MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

5th Floor, Metro Plaza, Bittan Market, Bhopal - 462 016

AGGREGATE REVENUE REQUIREMENT AND RETAIL SUPPLY TARIFF ORDER FOR FY 2025-26

Petition No. 72/2024

PRESENT:

Gopal Srivastava, Member (Law)
Prashant Chaturvedi, Member

IN THE MATTER OF:

Determination of Aggregate Revenue Requirement (ARR) and Retail Supply Tariff for FY 2025-26 based on the ARR & Tariff Petition filed by the Distribution Licensees namely Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (East DISCOM), Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (West DISCOM), Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (Central DISCOM), and M.P. Power Management Company Limited (MPPMCL)

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List of Abbreviations

A&G	Administrative and General Expenses
AB Cable	Aerial Bunched Cable
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
AS	Additional Surcharge
AT&C	Aggregate Technical and Commercial
ATPS	Amarkantak Thermal Power Station
BPSA	Bulk Power Supply Agreement
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electrical Authority
CERC	Central Electricity Regulatory Commission
CFA	Cash Financial Assistance
CGS	Central Generating Station
COD	Commercial Operation Date
CUF	Capacity Utilisation Factor
CPP	Captive Power Plants
CSD	Consumer Security Deposit
CSS	Cross Subsidy Surcharge
CTPS	Chandrapur Thermal Power Station
CWIP	Capital Works in Progress
DA	Dearness Allowance
DBST	Differential Bulk Supply Tariff
DISCOM	Distribution Company
DSM	Deviation Settlement Mechanism
DTPS	Durgapur Thermal Power Station
DTR	Distribution Transformer
DVC	Damodar Valley Corporation
EHT	Extra High Tension
ER	Eastern Region
FPPAS	Fuel and Power Purchase Adjustment Surcharge
FY	Financial Year
GFA	Gross Fixed Asset
GoI	Government of India
GoMP	Government of Madhya Pradesh
GPP	Gas Power Plant
GST	Goods and Services Tax
HP	Horse Power
HPS	Hydro Power Station
HT	High Tension
IDC	Interest During Construction
IEX	Indian Energy Exchange

IND-AS	Indian Accounting Standards
ISPS	Indira Sagar Power Station
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
KAPS	Kakrapar Atomic Power Station
kV	kilo Volt
kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere hour
kW	kilo Watt
kWh	kilo Watt hour
LED	Light Emitting Diode
LT	Low Tension
MD	Maximum Demand
MOD	Merit Order Despatch
MP	Madhya Pradesh
MPERC	Madhya Pradesh Electricity Regulatory Commission
MPPGCL or MP Genco	Madhya Pradesh Power Generating Company Limited
MPPMCL	Madhya Pradesh Power Management Company Limited
MPPTCL or MP Transco	Madhya Pradesh Power Transmission Company Limited
MPSEB	Madhya Pradesh State Electricity Board
MTPS	Mejia Thermal Power Plant
MU	Million Unit
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NHDC	Narmada Hydroelectric Development Corporation
NPS	New Pension Scheme
NR	Northern Region
NTPC	NTPC Limited
O&M	Operation & Maintenance
OA	Open Access
OPEX	Operational Expenditure
PAF	Plant Availability Factor
PF	Provident Fund
PGCIL	Power Grid Corporation of India Ltd.
PLF	Plant Load Factor
PoC	Point of Connection
PPA	Power Purchase Agreement
PWW	Public Water Works
PXIL	Power Exchange India Limited
R&M	Repair & Maintenance
RBI	Reserve Bank of India

RSD	Reserve Shut Down
RDSS	Revamped Distribution Sector Scheme
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RoE	Return on Equity
RPO	Renewable Purchase Obligation
SAC	State Advisory Committee
SBI	State Bank of India
SEZ	Special Economic Zone
SGTPS	Sanjay Gandhi Thermal Power Station
SLDC	State Load Despatch Centre
SPD	Solar Project Developers
SSP	Sardar Sarovar Project
TAPS	Tarapur Atomic Power Station
TBT	Terminal Benefit Trust
TMM	Technical Minimum
ToD	Time of Day
TPS	Thermal Power Station
TP	Tariff Policy
UDAY	Ujwal DISCOM Assurance Yojana
UMPP	Ultra Mega Power Plant
UI	Unscheduled Interchange
WR	Western Region
WRPC	Western Regional Power Committee

A1: ORDER

(Passed on this 29th Day of March, 2025)

1.1 This Order is in response to the Petition No. 72 of 2024 jointly filed by Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore, and Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal (hereinafter individually referred to as East DISCOM, West DISCOM and Central DISCOM, respectively, and collectively referred to as DISCOMs or Distribution Licensees or Licensees or the Petitioners), and MP Power Management Company Limited, Jabalpur (hereinafter referred as the MPPMCL or collectively with DISCOMs referred to as the Petitioners) before Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as MPERC or the Commission). This Petition has been filed under the provisions of "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, 2021 as amended {RG-35(III) of 2021}" {hereinafter referred to as the MYT Regulations, 2021 or Regulations or Tariff Regulations}.

1.2 The Petitioners jointly filed a Petition bearing Petition No. 72 of 2024 on 29th November, 2024. The motion hearing on the Petition was held by the Commission on 10th December, 2024, vide which the Commission admitted the Petition and directed the Petitioners to submit draft public notice for approval of the Commission.

1.3 The Commission vide its letter dated 06th January, 2025 sought clarifications/ information to fill data gaps, based on the scrutiny of the Petition. Thereafter, the Commission vide letter dated 10th January, 2025 received communications from the Petitioners for extension of time for submission of additional information to fill data gaps. The Commission vide letter dated 15th January, 2025 allowed additional time for furnishing the additional information to fill data gaps by 20th January, 2025.

1.4 The Commission vide letter dated 31st December, 2024, directed the Petitioners to publish the public notice as approved by the Commission in Hindi and English in the prominent newspapers of the State for inviting objections /comments/suggestions from the stakeholders on the subject Petition (Petition No. 72 of 2024) by 24th January, 2025. Accordingly, the Petitioners published the public notice in the following newspapers:

Table 1 : List of Newspapers- Public Notice published by the Petitioners

Newspaper	Language
The Free Press, Indore	English
Patrika, Indore	Hindi
Nav Dunia, Bhopal	Hindi
Nav Bharat, Gwalior	Hindi
The Times of India, Bhopal	English

Newspaper	Language
Dainik Bhaskar, Jabalpur	Hindi
Dainik Raj Express, Jabalpur	Hindi
Dainik Nai Duniya, Jabalpur	Hindi
Dainik Patrika, Jabalpur	Hindi
Dainik Hitvada, Jabalpur	English

1.5 In response to the public notice, the Commission received 84 comments (East DISCOM: 21 Nos., West DISCOM: 41 Nos., Central DISCOM: 22 Nos.) from different stakeholders. The Commission scheduled Public Hearings on 11th February, 2025 for West DISCOM, 13th February, 2025 for East DISCOM and 14th February, 2025 for Central DISCOM through video conferencing and heard the objections/comments/suggestions of stakeholders.

1.6 The Commission received requests from some of stakeholders to conduct hearings in physical mode as well. Accordingly, the Commission convened a Public Hearing in physical mode on 14th February, 2025, in its Court Room.

1.7 Details of objections/suggestions/comments received and response thereon from the Petitioners along with views of the Commission are given in Chapter '**A8: Public Objections/ suggestions and Comment on Licenses' Petition'** of this Order.

1.8 The Petitioners submitted the consolidated response to data gaps raised by the Commission through clarifications and additional information vide letter dated 20th January, 2025.

Disclaimer for Rounding

1.9 In this Order, certain numbers as a whole, up to several decimal places have been rounded up or down. Therefore, there may be discrepancies between the totals of the individual numbers shown in the tables up to 2 decimal places and numbers given in the corresponding analysis in the text of this Order.

Snapshot of Petition

1.10 The Petitioners through instant Petition have submitted the Revised Aggregate Revenue Requirement (hereinafter referred as ARR) for FY 2025-26 and tariff proposal for FY 2025-26. The Petitioners have prayed to approve the net ARR of Rs 58,744 Crore and the Revenue Gap of Rs. 4,107 Crore for FY 2025-26 and to recover the same through a tariff hike of 7.52%. Summary of the Tariff proposal as submitted by the Petitioners for FY 2025-26 is as follows:

Table 2 : Summary of Tariff proposal for FY 2025-26 as submitted by Petitioners (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Aggregate Revenue Requirement	15,977.84	23,132.44	19,633.87	58,744.14
Revenue from sale of power as per existing tariff	14,860.39	21,514.24	18,262.34	54,636.97
Revenue Gap for FY 2025-26	**1,117.45**	**1,618.20**	**1,371.53**	**4,107.17**

State Advisory Committee

1.11 The Commission convened a meeting of the State Advisory Committee (SAC) on 11th March, 2025 through video conferencing. SAC members provided valuable suggestions on the instant Retail Tariff Petition. The Commission has taken due cognisance of these suggestions while determining the ARR and Tariff for FY 2025-26.

Energy Accounting, Meterisation and technical & commercial loss reduction

1.12 The Commission has been emphasising the importance of energy accounting and meterisation from time to time separately and through previous Tariff Orders. Need for proper Energy Accounting and Energy Audit at various levels such as sub-stations, distribution feeders and distribution transformers as well as at the consumer end was also impressed upon the DISCOMs so as to provide reliable data about the actual level of technical and commercial losses. DISCOMs were directed to prepare and implement appropriate loss reduction strategies and schemes. Meterisation at various levels of the distribution network such as Feeder/ DTR and consumer metering is of prime importance to identify high loss areas and to take action to curb losses. The DISCOMs have achieved 100% meterisation of the domestic connections in urban area but the progress in DTR and consumer metering in rural areas is not satisfactory. There appears to be substantial progress with regard to Feeder meterisation, while meterisation of agricultural DTRs remains neglected by DISCOMs, although DTR metering is mandatory as per CEA Regulations. With regard to individual un-metered domestic connections in rural areas, West DISCOM has almost completed the meterisation, whereas, East and Central DISCOMs have unmetered Domestic Rural connections up to the level of 5.30% and 7.40%, respectively. For East and Central DISCOMs, the Commission has taken a serious note on the poor progress of meterisation in this category and is of the opinion that concerted efforts need to be made to account for the energy at all stages including the rural domestic connections. The first step to do so is to meterise all the remaining connections. Large number of stopped/defective meters pending for replacement for a long time indicate that the directions of the Commission are not followed by the DISCOMs in right spirit. Energy accounting is possible only when consumer meters are functioning properly and read in time. The energy accounting needs to be carried out on a system driven approach on regular basis. The Commission has also observed that there are number of existing Feeder meters, which are lying defective and need prompt replacements. The status as per periodic reports submitted by DISCOMs with regard to meterisation of un-metered rural domestic connections and agricultural predominant DTRs up to December, 2024 is given below:

Table 3: Status of meterisation of un-metered rural domestic consumers

DISCOM	Domestic Rural		
	Total no. of connections	**No. of un-metered connections**	**Percentage (%) Un-metered**
East DISCOM	34,55,681	1,83,026	5.30%
West DISCOM	23,57,048	10,887	0.46%
Central DISCOM	20,56,809	1,52,293	7.40%
State	**78,69,538**	**3,46,206**	**4.40%**

Table 4: Status of meterisation of agricultural DTRs

DISCOMs	Agricultural DTR		
	Total no. of Pre-Dominant Agricultural DTRs	No. of DTRs provided with meters	Percentage (%) of DTRs provided with meters
East DISCOM	78,250	11,970	15.30%
West DISCOM	1,87,303	14,023	7.49%
Central DISCOM	4,01,516	66,721	16.62%
State	**6,67,069**	**92,714**	**13.90%**

1.13 The Commission would like to emphasize that the directive for meterisation of agriculture predominant DTRs is an interim arrangement till meters on all individual agriculture connections are provided. The Commission is of the firm view that all consumers should be metered individually. The present regime of billing on benchmark consumption to either domestic or agriculture consumers provides no incentive for energy saving by the consumers and it makes accounting of actual losses impossible. The Commission has noted that the rate of meterisation of Agriculture DTRs is extremely slow and it needs to be enhanced. Without proper metering system in place, it is not possible to assess the demand and to perform energy audit of the agriculture consumers. **The Commission, therefore, directs the DISCOMs to expedite feeder meterisation including replacement of defective feeder meters and undertake DTR meterisation on priority basis. There is also a need to segregate Technical and Commercial losses.**

1.14 The purpose of providing meters on agriculture DTRs is to assess the consumption of flat rate agriculture consumers and perform energy audit in order to have a proper data on Distribution losses. The Commission desires that the DISCOMs should perform energy audit on the agriculture DTRs where the meters have already been installed. DISCOMs are also identified as designated consumers under Energy Conservation Act, 2001. DISCOMs are required to conduct energy audit as per Bureau of Energy Efficiency (BEE) (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations, 2021 and amendments thereof. It is mandatory for DISCOMs to take all measures to comply with energy audit requirements laid down under the Energy Conservation Act, 2001.

1.15 In the earlier Tariff Orders, the Commission had directed the Petitioners to make concerted efforts to reduce the distribution losses in line with the loss trajectory specified by the Commission. The Commission has provided sufficient time to the DISCOMs and specified the loss reduction trajectory with achievable targets. The loss reduction trajectory specified in the MYT Regulations, 2021 for FY 2025-26 is given in the following table:

Table 5: Distribution Loss Trajectory specified in the Regulations

DISCOMs	FY 2025-26
East DISCOM	17.00%
West DISCOM	13.00%
Central DISCOM	17.00%

1.16 The actual loss level for FY 2023-24 reported by the DISCOMs in the Tariff Petition is as follows:

Table 6: Actual Distribution Loss for FY 2023-24

DISCOMs	FY 2023-24
East DISCOM	28.04%
West DISCOM	12.33%
Central DISCOM	25.70%

1.17 The Commission appreciates the performance of West DISCOM in achieving lower Distribution losses as compared to the loss trajectory specified by the Commission. On the other hand, particularly in East DISCOM loss levels are much higher as compared to loss trajectory specified, which needs immediate corrective steps. The stakeholders, in their objections, have also pointed out and shown concern over the high loss level of the DISCOMs. It has been submitted by stakeholders that the higher loss level is adversely affecting the financial viability of DISCOMs as well as services to be delivered to their consumers. The Commission has allowed only normative losses in the Tariff Order, so that consumers are not burdened on account of the inefficiencies of the Distribution Licensees.

1.18 In order to bail out the DISCOMs from high debt and to ensure financial turnaround of the DISCOMs, the Government of India had launched Ujwal DISCOM Assurance Yojana (UDAY). Madhya Pradesh also participated in the UDAY Scheme and committed to reduce Aggregate Technical & Commercial (AT&C) losses as per prescribed targets in a time bound manner. The Commission had admitted the capital investment schemes of the DISCOMs in the past years for reduction of losses. The Government of India is also providing financial and technological support to the DISCOMs through various schemes. However, it appears that the Central and East DISCOMs are lacking in implementation of these schemes resulting in failure to reduce the distribution losses to desired levels.

1.19 In the pervious Tariff Order, the Commission had directed the DISCOMs to install meters on the remaining unmetered predominant agricultural DTRs for proper energy accounting and for recording consumption by the agricultural pumps. However, the progress in this regard is still far from satisfactory. The East and Central DISCOMs also need to focus on meterisation of rural unmetered Domestic connections and the directions of the Commission should be followed in "letter and spirit". Not replacing defective meters in rural areas or not reading these, defeats the purpose of meterisation. The Commission would like to draw attention of the State Government in this regard and would emphasize the need to implement a concrete program to achieve the targeted loss level in a time bound manner for making the DISCOMs financially viable.

1.20 The Commission has noted that the Government of India has launched Revamped Distribution Sector Scheme (RDSS) with an objective of improving quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The scheme has targeted to reduce AT&C losses to Pan-India levels of 12-15% and to reduce the gap between ACS and ARR to zero by FY 2024-25. This scheme is reform based and result linked. DISCOMs of the State are participating in the scheme and committed to reduce AT&C losses as per prescribed targets under the approved Scheme for Madhya Pradesh in a time bound manner. The Commission has admitted the capital investment plan under RDSS and directed the Petitioners that outcome of the capital investment under RDSS be monitored closely and that envisaged results through capital investment are met in a timely manner. It is generally observed that DISCOMs are lagging behind in meeting the timelines and are seeking extensions in this regard. It would be in the interest of DISCOMs to expedite RDSS works and follow the timelines given by the Central Government.

Aggregate Revenue Requirement of DISCOMs

1.21 The Commission has determined the ARR and Retail Supply Tariff for FY 2025-26 for the DISCOMs in this Order as shown below in the table:

Table 7: ARR admitted by the Commission for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
Power Purchase Cost including Inter-State Transmission Charges	9,769.64	10,289.45	18,549.53	17,153.44	12,668.08	12,697.41	40,987.25	40,140.30
Intra-State Transmission including SLDC Charges	1,759.24	1,558.54	1,778.91	2,030.32	1,777.74	1,858.10	5,315.90	5,446.96
O&M Expenses	2,023.03	2,066.34	1,920.85	1,792.84	1,899.52	1,910.01	5,843.40	5,769.19
Depreciation	433.50	377.38	351.59	185.92	341.89	335.14	1,126.98	898.44
Interest & Finance Charges								
On Project Loans	325.77	359.74	104.72	131.44	454.74	413.90	885.23	905.08
On Working Capital Loans	66.29	89.64	19.56	31.02	23.05	37.36	108.90	158.02
On Consumer Security Deposit	98.05	86.68	132.17	153.30	124.57	133.09	354.79	373.07
Return on Equity	243.44	243.44	175.59	173.50	275.76	267.28	694.79	684.21
Lease Charges for Smart Meters	154.04	154.04	172.28	172.28	218.35	218.35	544.67	544.67
R&D Fund	2.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00
Bad & Doubtful Debts	2.00	0.00	2.00	0.00	2.00	0.00	6.00	0.00
Total Expenses Admitted	**14,877.00**	**15,227.24**	**23,209.20**	**21,826.05**	**17,787.70**	**17,872.65**	**55,873.91**	**54,925.94**
Less: Other income and Non-Tariff Income	184.84	162.98	265.46	215.94	166.49	164.57	616.79	543.49
Total ARR Admitted	**14,692.17**	**15,064.26**	**22,943.74**	**21,610.11**	**17,621.21**	**17,708.08**	**55,257.12**	**54,382.45**
Revenue at Existing Tariff	14,860.39	15,543.69	21,514.24	21,980.19	18,262.34	18,280.57	54,636.97	55,804.44
Revenue Gap/(Surplus) at Existing Tariff	**(168.22)**	**(479.43)**	**1,429.50**	**(370.08)**	**(641.13)**	**(572.48)**	**620.15**	**(1,421.99)**

1.22 From the above, it can be observed that the Commission has admitted standalone ARR (excluding true up of previous years) of Rs. 54,382.45 Crore for FY 2025-26 against the Petitioners' claim of Rs. 55,257.12 Crore. The Commission, while approving the ARR, has undertaken thorough review of the Petitioners' submission and has admitted only the prudent expenses in accordance with the provision of the MYT Regulations, 2021. Instead of considering actual loss level, the Commission allowed ARR on normative loss level specified by the Commission, so that the inefficiency of the Distribution Licensee is not passed on to the Consumers. The revenue for FY 2025-26 at existing tariff is Rs. 55,804.44 Crore. Accordingly, on standalone basis for FY 2025-26, the DISCOMs are in Revenue Surplus of Rs. 1,421.99 Crore. The Commission has approved following True-ups Order for MPPGCL, MPPTCL and DISCOMs as follows:

(i) Revenue Surplus of Rs.1,264.83 Crore in True-up of ARR of FY 2022-23 of MP Genco approved vide Order dated 07th March, 2024.

(ii) Revenue Gap of Rs. 1,639.19 Crore in True-up of ARR of FY 2023-24 of MP Power Transmission Company Ltd. approved vide Order dated 18th March, 2025.

(iii) Revenue Gap of Rs. 2,975.79 Crore in True-up of ARR of FY 2023-24 of DISCOMs approved vide Order dated 28th March, 2025.

1.23 These True-up amounts (Surplus/Gap) have been admitted by the Commission after carrying out due diligence and considering the comments/objections/suggestions received on respective true-up petitions. These True-up amounts need to be considered while approving ARR and tariff for FY 2025-26 to enable recovery of the same for DISCOMs. Therefore, considering the above True-ups, the Revenue Gap at existing tariff for FY 2025-26 works out as Rs.1,928.15 Crore. In order to allow recovery of the same, the Commission in this Order has allowed a tariff hike of 3.46% against the Petitioners' claim of 7.52%.

1.24 The ARR admitted for the DISCOMs for FY 2025-26, Revenue at Existing Tariff and Proposed/Admitted Tariff is shown in the following table:

Table 8: ARR admitted and Revenue at Existing/Approved Tariff for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
Total ARR (excluding True-up)	**14,692.17**	**15,064.26**	**22,943.74**	**21,610.11**	**17,621.21**	**17,708.08**	**55,257.12**	**54,382.45**
Revenue Gap of MP Genco, MP Transco and MP DISCOMs True-ups	1,285.67	1,009.57	188.70	1,128.91	2,012.65	1,211.66	3,487.02	3,350.15
Total ARR (including True-up)	**15,977.84**	**16,073.83**	**23,132.44**	**22,739.02**	**19,633.87**	**18,919.74**	**58,744.14**	**57,732.60**
Revenue at Existing Tariff	14,860.39	15,543.69	21,514.24	21,980.19	18,262.34	18,280.57	54,636.97	55,804.44
Revenue Gap/(Surplus) at Existing Tariff	**1,117.45**	**530.14**	**1,618.20**	**758.84**	**1,371.53**	**639.18**	**4,107.17**	**1,928.15**
Revenue at Proposed Tariff	15,977.84	16,073.83	23,132.44	22,739.02	19,633.87	18,919.74	58,744.14	57,732.60
Revenue Gap/(Surplus) at Proposed Tariff	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

1.25 The Commission would like to highlight here that the utmost care is taken by the Commission while approving the ARR, Retail Tariff, so that inefficiency of the DISCOMs is not passed onto the consumers of the State. It is notable that in True up of FY 2023-24, the Petitioner had claimed Revenue Gap of Rs. 4,344.02 Crore. However, the Commission after exercising prudence check of the said claim and considering the stakeholders observations has admitted Revenue Gap of Rs. 2,975.79, Crore, thereby disallowing expenses towards inefficiency of the DISCOMs.

1.26 The Licensees are directed to keep in view the provision of relevant Regulations and ensure compliance with performance criteria. The Commission would like to mention that Suo-Motu Petitions No. 37/2023, 38/2023 and 39/2023 were registered against DISCOMs on non-compliance under Section 142 of the Electricity Act, 2003 and final Orders were also issued in this matter on 2nd February, 2024.

1.27 The Petitioners are also encouraged to avail incentives in terms of R&M expenses, capitalisation of approved CAPEX and Return on Equity, which are available for better performance for improving consumer services.

1.28 In case of grant of tariff subsidy by the State Government for consumers, action as mandated under Section 65 of the Electricity Act, 2003 and in accordance with Electricity (Second Amendment) Rules, 2023 shall be ensured by all concerned and such consumers shall be billed accordingly by the Distribution Licensees.

1.29 The Commission through 1st and 2nd Amendment to MYT Regulations, 2021 has specified the mechanism for recovery of Fuel and Power Purchase Adjustment Surcharge (FPPAS) on monthly basis so that uncontrollable costs on account of variations in the fuel and power purchase charges are adjusted/recovered in a timely manner in accordance with the provisions of the Electricity Act, 2003. The FPPAS recovery for FY 2023-24 was firstly trued-up on 28th June, 2024 when the audited accounts were not available. Finally, its impact has been subsumed in the True-up of ARR for FY 2023-24 and carrying cost is passed on to consumers by way of True-up Order. **The Petitioners are directed to pass through positive or negative FPPAS applicable for the month to the consumers in accordance with the provisions of the Regulations, along with the associated mechanism/modalities as specified in the MYT Regulations, 2021, and any amendments thereof.**

1.30 The Commission has made suitable provisions to fulfil the Renewable Purchase Obligations (RPO) in the ARR of the DISCOMs as per relevant Regulations. The Petitioners are directed to fulfil their RPOs accordingly.

1.31 The Commission in this Order has determined the Green Energy Charges for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking certification to this effect. Besides, Tariff has been determined for Green Energy for consumers availing Green Energy from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof.

1.32 In compliance to the directives given in the Judgment by Hon'ble APTEL, the Commission has determined the ratio of Average Billing Rate to the Voltage-wise Cost of Supply (VCoS) for various consumer categories based on the proposals submitted by the DISCOMs. It may be mentioned here that the data/ information for working out the VCoS needs to be further validated to get a fair and correct picture. In absence of requisite data, the VCoS vis-a-vis cross subsidy percentage worked out in this Tariff Order is only indicative in nature.

Implementation of the Order

1.33 The Distribution Licensees must take immediate steps to implement this Order after giving seven (7) days Public Notice in prominent newspapers having State-wide circulation, in accordance with Regulation 1.30 of MPERC (Details to be furnished and fee payable by licensee or generating company for determination of tariff and manner of making application) Regulations, 2004, as amended from time to time. The tariff determined by this Order shall take effect only after seven (7) days from the date of such publication and bills shall be issued accordingly. The tariff determined by this Order shall be applicable until amended or modified by an Order of this Commission.

1.34 The detailed Order provides for the grounds and reasons of determining the ARR, discusses the functional and financial performance of the three DISCOMs and includes a section dealing with the status report on compliance of the Commission's Directives as well as responses of the Distribution Licensees thereto along with the Commission's observations on the suggestions/objections/comments received from various stakeholders on ARR and Tariff proposal. The Commission directs the Petitioners that this Order be implemented along with directions given and conditions mentioned in the detailed Order and in the Tariff Schedules annexed with (Annexure-2 and Annexure-3) this Order. It is further ordered that the DISCOMs are permitted to issue bills to the consumers in accordance with the provisions of this Tariff Order and applicable Regulations.

Sd/-	**Sd/-**
(Prashant Chaturvedi)	**(Gopal Srivastava)**
Member	**Member (Law)**

Date: 29th March,2025
Place: Bhopal

A2: AGGREGATE REVENUE REQUIREMENT FOR PETITIONERS

Sales Forecast

Sales forecast as submitted by the Petitioners

2.1 For projection of sales for FY 2025-26, the Petitioners have considered the past growth trends for each consumer category as historical trend method has proved to be reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption. The Petitioners further submitted that as per Regulation 25.1 of MYT Regulations, 2021, category-wise and slab-wise sales are to be determined based on the actual/audited data of the preceding three years. However, the preceding three years include COVID-19 year as well. Hence, in order to normalize the abnormal effect of COVID-19 on sales projections, the Petitioners have taken preceding five years data, i.e., from FY 2019-20 to FY 2023-24 and the sales data of FY 2024-25 up to the month of August 2024.

2.2 Accordingly, category and slab-wise actual data of the sale of electricity, number of consumers, connected / contracted load, etc., as per the annual R-15 statement corresponding to said period are taken and Compounded Annual Growth Rates (CAGR) of sales have been computed by the Petitioners from the past sales for each category and sub-category. The approach being followed by the Petitioners is as follows:-

(a) Analyse 5-year, 4-year, 3-year and 2-year CAGRs and Year-on-Year growth rate in Number of Consumers, Sales and Demand of each category and its sub-categories in respect of Urban and Rural consumers separately.

(b) After analysis of the data, appropriate / reasonable growth rates have been assumed for future consumer forecasts from the past CAGRs of the Category/Sub-category by the three DISCOMs.

(c) During the analysis, if an abnormal growth rate (high or low) relative to the current trend is observed, then the same is normalized for the purpose of projection for ensuing year.

(d) In cases where the past data shows a declining trend, nil growth has been considered.

(e) The growth rate assumed is then applied on sales per consumer / sales per kW and connected load while forecasting the connected load, number of consumers and sales in each category/sub-category.

2.3 The Petitioners submitted that they have considered the specific consumption, i.e., consumption per consumer and / or consumption per unit load, which is the basic forecasting variable and is widely used in load and energy sales forecasting. The basic intent in using this model is that the specific consumption per consumer and / or consumption per unit load captures the trends and variations in the usage of electricity over a growth cycle more precisely. Further, this method has also been recommended by the Central Electricity Authority (CEA).

2.4 Details of the category-wise sales as projected by the Petitioners, is given in the table as follows:

Table 9: Category-wise sales projected by Petitioners for FY 2025-26 (MU)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
LV-1: Domestic	7,085	6,715	6,726	20,527
LV-2: Non-Domestic	1,653	1,811	1,660	5,123
LV-3: Public Water Works & Street Light	563	834	707	2,103
LV-4 LT Industrial	484	830	404	1,718
LV 5: Agriculture and Allied Activities	7,373	12,163	10,889	30,424
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	1	3	1	4
LT Total	**17,159**	**22,356**	**20,386**	**59,900**
HV-1: Railway Traction	0	0	55	55
HV-2: Coal Mines	562	0	25	587
HV-3.1: Industrial	3,628	6,642	4877	15,146
HV-3.2: Non-Industrial	386	642	629	1,656
HV-4: Seasonal	13	14	1	28
HV-5: Irrigation, Public Water Works and Other than Agricultural	305	1,272	489	2,065
HV-6: Bulk Residential Users	236	46	161	443
HV-7: Synchronization of Power for Generators connected to the Grid	5	29	5	39
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7	12	21	41
HV 9: Metro Rail		8	14	21
HT Total	**5,140**	**8,665**	**6,277**	**20,082**
Total Sales for State	**22,299**	**31,021**	**26,663**	**79,983**

Commission's Analysis on Sales forecast

2.5 The Commission has observed that the Petitioners have relied on the actual data pertaining to FY 2019-20 to FY 2024-25 (up to August) for projection of number of consumers, connected load and sales for FY 2025-26. In order to project number of consumers, connected load and sales for FY 2025-26, the Commission has found it appropriate to consider last six years data from FY 2018-19 to FY 2023-24 and FY 2024-25 (up to December).

2.6 Based on the actual data, the Commission has also computed projected connected load per consumer and sales per unit load (kW) and / or demand (kVA) and sales per consumer.

2.7 Approach adopted by the Commission, for projection of number of consumers, connected load and sales is as follows:

- Number of consumers, Connected Load / Sanctioned load/ Contract Demand for FY 2025-26 have been projected based on the analysis of corresponding data of last 6 years and considering the appropriate CAGR.

- In order to have more realistic projections, the Commission has re-assessed the Sales for FY 2024-25 considering 9 months actual data, i.e., April to December, 2024 and estimated the sales for January to March, 2025 by considering the proportion of actual energy sales in last 3 months (January – March, 2024) with respect to actual energy sales during first nine months of FY 2023-24 (April to December 2023). Using this average proportion of sales, the Commission has extrapolated the actual energy sales till the month of December, 2024 for the full year to assess the revised estimated energy sales for FY 2024-25. Thereafter, the Commission analysed category-wise and sub-category wise 5-Year CAGR, 4 Year CAGR, 3 Year CAGR, 2 Year CAGR and Year-on-Year growth rate, compared the same with the growth rates considered by the Petitioners for projections, and considered appropriate growth rates for projection of sales for FY 2025-26.

- For Categories LV-6 and HV-8 (Electric Vehicle and Charging Stations), wherein no typical trend in growth rates has been observed, the number of consumers, connected load and sales have been projected as per Petitioners' submission.

- For HV-1 (Railway Traction) and HV-9 (Metro Rail), number of consumers, contract demand and sales have been considered as proposed by the Petitioners.

2.8 Based on above approach, the sales admitted for FY 2025-26 by the Commission is as follows:

Table 10: Category wise sales admitted by the Commission for State for FY 2025-26 (MU)

Consumer Categories	East DISCOM	West DISCOM	Central DISCOM	State
LV-1: Domestic	7,131.52	7,260.33	6,801.62	21,193.47
LV-2: Non-Domestic	1,580.05	1,850.57	1,659.15	5,089.76
LV-3: Public Water Works & Street Light	728.06	856.15	624.49	2,208.71
LV-4 LT Industrial	479.11	846.42	372.08	1,697.60
LV 5: Agriculture and Allied Activities	7,405.75	12,164.86	10,865.35	30,435.96
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	0.79	2.99	0.71	4.48
LT Total	**17,325.27**	**22,981.32**	**20,323.39**	**60,629.98**
HV-1: Railway Traction	0.00	0.00	55.32	55.32
HV-2: Coal Mines	520.07	0.00	26.49	546.56
HV-3.1: Industrial	2,251.47	5,015.69	4,046.12	11,313.28
HV-3.2: Non-Industrial	342.02	595.95	595.04	1,533.00
HV-3.3: Shopping malls	43.34	51.15	38.30	132.79
HV-3.4: Power Intensive Industries	1,373.19	1,682.28	864.90	3,920.37
HV-3: HT Industrial, Non-Industrial and shopping malls	4,010.02	7,345.07	5,544.35	16,899.44
HV-4: Seasonal	19.79	16.88	2.60	39.27
HV-5: Irrigation, Public Water Works and Other than Agricultural	314.53	1,280.46	502.72	2,097.72

Consumer Categories	East DISCOM	West DISCOM	Central DISCOM	State
HV-6: Bulk Residential Users	237.39	49.23	165.96	452.59
HV-7: Synchronization of Power for Generators connected to the Grid	5.26	32.73	5.80	43.79
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.26	12.40	20.98	40.65
HV-9: Metro Rail	0.00	7.76	13.57	21.33
HT Total	**5,114.32**	**8,744.54**	**6,337.80**	**20,196.67**
Total Sales for State (LT + HT)	**22,439.59**	**31,725.85**	**26,661.20**	**80,826.64**

Energy Balance

Petitioners' Submission

2.9 The Petitioners submitted that for projecting the energy requirement for FY 2025-26, annual sales have been converted into monthly sales using the sales profile actually observed in the past years for each DISCOM.

2.10 Regulation 26.1 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 had notified normative distribution loss levels for the MYT period FY 2022-23 to FY 2026-27. Subsequently, the Commission has notified Second Amendment to 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, 2021, wherein it has revised the normative loss reduction trajectory for FY 2024-25 to FY 2026-27.

2.11 Petitioners submitted that for determining the power purchase requirement and cost for FY 2025-26 they have considered the distribution loss levels for FY 2025-26 as per the revised trajectory as approved by the Commission.

2.12 The Petitioners further submitted that while assessing the monthly normative energy requirement for the Licensees, the Commission considers constant distribution losses (being equal to yearly approved Discoms wise distribution losses) for all the months of a particular year, whereas in actual scenario, the Distribution Losses cannot be constant throughout the year for any Distribution Licensee. There are various factors, which affect the distribution losses such as ambient temperature, average current flow, input energy, output energy/billing units, etc. In case of Madhya Pradesh, the majority portion of monthly billing attributable to agriculture consumers is being done on normative basis, due to which there are many instances where the distribution losses work out to be negative.

2.13 The normative distribution losses are approved for a year as specified in the applicable Tariff Order or Regulations, however, nowhere has it been specified that the Distribution Licensee has to maintain constant distribution losses throughout the year. It is to be noted that similar to year-wise approval of normative Distribution Losses for DISCOMs, the

Commission also approves Renewable Energy Purchase Obligation (RPO) target on yearly basis. Further, the Normative Plant Availability Factor (NAPAF) for allowance of Fixed Charges to Generating Companies are being approved by the Commission as 85%, which is also on yearly basis. Similarly, the Commission also approves Normative Plant Load Factor (NAPLF) for allowance of incentives to Generating Companies as 85% for the year. It is submitted that the assessment of RPO target or NPAF or NPLF are being done on cumulative basis at the end of the year. However, for the assessment of Distribution Losses, different approach has been adopted, which results not only in differential treatment for DISCOMs but also in disallowance of actual legitimate cost being incurred corresponding to scheduling of Stations, which as per the Commission's methodology will never get schedule.

2.14 In this regard, the Petitioners submitted that the normative profiling of distribution losses in tandem with actual distribution losses is done in such a manner that at the end of the year the distribution losses comes out within the norms. The basic intention here is that the methodology for assessment of distribution losses should be so designed that in case the Distribution Licensee achieves the normative level of losses, then there should not be any disallowance.

2.15 The Petitioners have therefore, assessed the normative profiling of distribution losses for FY 2025-26 in tandem with actual distribution losses recorded during FY 2023-24. It is to be noted that in either of the methods, i.e., with constant distribution losses over the year or with profiled distribution losses in tandem with actuals, the total normative energy requirement for a particular year would remain the same. It is only that the month-wise normative scheduling of stations would differ, which tantamount to actual scheduling only if the profiling with actual losses is considered.

2.16 Petitioners requested to consider the normative profiling in tandem with actual loss profiling as submitted by the Petitioners while assessing the month wise Distribution Losses for FY 2025-26.

2.17 The Intra-State transmission losses of 2.61% for FY 2023-24 as reported by MPPTCL to MPPMCL have been considered for FY 2025-26. Further, inter-State transmission losses have been computed as per Regulation 10 of CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 in which it is specified that Inter-State transmission (ISTS) losses shall be calculated on all-India average basis for each week. The Petitioners have considered the Inter-State transmission losses as per monthly actual PGCIL losses on all-India average basis considering the weekly losses for the period of 17th September, 2024 to 22nd September, 2024 (52-weeks data).

2.18 Based on the above, the Petitioners have projected energy requirement for FY 2025-26 by grossing up the projected sales by normative distribution losses and projected transmission losses, as shown in the table below:

Table 11: Energy Requirement proposed by Petitioners for FY 2025-26 (MU)

Particulars	Unit	East DISCOM	West DISCOM	Central DISCOM	State
Sales	MU	22,299	31,021	26,663	79,983
Distribution loss	%	17.00%	13.00%	17.00%	15.47%
Distribution loss	MU	4,568	4,637	5,462	14,668
Energy Requirement at DISCOM Boundary	MU	26,867	35,658	32,125	94,650
Intra-State Transmission Losses	%	2.61%	2.61%	2.61%	2.61%
Intra-State Transmission Losses	MU	720	956	861	2,537
Energy Requirement at State Boundary	MU	27,587	36,614	32,986	97,187
Inter-State Transmission Losses	MU	530	738	634	1,902
Ex-Bus Energy Requirement	**MU**	**28,117**	**37,351**	**33,620**	**99,089**

Commission's Analysis

2.19 Regarding the Petitioners' request to consider the normative profiling in tandem with actual loss profiling as submitted by the Petitioners while assessing the month-wise distribution losses, it is observed that the Petitioners had filed the Review Petition on True-up Order of FY 2021-22 (P. No. 24/2023) to revisit the above said approach. The Commission in its Order dated 07th November, 2023 on Review Petition filed by the Petitioners decided not to revise the approach.

2.20 The Commission would like to mention that like other accounting, Regulatory accounting also follows principle of conservatism. DISCOMs may even demand accounting of losses on daily/hourly or 15 minutes block wise to justify estimation of schedules. However, while estimating the losses, the Commission has to go by the loss target given to the licensee, which is on annual basis. Secondly, despite directions given year after year, Petitioners have been unable to put in place a mechanism for proper energy accounting through which losses may be worked out. Under such circumstances, the Commission has to follow the same approach which was adopted so far in determining the normative energy requirement.

2.21 For arriving at the total quantum of energy requirement, the Commission has considered annual sales grossed up by specified loss levels as per the calculations shown in subsequent paragraphs/tables. Further, to compute the monthly energy requirement for FY 2025-26, monthly sales profile, which is based on the actual sales profile of past years, as submitted by the Petitioners, has been considered.

2.22 The distribution loss level trajectory as specified for FY 2025-26 in the 2nd amendment of MYT Regulations, 2021 is given in the table below:

Table 12: Loss targets as per Regulations (in %)

DISCOMs	FY 2025-26
East	17.00%
West	13.00%
Central	17.00%

2.23 The Commission has considered the distribution losses as specified in MYT Regulations, 2021 for projecting the energy requirement for FY 2025-26. The Commission has adopted the earlier approved methodology for approval of monthly loss and has not considered any deviation in the monthly losses as proposed by the Petitioner and has considered the normative losses as specified in MYT Regulations, 2021 for every month.

2.24 Further, the Commission has considered the Inter-State transmission losses as 3.62% based on actual PGCIL losses on all India Average basis considering the weekly losses for the period of 3rd March, 2024 to 24th February, 2025 (52-weeks data).

2.25 Intra-State transmission losses have been considered as per actual losses for FY 2023-24, i.e., 2.61% as submitted by MPPTCL in their annual report of regulatory compliance for FY 2023-24.

2.26 The energy balance / Energy requirement computed based on admitted sales and normative losses for FY 2025-26, is shown in the following tables:

Table 13: Energy requirement admitted by the Commission for FY 2025-26

Particular	East DISCOM	West DISCOM	Central DISCOM	State
Total Sales (MU)	22,439.59	31,725.85	26,661.20	80,826.64
Distribution loss (%)	17.00%	13.00%	17.00%	**15.47%**
Distribution loss (MU)	4,596.06	4,740.64	5,460.73	14,797.43
Input at T-D interface (MU)	27,035.65	36,466.50	32,121.93	95,624.08
Intra State Transmission loss (%)	**2.61%**	**2.61%**	**2.61%**	**2.61%**
Intra State Transmission loss (MU)	724.54	977.28	860.85	2,562.67
Input at G-T interface (MU)	27,760.19	37,443.78	32,982.78	98,186.75
Inter State Transmission Losses (MU)	717.59	1,014.55	852.59	2,584.72
Power Purchase Requirement for FY 2025-26 (MU)	**28,477.78**	**38,458.33**	**33,835.36**	**1,00,771.47**

Assessment of Energy Availability

Petitioners' Submission

2.27 The Petitioners have assessed availability of energy for the State, on the following basis:

(a) Existing long-term allocated generation capacity of MP.

(b) New generation capacity additions during FY 2025-26 for Renewables, Central Sector, Joint Venture and by private players awarded through competitive bidding.

(c) Impact of change in generation capacity allocation in WR, NR and ER.

2.28 The details of upcoming capacity additions anticipated during FY 2025-26 are as follows:

Table 14: Details of Capacity Addition with respect to Solar Projects during FY 2025-26

Project	Capacity (MW)	Expected commissioning	Annual Energy (MU)	Energy assessed for FY 2025-26 (MU)	Rate (Rs./kWh)
KUSUM A	37.52	Expected up to March 2026	69.00	0	3.07
KUSUM C	124.4	Expected up to March 2026	228.89	0	2.94
CPSU	500	Expected in April 2025	1,147.5	1,051.88	2.57
	500	Expected in Jan 2026	1,147.5	191.25	2.57
Neemuch Solar Park	170	Expected in March 2026	311	0	Yet to be determined
Total	**1,331.92**		**2,903.89**	**1,243.13**	

Table 15: Details of Capacity Addition with respect to Wind Projects during FY 2025-26

Project	Capacity (MW)	Expected commissioning	Annual Energy (MU)	Operational Months during FY 2025-26	Energy assessed for FY 2025-26 (MU)	Rate (Rs./kWh)
Green Infra Wind Energy Ltd	66	Jul-25	211.03	9	158.27	2.69
Renew Naveen Urja Pvt Ltd	110	Jul-25	356.53	9	267.40	2.69
Anupavan Renewable Energy Pvt Ltd	55	Jul-25	144.54	9	108.41	2.69
Adani Renewable Energy Holding Fifteen Ltd	165	Jul-25	534.80	9	401.10	2.70
Azure Power India Pvt Ltd	44	Jul-25	138.76	9	104.07	2.70
Total	**440**		**1,385.66**		**1,039.24**	

Table 16: Details of Capacity Addition with respect to Hydro Projects during FY 2025-26

Project	Capacity (MW)	Expected commissioning	Annual Energy (MU)	Operational Months during FY 2025-26	Rate (Rs./kWh)
Amhata-IV	3.80	Jul-25	5.00	3.33	5.97
NHPC-Lower Subhansiri	13.13	Mar-25	48.70	48.70	5.09
	13.13	Mar-25	48.70	48.70	5.09
	13.13	Mar-25	48.70	48.70	5.09
NHPC- Rangit 120 MW	43.00	May-25	180.81	150.67	4.37
Total	**86.18**		**331.92**	**300.12**	

2.29 The following table shows allocated capacity from existing stations as well as the new capacity additions, which are expected to become operational during FY 2025-26:

Table 17: Allocated stations submitted by the Petitioners for FY 2025-26

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
1	Amarkantak TPS Ph-III	210.00	100.00%	210.00
2	Satpura TPS Ph-IV	500.00	100.00%	500.00

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
3	SGTPS Ph-I & II	840.00	100.00%	840.00
4	SGTPS Ph-III	500.00	100.00%	500.00
5	Shri Singaji STPS Phase-I	1,200.00	100.00%	1,200.00
6	Shri Singaji STPS Phase-II	1,320.00	100.00%	1,320.00
A	**Total (MP Genco Thermal-MP Share)**	**4,570.00**		**4,570.00**
7	Rani Awanti Bai Sagar, Bargi HPS	90.00	100.00%	90.00
8	Bansagar Ph I HPS (Tons)	315.00	100.00%	315.00
9	Bansagar Ph-II HPS (Silpara)	30.00	100.00%	30.00
10	Bansagar Ph-III HPS (Deolond)	60.00	100.00%	60.00
11	Bansagar Ph-IV HPS (Jhinna)	20.00	100.00%	20.00
12	Birsinghpur HPS	20.00	100.00%	20.00
13	Madikheda HPS	60.00	100.00%	60.00
14	Rajghat HPS	45.00	60.00%	27.00
15	Gandhisagar HPS	115.00	50.00%	57.50
16	Ranapratap Sagar HPS	172.00	50.00%	86.00
17	Jawahar Sagar HPS	99.00	50.00%	49.50
18	Pench HPS	160.00	66.67%	106.67
B	**Total (MP Genco Hydel)**	**1,186.00**		**921.67**
19	NHDC Indira Sagar HPS	1,000.00	100.00%	1,000.00
20	NHDC Omkareshwar HPS	520.00	100.00%	520.00
21	NVDA Sardar Sarovar HPS	1,450.00	57.00%	826.50
22	Rihand HPS	300.00	15.00%	45.00
23	Matatila HPS	31.00	32.68%	10.13
24	SJVN Rampur HPS	412.02	0.22%	0.92
25	SJVN Jhakri HPS	1,500.00	0.24%	3.63
26	Tehri HPS	1,000.00	0.24%	2.41
27	Koteshwar HPP	400.00	0.24%	0.96
28	NHPC Parbati III	520.00	0.37%	1.90
29	NHPC Chamera II	300.00	0.44%	1.31
30	NHPC Chamera III	231.00	0.37%	0.84
31	NHPC Dulhasti	390.00	0.37%	1.42
32	NHPC Dhauliganga	280.00	0.37%	1.02
33	NHPC Sewa II	120.00	0.37%	0.44
34	NHPC Uri II	240.00	0.00%	0.00
35	NHPC Kishanganga	330.00	0.37%	1.20
36	NTPC Koldam HPP I	800.00	0.17%	1.35
37	NTPC Singrauli Small HPP	8.00	0.37%	0.03
38	NHPC Lower Subansiri HEP (Unit-1 to Unit-8)	2,000.00	5.25%	105.00
39	NHPC -Tiesta	500.00	18.00%	90.00
40	NHPC – Rangit	120.00	35.83%	43.00
41	SAS Hydel Project Pvt Ltd.	0.00	0.00%	9.75
42	Amhata Hydro Energy Pvt. Ltd.	3.60	100.00%	3.60
43	Amhata Hydro Energy Pvt. Ltd. - II	3.60	100.00%	3.60
44	Amhata Hydro Energy Pvt. Ltd. - IV	3.60	100.00%	3.60
45	Sirmour Small Hydel Pvt. Ltd.	0.00	0.00%	24.00
46	NVDA Indira sagar LBC HPS	15.00	0.00%	15.00
47	NVDA Bargi LBC HPS	10.00	0.00%	10.00

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
48	Mini & Micro Hydel Plants	0.00	0.00%	7.26
C	**Total (JV Hydel & Other Hydel)**	**12,487.82**		**2,733.88**
49	NTPC Korba	2,100.00	22.47%	471.97
50	NTPC Korba III	500.00	14.23%	71.17
51	NTPC Vindyachal I	1,260.00	34.42%	433.72
52	NTPC Vindyachal II	1,000.00	31.11%	311.12
53	NTPC Vindyachal III	1,000.00	23.81%	238.12
54	NTPC Vindyachal IV	1,000.00	27.37%	273.74
55	NTPC Vindyachal V Unit 1	500.00	27.31%	136.53
56	NTPC Sipat I	1,980.00	16.03%	317.32
57	NTPC Sipat II	1,000.00	18.05%	180.55
58	NTPC Mouda I	1,000.00	1.29%	12.93
59	NTPC Mouda II Unit 1	1,320.00	1.72%	22.68
60	NTPC Solapur STPS	1,320.00	24.15%	318.76
61	NTPC Gadarwara STPS, Unit-1	800.00	51.73%	413.87
62	NTPC Lara STPS, Raigarh, Unit I	1,600.00	10.93%	174.92
63	NTPC Khargone STPS, Unit-I & II	1,320.00	51.73%	682.88
64	NTPC Kawas GPP	656.20	0.02%	0.13
65	NTPC Gandhar GPP	657.39	0.02%	0.15
66	KAPP Kakrapar	440.00	24.93%	360.06
67	KAPP Kakrapar Unit 3 & 4	1,400.00	17.88%	
68	TAPP Tarapur	1,080.00	20.94%	226.11
69	NTPC Gadarwara STPS, Unit-2	800.00	51.73%	827.73
D	**Total WR Region**	**22,733.59**		**5,060.69**
70	NTPC Kahalgaon II	1,500.00	4.93%	74.00
71	LoI through DVC (Sep-2020 to Mar-2032)	1,000.00	10.00%	100.00
E	**Total ER Region**	**2,500.00**		**174.00**
72	NTPC Auraiya GPP	663.00	0.36%	2.41
73	NTPC Dadri GPP	830.00	0.38%	3.14
74	NTPC Anta GPP	419.33	0.37%	1.54
75	NTPC Firoz Gandhi Unchahar I	420.00	0.03%	0.13
76	NTPC Firoz Gandhi Unchahar II	420.00	0.10%	0.40
77	NTPC Firoz Gandhi Unchahar III	210.00	0.09%	0.20
78	NTPC Firoz Gandhi Unchahar IV	500.00	0.10%	0.48
79	NTPC Rihand TPS-I	1,000.00	0.08%	0.79
80	NTPC Rihand TPS-II	1,000.00	0.09%	0.86
81	NTPC Rihand TPS-III	1,000.00	0.10%	0.96
82	NTPC NCTP Dadri II	980.00	0.09%	0.86
83	NTPC Singrauli	2,000.00	0.08%	1.60
84	NTPC IGPS I Jhajjar	1,500.00	0.18%	2.77
85	MEJA Urja Nigam	1,320.00	0.18%	2.41
86	NTPC Tanda	660.00	0.06%	0.42
87	Rajasthan (NPCIL)	440.00	0.00%	0.00
88	NARORA (NPCIL)	440.00	0.35%	1.56
F	**Total NR Region**	**13,802.33**		**20.53**
89	Torrent Power	1,147.50	4.36%	50.00
90	BLA Power, Unit-I & II	45.00	35.00%	15.75

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
91	Jaypee Bina Power	500.00	65.00%	350.00
92	Lanco Amarkantak TPS Unit 1	300.00	100.00%	300.00
93	Reliance UMPP, Sasan	3,960.00	37.50%	1,485.00
94	Essar Power STPS	1,200.00	5.00%	60.00
95	Jaiprakash Power STPS, Nigri	1,320.00	37.50%	495.00
96	MB Power STPS, Unit-I	600.00	35.00%	210.00
97	MB Power STPS, Unit-II	600.00	35.00%	210.00
98	Jhabua Power STPS, Unit-1	600.00	35.00%	210.00
G	**Total (IPPs)**	**10,272.50**		**3,385.75**
99	Renewable Energy (Solar)	6,357.93	100.00%	6,357.93
100	Renewable Energy (other than Solar)	3,684.05	100.00%	3,684.05
101	Bio Mass/Bio gas/MSW	42.90	100.00%	42.90
H	**Total Renewable Energy**	**10,084.88**		**10,084.88**
I	**Grand Total**	**77,637.12**		**26,951.31**

2.30 Allocation of power to MP from Central Generating Stations is as per Western Regional Power Committee letter No. WRPC/Comml-I/6/Alloc/2024/4769-4798 dated 30th October 2024 and from Eastern Region NTPC Kahalgaon-2 as per GoI MoP letter no. I/31/2006-Th.2 dated 21st February, 2007 and from Northern Region as per Northern Regional Power Committee letter dated 9th October, 2024. Allocation from MP Genco and other sources have been considered based on inputs provided and latest updates from their concerned offices.

