



# MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

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No. MPERC/2019/775

Bhopal, Dated:31.05.2019

## **PUBLIC NOTICE**

(Petition No: 08 /2019.)

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> December 2015. The Commission has issued 1<sup>st</sup> Amendment to these regulations vide order dated 30<sup>th</sup> Nov’2018 which has been published in the Gazette notification dated 07.12.2018.

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 aforesaid three electricity distribution companies (Discoms) of the State and has signed “Management and Corporate Functions Agreement” on 5<sup>th</sup> June 2012, with them.

A petition was filed by the aforementioned companies before the Commission on 30/01/2019 for consideration and approval of the Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20 which was found incomplete and deficient on many parameters. So the petitioners were asked to submit a comprehensive & complete petition for which the petitioners sought time extension time & again and finally a revised petition has been filed by the petitioners on 27.05.2019.

The Commission held the motion hearing on 28.05.2019 and admitted the petition for further deliberations. Brief summary of the ARR for FY 2019-20 as filed by the petitioners is given in the table below:-

**Table 1: Summary of ARR filed by petitioners for FY 2019-20**

Particulars	<i>All figures in Rs Crores</i>			
	East Discom	Central Discom	West Discom	MP State
Purchase of Power cost (Ex-Bus, including MPPMCL costs allocated to Discoms)	7,107	6,201	9,084	22,392
Inter-State Transmission charges	469	530	533	1,532
Intra-State Transmission (MP Transco) Charges and SLDC Charges	812	865	1,041	2,719
R&M Expenses	183	234	165	581
Employee Expenses	1,239	1,231	1,376	3,847
A&G Expenses (including fee of Regulatory Commission)	209	122	174	505
Other Debts, Write-offs (Prior period and bad debts)	2	2	2	6

*All figures in Rs Crores*

Particulars	East Discom	Central Discom	West Discom	MP State
Depreciation and Related debits	358	381	340	1,078
Interest & Finance Charges	152	128	170	451
RoE	265	333	225	823
<b>Total Expenses Including RoE</b>	<b>10,796</b>	<b>10,028</b>	<b>13,110</b>	<b>33,934</b>
less: Other income (excluding Delayed Payment Surcharge)	103	66	71	240
<b>Total ARR</b>	<b>10,693</b>	<b>9,962</b>	<b>13,039</b>	<b>33,693</b>
Impact of Transco - True-up FY 2016-17	21	20	25	67
Impact of Genco - True-up FY 2016-17	144	154	185	483
Impact of True-Up of MP DISCOMs FY 2013-14	1,056	1,509	1,354	3,919
<b>Total ARR (including True up ) ( A )</b>	<b>11,914</b>	<b>11,644</b>	<b>14,604</b>	<b>38,163</b>
<b>Revenue from Sale of power at existing tariff (B)</b>	<b>10,656</b>	<b>10,348</b>	<b>13,061</b>	<b>34,065</b>
<b>Total Revenue Gap (including true up) (A-B)</b>	<b>1,259</b>	<b>1,296</b>	<b>1,542</b>	<b>4,098</b>
<b>Revenue from Sale of power at proposed tariff</b>	<b>11,914</b>	<b>11,644</b>	<b>14,604</b>	<b>38,163</b>
<b>Gap at proposed tariff</b>	-	-	-	-

Petitioners have proposed to recover a gap of Rs 4098 Crore through revision of tariff for FY 2019-20. Petitioners have proposed the category-wise average increase in Tariff for FY 2019-20 by considering the gap of Rs 4098 Crore only as given below: -

**Table 2: - Impact on Revenue due to proposed tariff for FY2019-20 for 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	15707	9577	10727	1150	12.01%
LV 2	Non-Domestic	3437	2899	3214	314	10.85%
LV 3	WW & Street Light	1315	775	866	91	11.79%
LV 4	Industrial	1451	1186	1327	141	11.88%
LV 5	Agriculture	21337	11007	12308	1301	11.82%
LV 6	EV Charging	3	2	2	0	0.00%
	<b>Total (LT)</b>	<b>43250</b>	<b>25445</b>	<b>28443</b>	<b>2997</b>	<b>11.78%</b>
HV 1	Railway Traction	111	54	54	0	0.00%
HV 2	Coal Mines	495	390	442	52	13.36%
HV 3.1	Industrial	7104	4994	5637	643	12.88%
HV 3.2	Non-Industrial	1145	861	972	111	12.88%
HV 3.3	Shopping Mall	104	81	91	10	12.93%
HV 3.4	Power Intensive industries	2112	1256	1418	162	12.87%
HV 4	Seasonal	23	20	22	2	10.77%
HV 5	PWW & Other than Agri	1103	648	732	84	12.99%
HV 6	Bulk Residential Users	457	288	324	35	12.29%
HV 7	RECs and Start Ups	22	22	23	0	1.49%
HV 8	HT EV Charging	9	6	6	0	0.00%
	<b>Total (HT)</b>	<b>12686</b>	<b>8620</b>	<b>9720</b>	<b>1100</b>	<b>12.77%</b>
	<b>TOTAL LT+HT</b>	<b>55936</b>	<b>34065</b>	<b>38163</b>	<b>4098</b>	<b>12.03%</b>

The aforesaid proposed tariff hike also includes some changes in tariff structure, which are discussed in detail in petition along with the reasons. Prominent changes proposed are as below

1. Domestic
  - a) Removal of separate urban -rural tariff structure for all LT categories
  - b) Rationalization of tariff slabs in domestic unmetered category for up to 500 W
2. Non-Domestic : LV2.1 & LV2.2 tariff sub categories are proposed to be merged.
3. Public water works & Street light tariff sub categories are proposed to be merged in to one single tariff category
4. Rebate for supply through feeders feeding supply to predominantly rural area is proposed to be abolished
5. Temporary supply to be billed at 1.25 times the normal charges as applicable to respective category throughout LV structure.
6. In order to give impetus to prompt payment computed on amount excluding government subsidy, the current rebate of 0.25% is proposed to be increased to 0.50%.
7. The Range of Power Factor Incentive 05% to 10% at different power factor to be reduced to three slabs – 2% (85.01%-90%), 3.5% (90.01% to 95%) and 7% (95.01% to 100%) only.
8. Proposed to withdraw the welding surcharge.

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, 5th Floor “Metro Plaza” E-5 Arera Colony, Bittan Market Bhopal- 462 016** so as to reach the Commission’s office latest by 23.06.2019. Advance copy of the objections / comments / suggestions can also be sent by “e-mail at [secmperc@sancharnet.in](mailto:secmperc@sancharnet.in)” followed by its hard copy which should reach the Commission’s Office latest by 23.06.2019. Objections / comments / suggestions received after 23.06.2019 shall not be considered.

Copy of main petition along with Tariff proposal (in English or Hindi version) may be obtained on any working day between 11:00 AM and 4:00 PM from 01.06.2019 onwards from the Commission’s office or Headquarter of MPPMCL at Block No. 15, Shakti Bhawan, Rampur, Jabalpur–482008 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 Nishta Parisar, Govindpura, Bhopal on payment of Rs.1000 for one copy in cash or demand draft drawn in favour 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.

**By Order of the Commission**

**Secretary**