | 63                                    | 6.38%                                        |
| HV 6               | Bulk Residential Users                                        | 480           | 344                       | 355                        | 11                                    | 3.20%                                        |
| HV 7               | Synchronization of Power for Generators connected to the Grid | 16            | 16                        | 17                         | 1                                     | 6.25%                                        |
| HV 8               | E Vehicle /E-Rickshaws Charging Stations                      | 6             | 4                         | 4                          | 0                                     | 0.00%                                        |
| <b>Total (HT)</b>  |                                                               | <b>14,204</b> | <b>11,080</b>             | <b>11,376</b>              | <b>296</b>                            | <b>2.67%</b>                                 |
| <b>TOTAL LT+HT</b> |                                                               | <b>64,001</b> | <b>42,185</b>             | <b>44,814</b>              | <b>2,629</b>                          | <b>6.23%</b>                                 |

The aforesaid proposed tariff hike also 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 are as below: -

1. **Reduction in fixed charges for E-Vehicle Tariff Category:** In order to provide impetus to E-vehicles within the State of MP, the petitioners are proposing to reduce the fixed cost by 50% so as to maintain the Average Billing Rate (ABR) of this category below Average cost of supply (ACoS) of licensee in line with the Central policy for promotion of E-vehicles.
2. **Inclusion of Affordable Rental Housing Complex (AHRC) in LV-1 Tariff Category:** The petitioners are proposing to charge Domestic tariff under LV-1 for House developed under Affordable Rental Housing scheme i.e., Affordable Rental Housing Complex (ARHSCs) under the Pradhan Mantri Awas Yojana (Urban).
3. **Inclusion of Telecom Towers in applicability of LV-2 & HV-3 Tariff Category:** For better connectivity, and clarification of consumers for permission to charge the mobile tower with existing connection, the term telecom tower is included in applicability of LV-2 & HV-3 Tariff Category.
4. **All Temporary connection at 1.25 times normal tariff of respective category.** In order to rationalize the tariff categories, petitioners proposes that if a consumer demands a temporary connection in a certain category of LV, then unless otherwise specified the Fixed Charge and Energy Charge for temporary supply shall be billed at 1.25 times the normal charges as applicable to respective category throughout LV structure.
5. **Amendment in applicability of HV-4 Tariff Category:** The provision for maximum permitted period of season has been proposed to be suitably aligned with billing.
6. **Inclusion of river link projects in HV-5 Tariff Category:** In view of a prospective Connection of River link project at 220 kV the petitioners are proposing to include the same under the Applicability clause of HV-5 High tension Tariff.

Interested persons may file their objections / comments / suggestions relating to the ARR and Tariff proposals in three copies to the **Secretary, Madhya Pradesh Electricity Regulatory Commission, 5<sup>th</sup> Floor “Metro Plaza” E-5 Arera Colony, Bittan Market Bhopal- 462 016** so as to reach the Commission’s office latest by **08.03.2021**. Advance copy of the objections / comments / suggestions can also be sent by “e-mail at [secretary@mperc.nic.in](mailto:secretary@mperc.nic.in)” followed by its hard copy which should reach the Commission’s Office latest by **08.03.2021**. Objections / comments / suggestions received after **08.03.2021** shall not be considered.

Copy of main petition along with Tariff proposal (in English /Hindi version) may be obtained on any working day between 11:00 AM and 4:00 PM from **15.02.2021** 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 along with summary of the petition can also be downloaded free of charge from Commission's website-[www.mperc.in](http://www.mperc.in) and from petitioners' website viz. [www.mppmcl.com](http://www.mppmcl.com), [www.mpez.co.in](http://www.mpez.co.in), [www.mpwz.co.in](http://www.mpwz.co.in) and [www.mpcz.co.in](http://www.mpcz.co.in), respectively.

The Commission shall arrange public hearing, if required on **09.03.2021 and 10.03.2021** 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 participate in the public hearing as per the relevant guidelines available on the Commission website.

**By Order of the Commission**

**Secretary**