2.31 MPPMCL has already decided to foreclose the PPAs with DVC for 100 MW (DTPS) and 400 MW (MTPS and CTPS) w.e.f. 15th May, 2017 and 01st March, 2018, respectively. Hence, no power is being scheduled from these stations after the said date. However, since September, 2020, power on STOA basis is being scheduled from 100 MW DVC (DTPS) through LOI dated 10th July, 2020. Similarly, LOI for 100 MW from DVC (CTPS) on STOA basis has also been issued on 10th July, 2020. Thus, costs of these plants have also been considered while calculating the power purchase cost for FY 2025-26.

2.32 During FY 2024-25, power from Essar (5%) and Sugen Torrent Generating Stations has been scheduled following MoD. However, in the pervious Tariff Orders the Commission had not considered availability and the cost thereon from these plants. The Petitioners requested the Commission to consider the availability from these plants for FY 2025-26 as the PPAs with these plants remain in force.

2.33 Petitioners submitted that for the purpose of assessment of availability for FY 2025-26 from various tied up and upcoming sources, the Petitioners have relied on the provisions of the MPERC (Power Purchase and Procurement Process) Regulations, 2023.

2.34 For MPPGCL Thermal and Hydro generating stations, the Petitioners have considered energy availability as submitted by MPPGCL for FY 2025-26, for Central generating stations, the Petitioners have considered the actual Plant Availability Factor (PAF) of past years, i.e., from FY 2022-23 to FY 2023-24. The average PAF of previous years for various Central Generating Stations have been calculated and considered for energy projections for

FY 2025-26.

2.35 For other Central generating stations and Independent power producers whose historical PAF was not available, the Petitioners have considered normative PAF of 85% for the assessment of energy availability.

2.36 For energy availability from existing and new HPPs including NVDA & NHDC Generating Stations for FY 2025-26, the Petitioners have worked out the month-wise average actual availability over the past 3 years from existing HPPs and the same has been considered for the respective months of FY 2025-26. The Petitioners vide its letter dated 09th October, 2024 have also sought the information regarding energy availability from NHDC stations. NHDC limited has given the information vide its letter dated 22nd October, 2024. The Petitioners have compared the information towards expected energy availability as submitted by NHDC limited vis-à-vis as calculated by the Petitioners and found that the both the projections are in line. Further, with respect to new capacity addition towards HPPs, the availability is considered based on the design energy of respective plants. Further, the energy so anticipated for the FY 2025-26 from new HPPs from its COD is then apportioned over the respective months of FY 2025-26 based on the actual month-wise availability profiling of existing HPPs.

2.37 Similarly, for the assessment of availability from existing solar and non-solar power plants, the Petitioners have considered the actual month-wise generation recorded over the past year, i.e., FY 2023-24 against the respective plants. For new/upcoming projects the CUF has been estimated as per PPA of the respective plant and the energy so anticipated for the FY 2025-26 from new solar and non-solar power plants from its COD is then apportioned over the respective months of FY 2025-26 based on the actual month-wise availability profiling of existing solar and non-solar power plants.

2.38 Based on the above, the summary of availability for FY 2025-26 from various existing and upcoming sources as submitted by the Petitioners is shown in the table below:

Table 18: Month wise energy availability projection submitted by the Petitioners for FY 2025-26 (MU)

Sr.No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1	Amarkantak TPS Ph-III	125	129	125	128	129	124	129	125	129	129	117	129	**1,519**
2	Satpura TPS Ph-IV	302	312	152	280	305	295	319	309	319	319	288	319	**3,521**
3	SGTPS Ph-I & II	435	450	435	441	327	317	339	328	342	342	309	342	**4,407**
4	SGTPS Ph-III	315	326	158	-	321	311	335	324	335	335	303	335	**3,398**
5	Shri Singaji STPS Phase-I	712	736	712	722	603	353	635	741	766	766	692	766	**8,203**
6	Shri Singaji STPS Phase-II	770	795	770	570	378	614	861	833	861	861	778	861	**8,953**
A	**Total (MP Genco Thermal-MP Share)**	**2,659**	**2,748**	**2,351**	**2,142**	**2,063**	**2,013**	**2,618**	**2,661**	**2,752**	**2,752**	**2,486**	**2,753**	**30,000**
7	Rani Awanti Bai Sagar, Bargi HPS	37	30	28	40	55	50	50	40	40	40	20	20	**448**
8	Bansagar Ph I HPS (Tons)	60	60	50	100	110	110	100	100	70	70	60	60	**948**
9	Bansagar Ph-II HPS (Silpara)	4	4	5	9	9	9	9	9	8	8	5	4	**88**
10	Bansagar Ph-III HPS (Deolond)	-	-	-	10	25	25	20	20	-	10	-	-	**109**
11	Bansagar Ph-IV HPS (Jhinna)	9	8	7	6	6	10	10	10	10	10	10	9	**104**
12	Birsinghpur HPS	-	-	2	10	10	8	8	5	5	4	-	-	**51**
13	Madikheda HPS	-	-	2	10	18	12	12	10	8	8	5	5	**88**
14	Rajghat HPS	-	-	-	6	6	9	9	7	6	3	3	3	**51**
15	Gandhisagar HPS	2	2	3	5	10	15	16	15	19	18	15	15	**133**
16	Ranapratap Sagar HPS	1	5	1	8	15	11	11	22	18	26	25	20	**162**
17	Jawahar Sagar HPS	1	3	1	8	14	10	9	19	18	19	20	16	**138**
18	Pench HPS	6	8	12	12	23	42	40	21	16	10	6	10	**208**
B	**Total (MP Genco Hydel)**	**120**	**120**	**111**	**223**	**300**	**310**	**292**	**277**	**219**	**225**	**169**	**161**	**2,528**
19	NHDC Indira Sagar HPS	123	119	152	273	513	421	322	153	158	186	221	97	2,737
20	NHDC Omkareshwar HPS	68	61	81	163	241	211	170	73	67	89	111	51	1,387
21	NVDA Sardar Sarovar HPS	65	76	138	156	371	313	270	110	101	111	121	78	1,910
22	Rihand HPS	3	3	7	5	7	6	7	2	5	9	6	4	65
23	Matatila HPS	0	2	0	1	4	4	5	2	4	3	4	3	33
24	SJVN Rampur HPS	0	0	0	0	0	0	0	0	0	0	0	0	2
25	SJVN Jhakri HPS	1	1	1	1	2	1	1	0	0	0	0	1	10
26	Tehri HPS	0	0	1	1	1	1	1	0	0	0	0	0	6
27	Koteshwar HPP	0	0	0	0	0	0	0	0	0	0	0	0	3
28	NHPC Parbati III	0	0	0	1	1	0	0	0	0	0	0	0	3
29	NHPC Chamera II	0	0	0	1	1	0	0	0	0	0	0	0	4
30	NHPC Chamera III	0	0	0	0	0	0	0	0	0	0	0	0	2
31	NHPC Dulhasti	0	0	1	1	1	1	0	0	0	0	0	0	4
32	NHPC Dhauliganga	0	0	0	0	0	0	0	0	0	0	0	0	3

Sr.No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
33	NHPC Sewa II	0	0	0	0	0	0	0	0	0	0	0	0	1
34	NHPC Uri II	-	-	-	-	-	-	-	-	-	-	-	-	-
35	NHPC Kishanganga	0	0	0	1	1	0	0	0	0	0	0	0	3
36	NTPC Koldam HPP I	0	0	0	1	1	0	0	0	0	0	0	0	4
37	NTPC Singrauli Small HPP	0	0	0	0	0	0	0	0	0	0	0	0	0
38	NHPC Lower Subansiri HEP Units	3	4	7	17	31	21	17	10	8	11	9	6	146
39	NHPC -Tiesta	-	-	-	-	-	-	-	-	-	-	-	-	-
40	NHPC – Rangit	-	-	8	19	34	23	19	11	9	12	10	6	151
41	SAS Hydel Project Pvt Ltd.	0	0	0	3	4	4	1	0	0	0	0	-	12
42	Amhata Hydro Energy Pvt. Ltd.	0	0	0	0	1	0	0	0	0	1	0	1	4
43	Amhata Hydro Energy Pvt. Ltd. - II	0	0	0	1	1	1	1	0	0	0	0	0	5
44	Amhata Hydro Energy Pvt. Ltd. - IV	-	-	-	-	1	1	1	0	0	0	0	0	3
45	Sirmour Small Hydel Pvt. Ltd.	16	18	16	9	11	14	14	13	16	17	15	17	177
46	NVDA Indira sagar LBC HPS	(0)	-	0	0	0	0	1	1	1	1	1	1	8
47	NVDA Bargi LBC HPS	0	1	0	0	2	3	1	1	0	(0)	0	(0)	8
48	Mini & Micro Hydel Plants	0	0	-	-	1	1	0	1	2	1	1	0	8
C	**Total (JV Hydel & Other Hydel-NR)**	**282**	**288**	**415**	**653**	**1,228**	**1,030**	**834**	**380**	**375**	**445**	**501**	**267**	**6,698**
49	NTPC Korba	320	320	302	285	269	316	331	316	326	310	256	316	3,666
50	NTPC Korba III	50	43	25	43	51	49	51	49	49	51	46	49	556
51	NTPC Vindyachal I	267	264	268	266	233	233	264	251	252	268	232	272	3,070
52	NTPC Vindyachal II	214	221	163	205	206	164	220	215	213	212	201	221	2,457
53	NTPC Vindyachal III	166	170	129	151	173	168	170	164	165	170	130	131	1,887
54	NTPC Vindyachal IV	192	199	193	163	177	169	162	189	192	192	163	193	2,185
55	NTPC Vindyachal V Unit 1	70	100	96	94	96	93	97	94	97	88	49	97	1,072
56	NTPC Sipat I	126	174	160	170	197	188	209	206	214	227	206	197	2,273
57	NTPC Sipat II	126	113	101	125	127	128	128	123	129	130	87	113	1,431
58	NTPC Mouda I	8	9	9	9	9	8	9	7	7	9	8	9	102
59	NTPC Mouda II Unit 1	15	16	15	16	15	15	12	11	13	15	14	15	172
60	NTPC Solapur STPS	182	219	194	220	220	220	219	219	183	183	196	219	2,474
61	NTPC Gadarwara STPS, Unit-1	273	293	290	283	303	283	242	256	290	285	226	284	3,309
62	NTPC Lara STPS, Raigarh, Unit I	105	124	112	122	107	108	121	88	85	114	107	125	1,317
63	NTPC Khargone STPS, Unit-I & II	317	440	348	368	455	447	480	462	431	461	344	457	5,009
64	NTPC Kawas GPP	-	-	-	-	-	-	-	-	-	-	-	-	-
65	NTPC Gandhar GPP	-	-	-	-	-	-	-	-	-	-	-	-	-
66	KAPP Kakrapar *(including new capacity)*	194	200	194	200	200	194	200	194	200	200	181	200	2,359

Sr.No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
67	TAPP Tarapur	122	126	122	126	126	122	126	122	126	126	114	126	1,482
68	NTPC Gadarwara STPS, Unit-2	273	293	290	283	303	283	242	256	290	285	226	284	3,309
D	**Total WR Region**	**3,018**	**3,324**	**3,012**	**3,130**	**3,268**	**3,189**	**3,281**	**3,223**	**3,262**	**3,328**	**2,785**	**3,310**	**38,130**
69	NTPC Kahalgaon II	43	44	43	44	44	43	44	43	44	44	40	44	519
70	LoI through DVC (Sep-2020 to Mar-2032)	61	63	61	63	63	61	63	61	63	63	57	63	745
E	**Total ER Region**	**104**	**107**	**104**	**107**	**107**	**104**	**107**	**104**	**107**	**107**	**97**	**107**	**1,264**
71	NTPC Auraiya GPP	1	1	4	2	4	3	5	6	4	3	2	1	36
72	NTPC Dadri GPP	1	2	5	3	5	4	6	7	5	4	3	1	45
73	NTPC Anta GPP	1	1	3	1	3	2	3	4	2	2	1	0	23
74	NTPC Firoz Gandhi Unchahar I	0	0	1	0	1	1	1	1	1	1	0	0	7
75	NTPC Firoz Gandhi Unchahar II	1	1	3	1	3	2	3	4	2	2	1	0	23
76	NTPC Firoz Gandhi Unchahar III	0	0	1	1	1	1	1	2	1	1	1	0	11
77	NTPC Firoz Gandhi Unchahar IV	1	1	3	2	3	2	4	4	3	2	2	1	27
78	NTPC Rihand TPS-I	1	2	5	3	5	4	6	7	4	4	3	1	43
79	NTPC Rihand TPS-II	1	2	5	3	5	4	6	8	5	4	3	1	48
80	NTPC Rihand TPS-III	1	2	6	3	6	5	7	9	6	4	3	1	54
81	NTPC NCTP Dadri II	1	2	5	3	6	4	7	8	5	4	3	1	49
82	NTPC Singrauli	2	4	10	6	10	8	12	15	9	7	5	2	91
83	NTPC IGPS I Jhajjar	1	2	5	3	5	4	6	7	4	3	3	1	42
84	MEJA Urja Nigam	0	1	2	1	2	2	2	3	2	1	1	0	17
85	NTPC Tanda	1	1	3	1	3	2	3	4	2	2	1	0	23
86	Rajasthan (NPCIL)	-	-	-	-	-	-	-	6	4	3	2	-	16
87	NARORA (NPCIL)	1	1	3	1	3	2	3	4	2	2	1	0	23
F	**Total NR (Thermal + Nuclear) Region**	**15**	**22**	**63**	**34**	**63**	**51**	**75**	**97**	**61**	**49**	**36**	**11**	**579**
88	Torrent Power	18	18	18	18	18	18	18	18	18	18	17	18	217
89	BLA Power, Unit-I & II	6	7	6	7	7	6	7	6	7	7	6	7	77
90	Jaypee Bina Power	179	185	179	185	185	179	185	179	185	185	167	185	2,176
91	Lanco Amarkantak TPS Unit 1	131	135	131	135	135	131	135	131	135	135	122	135	1,589
92	Reliance UMPP, Sasan	881	910	881	910	910	881	910	881	910	910	822	910	10,716
93	Essar Power STPS	12	13	12	13	13	12	13	12	13	13	11	13	149
94	Jaiprakash Power STPS, Nigri	286	295	286	295	295	286	295	286	295	295	266	295	3,474
95	MB Power STPS, Unit-I	129	133	129	133	133	129	133	129	133	133	120	133	1,564
96	MB Power STPS, Unit-II	129	133	129	133	133	129	133	129	133	133	120	133	1,564
97	Jhabua Power STPS, Unit-1	121	125	121	125	125	121	125	121	125	125	113	125	1,474
98	New IPP	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr.No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
G	**Total (IPPs)**	**1,890**	**1,953**	**1,890**	**1,953**	**1,953**	**1,890**	**1,953**	**1,890**	**1,953**	**1,953**	**1,764**	**1,953**	**23,000**
99	Renewable Energy (Solar)	789	969	841	775	779	765	862	659	658	682	790	984	9,553
100	Renewable Energy (other than Solar)	522	609	1,026	615	1,017	601	376	276	400	255	557	612	6,867
101	Bio Mass/Bio gas/MSW	16	16	16	12	8	11	13	13	13	13	13	16	162
H	**Total Renewable Energy**	**1,328**	**1,594**	**1,882**	**1,402**	**1,805**	**1,378**	**1,251**	**949**	**1,071**	**950**	**1,360**	**1,612**	**16,582**
I	**Grand Total**	**9,415**	**10,158**	**9,829**	**9,645**	**10,789**	**9,965**	**10,413**	**9,581**	**9,801**	**9,810**	**9,200**	**10,174**	**1,18,781**

2.39 The Petitioners submitted that the Commission does not factor in the provision of its own “Detailed Operating Procedure (DOP) for Backing Down of Coal unit(s) of the State Generating Stations having 100% installed capacity tied up with MP Power Management Company/DISCOMs of MP and for IPPs as per provision in PPA with MPPMCL for taking such units under Reserve Shut Down on scheduling below Technical Minimum Schedule and part load operation” as approved vide Order dated 29th January, 2020 in accordance with Clause 8.8 (6) of the aforesaid Madhya Pradesh Electricity Grid Code (Revision-II), 2019 issued on 21st June, 2019. The approved DOP lays down (i) the methodology for identifying the generating stations or units thereof to be backed down in specific grid conditions such as low system demand, during regulation of power supply, incidence of high renewables, etc.; (ii) the procedure for taking generating units under RSD; (iii) the role of different agencies; and (iv) the data requirements, etc. The DOP also provided “Technical Minimum” (TMM) for operation in respect of a unit(s) of a Thermal Generating Station as 55% of Maximum Continuous Rating or MCR loading.

2.40 The Petitioners submitted that as per DOP, day ahead scheduling is being undertaken by MPPMCL/Discoms, wherein it has to ensure “Technical Minimum” scheduling for their tied-up stations. Further, in case of IPPs also, the DOP stipulates that all the beneficiaries including pseudo beneficiary of IPP shall be responsible for maintaining technical minimum generation of the generating unit(s). All the beneficiaries are required to give technical minimum requisition of their share in the IPP’s unit(s), in case unit(s) is required to be kept on bar for smooth operation of the Grid.

2.41 The criterion for Technical Minimum Scheduling is squarely applicable for Central Generating Stations also as per relevant Regulations/Code of the Central Electricity Regulatory Commission (CERC) and DOP as approved by the Hon’ble CERC vide its Order No. L-1/219/2017-CERC dated 5th May, 2017.

2.42 The Petitioners submitted that during the True-up and ARR proceedings of previous years, it is observed that the Commission while calculating the normative power purchase requirement does not factor the Technical Minimum. Accordingly, the Petitioners in previous True-up and ARR Petition have requested the Commission to consider the impact of Technical Minimum while applying merit order despatch on monthly basis. While the Commission has considered the Technical Minimum impact under the True-up exercise for FY 2022-23, it has not considered the Technical Minimum impact under the ARR determination for FY 2024-25.

2.43 The Petitioners further submitted that it respects the ruling of the Commission and understand that the intention of the Commission is not to burden the consumers with cost of such TMM scheduling. However, the Petitioners wish to submit that in actual scenario the scheduling of stations will take place honouring the TMM. Therefore, despite of non-consideration of cost of such scheduling under ARR, the same will be incurred by the Licensee and such cost will ultimately be passed on to the consumer via automatic FPPAS. Therefore, to avoid the difference between the approved and actual cost of power purchase it is necessary to build the impact of TMM under the determination of power purchase for the purpose of ARR for ensuing years.

2.44 The Petitioners submitted that as per the Commission approach, i.e., non-consideration of Technical Minimum scheduling while estimating the power purchase requirement for ensuing year, will treat those stations falling below the MoD rank at which the normative energy requirement (and surplus sale if any) is fulfilled, to remain under backdown or RSD throughout the year. However, in actual scenario it is not possible even when the actual loss of the Licensee remains within the normative range. Due to this approach of the Commission, there exist a substantial variation in actual power purchase cost as compared to the approved which can be witnessed during the truing-up exercise of past years. Such variation is mainly due to the reasons that as per the Commission approach the stations with higher energy charges never get schedule on MOD which rather in actual are required to be scheduled for at least 55% of Maximum Continuous Rating or MCR loading, i.e., on TMM.

2.45 Further, the Petitioners submitted that the TMM run of thermal generating stations ensure the availability of power during time period when renewable power is not available, as once a station is back-down or given Reserve Shut Down it takes considerable time to get on bar. Petitioners submitted that thermal stations cannot be subjected to start/stop on daily basis and during off peak hours, the scheduling of power is generally done on Technical Minimum basis which may also result in backing down of cheaper stations. If such costlier power stations are closed down considering the economic facts, power would not be delivered to the consumers due to various constraints. Therefore, petitioners requested the Commission to factor in the TMM scheduling while estimating the power purchase requirement and its cost for FY 2025-26.

2.46 The Petitioners submitted that the provisions of Section 32 of the Act, in no manner indicates that the procurement by State utilities should be promoted without considering the technical capabilities of the generating plant. If the intent of the legislature was to limit the scheduling without taking into account the technical constraints in other word giving NIL requisition or RSD to all Stations after satisfying the energy requirement on MoD principle, then the legislature would not have used the word 'optimum' in Section 32 of the Act. The sole purpose of incorporating the word 'optimum' in Section 32 is to entrust the responsibility upon SLDC to balance the interest of both the procurer as well as the generator. It is therefore submitted that the optimisation model for scheduling & dispatch; dispatches the cheapest available generator to its full declared capacity followed by the next higher variable cost generator (honouring the technical minimum and Declared Capability constraints besides ramp rates, network congestion etc.) and so on till the entire requisition is met. Hence, the concept of technical minimum cannot be ignored.

2.47 The Petitioner further submitted that one may argue that providing technical minimum scheduling to some stations throughout the financial year also does not depicts the actual operational scenario as actual scheduling of TMM is based on 15-minute time block-wise demand vis-à-vis availability scenario. The Petitioners submitted that they fully agree with such argument. However, it is submitted that for the sake of financial burden on the DISCOMs it is required to adopt a balance approach to protect the interest of consumers as well as licensees. Accordingly, the Petitioners submitted a methodology wherein it has proposed to ensure a minimum scheduling of say 40% for every thermal and gas station against the energy requirements and then apply the MoD principle for the remaining balance requirement. This will ensure continuity of the generation from the running stations during the need of hour and will also maintain grid stability.

2.48 After fully meeting the requirement of the State and selling surplus power on the Power Exchange based on past trend, it is expected to partially back-down some costlier plants so as to save the variable costs being incurred on them. The Petitioners have calculated partial backing down of units/stations at normative loss levels on monthly basis during those periods when their scheduling is not required at normative loss level to meet the demand and also when there is no net savings in case of selling such power in open market/exchange. However, it is to be noted that such backing down as well as surplus sale so anticipated are on normative loss level only whereas in actual operations such quantum will differ.

2.49 The following table shows the stations, which are considered by the Petitioners for partial/full back down:

Table 19: Power Plant-Wise backing down considered by the Petitioners for FY 2025-26 (MU)

Sr. No	Source	Energy Availability	Energy Scheduled	Surplus Sale	Energy Backdown
1	Amarkantak TPS Ph-III	1,519	1,296	146	77
2	Satpura TPS Ph-IV	3,521	2,901	133	487
3	SGTPS Ph-I & II	4,407	3,022	365	1,020
4	SGTPS Ph-III	3,398	2,924	95	379
5	Shri Singaji STPS Phase-I	8,203	5,061	703	2,440
6	Shri Singaji STPS Phase-II	8,953	5,809	1,054	2,089
A	**Total (MP Genco Thermal-MP Share)**	**30,000**	**21,013**	**2,496**	**6,491**
7	Rani Awanti Bai Sagar, Bargi HPS	448	448	0	0
8	Bansagar Ph I HPS (Tons)	948	948	0	0
9	Bansagar Ph-II HPS (Silpara)	88	88	0	0

Sr. No	Source	Energy Availability	Energy Scheduled	Surplus Sale	Energy Backdown
10	Bansagar Ph-III HPS (Deolond)	109	109	0	0
11	Bansagar Ph-IV HPS (Jhinna)	104	104	0	0
12	Birsinghpur HPS	51	51	0	0
13	Madikheda HPS	88	88	0	0
14	Rajghat HPS	51	51	0	0
15	Gandhisagar HPS	133	133	0	0
16	Ranapratap Sagar HPS	162	162	0	0
17	Jawahar Sagar HPS	138	138	0	0
18	Pench HPS	208	208	0	0
B	**Total (MP Genco Hydel)**	**2,528**	**2,528**	**0**	**0**
19	NHDC Indira Sagar HPS	2,737	2,737	0	0
20	NHDC Omkareshwar HPS	1,387	1,387	0	0
21	NVDA Sardar Sarovar HPS	1,910	1,910	0	0
22	Rihand HPS	65	65	0	0
23	Matatila HPS	33	33	0	0
24	SJVN Rampur HPS	2	2	0	0
25	SJVN Jhakri HPS	10	10	0	0
26	Tehri HPS	6	6	0	0
27	Koteshwar HPP	3	3	0	0
28	NHPC Parbati III	3	3	0	0
29	NHPC Chamera II	4	4	0	0
30	NHPC Chamera III	2	2	0	0
31	NHPC Dulhasti	4	4	0	0
32	NHPC Dhauliganga	3	3	0	0
33	NHPC Sewa II	1	1	0	0
34	NHPC Uri II	0	0	0	0
35	NHPC Kishanganga	3	3	0	0
36	NTPC Koldam HPP I	4	4	0	0
37	NTPC Singrauli Small HPP	0	0	0	0
38	NHPC Lower Subansiri HEP Units	146	146	0	0
39	NHPC -Tiesta	0	0	0	0
40	NHPC - Rangit	151	151	0	0
41	SAS Hydel Project Pvt Ltd.	12	12	0	0
42	Amhata Hydro Energy Pvt. Ltd.	4	4	0	0
43	Amhata Hydro Energy Pvt. Ltd. - II	5	5	0	0
44	Amhata Hydro Energy Pvt. Ltd. - IV	3	3	0	0
45	Sirmour Small Hydel Pvt. Ltd.	177	177	0	0
46	NVDA Indira sagar LBC HPS	8	8	0	0
47	NVDA Bargi LBC HPS	8	8	0	0
48	Mini & Micro Hydel Plants	8	8	0	0
C	**Total (JV Hydel & Other Hydel)**	**6,698**	**6,698**	**0**	**0**
49	NTPC Korba	3,666	3,505	161	0
50	NTPC Korba III	556	525	30	0
51	NTPC Vindyachal I	3,070	2,791	140	140
52	NTPC Vindyachal II	2,457	2,234	99	124
53	NTPC Vindyachal III	1,887	1,754	29	104
54	NTPC Vindyachal IV	2,185	1,977	101	106
55	NTPC Vindyachal V Unit 1	1,072	958	56	58

Sr. No	Source	Energy Availability	Energy Scheduled	Surplus Sale	Energy Backdown
56	NTPC Sipat I	2,273	2,155	4	114
57	NTPC Sipat II	1,431	1,355	0	76
58	NTPC Mouda I	102	46	15	42
59	NTPC Mouda II Unit 1	172	101	9	62
60	NTPC Solapur STPS	2,474	1,107	351	1,016
61	NTPC Gadarwara STPS, Unit-1	3,309	1,958	171	1,180
62	NTPC Lara STPS, Raigarh, Unit I	1,317	1,252	64	0
63	NTPC Khargone STPS, Unit-I & II	5,009	2,670	596	1,743
64	KAPP Kakrapar	2,359	2,359	0	0
65	TAPP Tarapur	1,482	1,482	0	0
66	NTPC Gadarwara STPS, Unit-2	3,309	1,958	171	1,180
D	**Total WR Region**	**38,130**	**30,188**	**1,997**	**5,945**
67	NTPC Kahalgaon II	519	415	52	52
68	DVC (MTPS & CTPS)	745	445	38	262
E	**Total ER Region**	**1,264**	**860**	**90**	**314**
69	NTPC Auraiya GPP	36	16	4	16
70	NTPC Dadri GPP	45	35	5	6
71	NTPC Anta GPP	23	15	2	6
72	NTPC Firoz Gandhi Unchahar I	7	3	1	3
73	NTPC Firoz Gandhi Unchahar II	23	15	0	8
74	NTPC Firoz Gandhi Unchahar III	11	5	1	5
75	NTPC Firoz Gandhi Unchahar IV	27	12	3	12
76	NTPC Rihand TPS-I	43	43	0	0
77	NTPC Rihand TPS-II	48	45	3	0
78	NTPC Rihand TPS-III	54	51	4	-0
79	NTPC NCTP Dadri II	49	21	6	22
80	NTPC Singrauli	91	91	0	0
81	NTPC IGPS I Jhajjar	42	18	5	19
82	MEJA Urja Nigam	17	13	2	2
83	NTPC Tanda	23	18	2	3
84	Rajasthan (NPCIL)	16	16	0	0
85	NARORA (NPCIL)	23	23	0	0
F	**Total NR Region**	**579**	**440**	**39**	**100**
86	Torrent Power	217	97	33	87
87	BLA Power, Unit-I & II	77	34	12	31
88	Jaypee Bina Power	2,176	1,300	111	766
89	Lanco Amarkantak TPS Unit 1	1,589	1,295	191	103
90	Reliance UMPP, Sasan	10,716	10,696	21	0
91	Essar Power STPS	149	119	7	22
92	Jaiprakash Power STPS, Nigri	3,474	3,474	0	0
93	MB Power STPS, Unit-I	1,564	1,177	96	290
94	MB Power STPS, Unit-II	1,564	1,091	159	314
95	Jhabua Power STPS, Unit-1	1,474	1,399	75	0
G	**Total (IPPs)**	**23,000**	**20,681**	**706**	**1,613**
96	Renewable Energy (Solar)	9,553	9,553	0	0
97	Renewable Energy (other than Solar)	6,867	6,867	0	0
98	Bio Mass/Bio gas/MSW	162	162	0	0
H	**Total Renewable Energy**	**16,582**	**16,582**	**0**	**0**

Sr. No	Source	Energy Availability	Energy Scheduled	Surplus Sale	Energy Backdown
I	**IEX/Short Term Purchase**	**0**	**99**	**0**	**0**
J	**Total**	**1,18,781**	**99,089**	**5,327**	**14,464**

Commission's Analysis

2.50 The Commission observed that the Petitioners have considered the allocation from Western and Eastern Region as per the latest allocation specified by Regional Power Committee. However, Petitioners have not considered the allocation of Northern Region as per the latest allocation specified by Northen Regional Power Committee. Therefore, the Commission has considered the latest allocation of power from Northern Region for assessment of energy availability from Central Generating Stations (CGS).

2.51 The Commission has considered the CGS allocation from Western Region stations for FY 2025-26 as provided by Western Regional Power Committee vide their letter No. WRPC/Comml-I/6/Alloc/2024/4769-4798 dated 30th October, 2024 and from Eastern Region NTPC Kahalgaon-2 communicated vide MoP GoI letter no. 5/31/2006- dated 21st February, 2007 and from Northern Region as per Northern Regional Power Committee vide revision letter no. 06/2024-25 dated 24th January, 2025. Further, the Commission has considered the allocation of remaining generating stations as per notification no. 2211/F-3-13/2016/XIII dated 21st March, 2016, by Energy Deptt. Govt. of Madhya Pradesh.

2.52 The Commission has considered allocation of existing stations to MPPMCL, and new capacity additions proposed during FY 2025-26 as shown in the following table:

Table 20: Allocation of Generating Station considered by the Commission for FY 2025-26

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
I	**Central Generating Stations**		**44,483.03**		**5,255.38**
1	NTPC Korba	WR	2,100.00	22.47%	471.97
2	NTPC Korba III	WR	500.00	14.23%	71.17
3	NTPC Vindyachal I	WR	1,260.00	34.42%	433.72
4	NTPC Vindyachal II	WR	1,000.00	31.11%	311.12
5	NTPC Vindyachal III	WR	1,000.00	23.81%	238.12
6	NTPC Vindyachal IV	WR	1,000.00	27.37%	273.74
7	NTPC Vindyachal V Unit 1	WR	500.00	27.31%	136.53
8	NTPC Sipat I	WR	1,980.00	16.03%	317.32
9	NTPC Sipat II	WR	1,000.00	18.05%	180.55
10	NTPC Mouda I	WR	1,000.00	1.29%	12.93
11	NTPC Mouda II Unit 1	WR	1,320.00	1.72%	22.68
12	NTPC Auraiya GPP	NR	663.00	0.34%	2.26
13	NTPC Dadri GPP	NR	830.00	0.35%	2.94
14	NTPC Anta GPP	NR	419.00	0.34%	1.44
15	NTPC Kahalgaon II	ER	1,500.00	4.93%	73.95
16	KAPP Kakrapar	WR	440.00	24.93%	109.70
17	KAPP Kakrapar Unit-3	WR	700.00	17.88%	125.18
18	KAPP Kakrapar Unit-4	WR	700.00	17.88%	125.18

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
19	TAPP Tarapur	WR	1,080.00	20.94%	226.11
20	RAPP Rawabhatta	NR	440.00	0.34%	1.50
21	NAPP Narora	NR	440.00	0.33%	1.46
22	NTPC Solapur STPS, Phase-1	WR	1,320.00	24.15%	318.76
23	NTPC Gadarwara STPS, Unit-1	WR	800.00	51.73%	413.87
24	NTPC Gadarwara STPS, Unit-2	WR	800.00	51.73%	413.87
25	NTPC Lara STPS, Raigarh, Unit I	WR	800.00	10.93%	87.46
26	NTPC Lara STPS, Raigarh, Unit II	WR	800.00	10.93%	87.46
27	NTPC Firoz Gandhi Unchahar I	NR	420.00	0.03%	0.12
28	NTPC Firoz Gandhi Unchahar II	NR	420.00	0.09%	0.38
29	NTPC Firoz Gandhi Unchahar III	NR	210.00	0.09%	0.19
30	NTPC Firoz Gandhi Unchahar IV	NR	500.00	0.09%	0.45
31	NTPC Rihand I	NR	1,000.00	0.07%	0.74
32	NTPC Rihand II	NR	1,000.00	0.08%	0.81
33	NTPC Rihand III	NR	1,000.00	0.09%	0.90
34	NTPC NCTP Dadri II	NR	980.00	0.08%	0.80
35	NTPC Singrauli	NR	2,000.00	0.07%	1.50
36	NTPC IGPS I Jhajjar	NR	1,500.00	0.17%	2.60
37	NTPC Khargone STPS, Unit-I	WR	660.00	51.73%	341.44
38	NTPC Khargone STPS, Unit-II	WR	660.00	51.73%	341.44
39	Meja Urja Nigam	NR	1,320.00	0.17%	2.26
40	NTPC Tanda Stage-II	NR	1,320.00	0.06%	0.79
41	DVC (MTPS & CTPS)	ER	1,840.00	5.43%	100.00
II	**MP Genco Power Station (Thermal & Hydro)**		**5,756.00**		**5,491.67**
42	Amarkantak TPS Ph-III	State	210.00	100.00%	210.00
43	Satpura TPS Ph-IV	State	500.00	100.00%	500.00
44	SGTPS Ph-I & II	State	840.00	100.00%	840.00
45	SGTPS Ph-III	State	500.00	100.00%	500.00
46	Shri Singaji STPS, Ph-I	State	1,200.00	100.00%	1,200.00
47	Shri Singaji STPS, Ph-2	State	1,320.00	100.00%	1,320.00
48	Rani Awanti Bai Sagar, Bargi HPS	State	90.00	100.00%	90.00
49	Bansagar Ph I HPS (Tons)	State	315.00	100.00%	315.00
50	Bansagar Ph-II HPS (Silpara)	State	30.00	100.00%	30.00
51	Bansagar Ph-III HPS (Deolond)	State	60.00	100.00%	60.00
52	Bansagar Ph-IV HPS (Jhinna)	State	20.00	100.00%	20.00
53	Birsinghpur HPS	State	20.00	100.00%	20.00
54	Marhikheda HPS	State	60.00	100.00%	60.00
55	Rajghat HPS	State	45.00	60.00%	27.00
56	Gandhisagar HPS	State	115.00	50.00%	57.50
57	Ranapratap Sagar & Jawahar Sagar HPS	State	271.00	50.00%	135.50
58	Pench HPS	State	160.00	66.67%	106.67
III	**JV Hydel & Other Hydels**		**11,789.03**		**2,643.24**
59	NHDC Indira Sagar HPS	State	1,000.00	100.00%	1,000.00
60	NHDC Omkareshwar HPS	State	520.00	100.00%	520.00
61	Sardar Sarovar HPS	WR	1,450.00	57.00%	826.50
62	Rihand HPS	NR	300.00	15.00%	45.00

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
63	Matatila HPS	NR	30.60	32.68%	10.00
64	SJVN Rampur HPS	NR	412.02	0.21%	0.86
65	SJVN Jhakri HPS	NR	1,500.00	0.23%	3.39
66	Tehri HPS	NR	1,000.00	0.23%	2.26
67	Koteshwar HPP	NR	400.00	0.23%	0.90
68	NHPC Parbati III	NR	520.00	0.34%	1.78
69	NHPC Chamera II	NR	300.00	0.41%	1.23
70	NHPC Chamera III	NR	231.00	0.34%	0.79
71	NHPC Dulhasti	NR	390.00	0.34%	1.33
72	NHPC Dhauliganga	NR	280.00	0.34%	0.96
73	NHPC Sewa II	NR	120.00	0.34%	0.41
74	NHPC Kishanganga	NR	330.00	0.34%	1.13
75	NTPC Koldam HPP I	NR	800.00	0.16%	1.27
76	NTPC Singrauli Small HPP	NR	8.00	0.34%	0.03
77	NHPC Lower Subansiri HEP (Unit-1 to 8)	NER	2,000.00	5.25%	105.00
78	NHPC - Rangit	NER	120.00	35.83%	43.00
79	SAS Hydel Project Pvt Ltd.	State	9.75	100.00%	9.75
80	Amhata Hydro Energy Pvt. Ltd.	State	3.80	100.00%	3.80
81	Amhata Hydro Energy Pvt. Ltd. - II	State	3.80	100.00%	3.80
82	Amhata Hydro Energy Pvt. Ltd. - IV	State	3.80	100.00%	3.80
83	Sirmour Small Hydel Pvt. Ltd.	NR	24.00	100.00%	24.00
84	NVDA Indira sagar LBC HPS	State	15.00	100.00%	15.00
85	NVDA Bargi LBC HPS	State	10.00	100.00%	10.00
86	Mini & Micro Hydel Plants	State	7.26	100.00%	7.26
IV	**IPPs**		**7,970.00**		**3,266.50**
87	BLA Power	State	90.00	35.00%	31.50
88	Jaypee Bina Power	State	500.00	65.00%	325.00
89	Lanco Amarkantak TPS Unit 1	WR	300.00	100.00%	300.00
90	Reliance UMPP, Sasan	WR	3,960.00	37.50%	1,485.00
91	Jaiprakash Power STPS, Nigri	WR	1,320.00	37.50%	495.00
92	MB Power STPS	WR	1,200.00	35.00%	420.00
93	Jhabua Power STPS, Unit-1	WR	600.00	35.00%	210.00
V	**Renewables**		**10,084.88**		**10,084.88**
94	Renewable Energy (Solar)		6,357.93	100.00%	6,357.93
95	Renewable Energy (other than Solar)		3,684.05	100.00%	3,684.05
96	Bio Mass/Bio gas/MSW		42.90	100.00%	42.90
97	Other RPO (Shortfall)		-	100.00%	0.00
98	ESO (Shortfall)		-	100.00%	0.00
VI	**Total**		**80,082.94**		**26,741.67**

2.53 The Commission in order to project energy availability for FY 2025-26 has analysed the following:

(i) Actual average scheduled energy in previous three years, i.e., FY 2022-23 to FY 2024-25 (up to December, 2024) as per State Energy Accounts;

(ii) Actual availability of Central Generating Stations as per Regional Energy Accounts for FY 2019-20 to FY 2023-24;

(iii) Actual availability of IPPs, MPPGCL, NHDC and NVDA as per State / Regional Energy Account for FY 2023-24;

(iv) Projections made by NHDC, NVDA and MPPGCL for FY 2025-26;

(v) Actual availability of RE Power from existing PPA for compliance of RPO.

Energy Availability from Central Generating Stations and Nuclear Power Plants

2.54 As regards the energy availability from Central Generating Stations (Thermal Power Plants), the Commission observed that the actual availability for FY 2023-24 is in line with the average of the scheduled energy in previous three years. Accordingly, the Commission has projected the availability for these stations considering the actual plant availability in FY 2023-24.

2.55 Further, the Commission has projected energy availability from the Central Hydro Generating Stations considering the actual plant availability in the previous years and latest Hydro Performance review report issued by Central Electricity Authority for FY 2023-24.

2.56 For Nuclear Power Corporation of India Ltd. (NPCIL) generating stations, the Commission has considered energy availability as per average of the actual energy scheduled in last three years as per State Energy Accounts.

Energy Availability from MPPGCL, NVDA and NHDC and IPP Generating Stations

2.57 The Commission has considered the energy availability from MPPGCL thermal generating stations and Hydro generating stations as per the projections submitted by MPPGCL.

2.58 Similarly, the energy availability projections as provided by the NHDC for Indira Sagar Power Station (ISPS), Omkareshwar (OSP) and as provided by NVDA for Sardar Sarovar Project (SSP) have been considered by the Commission for FY 2025-26.

2.59 As regards the energy availability from IPP Generating Stations, the Commission observed that the actual availability for FY 2023-24 is in line with the average of the scheduled energy in previous three years. Accordingly, the Commission has projected the availability for these stations considering the actual plant availability in FY 2023-24.

Energy Availability from Renewable Energy Generating Stations

2.60 The energy availability from Renewable Energy sources has been considered in accordance with existing Power Purchase Agreement (PPA) as per Petitioners' submission. The details of availability from existing PPAs for fulfilment of RPO projected for FY 2025-26 has been detailed in the subsequent Section of this Order.

Energy Availability from New Generating Stations

2.61 For the assessment of availability from new generating stations, the Commission has considered projected availability as submitted by the Petitioners for FY 2025-26.

2.62 Availability of energy from Essar Power submitted in the Petition is not in accordance with the Commission's Order dated 4th May, 2016 in SMP No 51/2015. Therefore, the availability from Essar Power as proposed by the Petitioners for FY 2025-26 has not been considered in this Order. Also, the Commission has not considered the availability and the cost thereon, for the Sugen Torrent Generating Station in view of the approach previously followed by the Commission in its Retail Supply Tariff Orders from 2016-17 onwards. Moreover, the Petitioners could not respond satisfactorily to the Commission's queries through separate communications with regard to the PPA. However, the Petitioners are at liberty to approach the Commission through a separate Petition in this regard.

2.63 The Commission has analysed the Petitioners' submission regarding consideration of technical minimum schedule while applying merit order despatch. The Commission at the cost of repetition would like to again mention the principle of accounting conservatism while dealing with this issue. The Commission is of the view that the technical minimum scheduling to some stations throughout the financial year while estimating the power purchase requirement is not correct as projections do not depict the actual operational scenario in respect to actual availability and scheduling of generating stations. The Commission cannot arbitrarily assume technical minimum scheduling and burden the consumer with cost of such scheduling. Actual availability based on technical minimum scheduling may be examined at the time of true-up after applying prudence checks. Therefore, the Commission has decided to continue with its approach towards scheduling of generating stations to cater to the normative monthly energy requirement against available energy from each generating station by applying merit order despatch principle and accordingly determine variable cost and revenue from sale of surplus energy, backing down of energy quantum and variable cost of power purchase for FY 2025-26.

2.64 Regarding the interpretation of Section 32 of the Act that requires careful consideration in the context of scheduling and dispatch principles, while Section 32 entrusts the State Load Despatch Centre with the responsibility of ensuring the "optimum scheduling and dispatch" of electricity, the interpretation of "optimum" must align with the overarching principles of economic efficiency, reliability, and grid security. Although it is recognised that technical constraints such as technical minimum schedules, declared capability, ramp rates, and network congestion must be included in scheduling decisions. However, the primary objective remains cost optimisation while ensuring system reliability. The Merit Order Dispatch principle, which prioritizes the dispatch of lower variable cost generators before higher-cost ones, is a well-established practice to minimize the overall cost of power procurement for consumers.

2.65 The assertion that "giving NIL requisition or RSD to all stations after satisfying the energy requirement on MoD principle" would be contrary to legislative intent is not explicitly supported by the language of Section 32. The term "optimum" does not necessarily imply a mandate to operate generating stations irrespective of their economic viability, rather, it underscores the need for balancing cost efficiency with technical feasibility.

2.66 Therefore, while technical minimum constraints must be considered in scheduling decisions, the fundamental principle of economic dispatch should not be undermined. Hence, the SLDC, while performing its statutory functions, must ensure that system operations remain aligned with economic efficiency, system security, and grid discipline, in accordance with regulatory frameworks and prevailing market conditions.

2.67 The Commission has already considered technical minimum scheduling while approving the variable cost of power purchase in Truing up of FY 2022-23 and FY 2023-24. Accordingly, the Commission at the time of Truing-up of FY 2025-26 would consider technical minimum scheduling of thermal generating stations based on actual scheduling of generating stations for computation of variable cost by applying month-wise merit order despatch principle.

2.68 Based on the above, month-wise and generating station-wise details of projected availability for FY 2025-26 is shown in the following table:

Table 21 : Month wise energy availability projection for FY 2025-26 (MU)

Particulars	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Total
NTPC Korba	312.91	314.81	299.58	292.06	252.15	282.43	305.59	307.98	326.25	310.73	260.79	299.24	3,564.53
NTPC Korba III	52.74	48.10	26.41	33.80	51.41	51.10	54.24	55.10	55.78	57.20	52.52	52.34	590.75
NTPC Vindyachal I	272.49	263.98	259.40	247.82	233.37	228.85	252.68	270.80	271.09	272.46	245.97	279.56	3,098.48
NTPC Vindyachal II	214.79	219.59	181.37	202.24	203.24	171.12	215.13	195.26	191.43	217.26	210.68	219.16	2,441.27
NTPC Vindyachal III	173.09	177.58	146.65	160.64	154.02	151.80	179.05	178.43	181.05	181.55	145.32	140.12	1,969.31
NTPC Vindyachal IV	181.70	186.76	181.96	163.12	166.92	162.75	164.88	185.43	189.47	181.02	164.52	187.25	2,115.78
NTPC Vindyachal V Unit 1	75.15	94.73	91.33	91.33	89.27	87.31	92.26	95.03	97.80	88.28	52.81	84.52	1,039.80
NTPC Sipat I	128.04	187.71	169.27	182.19	169.58	177.05	179.75	210.57	227.10	227.40	211.73	189.89	2,260.29
NTPC Sipat II	128.41	121.92	110.05	125.75	116.52	113.21	97.75	126.21	130.81	132.37	97.88	118.18	1,419.06
NTPC Mouda I	10.39	9.29	8.70	5.15	5.75	6.81	4.08	9.92	8.45	12.86	13.60	7.95	102.95
NTPC Mouda II Unit 1	15.44	15.41	11.57	11.50	9.07	6.73	3.84	13.17	16.09	22.94	23.42	11.10	160.27
NTPC Auraiya GPP	0.00	0.00	0.00	0.00	0.00	7.55	10.19	0.00	0.00	0.00	0.00	0.00	17.74
NTPC Dadri GPP	0.00	0.00	0.04	0.00	0.09	0.02	0.02	0.00	0.00	0.00	0.00	22.50	22.66
NTPC Anta GPP	0.00	0.00	0.00	0.00	3.95	6.19	0.74	0.00	0.00	0.00	0.00	0.00	10.87
NTPC Kahalgaon II	50.49	51.47	49.52	47.35	45.63	38.81	41.82	53.22	42.08	45.48	54.26	48.76	568.88
KAPP Kakrapar	70.90	71.61	45.41	54.34	72.90	70.34	67.38	63.47	72.63	76.64	70.06	72.20	807.89
KAPP Kakrapar Unit-3	66.40	68.62	66.40	68.62	68.62	66.40	68.62	66.40	68.62	68.62	61.97	68.62	807.89
KAPP Kakrapar Unit-4	66.40	68.62	66.40	68.62	68.62	66.40	68.62	66.40	68.62	68.62	61.97	68.62	807.89
TAPP Tarapur	123.05	143.69	140.73	143.37	147.26	144.99	150.20	144.42	125.85	122.79	107.71	132.24	1,626.30
RAPP Rawabhatta	1.58	1.33	1.73	1.78	1.79	1.57	0.95	1.09	1.19	0.89	0.65	0.98	15.51
NAPP Narora	2.17	1.33	1.86	2.22	2.12	2.13	2.29	1.61	1.69	1.41	1.41	2.72	22.96
NTPC Solapur STPS, Phase-1	164.13	157.13	139.70	136.92	216.68	199.28	169.78	232.08	215.63	268.48	338.97	245.59	2,484.38
NTPC Gadarwara STPS, Unit-1	307.89	280.21	286.22	222.42	245.92	231.59	150.52	287.66	299.00	345.10	311.38	253.78	3,221.71
NTPC Gadarwara STPS, Unit-2	307.89	280.21	286.22	222.42	245.92	231.59	150.52	287.66	299.00	345.10	311.38	253.78	3,221.71
NTPC Lara STPS, Raigarh, Unit I	55.85	61.09	56.82	56.45	49.20	46.21	37.11	49.21	50.45	54.22	57.06	61.31	634.98
NTPC Lara STPS, Raigarh, Unit II	55.85	61.09	56.82	56.45	49.20	46.21	37.11	49.21	50.45	54.22	57.06	61.31	634.98
NTPC Firoz Gandhi Unchahar I	2.68	1.45	1.26	0.53	1.62	0.79	1.35	1.68	0.76	0.30	1.75	3.54	17.71
NTPC Firoz Gandhi Unchahar II	2.10	2.73	1.02	0.90	1.51	0.62	1.24	2.29	0.74	0.45	0.97	1.04	15.61
NTPC Firoz Gandhi Unchahar III	1.52	0.89	0.55	0.36	0.65	0.23	1.01	2.24	0.37	0.15	0.34	0.63	8.94
NTPC Firoz Gandhi Unchahar IV	3.54	2.76	1.26	0.80	1.64	1.03	0.82	0.96	0.17	0.17	0.56	2.00	15.71
NTPC Rihand I	3.04	1.83	3.13	5.59	5.00	4.12	4.84	8.56	8.26	6.88	4.10	1.46	56.82
NTPC Rihand II	2.06	1.61	3.52	5.84	4.92	4.25	2.55	9.44	6.42	2.77	3.80	1.49	48.68
NTPC Rihand III	1.34	1.32	1.92	3.65	2.80	2.02	2.27	1.48	1.24	0.83	0.77	0.82	20.45
NTPC NCTP Dadri II	3.60	1.86	0.58	2.72	4.26	1.90	3.10	1.01	0.53	0.42	0.51	0.59	21.08
NTPC Singrauli	4.29	3.02	4.43	5.92	9.69	14.67	8.78	20.74	17.82	11.57	5.49	2.92	109.35
NTPC IGPS I Jhajjar	3.25	4.00	9.38	4.01	3.32	1.33	4.51	5.62	1.81	1.13	0.42	1.60	40.37

Particulars	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Total
NTPC Khargone STPS, Unit-I	194.00	214.06	164.85	115.86	189.41	188.53	160.03	235.19	225.29	320.74	256.96	228.55	2,493.48
NTPC Khargone STPS, Unit-II	194.00	214.06	164.85	115.86	189.41	188.53	160.03	235.19	225.29	320.74	256.96	228.55	2,493.48
Meja Urja Nigam	0.98	0.75	0.90	0.93	0.89	0.99	0.67	0.80	1.11	0.87	0.68	1.23	10.80
NTPC Tanda Stage-II	2.59	5.84	2.42	0.92	4.19	2.56	4.79	12.49	0.32	0.50	3.01	4.18	43.82
DVC (MTPS & CTPS)	61.20	63.24	61.20	63.24	63.24	61.20	63.24	61.20	63.24	63.24	57.12	63.24	744.60
Amarkantak TPS Ph-III	142.25	146.11	122.18	130.85	70.31	83.82	112.45	143.55	146.22	138.80	137.27	144.72	1,518.52
Satpura TPS Ph-IV	320.64	314.67	300.90	301.26	196.65	220.25	278.15	320.11	311.07	321.63	308.56	324.38	3,518.27
SGTPS Ph-I & II	400.22	355.46	354.30	343.05	294.22	308.94	337.86	394.58	407.85	415.50	377.77	422.98	4,412.72
SGTPS Ph-III	293.09	330.23	323.20	340.96	232.00	227.28	293.76	333.78	328.09	265.98	144.62	281.74	3,394.72
Shri Singaji STPS, Ph-I	765.45	745.64	656.42	527.62	596.13	510.65	713.83	767.62	750.49	776.46	615.96	777.18	8,203.44
Shri Singaji STPS, Ph-2	750.80	833.85	824.82	835.00	495.84	438.29	480.09	873.15	923.53	892.79	772.88	831.46	8,952.50
Rani Awanti Bai Sagar, Bargi HPS	26.69	31.23	29.88	38.11	58.94	59.18	60.89	37.79	21.21	25.89	34.22	24.17	448.20
Bansagar Ph I HPS (Tons)	77.84	78.54	44.09	61.44	100.53	118.39	96.77	100.63	82.30	60.47	53.92	72.68	947.60
Bansagar Ph-II HPS (Silpara)	7.79	8.21	4.55	5.01	3.62	7.39	9.50	10.41	9.19	7.72	6.40	8.60	88.40
Bansagar Ph-III HPS (Deolond)	0.00	0.00	0.00	9.85	24.85	24.85	19.85	19.85	0.00	9.85	0.00	0.00	109.10
Bansagar Ph-IV HPS (Jhinna)	6.27	6.19	3.82	5.15	5.56	9.44	11.67	10.58	12.52	11.56	10.28	10.75	103.80
Birsinghpur HPS	0.02	0.47	0.84	10.25	16.04	15.52	6.30	1.04	0.48	0.23	0.00	0.01	51.20
Marhikheda HPS	0.05	0.00	3.34	6.88	12.31	22.04	11.90	5.00	10.79	4.28	5.41	5.50	87.50
Rajghat HPS	0.07	2.06	0.65	5.34	8.56	9.77	4.81	0.85	4.91	5.68	6.09	2.22	51.01
Gandhisagar HPS	8.13	4.05	2.72	2.46	5.60	10.21	9.46	16.26	18.61	18.91	17.66	19.13	133.20
Ranapratap Sagar & Jawahar Sagar HPS	17.74	6.73	2.06	15.34	26.50	20.04	20.59	43.45	38.50	40.34	39.00	29.93	300.22
Pench HPS	6.88	5.37	5.05	13.08	40.58	39.34	32.94	20.64	11.92	15.48	10.13	6.44	207.85
NHDC Indira Sagar HPS	99.77	113.43	124.77	253.69	601.33	538.91	320.57	139.99	145.76	175.94	205.30	62.44	2,781.90
NHDC Omkareshwar HPS	54.32	59.32	65.51	149.59	276.18	256.90	161.71	65.65	62.86	82.98	99.86	33.31	1,368.18
Sardar Sarovar HPS	52.12	66.45	117.69	201.14	526.66	500.81	394.65	120.78	133.71	127.82	144.10	86.77	2,472.70
Rihand HPS	3.15	4.28	8.72	7.81	13.47	22.45	20.65	2.68	5.59	16.49	11.59	6.72	123.60
Matatila HPS	0.35	2.30	0.28	1.62	5.56	6.17	6.40	3.73	5.62	5.06	5.38	2.96	45.43
SJVN Rampur HPS	0.17	0.31	0.55	0.64	0.66	0.55	0.28	0.17	0.14	0.09	0.06	0.14	3.77
SJVN Jhakri HPS	0.65	1.22	2.14	2.49	2.56	2.15	1.05	0.66	0.52	0.34	0.22	0.54	14.54
Tehri HPS	0.40	0.25	0.22	0.71	1.12	0.90	0.55	0.46	0.60	0.44	0.28	0.52	6.45
Koteshwar HPP	0.18	0.13	0.11	0.28	0.42	0.31	0.19	0.16	0.21	0.17	0.11	0.21	2.47
NHPC Parbati III	0.42	0.54	0.95	1.23	1.18	0.69	0.44	0.26	0.18	0.07	0.01	0.09	6.07
NHPC Chamera II	0.50	0.63	0.90	0.75	0.98	0.71	0.36	0.21	0.17	0.11	0.08	0.32	5.70
NHPC Chamera III	0.26	0.36	0.53	0.54	0.57	0.39	0.17	0.09	0.10	0.04	0.02	0.16	3.23
NHPC Dulhasti	0.50	0.63	0.86	0.72	0.78	0.85	0.69	0.39	0.29	0.17	0.11	0.24	6.25
NHPC Dhauliganga	0.16	0.27	0.48	0.64	0.67	0.52	0.32	0.16	0.11	0.07	0.04	0.10	3.54
NHPC Sewa II	0.28	0.17	0.18	0.20	0.21	0.10	0.08	0.05	0.03	0.02	0.06	0.32	1.70

Particulars	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Total
NHPC Kishanganga	0.69	0.56	0.88	0.95	0.73	0.39	0.20	0.13	0.11	0.05	0.03	0.38	5.09
NTPC Koldam HPP I	0.19	0.36	0.63	0.96	0.97	0.65	0.31	0.19	0.15	0.10	0.07	0.17	4.73
NTPC Singrauli Small HPP	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.09
NHPC Lower Subansiri HEP (Unit-1 to 8)	3.08	4.07	7.21	17.20	31.13	21.49	17.28	10.27	8.22	11.49	8.91	5.75	146.11
NHPC - Rangit	0.00	0.00	7.82	18.65	33.75	23.30	18.74	11.13	8.91	12.46	9.66	6.23	150.67
SAS Hydel Project Pvt Ltd.	0.01	0.00	0.40	2.54	3.54	3.78	1.16	0.07	0.00	0.00	0.00	0.00	11.51
Amhata Hydro Energy Pvt. Ltd.	0.06	0.23	0.23	0.36	0.64	0.35	0.35	0.02	0.44	0.53	0.43	0.63	4.27
Amhata Hydro Energy Pvt. Ltd. - II	0.11	0.14	0.25	0.59	1.07	0.74	0.59	0.35	0.28	0.39	0.31	0.20	5.00
Amhata Hydro Energy Pvt. Ltd. - IV	0.00	0.00	0.00	0.00	0.91	0.63	0.50	0.30	0.24	0.33	0.26	0.17	3.33
Sirmour Small Hydel Pvt. Ltd.	15.94	17.57	15.98	8.52	11.02	14.23	14.41	13.06	16.48	17.10	15.38	17.49	177.17
NVDA Indira sagar LBC HPS	0.00	0.00	0.00	0.00	0.02	0.26	1.38	1.37	1.40	1.43	1.20	0.60	7.66
NVDA Bargi LBC HPS	0.48	1.09	0.09	0.21	1.90	2.78	1.31	0.51	0.03	0.00	0.02	0.00	8.43
Mini & Micro Hydel Plants	0.20	0.09	0.00	0.00	0.56	0.58	0.48	1.11	1.70	1.48	0.90	0.47	7.57
BLA Power	18.76	18.02	17.88	15.79	10.92	14.19	14.89	17.80	19.55	17.54	17.99	16.46	199.78
Jaypee Bina Power	194.79	211.63	212.02	183.10	115.04	157.19	204.17	197.48	211.93	194.45	179.17	222.28	2,283.25
Lanco Amarkantak TPS Unit 1	131.27	137.97	141.12	133.30	134.16	123.27	129.73	132.76	135.57	131.05	124.44	134.82	1,589.47
Reliance UMPP, Sasan	931.53	962.58	931.53	962.58	962.58	931.53	962.58	931.53	962.58	962.58	869.43	962.58	11,333.58
Jaiprakash Power STPS, Nigri	305.62	311.48	311.14	313.48	282.76	288.53	269.54	317.97	257.59	259.58	255.59	310.29	3,483.57
MB Power STPS	289.33	277.53	243.00	174.38	187.49	282.63	267.51	289.06	314.76	294.34	269.30	310.25	3,199.60
Jhabua Power STPS, Unit-1	119.86	123.86	119.86	123.86	123.86	119.86	123.86	119.86	123.86	123.86	111.87	123.86	1,458.32
Renewable Energy (Solar)	789.34	969.15	841.04	774.74	779.12	765.28	862.06	659.33	657.57	681.79	789.57	983.81	9,552.79
Renewable Energy (other than Solar)	684.61	679.18	668.79	519.68	353.38	478.37	566.29	565.67	549.93	566.14	554.58	680.77	6,867.38
Bio Mass/Bio gas/MSW	13.32	13.76	13.32	13.76	13.76	13.32	13.76	13.32	13.76	13.76	12.43	13.76	162.05
Other RPO (Shortfall)	370.22	367.29	361.67	281.03	191.10	258.69	306.24	305.90	297.39	306.16	299.90	368.14	3,713.74
ESO (Shortfall)	100.46	99.66	98.14	76.26	51.85	70.20	83.10	83.01	80.70	83.08	81.38	99.90	1,007.71
Total	**10,325.00**	**10,721.05**	**10,101.17**	**9,819.31**	**10,064.58**	**10,101.24**	**10,193.67**	**10,656.15**	**10,640.64**	**10,987.45**	**10,116.79**	**10,839.33**	**1,24,566.38**

Assessment of Power Purchase Cost

Petitioners' Submission

2.69 Details of the fixed cost and energy charges of MPPMCL allocated stations as submitted by the Petitioners are mentioned in the table below:

Table 22 : Fixed cost and Energy charges of MPPMCL allocated stations as submitted by the Petitioners for FY 2025-26

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
1	Amarkantak TPS Ph-III	164	MPERC MYT Order dated 19.05.2021 in respect of MP Genco Plants for FY 2019-20 to FY 2023-24 in P.no. 53 of 2020	2.1	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
2	Satpura TPS Ph-IV	604		2.89	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
3	SGTPS Ph-I & II	457		3.04	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
4	SGTPS Ph-III	309		2.72	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
5	Shri Singaji STPS Phase-I	1,247		3.37	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
6	Shri Singaji STPS Phase-II	1,315		3.15	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
7	Rani Awanti Bai Sagar, Bargi HPS	9	MPERC MYT Order dated 19.05.2021 in respect of MP Genco Plants for FY 2019-20 to FY 2023-24 in P.no. 53 of 2020	0.59	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
8	Bansagar Ph I HPS (Tons)	60		0.88	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
9	Bansagar Ph-II HPS (Silpara)	6		0.66	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
10	Bansagar Ph-III HPS (Deolond)	13		1.07	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
11	Bansagar Ph-IV HPS (Jhinna)	5		0.73	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
12	Birsinghpur HPS	3		0.99	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
13	Madikheda HPS	10		2.28	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
14	Rajghat HPS	7		1.28	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
15	Gandhisagar HPS	2		1.01	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
16	Ranapratap Sagar HPS	0		1.51	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
17	Jawahar Sagar HPS	0		1.51	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
18	Pench HPS	11		0.53	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
19	NHDC Indira Sagar HPS	270	Based on bills for period Aug-23 to July-24	1.85	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
20	NHDC Omkareshwar HPS	170	Based on bills for period Aug-23 to July-24	2.24	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
21	NVDA Sardar Sarovar HPS	163	Based on bills for period Aug-23 to July-24	0.82	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
22	Rihand HPS	0	-	0.4	As Approved by the Hon'ble Commission in Tariff Order of FY 2024-25
23	Matatila HPS	0	-	0.4	As Approved by the Hon'ble Commission in Tariff Order of FY 2024-25
24	SJVN Rampur HPS	1	CERC Ord dtd. 24-01-2022 in P.no. 28/GT/2020 for 01.04.2019 to 31.03.2024	2.17	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
25	SJVN Jhakri HPS	3	CERC Order dtd. 04.04.2023 in P.no. 27/RP/2021 for 01.04.2019 to 31.03.2024_review of ord in 30/GT/2020	1.22	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
26	Tehri HPS	2	CERC Order dtd. 13-05-2022 in P.no. 97/GT/2020 for 01.04.2019 to 31.03.2024	2.14	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
27	Koteshwar HPP	1	CERC Ord dtd. 03.10.2022 in P.no. 244/GT/2020 for 01.04.2019 to 31.03.2024	3.04	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
28	NHPC Parbati III	2	CERC Ord dtd. 31.03.2024 in P.no. 96/GT/2020 for 01.04.2019 to 31.03.2024	1.41	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
29	NHPC Chamera II	1	CERC Ord dtd. 06.01.2024 in P.no. 291/GT/2020 for 01.04.2019 to 31.03.2024	1.15	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
30	NHPC Chamera III	1	CERC ROrd dtd. 12.07.2024 in P.no. 26/RP/2023 for 01.04.2019 to 31.03.2024_revision of ord in 642/GT/2020	2.09	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
31	NHPC Dulhasti	3	CERC Ord dtd. 09.05.2022 in P.no. 146/RP/2020 for 01.04.2019 to 31.03.2024	2.83	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
32	NHPC Dhauliganga	1	CERC Ord dtd. 18-08-2022 in P.no. 284/GT/2020 for 01.04.2019 to 31.03.2024	1.42	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
33	NHPC Sewa II	1	CERC TuPOrd dtd. 17.08.2023 in P.no.	2.34	Energy Charge as per Weighted Avg of past 12

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
			643/GT/2020 for 01.04.2019 to 31.03.2024		months Bills (Aug-23 to July-24)
34	NHPC Kishanganga	3	CERC TuPOrd dtd. 12.01.2024 in P.no. 453/GT/2020 for 01.04.2024 to 31.03.2024	2.47	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
35	NTPC Koldam HPP I	2	CERC Ord dtd. 14.01.2024 in P.no. 412/GT/2020 for 01.04.2019 to 31.03.2024	1.97	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
36	NTPC Singrauli Small HPP	0		5.04	As per Generic Tariff Order
37	NHPC Lower Subansiri HEP Units	0		5.09	As per Generic Tariff Order
38	NHPC - Rangit	0		4.37	As per Agreement with Geneator
39	SAS Hydel Project Pvt Ltd.	0		5.36	As per Agreement with Geneator
40	Amhata Hydro Energy Pvt. Ltd.	0		5.97	As per Generic Tariff Order
41	Amhata Hydro Energy Pvt. Ltd. - II	0		5.97	As per Generic Tariff Order
42	Amhata Hydro Energy Pvt. Ltd. - IV	0		5.97	As per Generic Tariff Order
43	Sirmour Small Hydel Pvt. Ltd.	0		5.97	As per Generic Tariff Order
44	NVDA Indira Sagar LBC HPS	0		2.4	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
45	NVDA Bargi LBC HPS	0		2.6	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
46	Mini & Micro Hydel Plants	0		2.53	As per MPERC Tariff Order
47	NTPC Korba	248	CERC ROrd dtd. 07.12.2022 in P.no. 22/RP/2022 for 01.04.2019 to 31.03.2024_review of order in 486/GT/2020	1.6	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
48	NTPC Korba III	56	CERC Ord dtd. 23.03.2022 in P.no. 419/GT/2020 for 01.04.2019 to 31.03.2024	1.59	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
49	NTPC Vindyachal I	270	CERC ROrd dtd. 17.03.2023 in P.no. 11/RP/2022 for 01.04.2019 to 31.03.2024_review of order in P-401/GT/2020	1.89	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
50	NTPC Vindyachal II	170	CERC Ord dtd. 10.06.2022 in P.no. 485/GT/2014 for 01.04.2019 to 31.03.2024	1.81	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
51	NTPC Vindyachal III	178	CERC TuPOrd 17.03.2023 in P.no. 285/GT/2020 for 01.04.2014 to 31.03.2019	1.79	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
52	NTPC Vindyachal IV	322	CERC Order dtd. 05.01.2024 in P.no. 422/GT/2020 for 01.04.2019 to 31.03.2024	1.9	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
53	NTPC Vindyachal V Unit 1	163	CERC Ord 15.06.2023 in P.no. 415/GT/2020 for 01.04.2019 to 31.03.2024	1.84	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
54	NTPC Sipat I	280	CERC Ord dtd. 06.06.2022 in P.no. 425/GT/2020 for 01.04.2019 to 31.03.2024	1.72	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
55	NTPC Sipat II	125	CERC Ord dtd. 06.06.2022 in P.no. 435/GT/2020	1.76	Energy Charge as per Weighted Avg of past 12

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
			for 01.04.2019 to 31.03.2024		months Bills (Aug-23 to July-24)
56	NTPC Mouda I	17	CERC ROrd dtd.01.05.2024 in P.no.10/RP/2023 for 01.04.2014 to 31.03.2019_review order in 393/GT/2020	4.97	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
57	NTPC Mouda II Unit 1	25	CERC Ord dtd. 04.03.2023 in P.no. 423/GT/2020 for 01.04.2029 to 31.03.2024	3.52	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
58	NTPC Solapur STPS	458	CERC Ord dtd. 02.08.2024 in P.no. 246/GT/2021 for 01.04.2019 to 31.03.2024	4.9	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
59	NTPC Gadarwara STPS, Unit-1	538	As per bills for period Aug-23 to Jul-24	3.73	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
60	NTPC Lara STPS, Raigarh, Unit I	283	CERC Ord dtd. 02.08.2024 in P.no. 145/GT/2019 for 01.10.2019 to 31.03.2024	1.56	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
61	NTPC Khargone STPS, Unit-I & II	994	CERC Ord dtd. 26.07.2023 in P.no. 402/GT/2019 for 01.02.2020 to 31.03.2024	3.92	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
62	KAPP Kakrapar (including new capacity addition)	0	-	4.08	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
63	TAPP Tarapur	0	-	3.52	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
64	NTPC Gadarwara STPS, Unit-2	538	As per bills for period Aug-23 to Jul-24	3.73	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
65	NTPC Kahalgaon II	48	CERC Ord 29.03.2023 in P.no. 442/GT/2020 for 01-04-2019 to 31-03-2024	2.8	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
66	DVC (MTPS & CTPS)	96	As per LOI	3.87	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
67	NTPC Auraiya GPP	1	CERC Ord dtd. 31.05.2023 in P.no. 428/GT/2020 for 01-04-2019 to 31-03-2024	8.76	As per Tariff Order of FY 2024-25
68	NTPC Dadri GPP	1	CERC Ord dtd. 13-11-2021 in P.no. 400/GT/2020 for 01-04-2019 to 31-03-2024	2.65	As per Tariff Order of FY 2024-25
69	NTPC Anta GPP	1	CERC Ord dtd. 05.09.2023 in P.no. 432/GT/2020 for 01.04.2019 to 31.03.2024	3.09	As per Tariff Order of FY 2024-25
70	NTPC Firoz Gandhi Unchahar I	0	CERC Ord dtd. 07.10.2022 in P.no. 431/GT/2020 for 01.04.2019 to 31.03.2024	4.51	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
71	NTPC Firoz Gandhi Unchahar II	0	CERC Ord dtd. 12-12-2021 in P.no. 438/GT/2020 for 01.04.2019 to 31.03.2024	3.86	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
72	NTPC Firoz Gandhi Unchahar III	0	CERC Ord dtd. 07.10.2022 in P.no. 427/GT/2020 for 01.04.2019 to 31.03.2024	4.25	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
73	NTPC Firoz Gandhi Unchahar IV	1	CERC Ord dtd. 29.03.2023 in P.no. 3/GT/2021 for	4.23	Energy Charge as per Weighted Avg of past 12

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
			01-04-2019 to 31.03.2024		months Bills (Aug-23 to July-24)
74	NTPC Rihand TPS-I	0	CERC Ord dtd. 15.09.2023 in P.no. 433/GT/2020 for 01.04.2019 to 31.03.2024	1.16	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
75	NTPC Rihand TPS-II	0	CERC ROrd dtd. 26.09.2023 in P.no. 34/RP/2022 for 01-04-2019 to 31-03-2024_review of ord in 426/GT/2020	1.44	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
76	NTPC Rihand TPS-III	1	CERC Ord dtd. 27.12.2023 in P.no. 430/GT/2020 for 01-04-2019 to 31-03-2024	1.33	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
77	NTPC NCTP Dadri II	1	CERC Ord 01-06-2022 in P.no. 2/GT/2021 for 01-04-2019 to 31-03-2024	4.2	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
78	NTPC Singrauli	1	CERC Ord dtd. 05.09.2023 in P.no. 424/GT/2020 for 01-04-2019 to 31-03-2024	1.08	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
79	NTPC IGPS I Jhajjar	3	CERC Order dtd. 22.09.2022 in P.no. 489/GT/2020 for 01-04-2019 to 31-03-2024	4.34	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
80	MEJA Urja Nigam	1	CERC Ord dtd. 19.05.2024 in P.no. 183/GT/2022 for 30.04.2019 to 31.03.2024	2.4	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
81	NTPC Tanda	0	CERC Ord dtd. 17.04.2024 in P.no. 445/GT/2020 for 01.10.2019 to 31.03.2024	2.82	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
82	Rajasthan (NPCIL)	0	Tariff @ Rs 2.9914 as DAE Notification dtd 22.03.2018 for 01.04.2017 to 31.03.2022	3.92	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
83	NARORA (NPCIL)	0	Tariff @ Rs 3.3439 as DAE Notification dtd 22.03.2018 for 01.04.2017 to 31.03.2022	2.98	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
84	Torrent Power	17	CERC Ord dtd 20.08.2020 in P.no. 268/GT/2019 for 01.04.2019 to 31.03.2024	8.01	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
85	BLA Power, Unit-I & II	42	MPERC Ord dtd 13-06-2023 in P.no. 14/2023 for FY 2019-20 to FY 2023-24	4.03	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
86	Jaypee Bina Power	445	MPERC Ord dtd 30-04-2021 in P.no. 44/2020 for FY 2019-20 to FY 2023-24	3.63	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
87	Lanco Amarkantak TPS Unit 1	264	MPERC Ord dtd 24-08-2021 in P.no. 60/2020 for FY 2014-15 to FY 2018-19	2.13	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
88	Reliance UMPP, Sasan	149	MPERC Ord dtd 08-05-2021 in P.no. 47/2020 for FY 2019 to FY 2024	1.29	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
89	Essar Power STPS	0		2.9	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
90	Jaiprakash Power STPS, Nigri	602	MPERC Ord dtd 03-05-2021 in P.no. 43/2020 for FY 2019 to FY 2024	0.78	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
91	MB Power STPS, Unit-I	257	MPERC Ord dtd 01-05-2021 in P.no. 46/2020 for	2.96	Energy Charge as per Weighted Avg of past 12

Sr. No.	Source	Fixed Charge (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
			FY 2019 to FY 2024		months Bills (Aug-23 to July-24)
92	MB Power STPS, Unit-II	257	MPERC Ord dtd 01-05-2021 in P.no. 46/2020 for FY 2019 to FY 2024	2.96	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
93	Jhabua Power STPS, Unit-1	263	MPERC Ord dtd 08-05-2021 in P.no. 47/2020 for FY 2019 to FY 2024	1.68	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24)
94	Renewable Energy (Solar)				
95	Renewable Energy (other than Solar)	0		3.33	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24) and expected rates for future capacity addition
96	Bio-Mass/Bio gas/MSW	0		4.36	Energy Charge as per Weighted Avg of past 12 months Bills (Aug-23 to July-24) and expected rates for future capacity addition

2.70 For determination of power purchase expenses, the Petitioners have applied the principle of Merit Order Dispatch (MOD) duly considering the Technical Minimum Run on the basis of energy charges. The Merit Order Dispatch (MOD) applied for FY 2025-26 as submitted by the Petitioners is given in the following table:

Table 23 : MOD for FY 2025-26 as submitted by the Petitioners

Sr. No	Must Run Sources	Variable Charge (Paisa/kWh)	Rank	MOD Stations	Variable Charge (Paisa/kWh)
1	Matatila HPS	0.40	1	Jaiprakash Power STPS, Nigri	0.78
2	Rihand HPS	0.40	2	NTPC Singrauli	1.08
3	Pench HPS	0.53	3	NTPC Rihand TPS-I	1.16
4	Rani Awanti Bai Sagar, Bargi HPS	0.59	4	Reliance UMPP, Sasan	1.29
5	Bansagar Ph-II HPS (Silpara)	0.66	5	NTPC Rihand TPS-III	1.33
6	Bansagar Ph-IV HPS (Jhinna)	0.73	6	NTPC Rihand TPS-II	1.44
7	NVDA Sardar Sarovar HPS	0.82	7	NTPC Lara STPS, Raigarh, Unit I	1.56
8	Bansagar Ph I HPS (Tons)	0.88	8	NTPC Korba III	1.59
9	Birsinghpur HPS	0.99	9	NTPC Korba	1.60
10	Gandhisagar HPS	1.01	10	Jhabua Power STPS, Unit-1	1.68
11	Bansagar Ph-III HPS (Deolond)	1.07	11	NTPC Sipat I	1.72
12	NHPC Chamera II	1.15	12	NTPC Sipat II	1.76
13	SJVN Jhakri HPS	1.22	13	NTPC Vindyachal III	1.79
14	Rajghat HPS	1.28	14	NTPC Vindyachal II	1.81
15	NHPC Parbati III	1.41	15	NTPC Vindyachal V Unit 1	1.84
16	NHPC Dhauliganga	1.42	16	NTPC Vindyachal I	1.89
17	Jawahar Sagar HPS	1.51	17	NTPC Vindyachal IV	1.90
18	Ranapratap Sagar HPS	1.51	18	Amarkantak TPS Ph-III	2.10
19	NHDC Indira Sagar HPS	1.85	19	Lanco Amarkantak TPS Unit 1	2.13
20	NTPC Koldam HPP I	1.97	20	MEJA Urja Nigam	2.40
21	NHPC Chamera III	2.09	21	NTPC Dadri GPP	2.65
22	Tehri HPS	2.14	22	SGTPS Ph-III	2.72
23	SJVN Rampur HPS	2.17	23	NTPC Kahalgaon II	2.80
24	NHDC Omkareshwar HPS	2.24	24	NTPC Tanda	2.82
25	Madikheda HPS	2.28	25	Satpura TPS Ph-IV	2.89
26	NHPC Sewa II	2.34	26	Essar Power STPS	2.90
27	NVDA Indira sagar LBC HPS	2.40	27	MB Power STPS, Unit-I	2.96
28	NHPC Kishanganga	2.47	28	MB Power STPS, Unit-II	2.96
29	Mini & Micro Hydel Plants	2.53	29	SGTPS Ph-I & II	3.04
30	NVDA Bargi LBC HPS	2.60	30	NTPC Anta GPP	3.09
31	NHPC Dulhasti	2.83	31	Shri Singaji STPS Phase-II	3.15
32	NARORA (NPCIL)	2.98	32	Shri Singaji STPS Phase-I	3.37
33	Koteshwar HPP	3.04	33	NTPC Mouda II Unit 1	3.52
34	Renewable Energy (Solar)	3.33	34	Jaypee Bina Power	3.63
35	TAPP Tarapur	3.52	35	NTPC Gadarwara STPS, Unit-2	3.73
36	Rajasthan (NPCIL)	3.92	36	NTPC Gadarwara STPS, Unit-1	3.73
37	KAPP Kakrapar	4.08	37	NTPC Firoz Gandhi Unchahar II	3.86
38	Renewable Energy (other than Solar)	4.36	38	DVC (MTPS & CTPS)	3.87
39	NHPC - Rangit	4.37	39	NTPC Khargone STPS, Unit-I & II	3.92
40	NTPC Singrauli Small HPP	5.04	40	BLA Power, Unit-I & II	4.03
41	NHPC Lower Subansiri HEP Units	5.09	41	NTPC NCTP Dadri II	4.20
42	SAS Hydel Project Pvt Ltd.	5.36	42	NTPC Firoz Gandhi Unchahar IV	4.23
43	Amhata Hydro Energy Pvt. Ltd.	5.97	43	NTPC Firoz Gandhi Unchahar III	4.25
44	Sirmour Small Hydel Pvt. Ltd.	5.97	44	NTPC IGPS I Jhajjar	4.34
45	Amhata Hydro Energy Pvt. Ltd. - II	5.97	45	NTPC Firoz Gandhi Unchahar I	4.51
46	Amhata Hydro Energy Pvt. Ltd. - IV	5.97	46	NTPC Solapur STPS	4.90

Sr. No	Must Run Sources	Variable Charge (Paisa/kWh)	Rank	MOD Stations	Variable Charge (Paisa/kWh)
47	Bio Mass/Bio gas/MSW	7.65	47	NTPC Mouda I	4.97
			48	Torrent Power	8.01
			49	NTPC Auraiya GPP	8.76

2.71 The table below shows generating station-wise details of fixed costs and energy costs for FY 2025-26 as submitted by the Petitioners:

Table 24 : Fixed Charges and Energy Charges as Claimed by Petitioners for FY 2025-26 (Rs. Crore)

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
1	Amarkantak TPS Ph-III	163.59	272.5	436.09
2	Satpura TPS Ph-IV	603.99	837.92	1,441.91
3	SGTPS Ph-I & II	457.03	917.47	1,374.50
4	SGTPS Ph-III	309.32	794.96	1,104.28
5	Shri Singaji STPS Phase-I	1,246.84	1,707.21	2,954.05
6	Shri Singaji STPS Phase-II	1,314.60	1,828.26	3,142.86
7	Rani Awanti Bai Sagar, Bargi HPS	9.26	26.55	35.82
8	Bansagar Ph I HPS (Tons)	60.13	83	143.13
9	Bansagar Ph-II HPS (Silpara)	5.89	5.86	11.75
10	Bansagar Ph-III HPS (Deolond)	12.6	11.65	24.25
11	Bansagar Ph-IV HPS (Jhinna)	4.94	7.54	12.48
12	Birsinghpur HPS	3.14	5.05	8.2
13	Madikheda HPS	9.54	19.94	29.48
14	Rajghat HPS	6.6	6.53	13.13
15	Gandhisagar HPS	2.17	13.5	15.67
16	Ranapratap Sagar HPS	0	24.48	24.48
17	Jawahar Sagar HPS	0	20.86	20.86
18	Pench HPS	10.93	11	21.93
19	NHDC Indira Sagar HPS	270.17	506.85	777.01
20	NHDC Omkareshwar HPS	170.12	311.33	481.46
21	NVDA Sardar Sarovar HPS	163.24	156.58	319.82
22	Rihand HPS	0	2.58	2.58
23	Matatila HPS	0	1.33	1.33
24	SJVN Rampur HPS	1.5	0.53	2.03
25	SJVN Jhakri HPS	3.35	1.17	4.52
26	Tehri HPS	2.48	1.36	3.84
27	Koteshwar HPP	1.33	0.77	2.11
28	NHPC Parbati III	1.68	0.47	2.15
29	NHPC Chamera II	1.38	0.41	1.79
30	NHPC Chamera III	1.36	0.48	1.84
31	NHPC Dulhasti	2.82	1.1	3.92
32	NHPC Dhauliganga	0.92	0.4	1.32
33	NHPC Sewa II	0.74	0.28	1.02
34	NHPC Uri II	0	0	0
35	NHPC Kishanganga	2.57	0.81	3.38
36	NTPC Koldam HPP I	1.98	0.69	2.67

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
37	NTPC Singrauli Small HPP	0	0.04	0.04
38	NHPC Lower Subansiri HEP Units	0	74.37	74.37
39	NHPC -Tiesta	0	0	0
40	NHPC - Rangit	0	65.84	65.84
41	SAS Hydel Project Pvt Ltd.	0	6.16	6.16
42	Amhata Hydro Energy Pvt. Ltd.	0	2.55	2.55
43	Amhata Hydro Energy Pvt. Ltd. - II	0	2.99	2.99
44	Amhata Hydro Energy Pvt. Ltd. - IV	0	1.99	1.99
45	Sirmour Small Hydel Pvt. Ltd.	0	105.77	105.77
46	NVDA Indira sagar LBC HPS	0	1.84	1.84
47	NVDA Bargi LBC HPS	0	2.19	2.19
48	Mini & Micro Hydel Plants	0	1.91	1.91
49	NTPC Korba	247.63	561.57	809.2
50	NTPC Korba III	56.23	83.59	139.82
51	NTPC Vindyachal I	269.59	527.06	796.65
52	NTPC Vindyachal II	170.01	404.79	574.81
53	NTPC Vindyachal III	178.12	314.68	492.8
54	NTPC Vindyachal IV	321.54	375.16	696.7
55	NTPC Vindyachal V Unit 1	163.17	175.85	339.02
56	NTPC Sipat I	279.66	371.11	650.76
57	NTPC Sipat II	124.76	237.95	362.71
58	NTPC Mouda I	17.04	22.77	39.81
59	NTPC Mouda II Unit 1	25.17	35.59	60.76
60	NTPC Solapur STPS	457.59	542.46	1,000.05
61	NTPC Gadarwara STPS, Unit-1	537.76	729.36	1,267.12
62	NTPC Lara STPS, Raigarh, Unit I & II	282.75	195.25	478
63	NTPC Khargone STPS, Unit-I & II	993.52	1,045.86	2,039.39
64	NTPC Kawas GPP	0	0	0
65	NTPC Gandhar GPP	0	0	0
66	KAPP Kakrapar	0	961.45	961.45
67	TAPP Tarapur	0	521.13	521.13
68	NTPC Gadarwara STPS, Unit-2	537.76	729.36	1,267.12
69	NTPC Kahalgaon II	47.8	116.14	163.95
70	DVC (MTPS & CTPS)	96.1	172.09	268.19
71	NTPC Auraiya GPP	1.36	13.77	15.13
72	NTPC Dadri GPP	1.2	9.26	10.46
73	NTPC Anta GPP	0.7	4.72	5.42
74	NTPC Firoz Gandhi Unchahar I	0.09	1.44	1.53
75	NTPC Firoz Gandhi Unchahar II	0.3	5.66	5.97
76	NTPC Firoz Gandhi Unchahar III	0.16	2.03	2.19
77	NTPC Firoz Gandhi Unchahar IV	0.56	5.02	5.58
78	NTPC Rihand TPS-I	0.45	5.03	5.48
79	NTPC Rihand TPS-II	0.47	6.44	6.91
80	NTPC Rihand TPS-III	0.99	6.76	7.75
81	NTPC NCTP Dadri II	0.74	8.98	9.72
82	NTPC Singrauli	0.85	9.87	10.72
83	NTPC IGPS I Jhajjar	3.05	8.02	11.07

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
84	MEJA Urja Nigam	0.6	3.2	3.8
85	NTPC Tanda	0.23	5.02	5.25
86	Rajasthan (NPCIL)	0	6.08	6.08
87	NARORA (NPCIL)	0	6.85	6.85
88	Torrent Power	17.49	77.52	95.01
89	BLA Power, Unit-I & II	41.95	13.84	55.79
90	Jaypee Bina Power	445.47	471.48	916.95
91	Lanco Amarkantak TPS Unit 1	264.22	275.8	540.02
92	Reliance UMPP, Sasan	149.31	1,376.59	1,525.90
93	Essar Power STPS	0	34.47	34.47
94	Jaiprakash Power STPS, Nigri	601.82	271.94	873.76
95	MB Power STPS, Unit-I	256.7	349.01	605.71
96	MB Power STPS, Unit-II	256.7	323.36	580.06
97	Jhabua Power STPS, Unit-1	263.03	235.56	498.58
98	PFCCL	0	0	0
99	Renewable Energy (Solar)	0	3,178.91	3,178.91
100	Renewable Energy (other than Solar)	0	2,996.08	2,996.08
101	Bio-Mass/Bio gas/MSW	0	123.99	123.99
102	IEX/Short Term Purchase		38.58	38.58
103	**Total**	**11,961.05**	**25,845.59**	**37,806.64**

Commission's Analysis

2.72 The Commission observed that the Petitioners have considered actual energy charges as per bills for the period from August, 2023 to July, 2024 and fixed charges as per MYT Orders/based on actual bills for the period from August, 2023 to July, 2024 approved by this Commission and CERC for claiming power purchase cost for FY 2025-26.

2.73 The Commission has considered fixed and energy charges for the generating station for FY 2025-26 based on following approach: -

Determination of Energy Cost

Central, State and IPPs Thermal/Hydro Generating Stations

2.74 The Commission has considered energy charges for the Thermal/Hydro generating stations as per actuals during the period from August, 2023 to July, 2024 as submitted by the Petitioners for FY 2025-26.

Renewable Sources

2.75 The Commission has considered rate of power purchase from Wind, HPO and Other energy sources, as the weighted average purchase rates as per the PPAs/Petitioners submissions. However, for fulfilment of Other RPO shortfall, additional power procurement has been considered at the rate of Rs. 4.96/kWh i.e., average rate discovered in G-DAM in IEX during the period January, 2024 to December, 2024. For fulfilment of ESO shortfall, additional power procurement has been considered at the rate of Rs. 7/kWh as submitted by Petitioners.

Determination of Fixed Cost

Central, State and IPPs Generating Stations

2.76 For Central/Inter-State Generating Stations (Thermal and Hydro), the Commission has considered latest available MYT Orders issued by CERC for individual stations.

2.77 For MPPGCL stations (Thermal and Hydro), the Fixed Charges have been considered in accordance with latest available MYT Orders issued by the Commission.

2.78 The Commission has considered fixed costs of IPPs for which tariff is determined by the Commission, based on the latest available MYT Order or the PPA.

2.79 For new generating stations for which tariffs are yet to be determined/admitted by the appropriate Commission, the Fixed Charges have been considered based on actual bills of previous one year or as per Petitioners' submission.

2.80 On the basis of the above considerations, the Fixed and Energy Charges considered for FY 2025-26 is shown in the table below:

Table 25: Basis of Fixed and Energy Charges considered for the generating stations for FY 2025-26

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
1	NTPC Korba	1,102	CERC Order Dated 07-12-2024 in review of Petition No. 486/GT/2020 for 1.4.2019 to 31.3.2024.	1.60	As Per Petitioner submission
2	NTPC Korba III	395	CERC Order dated 23rd March, 2022 in Petition No. 419/GT/2020 for 1.4.2019 to 31.3.2024	1.59	As Per Petitioner submission
3	NTPC Vindyachal I	783	CERC Order dated 17-03-2023 in review of P.no. 401/GT/2020 for 01-04-2019 to 31-03-2024	1.89	As Per Petitioner submission
4	NTPC Vindyachal II	545	CERC Order 10th June, 2022 in Petition No. 485/GT/2020 for 1.4.2019 to 31.3.2024	1.81	As Per Petitioner submission
5	NTPC Vindyachal III	747	CERC Order 18-01-2023 in P.no. 285/GT/2020 for True-up of FY 2014 to 2019	1.79	As Per Petitioner submission
6	NTPC Vindyachal IV	1,175	CERC Order dated 05-01-2024 in P.no. 422/GT/2020 for 01-04-2019 to 31-03-2024	1.90	As Per submission of Petitioner
7	NTPC Vindyachal V Unit 1	598	CERC Order dated 15-06-2023 in P.no. 415/GT/2020 for 30-10-2019 to 31-03-2024	1.84	As Per submission of Petitioner
8	NTPC Sipat I	1,745	CERC Order 6th June, 2022 in Petition No. 425/GT/2020 for 1.4.2019 to 31.3.2024.	1.72	As Per submission of Petitioner
9	NTPC Sipat II	691	CERC Order dated 4th June, 2022 in Petition No. 435/GT/2020 for 1.4.2019 to 31.3.2024	1.76	As Per submission of Petitioner
10	NTPC Mouda I	1,318	CERC Order dated 01.05.2024 in review of Petition No. 393/GT/2020 for 1.4.2019 to 31.3.2024	4.97	As Per submission of Petitioner
11	NTPC Mouda II Unit 1	1,465	CERC Order 04-03-2023 in P.no. 423/GT/2020 for FY 1.4.2019 to 31.03.2024	3.52	As Per submission of Petitioner
12	NTPC Auraiya GPP	374	CERC Order 31st May, 2023 in P.no. 428/GT/2020 for 01-04-2019 to 31-03-2024	8.76	As Per submission of Petitioner
13	NTPC Dadri GPP	318	CERC Order 13th November, 2021 in Petition No. 400/GT/2020 for 1.4.2019 to 31.3.2024	2.65	As Per submission of Petitioner
14	NTPC Anta GPP	220	CERC Order dated 18.01.2024 in P.no. 369/GT/2020 for 01.04.2019 to 31.03.2024	3.09	As Per submission of Petitioner
15	NTPC Kahalgaon II	969	CERC Order 29th March, 2023 in P.no. 442/GT/2020 for the period 2019-24	2.80	As Per submission of Petitioner
16	KAPP Kakrapar	0		4.08	As Per submission of Petitioner
17	KAPP Kakrapar Unit-3	0		4.08	As Per submission of Petitioner

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
18	KAPP Kakrapar Unit-4	0		4.08	As Per submission of Petitioner
19	TAPP Tarapur	0		3.52	As Per submission of Petitioner
20	RAPP Rawabhatta	0		3.92	As Per submission of Petitioner
21	NAPP Narora	0		2.98	As Per submission of Petitioner
22	NTPC Solapur STPS, Phase-1	1,895	CERC Order dated 02.08.2024 in P.no. 246/GT/2021 for 01.04.2019 to 31.03.2024	4.90	As Per submission of Petitioner
23	NTPC Gadarwara STPS, Unit-1	1,155	CERC Order dated 20.03.2025 in P.no. 181/GT/2019 for 01.06.2019 to 31.03.2024	3.73	As Per submission of Petitioner
24	NTPC Gadarwara STPS, Unit-2	1,155	CERC Order dated 20.03.2025 in P.no. 181/GT/2019 for 01.06.2019 to 31.03.2024	3.73	As Per submission of Petitioner
25	NTPC Lara STPS, Raigarh, Unit I	1,293	CERC Order dated 02.08.2024 in P.no. 145/GT/2019 for 1.10.2019 to 31.3.2024	1.56	As Per submission of Petitioner
26	NTPC Lara STPS, Raigarh, Unit II	1,293	Same as Fixed Charges for Lara Unit-1	1.56	As Per submission of Petitioner
27	NTPC Firoz Gandhi Unchahar I	298	CERC Order dated 7th October, 2022 in Petition No. 431/GT/2020 from 1.4.2019 to 31.3.2024	4.51	As Per submission of Petitioner
28	NTPC Firoz Gandhi Unchahar II	316	CERC Order dated 12th December, 2021 in Petition No. 438/GT/2020	3.86	As Per submission of Petitioner
29	NTPC Firoz Gandhi Unchahar III	172	CERC Order dated 7th October, 2022 in Petition No. 427/GT/2020 from 1.4.2019 to 31.3.2024.	4.25	As Per submission of Petitioner
30	NTPC Firoz Gandhi Unchahar IV	582	CERC Order dated 23rd March, 2023 in Petition No. 3/GT/2021	4.23	As Per submission of Petitioner
31	NTPC Rihand I	569	CERC Order dated 15th September, 2023 in P. No. 433/GT/2020	1.16	As Per submission of Petitioner
32	NTPC Rihand II	547	CERC Order date 26th September, 2023 in Petition No. 426/GT/2020	1.44	As Per submission of Petitioner
33	NTPC Rihand III	1,031	CERC Order dated 27th December, 2023 in P.no. 430/GT/2020 for 01-04-2019 to 31-03-2024	1.33	As Per submission of Petitioner
34	NTPC NCTP Dadri II	847	CERC Order 01-06-2022 in P.no. 2/GT/2021 for 01-04-2019 to 31-03-2024	4.20	As Per submission of Petitioner
35	NTPC Singrauli	1,059	CERC Order 5th September, 2023 in P.no. 424/GT/2020 for the period 2019-24	1.08	As Per submission of Petitioner

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
36	NTPC IGPS I Jhajjar	1,647	CERC Order 22-09-2022 in P.no. 489/GT/2020 for 01-04-2019 to 31-03-2022	4.34	As Per submission of Petitioner
37	NTPC Khargone STPS, Unit-I	962	CERC Order dtd. 26-07-2023 in P.no. 402/GT/2019 for 01.02.2020 (CoD Unit-I) to 31.3.2024	3.92	As Per submission of Petitioner
38	NTPC Khargone STPS, Unit-II	962	'CERC Order dtd. 26-07-2023 in P.no. 402/GT/2019 for 01.02.2020 (CoD Unit-I) to 31.3.2024	3.92	As Per submission of Petitioner
39	Meja Urja Nigam	2,073	CERC Order dated 19.05.2024 in P.no. 183/GT/2022 for 30.4.2019 to 31.3.2024	2.40	As Per submission of Petitioner
40	NTPC Tanda Stage-II	363	CERC Order dated 17.04.2024 in P.no. 445/GT/2020 for 01.04.2019 to 31.03.2024	2.82	As Per submission of Petitioner
41	DVC (MTPS & CTPS)	1,945	Prorated Fixed Charges based on actual bills for FY 2023-24	3.87	As Per submission of Petitioner
42	Amarkantak TPS Ph-III	174	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.10	As Per submission of Petitioner
43	Satpura TPS Ph-IV	610	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.89	As Per submission of Petitioner
44	SGTPS Ph-I & II	554	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	3.04	As Per submission of Petitioner
45	SGTPS Ph-III	318	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.72	As Per submission of Petitioner
46	Shri Singaji STPS, Ph-I	1,097	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	3.37	As Per submission of Petitioner
47	Shri Singaji STPS, Ph-2	1,176	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	3.15	As Per submission of Petitioner
48	Rani Awanti Bai Sagar, Bargi HPS	19	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.59	As Per submission of Petitioner
49	Bansagar Ph I HPS (Tons)	138	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.88	As Per submission of Petitioner
50	Bansagar Ph-II HPS (Silpara)		MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.66	As Per submission of Petitioner
51	Bansagar Ph-III HPS (Deolond)		MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.07	As Per submission of Petitioner
52	Bansagar Ph-IV HPS (Jhinna)	10	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.73	As Per submission of Petitioner

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
53	Birsinghpur HPS	6	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.99	As Per submission of Petitioner
54	Marhikheda HPS	21	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.28	As Per submission of Petitioner
55	Rajghat HPS	13	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.28	As Per submission of Petitioner
56	Gandhisagar HPS	19	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.01	As Per submission of Petitioner
57	Ranapratap Sagar & Jawahar Sagar HPS	0	As per Petitioner Submission	1.51	As Per submission of Petitioner
58	Pench HPS	32	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.53	As Per submission of Petitioner
59	NHDC Indira Sagar HPS	559	CERC order dated: 06.1.2022, Petition No.106/GT/2020	1.85	As Per submission of Petitioner
60	NHDC Omkareshwar HPS	343	CERC order dated: 11th March, 2022, Petition No. 107/GT/2020	2.24	As Per submission of Petitioner
61	Sardar Sarovar HPS	356	MPERC Order dated August 6,2013 in P. No. 18 of 2013	0.82	As Per submission of Petitioner
62	Rihand HPS	0	As per Petitioner submission	0.40	As Per submission of Petitioner
63	Matatila HPS	0	As per Petitioner submission	0.40	As Per submission of Petitioner
64	SJVN Rampur HPS	673.33	CERC Order dated 24th January, 2022 in Petition No. 28/GT/2020 from 1.4.2019 to 31.3.2024	2.17	As Per submission of Petitioner
65	SJVN Jhakri HPS	1382.86	CERC Order dated 4th April, 2023 in Petition No.30/GT/2020 for 1.4.2019 to 31.3.2024.	1.22	As Per submission of Petitioner
66	Tehri HPS	1,029	CERC Order dated 13th May 2022 in Petition No. 97/GT/2020 for 1.4.2019 to 31.3.2024	2.14	As Per submission of Petitioner
67	Koteshwar HPP	593.65	CERC Order dated 08.11.2024 in P. No. 60/GT/2024 for 01.04.2019 to 31.03.2024	3.04	As Per submission of Petitioner
68	NHPC Parbati III	459.61	CERC Order dated 31.03.2024 in P. No. 96/GT/2020 for 01.04.2019 to 31.03.2024	1.41	As Per submission of Petitioner
69	NHPC Chamera II	314	CERC Order dated 06.01.2024 in P. No. 291/GT/2020 for 01.04.2019 to 31.03.2024	1.15	As Per submission of Petitioner
70	NHPC Chamera III	372	CERC Order dated 12.07.2024 in P. No. 26/RP/2023 for 01.04.2019 to 31.03.2024	2.09	As Per submission of Petitioner

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
71	NHPC Dulhasti	772	CERC Order dated 9th May, 2022 in Petition No. 146/GT/2020	2.83	As Per submission of Petitioner
72	NHPC Dhauliganga	253	CERC Order dated 18th August, 2022 in Petition No. 284/GT/2020	1.42	As Per submission of Petitioner
73	NHPC Sewa II	202	CERC in Order dated 17th August 2023 in P. No. 643/GT/2020 for truing up Fy 2014-19 and Tariff for FY 2019-24	2.34	As Per submission of Petitioner
74	NHPC Kishanganga	703	CERC Order dated 12.01.2024 in P. No. 453/GT/2020 for 01.04.2019 to 31.03.2024	2.47	As Per submission of Petitioner
75	NTPC Koldam HPP I	1,171	CERC Order dated 14.01.2024 in P. No. 412/GT/2020 for 01.04.2019 to 31.03.2024	1.97	As Per submission of Petitioner
76	NTPC Singrauli Small HPP	0	As per Petitioner submission	5.04	As Per submission of Petitioner
77	NHPC Lower Subansiri HEP (Unit-1 to 8)	0	As per Petitioner submission	5.09	As Per submission of Petitioner
78	NHPC - Rangit	0	As per Petitioner submission	4.37	As Per submission of Petitioner
79	SAS Hydel Project Pvt Ltd.	0	As per Petitioner submission	5.36	As Per submission of Petitioner
80	Amhata Hydro Energy Pvt. Ltd.	0	As per Petitioner submission	5.97	As Per submission of Petitioner
81	Amhata Hydro Energy Pvt. Ltd. - II	0	As per Petitioner submission	5.97	As Per submission of Petitioner
82	Amhata Hydro Energy Pvt. Ltd. – IV	0	As per Petitioner submission	5.97	As Per submission of Petitioner
83	Sirmour Small Hydel Pvt. Ltd.	0	As per Petitioner submission	5.97	As Per submission of Petitioner
84	NVDA Indira sagar LBC HPS	0	As per Petitioner submission	2.40	As Per submission of Petitioner
85	NVDA Bargi LBC HPS	0	As per Petitioner submission	2.60	As Per submission of Petitioner
86	Mini & Micro Hydel Plants	0	As per Petitioner submission	2.53	As Per submission of Petitioner
87	BLA Power	115	MPERC MYT Order dated February 13,2025 in P. No. 51 of 2024	4.03	As Per submission of Petitioner
88	Jaypee Bina Power	644	MPERC MYT Order dated February 28,2025 in P. No. 52 of 2024	3.63	As Per submission of Petitioner
89	Lanco Amarkantak TPS Unit 1	203	MPERC Order in P.No. 64 of 2021 dated 13.05.2022	2.13	As Per submission of Petitioner

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs. /kWh)	Basis for Energy Charges
90	Reliance UMPP, Sasan	436	Prorated Fixed Charges based on actual bills for FY 2023-24	1.29	As Per submission of Petitioner
91	Jaiprakash Power STPS, Nigri	1,597	MPERC MYT Order dated February 28,2025 in P. No. 53 of 2024	0.78	As Per submission of Petitioner
92	MB Power STPS	1,405	MPERC MYT Order dated February 28,2025 in P. No. 57 of 2024	2.96	As Per submission of Petitioner
93	Jhabua Power STPS, Unit-1	752	MPERC order in Petition No. 47 of 2020 dated 08.05.2021	1.68	As Per submission of Petitioner
94	Renewable Energy (Solar)	0		3.33	As Per submission of Petitioner
95	Renewable Energy (other than Solar)	0		4.36	As Per submission of Petitioner
96	Bio Mass/Bio gas/MSW	0		7.65	As Per submission of Petitioner
97	Other RPO (Shortfall)	0		4.96	Average rate discovered in G-DAM in IEX during the period January, 2024 to December, 2024
98	ESO (Shortfall)	0		7.00	As Per submission of Petitioner

2.81 For determination of power purchase expenses, the Commission has applied the principles of Merit Order Dispatch (MOD) on the basis of energy charges admitted for all generating stations for FY 2025-26. Further, the Commission directs the Petitioners not to restrict supply unduly to any category of consumers during FY 2025-26.

2.82 The allocation of Merit Order Dispatch for generating station applicable for FY 2025-26 is shown in the table below:

Table 26: MOD on allocated generating stations for FY 2025-26

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
I	**Must Run Stations**		
1	Rihand HPS	1	40
2	Matatila HPS	1	40
3	Pench HPS	1	53
4	Rani Awanti Bai Sagar, Bargi HPS	1	59
5	Bansagar Ph-II HPS (Silpara)	1	66
6	Bansagar Ph-IV HPS (Jhinna)	1	73
7	Sardar Sarovar HPS	1	82
8	Bansagar Ph I HPS (Tons)	1	88
9	Birsinghpur HPS	1	99
10	Gandhisagar HPS	1	101
11	Bansagar Ph-III HPS (Deolond)	1	107
12	NHPC Chamera II	1	115
13	SJVN Jhakri HPS	1	122
14	Rajghat HPS	1	128
15	NHPC Parbati III	1	141
16	NHPC Dhauliganga	1	142
17	Ranapratap Sagar & Jawahar Sagar HPS	1	151
18	NHDC Indira Sagar HPS	1	185
19	NTPC Koldam HPP I	1	197
20	NHPC Chamera III	1	209
21	Tehri HPS	1	214
22	SJVN Rampur HPS	1	217
23	NHDC Omkareshwar HPS	1	224
24	Marhikheda HPS	1	228
25	NHPC Sewa II	1	234
26	NVDA Indira sagar LBC HPS	1	240
27	NHPC Kishanganga	1	247
28	Mini & Micro Hydel Plants	1	253
29	NVDA Bargi LBC HPS	1	260
30	NHPC Dulhasti	1	283
31	NAPP Narora	1	298
32	Koteshwar HPP	1	304
33	Renewable Energy (Solar)	1	333
34	TAPP Tarapur	1	352
35	RAPP Rawabhatta	1	392
36	KAPP Kakrapar	1	408
37	KAPP Kakrapar Unit-3	1	408
38	KAPP Kakrapar Unit-4	1	408
39	Renewable Energy (other than Solar)	1	436
40	NHPC - Rangit	1	437
41	Other RPO (Shortfall)	1	496
42	NTPC Singrauli Small HPP	1	504
43	NHPC Lower Subansiri HEP (Unit-1 to 8)	1	509

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
44	SAS Hydel Project Pvt Ltd.	1	536
45	Amhata Hydro Energy Pvt. Ltd.	1	597
46	Amhata Hydro Energy Pvt. Ltd. - II	1	597
47	Amhata Hydro Energy Pvt. Ltd. - IV	1	597
48	Sirmour Small Hydel Pvt. Ltd.	1	597
49	ESO (Shortfall)	1	700
50	Bio Mass/Bio gas/MSW	1	765
II	**Other Stations**		
51	Jaiprakash Power STPS, Nigri	0	78
52	NTPC Singrauli	0	108
53	NTPC Rihand I	0	116
54	Reliance UMPP, Sasan	0	129
55	NTPC Rihand III	0	133
56	NTPC Rihand II	0	144
57	NTPC Lara STPS, Raigarh, Unit I	0	156
58	NTPC Lara STPS, Raigarh, Unit II	0	156
59	NTPC Korba III	0	159
60	NTPC Korba	0	160
61	Jhabua Power STPS, Unit-1	0	168
62	NTPC Sipat I	0	172
63	NTPC Sipat II	0	176
64	NTPC Vindyachal III	0	179
65	NTPC Vindyachal II	0	181
66	NTPC Vindyachal V Unit 1	0	184
67	NTPC Vindyachal I	0	189
68	NTPC Vindyachal IV	0	190
69	Amarkantak TPS Ph-III	0	210
70	Lanco Amarkantak TPS Unit 1	0	213
71	Meja Urja Nigam	0	240
72	NTPC Dadri GPP	0	265
73	SGTPS Ph-III	0	272
74	NTPC Kahalgaon II	0	280
75	NTPC Tanda Stage-II	0	282
76	Satpura TPS Ph-IV	0	289
77	MB Power STPS	0	296
78	SGTPS Ph-I & II	0	304
79	NTPC Anta GPP	0	309
80	Shri Singaji STPS, Ph-2	0	315
81	Shri Singaji STPS, Ph-I	0	337
82	NTPC Mouda II Unit 1	0	352
83	Jaypee Bina Power	0	363
84	NTPC Gadarwara STPS, Unit-1	0	373
85	NTPC Gadarwara STPS, Unit-2	0	373
86	NTPC Firoz Gandhi Unchahar II	0	386
87	DVC (MTPS & CTPS)	0	387
88	NTPC Khargone STPS, Unit-I	0	392
89	NTPC Khargone STPS, Unit-II	0	392

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
90	BLA Power	0	403
91	NTPC NCTP Dadri II	0	420
92	NTPC Firoz Gandhi Unchahar IV	0	423
93	NTPC Firoz Gandhi Unchahar III	0	425
94	NTPC IGPS I Jhajjar	0	434
95	NTPC Firoz Gandhi Unchahar I	0	451
96	NTPC Solapur STPS, Phase-1	0	490
97	NTPC Mouda I	0	497
98	NTPC Auraiya GPP	0	876

Fixed and Energy Charges

2.83 On the basis of the above, the Fixed and Energy Charges of the generating stations towards allocated capacities of MPPMCL admitted by the Commission are shown in the following table:

Table 27 : Fixed and Energy Charges of all generating stations admitted for FY 2025-26

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
1	NTPC Korba	247.63	571.10	818.73
2	NTPC Korba III	56.23	93.98	150.21
3	NTPC Vindyachal I	269.59	585.20	854.79
4	NTPC Vindyachal II	169.70	442.28	611.98
5	NTPC Vindyachal III	177.91	353.25	531.16
6	NTPC Vindyachal IV	321.54	401.45	722.99
7	NTPC Vindyachal V Unit 1	163.17	190.89	354.06
8	NTPC Sipat I	279.64	389.19	668.83
9	NTPC Sipat II	124.70	249.29	373.98
10	NTPC Mouda I	17.03	0.00	17.03
11	NTPC Mouda II Unit 1	25.17	21.99	47.16
12	NTPC Auraiya GPP	1.27	0.00	1.27
13	NTPC Dadri GPP	1.13	6.01	7.13
14	NTPC Anta GPP	0.75	0.23	0.98
15	NTPC Kahalgaon II	47.75	159.14	206.90
16	KAPP Kakrapar	0.00	329.23	329.23
17	KAPP Kakrapar Unit-3	0.00	329.23	329.23
18	KAPP Kakrapar Unit-4	0.00	329.23	329.23
19	TAPP Tarapur	0.00	572.03	572.03
20	RAPP Rawabhatta	0.00	6.08	6.08
21	NAPP Narora	0.00	6.85	6.85
22	NTPC Solapur STPS, Phase-1	457.58	0.00	457.58
23	NTPC Gadarwara STPS, Unit-1	597.57	184.52	782.09
24	NTPC Gadarwara STPS, Unit-2	597.57	116.00	713.57
25	NTPC Lara STPS, Raigarh, Unit I	141.38	98.99	240.37
26	NTPC Lara STPS, Raigarh, Unit II	141.38	98.99	240.37
27	NTPC Firoz Gandhi Unchahar I	0.08	0.00	0.08
28	NTPC Firoz Gandhi Unchahar II	0.28	0.37	0.66

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
29	NTPC Firoz Gandhi Unchahar III	0.15	0.00	0.15
30	NTPC Firoz Gandhi Unchahar IV	0.52	0.00	0.52
31	NTPC Rihand I	0.42	6.57	6.99
32	NTPC Rihand II	0.44	7.02	7.46
33	NTPC Rihand III	0.93	2.73	3.65
34	NTPC NCTP Dadri II	0.70	0.00	0.70
35	NTPC Singrauli	0.79	11.82	12.61
36	NTPC IGPS I Jhajjar	2.85	0.00	2.85
37	NTPC Khargone STPS, Unit-I	497.50	100.64	598.14
38	NTPC Khargone STPS, Unit-II	497.50	8.68	506.18
39	Meja Urja Nigam	3.54	2.59	6.13
40	NTPC Tanda Stage-II	0.22	12.36	12.58
41	DVC (MTPS & CTPS)	96.10	22.10	118.20
42	Amarkantak TPS Ph-III	173.72	319.33	493.05
43	Satpura TPS Ph-IV	610.25	1,016.12	1,626.37
44	SGTPS Ph-I & II	554.28	1,168.89	1,723.17
45	SGTPS Ph-III	317.96	922.90	1,240.86
46	Shri Singaji STPS, Ph-I	1,097.28	1,378.95	2,476.23
47	Shri Singaji STPS, Ph-2	1,175.80	1,871.49	3,047.29
48	Rani Awanti Bai Sagar, Bargi HPS	9.54	26.55	36.09
49	Bansagar Ph I HPS (Tons)	67.58	83.00	150.57
50	Bansagar Ph-II HPS (Silpara)	0.00	5.86	5.86
51	Bansagar Ph-III HPS (Deolond)	0.00	11.65	11.65
52	Bansagar Ph-IV HPS (Jhinna)	5.14	7.54	12.68
53	Birsinghpur HPS	2.84	5.05	7.90
54	Marhikheda HPS	10.44	19.94	30.38
55	Rajghat HPS	3.22	6.53	9.75
56	Gandhisagar HPS	2.47	13.50	15.96
57	Ranapratap Sagar & Jawahar Sagar HPS	0.00	45.33	45.33
58	Pench HPS	10.74	11.00	21.74
59	NHDC Indira Sagar HPS	279.46	515.25	794.71
60	NHDC Omkareshwar HPS	171.38	307.11	478.49
61	Sardar Sarovar HPS	101.45	202.76	304.21
62	Rihand HPS	0.00	4.94	4.94
63	Matatila HPS	0.00	1.82	1.82
64	SJVN Rampur HPS	0.70	0.82	1.52
65	SJVN Jhakri HPS	1.48	1.78	3.26
66	Tehri HPS	1.16	1.38	2.54
67	Koteshwar HPP	0.65	0.75	1.40
68	NHPC Parbati III	0.79	0.86	1.64
69	NHPC Chamera II	0.61	0.66	1.27
70	NHPC Chamera III	0.62	0.68	1.30
71	NHPC Dulhasti	1.25	1.77	3.01
72	NHPC Dhauliganga	0.43	0.50	0.94
73	NHPC Sewa II	0.33	0.40	0.73
74	NHPC Kishanganga	1.20	1.26	2.46
75	NTPC Koldam HPP I	0.88	0.93	1.81
76	NTPC Singrauli Small HPP	0.00	0.04	0.04

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
77	NHPC Lower Subansiri HEP (Unit-1 to 8)	0.00	74.37	74.37
78	NHPC - Rangit	0.00	65.84	65.84
79	SAS Hydel Project Pvt Ltd.	0.00	6.16	6.16
80	Amhata Hydro Energy Pvt. Ltd.	0.00	2.55	2.55
81	Amhata Hydro Energy Pvt. Ltd. - II	0.00	2.99	2.99
82	Amhata Hydro Energy Pvt. Ltd. - IV	0.00	1.99	1.99
83	Sirmour Small Hydel Pvt. Ltd.	0.00	105.77	105.77
84	NVDA Indira sagar LBC HPS	0.00	1.84	1.84
85	NVDA Bargi LBC HPS	0.00	2.19	2.19
86	Mini & Micro Hydel Plants	0.00	1.91	1.91
87	BLA Power	40.26	0.00	40.26
88	Jaypee Bina Power	418.48	144.57	563.05
89	Lanco Amarkantak TPS Unit 1	203.07	338.46	541.53
90	Reliance UMPP, Sasan	163.47	1,458.69	1,622.17
91	Jaiprakash Power STPS, Nigri	598.77	272.70	871.47
92	MB Power STPS	491.87	900.49	1,392.35
93	Jhabua Power STPS, Unit-1	263.03	245.61	508.63
94	Renewable Energy (Solar)	0.00	3,178.91	3,178.91
95	Renewable Energy (other than Solar)	0.00	2,996.08	2,996.08
96	Bio Mass/Bio gas/MSW	0.00	123.99	123.99
97	Other RPO (Shortfall)	0.00	1,843.21	1,843.21
98	ESO (Shortfall)	0.00	705.40	705.40
I	**Grand Total**	**11,723.27**	**26,141.11**	**37,864.38**

Renewable Purchase Obligation (RPO)

Petitioners' Submission

2.84 The Petitioners submitted that the Commission had notified the MPERC (Co-generation and generation of electricity from Renewable sources of energy) (Revision-II) Regulations, 2021 on 12th November, 2021 and its first amendment on 16th January, 2023. In the said Regulations, the Commission has specified Renewable Purchase Obligation (RPO) for Wind, HPO and Other sources for the period from FY 2022-23 to FY 2029-30.

2.85 Accordingly, the Petitioners have computed quantum of Wind, HPO and Other power purchase requirement for RPO compliance based on the total energy requirement estimated for FY 2025-26, as shown in the table below:

Table 28: Renewable Purchase Obligation details submitted by Petitioners for FY 2025-26

Sr No	Particulars	Wind RPO	HPO	Others	ESO
1	Energy Requirements (MU)	99,089	99,089	99,089	99,089
2	RPO Targets %	3.36%	1.48%	26.13%	1.00%
3	Energy Required - MU	3,329	1,467	25,892	991
4	Energy Available - Assessed MU	3,229	508	22,071	-
5	Achievement %	3.26%	0.51%	22.27%	-
6	Target Achieved %	**97%**	**35%**	**85%**	**-**
7	**Surplus/(Deficit) - MU**	**(100)**	**(959)**	**(3,821)**	**(991)**

2.86 From the above, it can be observed that there may be a shortfall of around 5,871 MUs in the total RPO Obligation. Accordingly, the Petitioners have considered the cost of additional power purchase for compliance of RPO shortfall in the Power Purchase Cost. The Petitioners have considered the rate of procurement for RPO fulfilment as the weighted average price of power from various plants under the respective RPO categories as estimated for FY 2025-26 as under:

Table 29: Cost of Additional Power Purchase for RPO Compliance for FY 2025-26

Sr No	Particulars	Wind RPO	HPO	Others	ESO	Total
1	Surplus/(Deficit) - MUs	(100)	(959)	(3,821)	(991)	(5,871)
2	Per Unit Price for Additional Procurement in Rs. Crore	4.37	7.19	4.49	7.00	5.35
3	**Cost of additional Procurement in Rs. Crore**	**44**	**689**	**1,717**	**694**	**3,143**

2.87 The Petitioners submitted that the power procurement against the shortfall would be any additional procurement for MPPMCL (since they have already satisfied normative power procurement from the existing tied up capacity) or in other words would be the incremental addition to the projected availability of FY 2025-26. Further, in order to balance the energy requirement of the Petitioners, the equivalent portion of aforesaid additional procurement towards shortfall is considered to be sold as additional surplus power at a rate of Rs. 4.55/kWh during FY 2025-26. The net cost implication from aforesaid transaction is then considered in the total power purchase cost of FY 2025-26 as shown in the table below:

Table 30: Net Cost implication proposed by Petitioners towards Renewable Purchase Obligation for FY 2025-26

S. No	Particulars	FY 2025-26
1	Total Shortfall in MU	5,871
2	Total Cost of Shortfall @ Rs. 4.50/kWh in Rs. Crore	3,143
3	Rate of Sale of Surplus Power in Rs./kWh	4.55
4	Revenue from Sale of additional Surplus Power in Rs. Crore	2,674
5	**Net Cost Implication in Rs. Crore**	**469**

Commission's Analysis

2.88 The Commission had notified the MPERC (Co-generation and generation of electricity from Renewable sources of energy) (Revision-II) Regulations, 2021 on 12th November, 2021 and its first amendment on 16th January, 2023. In the said Regulations, the Commission has specified Renewable Purchase Obligation (RPO) for Wind, HPO and Other sources for the Period from FY 2022-23 to FY 2029-30.

2.89 Accordingly, the Commission has computed quantum of Wind, HPO and Other power purchase requirement for RPO compliance based on the total energy requirement admitted for FY 2025-26, as shown in the table below:

Table 31: Renewable Purchase Obligation and Cost as computed by the Commission for FY 2025-26

Particulars	FY 2025-26
Other RPO (%)	25.13%
Wind RPO (%)	3.36%
HPO (%)	1.48%
ESO (%)	1.00%
Total (%)	**30.97%**
Energy Requirement for Computation of RPO (MU)	**1,00,771.47**
Power purchase requirement to fulfil RPO (MU)	
Other RPO	25,323.87
Wind RPO	3,385.92
HPO	1,491.42
ESO	1,007.71
Total	**31,208.92**
Energy available from existing RE Plants (MU)	
Other RPO	22,771.93
Wind RPO	3,228.98
HPO	486.56
ESO	0.00
Total	**26,487.47**
Shortfall / (Surplus) (MU)	
Other RPO	2,551.94
Wind RPO	156.94
HPO	1,004.86
ESO	1,007.71
Total	**4,721.46**

2.90 From the above, it can be observed that the Petitioners will be having shortfall of 4,721.46 MUs in the total RPO obligation for FY 2025-26. Therefore, the Commission has considered the cost of additional power purchase for compliance of RPO shortfall in the Power Purchase Cost.

2.91 For fulfilment of shortfall for Other RPO, Wind RPO and HPO, the Commission has considered average rate of Rs.4.96/kWh discovered in G-DAM in IEX during the period January, 2024 to December, 2024 and for fulfilment of shortfall for ESO rate of Rs. 7/kWh has been considered as submitted by the Petitioners in petition.

2.92 Based on the above, the cost of renewable energy power purchase has been worked out for the compliance of RPO as shown in the table below:

Table 32: RE power purchase cost for RPO compliance for FY 2025-26

Particulars	FY 2025-26
Additional Power purchase requirement for fulfilment of RPO (MU)	
Other RPO	2,551.94
Wind RPO	156.94
HPO	1,004.86
ESO	1,007.71

Particulars	FY 2025-26
Total	**4,721.46**
Renewable Energy purchase Rates for additional power procurement (Rs./kWh)	
Other RPO	4.96
Wind RPO	4.96
HPO	4.96
ESO	7.00
Power Purchase Cost for meeting shortfall in RPO (Rs. Crore)	
Other RPO	1,266.58
Wind RPO	77.89
HPO	498.73
ESO	705.40
Total	**2,548.61**
Total Power Purchase cost for RPO Compliance (Rs. Crore)	
Other RPO	8,600.22
Wind RPO	1,009.33
HPO	752.24
ESO	705.40
Total	**11,067.19**

2.93 The cost of purchase from Wind, HPO and Other Sources has been considered in the power purchase cost shown in table 27 of this Order.

Management of Surplus Energy

Petitioners' Submission

2.94 The Petitioners submitted that the quantum of sale of surplus power have always been approved on higher side in respective Tariff Orders as against the realistic sale of surplus energy by the Petitioners. The consideration of higher quantum of surplus results in reducing the power purchase cost and thereby ARR of DISCOMs.

2.95 However, the Petitioners have been projecting the realistic sale of surplus energy based on its past experience considering the actual energy traded at power exchange during the past years. Further, the Petitioners submitted that the sale of power at power exchange depends on the factors such as demand situation of MP State in MW, availability of surplus energy with MPPMCL in MW in time blocks, demand supply position in the power sector and Marginal Clearing Price (MCP) of the market. The Petitioners do not have control over the availability of power stations and MCP of power exchange.

2.96 Further, the Petitioners submitted that the availability of surplus energy is reflected to be higher, which is mainly because the Commission approves the power purchase requirement at normative losses and the difference of normative energy requirement and total availability is being considered as surplus power available for sale. However, in actual scenario considering the demand supply position with actual losses, the results are different. For FY 2025-26 also, as per the current power supply position, and after meeting the energy requirement at actual loss situation, the Petitioners envisage to have surplus energy in few of the time blocks and months in the ensuing year. Accordingly, based on the past trend, the Petitioners have estimated sale of surplus power.

2.97 The Petitioners submitted that the average IEX rate for the past 24 months (From October, 2022 to September, 2024) is 455.49 Paisa per unit. Hence, for the purpose of computation of revenue from surplus energy, the average rate has been considered as 455.49 Paisa per unit for FY 2025-26.

2.98 The energy surplus for DISCOMs vis-à-vis overall energy availability and energy requirement as well as the details of revenue from sale of energy as per submission of Petitioners are shown in the table below.

Table 33: Management of Surplus Energy as submitted by Petitioners

Particulars	FY 2025-26
Ex-Bus Availability (MU)	1,18,781
Ex-Bus Energy Required by DISCOMs (MU)	99,089
Total Surplus Power (MU)	19,692
Backdown (MU)	14,365
Surplus Units available for Sale (MU)	5,327
IEX Rate (Paisa/kWh)	455.49
Revenue from Sale of Surplus Power (Rs. Crore)	2,426
Purchase Cost of Surplus Power- Variable (Rs Crores)	1,688
Total saving in variable cost from sale of surplus energy (Rs. Crore)	**739**

Commission's Analysis

2.99 The Commission observed that after meeting the energy requirement and meeting demand of consumers, the availability from some of the generating stations would remain unutilized by the DISCOMs. It is expected that various rebates given to consumers would encourage them to utilise some of the surplus power.

2.100 The Commission analysed the average rate discovered in past 24 months in IEX from March, 2023 to February, 2025 and observed that the average rate discovered was Rs. 4.89/kWh. Commission further observed that the average rate discovered in last 12 months in IEX from March, 2024 to February, 2025 was Rs. 4.42/kWh.

2.101 Subsequently, the Commission observed that the Market Clearing Price (MCP) for some of the months have been much above this average rate in past 12 months in FY 2023-24 and FY 2024-25. Therefore, the Commission has worked out the average rate discovered in IEX from period March, 2023 to February, 2025 excluding the months for which MCP is above Rs. 5/kWh to obtain realistic rate at which Petitioners would be able to sell surplus power. This rate works out to Rs. 4.31/kWh. This reference rate has been considered by the Commission for backing down any generating stations having variable rate more than the reference rate and this approach is in line with the approach adopted by the Commission in MYT Order.

2.102 For arriving at the quantum of power to be sold and rate to be considered, the Commission obtained the information about the actual quantum sold and average rate at which it has been sold for last 3 years (FY 2021-22, FY 2022-23 and FY 2023-24). The actual information submitted by the Petitioners is given in Table below:

Table 34: Surplus Energy information for last 3 years as submitted by Petitioners

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Actual Ex-Bus Energy Availability (MU)	1,04,359	1,06,677	1,09,871
Actual Ex-Bus Energy Requirement by DISCOMs (MU)	86,498	90,205	96,523
Actual Surplus Energy Available (MU)	17,861	16,471	13,348
Actual Energy Backdown (MU)	14,615	9,972	8,032
Actual Energy Sold in Open Market (MU)	2,916	4,549	5,317
Actual Energy Sold as % of Surplus Energy (%)	16.32%	27.32%	39.83%
Actual Revenue from the Sale of Surplus Power (Rs. Crore)	1,310	2,254	2,522

2.103 Based on analysis of actual surplus energy sold, it is observed that sale of surplus energy in open market is showing increasing trend. Therefore, considering the realistic scenario of sale of surplus power through open market and considering gradual increasing trend in previous years, the Commission has considered 9,517.96 MU as likely scenario for sale of surplus power through power exchanges, bilateral arrangements or through bidding. Although the estimation by the Commission is based on aforesaid numbers, **the Commission directs the Petitioners to maximise sale of surplus energy through Power Exchanges, bilateral arrangements or through bidding in order and also make best use of new platforms like HP-DAM (High Price Day Ahead Market), surplus power portal (PUShp) and OTC Platform for sale of surplus power. The Petitioners are also directed to comply with the directions given by the Commission in para 7.11 of this Order on disposal of Surplus Power.**

2.104 As the sale of surplus energy has been considered at Rs. 4.31/kWh, generating stations having variable rate more than Rs. 4.31/kWh have been considered for backing down. Accordingly, the Commission has considered the rate of Rs 4.31/kWh for sale of surplus energy to assess the total revenue from sale of surplus energy.

2.105 Further, the Commission has observed that the MPPMCL has entered into Bulk Power Supply Agreement with MPIDC (erstwhile MPAKVN) for supply of 60 MW power. MPIDC has been purchasing the remaining requirement of energy also from MPPMCL only. The projected requirement of MPIDC for FY 2025-26 has been considered as 567.49 MU as submitted by MPIDC in Retail Supply Petition for FY 2025-26 and average rate of power purchase of Rs. 4.12/kWh as approved by the Commission in Retail Supply Tariff Order for FY 2024-25. Any under /over recovery shall be adjusted at the time of truing up of FY 2025-26.

2.106 Based on the above, the details of saving in the power purchase cost through sale of surplus power has been shown in the table below for FY 2025-26:

Table 35 : Details of saving in power purchase cost through sale of Surplus energy

Sr. No.	Particulars	Reference	FY 2025-26
1	Total Energy Availability including additional availability due to purchase of additional RE Power for RPO Compliance (MU)	A	1,24,566.38
2	Total Energy Requirement (MU)	B	1,00,771.47
3	Total Energy surplus (MU)	C=A-B	23,794.91
4	Energy Backdown (MU)	D	2,663.15
5	Surplus Energy Available for sale (MU)	E=C-D	21,131.76
6	Sale of power to MPIDC (MU)	F	567.49
7	Average Power Purchase Cost of MPIDC (Rs. /kWh)	G	4.12
8	Revenue from sale of power to MPIDC (Rs. Crore)	H=F*G/10	233.81
9	Net Surplus Energy available for sale (MU)	I=E-F	20,564.27
10	Surplus Energy Considered for Sale (MU)	J	9,517.96
11	Per unit cost of sale of power through energy exchange (Rs./kWh)	K	4.31
12	Revenue from Sale of Power through Power Exchange (PX) (Rs Crore)	L=J*K/10	4,100.43
13	Total Revenue from sale of surplus power in PX and MPIDC (Rs. Crore)	M=H+L	4,334.23
14	Energy Charge of Surplus Energy (Rs Crore)	N	3,620.68
15	**Total saving in Power Purchase Cost by sale of surplus Energy (Rs. Crore)**	**O=M-N**	**713.56**

2.107 With this approach, though the estimated surplus energy works out to 21,131.76 MU, the Commission has considered the sale of 10,085.45 MU only (i.e., 9,517.96 MU towards surplus sale in Open market and 567.49 MU to MPIDC). The variable cost of remaining surplus energy of 11,046.31 MU has not been considered by the Commission while projecting the power purchase cost for FY 2025-26. However, the Petitioners are directed to make all efforts to sale maximum possible surplus energy as directed in para 2.104 of this Order.

Inter-State Transmission Charges

Petitioners' Submissions

2.108 The Petitioners have submitted that Inter-State transmission charges consist of the charges for transmission system of WR, NR and ER. The Petitioners have considered Inter-State Transmission Charges for FY 2023-24 as per actual figures from power purchase statement and the same has been increased annually by 4% for each year to arrive at for FY 2025-26.

2.109 The Petitioners have further submitted that the Inter-State transmission costs have then been allocated to DISCOMs based on energy allocation from Central Generating Stations and ex-bus energy requirement, which is as follows:

Table 36: Inter-State Transmission Charges claimed for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
State	**3,240.98**

Commission's Analysis

2.110 Inter-State transmission charges consist of charges to be paid for transmission systems of Western, Eastern and Northern Regions. The Commission has considered the escalation rate of 4% per annum for increase in Inter-State Transmission Charges during each year, which is in line with the approach adopted in MYT Order for FY 2022-23 to FY 2026-27. The actual Inter -State transmission charges of FY 2023-24 have been escalated by 4% per annum for 2 years to arrive at the Inter-State transmission charges for FY 2025-26.

Table 37: Inter-State Transmission Charges admitted for FY 2025-26 (Rs. Crore)

Particulars	FY 2025-26
State	**3,240.98**

Intra-State Transmission Charges and SLDC Charges

Petitioners' Submission

2.111 The Petitioners have considered Intra-State Transmission and SLDC Charges for FY 2023-24 as per actual figures and the same have been increased annually by 4% for each year to arrive at for FY 2025-26, as indicated in the table below:

Table 38: Intra-State Transmission Charges and SLDC charges claimed for FY 2025-26 (Rs. Crore)

Sr. No	Transmission Charges	FY 2025-26
1	East DISCOM	1,753.63
2	West DISCOM	1,772.36
3	Central DISCOM	1,771.02
4	**State**	**5,297.00**
Sr. No	**SLDC Charges**	**FY 2025-26**
1	East DISCOM	5.62
2	West DISCOM	6.55
3	Central DISCOM	6.73
4	**State**	**18.90**
Sr. No	**Transmission Charges including SLDC Charges**	**FY 2025-26**
1	East DISCOM	1,759.24
2	West DISCOM	1,778.91
3	Central DISCOM	1,777.74
4	**State**	**5,315.90**

Commission's Analysis

2.112 The Commission has determined Intra –State Transmission Charges for the period from FY 2024-25 to FY 2028-29 in the MPPTCL MYT order dated 20th March, 2025 in Petition No.

54/2024. Accordingly, Commission has considered Intra-State transmission charges for FY 2025-26 as per aforesaid MYT Order.

2.113 The Commission has admitted SLDC Charges for FY 2025-26 as determined in SLDC levy and collection of fees and Charges Order dated 04th March, 2025 in Petition No. 67/2024. The same has been considered for FY 2025-26.

2.114 Accordingly, Intra–State transmission charges including SLDC charges for FY 2025-26 have been admitted as shown in the table below:

Table 39 : Intra-State Transmission Charges including SLDC Charges admitted for FY 2025-26 (Rs. Crore)

Sr. No	Intra-State Transmission Charges	FY 2025-26
1	East DISCOM	1,553.82
2	West DISCOM	2,024.17
3	Central DISCOM	1,852.48
4	**State**	**5,430.47**
Sr. No	**SLDC Charges**	**FY 2025-26**
1	East DISCOM	4.72
2	West DISCOM	6.15
3	Central DISCOM	5.62
4	**State**	**16.49**
Sr. No	**Transmission Charges including SLDC Charges**	**FY 2025-26**
1	East DISCOM	1,558.54
2	West DISCOM	2,030.32
3	Central DISCOM	1,858.10
4	**State**	**5,446.96**

2.115 The Commission has allowed the terminal benefits and pension expenses on "pay as you go" principle payable to MP Transco. The actual amount of terminal benefits shall be considered by the Commission in true-up Petition to be filed by MPPTCL after exercising prudence check.

MPPMCL Costs: Details and DISCOM-wise Allocation

Petitioners' Submission

2.116 As per item No.8 (ii) of State Govt. Notification No.2260-F-3-24-2009-XIII dated 19th March, 2013, M.P. Power Management Company Limited (MPPMCL) has been supplying power to the DISCOMs at the tariff determined/admitted by the Commission and its own expenses on actual basis in proportion to the energy drawal by respective DISCOMs.

2.117 Further, MPPMCL has been operating on "No Profit and No Loss" basis. Therefore, till now at the end of each financial year, all the credits received by MPPMCL, which formed part of income of MPPMCL were being passed on to the DISCOMs in proportion to the energy drawal by respective DISCOMs as a part of their Power Purchase Costs. The major components of Annual Revenue Requirement of MPPMCL for FY 2025-26 are mentioned in the table below:

Table 40: MPPMCL Cost claimed for FY 2025-26 (Rs. Crore)

S. No.	Particulars	FY 2025-26
I.	Revenue from operations (including Revenue Subsidy)	-
II.	Other income	406.41
III.	Income from other business allocated to Licensed business	-
IV	**Total Revenue (I + II+III)**	**406.41**
V	**Expenses:**	
	Purchase of Power from MP Genco	-
	Purchase of Power from Other Sources	460.47
	Open Access Charges	14.02
	Banking Charges	-
	Bank Charges	3.91
	Depreciation and amortization expenses	10.41
	Interest & Finance Charges	0.13
	Repairs and Maintenance	15.13
	Employee costs	64.80
	Administration and General expenses	46.51
	Net prior period credit charges	-
	Other Debits, Write-offs	-
	Other Charges	-
	Total Expenses	**615.38**
VI	Profit before exceptional and extraordinary items and tax (IV-V)	
VII	Exceptional items	
VIII	**Profit before extraordinary items and tax (VI – VII)**	**(208.97)**

Commission's Analysis

2.118 The Commission observed that Petitioners in its submission toward expense for purchase of power from other sources have stated that the power purchase expense incurred by MPPMCL are passed on to the DISCOMs on monthly basis. However, sometimes due to delay in receiving of bills from generators, some of the power purchase expenses remains unpassed to the DISCOMs through monthly bills.

2.119 The Commission, in its Tariff Orders for previous years, unequivocally directed the Petitioners to include power purchase expenses booked towards MPPMCL costs in the accounts of DISCOMs as power purchase expense. However, the Commission has observed non-compliance with this directive in the true-up for FY 2023-24. Hence, the Petitioners are again directed to include power purchase expenses booked towards aforesaid heads under DISCOMs' power purchase expense preferably within the same financial year, ensuring their reflection in the audited accounts of the DISCOMs.

2.120 Further, the Commission is of the view that from FY 2025-26, all the bills are likely to be passed through the monthly bills to the DISCOMs in timely manner. Therefore, the Commission has considered expenses towards purchase of power from other sources expenses as "NIL" for FY 2025-26.

2.121 Further, the Commission has admitted the expenses of MPPMCL towards Open Access Charges, Operation and Maintenance Expenses, depreciation, Interest and Finance charges and Bank Charges for FY 2025-26, subject to prudence check at the time of true up.

2.122 The Commission has also considered other income of MPPMCL for FY 2025-26 as per the Petitioners' submission. Accordingly, the net MPPMCL cost admitted in this Order is surplus income for FY 2025-26. Further, the expenses related to power purchase, if any, incurred by MPPMCL would be appropriately considered at the time of truing up for FY 2025-26, after prudence check.

2.123 MPPMCL Cost/ Income admitted by the Commission for FY 2025-26 has been shown in the table below:

Table 41: MPPMCL Costs/ Income admitted by the Commission for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	FY 2025-26
1	Open Access Charges	14.02
2	Depreciation and Amortization	10.41
3	Interest & Finance Charges	0.13
4	Employee Expenses	64.80
5	R&M Expenses	15.13
6	A&G Expenses	46.51
7	Bank Charges	3.91
8	**Total Expenses**	**154.91**
9	Other Income	406.41
10	**Net MPPMCL Cost/ (Income)**	**(251.50)**

Summary of Power Purchase Cost

Petitioners' Submission

2.124 Details of total power purchase cost as filed by the Petitioners are given in the table below:

Table 42: Power Purchase Cost as filed by Petitioners for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	UoM	East DISCOM	West DISCOM	Central DISCOM	State
A	**Ex- Bus Net Power Purchase Cost excluding Transmission Charges (Inter, Intra & SLDC) etc.**					
i	Quantum	MU	28,117	37,351	33,620	99,089
ii	Fixed Cost	Rs Crore	3,394	4,509	4,058	11,961
iii	Variable Cost	Rs Crore	7,258	9,641	8,678	25,576
iv	MPPMCL Cost	Rs Crore	59	79	71	209
v	**Total Cost**	**Rs Crore**	**10,711**	**14,228**	**12,807**	**37,746**
vi	**Average Cost**	**Rs./kWh**	**3.81**	**3.81**	**3.81**	**3.81**
B	**Inter State Transmission**					
i	Losses	MU	530	738	634	1,902
ii	Charges- Fixed	Rs Crore	920	1,222	1,100	3,241
C	**Power Purchase Cost at State Boundary**					
i	Quantum	MU	27,587	36,614	32,986	97,187

Sr. No.	Particulars	UoM	East DISCOM	West DISCOM	Central DISCOM	State
ii	Fixed Cost	Rs Crore	4,314	5,730	5,158	15,202
iii	Variable Cost	Rs Crore	7,258	9,641	8,678	25,576
iv	MPPMCL Cost	Rs Crore	59	79	71	209
v	**Total Cost**	**Rs Crore**	**11,631**	**15,450**	**13,907**	**40,987**
vi	**Average Cost**	**Rs./kWh**	**4.22**	**4.22**	**4.22**	**4.22**
D	**Intra State Transmission including SLDC**					
i	Losses	MU	720	956	861	2,537
ii	Charges- Fixed	Rs Crore	1,759	1,779	1,778	5,316
E	**Power Purchase Cost at Discom Boundary**					
i	Quantum	MU	26,867	35,658	32,125	94,650
ii	Fixed Cost including Transmission Charges	Rs Crore	6,073	7,509	6,936	20,518
iii	Variable Cost	Rs Crore	7,258	9,641	8,678	25,576
iv	MPPMCL Cost	Rs Crore	59	79	71	209
v	**Total Cost**	**Rs Crore**	**13,390**	**17,229**	**15,684**	**46,303**
vi	**Average Cost**	**Rs./kWh**	**4.98**	**4.83**	**4.88**	**4.89**

Commission's Analysis

2.125 The total power purchase cost as admitted by the Commission for FY 2025-26 is summarized in the following table:

Table 43 : Total Power Purchase cost admitted for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	UoM	FY 2025-26
A	Fixed Charges	Rs. Crore	11,723.27
B	Energy Charges	Rs. Crore	26,141.11
C	MPPMCL Cost/ (Income)	Rs. Crore	(251.50)
D	Less: Saving from Sale of Surplus Power	Rs. Crore	(713.56)
E	**Power Purchase Cost**	Rs. Crore	**36,899.32**
F	Inter State Transmission Charges (PGCIL)	Rs. Crore	3,240.98
G	Intra-State Transmission Charges including SLDC Charges	Rs. Crore	5,446.96
H	**Net Power Purchase Cost including Transmission Charges**	Rs. Crore	**45,587.26**
I	Ex-Bus Energy Requirement	MU	1,00,771.47
J	**Power Purchase Rate at Ex-Bus (J = E/I*10)**	**Rs/Unit**	**3.66**
K	Input at G-T interface	MU	98,186.75
L	**Power Purchase Rate at State Periphery (L=(E+F)/K*10)**	**Rs/Unit**	**4.09**
M	Input at T-D interface	MU	95,624.08
N	**Power Purchase Rate at DISCOMs Periphery (N=H/M*10)**	**Rs/Unit**	**4.77**
O	Total Sales	MU	80,826.64
P	**Power Purchase Per Unit Sales (P=H/O*10)**	**Rs/Unit**	**5.64**

Capital Expenditure Plans/ Capitalization of Assets and Lease Charges towards Smart Meters

Petitioners' Submission

Investments

2.126 The Petitioners submitted that for strengthening of the system and reduction of distribution losses, all the three DISCOMs of the State are undertaking various projects in the forthcoming years. The focus is on creation of new 33/11 kV S/s, bifurcation of overloaded 33 kV feeders, feeder bifurcation of agricultural feeder at 11 kV level, augmentation of PTRs, installation of DTRs, conversion of bare LT line into AB cables and replacement of service lines, etc.

2.127 The overall distribution loss of the system is a mix of technical and commercial losses. The technical losses are mainly due to comparatively inadequate infrastructure, which needs strengthening, renovation and upgradation of the capacity of lines, sub-stations and associated infrastructure. The commercial losses are mainly due to commercial parameters like theft and pilferage of energy, presence of significant numbers of stopped and defective meters in the system, inadequate meter reading system, etc., which can also be reduced to a large extent by re-engineering of the system, which requires capital investment and directed efforts. DISCOMs are working on both the issues regularly, which have resulted in reduction in distribution losses considerably over the past years, but these reductions are not up to the normative loss levels, which are more stringent at this level.

2.128 Further, with the aim to provide 24x7 uninterrupted, quality, reliable and affordable power supply, Government of India has launched Revamped Distribution Sector Scheme (RDSS), on 20th July 2021 for supporting DISCOMs to undertake reforms and improve performance in a time bound manner. DISCOMs have participated in the RDSS Scheme. The Revamped Distribution Sector Scheme has the following parts:

Part A – Metering & Distribution Infrastructure Works:

2.129 Facilitating in installing prepaid smart meters for all consumers along with associated AMI, communicable meters for DTs & Feeders, ICT including Artificial Intelligence (AI), Machine Learning (ML), etc., based solutions for power Sector and a unified billing and collection system.

2.130 Distribution infrastructure works as required for strengthening and modernizing the system as well as measures for loss reduction. The infrastructure strengthening works will include separation of agriculture feeders to enable implementation of the KUSUM scheme, Aerial Bunch cables and HVDS for loss reduction, replacement of HT/LT lines as required, construction of new/upgradation of substations, SCADA and DMS system, etc. Each DISCOM will draw up the scheme according to its requirement with the end objective of reducing losses and ensuring 24 x 7 supply.

Part B - Training & Capacity Building and other Enabling & Supporting Activities:

2.131 Supporting and enabling components such as nodal agency fees, enabling components of MoP (communication plan, publicity, consumer awareness, consumer survey and other associated measures such as third-party evaluation, etc.), up-gradation of Smart Grid Knowledge Centre, training and capacity building, awards and recognitions, etc.

2.132 The scheme-wise summary of capital expenditure and capitalisation of the three DISCOMs for FY 2025-26 as proposed by DISCOMs are given below:-

Table 44: Capital Expenditure Plan for FY 2025-26 (Rs. Crore)

Name of Scheme	East DISCOM	West DISCOM	Central DISCOM
Government schemes (ST(N), TSP, SCSP)	102	250	193
Supervision	-	-	131
Capital store and spares	-	6	-
Loss Reduction (RDSS) SSTD & Modernization (RDSS)	1,207	731	1,981
Total	**1,309**	**987**	**2,314**

Capitalization and CWIP

2.133 DISCOM-wise capitalization plan and the status of Capital Works in Progress (CWIP) as filed by the Petitioners for FY 2025-26 are indicated below:

Table 45 : DISCOM-wise proposed capitalization and bifurcation of CWIP (Rs. Crore)

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Opening Balance of CWIP	3,288	4,851	2,868	11,006
2	Fresh Investment during the year	1,309	987	2,314	4,610
3	**Total Capitalisation during the year**	1,418	1,018	1,251	3,687
4	**Closing Balance of CWIP**	**3,178**	**4,818**	**3,931**	**11,928**

Lease Charges towards Smart Meters

2.134 The Petitioners submitted that Smart Meters are being installed in the State under TOTEX model, which incorporates three cost components CAPEX EMI, OPEX EMI and an upfront payment.

2.135 Petitioners further submitted that they have claimed lease charges for Smart Meters as per Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), these smart meters must be accounted for under Indian Accounting Standard (Ind AS) 116 – Leases and as per Regulation 35 of the MYT Regulations, 2021.

2.136 In view of the above and based on the projected smart meter installation for the FY 2025-26 and considering the EMI and Upfront rate as quoted by the bidders, the Petitioners have worked out the lease charges towards installation of smart meters as shown in the table below:

Table 46 : DISCOM-wise lease charges towards Smart Meters for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Lease Charges towards Smart Meters	154	172	218	545

2.137 The Petitioners submitted that they have not considered capitalization of Smart Meters as GFA addition, and hence, not claimed any depreciation, interest on loan and return on equity corresponding to such capitalization. Instead, they have claimed the lease charges in line with the Regulation 35 of the Tariff Regulations, 2021. Therefore, Petitioners requested the Commission to approve the lease charges as shown in the table above.

Commission's Analysis on Asset Capitalization and Lease Charges for Smart Meters:

Asset Capitalization

2.138 The DISCOMs need to obtain appropriate approval in a timely manner for their capital expenditure in accordance with the guidelines for capital expenditure by Licensees under the provisions of Regulation 10.3 of MPERC (The Conditions of Distribution License for Distribution Licensee [including Deemed Licensee]), Regulations, 2004 and as amended from time to time, by submitting a detailed capital investment plan, financing plan and physical targets against various schemes for meeting the requirement of load growth, reduction in distribution losses, improvement in quality and reliability of supply, metering, etc.

2.139 The capital investment plan should show separately ongoing projects that will spill over in the year under review and new projects (along with justification) that would commence during the tariff Control Period and would be completed within or beyond the tariff Control period. The Commission realises the importance of adequate capital expenditure for upkeep of the network in an efficient manner.

2.140 The Commission vide order dated 30th December, 2022 read with Order dated 04th September, 2024 has accorded in-principle approval to the proposed Capex plan for all three DISCOMs for the period from FY 2022-23 to FY 2025-26, which includes RDSS scheme. Therefore, the Commission finds it appropriate to consider the capitalisation plan as submitted by the Petitioners on provisional basis. The Commission will carry out prudence check of actual capitalisation at the time of true up subject to achievement of physical and financial of targets approved by the Commission in respective schemes based on the outcome of the final approved capex Order for FY 2025-26. Accordingly, the capitalisation plan provisionally considered by the Commission for FY 2025-26 is shown in the table below:

Table 47: Projected Asset Capitalization considered by the Commission for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	1,418.57
West DISCOM	1,018.19
Central DISCOM	1,250.70
State	**3,687.47**

Lease Charges for Smart Meters

2.141 Regulation 35 of the MYT Regulations, 2021, specifies as follows:

*"**35. Lease/Hire Purchase Charge.-***

Lease charges for asset taken on lease by Distribution Licensee shall be considered as per lease agreement provided the charges are considered reasonable by the Commission."

2.142 The Commission observed that these Smart Meters are being installed under RDSS scheme in TOTEX mode, which includes both Capex and Opex expenses. Since these assets are accounted for under a lease agreement, the Petitioners have excluded the cost of such capitalization from the computation of normative GFA addition. Consequently, the impact on interest and finance charges, depreciation, and return on equity has also been excluded from the normative computation.

2.143 The Commission observed that as per the guidelines issued by Ministry of Power, Government of India for Revamped Distribution Sector Schemes, the funding shall be available to DISCOMs if the scheme is being implemented in TOTEX mode. The relevant extract from the said guidelines is as reproduced below:

*"2.3.2 Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. **Under this mode, a single agency will be contracted for supplying, maintaining and operating the metering infrastructure for the purpose of meter related data and services to the DISCOM. It will make both capital and operational expenditure under DBFOOT (Design Build Fund Own Operate & Transfer) or similar modes and will be paid for a portion of its capital expenditure initially and the remaining payment over the O&M period.**"*

2.144 Further, as regard to payment of OPEX expenses, the Clause 4.4.1 of the aforesaid Guidelines provides as under:

*"**4.4.1 Metering:** These projects shall be implemented in TOTEX mode (Total expenditure includes both capital and operational expenditure) with the following options:*

(i) Installation and commissioning of meters and cost recoveries in equated monthly instalments by PPP or implementation partner (or service provider) with no

upfront payment by DISCOM.

(ii) ***Some initial payment shall be made to the service provider upon installation and commissioning of the meters, with the rest of the payments made on equated monthly / quarterly instalments over the operational period****."*

2.145 Therefore, the Commission finds it appropriate to consider the lease charges for smart meters as submitted by the Petitioners on provisional basis. The Commission will carry out prudence check of actual lease charges at the time of true up subject to actual expenditure towards lease charges for smart meters. Further, the CAPEX EMI under lease charges for smart meters shall be subject to achievement of both physical and financial targets approved by the Commission under the RDSS scheme, based on the outcome of the final approved capex Order for FY 2025-26. Accordingly, the lease charges for smart meters provisionally considered by the Commission for FY 2025-26 is shown in the table below:

Table 48 : DISCOM-wise lease charges towards Smart Meters considered by the Commission for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	154.04
West DISCOM	172.28
Central DISCOM	218.35
State	**544.67**

Operations and Maintenance Expenses

Petitioners' Submission

2.146 Operation and Maintenance (O&M) expenses have been calculated for FY 2025-26 by the Petitioner on the basis of Regulation 36 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 and amendment thereof.

2.147 The Petitioners submitted that the audited expenses of FY 2023-24 are available. Further, escalation rate i.e., WPI &CPI index are also available. Hence, in order to have realistic projection capturing the true inflation, it is necessary that the actual expenses being incurred by the Licensees till FY 2023-24 are taken into account. Otherwise, the actual expenses of FY 2025-26 at the time of True-up of FY 2025-26 would substantially differ than the approved norms. Therefore, there is need to revise the base year and rework the expenditure for FY 2025-26.

2.148 Further, the Petitioners submitted that the revised base year has been considered as the year ending 31st March 2024 instead of the year ending 31st March 2022 as specified in Regulation 36.2 of MYT Regulations, 2021. The normative Employee expenses and A&G expenses for the base year has been arrived based on the audited expenses of past three financial years, i.e., from FY 2021-22 to FY 2023-24 excluding abnormal expenses, if any. The average of past three years' audited expenses has been calculated, which is considered as normative Employee expenses and A&G expenses for the year ended on 31st March, 2023, which in turn is escalated with revised escalation rate to arrive at the normative expenses for the base year ending 31st March, 2024. The base year expenses so calculated are then escalated to arrive at normative Employee expenses and A&G expenses for FY 2025-26.

2.149 The Petitioners submitted that the escalation rate for projections has been considered in line with the methodology specified by the Commission in the Regulations. The escalation rate considered for calculating the normative expenses of FY 2023-24 has been derived as 5.86% which is based on the average yearly inflation of past five years, i.e., from FY 2018-19 to FY 2022-23 with 30% and 70% weightage to WPI and CPI, respectively. Similarly, the revised escalation rate for FY 2024-25 has been worked out as 5.95% based on the average yearly WPI of the past four years, due to a negative year-on-year WPI of (0.73%) for FY 2023-24, and the average yearly CPI of the past five years, as shown in the following table:

Table 49: Escalation Rate for FY 2023-24 and FY 2024-25 (%)

Year	Yearly WPI	WPI Inflation	Yearly CPI	CPI Inflation
FY 2018-19	119.79	4.28%	299.92	5.45%
FY 2019-20	121.80	1.68%	322.50	7.53%
FY 2020-21	123.38	1.29%	338.69	5.02%
FY 2021-22	139.41	13.00%	356.06	5.13%
FY 2022-23	152.53	9.41%	377.62	6.05%
FY 2023-24	151.42	(0.73%)	397.20	5.19%
Average from FY19 to FY23		5.93%		5.84%
Average from FY20 to FY24		6.34%		5.78%
Weightage		30%		70%
Escalation rate for FY 2023-24 (5.93%*30%+5.84%*70%)				**5.86%**
Escalation rate for FY 2024-25 (6.34%*30%+5.78%*70%)				**5.95%**

Employee Expenses as submitted by the Petitioners

2.150 The Petitioners submitted that various heads under employee cost have been escalated based on the aforementioned escalation rate except for Dearness Allowances (D.A.). Further, Petitioners submitted that they have not considered any provisions made towards terminal benefit during the past three audited years in their normative Employee expenses calculations for ensuing years. However, they have considered Rs. 70 Crore each as a provision towards terminal benefit trust fund in line with the Commission’s past Orders. As regards D.A., which is linked to basic salary of employees, the Petitioners have considered latest available actual rate for FY 2024-25 in line with the Order and circular issued by the Finance Department, Government of Madhya Pradesh and Petitioners have considered marginal quarterly addition of 4% over previous quarters’ D.A. rate as shown below:-

Table 50: Dearness Allowance Considered (%)

Particulars (As per 7th Pay)	FY 2025-26
DA as percentage of Basic for first quarter - Apr to June	57%
DA as percentage of Basic for 2nd and 3rd quarter - July to Dec	61%
DA as percentage of Basic for 4th quarter - Jan to March	65%

2.151 Based on the above, the employee expense for the ensuing years has been calculated. Further, any variation against the normative employee expenses as worked out above and actual expenses for the respective period shall be claimed at the time of final true-up of respective year.

A&G Expenses as submitted by the Petitioners

2.152 The A&G expenses have been projected by Petitioners in line with the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021. Further, for MPERC fees under A&G expenses, the Petitioners have projected the same considering Rs. 500 for every one Million Units of energy input into the distribution system in line with the "Madhya Pradesh Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2024.

R&M Expenses as submitted by the Petitioners

2.153 The Petitioners submitted that they have projected R&M expenses by applying the rate of 2.30% of the opening Gross Block Assets (GFA) of the year as per Regulation 36.4 of MYT Regulations, 2021.

Additional Operational Expenditure (OPEX) Cost as submitted by the Petitioners

2.154 Under Part A of RDSS scheme, pre-paid Smart Metering for consumers, and system metering at feeder and distribution transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode (CAPEX + OPEX) through Public Private Participation (PPP), to facilitate reduction of distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing. For pre-paid Smart Metering under the scheme, 15% of the total cost will be provided by the Government of India and an additional incentive of 7.5% will be provided for pre-paid Smart Metering within the target time frame of the first phase, i.e., December 2023. The expenditure on billing module, data management, data analysis and other works will be funded 100% by the Government of India. As per the guidelines issued by Ministry of Power, Government of India for Revamped Schemes, the funding shall be available to DISCOMs if the scheme is being implemented in TOTEX mode.

2.155 Accordingly, DISCOMs have planned to implement the smart meterisation through PPP in TOTEX mode. Under this, only partial capex will be paid upfront by DISCOMs, and balance shall be paid through annuity during next 10 years period of operations under OPEX.

2.156 Petitioners submitted that they have estimated the TOTEX requirement for meterization part of the scheme. Out of the total outlay as estimated by the Petitioners for the said scheme, the CAPEX portion was considered as lease charges and the remaining portion, i.e., OPEX portion of the total outlay for meterization was claimed under O&M expenses on equated yearly instalment over the operation period of 10 years.

2.157 Further, Petitioners submitted that the Commission in its MYT Order has approved Additional OPEX for the Petitioners for each year of the Control Period which is over and above the normative O&M expenses. However, due to uncontrollable situation, the smart metering plan has been deferred. Since, the Petitioners have projected revision in CAPEX particularly for Smart Metering during FY 2025-26, there is a revision in OPEX part too.

2.158 The Petitioners have re-estimated the OPEX portion for FY 2025-26 as follows:-

Table 51: Additional OPEX submitted by the Petitioners (Rs Crore)

Particular	East DISCOM	West DISCOM	Central DISCOM	State
Additional OPEX Expenses	106.98	57.36	45.32	209.66

2.159 The Petitioners further submitted that the estimation of the TOTEX and hence, OPEX cost claimed by Petitioner is based on the estimation and selection of vendor, award of contract and other factors. Such expense being specific in nature shall be subjected to true-up for respective years. Further, the aforesaid expenses shall be over and above normative O&M expense of respective year.

2.160 Summary of claims of the Petitioners with respect to O&M Expenses is shown in the table below:

Table 52: O&M Expenses Claimed by the Petitioners for FY 2025-26 (Rs. Crore)

Sr. No.	Particular	East DISCOM	West DISCOM	Central DISCOM	State
1	Employee Expenses (including arrears, DA and others)	1,387.35	1,426.66	1,349.84	4,163.85
2	A&G Expenses	148.12	166.40	161.61	476.13
3	R&M Expenses	380.58	270.43	342.75	993.76
4	Additional OPEX Expenses	106.98	57.36	45.32	209.66
5	**Total O&M Expenses**	**2,023.03**	**1,920.85**	**1,899.52**	**5,843.40**

Commission's Analysis on O&M Expenses

2.161 Regulation 36 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021, specify the methodology for computation of O&M Expenses of the DISCOMs. These expenses comprise Employee expenses, Repair and Maintenance (R&M) expenses and Administrative & General (A&G) expenses. The relevant extract for the Regulation is reproduced below:

"36.2. The Employee expenses and Administrative and General expenses shall be derived on the basis of the average of the actual expenses for the period from FY 2018-19 to FY 2020-21, excluding abnormal expenses, if any, subject to prudence check by the Commission:

Provided that the average of such expenses shall be considered as expenses for the Year ended 31 March, 2020, and shall be escalated at the respective escalation rate for FY 2020-21 and FY 2021-22, to arrive at the expenses for the base year ending 31 March, 2022:

Provided further that the escalation rate for FY 2020-21 and FY 2021-22 shall be computed by considering 30% weight age to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau, Government of India.

36.3. The Employee expenses and Administrative and General expenses for each subsequent year shall be determined by escalating these Base Year expenses of FY 2021-22 by an inflation factor with 30% weight-age to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 70% weight-age to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, to arrive at the permissible expenses for each year of the Control Period.

"36.4. The R and M Expenses shall be allowed on the opening GFA of the financial year @ 2.3% for East Discom, @ 2.3% for West Discom, @ 2.3% for Central Discom, and @ 5% for SEZ Pithampur. Further, the DISCOMs shall be eligible for additional R and M Expenses of 0.50%, if the Licensee is able to achieve the performance standards targets specified by the Commission in MPERC (Distribution Performance Standards) (Revision-II) Regulations, 2012 and its amendment thereof. Further, the DISCOMs shall also be eligible for additional R&M Expenses of 0.50%, if the Licensee is able to achieve Distribution Loss target specified in Regulation 26.1 of these Regulations or is also to achieve at least 3% reduction in losses as compared to previous year."

2.162 The Commission has computed the O&M expenses considering the methodology specified in the aforesaid Regulation and the approach adopted in Tariff Order for FY 2024-25. For approval of Employee Expenses for the FY 2025-26, following approach has been adopted by the Commission:

- The average of past years' actual audited employee expenses from FY 2021-22 to FY 2023-24 has been considered for deriving normative Employee Expenses for FY 2022-23 and then escalated with escalation rate of FY 2023-24 to arrive at the base year, i.e., FY 2023-24.

- The base year expenses so calculated has been escalated twice to arrive at normative Employee expenses for FY 2025-26.

2.163 The escalation rate considered for calculating the normative expenses of FY 2023-24 has been derived based on the average yearly inflation of past five years, i.e., from FY 2018-19 to FY 2022-23 with 30% and 70% weightage to WPI and CPI, respectively. Accordingly, based on the same, the Commission has arrived at escalation rate of 5.86% for FY 2023-24 same as claimed by Petitioners.

2.164 The escalation rate considered for calculating the normative expenses of FY 2024-25 has been derived based on the average yearly CPI inflation of past five years, i.e., from FY 2019-20 to FY 2023-24 and average yearly WPI inflation of past four years (due to negative WPI inflation of (0.73%) in FY 2023-24), i.e., from FY 2018-19 to FY 2022-23 with 30% and 70% weightage to WPI and CPI, respectively. Accordingly, based on the same, the Commission has arrived at escalation rate of 5.95% for FY 2024-25.

2.165 The escalation rate for FY 2023-24 and FY 2024-25 considered for calculating the normative expenses is shown in the table below:-

Table 53: Escalation Rate admitted for FY 2023-24 and FY 2024-25 (%)

Year	Yearly WPI	WPI Inflation	Yearly CPI	CPI Inflation
FY 2018-19	119.79	4.28%	299.92	5.45%
FY 2019-20	121.80	1.68%	322.50	7.53%
FY 2020-21	123.38	1.29%	338.69	5.02%
FY 2021-22	139.41	13.00%	356.06	5.13%
FY 2022-23	152.53	9.41%	377.62	6.05%
FY 2023-24	151.42	(0.73%)	397.20	5.19%
Average from FY19 to FY23		5.93%		5.84%
Average from FY20 to FY24		6.34%		5.78%
Weightage		30%		70%
Escalation rate for FY 2023-24 (5.93%*30%+5.84%*70%)				**5.86%**
Escalation rate for FY 2024-25 (6.34%*30%+5.78%*70%)				**5.95%**

2.166 The Commission has considered Dearness Allowance (DA) applicable for the 1st Quarter (April 2025 to June 2025) as 57%. Subsequently, for the 2nd and 3rd Quarters (July 2025 to December 2025), the Commission has considered an increase in DA of 4% over the 1st Quarter, resulting in a DA of 61%. For the 4th Quarter (January 2026 to March 2026), the Commission has considered a DA of 65%, by considering a 4% increase over the DA of the 3rd Quarter for projecting DA for FY 2025-26.

2.167 It has been noted that various stakeholders have been demanding contribution towards fund for the Terminal Benefit (Pension, Gratuity and Leave Encashment) Trust as per Provision 3(6) of the MPERC (Terms and Conditions for allowing pension and terminal benefits liabilities of personnel of Board and successor entities) Regulations, 2012(G-38 of 2012). The extract of the same is shown below:

"3(6) The liabilities in regard to the contribution to be made under sub-clause 2(iii) above shall be allowed in the tariff of respective Successor Entities in the relevant year limited to

the extent to be decided by the Commission in the relevant tariff order...”

2.168 Considering the above, the Commission had allowed Rs. 1,590 Crore in Tariff Orders for FY 2017-18 to FY 2024-25 towards the Pension and Terminal Benefit Trust Fund (liabilities provision), which was to be contributed by the DISCOMs to the Registered Terminal Benefits Trust. Further, in a separate proceeding, the Commission has directed the Petitioners to create an escrow account and deposit the amount allowed in the previous years’ towards Terminal Benefit Trust Fund. The Commission in this Order in line with the approach followed in previous Orders, has considered an amount of Rs. 210 Crore (Rs 70 Crore for each DISCOM) for the Pension and Terminal Benefit Trust Fund (liabilities provision), which is to be contributed by the DISCOMs for FY 2025-26.

2.169 The Commission in its Order dated 20th March, 2025 for Multi Year Transmission Tariff for the Control Period from FY 2024-25 to FY 2028-29 for MPPTCL has directed MPPTCL to consult MPPMCL and MPPGCL on the actuarial valuation report of FY 2024-25 and approach the State Government to decide further course of action in the matter of terminal benefits in view of the actuarial valuation report.

2.170 Based on the methodology adopted for projection of Employee Expenses for FY 2025-26, A&G Expenses including other expenses have also been projected. As regards MPERC Fees, the Commission has projected it as per the provision of MPERC (Fees, Fines and Charges) Regulations, 2024.

2.171 As regards R&M Expenses, the Commission has considered 2.30% of opening GFA towards base R&M expenses for FY 2025-26 in accordance with Regulation 36.4 of the MYT Regulations, 2021.

2.172 As regards approval of additional O&M expense towards Part A of RDSS, the Commission opines that the O&M expenses allowable as per the Regulations is only towards existing assets and assets to be created during FY 2025-26. However, as the proposed expenditure under Part A of the RDSS is in TOTEX (CAPEX + OPEX) mode, OPEX portion of the expenditure will not be reflected as part of GFA of the DISCOMs. Therefore, the said expenditure towards O&M expenses is required to be allowed over and above the O&M expenses allowed as per the methodology specified in the Regulations. Therefore, the Commission has considered the Petitioners’ claim towards additional operational expenditure (OPEX) cost towards Part A of RDSS provisionally, subject to actuals at the time of true up of FY 2025-26.

2.173 Further, the Commission has projected the O&M Expenses capitalisation for FY 2025-26 considering actual capitalisation percentage of 3.13%, 2.09% and 1.46% for East, West and Central DISCOM, respectively, during FY 2023-24.

2.174 Accordingly, the admitted O&M Expenses for FY 2025-26 are shown in the table below:

Table 54: Operation and Maintenance Expenses admitted for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening GFA	16,915.69	9,601.43	14,902.21	41,419.33
Repair and Maintenance Expenses @ 2.30%	**389.06**	**220.83**	**342.75**	**952.64**
Basic Salary	*605.96*	*474.57*	*533.02*	*1,613.55*
Outsource Employee Expenses	*300.13*	*361.75*	*325.64*	*987.52*
Other Allowance	*94.91*	*108.65*	*95.67*	*299.23*
Dearness Allowance	*369.63*	*289.49*	*325.14*	*984.26*
Terminal Benefits	*26.00*	*70.10*	*34.02*	*130.11*
Employee Expenses	**1,396.62**	**1,304.56**	**1,313.50**	**4,014.68**
Administrative and General Expenses	**147.45**	**163.45**	**156.69**	**467.59**
Other Expenses (Rates & Taxes etc.)	3.04	2.64	4.55	10.23
MPERC fees	1.35	1.82	1.61	4.78
Provision for Terminal Benefit Trust Fund	70.00	70.00	70.00	210.00
O&M Expenses Capitalised	(48.16)	(27.83)	(24.39)	(100.39)
Additional Operational Expenditure (RDSS)	106.98	57.36	45.32	209.66
Total O&M Expenses	**2,066.34**	**1,792.84**	**1,910.01**	**5,769.19**

Depreciation

Petitioners' Submission

2.175 The Petitioners submitted that they have computed depreciation as per Regulation 33 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021. As per the said Regulations, depreciation needs to be calculated on value base of the capital cost as admitted by the Commission. The salvage value of the assets needs to be considered as 10% of Capital Cost, and Depreciation shall be allowed up to maximum of 90% of the Capital Cost of the asset.

2.176 Further, the Petitioners submitted that the rate of depreciation has been considered in accordance with the rate specified by the Commission in its Regulations. In case of existing projects/schemes, the Petitioners have verified if the accumulated depreciation has reached 70%. For the existing projects/schemes where the accumulated depreciation has reached 70% of asset value, the remaining depreciable value has been spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

2.177 The Petitioners have also submitted that they have claimed depreciation on the net block of assets excluding consumer contribution and grants, since the Petitioners have not considered deferred income booked towards the amortization of assets created through consumer contribution and grants under their Non-Tariff Income.

2.178 The DISCOM-wise depreciation claimed for FY 2025-26 is as shown in the table below:

Table 55: Depreciation claimed by the Petitioners for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Building	1.36	6.29	4.97	12.62
Hydraulic Works	0.00	0.00	0.28	0.28
Other Civil Works	1.55	0.79	0.12	2.46
Plant & Machinery	159.37	104.13	82.08	345.58
Line Cable Networks etc.	253.11	230.65	151.06	634.82
Vehicles	0.18	0.41	0.00	0.59
Furniture & fixtures	0.00	0.33	0.10	0.43
Office Equipment	11.54	6.96	13.27	31.77
RGGVY, IPDS, Soubhagya, DDUGJY, RDSS	0.00	0.00	73.70	73.70
Amortization of Intangible Assets	6.38	1.97	3.10	11.45
Supervision assets	0.00	0.00	0.00	0.00
Capital Stores & Spares	0.00	0.00	13.21	13.21
Total	**433.50**	**351.59**	**341.89**	**1,126.92**

Commission's Analysis of Depreciation

2.179 MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specify the methodology for computing depreciation. The relevant extract of the Regulations has been reproduced below: -

*"**33. Depreciation.-***

For the purpose of Tariff, depreciation shall be computed in the following manner:

(a) The value base for the purpose of depreciation shall be the capital cost of the assets as admitted by the Commission.

(b) The approved/accepted cost shall include foreign currency funding converted to equivalent rupee at the exchange rate prevalent on the date of foreign currency actually availed.

(c) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

(d) Land other than land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(e) Depreciation shall be calculated annually based on 'straight line method' and at rates specified in Annexure II to these Regulations for the assets of the Distribution System declared in commercial operation after 31 March, 2022:

Provided that the remaining depreciable value as on 31stMarch of the Year closing after a period of 15 Years from Date of Commercial Operation shall be *spread over the balance useful life of the assets:*

Provided further that the Consumer contribution or capital subsidy/grant, etc., for asset creation shall be treated as may be notified by the Commission from time to time.

(f) In case of the existing Projects, the balance depreciable value as on 01 April, 2022 shall be worked out by deducting the cumulative depreciation including Advance against Depreciation as admitted by the Commission up to 31 March, 2022 from the gross depreciable value of the assets. The rate of Depreciation shall be continued to be charged at the rate specified in Annexure-II till cumulative depreciation reaches 70%. Thereafter, the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90 %.

(g) Depreciation shall be chargeable from the first Year of commercial operation. In case of commercial operation of the asset for part of the Year, depreciation shall be charged on pro-rata basis.

34. Consumer Contribution, Deposit Work, Grant and Capital Subsidy.-

34.1. The expenses of the following categories of works carried out by the Distribution Licensee shall be treated as specified in Regulation34.2:

(a) Works undertaken from funds, partly or fully, provided by the users, which are in nature of deposit works or consumer contribution works;

(b) Capital works undertaken with grants or capital subsidy received from the State and Central Governments;

(c) Other works undertaken with funding received without any obligation of repayment and with no interest costs;

34.2. The expenses on such capital works shall be treated as follows:

……………………….

(e) Provisions related to depreciation, as specified in Regulation 33, shall not be applicable to the extent of such financial support received.”

2.180 Accordingly, the Commission has considered the asset addition for FY 2025-26 as admitted in table 47. Further, consumer contributions, grants and subsidies towards Capital Assets have been considered as per Petitioners’ submission and subtracted from the GFA for arriving at net GFA for FY 2025-26. Depreciation has been worked out on the basis of the projected average net GFA computed considering the opening and closing net GFA of FY 2025-26. In accordance with the provisions of the Regulations, the Commission has not allowed depreciation towards assets created through consumer contribution and grants.

2.181 The Commission has observed that the Petitioners have submitted Fixed Asset Registers up to FY 2023-24.

2.182 As the GFA for FY 2025-26 has been admitted provisionally, the weighted average depreciation rate (i.e., 4.07%, 3.48% and 3.36% for East, West and Central DISCOMs, respectively) derived on the basis of Fixed Asset Register submitted by the DISCOMs for FY 2023-24, has been considered for computation of depreciation for FY 2025-26.

2.183 The depreciation admitted for FY 2025-26 is given in the following table:

Table 56: Depreciation admitted for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening GFA as on 1st April, 2024	**8,445.07**	**4,717.74**	**9,254.93**	**22,417.75**
Add: Addition during Financial Year	1,596.13	516.51	971.58	3,084.22
Less: Consumer Contribution/Grants in Financial Year	1,012.36	240.36	513.43	1,766.15
Opening GFA as on 1st April, 2025	**9,028.84**	**4,993.89**	**9,713.09**	**23,735.82**
Add: Addition during Financial Year	1,418.57	1,018.19	1,250.70	3,687.47
Less: Consumer Contribution/Grants in Financial Year	941.70	307.79	724.70	1,974.20
Closing GFA as on 31st March, 2026	**9,505.71**	**5,704.29**	**10,239.09**	**25,449.09**
Average GFA	9,267.28	5,349.09	9,976.09	24,592.45
Rate of Depreciation	**4.07%**	**3.48%**	**3.36%**	**3.65%**
Depreciation Admitted	**377.38**	**185.92**	**335.14**	**898.44**

Interest and Finance Charges

Petitioners' submission

2.184 Regulation 32 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the method for calculation of interest and finance charges on loan capital.

2.185 The Petitioners have submitted that interest and finance charges on loan capital have been computed in line with the methodology adopted by the Commission in its previous Tariff/True-up Orders. The opening debt of FY 2023-24 has been considered in line with the closing debt as approved by the Commission in its True-up Order of FY 2022-23. However, in case of Central DISCOM, due to prior period capitalization of Rs. 77.51 Crore, the opening debt balance for FY 2023-24 has been revised corresponding to debt balance associated with prior period capitalization of Rs. 77.51 Crore. The detailed working of the same is provided in the separate Petition submitted for True up of ARR for FY 2023-24.

2.186 The asset addition to GFA, consumer deposits and grant and actual equity contribution has been considered as proposed in the True-up Petition of FY 2023-24. The repayment of loan has been considered equal to depreciation. Accordingly, the closing debt of FY 2023-24 has been arrived by adding the net GFA considered as funded through debt and subtracting debt repayment of the respective year. The closing debt of FY 2023-24 is then considered as opening debt of FY 2024-25.

2.187 Similarly, opening and closing debt of FY 2024-25 and FY 2025-26 has been arrived by the Petitioners. However, while doing so, the GFA addition, consumer deposits and grant and equity have been considered as projected in this Petition. Further, 30% of the net asset addition to GFA during the year or actual equity infusion as admitted, whichever is less, has been considered as funded through equity. Balance of net asset addition to GFA is considered as having been funded through debt and added to the total debt in GFA.

2.188 The interest on loan for FY 2025-26 has been calculated by the Petitioners on the normative average loan of the year by applying the weighted average rate of interest. Further, the weighted average rate of interest for each DISCOM has been calculated based on the actual loan portfolio of DISCOMs in line with the Regulations.

2.189 The Petitioners have also considered other finance charges such as Bank Charges, Commitment Charges, Guarantee/LC Charges, etc., based on the actual expenditure incurred over the previous financial years as per audited accounts.

2.190 The DISCOM-wise summary of interest and finance charges as submitted by the Petitioners is mentioned in the table below:

Table 57: Interest on Project Loan claimed for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening Debt associated with GFA	3,409.91	735.47	4,301.47	8,446.85
GFA Addition during the year	1,418.57	1,018.19	1,250.70	3,687.47
Consumer Deposit and Grants utilized during the year	941.70	307.79	724.70	1,974.20
Net GFA Addition during the year	476.87	710.40	526.00	1,713.27
Addition of Equity	30.24	62.61	52.43	145.28
Net GFA considered as funded through debt	446.63	647.79	473.57	1,567.99
Debt repayment during the year	433.50	351.59	341.89	1,126.98
Closing debt associated with GFA	3,423.04	1,031.67	4,433.15	8,887.86
Average debt associated with Loan	3,416.48	883.57	4,367.31	8,667.35
Weighted average rate of interest (%) on all loans	9.36%	9.87%	10.21%	9.84%
Interest on Project Loans	**319.82**	**87.22**	**445.72**	**852.76**
Other Finance cost	**5.95**	**17.50**	**9.02**	**32.47**
Bank Charges	0.12	0.26	0.97	1.35
Commitment Charges	4.59	17.24	0.00	21.83
Guarantee/LC Charges	1.24	0.00	8.05	9.29
Interest Cost Claimed in Petition	**325.77**	**104.72**	**454.74**	**885.23**

Commission's Analysis of Interest and Finance Charges

2.191 Regulation 22 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the methodology for computation of debt and equity towards the existing and admitted capitalisation. The relevant extract of the Regulation is reproduced below:

"22. Debt-equity ratio.-

22.1. For the purpose of determination of tariff, the normative debt-equity ratio of the total *capital employed, after deducting the funding from Consumer Contributions, Deposit Work, Grant and Capital Subsidy, in completed assets shall be 70:30 subject to Regulation.*

22.2. The debt-equity amount arrived in accordance with this Regulation shall be used for calculation of interest on loan, return on equity, depreciation and foreign exchange rate variation.

22.2. For a Project declared under commercial operation on or after 01 April, 2022, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of Tariff:

Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

…

22.3. In case of the Distribution System declared under commercial operation prior to 01 April, 2022, debt-equity ratio allowed by the Commission for determination of Tariff for the period ending 31 March, 2022 shall be considered."

2.192 Regulation 32 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the methodology for computation of interest and finance charges on loan. The relevant extract of the Regulation is reproduced below:

"32. Interest and finance charges on loan capital.-

32.1. The loans arrived at in the manner indicated in Regulation 22 shall be considered as gross normative loan for calculation of interest on loan.

32.2. The normative loan outstanding as on 01 April, 2022 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31 March, 2022 from the gross normative loan.

32.3. Notwithstanding any moratorium period availed by the Distribution Licensee, the repayment of loan shall be considered from the first Year of commercial operation of the Project and shall be equal to the annual depreciation allowed.

32.4. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Project:

Provided that at the time of true-up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Distribution System does not have actual loan, then the weighted average rate of interest of the Distribution Licensee as a whole shall be considered.

Provided also that if the Distribution Licensee as a whole does not have actual long-term loan, then the Base Rate as on 1st April of the respective year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

32.5. The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest.

32.6. The Distribution Licensee shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the consumers and the net savings shall be shared between consumers and Distribution Licensee in ratio 2:1.

32.7. The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

32.8. Interest charges on security deposits with the Licensee shall be considered at the rate specified by the Commission from time to time."

2.193 Based on the above, the Commission has considered interest and finance charges as pass through in the ARR only for those loans, for which the associated capital works have been completed and assets have been put to use.

2.194 Interest on loan for works in progress is considered as interest during construction (IDC), which shall be capitalized and added to the project cost at the time of asset capitalization. Therefore, such IDC cost has not been considered as pass through in the ARR. The underlying principle for considering the capitalization instead of capital expenditure incurred during the year is that the consumer should bear the interest cost related to only those assets, which are put to use. The asset under construction is not being used for the benefit of the consumers. Interest cost incurred during the course of construction of assets becomes a part of CWIP and therefore, is not admitted as pass through.

2.195 Regulation 22 of the MYT Regulations, 2021 provides that the debt-equity ratio of the capital employed for determination of tariff shall be 70:30. However, in case the actual equity is less than 30%, actual equity infused is to be considered and wherever the actual equity infused exceeds 30%, equity in excess of 30% shall be treated as normative loan.

2.196 Further, Regulation 31 of the MYT Regulations, 2021 provides that only such paid-up share capital is to be reckoned for computation of Return on Equity, which has been actually utilised for meeting capital expenditure and forms a part of the approved financial package. The approach adopted by the Commission for computation of interest cost for FY 2025-26 is as follows:

a) Opening loan for FY 2024-25 has been considered same as the closing loan admitted in true up of FY 2023-24. Thereafter, addition in FY 2024-25 has been considered as per the Petitioners' submission. The closing loan thus arrived for FY 2024-25 has been considered as opening loan for FY 2025-26.

b) Net asset addition to GFA during the year is arrived at by subtracting the Consumer Contribution/Grants received from total asset addition to GFA.

c) 30% of the net asset addition to GFA during the year or actual equity infusion as admitted, whichever is less, has been considered as funded through equity. Balance of net asset addition to GFA is considered as having been funded through debt and added to the total debt in GFA.

d) Debt repayments have then been subtracted from the total debt identified with completed assets as computed from the above. The repayment for the year has been considered equal to the depreciation allowed for that year.

e) The Commission has worked out the weighted average rate of interest based on the submissions made by the Petitioners in Format 3a. As per the MYT Regulations, 2021, the Commission has considered the weighted average rate of interest computed based on the actual outstanding and new loan to be taken during FY 2025-26.

f) The Commission observed that West and Central DISCOMs have considered interest rate on account of Perpetual loans, Public/ SLR Bonds, PP Bonds and Interest on Working Capital Loans in weighted average of Project Loans. The Commission, while approving the weighted average rate of interest, has not considered these Loans as the Petitioners have not been able to establish their linkage to project specific works. This approach is in line with the approach taken in pervious True-up/MYT/ARR Orders.

g) Other Finance costs for FY 2025-26 have been admitted considering the actual percentage of actual finance cost to average loan in FY 2022-23 and FY 2023-24. The average of FY 2022-23 and FY 2023-24 works out to 0.11%, 1.62% and 0.22% for East, West and Central DISCOM, respectively.

2.197 Based on the above, the Interest and Finance charges admitted for FY 2025-26 are shown in the table below:

Table 58: Interest and finance charges admitted for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening Debt associated with GFA as on 1st April, 2024	**3,589.23**	**923.90**	**4,081.01**	**8,594.15**
Addition to GFA during the year	583.77	276.14	458.15	1,318.07
70% of addition to net GFA considered as funded through Loan net of Consumer Contribution	560.68	241.37	408.08	1,210.13
Debt repayment during the year	355.78	168.77	318.61	843.17
Opening Debt associated with GFA as on 1st April, 2025	**3,794.12**	**996.50**	**4,170.49**	**8,961.11**
Addition to GFA during the year	476.87	710.40	526.00	1,713.27
70% of addition to net GFA considered as funded through Loan net of Consumer Contribution	446.63	627.87	473.57	1,548.08

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Debt repayment during the year	377.38	185.92	335.14	898.44
Closing debt associated with GFA as on 31st March, 2026	**3,863.37**	**1,438.46**	**4,308.92**	**9,610.74**
Average debt	3,828.74	1,217.48	4,239.70	9,285.93
Weighted average rate of interest (%) on all loans as per Petitioner	9.28%	9.17%	9.54%	9.39%
Interest on Project Loans	355.35	111.70	404.45	871.50
Other Finance cost	4.39	19.73	9.46	33.58
Interest cost admitted on project loans	**359.74**	**131.44**	**413.90**	**905.08**

Interest on Working Capital

Petitioners' Submission

2.198 Regulation 23 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the method of calculation of interest on working capital, wherein the total Working Capital shall consist of expenses towards working capital for the supply activity and wheeling activity. The said Regulation also specifies the parameters to be considered for computation of working capital for wheeling and supply activity.

2.199 Further, as per Regulation 38, the rate of interest on working capital shall be equal to the Base Rate as on 1st April of the relevant year plus 350 basis points. Further, the base rate shall be one-year Marginal Cost of Funds-based Lending Rate (MCLR) as declared by State Bank of India from time to time. The SBI MCLR as on 1st April, 2024 is 8.5%. Accordingly, the Petitioners have considered the interest rate on working capital as 12% (SBI-MCLR 8.50% plus 350 bps).

2.200 The summary of DISCOM-wise Interest on Working Capital is mentioned in the table below:-

Table 59: Interest on Working Capital claimed for 2025-26 (Rs Crore)

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
I	**Wheeling**				
A)	$1/6^{th}$ of annual requirement of inventory for 1% GFA of previous year	22.06	12.88	19.87	54.81
B)	O&M expenses				
	R&M expenses	487.56	270.43	388.07	1,146.06
	A&G expense	148.12	166.40	142.67	457.18
	Employee expenses	1,566.91	1,356.66	1,280.60	4,204.17
B) i)	Total of O&M expenses	2,202.59	1,793.49	1,811.34	5,807.41
B) ii)	$1/12^{th}$ of total	183.55	149.46	150.94	483.95
C)	Receivables		-		-
C) i)	Annual Revenue from wheeling charges		3.75		3.75
C) ii)	Receivables equivalent to 2 months average billing of wheeling charges		0.63		0.63
D)	Total Working capital [A) + B) ii) - C) ii)]	205.61	162.96	170.81	539.39

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
E)	Rate of Interest	12.00%	12.00%	12.00%	12.00%
F)	**Interest on Working capital (Wheeling)**	**24.67**	**19.56**	**20.50**	**64.73**
II	**Retail Supply**				
A)	1/6th of annual requirement of inventory for previous year	5.52	3.22	4.97	13.70
B)	Receivables				
B) i)	Annual Revenue from Tariff and charges	14,860	21,514	18,262	54,637
B) ii)	Receivables equivalent to 2 months average billing	2,477	3,586	3,044	9,106
C)	Power Purchase expenses	9,770	18,550	12,668	40,987
C) i)	1/12th of power purchase expenses	814	1,546	1,056	3,416
D	Consumer Security Deposit	1,321	2,341	1,972	5,634
E)	Total Working capital (A+B ii) - C i) - D)	347	(298)	21	70
F)	Rate of Interest	12.00%	12.00%	12.00%	12.00%
G)	**Interest on Working capital (Retail Supply)**	41.62	0.00	2.56	44.17
H)	**Total Interest on Working Capital (Wheeling + Retail Supply)**	**66.29**	**19.56**	**23.05**	**108.90**

Commission's Analysis of Interest on Working Capital

2.201 Regulation 23 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the methodology for computation of Interest on Working Capital. The relevant extract of the Regulation has been reproduced below:-

*"**23. Working capital.-***

23.1. Working capital for supply activity of the Licensee shall consist of:

(i)Receivables of two months of average billing reduced by power purchase cost of one month, consumer security deposit, and any amount paid by the prepaid consumers,

(ii)O&M expenses for one month, and

(iii)Inventory (meters, metering equipment, testing equipment are particularly relevant in case of supply activity) for 2 months based on annual requirement considered at 1% of the Gross Fixed Assets for previous year.

23.2. Working capital for wheeling activity of the Licensee shall consist of:

(i)O and M expenses for one month, and

(ii)Inventory (excluding meters, etc., which are considered part of supply activity) for

2 months based on annual requirement considered at 1% of the gross fixed assets for previous year.

23.3. The norms described above shall be applicable for each year of the Control Period.

38. Interest charges on working capital.-

Working capital shall be computed as provided in these Regulations and Rate of interest on working capital shall be equal to the Base Rate as on 1April of the relevant Year plus 350 basis points. The interest on working capital shall be payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has borrowed in excess of the working capital loan computed on normative basis."

2.202 Accordingly, the Commission has considered the opening Gross Fixed Asset of FY 2025-26 for computation of Interest on Working Capital for East, West and Central DISCOMs. One percent of opening Gross Fixed Asset has been pro-rated to two months to work out the inventory requirement for wheeling activity and retail activity. This has been further divided into wheeling and retail inventory in the ratio of 80:20 as per the practice adopted in previous Tariff Orders. The average consumer security deposit has been considered which is average of opening and closing balance of consumer security deposit for FY 2025-26. Values of other elements of working capital have been re-computed based on the expenses admitted by the Commission in the relevant sections of this Order. Further, annual revenue from wheeling charges has been considered based on three years average of the actual values as per audited accounts of FY 2021-22 to FY 2023-24 for FY 2025-26.

2.203 The Commission observed that Petitioners have incorrectly considered rate of interest in working capital, whereas the Base Rate on 1st of April, 2024 (SBI one-year MCLR-8.65% plus 350 basis) stands at 12.15%. The same has been considered as normative interest rate applicable for working capital loans of DISCOMs for FY 2025-26. Accordingly, the interest on working capital admitted by the Commission for wheeling and retail sales activity combined together is shown in the table below:

Table 60: Interest on Working Capital admitted by the Commission (Rs. Crore)

Sr. No	Particulars	Months	East DISCOM	West DISCOM	Central DISCOM	State
For wheeling Activity						
A)	1/6th of annual requirement of inventory for previous year	6	22.55	12.80	19.87	55.23
B) i)	Total of O&M Expenses		2,066.34	1,792.84	1,910.01	5,769.19
B) ii)	1/12th (1 Months) of total O&M Expenses		172.20	149.40	159.17	480.77
C)	Receivables					
C) i)	Annual Revenue from wheeling charges		0.31	3.75	0.08	4.14
C) ii)	Receivables equivalent to 2 months average billing of wheeling charges	6	0.05	0.63	0.01	0.69
D)	Total Working capital (A+B(ii)+C(ii))		194.80	162.83	179.05	536.68
E)	Rate of Interest		12.15%	12.15%	12.15%	12.15%
F)	**Interest on Working Capital for**		**23.67**	**19.78**	**21.75**	**65.21**

Sr. No	Particulars	Months	East DISCOM	West DISCOM	Central DISCOM	State
For wheeling Activity						
	Wheeling Activity					
For Retail Sale Activity						
A)	1/6th of annual requirement of inventory for previous year	6	5.64	3.20	4.97	13.81
B)	Receivables					
B) i)	Annual Revenue from Tariff and charges		16,073.83	22,739.02	18,919.74	57,732.60
B) ii)	Receivables equivalent to 2 months average billing (B(i)/6)		2,678.97	3,789.84	3,153.29	9,622.10
C)	Annual Power Purchase expenses		10,289.45	17,153.44	12,697.41	40,140.30
C) i)	1/12th (1 Months) of power purchase expenses (C/12)		857.45	1,429.45	1,058.12	3,345.02
D	Consumer Security Deposit		1,284.20	2,271.08	1,971.72	5,527.00
E)	Total Working capital (A+B (ii) - C (i) - D)		542.95	92.51	128.42	763.88
F)	Rate of Interest		12.15%	12.15%	12.15%	12.15%
G)	**Interest on Working capital for Retail Sale Activity**		**65.97**	**11.24**	**15.60**	**92.81**
	Summary					
	For wheeling Activity		23.67	19.78	21.75	65.21
	For Retail Sale Activity		65.97	11.24	15.60	92.81
	Total Interest on Working Capital admitted		**89.64**	**31.02**	**37.36**	**158.02**

Interest on Consumer Security Deposit

Petitioners' Submission

2.204 Interest on Consumer Security Deposit is payable to the consumers in accordance with MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 and MPERC Security Deposit Regulations, 2009 and amendments thereof. The Petitioners have provisionally considered rate on Consumer Security Deposit rate in line with the actual rate arrived at based on the audited accounts.

2.205 The DISCOM-Wise summary of interest on Consumer Security Deposit is mentioned in the table below:

Table 61: Interest on Consumer Security Deposit claimed by the Petitioners for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Interest on Consumer Security Deposit	98.05	132.17	124.57	354.79

Commission's Analysis of Consumer Security Deposit

2.206 The Commission observed that the Petitioners have worked out interest on Consumer Security Deposit on the basis of actual interest paid on the average Consumer Security Deposit in FY 2023-24. Thereafter, same interest rate has been considered for FY 2024-25 and FY 2025-26 for projection of interest on Consumer Security Deposit whereas the

Commission has computed the interest on Consumer Security Deposit as per the norms of the MYT Regulations, 2021 and Madhya Pradesh Electricity Regulatory Commission (Security Deposit) (Revision–I) Regulations, 2009, amended from time to time, i.e., RBI Bank Rate of 6.75% and admitted the same as shown in the table below:

Table 62: Interest on Consumer Security Deposit (CSD) admitted for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	86.68
West DISCOM	153.30
Central DISCOM	133.09
State	**373.07**

Return on Equity (RoE)

Petitioners' Submission

2.207 The MYT Regulations, 2021 specify allowing Return on Equity in two parts, i.e., Base Return on Equity and Additional Return on Equity linked to actual performance. The rate for base Return on Equity has been kept at 14% and additional Return of 2% has been linked to performance, which is to be allowed at the time of True-up.

2.208 Regulation 22 of the MYT Regulations, 2021 provides that the debt-equity ratio of the capital employed for determination of tariff shall be 70:30. However, in case the actual equity is less than 30%, actual equity infused is to be considered and wherever the actual equity infused exceeds 30%, equity in excess of 30% shall be treated as normative loan. Accordingly, based on the above provisions, the Petitioners have worked out Return of Equity for FY 2025-26 as follows:

(a) Opening Equity for FY 2023-24 has been considered as the closing equity admitted in true up of FY 2022-23. However, in case of Central DISCOM, during the FY 2023-24, assets amounting to Rs. 77.51 Crores have been capitalized retrospectively from FY 2017-18. This capitalization pertains to periods prior to FY 2023-24, based on completion reports received in the current fiscal year. Considering this prior period capitalization, the Petitioner has revised the normative opening equity balance for FY 2023-24, as submitted in the True- Up petition for FY 2023-24.

(b) Thereafter, addition in equity for FY 2023-24 has been considered as per the Petitioners' submission. The closing equity thus arrived for FY 2023-24 has been considered as opening equity for FY 2024-25.

(c) Net asset addition to GFA during FY 2024-25 and FY 2025-26 is arrived at by subtracting the Consumer Contribution/Grants from total asset addition to GFA as projected in this Petition.

(d) 30% of the net asset addition to GFA during the year or actual equity infusion as proposed, whichever is less, has been considered by the Petitioners as funded through equity.

2.209 Petitioners submitted that Return on Equity has been calculated on the average equity balance of the respective year with the Rate of 14% as shown in the table below:

Table 63: Return on Equity Claimed by the Petitioners for FY 2025-26 (Rs. Crore)

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
A1	Opening balance of GFA identified as funded through equity	1,723.70	1,222.92	1,943.52	4,890.14
B	**Proposed capitalization of assets as per the investment plan (net of consumer contribution and grant)**	**1,418.57**	**208.71**	**526.00**	**2,153.28**
B1	Proportion of capitalized assets funded out of equity, internal reserves	30.24	82.53	52.43	165.20
B2	Balance Proportion of capitalized assets funded out of project loans (B - B1)	1,388.33	126.19	473.57	1,988.09
C1	Normative additional equity (30% of B)	425.57	62.61	157.80	645.98
C2	Normative additional debt (70% of B)	993.00	146.10	368.20	1,507.30
D1	Excess / shortfall of additional equity over normative (B1-C1)	(395.33)	19.91	(105.37)	(480.79)
D2	Excess / shortfall of additional debt over normative (B2-C2)	395.33	(19.91)	105.37	480.79
E	**Equity eligible for Return (A1+(C1/2)) OR (A1+(B1/2)), whichever is lower**	1,738.82	1,254.23	1,969.74	4,962.79
F	**Rate of Return in Equity**	14.00%	14.00%	14.00%	14.00%
G	**Return on Equity (14% on E)**	**243.44**	**175.59**	**275.76**	**694.79**

Commission's Analysis of Return on Equity

2.210 Regulation 31 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the methodology for computation of Return on Equity (RoE). The relevant extract of the Regulation has been reproduced below:-

*"**31. Return on Equity.-***

31.1. Return on equity shall be computed in rupee terms, on the paid-up equity capital determined in accordance with Regulation 22.

31.2. Return on Equity shall be allowed in two parts, i.e., Base Return on Equity and Additional Return on Equity linked to actual performance.

31.3. Base Return on Equity shall be allowed at the rate of 14%.

31.4. The Additional Return on Equity shall be allowed at the time of true-up subject to the following:

(a) If the status of metering of rural consumers under the domestic categories is achieved at the levels specified below, the Additional Return on Equity of 0.75% shall be allowed:

Year	***Metering completed as % of total connections***		
	East	***West***	***Central***
FY 2022-23	*92%*	*100%*	*84%*
FY 2023-24	*94%*	*100%*	*88%*
FY 2024-25	*96%*	*100%*	*92%*
FY 2025-26	*98%*	*100%*	*96%*
FY 2026-27	*100%*	*100%*	*100%*

(b) If the total value of capital investment works capitalized in a year is more than 95% of the total approved capitalisation towards approved works for that year, the Additional Return on Equity of 0.75% shall be allowed;

(c) If the actual Repairs and Maintenance expenses in a year is more than 95% of the approved Repairs and Maintenance expenses for that year, the Additional Return on Equity of 0.50% shall be allowed.

31.5. Any expenses on payment of Income Tax paid shall be allowed extra on actual basis on the licensed business of the Distribution Licensee.

31.6. The premium raised by the Licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid-up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting capital expenditure and forms part of the approved financial package. For the purposes of calculation of computation of return, the portion of free reserves utilized for meeting the capital expenditure shall be considered from the date the asset created is productively deployed in the distribution business."

2.211 As per MYT Regulations, 2021, Return on Equity is allowable in two parts, i.e., Base Return on Equity of 14% and Additional Return on Equity of 2%, subjected to achievement of target / performance, which is to be allowed at the time of true-up after prudence check. Therefore, the Commission in this Order has considered base rate of 14% for computation for Return of Equity for FY 2025-26.

2.212 Regulation 22 of the MYT Regulations, 2021 and amendments provides that the debt-equity ratio of the capital employed for determination of tariff shall be 70:30. However, in case the actual equity is less than 30%, actual equity infused is to be considered and wherever the actual equity infused exceeds 30%, equity in excess of 30% shall be treated as normative loan.

2.213 Further, Regulation 31 of the MYT Regulations, 2021 specifies that only such paid-up share capital is to be reckoned for computation of Return on Equity, which has been actually utilised for meeting capital expenditure and forms a part of the approved financial package.

Accordingly, based on the above, the approach adopted by the Commission for computation of Return of Equity for FY 2025-26 is as follows:

a) Opening Equity for FY 2024-25 has been considered as the closing equity admitted in true up of FY 2023-24. Thereafter addition in equity for FY 2024-25 has been considered as per the Petitioners' Submission. The closing equity thus arrived for FY 2024-25 has been considered as opening equity for FY 2025-26.

b) Net asset addition to GFA during each year of the Control Period is arrived by subtracting the Consumer Contribution/Grants received from total asset addition to GFA.

c) 30% of the net asset addition to GFA during the year or proposed equity infusion as admitted, whichever is less, has been considered as funded through equity.

d) RoE for each year has been computed considering the average equity for the year and rate of RoE of 14% as per Regulation 31 of the MYT Regulations, 2021.

2.214 The total equity identified along with RoE as admitted for FY 2025-26 is shown in the tables below:

Table 64: Return on Equity admitted for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening Equity identified with GFA as on 1st April, 2024	**1,700.61**	**1,163.24**	**1,832.86**	**4,696.71**
Equity addition admitted during the Year	23.09	34.77	50.07	107.94
Opening Equity identified with GFA as on 1st April, 2025	**1,723.71**	**1,198.01**	**1,882.93**	**4,804.65**
GFA Addition	1,418.57	1,018.19	1,250.70	3,687.47
Consumer Deposit and Grants received	941.70	307.79	724.70	1,974.20
Net GFA Addition	476.87	710.40	526.00	1,713.27
30% of addition to net GFA considered as funded through equity net of consumer contribution	143.06	213.12	157.80	513.98
Proposed Equity addition during the Year	30.24	82.53	52.43	165.20
Equity addition admitted during the Year	30.24	82.53	52.43	165.20
Closing Equity as on 31st March, 2026	**1,753.95**	**1,280.54**	**1,935.36**	**4,969.84**
Average Equity	1,738.83	1,239.28	1,909.14	4,887.25
RoE @ 14% Admitted	**243.44**	**173.50**	**267.28**	**684.21**

Research and Development Fund

Petitioners' Submission

2.215 The Petitioners submitted that the Commission in its previous ARR proceedings has allowed R&D Fund of Rs. 2 Crore for each DISCOM. This fund is to be utilised in conducting studies and running pilots, whenever required in areas aimed at enhancing the efficiency of distribution licensees. The emphasis is on utilising the fund strategically to support studies, research and support initiatives that contribute to improvements in technological interventions, operational capabilities and cost savings, etc.

2.216 The Petitioners expressed its gratitude before the Commission for allowing the R&D fund. Research and Development (R&D) funding is essential for distribution licensees as it drives innovation and efficiency, leading to improved reliability and quality of electricity supply, reduced operational costs, and enhanced customer satisfaction. It enables the integration of sustainable practices and renewable energy sources, ensures regulatory compliance, and provides a competitive edge in the evolving energy market. Moreover, R&D fosters safety improvements and future preparedness, contributing to economic growth and the overall sustainability of the electricity distribution network.

2.217 Petitioners further submitted that for any fund to operationalize it is necessary that the recovery of the same is built in tariff. The Petitioner being a regulated entity, can recover only approved expenses from the consumer. Further, considering the current financial condition of the Petitioners where the Licensees are facing cash crush in managing day to day business activity, it has become difficult for them to arrange the required R&D fund on its own.

2.218 Petitioners submitted that as mandated under Section 62 (6) of the Electricity Act, 2003, Distribution Licensee cannot recover any charges / tariff more than that approved by the Commission. Accordingly, it is prayed before the Commission kindly include the expenses towards R&D fund while determining the ARR for the FY 2025-26 and allow its recovery through tariff.

2.219 The summary of expenses towards R&D fund as considered by the Petitioners are shown in the table below:

Table 65: R&D Fund Claimed by Petitioners for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	2.00
West DISCOM	2.00
Central DISCOM	2.00
State	**6.00**

Commission’s Analysis of Research and Development Fund

2.220 The Commission in Retail Supply Tariff Order of FY 2024-25 issued following directives to the Petitioners

“MPPMCL is directed to develop a proposal for establishing a Research and Development (R&D) Fund alongwith detailed guidelines/Standrad Operating Procedure. This fund shall be utilised in conducting studies and running pilots, whenever required in areas aimed at enhancing the efficiency of distribution licensees. The emphasis is on utilising the fund strategically to support studies, research and support initiatives that contribute to improvements in technological interventions, operational capabilities and cost savings, etc.

MPPMCL is directed to make provision for R&D Fund of Rs. 2 Crore for each DISCOM. Expenditure in this head shall be posed before the Commission at the time of true-up of FY

2024-25.”

2.221 In compliance to the above directive issued by the Commission, MPPMCL had submitted the draft guidelines/Standard Operating Procedure for establishment of R&D fund to the Commission vide letter no.74 dated 28th October, 2024, which was prepared on the basis of inputs received from the DISCOMs.

2.222 The Commission recognizing the importance of establishing a structured framework for the utilization and management of the R&D Fund, the Commission undertook a thorough review of the proposed SOP by MPPMCL. Following its review, a detailed discussion was held with MPPMCL on 30th December, 2024, to address key aspects of the SOP, including its scope, objectives, fund allocation mechanisms, and monitoring procedures. The Commission subsequently communicated its observations and recommendations to MPPMCL, highlighting areas requiring refinement to ensure alignment with regulatory expectations and industry best practices.

2.223 In light of these discussions and the feedback provided, MPPMCL is directed to incorporate the necessary revisions in the SOP to enhance its effectiveness, transparency, and compliance with regulatory norms. The revised SOP should clearly define the eligibility criteria for R&D projects, role and responsibility of R&D committee, role and responsibility of R&D fund committee, the process for fund approval/disbursement, reporting mechanisms, and performance evaluation metrics. Moreover, MPPMCL must ensure that the SOP aligns with national and State-level energy sector innovation policies, facilitating the development of sustainable and efficient technological advancements.

2.224 MPPMCL shall ensure that the revised SOP incorporates all necessary improvements to facilitate seamless execution and governance of the R&D Fund. The Commission will undertake a final review upon submission to assess compliance with the prescribed directives before granting formal approval. Further, to ensure timely implementation, MPPMCL is required to submit the revised SOP for the Commission’s approval within three months from the issuance of this Tariff Order.

2.225 In view of above, the Commission on provisional basis admits R&D Fund expenses as submitted by the Petitioners. The Commission will carry out prudence check of actual expenditure towards R&D Fund at the time of true up, subject to the approval of SOP and actual expenditure incurred towards R&D Fund. Accordingly, the R&D Fund expenses provisionally considered by the Commission for FY 2025-26 is shown in the table below:

Table 66 : DISCOM-wise R&D Fund Expenses considered by the Commission for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	2.00
West DISCOM	2.00
Central DISCOM	2.00
State	**6.00**

Other Items of ARR

2.226 Apart from the expense components discussed above, there are certain other items, which form part of the ARR of the DISCOMs. These include provision for bad debts, and other (Non-Tariff) Income. These are detailed below:-

Bad and doubtful debts

Petitioners' Submission

2.227 Regulation 37 of the MYT Regulations, 2021 provides the methodology for computation of Provision for Bad & Doubtful Debts, wherein it is stated that Bad & Doubtful Debts shall be allowed to the maximum of 1% of the yearly revenue. Accordingly, the Petitioners have claimed the expenses against bad and doubtful debts as follows:

Table 67: Provision for Bad and Doubtful Debts Claimed for FY 2025-26 (Rs Crore)

DISCOM	FY 2025-26
East DISCOM	2.00
West DISCOM	2.00
Central DISCOM	2.00
State	**6.00**

Commission's Analysis on Bad and Doubtful debts

2.228 Regulation 37 of the MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies the methodology for computation of Bad and Doubtful Debts. The relevant extract of the Regulation is reproduced below:-

*"**37. Bad and doubtful debts.-***

The Licensee shall submit the Draft policy and procedure for identification of bad debts and writing off the same for the approval of the Commission within three months from the date of notification of these Regulations. Bad and Doubtful Debts shall be allowed based on bad debts actually written off in the past (in accordance to the procedure approved by the Commission) as per the available latest audited Financial Statement to the extent Commission considers it appropriate and shall be trued up during the true up exercise for the relevant year subject to a limit of 1% of the yearly revenue"

2.229 **The Commission has not considered any provision for Bad and doubtful debt for FY 2025-26 as these shall be allowed based on actual bad debts written off.** The Commission is of the view that any expenses against the bad and doubtful debts should be considered only at time of true-up based on actual bad debt written off after prudence check.

Other Income

Petitioners' Submission

2.230 The main components of Non-Tariff Income are Wheeling Charges, Supervision Charges, Sale of Scrap, Income from Trading and Miscellaneous Charges from consumers as per MYT Regulations, 2021 and as per the "Schedule of Miscellaneous and General Charges" under MPERC (Details to be furnished and fee payable by licensee or generating company for determination of tariff and manner of making application) Regulations, 2004 and amendments thereof. The Petitioners have projected their Other Income and Non-Tariff Income for FY 2025-26 based on averaging method over various components of other income.

2.231 The Petitioners further submitted that they have not considered deferred income, i.e., income booked towards the amortization of assets created through consumer contribution and grants under their claim of Other Income since, the depreciation is claimed on net block of assets. Further, in line with the methodology adopted by the Commission in its previous True-up Order of FY 2022-23, Petitioners have not considered the waived off amount by MPPTCL towards liability of wheeling charges on DISCOMs in Other Income. Accordingly, the Other Income and Non-Tariff Income as filed by the Petitioners are shown in tables below:

Table 68: Other Income and Non-Tariff Income for FY 2025-26 (Rs Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Income from Investment, Fixed & Call Deposits	53.58	75.78	59.23	188.59
Interest on loans and Advances to staff	-	0.03	-	0.03
Other Income from Trading/Sale of scrap	30.7	8.22	26.45	65.37
Interest on Advances to Suppliers / Contractors	-	0.08	-	0.08
Income/Fee/Collection against staff welfare activities	-	0.03	-	0.03
Miscellaneous receipts	45.39	-	40.49	85.87
Wheeling charges	-	3.75	-	3.75
Supervision charges	36.27	51.53	40.32	128.12
Recovery from theft	18.9	-	-	18.9
Income from renting	-	4.89	-	4.89
Other miscellaneous income	-	121.09	-	121.09
Total	**184.84**	**265.46**	**166.49**	**616.79**

Commission's Analysis on Other Income

2.232 The Commission has notified the MPERC (Recovery of expenses and other charges for providing electric line or plant used for the purpose of giving supply) Regulations, 2022 and amendments thereof, vide which the Commission has notified metering and other charges. As per the Regulation, metering charges (if any) shall be applicable in accordance with the respective Retail Supply Tariff Order issued by the Commission from time to time. The relevant extract of the Regulation is as follows:

"5. Other Charges to be recovered from consumers

5.1 As provided for in Section 45(3)(b) of the Electricity Act, 2003 (No. 36 of 2003), the Distribution Licensee may charge from the consumers a rent or other charge in respect of any electric Meter or Electrical Plant provided by the Distribution Licensee as provided in Annexure-1 of these Regulations. Metering charges (if any) shall be applicable in accordance with the respective retail supply tariff order issued by the Commission from time to time."

2.233 The Commission has decided not to levy any metering charges on the consumers.

2.234 Further, since the Commission has not allowed Depreciation on GFA created through consumer contribution and grants, corresponding income under the head of Deferred Income has not been considered under the head of Other Income. The actual other Income of the Distribution Licensees excluding meter rent as per True-up Orders issued by the Commission for previous years is as shown in the table below:

Table 69: Total actual Other Income as per True-up Orders (Rs Crore)

DISCOM	FY 2021-22	FY 2022-23	FY 2023-24
East DISCOM	90.91	245.02	153.01
West DISCOM	191.10	209.34	247.37
Central DISCOM	207.66	138.37	147.68

2.235 Based on the above actual Other Income admitted by the Commission in True-up Orders for FY 2021-22, FY 2022-23 and FY 2023-24, the Commission has admitted Other Income for FY 2025-26 as the average of actual Other Income during FY 2021-22 to FY 2023-24, which includes interest on deposits, sale of scrap, other miscellaneous receipts, supervision charges etc., but excludes meter rent and deferred income. The Other Income for FY 2025-26 admitted by the Commission excluding metering charges is as tabulated below, which shall be considered at actuals at the time of true-up:

Table 70: Other Income admitted for FY 2025-26 (Rs. Crore)

DISCOM	FY 2025-26
East DISCOM	162.98
West DISCOM	215.94
Central DISCOM	164.57
State	**543.49**

Differential Bulk Supply Tariff (DBST)

Petitioners' Submission

2.236 The Government of MP vide gazette notification dated 21st March, 2016 had allocated all the stations to MPPMCL and in order to maintain equitable allocation of the power purchased cost among all the three DISCOMs, MPPMCL has allocated the costs to the three DISCOMs as per Differential Bulk Supply Tariff (DBST) methodology.

2.237 With the implementation of DBST with effect from January 2020, the overall Power Purchase Cost of all the three DISCOMs is being distributed on the basis of Revenue available with DISCOMs for power purchase and in proportion to their energy requirement.

2.238 The Power Purchase cost allocated to DISCOMs based on DBST methodology for FY 2025-26 submitted by the Petitioners is given in the table below:

Table 71: DBST submitted by the Petitioners for FY 2025-26 (Rs Crore)

Sr.No	Particulars	Unit	East DISCOM	West DISCOM	Central DISCOM	State
A	**Revenue from Existing Tariff**	**Rs. Crore**	**14,860**	**21,514**	**18,262**	**54,637**
B	**Other costs of Discoms (Expenditure other than power purchase cost)**	**Rs. Crore**	**4,449**	**2,804**	**5,188**	**12,441**
1	R&M Expense	Rs. Crore	488	328	388	1,203
2	Employee Expenses	Rs. Crore	1,387	1,427	1,350	4,164
3	A&G Expense	Rs. Crore	148	166	162	476
4	Depreciation and Related debits	Rs. Crore	434	352	342	1,127
5	Interest & Finance Charges	Rs. Crore	490	256	602	1,349
6	Other Debits, Write-offs (Prior period and bad debts)	Rs. Crore	158	176	222	557
7	RoE	Rs. Crore	243	176	276	695
8	Less: Other income	Rs. Crore	185	265	166	617
9	Impact of True ups	Rs. Crore	1,286	189	2,013	3,487
C	**Intra- State transmission Charges including SLDC Charges**	**Rs. Crore**	**1,759**	**1,779**	**1,778**	**5,316**
D	**Aggregated Amount available with Discoms for Power purchase (A-B-C)**	**Rs. Crore**	**8,652**	**16,931**	**11,297**	**36,880**
E	**Total Power Purchase Cost**	**Rs. Crore**				**40,987**
F	**Surplus/Gap (E-D)**	**Rs. Crore**				**4,107**
G	Ex-Bus Energy Requirement	MU	28,117	37,351	33,620	99,089
H	Ex-Bus Energy Requirement	%	28%	38%	34%	100%
I	**Allocation of surplus/Gap as per the Energy Requirement**	**Rs. Crore**	**1,165**	**1,548**	**1,394**	**4,107**
J	**Power Purchase Cost for Discom (D+I)**	**Rs. Crore**	**9,770**	**18,550**	**12,668**	**40,987**
K	**Bulk Supply Tariff**	**Rs./kWh**	**3.47**	**4.97**	**3.77**	**4.14**

Commission's Analysis of DBST

2.239 The Commission in previous Retail Tariff Order has been approving uniform tariff for the State considering the Revenue Gap at the State level. For achieving the same, the Commission has been allocating the power purchase cost among the DISCOMs in proportion to the revenue availability with each DISCOMs. It is observed that the Government of Madhya Pradesh vide gazette notification dated 21st March, 2016, had allocated all the stations to MPPMCL for further allocation of power purchase cost among all the three DISCOMs. Accordingly, MPPMCL implemented DBST methodology from January, 2020. Under DBST, overall Power Purchase Cost of all the three DISCOMs is being distributed on the basis of Revenue available with DISCOMs for power purchase and in proportion to their energy requirement.

2.240 As the power purchase for all three DISCOMs is being managed by MPPMCL, it is necessary to approve power purchase cost in equitable way to arrive at uniform tariff across the DISCOMs in the State. Accordingly, the Commission has allocated power purchase cost among the three DISCOMs based on DBST methodology as proposed by the Petitioner for ARR of FY 2025-26, as shown in the table below:

Table 72: Differential Bulk Supply Tariff Admitted by the Commission for FY 2025-26 (Rs Crore)

Particulars	Reference	East DISCOM	West DISCOM	Central DISCOM	State
Revenue from Admitted Tariff (Rs. Crore)	**A**	**16,073.83**	**22,739.02**	**18,919.74**	**57,732.60**
Other Costs of ARR of DISCOMs (Expenses other than Power Purchase Cost) (Rs. Crore)	**B**	**4,225.85**	**3,555.27**	**4,364.23**	**12,145.34**
O&M Expenses		2,066.34	1,792.84	1,910.01	5,769.19
Depreciation		377.38	185.92	335.14	898.44
Interest & Finance Charges					
On Project Loans		359.74	131.44	413.90	905.08
On Working Capital Loans		89.64	31.02	37.36	158.02
On Consumer Security Deposit		86.68	153.30	133.09	373.07
Return on Equity		243.44	173.50	267.28	684.21
Lease Charges for Smart Meters		154.04	172.28	218.35	544.67
R&D Fund		2.00	2.00	2.00	6.00
Bad & Doubtful Debts		0.00	0.00	0.00	0.00

Particulars	Reference	East DISCOM	West DISCOM	Central DISCOM	State
Less: Other Non-Tariff Income		162.98	215.94	164.57	543.49
Impact of MP Genco, MP Transco and MP DISCOMs True-ups		1,009.57	1,128.91	1,211.66	3,350.15
Intra-State Transmission Charges including SLDC	**C**	**1,558.54**	**2,030.32**	**1,858.10**	**5,446.96**
Aggregated Amount available with DISCOMs for Power purchase (Rs. Crore)	**D=A-B-C**	**10,289.44**	**17,153.44**	**12,697.41**	**40,140.29**
Total Power Purchase Cost (Rs. Crore)	**E**				**40,140.30**
Revenue Gap/(Surplus) (Rs. Crore)	**F=E-D**				**0.00**
Ex-Bus Energy Requirement (MU)	**G**	**28,477.78**	**38,458.33**	**33,835.36**	**1,00,771.47**
% Allocation as per Ex-Bus Energy Requirement		28%	38%	34%	100%
Allocation of Revenue Gap/(Surplus) as per Ex-Bus Energy Requirement (Rs. Crore)	**H**	**0.00**	**0.00**	**0.00**	**0.00**
Power Purchase Cost for DISCOMs (Rs. Crore)	**I=H+D**	**10,289.45**	**17,153.44**	**12,697.41**	**40,140.30**
Bulk Supply Tariff for FY 2025-26 (Rs./kWh)		**3.61**	**4.46**	**3.75**	**3.98**

2.241 Based on the above, the ARR as admitted for FY 2025-26 is shown in the following table:

Table 73: Aggregate Revenue Requirement (ARR) admitted for State for FY 2025-26 (Rs Crore)

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
Power Purchase Cost including Inter State Transmission Charges	9,769.64	10,289.45	18,549.53	17,153.44	12,668.08	12,697.41	40,987.25	40,140.30
Intra-State Transmission Charges including SLDC	1,759.24	1,558.54	1,778.91	2,030.32	1,777.74	1,858.10	5,315.90	5,446.96
O&M Expenses	2,023.03	2,066.34	1,920.85	1,792.84	1,899.52	1,910.01	5,843.40	5,769.19
Depreciation	433.50	377.38	351.59	185.92	341.89	335.14	1,126.98	898.44
Interest & Finance Charges								

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
On Project Loans	325.77	359.74	104.72	131.44	454.74	413.90	885.23	905.08
On Working Capital Loans	66.29	89.64	19.56	31.02	23.05	37.36	108.90	158.02
On Consumer Security Deposit	98.05	86.68	132.17	153.30	124.57	133.09	354.79	373.07
Return on Equity	243.44	243.44	175.59	173.50	275.76	267.28	694.79	684.21
	154.04	154.04	172.28	172.28	218.35	218.35	544.67	544.67
	2.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00
Bad & Doubtful Debts	2.00	0.00	2.00	0.00	2.00	0.00	6.00	0.00
Total Expenses Admitted	**14,877.00**	**15,227.24**	**23,209.20**	**21,826.05**	**17,787.70**	**17,872.65**	**55,873.91**	**54,925.94**
Less: Other income and Non-Tariff Income	184.84	162.98	265.46	215.94	166.49	164.57	616.79	543.49
Total ARR Admitted	**14,692.17**	**15,064.26**	**22,943.74**	**21,610.11**	**17,621.21**	**17,708.08**	**55,257.12**	**54,382.45**
Revenue Gap of MP Genco, MP Transco and MP DISCOMs True-ups	1,285.67	1,009.57	188.70	1,128.91	2,012.65	1,211.66	3,487.02	3,350.15
Total ARR (including True-up)	**15,977.84**	**16,073.83**	**23,132.44**	**22,739.02**	**19,633.87**	**18,919.74**	**58,744.14**	**57,732.60**

2.242 MPERC (Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) Regulations, 2021 specifies that till the time there is complete accounting segregation between Wheeling and Supply Businesses of the Distribution Licensee, the expenses of the Distribution Licensee shall be apportioned between the Wheeling and Supply Businesses in accordance with the allocation matrix. The relevant extract for the provision has been reproduced below: -

"8.11. Till such time the complete accounting segregation has not been done between Wheeling and Supply Businesses of the Distribution Licensee, the expenses of the Distribution Licensee shall be apportioned between the Wheeling and Supply Businesses in accordance with the following Allocation Matrix:

Particulars	*Wheeling Business*	*Supply Business*
Operation and Maintenance expenses	*70%*	*30%*
Depreciation	*95%*	*5%*
Interest on loan	*95%*	*5%*
Interest on working capital	*10%*	*90%*
Return on Equity	*90%*	*10%*
Power purchase cost including transmission and SLDC charges	*0%*	*100%*

,,

2.243 The purpose of segregating the total distribution expenses into wheeling and Supply activities is to establish the wheeling charges that are to be recovered from open access customers.

2.244 Accordingly, the Commission has allocated the cost related to Wheeling and Supply activities as per allocation matrix. As such the ARR for FY 2025-26 for all the three DISCOMs is segregated as under:

Table 74: Admitted ARR for Wheeling Business for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Operation and Maintenance expenses	2,066.34	1,792.84	1,910.01	5,769.19
70% of Operation and Maintenance expenses for Wheeling Business	1,446.44	1,254.99	1,337.01	4,038.43
Depreciation	377.38	185.92	335.14	898.44
95% of Depreciation for Wheeling Business	358.51	176.62	318.38	853.52
Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund	515.77	305.72	634.25	1,455.74
95% of Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund for Wheeling Business	489.98	290.43	602.54	1,382.96
Interest on Working Capital for Wheeling Business	23.67	19.78	21.75	65.21
Return on Equity	243.44	173.50	267.28	684.21
90% of Return on Equity for Wheeling Business	219.09	156.15	240.55	615.79
Less: Other income and Non-Tariff Income	162.98	215.94	164.57	543.49
10% of other income and Non-Tariff Income for Wheeling Business	16.30	21.59	16.46	54.35
Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs for Wheeling Business	1,009.57	1,128.91	1,211.66	3,350.15
10% of Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs	100.96	112.89	121.17	335.01
Total for Wheeling Business	**2,622.36**	**1,989.27**	**2,624.95**	**7,236.58**

Table 75: Admitted ARR for Supply Business for FY 2025-26 (Rs. Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Power Purchase Cost including transmission and SLDC charges	11,847.98	19,183.76	14,555.52	45,587.26
100% of Power Purchase Cost including transmission and SLDC charges for Supply Business	11,847.98	19,183.76	14,555.52	45,587.26
Operation and Maintenance expenses	2,066.34	1,792.84	1,910.01	5,769.19
30% of Operation and Maintenance expenses for Supply Business	619.90	537.85	573.00	1,730.76
Depreciation	377.38	185.92	335.14	898.44
5% of Depreciation for Supply Business	18.87	9.30	16.76	44.92
Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund	515.77	305.72	634.25	1,455.74
5% of Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund for Supply Business	25.79	15.29	31.71	72.79
Interest on Working Capital for Supply Business	65.97	11.24	15.60	92.81
Return on Equity	243.44	173.50	267.28	684.21
10% of Return on Equity for Supply Business	24.34	17.35	26.73	68.42
Interest on Consumer Security Deposit	86.68	153.30	133.09	373.07
100% of Interest on Consumer Security Deposit for Supply Business	86.68	153.30	133.09	373.07
Less: Other income and Non-Tariff Income	162.98	215.94	164.57	543.49
90% of other income and Non-Tariff Income for Supply Business	146.68	194.34	148.11	489.14
Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs	1,009.57	1,128.91	1,211.66	3,350.15
90% of Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs for Supply Business	908.61	1,016.02	1,090.50	3,015.13
Total for Supply Business	**13,451.47**	**20,749.76**	**16,294.79**	**50,496.02**

Revenue from Existing and Admitted Tariffs and Gap/Surplus

Petitioners' Submission

2.245 The Petitioners submitted that there has not been any substantial tariff hike for the past years in the State of Madhya Pradesh, which has severely affected the financial health of the DISCOMs. In FY 2021-22 there was a marginal tariff hike of 0.63% only, whereas in FY 2022-23, FY 2023-24 and FY 2024-25 there was a tariff hike of 2.64%, 1.65% and 0.07% respectively. The DISCOMs are finding it extremely difficult to sustain its operations at the present tariff levels because of intrinsic rise in expenditure due to inflationary pressures, and consistent rise in power and energy demands, an ambitious normative loss reduction trajectory and benchmarks set by the Commission, and obligations to be met under the policy objectives of the State and Central Governments.

2.246 Accordingly, in order to bridge the revenue gap, it is necessary for the Licensee to seek an appropriate hike in the tariff, up to the level as proposed and detailed in the Petition.

2.247 Petitioners have proposed a hike of 7.52% for FY 2025-26.

2.248 The revenue from existing and proposed tariff for FY 2025-26 is as follows:

Table 76: Revenue at Existing and proposed Tariff submitted by Petitioner for FY 2025-26 (Rs. Crore)

Tariff Category / Sub-category		East DISCOM		West DISCOM		Central DISCOM		Total for the State	
		Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff
LV-1	Domestic	4,511	4,848	4,412	4,737	4,535	4,861	13,458	14,446
LV-2	Non-Domestic	1,525	1,595	1,710	1,788	1,532	1,602	4,766	4,985
LV-3	Public Waterworks & Street Light	382	410	579	621	472	507	1,434	1,538
LV-4	LT Industry	459	477	731	760	366	381	1,556	1,619
LV-5	Agriculture	3,877	4,199	7,458	8,077	6,839	7,408	18,174	19,684
LV-6	EV Charging	1	1	2	2	0	1	3	3
	TOTAL – LT	**10,755**	**11,529**	**14,892**	**15,986**	**13,746**	**14,759**	**39,392**	**42,275**
HV-1	Railway Traction	0	0	0	0	33	36	33	36
HV-2	HV 2: Coal Mines	482	508	0	0	26	27	508	535

Tariff Category / Sub-category		East DISCOM		West DISCOM		Central DISCOM		Total for the State	
		Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff	Revenue at existing Tariff	Revenue at proposed Tariff
HV-3.1	Industrial Use	1,913	2,108	3,894	4,210	2,905	3,143	8,712	9,460
HV-3.2	Non-Industrial	313	330	597	630	551	581	1,462	1,540
HV-3.3	Shopping Mall	40	42	43	46	33	35	116	122
HV-3.4	Power Intensive Industries	880	951	934	1,021	438	484	2,252	2,456
HV-4	Seasonal & Non-Seasonal	15	15	14	14	2	2	30	30
HV-5	PWW Works & Other Agri.	253	272	1,061	1,140	384	413	1,698	1,826
HV-6	Bulk Residential Users	199	212	31	33	114	123	344	368
HV-7	RECs/Synchro of power for Generator connected to Grid	5	5	35	37	5	6	45	49
HV-8	EV Charging	5	5	8	9	13	15	27	29
HV-9	Metro Rail	0	0	6	6	12	12	18	18
	TOTAL – HT	**4,105**	**4,448**	**6,623**	**7,146**	**4,517**	**4,875**	**15,245**	**16,469**
	TOTAL (LT+HT)	**14,860**	**15,978**	**21,514**	**23,132**	**18,262**	**19,634**	**54,637**	**58,744**

Commission Analysis

2.249 The consumer category-wise revenue including rebate/incentives at existing and admitted tariff for FY 2025-26 is presented in the table below:

Table 77: Revenue including Rebate/ Incentives at Existing and Admitted Tariffs for FY 2025-26 (Rs. Crore)

DISCOM		East DISCOM		West DISCOM		Central DISCOM		State	
Tariff Category / Sub-category		Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff
LV-1	Domestic	4,551.00	4,724.70	4,774.17	4,948.92	4,597.55	4,770.15	13,922.72	14,443.76
LV-2	Non-Domestic	1,470.14	1,514.10	1,740.07	1,791.15	1,528.83	1,572.97	4,739.04	4,878.23
LV-3	Public Water Works & Street Light	477.70	493.56	590.35	609.51	425.49	439.23	1,493.55	1,542.30
LV-4	LT Industrial	456.41	467.49	740.30	757.50	346.68	354.72	1,543.38	1,579.71

DISCOM		East DISCOM		West DISCOM		Central DISCOM		State	
Tariff Category / Sub-category		Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff	Revenue at Existing Tariff	Revenue at Admitted Tariff
LV-5	Agriculture and Allied Activities	4,501.71	4,673.97	7,457.96	7,741.40	6,826.15	7,078.75	18,785.82	19,494.12
LV-6	E-Vehicle/ E-Rickshaws Charging Stations	0.54	0.56	2.06	2.13	0.49	0.51	3.09	3.20
	LT Total	**11,457.50**	**11,874.39**	**15,304.91**	**15,850.62**	**13,725.20**	**14,216.32**	**40,487.60**	**41,941.32**
HV-1	Railway Traction	0.00	0.00	0.00	0.00	29.23	29.80	29.23	29.80
HV-2	Coal Mines	455.88	455.88	0.00	0.00	26.78	26.78	482.66	482.66
HV-3	HT Industrial, Non-Industrial and shopping malls	3,143.96	3,245.99	5,506.31	5,690.23	3,958.40	4,091.73	12,608.67	13,027.94
	HV-3.1: Industrial	1,911.82	1,969.81	3,921.14	4,045.37	2,927.98	3,024.45	8,760.94	9,039.63
	HV-3.2: Non-Industrial	312.93	320.57	601.39	616.52	555.43	569.19	1,469.75	1,506.27
	HV-3.3: Shopping malls	39.62	40.31	43.57	44.39	33.10	33.71	116.29	118.41
	HV-3.4: Power Intensive Industries	879.60	915.30	940.21	983.95	441.89	464.38	2,261.69	2,363.62
HV-4	Seasonal	16.56	16.56	13.36	13.36	2.13	2.13	32.05	32.05
HV-5	Irrigation, Public Water Works and Other than Agricultural	259.41	265.95	1,068.98	1,096.33	392.42	402.89	1,720.80	1,765.18
HV-6	Bulk Residential Users	200.06	204.46	32.43	33.33	116.87	119.94	349.36	357.72
HV-7	Synchronization of Power for Generators connected to the Grid	5.31	5.41	39.59	40.24	5.84	5.95	50.73	51.61
HV 8	E-Vehicle/ E-Rickshaws Charging Stations	5.01	5.18	8.56	8.86	14.48	14.98	28.05	29.02
HV-9	Metro Rail	0.00	0.00	6.06	6.06	9.22	9.22	15.28	15.28
	HT Total	**4,086.19**	**4,199.44**	**6,675.28**	**6,888.40**	**4,555.37**	**4,703.42**	**15,316.84**	**15,791.27**
	Grand Total (LT + HT)	**15,543.69**	**16,073.83**	**21,980.19**	**22,739.02**	**18,280.57**	**18,919.74**	**55,804.44**	**57,732.60**

2.250 On the basis of the above, details of total ARR as admitted by the Commission and the revenue income including rebate/incentives at existing and admitted tariff for FY 2025-26 is as shown in the table below:

Table 78: Final ARR and Revenue from existing tariffs for FY 2025-26 (Rs Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Total ARR admitted including True-up (A)	16,073.83	22,739.02	18,919.74	57,732.60
Revenue at existing Tariffs (B)	15,543.69	21,980.19	18,280.57	55,804.44
Uncovered Gap/(Surplus) (C=A-B)	**530.14**	**758.84**	**639.18**	**1,928.15**

2.251 To meet the aforesaid Revenue Gap of Rs. 1,928.15 Crore, the Commission has increased the tariff by 3.46%, which has been detailed in Tariff Design Chapter of this Order. The total ARR admitted by the Commission and revenue at admitted tariff is shown in the table below:

Table 79: Final ARR and Revenue from admitted tariffs for FY 2025-26 (Rs Crore)

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Total ARR admitted including True-up (A)	16,073.83	22,739.02	18,919.74	57,732.60
Revenue at admitted Tariffs (B)	16,073.83	22,739.02	18,919.74	57,732.60
Uncovered Gap/(Surplus) (C=A-B)	**0.00**	**0.00**	**0.00**	**0.00**

A3: WHEELING CHARGES, CROSS SUBSIDY SURCHARGE AND ADDITIONAL SURCHARGE

Determination of Wheeling Cost

Petitioners' Submission

3.1 The Petitioners submitted that they have allocated the cost related to Wheeling and Supply activities as per allocation matrix specified in Regulation 8.11 of the MYT Regulations, 2021. Based on the allocation matrix, the expenditure towards wheeling business for all the DISCOMs works out to be Rs. 7,496.92 Crore.

3.2 The Petitioner further submitted that the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2021 (First Amendment), stipulates that the consumers with a contracted demand or sanctioned load of 100kW or more, excluding captive consumers, are entitled to request green energy from the distribution licensees.

3.3 Further, the Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, (Revision-I) 2021, as amended, and the Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023, outline various charges applicable to Green Energy Open Access Consumers, including wheeling charges.

3.4 In view of the above, the Petitioners have determined wheeling charges for the consumers at 33 kV, 11 kV and LT separately in this Petition.

3.5 The Petitioners submitted that the Commission in its previous Tariff Order of FY 2024-25 has approved separate wheeling charges for consumers at 33 kV, 11 kV, and LT levels. In line with the same methodology, the Petitioners have worked out the wheeling cost individually for each relevant category, namely 33 kV, 11 kV, and LT lines. The wheeling charges determined by the Petitioners are as follows:-

Table 80 : Wheeling Charges submitted by the Petitioners for FY 2025-26

Voltage	Wheeling Cost Allocated (Rs. Crore)	Sales (MU)	Wheeling Charges (Rs. / kWh)
33 kV	199.32	11,172.76	0.18
Below 33 kV			
(a) 11 kV	85.23	1,141.84	0.75
(b) LT	7,212.36	59,900.33	1.20

Commission's Analysis

3.6 As per the provisions of Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time, open access shall be permissible to users seeking Open Access for a capacity of 1 MW and above in distribution system of licensees.

3.7 Further, as per the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations, 2021 as amended from time to time, any consumer who has contracted demand or sanctioned load of 100 kW or more except for captive consumer is eligible to requisition green energy and through Open Access from the distribution licensees. The Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time and Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended from time to time, specify various charges to be levied on Open Access Consumers (including Green Energy Open Access Consumers) which includes wheeling charges. In view of the above, the Commission has determined wheeling charges for the consumers availing supply through Open Access at 33 kV, 11 kV and LT separately in this Order.

3.8 Regulation 8.11 of the MYT Regulations, 2021 specify allocation matrix for apportioning expenses of DISCOMs into wheeling and supply businesses as follows:

Particulars	Wheeling Business	Supply Business
Operation and Maintenance expenses	70%	30%
Depreciation	95%	5%
Interest on loan	95%	5%
Interest on working capital	10%	90%
Return on Equity	90%	10%
Power purchase cost including transmission and SLDC charges	0%	100%

3.9 On the basis of the above allocation matrix and admitted ARR for FY 2025-26, the expenditure towards wheeling business for all the DISCOMs works out to be Rs. 7,236.58 Crore.

Segregation of costs among voltage levels

3.10 The costs of wheeling activity have been distributed among three voltage levels of distribution, i.e., 33 kV, 11kV and LT. Though, the EHT consumers (i.e., at voltages above 33 kV) are consumers of the DISCOMs, they are not directly connected to the distribution system. Certain costs related with metering, billing and collection are associated with EHT consumers. At this juncture, the Commission is not inclined to get into these details, primarily on account of unavailability of data.

3.11 The distribution licensees in the State presently do not maintain accounts of their costs voltage-wise. Similar is the case with other Government-owned distribution licensees operating in most of the Other States.

3.12 It is observed that the present accounting practices followed by DISCOMs do not permit segregation of GFA across voltage levels directly. The Commission, therefore, considers it appropriate to adopt the approach of using transformation capacity in MVA at interfaces of 33/11 kV and 11/0.4 kV.

3.13 The data used for this exercise to arrive at the value of asset base is as follows:

Table 81 : Voltage level-wise Cost Break-up of Sub transmission & Distribution Lines

Voltage level of Lines	East DISCOM (ckt-kms)	West DISCOM (ckt-kms)	Central DISCOM (ckt-kms)	Length of lines at State Level (ckt-kms)	Total Cost of lines (Rs. Crore.)	Per unit cost (Rs. Lakh /ckt-km)
33 kV	21,521.00	22,118.81	23,478.00	67,117.81	11,810.45	17.60
Below 33 kV						
(a) 11 kV	1,68,163.00	1,54,286.59	1,76,150.00	4,98,599.59	86,837.45	17.42
(b) LT	1,46,551.00	1,88,421.56	1,31,482.00	4,66,454.56	47,817.19	10.25
Sub-Total	3,14,714.00	3,42,708.15	3,07,632.00	9,65,054.15	1,34,654.64	
Total	**3,36,235.00**	**3,64,826.96**	**3,31,110.00**	**10,32,171.96**	**1,46,465.09**	

Table 82 Voltage level-wise cost of Transformer

Transformer Voltage Level	East DISCOM (MVA)	West DISCOM (MVA)	Central DISCOM (MVA)	State (MVA)	Total Cost (Rs. Crore)	Per unit cost (Rs. Lakh /MVA)
33/11 kV Transformer	12,089.00	16,621.76	14,315.00	43,025.76	24,594.16	57.16
11/0.4 kV Transformer	11,935.00	24,210.49	20,603.00	56,748.49	22,917.14	4.04
Total	**24,024.00**	**40,832.25**	**34,918.00**	**99,774.25**	**47,511.30**	

3.14 Data for length of lines and transformation capacity expected to be added during FY 2025-26 has been considered as per Petitioners' submission.

3.15 In order to identify the asset values at different voltage levels, it is necessary to "assign" the interface transformers to the voltage levels. For this exercise, the Commission considers it appropriate to include the distribution transformers (11/0.4 kV) to be a part of the 11 kV network and the power transformers of 33/11 kV to be a part of the 33 kV network. Based on this method, the asset values at different voltage levels works out to be as follows:

Table 83 : Identification of value of network at different voltage levels (Rs. Crore)

Voltage level	Cost of Lines (Rs. Crore)	Cost of Transformation (Rs. Crore)	Total Cost (Rs. Crore)
33 kV	11,810.45	24,594.16	36,404.61
Below 33 kV			
(a) 11 kV	86,837.45	22,917.14	1,09,754.59
(b) LT	47,817.19		47,817.19
Total	**1,46,465.09**	**47,511.30**	**1,93,976.39**

3.16 Expenses of wheeling activity are worked out using the asset value ratios as obtained from above, given in the table below:

Table 84 : Identification of network expenses (wheeling cost) at different voltage levels

Voltage level	Assets value (Rs. Crore)	Assets value Ratio (%)	Total wheeling cost (Rs Crore)	Wheeling Cost (Rs Crore)
33 kV	36,404.61	18.77%	7,236.58	1,358.13
Below 33 kV				
(a) 11 kV	1,09,754.59	56.58%		4,094.56
(b) LT	47,817.19	24.65%		1,783.89
Total	**1,93,976.39**	**100.00%**		**7,236.58**

Sharing of Wheeling costs considered by the Commission

3.17 The cost of wheeling is again required to be allocated to the users appropriately based on the usage of network at different voltage levels by consumers. Consumers at 33 kV Voltage level uses 33 kV network only while consumers at 11 kV Voltage level use network of 33 kV and 11 kV and LT Consumers use network of 33 kV, 11 kV and LT.

3.18 The energy wheeled during the year at different voltage levels are as follows:-

Table 85 : Energy Wheeled at different voltage levels (MU)

EHT (400 kV, 220 kV, & 132 kV)	33 kV System	11 kV	LT	State
7,796.68	**11,341.32**	**1,163.62**	**60,629.98**	**80,931.60**

3.19 The Commission has chosen "Energy Wheeled" at different voltage levels as the measure of network usage to allocate the costs as detailed below:

Table 86 : Allocation of wheeling cost over Distribution System Users at 33 kV

Particulars	Reference	Unit for item under reference	Values
Wheeling Cost at 33 kV	A	Rs. Crore	1,358.13
Energy Wheeled at 33 kV (as per Table: -85)	B	MU	11,341.32
Total energy wheeled {excluding energy at 132 kV} (as per Table: -85)	C	MU	73,134.92
Proportion of 33 kV energy wheeled to total energy wheeled	D=B/C*100	%	15.51%
Cost allocation			
Wheeling cost of 33 kV allocated to 33 kV users only	**E=A*D**	**Rs. Crore**	**210.61**

Table 87 : Allocation of wheeling cost over Distribution System Users at 11 kV

Particulars	Reference	Unit for item under reference	Values
Wheeling Cost at 33 kV	A	Rs. Crore	1,358.13
Wheeling cost of 33 kV allocated to 33 kV users only	B	Rs. Crore	210.61
Remaining Wheeling Cost of 33kV	C=A-B	Rs. Crore	1,147.52
Wheeling Cost at 11 kV	D	Rs. Crore	4,094.56
Wheeling Cost at 11 kV along with remaining Wheeling Cost of 33kV	E=C+D	Rs. Crore	5,242.07
Energy Wheeled at 11 kV (as per Table: -85)	F	MU	1,163.62
Total energy wheeled {excluding energy at 132 kV} (as per Table: -85)	G	MU	73,134.92
Proportion of 11 kV energy wheeled to total energy wheeled	H	MU	1.59%
Cost allocation			
Wheeling cost of 11 kV allocated to 11 kV users only	**I=E*H**	**Rs. Crore**	**83.40**

3.20 The remaining wheeling cost has been allocated to LT consumers. Based on these allocations and considering the consumption at 33 kV,11 kV and LT the wheeling charges in Rupees per unit are determined as follows:

Table 88 : Wheeling Charges at different Voltage levels

Voltage	Wheeling Cost allocated (Rs. Crore)	Sales (MU)	Wheeling charges (Rs. /kWh)
33 kV	210.61	11,341.32	0.19
Below 33 kV			
(a) 11 KV	83.40	1,163.62	0.72
(b) LT	6,942.56	60,629.98	1.15

3.21 Applicability of wheeling charges for the Open Access consumers depending on their connectivity shall be governed by MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time and read with MPERC (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended from time to time.

3.22 Further, wheeling charges determined in Table No. 88 shall be also applicable to Group Net Metering and Virtual Net Metering consumers.

Determination of Cross-Subsidy Surcharge

Petitioners' Submission

3.23 The Petitioners submitted that they have determined Cross-Subsidy surcharge as per provisions of Tariff Policy, 2016.

3.24 The Category wise Cross Subsidy Surcharge computed by the Petitioners is as follows:-

Table 89 : Category wise Cross Subsidy Surcharge claimed by the Petitioners

Category of HT/EHT consumers	Average Tariff 'T' (Rs Per Unit)	Ceiling 20% of ACoS (Rs/Unit)	CSS (Rs/Unit)	Applicable CSS (Rs/Unit)
LV-1: Domestic	7.04	1.47	0.30	0.30
LV-2: Non-Domestic	9.73	1.47	2.99	1.47
LV-3: Public Water Works & Street Light	7.31	1.47	0.57	0.57
LV-4: LT Industrial	9.42	1.47	2.68	1.47
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	7.34	1.47	0.60	0.60
HV-1: Railway Traction	6.50	1.47	1.69	1.47
HV-2: Coal Mines	9.11	1.47	3.95	1.47
HV-3.1: Industrial	8.41	1.47	3.25	1.47
HV-3.2: Non-Industrial	10.11	1.47	4.94	1.47
HV-3.3: Shopping malls	9.23	1.47	4.06	1.47
HV-3.4: Power Intensive Industries	6.30	1.47	1.13	1.13
HV-4: Seasonal & Non-Seasonal	10.78	1.47	5.61	1.47
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.84	1.47	3.68	1.47
HV-6: Bulk Residential Users	8.31	1.47	3.14	1.47
HV-7: Synchronization and Start-Up Power	12.48	1.47	7.31	1.47
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.01	1.47	1.85	1.47
HV 9: Metro Rail	8.42	1.47	3.25	1.47

Commission's Analysis

3.25 The Tariff Policy notified by Government of India (GoI) on dated 28th January, 2016 prescribes the following formula for determination of cross- subsidy surcharge for various categories of consumers.

"8.5 Cross-subsidy surcharge and additional surcharge for open access

8.5.1 …

….

Surcharge formula:

S= T – [C/ (1-L/100) + D+ R]

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets.

Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee.

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

Provided further that the Appropriate Commission, in consultation with the Appropriate Government, shall exempt levy of cross subsidy charge on the Railways, as defined in Indian Railways Act, 1989 being a deemed licensee, on electricity purchased for its own consumption.

8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.

8.5.5 Wheeling charges should be determined on the basis of same principles as laid down for intra-state transmission charges and in addition would include average loss compensation of the relevant voltage level."

3.26 Accordingly, the cost of supply to the consumer may be computed on the basis of the weighted average cost of power purchase by the Licensee including cost of meeting the Renewable Purchase Obligation (C), applicable transmission and distribution losses (L), Cost of transmission and distribution of electricity (D). The Commission in subsequent section has determined these components of Cost of Supply. Depending on the applicability of various charges for each consumer, as specified in MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time and read with MPERC (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended from time to time, the Cross Subsidy Surcharge is to be computed.

3.27 The weighted average cost of power purchase by the Licensee including cost of meeting the Renewable Purchase Obligation (C) works out as shown in table below:

Table 90 : Weighted average cost of power purchase by the Licensee including cost of meeting the Renewable Purchase Obligation

Generating Stations	Requirement (MU)	Total cost (Rs. Crore)	Wt. Average rate of power purchase (Rs. /unit)
Dispatched	**1,00,771.47**	**36,899.32**	**3.66**

3.28 The Tariff Policy prescribes that the Loss level (term 'L') should be worked out for each voltage level separately. Losses at each voltage level are assumed as below for this purpose because of non-availability of required reliable data with the DISCOMs:

Table 91 : Voltage-wise losses

Voltage Level	Loss level (L)
EHT (transmission system) including External losses*	3.62%
33 kV #	4.18%
11 kV#	5.23%
LT#	6.06%

** EHT Voltage level losses have been considered 3.62% for FY 2025-26.*

#Average voltage losses at each level submitted by the Petitioners have been considered and apportioned as per the normative distribution losses.

3.29 The cost of transmission shall be uniformly spread over all consumers at every voltage level, as the transmission network is utilized by all the consumers. Therefore, similar to wheeling costs, the admitted transmission charges for FY 2025-26 are worked out as under:

Table 92 : Transmission Charges

Particulars	Unit	Quantity
PGCIL Charges	Rs. Crore	3,240.98
MPPTCL Charges including SLDC Charges	Rs. Crore	5,446.96
Total Charges	**Rs. Crore**	**8,687.93**
Units to be handled	MU	1,00,771.47
Transmission Charges per unit	**Rs/kWh**	**0.86**

3.30 Wheeling charges have been determined for consumers connected at 33 kV, 11kV and LT as shown in Table No. 88, above.

3.31 Finally, the term in the Tariff Policy formula, ‘T’, Average Tariff for different categories, is derived from expected revenue for FY 2025-26 as shown in the following table:

Table 93: Average Billing Rate (ABR) for FY 2025-26 at approved tariff (Rs./kWh)

Category of consumers	Average Tariff 'T' (Rs Per Unit)
LV-1: Domestic	6.82
LV-2: Non Domestic	9.58
LV-3: Public Water Works & Street Light	6.98
LV-4: LT Industrial	9.31
LV-5: Agriculture and Allied Activities	6.40
LV-6: E-Vehicle/ E-Rickshaws Charging Stations	7.14
HV-1: Railway Traction	5.39
HV-2: Coal Mines	8.83
HV-3: HT Industrial, Non-Industrial and Shopping Malls	7.71
HV-3.1: Industrial	7.99
HV-3.2: Non Industrial	9.83
HV-3.3: Shopping Malls	8.92
HV-3.4: Power Intensive Industries	6.03
HV-4: Seasonal	8.16

Category of consumers	Average Tariff 'T' (Rs Per Unit)
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.41
HV-6: Bulk Residential Users	7.90
HV-7: Synchronization of Power for Generators connected to the Grid	11.79
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.14
HV 9: Metro Rail	7.17

3.32 As per the MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time , the consumers other than Renewable Energy users with contract demand of 1 MW and above are eligible for Open Access. These consumers are to be connected at 33 kV or above as per Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

3.33 Further, Renewable Energy Generators and users having capacity of 100 kW or above are also eligible for Open Access, subject to operational constraints not being there in the Licensee's system as per MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time and read with MPERC (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 and as amended from time to time {hereinafter referred to as MPERC (Intra-State or Green Energy Open Access) Regulations}.

3.34 In accordance with the above provisions, the total charges (Rs/unit) i.e. *[C/ (1-L/100) + D+ R]* for various LT & HT categories are to be computed as per applicable cost and eligibility as per the MPERC (Intra-State or Green Energy Open Access) Regulations. The Cross-Subsidy Surcharge shall be the difference of average tariff (T) as specified in Table:93, above and the total charges (Rs/unit) for that particular category at particular voltage level to be computed based on cost component determined above depending upon its applicability as per MPERC (Intra-State or Green Energy Open Access) Regulations. However, Cross-Subsidy surcharge is not to exceed 20% of the average cost of supply for the consumers seeking Open Access as per MYT Regulations, 2021. In case, where Cross-Subsidy Surcharge, based on above methodology, works out to be negative, the same shall be considered as zero for billing purposes.

Illustration for computation of Cross Subsidy Surcharge

Illustration-1: Both Generator and consumer are connected to transmission network (132 kV or above)

Illustration-2: Generator is connected to Transmission network (EHT voltages), while the consumer is connected to the distribution network at 33 kV of Distribution Licensee.

Illustration-3: Generator is connected to Transmission network, while the consumer is connected to the distribution network at LT of Distribution Licensee.

Table 94 : Illustration of Computation of Cost for Cross Subsidy Surcharge (Rs. per unit)

Illustration	Weighted Average rate of power purchase (Rs. /unit)	Cost of Power grossed up for transmission losses (3.62%)	Cost of Power grossed up for distribution losses (33kV-4.18%, LT-11.29%)	Transmission charges (Rs. per unit)	Wheeling charges at 33 kV (Rs. per unit)	Total Cost [C/(1-L/100) + D+R]
1	3.66	3.80	-	0.86	-	4.66
2	3.66	3.80	3.97	0.86	0.19	5.01
3	3.66	3.80	4.45	0.86	1.15	6.46

Table 95: Category wise Cross Subsidy Surcharge as per above Illustrations (Rs. Per unit)

Category of HT/EHT consumers	Average Tariff 'T' (Rs Per Unit)	Ceiling 20% of AcoS (Rs/Unit)	CSS (Rs/Unit)	Applicable CSS (Rs/Unit)
Illustration -3				
LV-1: Domestic	6.82	1.43	0.35	0.35
LV-2: Non-Domestic	9.58	1.43	3.12	1.43
LV-3: Public Water Works & Street Light	6.98	1.43	0.52	0.52
LV-4: LT Industrial	9.31	1.43	2.84	1.43
LV-6: E-Vehicle/ E-Rickshaws Charging Stations	7.14	1.43	0.68	0.68
Illustration -1				
HV-1: Railway Traction	5.39	1.43	0.73	0.73
Illustration -2				
HV-2: Coal Mines	8.83	1.43	3.82	1.43
HV-3: HT Industrial, Non-Industrial and Shopping Malls	7.71	1.43	2.70	1.43
HV-3.1: Industrial	7.99	1.43	2.98	1.43
HV-3.2: Non Industrial	9.83	1.43	4.81	1.43
HV-3.3: Shopping Malls	8.92	1.43	3.90	1.43
HV-3.4: Power Intensive Industries	6.03	1.43	1.02	1.02
HV-4: Seasonal	7.71	1.43	2.70	1.43
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.16	1.43	3.15	1.43
HV-6: Bulk Residential Users	8.41	1.43	3.40	1.43
HV-7: Synchronization of Power for Generators connected to the Grid	7.90	1.43	2.89	1.43
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	11.79	1.43	6.77	1.43
HV 9: Metro Rail	7.14	1.43	2.13	1.43

Note:

1. Cross-Subsidy surcharge shall not exceed 20% of the average cost of supply for the consumers seeking Open Access.

2. Based on the applicability of charges specified in the MPERC (Intra-State or Green Energy Open Access) Regulations and MPERC (Grid Interactive Renewable Energy Systems Related Matters) Regulations, 2024, the DISCOMs shall compute applicable CSS for other consumer categories. Further, Illustration mentioned is only for illustration purpose for a particular connectivity combination, there may be multiple combinations of connectivity between generator and users. DISCOMs shall compute applicable CSS for other connectivity combinations as illustrated in Table No.94.

3.The applicable Terms and Conditions of MPERC (Intra-State or Green Energy Open Access) Regulations shall be applicable to the consumers seeking Open Access.

Determination of Additional Surcharge

Petitioners' submission

3.35 The Petitioners have computed the Additional Surcharge by considering the weighted average monthly fixed rate of surrendered power, which is based on daily weighted fixed rate of the generating station in the surrendered power. The Petitioners computed Additional Surcharge as shown in the table below:

Table 96 : Computation of Additional Surcharge Submitted by the Petitioners for FY 2025-26

Sr. No.	Months	Energy entitlement (MU)	Energy Scheduled (MU)	Energy Surrendered (MU)	Effective Fixed Cost Applied (Rs/Unit)	OA Units (MU)	Cost of Back down Energy Surrendered due to Open Access (Rs. Crore)
1	2	3	4	5=3-4	6	7	8=(7*6*10)
1	Sep-23	6,548.14	5,966.21	581.93	1.75	4.95	0.87
2	Oct-23	7,006.19	6,736.11	270.09	1.71	8.96	1.53
3	Nov-23	7,561.40	6,943.56	617.84	1.55	10.18	1.57
4	Dec-23	7,668.86	6,855.16	813.70	1.43	6.35	0.91
5	Jan-24	7,854.53	7,292.65	561.88	1.51	19.71	2.98
6	Feb-24	6,702.70	6,260.35	442.35	1.40	16.49	2.31
7	Mar-24	7,879.83	6,886.40	993.42	1.21	14.18	1.71
8	Apr-24	7,856.24	7,115.04	741.20	1.25	14.78	1.84
9	May-24	8,036.15	7,271.33	764.82	1.30	6.89	0.90
10	Jun-24	7,949.51	6,978.22	971.29	11.57	0.07	0.08
11	Jul-24	6,623.23	6,056.72	566.50	-	-	-
12	Aug-24	5,998.04	4,888.99	1,109.05	1.63	2.40	0.39
Total		**87,684.82**	**79,250.74**	**8,434.08**		**104.96**	**15.10**
Additional Surcharge on OA Consumers (Rs./Unit) = (8/7*10)							**1.44**

3.36 The Petitioners have thus claimed the Additional Surcharge of Rs. 1.44 per unit on the power drawn by the Open Access consumers.

Commission's Analysis

3.37 The Commission has considered the submission made by the Petitioners and stakeholders in light of the provisions of Clause 5.8.3 of the National Electricity Policy, Clause 8.5 of the Tariff Policy, 2016, Section 42(4) of the Electricity Act, 2003 and determined Additional Surcharge. The Additional Surcharge determined by the Commission shall be levied in addition to Cross Subsidy Surcharge determined by the Commission in accordance with the Tariff Policy, 2016, Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 as amended from time to time and read with Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023, as amended from time to time.

3.38 Further, additional surcharge if applicable for Group Net Metering and Virtual Net Metering consumers shall be as determined by the Commission in Table No. 97.

3.39 The Commission has computed the Additional Surcharge by considering the average per unit fixed charge of the Thermal power plants as per the approach adopted by the Commission in MYT Order issued by the Commission for the Control Period FY 2022-23 to FY 2026-27. Computation of the Additional Surcharge is shown in the table below:

Table 97 : Determination of Additional Surcharge for FY 2025-26

Sr. No.	Particulars	Reference	Unit	Values
1	Admitted Fixed Cost of Thermal Generating Sources for FY 2025-26	A	Rs. Crore	11,048.93
2	Admitted Total MU Available from Thermal Generating Stations for FY 2025-26	B	MU	89,269.02
3	**Weighted Average Per Unit FC of Thermal Generating Stations for FY 2025-26**	**C=A/B*10**	**Rs. /kWh**	1.24
4	Total Projected Back down/RSD Volume for FY 2025-26	D	MU	2,663.15
5	Projected Open Access Volume for year for FY 2025-26 based on actual of previous year (as per Petitioners submission)	E	MU	104.96
6	Fixed Cost pertaining to Back down/RSD capacity for FY 2025-26	F=E*C/10	Rs. Crore	12.99
7	**Per Unit Additional Surcharge (to be applicable on OA Consumers)**	**G=F/E*10**	**Rs. /kWh**	**1.24**

3.40 The Commission has thus determined the Additional Surcharge of Rs. 1.24 per unit in accordance with the applicable Regulations from the date of applicability of this Retail Supply Tariff Order.

A4: GREEN ENERGY TARIFF

Petitioners' submission

4.1 The Petitioners for FY 2025-26 have proposed two types of Green Energy Charges/Tariff as summarized below:

a) Green Energy Charges and Modalities for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking certification to this effect.

b) Tariff for Green Energy and Modalities for consumers availing Green Energy from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof.

4.2 Green Energy Charges determined for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking certification to this effect and for consumers availing Green Energy from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof by the Petitioners are as follows:-

Table 98 : Green Energy Charges/ Tariff Proposed by the Petitioners for FY 2025-26

Particular	Incremental Rate (Rs./kWh)	Incremental Rate (Rs./kWh)		
		Wind	HPO	Others
Green Energy Charges only for Certification Purpose	0.49	-	-	-
Green Energy Charges for RPO Obligation	-	0.07	2.90	0.20

4.3 The Petitioners submitted that the above Green Energy Tariff shall be over and above the existing energy charges applicable for different categories of consumers. Also, in addition to above Green Energy Tariff, the Demand Charges/Fixed Charges or any other charges as being approved by the Commission for FY 2025-26 shall also be applicable to the respective categories of consumer.

Commission's Analysis

4.4 In the Tariff Order for FY 2023-24 and FY 2024-25, the Commission determined the Green Energy Charges/Tariff and Modalities for two categories of Green Energy transactions. In this Order, the Commission is maintaining the same approach previously adopted for determining the Green Energy Charges/Tariff and Modalities for the two types of Green Energy transactions, as outlined below:-

a) Green Energy Charges and Modalities for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect.

b) Tariff for Green Energy and Modalities for consumers availing Green Energy from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof.

a) Green Energy Charges and Modalities for Consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect.

Applicability

4.5 The Commission introduced Green Energy Tariff in its Tariff Order for FY 2022-23 as an optional / voluntary arrangement for the consumers who are willing to procure 100% power from RE sources from DISCOMs for the purpose of reducing their carbon footprint.

4.6 The consumers on a voluntary basis may place requisition for any percentage of their monthly consumption up to 100% of their consumption of electricity during any billing month for availing power from RE sources.

4.7 Further, the consumers shall be permitted to increase their consumption from RE sources in the steps of any percentage value against their monthly consumption going upto 100% of their consumption of electricity during any billing month.

4.8 In addition to this, the consumers shall also be permitted to avail power from RE sources for any number of days in a billing month subject to meeting consumption criterion on as mentioned above.

4.9 The consumers shall have to place a requisition for availing power from RE sources with their respective Distribution Licensee.

Treatment of RPO.

4.10 The RE power supplied by the Petitioners for consumers availing Green Energy from Distribution Licensees only for the purpose of reducing their carbon footprint and seeking certification from Distribution Licensee to this effect shall only be considered towards RPO compliance of the Petitioners and shall not be considered for fulfilment of RPO for obligated entities which is in line with the approach adopted by the Commission in MYT Order. If the consumer is also an obligated entity, then he may make its own arrangement or submit requisition to Distribution Licensee for procuring RE power from Distribution Licensee for the purpose of meeting their RPO compliance for entity as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof towards fulfilment of its RPO, separately.

Green Energy Charges

4.11 In accordance with the Section 86(1)(e) of the Electricity Act, 2003, the Commission is mandated to promote adoption of RE. Therefore, the Commission has determined Green Energy Charges for the consumers who wishes to procure RE Power for the purpose of reducing their carbon footprint and seeking certification to this effect as 50% of the difference in weighted average rate of RE power and weighted average rate of Energy charge (Variable Charges) of Non RE sources as shown in the following table:

Table 99 : Green Energy Charges (for the consumers who wish to procure RE Power for the purpose of reducing their carbon footprint and seeking Certification to this effect) approved by the Commission for FY 2025-26

RE Power Procurement for the Period FY 2025-26			Non-RE Power Procurement (Only Variable) for the Period FY 2025-26			Difference between RE & Non-RE Power	Approved Green Energy Charges
MU	Rs. Crore	Rs/Unit	MU	Rs. Crore	Rs/Unit	Rs/Unit	Rs/Unit
A	B	C	D	E	F	G = (C – F)	H=G*50%
31,208.92	10,392.85	3.33	69,562.55	15,748.26	2.26	1.07	0.53

b) Tariff for Green Energy and Modalities for Consumers availing Green Energy from Distribution Licensee from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof.

Applicability

4.12 As per the Regulation 3.8A of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, any entity, whether obligated or not, may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods: -

- **a.** Own Generation from renewable energy sources
- **b.** By procuring Renewable Energy through Open Access from any Developer either directly or through a trading licensee or through power markets.
- **c.** By requisition from Distribution Licensee

4.13 Accordingly, in this section, the Commission has dealt with the tariff and modalities of Green Energy Tariff applicable for entities who elect to consume renewable energy in accordance with the provisions of Regulation 3.8A(c) of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof through requisition from Distribution Licensee.

4.14 Regulation 3.8 (A)(C) (iv) and (v) of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof also specify that any requisition for green energy from a Distribution Licensee shall be for a minimum period of one year and the quantum of green energy shall be pre-specified for at least one year. Hence the provisions of this Regulation shall be applicable for entities who elect to consume renewable energy in accordance with the provisions of Regulation 3.8A(C) of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, through requisition from Distribution Licensee.

Tariff for Green Energy

4.15 As per the provisions of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 as well as MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, the Commission has to determine separate Tariff for Green Energy.

4.16 As per Regulation 3.8(A)(c)(iii) of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, the components for determining Tariff for Green Energy for consumer shall include :

a) Average Pooled Power Purchase Cost of RE
b) Cross Subsidy Charges, if any and
c) Service Charge covering prudent cost of distribution licensee for providing Green Energy.

4.17 As per provisions of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, Green Energy can be requisitioned by any consumer having contract demand or sanctioned load of 100 kW and above.

4.18 The Commission observed that the tariff structure in Madhya Pradesh is of two-part tariff involving fixed charges and energy charges which further have multiple slab structure, fixed charge billing, computation of monthly minimum charges and Fuel and Power Purchase Adjustment Surcharge (FPPAS), etc, which are applicable for consuming power from Distribution Licensee. The tariffs approved in this Order covers all the costs of the Distribution Licensees including power purchase cost from all the sources, element of cross subsidy and all other costs of Distribution Licensee approved as part of ARR which also includes Service Charges.

4.19 In view of the above and considering the provisions of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, the Commission instead of determining separate category wise Tariff for Green Energy for consumers purchasing Green Energy from DISCOMs has determined the Green Energy Charges for such consumers based on the incremental cost basis for availing RE power from Wind, HPO and Others which shall be applicable to consumers over and above the normal tariff of the respective category as per the provisions of Regulations.

4.20 The Commission observed that the Petitioners while proposing Tariff for Green Energy has only asked for Green Energy Tariff for RPO compliance of an entity whereas the provisions of Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 as well as MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof provides any consumer may elect to purchase Green Energy.

4.21 The approach adopted by the Commission for determining Tariff for Green Energy for consumers electing to purchase Green Energy from DISCOMs is as follows:-

a) The Average Pooled Power purchase cost of RE sources (Wind, HPO and Others,) and its contribution in Average Cost of Supply has been worked out separately considering the normative losses, Intra-State Transmission losses and Inter and Intra State Transmission Charges as shown in the table below:

Table 100 : Effective Cost of Pooled Power Purchase of RE sources

Particulars	Unit	Wind	HPO	Others
Power Purchase Cost of RE Sources	Rs. Crore	931.44	253.51	9,207.91
Quantum of RE Source	MUs	3,228.98	486.56	27,493.39
Average Rate of RE Sources	**Rs./kWh**	**2.88**	**5.21**	**3.35**
Distribution loss	%	15.47%	15.47%	15.47%
RE Source Rate after considering Distribution loss	Rs./kWh	3.41	6.16	3.96
Intra-State Transmission loss	%	2.61%	2.61%	2.61%
RE Source Rate after Considering Intra-State Transmission loss	Rs./kWh	3.50	6.33	4.07
Inter and Intra – State Transmission Charges	Rs./kWh	0.86	0.86	0.86
Contribution of Pooled Power Purchase of RE sources in ACOS	**Rs./kWh**	**4.37**	**7.19**	**4.93**

b) In order to determine the Cross Subsidy Charges, the difference between ACoS and ABR of respective tariff categories have been considered.

c) Services Charges pertain to the cost of distribution licensee other than the cost associated for purchase of power (i.e., Other ARR components) and the fixed cost of power purchase including transmission charges as the power purchase from Renewable Energy is at single part tariff only. Hence, it is important to consider the fixed cost of power purchase also while determining the Service Charges of Distribution Licensee.

d) In the Average Cost of Supply approved by the Commission, the contribution of other components of ARR excluding power purchase cost works out to be Rs 1.50/kWh (i.e., Rs. 12,145.34 Crore of Other ARR Components / Sales of 80,826.64 MU*10) and the same is considered as Service Charges covering prudent cost of Distribution Licensees for supplying power to the consumers. In case Distribution Licensees procure more power from Renewable Energy sources to meet the requisitions of consumers opting for procuring RE power, the thermal capacity contracted by the Distribution Licensees will become stranded and hence the fixed cost due to stranded power also needs to be considered as part of Service Charges of Distribution Licensee for providing Green Energy, which works out to Rs.1.45/kWh (i.e. Rs. 11,723.27 Crore as Fixed Cost of Power Purchase /Sales of 80,826.64 MU*10). The Service Charges related to other ARR components and fixed cost of power purchase takes care of all the other costs, Distribution Licensee will incur in supplying Green Energy for consumer. Hence, the Commission has not considered any other cost separately as proposed by the Petitioners while determining the Tariff for Green Energy.

e) Accordingly, the Green Energy Tariff applicable for different category of consumers for different RE Sources has been computed considering effective cost of pooled power purchase cost from RE, Cross Subsidy Charges and Services Charges in accordance with the provisions of Regulations.

f) Based on the above formulation, incremental Green Energy Charges have been determined (i.e. Green Energy Tariff applicable minus ABR applicable)

4.22 Incremental Green Energy Charges for different RE sources and tariff categories computed are determined given below:-

Table 101 : Computation of Incremental Green Energy Charges for consumers for FY 2025-26

Category of consumers	Effective Cost of Pooled Power Purchase Cost of RE (Rs/kWh)			ABR (Rs/kWh)	Cross Subsidy (Rs/kWh)	Services Charges (Rs/kWh)		Green Energy Tariff Applicable (Rs/kWh)			Incremental Green Energy Charges (Rs/kWh)		
	Others	Wind	Hydro			Fixed Cost of Power Purchase excluding Transmission Charges	Other ARR Components	Other	Wind	Hydro	Other	Wind	Hydro
A	B	C	D	E	F	G	H	I=B+F+G+H	J=C+F+G+H	K=D+F+G+H	L=I-E	M=J-E	N=K-E
LV-1: Domestic				6.82	(0.33)			7.56	6.99	9.82			
LV-2: Non Domestic				9.58	2.44			10.33	9.76	12.59			
LV-3: Public Water Works & Street Light				6.98	(0.16)			7.72	7.16	9.98			
LV-4: LT Industrial				9.31	2.16			10.05	9.48	12.31			
LV-5: Agriculture & allied activities				6.40	(0.74)			7.15	6.58	9.41			
LV-6: E-Vehicle/ E-Rickshaws Charging Stations				7.14	0.00			7.88	7.32	10.14			
HV-1: Railway Traction				5.39	(1.76)			6.13	5.56	8.39			
HV-2: Coal Mines				8.83	1.69			9.57	9.01	11.83			
HV-3: HT Industrial, Non-Industrial and Shopping Malls	4.93	4.37	7.19	7.71	0.57	1.45	1.50	8.45	7.89	10.71	0.74	0.18	3.00
HV-4: Seasonal				8.16	1.02			8.90	8.34	11.16			
HV-5: Irrigation, Public Water Works and Other than Agricultural				8.41	1.27			9.16	8.59	11.42			
HV-6: Bulk Residential Users				7.90	0.76			8.64	8.08	10.91			
HV-7: Synchronization of Power for Generators connected to the Grid				11.79	4.64			12.53	11.96	14.79			
HV 8: E-Vehicle/ E-Rickshaws Charging Stations				7.14	0.00			7.88	7.32	10.14			
HV 9: Metro Rail				7.17	0.02			7.91	7.34	10.17			

Treatment of RPO

4.23 The treatment of RPO for consumers availing Green Energy shall be as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof towards fulfilment of its RPO. The Green Energy purchased by obligated entity from Distribution Licensees shall be first considered to meet the Renewable Power Obligation of the obligated entity. As per Regulation 3.8 (A)(c) (vi) and (vii) of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, the green energy purchased from Distribution Licensee or from Renewable Energy sources other than Distribution Licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted towards Renewable Purchase Obligation compliance of the Distribution Licensee.

Summary of Green Energy Charges

4.24 Green Energy Charges determined for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect and for consumers availing Green Energy from Distribution Licensee as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof for FY 2025-26 are summarised as below:-

Table 102 : Green Energy Charges for FY 2025-26

<table>
<tr><th>Particular</th><th>For availing Green Energy for purpose of reducing their carbon footprint and seeking Certification to this effect (Rs./kWh)</th><th colspan="3">For availing Green Energy as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021, as amended and on terms and conditions contained therein (Rs./kWh)</th></tr>
<tr><td>Green Energy Charges for purpose of reducing their carbon footprint and seeking Certification to this effect.
(RPO compliance for DISCOMs)</td><td>0.53</td><td>Other</td><td>Wind</td><td>Hydro</td></tr>
<tr><td>Green Energy Charges for Consumers</td><td>-</td><td>0.74</td><td>0.18</td><td>3.00</td></tr>
</table>

4.25 The Green Energy Charges as summarised above shall be over and above the existing fixed and energy charges and any other charges as approved by the Commission in this Order shall also be applicable for respective categories of consumer.

4.26 The revenue earned by the Petitioners from sale of power from Green Energy for purpose of reducing their carbon footprint and seeking certification to this effect shall be considered as Tariff Income at the time of truing up. Such treatment of revenue shall also ensure that the benefit of same is passed on to other consumers of the State.

4.27 The revenue earned by the Petitioners from sale of power to consumers under Green Energy Charges. For availing Green Energy as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof shall be considered as revenue from sale of power. **The Distribution Licensee are directed to separately maintain tariff category and sub-category wise accounting of no. of consumers, connected load, sale and revenue from sale under Tariff for Green Energy**

for consumers and same shall be shown separately by the Petitioners at the time of truing up.

4.28 It is to be noted that above arrangement is optional / voluntary and shall only be provided on the request of the Consumer. The Green Energy Charges and Tariff for Green Energy shall only be applicable if Consumer opts to avail power under the respective above arrangement.

A5: FUEL AND POWER PURCHASE ADJUSTMENT SURCHARGE

Commission's analysis

5.1 For timely recovery of Power Purchase Cost by Distribution Licensees, the Commission has notified the First and Second Amendment to MYT Regulations, 2021 and specified the methodology and formula for Fuel and Power Purchase Adjustment Surcharge (FPPAS) in terms of Section 62(4) of the Electricity Act, 2003. As per the provisions of the aforesaid Regulations FPPAS shall be computed and billed to consumers automatically, without going through regulatory approval process, on a monthly basis, subject to true-up on annual basis.

5.2 The Distribution Licensees shall submit necessary details within 7 days of FPPAS computation on monthly basis for the information to the Commission.

5.3 The Distribution Licensees shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of fuel and power purchase adjustment surcharges (separately for automatic and approved portions) on its website.

5.4 In view of Regulation 9 of the MYT Regulations, 2021 the Commission directs the Petitioners to adhere to provisions of the Regulations along with its associated mechanism /modalities as specified in the MYT Regulations, 2021.

5.5 The Commission directs Petitioners to pass through positive or negative FPPAS applicable for the month to the consumers in accordance with the provisions of the Regulations, along with the associated mechanism/modalities as specified in the MYT Regulations, 2021, and any amendments thereof.

5.6 Further, Petitioners shall show the FPPAS charge separately in the consumer bills.

A6: RETAIL TARIFF DESIGN

Legal Position

6.1 In exercise of the powers vested under Section 61 and Section 62 of the Electricity Act, 2003, and all other powers enabling in this behalf, the Commission has determined the Aggregate Revenue Requirement and Tariff for FY 2025-26 for the Petitioners. Due consideration was given to the submissions made by Petitioners, Stakeholders, suggestions made by State Advisory Committee and all other relevant material available to the Commission. While determining tariff for various consumer categories, the Commission has given due consideration to the relevant provisions of the Electricity Act, 2003, Tariff Policy, 2016, and relevant Regulations.

Commission's Approach to Tariff Determination

6.2 ARR for FY 2025-26 is determined on the basis of distribution loss level trajectory specified in the MYT Regulations, 2021 and uniform tariff has been determined for all the three DISCOMs.

Linkage to Average Cost of Supply

Petitioners' submission

6.3 The Petitioners submitted that they have worked out indicative category-wise cross subsidy based on voltage-wise cost of supply inspite of constraints in terms of segregation of voltage-wise losses and capital expenditure related costs. The Hon'ble APTEL in its judgement passed in Appeal No. 103 of 2010 and IA Nos. 137 & 138 of 2010 in pervious Tariff Orders had concluded that the mandate of the Tariff Policy to limit cross subsidies within (+/-) 20% of the overall average cost of supply can be applied to determine the category wise retail tariff. However, determination of voltage-wise cost of supply is required to evaluate cross subsidies prevalent at various voltages. The voltage-wise cost of supply serves as a guiding tool to gradually reduce cross subsidies at various voltage levels.

6.4 Petitioners further submitted that the requisite data for determination of voltage wise cost of supply is generally not maintained by distribution licensees. The Hon'ble APTEL had further advised that the power purchase cost, which is the major component of the DISCOMs costs, can be apportioned to different voltage levels in proportion to the sales and losses at the respective voltage levels. As regards the other costs such as Return on Equity, Interest on Loan, depreciation, Interest on Working Capital and O&M costs, etc., these costs can be pooled and apportioned equitably, on pro-rata basis to all voltage levels.

6.5 The Petitioners submitted that determination of voltage-wise losses requires detailed technical studies of the distribution network which will be conducted within definite time frame. In order to work out category-wise cross subsidy based on voltage-wise cost of supply the Petitioners have attempted to determine the same based on the methodology adopted by the Commission. The voltage-wise cross subsidy so computed is indicative in nature and not accurate, as the base data for the same needs to be worked out based on actuals.

Commission’s Approach for determination of voltage-wise cost of supply

6.6 The Commission directed DISCOMs to determine the voltage-wise cost of supply in compliance of the directives given in the Judgment passed by Hon’ble Appellate Tribunal for Electricity (APTEL) in Appeal No. 103 of 2010 and IA Nos. 137 & 138 of 2010 in pervious Tariff Orders.

6.7 In view of the aforesaid submission of Petitioners, the Commission has endeavoured to work out indicative category-wise cross subsidy based on voltage-wise cost of supply in-spite of constraints in terms of segregation of voltage-wise losses and capital expenditure related costs. As can be seen from the foregoing paragraphs, Hon’ble APTEL has concluded that the mandate of the Tariff Policy to limit cross subsidies within (+/-) 20% of the overall average cost of supply can be applied to determine the category wise retail tariff. However, determination of voltage-wise cost of supply is required to enable the Commission to evaluate cross subsidies prevalent at various voltages. The Commission would thus, be guided by the voltage-wise cost of supply with attempt to gradually reduce cross subsidies at various voltage levels.

6.8 In the absence of requisite data, Hon’ble APTEL has further advised that the power purchase cost, which is the major component of the DISCOMs costs, can be apportioned to different voltage levels in proportion to the sales and losses at the respective voltage levels. As regards the other costs such as Return on Equity, Interest on Loan, depreciation, Interest on Working Capital and O&M costs, etc., these costs can be pooled and apportioned equitably, on pro-rata basis to all voltage levels.

6.9 The Commission agrees with the Petitioners’ submission that determination of voltage-wise losses requires detailed technical studies of the distribution network and directs them to conduct such studies within definite timeframe. Commission expressed concern that despite directions in pervious Orders to conduct studies to segregate technical and commercial losses and to conduct studies for determination of losses, DISCOMs have failed to make serious efforts in this direction. In order to work out category-wise cross subsidy based on voltage-wise cost of supply, the Commission has attempted to determine the same based on the methodology adopted by the Commission in pervious Tariff Order as proposed by the Petitioners in earlier Petitions. The voltage-wise cross subsidy so computed is indicative in nature and not accurate, as the base data for the same needs to be worked out based on actuals. The Commission has adopted the following methodology for determination of voltage-wise cost of supply:

(i) Voltage-wise cost of supply has been computed for above 33 kV and 33 kV and 11 kV (inclusive of LT) categories only.

(ii) Sales as admitted by the Commission for above 33 kV and 33 kV and 11 kV (inclusive of LT) categories have been considered.

(iii) Losses as specified in the MYT Regulations, 2021 for FY 2025-26 have been considered for the Petitioners.

(iv) Total losses as admitted by the Commission have been segregated voltage-wise for above 33 kV, 33 kV and 11 kV (inclusive of LT) in the same proportion of losses as submitted by the Petitioners.

(v) The breakup of technical and commercial losses at 11 kV + LT System is not available, 50% of the total loss at this voltage level has been assumed as purely technical loss and remaining 50% loss has been assumed as commercial loss which has been loaded to various voltage levels in the proportion of their sales

(vi) Power purchase costs at the DISCOMs periphery for above 33 kV, 33 kV and 11 kV (inclusive of LT) based on the voltage-wise input energy have been considered. All other costs of the DISCOMs are allocated based on the sales to each voltage-level.

(vii) Voltage-wise total cost so derived has been divided by voltage-wise sales for working out the voltage-wise cost of supply.

6.10 Based on the above methodology, the Commission has computed the indicative voltage-wise cost of supply and commensurate cross-subsidy as shown in the table below:

Table 103 : Computation of voltage-wise cost of supply for the State for FY 2025-26

State	Units	EHT System (400 kV, 220 kV, 132 kV & 66 kV)	33 KV System	11 KV + LT System	Total
Sales admitted	MU	7,780.96	11,254.75	61,790.93	80,826.64
Technical and Commercial losses	%	3.62%	4.18%	11.29%	19.79%
Energy input admitted	MU	8,073.41	12,187.26	80,510.80	1,00,771.47
Energy lost admitted (Technical up to 33kV and 11 kV + LT- technical and commercial)	MU	292.45	932.51	18,719.87	19,944.83
Commercial loss assumed as 50% of 11kV and LT overall losses	MU			9,359.93	
Commercial losses apportioned for all voltage levels in proportion to voltage wise sales admitted	MU	901.06	1,303.33	7,155.55	9,359.93
Net Energy Loss admitted	MU	1,193.50	2,235.84	16,515.49	19,944.83
Net energy input for Computing VCoS	MU	8,974.46	13,490.59	78,306.42	1,00,771.47
Power Purchase Costs - allocated based on voltage-wise losses net energy input	Rs. Crore	4,059.89	6,102.91	35,424.46	45,587.26
Other costs - allocated based on voltage-wise sales	Rs. Crore	831.68	1,250.20	7,256.80	9,338.68
Less: Other income - allocated based on voltage-wise sales	Rs. Crore	48.40	72.76	422.33	543.49
Recoveries of Past Years	Rs. Crore	298.36	448.49	2,603.30	3,350.15

State	Units	EHT System (400 kV, 220 kV, 132 kV & 66 kV)	33 KV System	11 KV + LT System	Total
Total Costs (ARR requirement) for FY 2025-26	**Rs. Crore**	**5,141.53**	**7,728.84**	**44,862.23**	**57,732.60**
VCoS	**Rs. /Unit**	**6.61**	**6.87**	**7.26**	**7.14**

6.11 Consumer category-wise approximate cross-subsidy, computed based on voltage-wise cost of supply for FY 2025-26 is shown in the table below:

Table 104: Cross-subsidy based on voltage-wise cost of supply for FY 2025-26 for the State

Tariff Categories	VCoS (Rs. /Unit)	Average Billing Rate (Rs. /unit)	Ratio of Average Billing Rate to Voltage-Wise Cost of Supply (%)
LV-1: Domestic	7.26	6.82	94%
LV-2: Non-Domestic	7.26	9.58	132%
LV-3: Public Water Works & Street Light	7.26	6.98	96%
LV-4 LT Industrial	7.26	9.31	128%
LV 5: Agriculture and Allied Activities	7.26	6.40	88%
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	7.26	7.14	98%
HV-1: Railway Traction	6.61	5.39	82%
HV-2: Coal Mines	6.73	8.83	131%
HV-3: Industrial, Non-Industrial and shopping malls	6.79	7.71	114%
HV-4: Seasonal	6.91	8.16	118%
HV-5: Irrigation, Public Water Works and Other than Agricultural	6.77	8.41	124%
HV-6: Bulk Residential Users	6.93	7.90	114%
HV-7: Synchronization of Power for Generators connected to the Grid	6.76	11.79	174%
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	6.87	7.14	104%
HV 9: Metro Rail	6.61	7.17	108%
Total	**7.14**	**7.14**	**100%**

6.12 While determining the tariffs for FY 2025-26, the Commission has given due consideration to the provision of the Electricity Act, 2003 that consumer tariffs should reflect the cost of supply. The average cost of supply for FY 2025-26 works out to Rs. 7.14 per unit as against Rs. 6.90 per unit for FY 2024-25. The table below shows the cost coverage (Average realization as percentage of Average cost of supply) on account of tariff for FY 2025-26, as compared to the cost coverage in the Tariff Order for FY 2024-25:

Table 105: Comparison of tariff v/s overall average cost of supply

Tariff Categories	Average Realisation as % of Average CoS		Average Billing Rate (ABR) (Rs. /Unit)	Average Cost of Supply (ACoS) (Rs. /Unit)
	FY 2024-25 (as per Tariff Order)	FY 2025-26 (Achieved as per this Tariff Order)		
LV- Categories				7.14
LV-1: Domestic	97%	95%	6.82	
LV-2: Non-Domestic	135%	134%	9.58	
LV-3: Public Water Works & Street Light	99%	98%	6.98	
LV-4 LT Industrial	130%	130%	9.31	
LV 5: Agriculture and Allied Activities	89%	90%	6.40	
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	100%	100%	7.14	
Total LT	**97%**	**97%**	**6.92**	
HV- Categories				
HV-1: Railway Traction	75%	75%	5.39	
HV-2: Coal Mines	124%	124%	8.83	
HV-3: Industrial, Non-Industrial and shopping malls	108%	108%	7.71	
HV-4: Seasonal	122%	114%	8.16	
HV-5: Irrigation, Public Water Works and Other than Agricultural	114%	118%	8.41	
HV-6: Bulk Residential Users	111%	111%	7.90	
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	100%	100%	7.14	
HV 9: Metro Rail	122%	100%	7.17	
Total HT	**109%**	**109%**	**7.82**	
Total (LT + HT)	**100%**	**100%**	**7.14**	

Recovery of Backlog RPO Cost

6.13 The Petitioners have requested the Commission to specify the source of recovery for backlog RPO shortfall cost and factor in the outcome the SMP No. 38/2024 while approving the ARR and Tariff for FY 2025-26.

6.14 The Commission vide Order dated 18th December, 2024 in SMP No.38/2024 has issued certain directives to the Petitioners. The relevant extract of the Order has been reproduced below:-

*"**On perusal of submissions made by the respondent and documents on record, Commission has observed the following: -***

………………………….

x……………………….

The Commission is of the view that the respondent may claim the expected cost on

RPO compliance for the period from 2020-21 to 2022-23 separately giving details of power purchased from RE generators under REC mechanism and anticipated expenses on buying RECs.

……………………………

11. In light of the above findings and analysis, the Commission hereby issues the following directions: -

i. *The respondent shall deposit sum of Rs 20000/-(Ten Thousand each for FY 2020-21 and FY 2021-22) as penalty to the Commission towards non-compliance of orders dated 23.12.2021, 04.07.2022 and 02.03.2023.*

ii. *The request to waive of the shortfall in RPO for the period FY 2022-23 and FY 2023-24 or to carry forward the shortfall of FY 2020-21 to FY 2023-24 till 2030 is found untenable and hence is hereby rejected. However, if the respondent wishes to carry forward the shortfall towards RPO for the FY 2023-24 to FY 2024-25, then it has to file a separate petition under relevant regulations seeking such a dispensation.*

iii. *The respondent shall comply with orders dated 23.12.2021, 04.07.2022 and 02.03.2023 in letter and spirit.*

iv. *The respondent's claim for the required revenue to meet its obligation towards procurement of RECs for FY 2020-21 to 2023-24 should be lodged by way of appropriate petitions which shall be subject to prudence checks and due diligence by the Commission.*

v. *Commission is convinced that no willful default has been made by the respondent in compliance of RPO for the period from FY 2022-23 and 2023-24 and hence the proceedings under section 142 of the Act for those two financial years are hereby dropped."*

6.15 In view of the aforesaid Order, the Commission has observed that the Petitioners have merely requested the Commission to allow the source of recovery for backlog RPO shortfall cost. However, after the issuance of the said Order, the Petitioners were required to file submissions in compliance of the directives and observations to Commission in Retail Supply Tariff Petition or through sperate petition. The Petitioners have neither submitted additional information in Retail Supply Tariff Petition nor through sperate petition in compliance of the said Order. In each years tariff order the Petitioners are being allowed costs to meet their RPO. In MOD renewable energy comes in must run category. Scheduling such energy, the procurement cost thereof, will not be affected due to distribution losses. They can also opt for buying power from RE generators registered under REC mechanism and procure RECs separately. The Commission can consider any request for additional funds, only after Petitioners provide full details on these aspects and thorough

Scrutiny thereof. The Commission expects from the Petitioners to act proactively to comply with their obligations in accordance with the Commission's Regulations and Orders. Due to reasons mentioned above, the Commission has not considered their request in this Order.

kVAh billing for HT Consumers

6.16 Regarding Petitioners request for introduction of kVAh based billing to HT Consumers, the Commission observed that the outreach of awareness programme conducted by the Petitioners is inadequate. The Petitioners have also not submitted any impact assessment study on transition from kWh billing to kVAh billing considering yearly average power factor for each category of HT consumers based on last three years data. Petitioners are pleading kVAh billing for better reactive power management, however they have not submitted data of power analyser, as to which consumer categories are consuming more reactive power and also regarding overall reactive power flow on feeders feeding HT consumers. Petitioners are required to conduct comprehensive consumer awareness programmes across the State for consumers. They are also directed to carry out the impact assessment study and submit the study report alongwith power analyser data before next tariff filing. Detailed directives in this regard are given at para 7.5 in Chapter 7.

Minimum Charges for HT Consumers

6.17 While minimum charges of HV-4 seasonal category have been abolished this year, the Petitioners are directed to submit detailed report on meeting their fixed costs by way of fixed charges including financial implications of extending abolishment of minimum charges to more HT categories and requirement of increase in fixed charges, if any. This report may be submitted before ARR Tariff and Tariff filing of next year.

Changes in Tariff Design

6.18 After giving due consideration to the suggestions/ comments of the Stakeholders and the proposals submitted by the DISCOMs, the Commission has made some changes in the tariff design for FY 2025-26. Main features of the tariff design are detailed in following paragraphs:

i. **Minimum Charges:** The minimum charges for all LV categories and HV-4: Seasonal category have been abolished.

ii. **Metering Charges:** No metering charges are to be levied.

iii. **Introduction of Time of Day (ToD) Rebate/Surcharge for LV-1: Domestic, LV-3: Public Water Works & Street Light and HV-6: Bulk Residential Users Consumers**:- The Commission has introduced ToD Rebate of 20% during Solar hours (Off-peak) and Surcharge of 10% during the peak hours for following consumers categories:-

a) LV-1: Domestic consumers having sanctioned load exceeding 10 kW

b) LV-3: Public Water Works & Street Light consumers having sanctioned load/ contract demand exceeding 10 kW

c) HV-6: Bulk Residential Users Consumers.

iv. **Introduction of Time-of-Day (ToD) Rebate for Low Voltage Consumers with Smart Meters having Sanctioned Load/Contract Demand upto 10 kW:-** To encourage the adoption of smart meters among consumers with a sanctioned load/contract demand upto 10 kW, the Commission has introduced 20% ToD Rebate on the normal energy charge during Solar hours (Off-peak-9AM to 5 PM).

v. **Modification of ToD Rebate during Off-peak hours (10 PM to 6AM next day) for HT Consumers:** After going through the supply-demand position and pricing of electricity during night hours, the Commission has modified the ToD rebate for Off-peak hours (10 PM to 6 AM next day) for HT Consumers as follows:-

a) For the months of October to May, ToD Rebate during Off-peak hours shall be 7.5% on the normal energy charge.

b) For the months of June to September, ToD Rebate during Off-peak hours shall be 10% on the normal energy charge.

vi. **Rebate to existing HV 3 category consumers (all sub-categories):** The rebate for incremental consumption for HV -3 category consumers (Industrial, Non -industrial, Shopping Malls and Power Intensive) has been extended for FY 2025-26 for the incremental consumption at Rs. 1 per unit.

vii. **Other rebates for HV 3 category consumers:** The duration of rebate for captive power plant consumers, open access consumers and rebate for conversion of existing LT Industrial/Non-domestic connection to corresponding HT connection has been extended for FY 2025-26.

A7: COMPLIANCE OF DIRECTIVES ISSUED IN TARIFF ORDER FOR FY 2024-25

The response submitted by DISCOMs on the directives issued by the Commission in the Retail Supply Tariff Order for FY 2024-25 and the Commission's observations/directions thereon are given below:

7.1 Technical studies of the Distribution network to ascertain voltage-wise cost of supply

Commission's Directives:

The Commission vide letter dated 12th December, 2023, has already communicated the methodology for technical loss study and directed the DISCOMs to conduct the study accordingly and submit the results of the study within four months. Therefore, the DISCOMs are directed to expedite the study and submit the study results within the timelines.

The Commission also observes that the present accounting practices of DISCOMs do not include the segregation of GFA across voltage levels. Therefore, DISCOMs are directed to segregate the GFA across voltage levels for estimating the voltage-wise cost of supply and submit the desired study report before filing the next ARR and Tariff Petition.

East DISCOM Submission:

East DISCOM submitted that West DISCOM has floated a tender for study of technical loss Estimation which is under progress and shall follow the methodology and outcome of the study report of West DISCOM so as to maintain uniformity in working of all DISCOMs and reporting before the Commission.

Subsequently East DISCOM, vide letter dated 11th February, 2025, stated that the award for the installation of smart meters under the RDSS scheme for consumer meters, DTR meters, and feeder meters is in progress. East DISCOM further submitted that once the metering works under RDSS are completed, the necessary technical loss analysis will be carried out and submitted to the Commission.

Central DISCOM Submission:

Central DISCOM has awarded the work for "Study on estimation of technical losses in distribution network" to MANIT, Bhopal vide letter No.3408 dated 02nd August 2024.
The Work is under progress.

West DISCOM Submission:

West DISCOM has awarded the contract for carrying out a technical loss study on 29th November, 2024. The study is being conducted and the results will be submitted to the Commission upon completion.

Commission's Observations/ Directions:

The Commission observed that while West and Central DISCOMs have already awarded the technical loss study to expert consultants/agencies in compliance with the Commission's directives, East DISCOM has not demonstrated any progress in this matter.

The Commission expresses its displeasure on the progress made so far by East DISCOM as compared to other two DISCOMs and directs the East DISCOM to furnish concrete plan within in one month from the date of issue of this Order, clearly showing commencement & completion date of the study in line with the agreed methodology for technical loss estimation.

Further, DISCOMs are directed to furnish monthly progress report in this regard henceforth.

7.2 Replacement of Stopped and Defective Meters

Commission's Directives:

The Commission has taken note of the Petitioners' submissions. However, the Commission observed that the status of stopped/defective meters is almost at similar level as was in pre-RDSS period and there has not been much improvement in status of the same. Further, the Petitioners have not been complying with Regulation 8.26 of the MP Electricity Supply Code, 2021 and with the target specified in MPERC (Distribution Performance Standards) Regulations, 2012 and amendments thereof. In view of these observations, the Petitioners are directed to expedite the replacement of stopped /defective meters within the timelines specified in MP Electricity Supply Code, 2021 and also submit the quarterly progress report to the Commission. Based on the progress reports, the Commission may review RoE incentive in respect of metering of consumers.

DISCOMS Submission:

East, Central and West DISCOMs submitted that Quarterly progress report is being submitted in timely manner through Reporting of Regulatory Compliance.

Commission's Observations/ Directions:

The Commission expresses concern over the persistently high number of stopped and defective meters awaiting replacement, indicating non-compliance with its directives by the DISCOMs.

During the review meeting held with DISCOMs from 21st to 23rd August, 2024, the Commission reiterated that, in accordance with Section 55 of the Electricity Act, 2003, electricity supply has to be provided only through a correct meter as specified under the Central Electricity Authority (Installation and Operation of Meters) Regulations. Supplying electricity without a correct meter, unless expressly approved by the Commission, constitutes a violation of statutory provisions.

In light of the above, the DISCOMs are directed to take immediate and effective action to expedite the replacement of all stopped and defective meters.

Further, if DISCOMs propose to install meters other than those specified under the CEA Regulations, they must obtain prior approval from the Commission under the relevant provisions of the Electricity Act, 2003.

The Petitioners are also directed to ensure that the replacement of stopped/defective meters is carried out within the timelines stipulated under the Madhya Pradesh Electricity Supply Code, 2021, as amended, and to submit quarterly progress reports to the Commission in this regard. Commission feels that mere submission of reports without much progress will not suffice and will attract penalty for non-compliance.

The Commission further cautions that it may consider review of the variable component of Return on Equity (RoE) linked to consumer metering, based on the compliance status and progress reflected in the quarterly reports by the DISCOMs.

7.3 Alignment of R-15 strictly with the categories, subcategories, and slabs of the Tariff Schedule as per the new Tariff Structure

Commission's Directives:

The Commission has taken note of the Petitioners' submission. However, the Commission observed that the number of consumers, connected load and Sales for various sub-categories in the Statements submitted by the Petitioners aligned with the Tariff Schedule are not matching with standard R-15 Statement. Therefore, the Petitioners are directed to remove the discrepancies within R-15 Statements. Further, from next True-up/ARR Petition, the Petitioners are directed to furnish the information of number of Consumers, Connected Load and Sales strictly as per the Tariff Categories/ sub-categories and slabs approved by the Commission in R-15 statement being submitted to the Commission.

East DISCOM Submission:

East DISCOM submitted that standard R15 statement and Tariff wise R15 (MPERC) has been aligned for months of July, August and September 2024 and report has been submitted to the Commission vide letter no. 1415 dated 14th November, 2024.

Central DISCOM Submission:

The R-15 report has been generated through the NGB billing system developed by East DISCOM. The discrepancies observed between the standard R15 and Tariff wise R-15 (MPERC) reports have been communicated to the East DISCOM team for resolution and they have removed the discrepancies.

West DISCOM Submission:

The Petitioner submitted that tariff category-wise R15 has been aligned with the standard R-15, which is available on the website.

Commission's Observations/ Directions:

The Commission identified substantial discrepancies between the tariff category/sub-category and the slab-wise R-15 statement (MPERC) compared to the standard R-15 statement in the submitted statements. This reflects a serious lack of commitment from the DISCOMs to comply with the Commission's directives. The Commission has expressed concerns regarding this poor compliance.

The Petitioners are directed to furnish the requisite information such as number of Consumers, Connected Load and Sales strictly as per the Tariff Categories/ sub-categories and slabs approved by the Commission in R-15 statement (MPERC) before the next true-up / ARR /Tariff Petition filing, failing which the Commission may initiate non compliance proceedings against the petitioners.

7.4 Accounting of Rebates/Incentives/Surcharges

Commission's Directives:

The Commission has noted the submissions of the DISCOMs and directs DISCOMs to expedite the process of development of a report in this regard and submit the same on quarterly basis. The Commission has extended applicability of various rebates in this Order. The Commission observes that the Petitioners have not submitted proper analysis to ascertain the impact of various incentive/rebate/surcharge being allowed by the Commission in Tariff Order. Therefore, the Commission once again directs the Petitioners to undertake comprehensive study and analysis to ascertain the impact of various incentive/rebate/surcharge being allowed by the Commission in the Tariff Order. Further, the analysis should cover scenarios for Rabi and non-Rabi seasons separately and also scenario if no incentives/rebates are provided in tariff. The Petitioners are directed to submit the above study accompanied by appropriate analysis before the next Petition filing.

East DISCOMs Submission:

East DISCOM submitted that a detailed report in this regard is prepared and shared with Commission. The net impact of the incentive and surcharge are adding advantages to consumers thereby increasing DISCOM business. From the detailed analysis it can be seen that the incentives not only help DISCOM in growth of energy sales but also in retaining/addition of High valued consumers from obtaining open access.

Central DISCOMs Submission:

Central DISCOM submitted that the status of compliance in this regard has been submitted to the Commission vide letters no. 176 dated 21st November, 2024.

West DISCOM Submission:

West DISCOM submitted that the desired report up to the month of December, 2024 has been submitted to the Commission in reply of Data Gaps of ARR Petition for FY 2025-26 vide letter dated 20th January, 2025.

Commission's Observations/ Directions:

The Commission acknowledges the submissions made by East, Central, and West DISCOMs regarding compliance with the directives on accounting for rebates, incentives, and surcharges. However, it is observed that the Petitioners have not yet provided a detailed analysis to assess the actual impact of various incentives, rebates, and surcharges as specified in the Tariff Order. The Commission reiterates that a comprehensive study be conducted to evaluate these impacts, considering different scenarios for Rabi and non-Rabi seasons. Further, the analysis should include a scenario assessing the financial implications, if no incentives or rebates are provided in the tariff structure.

The Commission expects the Petitioners to ensure compliance and submit the required analysis before the next ARR and Tariff Petition filing.

7.5 Introduction of kVAh billing

Commission's Directives:

The Commission observed that the outreach of awareness programme conducted by the Petitioners is inadequate. Therefore, the Petitioners are once again directed to conduct consumer awareness programmes across the State to explain the concept of kVAh billing and its implications to consumers of relevant categories such that the consumers are prepared and kVAh based billing may be implemented upon HT consumers in next Tariff Order. Consumers may also be aware of the measured quantities by the energy meter and accessibility to readings of such quantities alongwith use thereof in monitoring reactive power management at consumer's premises.

Further, regarding impact assessment study, the Commission observed that the Petitioners have not submitted any impact assessment study on transition from kWh billing to kVAh billing considering yearly average power factor for each category of HT consumers based on last three years data. Therefore, the Petitioners are once again directed to carry out the impact assessment study and submit the study report before next tariff filing. Petitioners are directed to install power analysers at appropriate locations to measure reactive power flow and power factor and identify the consumer categories having low power factor. Results of such measurements be also provided to the Commission before next tariff filing.

East DISCOM Submission:

East DISCOM stated that all HT consumers have been informed about the concept of KVAH billing to ensure awareness and preparedness. Additionally, all Circle Offices have been directed to update their respective HT consumers regarding the shift to KVAH-based billing. Furthermore, in compliance with Commission directives, a study has been conducted on KVAH billing for HT consumers, analyzing its impact on the transition from KWH to KVAH billing across different HT consumer categories, and the findings have been submitted to the Commission.

Central DISCOM Submission:

In compliance with the Commission's directives to conduct consumer awareness programs explaining the concept of KVAh billing, its implications for relevant consumer categories, the measured quantities by energy meters, the monitoring of reactive power management at consumer premises and the impact assessment study, the following actions were taken: -

i. **Consumer Awareness Program**:

- A comprehensive awareness program was conducted across all Circles of the DISCOM through video conferencing and physical meetings.
- The Association of industries from Bhopal, Mandideep, Gwalior and other region also participated in the KVAh billing awareness programs.

ii. **Impact Assessment Study**: -

- An impact assessment study on the transition from KWh billing to KVAh billing, based on data from the last years i.e. 2023-24, has been conducted.

- The impact assessment report, along with a category-wise list of consumers with low power factors, has been submitted to the Commission vide letter No.177 dtd. 21.11.2024. For installation of power analysers identification of appropriate location is also in progress and the report will be submitted to Commission as soon as possible.

West DISCOM Submission:

West DISCOM submitted that in compliance with the Commission's directives to conduct consumer awareness programmes explaining the concept of kVAh billing, its implications for relevant consumer categories, the measured quantities by energy meters, the monitoring of reactive power management at consumer premises, and the impact assessment study, the following actions were taken:

i. **Consumer Awareness Programme**:

- A comprehensive awareness programme was conducted across all Circles of the DISCOM through video conferencing and physical meetings.
- A total of 15 Circles were covered and 204 HT consumers attended the sessions.
- The Association of Industries from Indore, Pithampur, Dewas, Ujjain, Ratlam, and other regions also participated in the kVAh billing awareness programmes.
- A circle-wise detailed report has already been submitted to the Commission vide this office letter no. 14191, dated 28th September, 2024.

ii. **Impact Assessment Study**:

- An impact assessment study on the transition from kWh billing to kVAh billing, based on data from the last three years i.e. FY 2021-22, 2022-23 & 2023-24, has been conducted.
- The impact assessment report, along with a category-wise list of consumers with low power factors, was submitted to the Commission vide letter no. 12068, dated 12th August, 2024.

iii. The status regarding installation of PQ analyzer has been submitted vide letter No. 12272 dated 14th August, 2024.

Commission's Observations/ Directions:

The Commission has observes that the awareness outreach efforts undertaken by the Petitioners regarding the transition to kVAh-based billing have been inadequate. Recognizing the importance of consumer education in ensuring a smooth transition, the Commission directs the Petitioners to intensify their consumer awareness initiatives across the State. These awareness programs should effectively communicate the concept of kVAh billing, including its rationale, benefits, and implications for consumers. They should also cover the financial and technical impact of kVAh billing compared to kWh-based billing, particularly for consumers targeted to be covered under kVAh billing. Consumers should be made aware of the various quantities measured by their energy meters, including active power (kW), apparent power (kVA), reactive power (kVAR), and power factor. Educating consumers on power factor correction and its impact on kVAh based billing. The objective of the awareness program is to ensure that consumers are well-informed, adequately prepared, and equipped with the necessary understanding about financial implications of switching over from kWh billing to kVAh billing.

Further, the Commission has also noted that the Petitioners have failed to submit a comprehensive impact assessment study on the transition from kWh-based billing to kVAh-based billing. Specifically, the Petitioners have not provided an analysis considering the yearly average power factor for each HT consumer category, based on historical data from the past three years. This assessment is critical for evaluating the financial implications of kVAh billing for different HT consumer categories, the impact on overall system efficiency and network stability, and the necessity for consumer-specific interventions, such as power factor improvement measures. Therefore, the Petitioners are once again directed to carry out a detailed impact assessment study and submit the report before the next tariff filing.

Moreover, to facilitate a data-driven approach in assessing the impact of kVAh billing, the Commission directs the Petitioners to install power analyzers at strategic locations across the network. These analyzers are essential for accurately measuring critical electrical parameters such as real power (kW), apparent power (kVA), reactive power (kVAR), power factor, voltage, current, harmonics, and phase angles.

The results obtained from power analyzers, along with observations and recommendations, must be submitted to the Commission before the next tariff filing. The report should include power factor trends across different consumer categories, reactive power demand analysis and areas of concern, recommendations for consumer-specific interventions, and an assessment of how kVAh-based billing is expected to influence consumer behavior and system efficiency. Petitioners should consider kVAh billing for consumer categories having low power factor rather than improving it on consumer categories where consumers have already made significant achievement and have improved power factor to desirable level . If the Discoms are able to provide data measured through power analyzers for LT consumers categories , the Commission can consider kVAh billing even for LT consumers .

The Petitioners are advised to ensure the timely execution, data collection, and submission of findings to facilitate a smooth transition to kVAh billing while maintaining transparency and consumer preparedness.

7.6 Consumer services related issues:

Commission's Directives:

The Commission has taken cognizance with regard to non-compliance of the consumer service-related issues raised during the public hearing. It is also brought to fore that service lines, transformers and associated equipment are not properly maintained by the Petitioners. The Commission, therefore, directs the DISCOMs as under :-

1. *Special attention needs to be paid in meeting the Standards of Performance (SoP) parameters as specified in MPERC (Distribution Performance Standards), Regulations 2012 and amendment thereof and payment of compensation for default in meeting SoP.*
2. *Automatic compensation mechanism in the event of default on meeting the Standards of Performance should be immediately put in place by the DISCOMs.*
3. *All out efforts be made in making consumers aware about Standards of Performance parameters and automatic compensation mechanism.*
4. *The field officers should be fully made aware about Standards of Performance (SoP) and implications of default in terms of compensation by DISCOMs. The field officers to ensure that the incidences of not meeting the Standards of Performance are reported accurately and automatic compensation is passed on to the consumers.*
5. *DISCOMs need to take appropriate action to ensure 24x7 supply of electricity to consumers (other than agriculture category) as mandated in the Electricity (Rights of consumers), Rules 2020 and the Commission's Regulations as amended from time to time and accordingly unwarranted load shedding must be avoided.*
6. *DISCOMs to ensure setting up online portal to collate all information/applications regarding planned outages to avoid repeated shut downs in same areas on the account of disjointed applications seeking planned outages.*
7. *DISCOMs are directed to expedite putting in place infrastructure required to provide consumer services as per the provisions of MPERC (Distribution Performance Standards) Regulations, 2012 and MP Supply Code, 2021 and amendments thereof. The Commission further directs the Petitioners to ensure that there is no load shedding due to inadequate Repairs & Maintenance of the network. As per the MYT Regulations, 2021, DISCOMs are eligible for additional return on equity of 0.50% on achievement of R&M expenses targets specified in the Regulations. Therefore, the DISCOMs should take appropriate measure to avail benefit of incurring additional R&M expenses as per Regulations.*

8. *DISCOMs shall submit the report on compliance of these directions to the Commission on quarterly basis including all the incidences of not meeting the Standards of Performance along with the amount of automatic compensation provided to the consumers and specific reasons for denial of compensation, wherever applicable. The report should also include all incidences of category wise load shedding along with the duration of load shedding and reasons for the same.*

East DISCOM Submission:

East DISCOM submitted the followings:

i In East DISCOM 11KV Feeder supply hours monitoring, feeder tripping analysis is carried out on daily basis and corrective measures are taken for improvement of performance parameters. Online Portal has been developed in coordination with Head (CS&A) for payment of compensation in line to the Distribution Performance Standards default cases. Here it is necessary to mention that the main reasons of long outages are due to long length electrical lines and increased no. of consumer base as compared to the available resources.

ii The field officers are aware of MPERC (Distribution Performance Standards) Regulation 2012 as amended.

iii No load shedding is initiated by DISCOM on itself. Various corrective measures are already taken in order to provide 24x7 supply of electricity to consumers, various system strengthening works are carried out to cater the overloading cases, which results in improved supply hour and the performance parameters.

iv The online portal regarding planned outages is under development, link and SoP framed for the same shall be intimated to the Commission separately.

v DISCOM has taken out various substations and lines renovation work in order to modernize the distribution system so that the cases of load shedding due to inadequate repair/maintenance would be minimized. All the concerned officers of the field units are directed to carry out the detailed maintenance of the lines during the pre-monsoon and post monsoon period as well as throughout the year in order to achieve minimum interruptions on the feeder.

vi Quarterly information of load shedding has been shared with the Commission.

Central DISCOMs Submission:

Central DISCOM submitted the following:

i. With the increase in distribution network and consumer base and reduction in staff, it is very difficult at every level to provide all services within stringent timelines and adversely impacting the DISCOM’s performance. Thus, the financial condition of DISCOM does not allow compensating consumer automatically for every service.

ii. DISCOM has started automatic compensation for delay in NSC.

iii. Efforts are being made to create awareness for consumers.

iv. Field Officers have been informed regarding the Standards of Performance (SoP).

Further, DISCOM has stated that they will soon comply with the Commission's following directives: -

i. ensuring a 24x7 electricity supply to consumers (excluding agriculture),

ii. establishing an online portal for planned outages,

iii. expediting necessary infrastructure improvements, and

iv. submitting quarterly compliance reports detailing performance standards and load shedding incidents.

West DISCOMs Submission:

West DISCOM submitted that in compliance of the instructions of the Commission it is intimated that 2 services namely load reduction and name transfer has been considered for automatic as compensation without any approval from JE/EE.

Further submitted the following:

The West DISCOM has issued a Circular dated 06th October 2022and 11th January 2024 regarding SoP and implications of default in terms of compensation by DISCOMs. The field officers were instructed vide letter dated 15.12.2023 and through above Circulars to ensure the compliance of MPERC (Distribution Performance Standers), Regulations 2012 and amendment thereof and payment of compensation for default in meeting SoP. Also, the incidences of not meeting the SoP are reported accurately and automatic compensation is passed on to the consumers.

Commission's Observations/ Directions:

The Commission noted that West DISCOM has demonstrated an online compensation mechanism without manual intervention for two services namely:-

(i) Load reduction and

(ii) Name transfer.

East DISCOM demonstrated similar compensation mechanism without manual intervention for same services while Central DISCOM demonstrated compensation mechanism for one service namely new service connection.

Further, Regulation 8.1(B) of the MPERC (Distribution Performance Standards) Regulations, 2012, as amended, mandates the Distribution Licensee to expand the list of remotely monitored parameters eligible for automatic compensation.

In light of the above, the Commission directs the DISCOMs as follows:

a) Central DISCOM is directed to demonstrate an automatic compensation mechanism for two services, similar to the mechanism implemented by East and West DISCOMs, within 30 days from the date of this order. At the same time, East and West DISCOMs are directed to cover new service connections under compensation mechanism.
b) DISCOMs are directed to identify additional parameters which can be monitored remotely and be brought underautomatic compensation under Regulation 8.1(B) of the MPERC (Distribution Performance Standards) Regulations, 2012 as amended. A time bound program in this regard be submitted within three months from the date of this order.

The Commission would like to mention that it has taken following measures through its Regulations/Orders to enhance consumer services, emphasizing power quality, reliability, and grievance redressal across urban, rural, and industrial sectors: -

(i) Power Quality Regulations

The MPERC (Power Quality) Regulations, 2025, notified on January 10, 2025, aim to improve power supply reliability and system efficiency by establishing standards for power quality parameters such as voltage variation, harmonics, sag, swell, and flickers. These regulations mandate Distribution Licensees to install Power Quality (PQ) meters at 33/11 kV substations within two years, while Designated Consumers and Distributed Generation Resources (DGRs) are required to do so within one year. The regulations also define the roles of stakeholders and include a Grievance Redressal Mechanism for consumers to address complaints regarding power quality.

(ii) System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI)

The Commission, vide order dated 20th June 2024, has specified the following trajectory for System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) for cities with a population of 1 lakh and above, aiming to enhance the reliability of power supply by setting clear SAIFI and SAIDI targets and requiring DISCOMs to strengthen infrastructure and reporting mechanisms:

Year	SAIFI (Interruptions/Year/Consumer)	SAIDI (Hours/Year/Consumer)
FY 2024-25	120	90
FY 2025-26	100	80
FY 2026-27	90	60

(iii) Madhya Pradesh Electricity Distribution Code Regulations, 2024

The Commission has revised the Electricity Distribution Code, 2006 with the Madhya Pradesh Electricity Distribution Code (Revision-I), 2024 to establish a framework for the planning, development, operation, maintenance, and use of distribution systems within the Licensee's area of supply, ensuring the supply system operates efficiently and provides reliable, economic, and continuous service to all consumers.

In view of the above, Distribution Licensees are mandated to comply strictly with these Regulations to enhance consumer services and improve power supply reliability. They must focus on:

1) Faster Grievance Resolution: Efficient processes for addressing consumer complaints.
2) Enhanced Communication Channels: Robust systems for timely interactions with consumers.
3) Monitoring Mechanisms: Comprehensive systems to track service performance and compliance.

Distribution Licensees are required to ensure compliance and submit compliance report in stipulated timelines as specified in the aforesaid Regulations. Non-compliance will result in regulatory action. Adherence to these standards is crucial for improving consumer satisfaction and ensuring a reliable power supply system.

7.7 Preparation of Standard Operating Procedures for Supplementary Bills

Commission's Directives:

The Petitioners are directed to develop a Standard Operating Procedure for mapping supplementary bills, including all relevant supporting documents, on generating station-wise basis for each financial year. The Petitioners should also ensure that mapping of supplementary bill along with all relevant supporting documents is accessible with IT tools to facilitate retrieving of all relevant information related supplementary bills. The petitioners

are required to confirm whether full and final payment against the supplementary bills are made. A comprehensive format in MS Excel be submitted showing calculation of claim amount with vital parameters along with supporting documents.
Petitioners are required to submit Standard Operating Procedure to the Commission for approval within three months from date of issuance of this Order and provide comprehensive information with appropriate IT tools at the time of filing petition incorporating supplementary bills.

MPPMCL's Submission:
MPPMCL has submitted the Standard Operating Procedure for mapping supplementary Bills to the Commission vide letter no. 82 dated 25th November, 2024.

Commission's Observations/ Directions:
The Commission acknowledges the submission of the Draft Standard Operating Procedure (SOP) for mapping supplementary bills by MPPMCL. After reviewing the SOP, the Commission, via letter dated January 1, 2025, has granted in-principle approval to the SOP subject to the following terms and conditions:

"

i. *At each step, name of employee /officer, who has taken action as per SOP i.e uploading / downloading / hyperlinking / verifications / entry / passing of bills / payment etc. should appear.*
ii. *Details of main bills should also be uploaded for the same period.*
iii. *While giving reasons in terms of cause of action i.e tariff order/change in law/ change in water charges etc., date of such tariff order/change in law/ change in water charges etc. be indicated along with the intervening period after which supplementary bills is submitted by the Generator.*
iv. *A certificate from the authorised signatory of Generating station be uploaded stating that the claim has not been made earlier and that it is being made for the first time. This certificate must be duly endorsed and signed by authorised officer of MPPMCL.*
v. *Considering that the desired IT tools to facilitate verification of supplementary bills for previous years are not currently available, time of one month is granted to MPPMCL for the preparation of the required IT tools.*
vi. *MPPMCL shall demonstrate functionalities of IT tools to the Commission within the stipulated timeframe. Until the required IT tools are made operational, activities related to the verification of supplementary bills and consideration of associated costs towards supplementary bills by the Commission stand deferred."*

The Commission directs the Petitioners to implement the approved SOP without delay, ensuring mechanisms for tracking payments, verifying claim settlements, and submitting a structured MS Excel report detailing claim calculations with critical parameters. The IT tools should enable easy retrieval of supplementary bill data, and each bill must specify the cause of action and basis for charges to enhance transparency. Quarterly compliance reports on adherence to these directives must be submitted.

7.8 Scheme for Accountability of Officer In charge – System thereof

Commission's Directives:

(i) *Financial Viability of the DISCOMs is an area of concern. It is not only affecting performance of the DISCOMs and quality of consumer services, it is also adversely impacting operations of generating companies. In view of cash starved DISCOMs, Govt of India has recently launched RDSS for improving financial conditions of the distribution companies. Under the RDSS, various technical and commercial measures are to be taken up in a time bound manner for improving the sector. The Commission is extending all help to DISCOMs through Regulations and other measures to improve financial and operational performance. The Commission has also been interacting with the DISCOMs to evaluate their performance and to incentivize DISCOMs through tariff regulations on achieving specific performance parameters.*

(ii) *The Commission has observed that in certain circles/divisions performance has been much below company's overall performance particularly in the area of AT&C losses, meterisation, billing and operational parameters including providing Consumer services in timely manner. There is a need to evolve a system of accountability at the level of officer in charge. Performing officers be rewarded suitably while non-performing ones should be guided to improve their performance. Apart from annual performance review, mid-term reviews can be of use for course correction and guidance to officers. It is imperative that a system to bring in individual accountability be put in place at earliest for which the DISCOMs must set up IT enabled MIS.*

(iii) *The Petitioners are directed to develop a Personal Accountability Programme encompassing the roles and responsibilities of the personnel, mechanisms for accountability, reward and penalties and review mechanism. The Petitioners are required to submit Standard Operating Procedure for Personal Accountability Programme to the Commission alongwith reward scheme for approval within three months from the date of issuance of this Order.*

East DISCOM Submission:

East DISCOM submitted that Compliance has been submitted to Commission vide letter dtd. 14.11.2024.

Central DISCOM Submission:

Central DISCOM submitted that to evolve the system of accountability at the level of officer in charge a draft is being prepared and will be submitted to the Commission shortly.

West DISCOM Submission:

West DISCOM submitted that the personal accountability program for Annual Performance Review (APR) which is based on KPI's (Key Performance Indicators) which encompass the roles and responsibilities of personnel. The above KPI's mechanism is also basis for reward and recognition on 15th August/26th Jan every year. Further the Company has a dedicated Reward Policy for ensuring high performing individuals are rewarded.

Moreover, time to time target based rewards are also provided to officials viz Sona- chandi scheme, medals and certificated further clerical staff at field offices are also rewarded for high performance as per Reward Policy.

For directives regarding development of a personal accountability Programme encompassing the roles and responsibilities of personnel, mechanisms for accountability, reward and penalties and review mechanism, it is submitted that the Company's Org. Structure is under process of revision & staff crunch due to expansion & new developments & increase in consumer base & network is very high moreover retirement is huge therefore in absence of staff & OICs the defined SOPs could not be implemented since officers cannot function as per prescribed guidelines specified in SoPs. Further, the status of compliance in this regard has been submitted to the Commission vide letter No. 12272 dated 14th August, 2024 and letter No. 15140 dated 15th October, 2024.

Commission's Observations/ Directions:

The Commission has noted that East and West DISCOMs have submitted partial compliance while Central DISCOM submitted that the development of Personal Accountability Programme is under preparation.

In view of the above submissions, the Commission observed that the submissions are not inline with directives given by the Commission. Therefore, the Petitioners are directed to develop the Standard Operating Procedure for Personal Accountability Programme with MPPMCL and submit the SOP within three months from the date of issuance of this Order.

7.9 Geo-tagging of Assets

Commission's Directives:

The Petitioners as per Regulation 24.1(A)(iii) of MYT Regulations, 2021 and amendment thereof are required to geo-tag the assets and that requisite entries are made in the Fixed Asset Register. In view of this, the Petitioners are directed to geo-tag their assets in Fixed Assets Register as per the format specified by the Commission in MYT Regulations, 2021 and amendments thereof and submit the same in True-up filing for FY 2024-25.

East DISCOM Submission:

East DISCOM reported that a GIS-based system has been implemented for surveying electrical assets, including substations, 11kV feeders, and DTR locations. This system allows field officers to conduct surveys using a mobile application, ensuring precise geotagging of each asset. The geotagged data is available on the mpezgis.in portal for real-time visualization and analysis of asset locations and is also accessible through Power BI reports.

Central DISCOM Submission:

Central DISCOM submitted that detailed instructions have been issued to field officer vide circular no. 404 dtd, 30.08.2024 regarding assets mapping GIS survey through mobile application.

West DISCOM Submission:

West DISCOM submitted that the Petitioner has made necessary IT infrastructure upgradation and started Geo tagging its assets created under the RDSS scheme and same is being captured in Fixed Assets register of the Company. Further, the Company is in process to capture Geo tagged location of all the upcoming schemes asset apart from the RDSS scheme. Further the present status of the same is given below.

S.No.	Particulars	Geo tagged
1	*33/11kV s/s*	*1495*
2	*33 kV feeder*	*839*
3	*11kv feeder*	*6644*
4	*DTR*	*283850*

Commission's Observations/ Directions:

The Commission has taken note of the Petitioners submissions. The Petitioners as per Regulation 24.1(A)(iii) of MYT Regulations, 2021 are required to geo-tag the assets and make requisite entries in the Fixed Asset Register. In view of this, the Petitioners are directed to geo-tag their assets in Fixed Assets Register as per the format specified by the Commission in MYT Regulations, 2021 and amendments thereof and submit the same in True-up filing for FY 2024-25.

7.10 Adhering to the timelines of RDSS

Commission's Directives:

The Petitioners are directed to adhere to the pre-determined timelines outlined under RDSS for achievement of Meterisation, upgradation of distribution infrastructure in terms of loss reduction, and modernisation. Further, the Petitioners are required to ensure timely fulfilment of stipulated works within the targeted timelines outlined under RDSS for availing financial assistance and additional incentive over and above Gross Budgetary Support (GBS). The Commission also directs the Petitioners to submit quarterly status reports on the aforesaid directions to the Commission.

East DISCOM Submission:

East DISCOM submitted that in line with the predetermined timelines set under RDSS for various sanctioned works, including Loss Reduction under Distribution Infrastructure and Smart Metering, East DISCOM has awarded projects worth Rs. 2,915 crore for Loss Reduction and Rs. 1,820.05 crore for Smart Metering. All projects are currently in progress, and the latest updates have been shared with the Commission.

DISCOM is committed to ensuring the timely completion of these projects within the stipulated RDSS timelines. During the annual evaluation of the RDSS scheme at the 33rd Monitoring Committee meeting, chaired by the Secretary (Power) on May 13, 2024, DISCOM met all PQ criteria and secured a score of 75.80 under the REF evaluation for FY 2022-23, positioning itself for financial assistance through Gross Budgetary Support (GBS).

Central DISCOM Submission:

Central DISCOM submitted the following:

i. In RDSS Project (LR), total 212 nos. Capacitor banks (1500KVAR) charged in existing substation out of 526 Nos. awarded Capacitor banks and 37 Nos. Capacitor banks charged at newly constructed 33/11KV Substations out of 83 Nos. awarded substations under RDSS project. Balance 360 Capacitor banks will be charged in next six months.

ii. In RDSS Project (LR), Installation of Capacitor banks of 27 MVAR are covering the scope of 33 KV feeders from seven nos. EHV substation suggested by MP Transco.

iii. In addition to the above, installation of 385 nos. 1500 KVAR capacitor banks have been proposed in modernization scheme of RDSS with new and additional substation.

iv. Almost all 2114 Nos. Capacitor Banks are fully functional.

v. Urban areas installed Capacitor Bank (530 Nos.) are already under monitoring through SCADA & RT-DAS.

vi. Rural area installed Capacitor Banks (1584 Nos.) need to have a monitoring mechanism. level.

vii. To overcome the reactive compensation on distribution, following initiatives have been taken: -

   a) 109 Nos. capacitor banks have been proposed in plan of SSTD 2024-25 in various district amounting to Rs. 18.53 Cr.

   b) In addition to the above, 188 Nos. of 1500KVAR capacitor each bank are proposed in modernization scheme of RDSS with new substation.

West DISCOM Submission:

West DISCOM Submitted that the installation progress for quarter Apr 24 to Jun'24 is 65,177 no's already provided vide note No. 193 dt 10.07.2024 and also attached for reference. Further, smart meter installed during the period July'24 to Sep'24 is 98,669 and Oct'24 to Dec 24 is 1,46,761 and the cumulative smart meter installation under RDSS scheme is 5,17,702 Nos.

Commission's Observations/ Directions:

The Commission has taken note of the Petitioners submissions. However, the Petitioners are mandated to strictly comply with the predefined timelines established under the Revamped Distribution Sector Scheme (RDSS) for achieving key objectives such as the implementation of metering systems, upgradation of distribution infrastructure to minimize technical and commercial losses, and overall modernization of the power distribution network.

Additionally, the Petitioners must ensure the timely execution and completion of all specified works within the prescribed deadlines under RDSS. Compliance with these timelines is crucial for securing financial assistance under the scheme, as well as for qualifying for additional incentives beyond the Gross Budgetary Support (GBS) provided by the government.

The Commission once again directs the Petitioners to regularly monitor the progress of these initiative at the level of Managing Director. To facilitate transparency and ensure accountability, the Petitioners are required to submit quarterly status reports detailing the implementation status of the works under RDSS. These reports will enable the Commission to assess compliance, track improvements in the distribution sector, and take necessary actions in case of any deviations from the stipulated guidelines.

7.11 Disposal of Surplus Power

Commission's Directives:

The Petitioners are directed to ensure compliance of the Commission's directives given vide Order dated 10th November, 2023 and 5th January, 2024 in Petition No. 51/2023 and submit the report to the Commission on quarterly basis. Considering the projected surplus power during FY 2024-25, the Commission directs the Petitioners to explore all the options for sale of surplus power including but not limited to bi-lateral sale to the Distribution Licensees in hilly States, sale to other Distribution Licensees by participating in tenders floated by them for procurement of power on short-term basis, sale on Power Exchanges, PushP portal, HP-DAM and OTC Platform, etc.

MPPMCL Submission:

In compliance to the Commission's directives, MPPMCL is exploring all the options to sale the surplus power so as to optimize the power purchase cost and quarterly report of the power sold is being submitted to the Commission on regular basis.

Commission's Observations/ Directions:

The Commission observed that the Petitioners have not fully complied with directives issued vide Order dated November 10, 2023, and January 5, 2024, in Petition No. 51/2023. Therefore, the Petitioners are once again directed to ensure compliance and submit a quarterly report to the Commission. Considering the projected surplus power during FY 2025-26, the Commission directs the Petitioners to explore all the options for sale of surplus power including but not limited to bi-lateral sale to the Distribution Licensees in hilly States, sale to other Distribution Licensees by participating in tenders floated by them for procurement of power on short-term basis, sale on Power Exchanges, PushP portal, HP-DAM and OTC Platform, etc.

The Commission directs the DISCOMs that its directives given in its order in respect of petition no. 51/2023 in regarding to disposal of surplus power be complied and quarterly report be submitted.

7.12Meterisation of DTRs and Unmetered Rural Domestic Consumers Connections

Commission's Directives:

The Commission has observed that the progress of the DISCOMs regarding meterisation of DTRs is not satisfactory. In Rural areas, it is observed that focus of DISCOMs is only on metering unmetered consumer and progress for that too is not satisfactory. At the same time, Petitioners are not taking much interest in replacing stopped/defective meters for Rural Domestic consumers. Therefore, the Commission directs the DISCOMs to expedite meterisation of DTRs and unmetered rural Domestic connections. At the same time correct metering is also to be ensured for Rural Domestic connections by replacing stopped/ defective meters timely.

Further, the Commission observed that DISCOMs are identified as designated consumers under Energy Conservation Act, 2001.Therefore, DISCOMs are required to conduct energy audit as per Bureau of Energy Efficiency (BEE) (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations, 2021 for which DTR metering is required. Therefore, DISCOMs shall submit quarterly progress reports on DTR meterisation along with the Energy Audit Reports to the Commission.

East DISCOM Submission:

East DISCOM submitted that the meterization of DTRs has been undertaken as part of the RDSS scheme, with provisions for DTR meters in additional DTR installations. Additionally, DTR meterization is being implemented under the Smart Metering project within RDSS, which is currently in progress. In FY 2024-25, a total of 293 DTR meters have been installed under RDSS, while the remaining installations are ongoing. The status of DTR meterization has been shared with the Commission.

Central DISCOM Submission:

Central DISCOM submitted that in FY 2024-25, the ROC progress reports for Quarter-2 was sent to the Commission vide email dated 19-11-2024. This year DTR metering is increased in Urban and agriculture by 825 and 21056 number respectively. The details are given as below:-

Particulars	2023-24	2024-25	Diff.
Urban	26776	27601	825
Agri	64827	85883	21056

CZ has conducted the energy audit as per the guideline of BEE. CGM (Procurement), CZ issued the order for FY 2020-21 vide order No. 3022 dated 2nd June, 2023.

The order for energy audit of FY 2021-22 and FY 2022-23 was issued vide letter No.2908 dated 22nd December, 2022.

The order for energy audit of FY 2023-24 and FY 2024-25 was issued vide order No.3345 dated 10th June, 2024.

Quarterly and Annual Energy Audit report is being submitted to the Commission as per the Regulations on regular basis.

West DISCOM Submission:

West DISCOM submitted that the progress on meterisation of DTR as on 30.12.2024. West DISCOM has achieved 100% meterisation in Domestic Urban Consumers. The current status of domestic unmetered rural consumer is 10691 numbers. The action plan for 100% meterisation is as below.

Total Rural Domestic unmetered connections (As per R-15 Jan 25)	Plan for Meterisation		
	March-25	April-25	May-25
10691	3563	3563	3565

Commission's Observations/ Directions:

To enhance transparency, improve energy accounting, and minimize distribution losses, DISCOMs must expedite the metering of Distribution Transformers (DTRs) and unmetered rural domestic consumer connections. The Commission has observed that progress in this regard remains unsatisfactory, particularly due to inadequate attention towards metering unmetered consumers and delays in the replacement of non-functional or defective meters. This lack of metering infrastructure impedes accurate energy measurement and adversely impacts energy audit efforts and measurement of losses. Overall it leads to inefficiencies in power distribution and results in financial losses to DISCOMs.

In light of these concerns, DISCOMs are directed to prioritize and accelerate the installation of meters for all DTRs and unmetered rural domestic connections. One time meterisation will also not work, unless the stopped/ defective meters are replaced in time. Additionally, robust mechanisms must be established to ensure prompt identification and replacement of defective meters to maintain the integrity of energy accounting systems. A systematic and time-bound approach must be adopted to eliminate gaps in metering coverage, thereby strengthening operational efficiency and regulatory compliance.

Furthermore, under the provisions of the Energy Conservation Act, 2001, DISCOMs are designated consumers and are mandated to conduct energy audits in accordance with the Bureau of Energy Efficiency (BEE) Regulations, 2021. Given the critical role of DTR metering in enabling accurate energy audits, its implementation must be treated as a strategic priority. A comprehensive metering infrastructure will facilitate better load management, improve demand-side planning, and contribute to overall energy conservation efforts.

To ensure effective oversight and adherence to regulatory directives, the Commission mandates that DISCOMs submit quarterly progress reports detailing the status of DTR metering implementation, along with Energy Audit Reports. These reports will serve as a key performance benchmark, enabling the Commission to monitor improvements in metering coverage and assess the impact on overall energy efficiency and loss reduction initiatives.

7.13 Establishing of R&D Fund

Commission's Directives:

MPPMCL is directed to develop a proposal for establishing a Research and Development (R&D) Fund alongwith detailed guidelines/Standrad Operating Procedure. This fund shall be utilised in conducting studies and running pilots, whenever required in areas aimed at enhancing the efficiency of distribution licensees. The emphasis is on utilising the fund strategically to support studies, research and support initiatives that contribute to improvements in technological interventions, operational capabilities and cost savings, etc.

MPPMCL is directed to make provision for R&D Fund of Rs. 2 Crore for each DISCOM. Expenditure in this head shall be posed before the Commission at the time of true-up of FY 2024-25.

MPPMCL Submission:

In compliance to the above directive issued by the Commission, MPPMCL had submitted the draft guidelines/Standard Operating Procedure for establishment of R&D fund to the Commission vide letter no.74 dated 28th October, 2024, which was prepared on the basis of inputs received from the DISCOMs.

Further as the requisition of R&D Fund was raised by the Central DISCOM, the Finance officer of MPPMCL has been requested for further needful. Requisition of R&D Funds alongwith the details of project to be taken up is still awaited from the East & West DISCOMs.

Commission's Observations/ Directions:

The Commission acknowledges the submission of the Draft Standard Operating Procedure (SOP) for the Research and Development (R&D) Fund by MPPMCL. After a detailed review and discussion with MPPMCL on December 30, 2024, the Commission communicated its observations and recommendations, highlighting areas for refinement to align with regulatory standards and best practices.

MPPMCL is directed to revise the SOP to enhance effectiveness and compliance by clearly defining eligibility criteria for R&D projects, roles and responsibilities of the R&D and R&D Fund Committees, fund approval and disbursement processes, reporting mechanisms, and performance evaluation metrics. The revised SOP must align with national and state energy sector innovation policies and areas for studies relevant to Utilities needs and inculcating best practices in O&M and management areas.

MPPMCL is directed to submit the revised SOP within one month of this Tariff Order for approval of the Commission.

7.14 Tariff Subsidy

Commission's Directives:

In case of grant of tariff subsidy by the State Government for consumers, action as mandated under Section 65 of the Electricity Act, 2003 and in accordance with Electricity (Second Amendment) Rules, 2023 shall be ensured by all concerned and such consumers shall be billed accordingly by the Distribution Licensees.

Additionally, the Petitioners are directed to adhere to the MPERC (Manner of payment of subsidy by the State Government) Regulations, 2024 and ensure following proper procedures in respect of receipt and allocation of subsidies. Further, the Petitioners must submit information/ reports as mandated by GoI Rules and MPERC Regulations.

East DISCOM Submission:

East DISCOM submitted that the subsidy is being provided as per subsidy order issued by the Government of Madhya Pradesh from time to time. Desired report has already been submitted to the Commission vide letter no. 1021 dated 10th September, 2024.

As per the provisions of the new SoP, issued by the Central Government and as per the MPERC (Manner of payment of subsidy by the State Government) (Revision-1) Regulations, 2024 (RG-32(1) of 2024), it was supposed to be subsidy amount computed by the DISCOM in advance on quarterly basis as per directives specified under this guidelines but request for clarification over few agendas of this new SoP was raised by MPPMCL (on behalf of DISCOM) vide letter no. CGM (RM)/SOP-Subsidy/27 dt 14.06.2024 and same is under consideration.

Central DISCOM Submission:

Central DISCOM submitted that Quarter Q1 FY 24-25 report regarding compliance of MPERC (Manner of payment of Subsidy) Regulation 2007 has been submitted to the Commission vide L.no. MD/MK/Comm-1/79/718 Dt. 13th September, 2024 (For Qtr June'24). Quarter Q1 FY 24-25 report regarding Subsidy Accounting and RPO compliance has been submitted to the Commission vide L. No.MD/MK/Comm-1/ 847 Dt. 15th October, 2024.

West DISCOM Submission:

West DISCOM Submitted that it has proposed the modalities for implementation of provisions of SOP for subsidy accounting and billing in its Tariff Petition for FY 2025-*"26. The following action is taken by the Commercial Section.*

(a) Billing of Subsidized Consumers Eligible consumers are being billed after applying the approved subsidies as per the tariff determined by the Commission.

(b) The billing process has been automated to ensure accuracy and compliance with the regulations.

(c) *Submission of Reports- Reports and information, as mandated by the Government of India Rules, are being submitted periodically to the appropriate authority for review and record."*

Commission's Observations/ Directions:

Upon examination of the first quarterly subsidy report for FY 2024-25, the Commission has communicated its observations and directives to the DISCOMs, MPPMCL, and the State Government vide letter dated February 24, 2025. The communication outlines key areas requiring attention, including adherence to regulatory provisions, transparency in subsidy disbursement, and compliance with financial reporting standards.

In view of the above, DISCOMs and MPPMCL are directed to ensure the timely submission of subsequent quarterly subsidy reports, incorporating the necessary compliance measures as outlined in the Commission's letter dated February 24, 2025. These reports must be submitted to the Commission within the timelines specified under Regulation 4(iv) of the MPERC (Manner of Payment of Subsidy by State Government) (Revision-I) Regulations, 2024, as amended.

A8: PUBLIC SUGGESTIONS AND COMMENTS ON LICENSEES' PETITION

8.1 After admission of the ARR and Tariff Petition for FY 2025-26 filed by MPPMCL and three DISCOMs, public notice was published in the prominent newspapers of the State to invite comments/objections/suggestions from the stakeholders. The ARR and Tariff Petition filed by the Petitioners, along with a gist of the Petition were uploaded on the Commission's and the Petitioners' websites. The Commission has considered all the comments received up to the last date of filing comments/objections/suggestions. Names of the stakeholders who had file the comments/objections/suggestions on the ARR /Tariff Petition for FY 2025-26 are given in **Annexure-I**.

8.2 The Public Notice, comprising the gist of the ARR and Tariff proposal were published by the Petitioners in the following Hindi and English newspapers, seeking stakeholders' comments/objections/suggestions latest by 24th January, 2025.

Table 106 : List of Newspapers- Public Notice published by Petitioners

Newspaper	Language
The Free Press, Indore	English
Patrika, Indore	Hindi
Nav Dunia, Bhopal	Hindi
Nav Bharat, Gwalior	Hindi
The Times of India, Bhopal	English
Dainik Bhaskar, Jabalpur	Hindi
Dainik Raj Express, Jabalpur	Hindi
Dainik Nai Duniya, Jabalpur	Hindi
Dainik Patrika, Jabalpur	Hindi
Dainik Hitvada, Jabalpur	English

8.3 The Commission held the Public Hearing on 11th February, 2025 for West DISCOM, 13th February, 2025 for East DISCOM, and 14th February, 2025 for Central DISCOM through video conferencing and heard the objections/comments/ suggestions of the stakeholders, who participated in public hearing.

8.4 Further, the Commission has received requests from some of the stakeholders' for conducting hearing in physical mode. Considering their requests, the Commission vide public notice dated 6th February, 2025 scheduled public hearing in physical mode for such stakeholders on 14th February, 2025 in the Courtroom of the Commission wherein such stakeholders were heard by the Commission.

8.5 The number of comments received on ARR and Tariff Petition are shown in the table below:

Table 107 : Public Suggestions/Comments on the Petition

Sr. No.	Name of DISCOM	Number
1	West DISCOM, Indore	41
2	East DISCOM, Jabalpur	21
3	Central DISCOM, Bhopal	22
	Total	**84**

8.6 In order to seek suggestions on the Petition, a meeting of the State Advisory Committee (SAC) was convened on 11th March, 2025, through video conferencing mode..

8.7 The comments/objections/suggestions received from various stakeholders have been given due consideration by the Commission. The salient comments/ objections/ suggestions related to the Tariff Petition have been grouped together according to the nature of the comments/objections/suggestions and are summarized in this Section. Some of the issues raised by the stakeholders, which do not relate to ARR and tariff are not discussed in this Chapter.

ISSUE No. 1: Tariff Hike

Issue Raised by Stakeholder(s)

The stakeholders submitted that the proposed tariff hike of **7**.52% by the Distribution Licensees, amounting to Rs. 4,107 Crore, should not be considered as the average cost of supply in Madhya Pradesh is already higher than that of neighboring States. In addition, the stakeholders submitted that instead of burdening consumers, the Commission should scrutinize expenditure heads and revenue sources, while ensuring that DISCOMs should reduce internal costs and operational inefficiencies.

Petitioners' Response

The Petitioners submitted that the Annual Revenue Requirement (ARR) and Tariff Petition for the Distribution & Retail Supply Business for FY 2025-26 has been prepared in accordance with the norms specified in the MYT Regulations, 2021. The proposed tariff adjustments are based on the principle of average cost of supply, as outlined in Section 61 and Section 62 of the Electricity Act, 2003. A nominal tariff increase has been proposed to account for inflationary cost. Thus, proposal made for average hike in HT & LT is based on the principle of average cost of supply to the Distribution Licensees.

Commission's View

The Commission has been consciously making efforts over the past several years to pass through only the efficient cost of supply. The Commission after exercising prudence check on the submissions filed by the Petitioners and other documents placed on record by the Petitioners has approved the Tariff Schedule as per provisions of MYT Regulations. The Commission has not considered the request of petitioners to run MoD on the basis of profiling of losses and also rejected the request to considered technical minimum for estimation of power purchase at this stage.

ISSUE No. 2: Incentive / Rebate / Surcharge

Issue Raised by Stakeholder(s)

The stakeholders requested to enhance the following consumer incentives/rebates:

i) **Bulk Consumer Incentive** – An incentive may be provided to bulk consumers under HV3.4 tariff category with a monthly consumption exceeding 25 lakh units.

ii) **Incremental Rebate for Existing Connection under HV 3 category** - the Rebate on incremental consumption for HV-3 category consumers be increase due to surplus power availability in the State. The stakeholders have proposed to increase the existing rebate from Rs. 1/kWh to Rs. 2/kWh.

iii) **Rebate for New Connection under HV-3 Category** - A rebate of Rs. 1 per unit or 20%, whichever is lower, be provided on energy charges for new connections starting from the date of connection for connections where supply agreements with the licensee were finalized in or after FY 2016-17.

iv) **Rebate for Captive Power Plant consumer –** Rebate for captive power plant consumer under HV-3 category the rebate should be increased from Rs. 2/kWh to Rs. 3/kWh. The stakeholders also requested the Commission to extend the benefit for at least 10 years to provide regulatory certainty. Given the significant investments in captive power plants, a one-year rebate period is insufficient, as shutting down and later restoring these plants involves high costs.

v) **Advance/Prompt Payment Incentive** – The rebate on advance payment should be increased from 1% to 1.5%, and the prompt payment incentive should be increased from 0.25% to 0.50% on the entire electricity bill amount.

vi) **High Voltage Rebate for EHT Consumers** – Since T&D losses for 132 KV and above category consumers are minimal, and they bear additional costs for installing and operating EHT transformers and allied equipment, the stakeholders requested the commission to introduce a high voltage rebate for EHT consumers, similar to incentives provided in other states like Punjab.

Petitioners' Response

The Petitioners submitted that the ABR of HV 3.4 (Power Intensive Industries) tariff category is already lower than the overall ABR. Hence the proposal of stakeholders lacks merit. It is submitted that the DISCOMs are already giving sufficient incentives and rebates to HV-3 Consumers to make the cost of power for industries competitive. The petitioners, therefore, would not support in giving any further rebates to consumers.

Commission's View

The Commission in this Order has generally retained various rebates/ incentives available to HV-3 category consumers, which have been detailed in the Tariff Schedule chapter of this Tariff Order.

ISSUE No. 3: Fuel and Power Purchase Adjustment Surcharge (FPPAS)

Issue Raised by Stakeholder(s)

The stakeholder submitted that amendments to the MYT Regulations, 2021 have modified the fuel surcharge formula by including power purchase cost resulting in consumers being billed monthly.

Previously, these components were excluded from the formula. Now, the Aggregate Revenue Requirement (ARR) submitted includes power purchase cost and cost of supply. This has created a situation where these costs are being accounted for twice once in the tariff determination process and again through FPPAS billing placing an undue financial burden on consumers.

Petitioners' Response

The Petitioner stated that FPPAS charges are calculated as per formula specified by the commission.

Commission's View

The Commission has noted the submission of stakeholder and reply submitted by the Petitioners. It may be clarified that the Regulation 8.9 of the MYT Regulations, 2021 specifies the components of ARR, which includes power purchase cost as one of the components. ARR is determined by the Commission on estimation basis for ensuing year(s), whereas FPPAS accounts for increases in cost of power, supplied to consumers, due to change in fuel and power purchase cost with reference to the cost of supply approved by the Commission. The Commission approves the ARR for tariff determination on estimation basis whereas recovery of FPPAS is in terms of incremental change in actual cost of power purchase with respect to cost approved in ARR. Hence it does not amount to double recovery on account of power purchase cost or any other component. The concern of stakeholders regarding possibility of double recovery lacks merit in view of Commission.

ISSUE No. 4: Green Energy Tariff

Issue Raised by Stakeholder(s)

The stakeholders submitted that the proposed Green Energy Tariff of Rs. 0.49/kWh should not be considered as the consumers are already supporting renewable energy and the separate tariff is misleading as all energy is drawn from the same grid, without any separate 'green' infrastructure. Further, the stakeholders submitted that the consumers opting for 100% renewable energy are already making significant contribution to sustainability and this additional charge acts as a deterrent. Moreover, the proposed tariff is significantly higher than that in States such as Uttar Pradesh, Gujarat, and Karnataka. International renewable energy certificates are available at Rs. 0.06 per unit, far lower than the proposed tariff, making the additional charge even more unreasonable.

The stakeholders submitted that DISCOMs are unfairly comparing the variable cost of its generation with the total cost of renewable energy procurement. The stakeholders emphasised that the total cost of renewable energy should be compared with the combined cost of self-generation and power purchased through PPAs. A fair comparison could reveal that renewable power is either cheaper or nearly equivalent to conventional generation costs. Therefore, stakeholders requested the Commission to review the methodology for determining the Green Energy Tariff.

Petitioners' Response

The Petitioners submitted that they have proposed Green Energy Tariff for an entity towards fulfilment of their RPO obligations. Further, Petitioners submitted that RE power has only variable cost and thus is rightfully compared to the variable cost of power from non-RE sources. Moreover, the green energy tariff in MP State is comparable with the green energy tariff prevailing in other States and also every State has different renewable energy purchase cost.

Commission's View

The Commission has considered the concerns raised by the stakeholders as well as the justifications provided by the Petitioners regarding the proposed Green Energy Tariff. Recognizing the stakeholders concerns about the additional charge for green energy despite consumers already supporting renewable energy initiatives, the Commission acknowledges the need for transparency in tariff determination. At the same time, the Commission also takes into account the Petitioners' argument that the Green Energy Tariff is aligned with Renewable Purchase Obligations (RPO) and varies across States based on procurement costs. In balancing these perspectives, the Commission has ensured that consumers have the flexibility to voluntarily opt for green energy tariff without any mandatory imposition. In Green Energy Tariff chapter of this Tariff Order, the Commission has outlined the mechanisms through which consumers can choose to procure renewable energy, thereby enabling greater consumer choice while supporting the State Renewable Energy Objectives.

ISSUE No. 5: Distribution Losses

Issue Raised by Stakeholder(s)

The stakeholder submitted that distribution losses for all the three DISCOMs on average are 19% and if the distribution losses are reduced by 3% there will be a revenue saving of about Rs.1,500 Crores. Further, the stakeholders submitted that the proposed distribution losses for FY 2025-26 are on higher side compared to other States. Therefore, the Commission is requested to direct East and Central Discoms to align the losses with those of West DISCOMs ensuring lower consumer cost, balanced revenue and preventing a tariff hike.

Petitioners' Response

The Petitioner submitted they are working continuously to minimize the distribution losses.

Commission's View

The Commission already specified AT&C loss trajectory for the period of FY 2024-25 to FY 2026-27 by way of 2nd amendment to MYT Regulations 2021. Accordingly, the Commission has approved ARR for FY 2025-26 for Distribution Licensees as per the trajectory specified in MYT Regulations, 2021 and consumers are not required to bear burden of actual losses, in case these are higher than the specified trajectory.

ISSUE No. 6: Tariff Minimum Charges

Issue Raised by Stakeholder(s)

The stakeholder submitted that for seasonal consumers in HT and LT industries, the energy charges are billed based on actual consumption during the off-season. However, TMM units are recovered only during the season for HT connections, while no TMM units are billed for LT industries. Due to change of policy of Central Govt. ginning & pressing Industries is not able to consume even TMM units hence the term & Conditions of TMM in HT connections be changed or abolished.

Further, some stakeholders requested the Commission to abolish TMM units for all consumer categories, including industrial and others, to ensure fair and consistent billing practices.

Petitioners' Response

The Petitioners submitted that as per the principles of two-part tariff fixed charges are meant for the recovery of fixed cost and energy charges are meant for the recovery of variable cost of the licensees. At present fixed charges are not sufficient to recover the fixed cost of the licensee. Therefore, unless the fixed charges are increased to the level to recover the fixed cost of supply, TMM cannot be abolished. Further, the Petitioners submitted that the Regulations 41 of the MYT Regulation 2021, which clearly stated that tariff minimum charges shall be included in Tariff Income.

Commission's View

Tariff Minimum Charges are intended to ensure guaranteed recovery of minimum fixed costs by the DISCOMSs and are levied only when consumption of consumer falls below guaranteed minimum consumption. The Commission in its Tariff Order for FY 2023-24 and FY 2024-25 abolished tariff minimum charges for LT Domestic, LT Agriculture and LT Industrial category. As another step forward towards tariff rationalization, the Commission in this Order has abolished the tariff minimum charges for LT Non-Domestic and HT Seasonal category as detailed in the Tariff Design Chapter of the Order.

ISSUE No. 7: Seasonal Consumers

Issue Raised by Stakeholder(s)

Stakeholders submitted that the off-season period for seasonal consumer should be 4 months in place of 6 months as per consumer option.

Petitioners' Response

The Commission may take a view in regard to off-season and season period.

Commission's View

The Commission observes that the issue raised by the stakeholders is in the nature of demand without any reasonable rationale.

ISSUE No. 8: Supply for temporary purpose in existing HT consumer's premises

Issue Raised by Stakeholder(s)

The stakeholders proposed to allow 10% of the Sanctioned Load for construction purpose like expansion/renovation/modification by existing HT connections on the tariff applicable for the permanent connection as small construction and modification is always required in the industries.

Petitioners' Response

The Petitioners submitted that billing for temporary connections is done as per Clause 1.20 (f) of General Terms and Conditions for HT Tariff of the Tariff Order issued by the Commission. The provisions are as under: -

"(f) In case existing HT consumer requires temporary supply for the purpose of addition and/or alteration within the premises of existing HT connection, then the consumer is allowed to avail the same through its existing permanent connection to the extent of its Contract Demand and such consumer shall be billed at applicable tariff for permanent connection. Excess demand, if any, shall be treated as per the provisions in clause 1.16 above"

Commission's View

The Commission has Clarified that the clause 1.20(f) General Terms and Conditions for HT Tariff of the Tariff Order include provisions for billing for temporary connections.

ISSUE No. 9: Review of Tariff Structure for Load Based Tariff For H.V 3.1 (Industrial Consumer)

Issue Raised by Stakeholder(s)

The stakeholders requested the Commission to restructure the existing energy charge slab from a) Energy Charge (EC) for consumption up to 50% Load Factor (LF) and b) EC for consumption in excess of 50% LF, to a) EC for consumption up to 30% LF, b) EC for consumption in excess of 30% and up to 50% LF, and c) EC for consumption in excess of 50% LF.

Petitioners' Response

The Petitioners submitted that the Commission may take a appropriate views in this regard.

Commission's View

The Commission has noted the suggestion of stakeholders and reply of the Petitioners. The Commission is of the view that creation of more slabs is against the principles of tariff rationalisation and simplification of tariff structure. Hence, the Commission has decided to retain the existing slabs and provisions in this Tariff Order.

ISSUE No. 10: Introduction of kVAh tariff for HT categories

Issue Raised by Stakeholder(s)

The stakeholders submitted that shifting the billing basis from kWh to kVAh represents a fundamental change in the tariff structure, which contradicts the multi-year tariff principles outlined in Section 61(h) of the Electricity Act, 2003, Section 8.1 of the Tariff Policy, 2016, and Regulation 6 of the MYT Regulations, 2021. Therefore, requested the Commission not to accept the Petitioners' proposal of kVAh-based billing and continue the existing kWh-based billing method for all HT consumers until the FY 2026-27upto control period of current MYT Regulations.

Further, the stakeholders stated that the impact assessment study by Central DISCOM covered only one year (i.e., FY 2023-24), while West DISCOM conducted a three-year study, but the report remains unpublished. Moreover, DISCOMs have not implemented Commission's instructions for reactive power measurement and installation of power analyzers, making the financial impact study incomplete.

Some of the stakeholders, however, have welcome the introduction of KVAH based billing for HT consumers.

Petitioners' Response

The Petitioners submitted that kVAh billing for HT consumers should be introduced in FY 2025-26, considering stakeholders' long-standing demand and regulatory directives. kVAh billing, widely adopted globally, includes inbuilt incentives and penalties, encouraging consumers to maintain a near-unity power factor, reducing losses, improving system stability, and enhancing power quality. The Forum of Regulators (FoR) has also recommended this approach. To ensure revenue neutrality, the kVAh tariff is set lower than the kWh tariff by the average power factor.

Following APTEL's ruling in Appeal No. 130 of 2005, the existing PF incentive and penalty provisions will be withdrawn for HT consumers, as kVAh billing inherently incentivizes efficient power usage. However, these provisions will remain for LT consumers. The Petitioners request the Commission to approve kVAh-based billing for FY 2025-26, noting that several industries have welcomed this transition.

Commission's View

The Commission has noted the submissions made by the stakeholders and reply submitted by the Petitioners. The Commission in its Tariff Order for FY 2024-25 directed the Petitioners to carry out impact assessment study considering yearly average power factor for each category of HT consumers based on last three years data. Further, Petitioners were directed to install power analyzers at appropriate locations to measure reactive power flow and power factor and identify the consumer categories having low power factor and results of such measurements be provided to the Commission before next tariff filing. As the Discoms have not fully complied with the directions given in Tariff Order for FY 2024-25, the Commission at this stage has not approved the Petitioners' proposal of implementing kVAh based billing in this Tariff Order and has given appropriate directives in this regard to the Petitioners as detailed in Directive Chapter of this Tariff Order.

ISSUE No. 11: Categorisation of Telecom towers

Issue Raised by Stakeholder(s)

The stakeholders submitted that Telecom tower should be placed in either Industrial tariff category or in a separate tariff category which may be provided to telecom sector as it is public service utility. The stakeholders further submitted that they are providing Telecommunication services to industries / institutions for utilities in HT Connection premises. The stakeholders also submitted that MERC has also considered 'telecom' under 'Industrial Tariff Category'. Therefore, requested the Commission to revisit the category of telecom from commercial to Industrial (HV-3 Category).

Petitioners' Response

The Petitioners submitted that Section 62(3) of Electricity Act, 2003 provides for creation of any category and thereafter tariff for such category. Taking cognizance of the above said section of the Act and considering the nature and purpose for which the supply is required, industrial category was introduced in the State of Madhya Pradesh, covering manufacturing and processing activities. In other words, for the activities where the raw material is being processed into finished product through manufacturing process and other such activities. However, no activity of manufacturing/processing is being carried out in telecom towers. Therefore, the present classification under non-domestic category is appropriate and telecom towers cannot be considered under industrial category.

As far as categorization of telecom towers under industrial category in Maharashtra State is concerned, the Petitioners' submitted that IT/ITeS policy of the Government of Maharashtra has categorically mentioned the applicability of Industrial tariff to Telecommunication Towers. No such provision has been specified in Madhya Pradesh State. Also, the applicability of provisions of IT/ITES policy of Government of Maharashtra is confined to the State of Maharashtra and therefore, its provision is not applicable to the matters in the State of Madhya Pradesh.

The Petitioners further submitted that different States have different policies and tariff categories/tariffs, which are based on their specific requirement, demography, consumption pattern and various other social/economic/financial factors. There is no binding on any State to compulsorily adopt the provision of other State or have same provision as that of others.

Commission's View

The Commission has taken cognizance of stakeholders' suggestions, Petitioners' reply and other commercial aspects, and has decided to retain the existing provisions. The Commission has been allowing Industrial tariff to the industries where raw material is processed into finished product through manufacturing process and other such activities. The telecom tower connections are covered under LV Non- Domestic and HV Non- Industrial categories, as the case may be.

ISSUE No. 12: **HV-8 & LV- 6 E-Vehicles/E-Rickshaws**

Issue Raised by Stakeholder(s)

The stakeholders requested clarification that incidental power consumption for maintenance and office setups at EV charging stations should be billed at the same tariff as applicable for EV charging with a 10% consumption limit. Further, they sought permission for two separate connections within the same premises if the purposes and tariffs are distinct and measurable separately. This would help ensure proper billing and monitoring, particularly for EV charging stations where incidental activities exceed the 10% power consumption limit.

The stakeholders further requested the Commission to extend the Time of Day (ToD) rebate/surcharge to HV-8 consumers, similar to Metro Rail, which benefits from concessional energy charges.

Petitioners' Response

The Petitioners' submitted that Tariff Categories HV-8 and LV-6 are exclusively applicable for Electric Vehicle (EV) and Electric Rickshaw charging stations, as well as battery swapping stations. Consumers using mixed loads for different purposes shall be billed under the tariff applicable to the higher usage category. However, the Commission may provide further clarification on tariff applicability. Additionally, LV-6 and HV-8 offer the lowest tariffs to promote EV adoption, with no fixed charges, and therefore cannot be compared to the Metro Rail tariff. The issue of separate connections within the same premises is beyond the scope of this petition.

Commission's View

The Commission noted that HV-8 and LV-6 tariff categories are specifically designed for EV and E-Rickshaw charging Stations, offering the lowest tariffs with no fixed charges to encourage EV adoption.

Regarding the clarification on incidental power consumption for maintenance and office setups at EV charging stations, the Commission decided to allow incidental power consumption up to 10% of monthly consumption for the HV-8 tariff category for maintenance and office setups including lighting and fans only.

The Commission has decided to retain the existing ToD provisions for EV tariff categories LV-6 & HV-8 in this Tariff Order which is in line with the EV guidelines issued by the Ministry of Power.

As regard the two separate connections in same premises, the provisions of Madhya Pradesh Electricity supply Code 2021 as amended shall prevail.

ISSUE No. 13: Metro Rail Corporation

Issue Raised by Stakeholder(s)

Stakeholder requested that the implementation of a “Lag-Only” logic for the HV-9 tariff, as provided to Indian Railways under the HV-1 tariff by MPERC (i.e., no penalty for leading power factor), be considered.

Petitioners’ Response

The Petitioners submitted that as the incentives and penalties are inbuilt in proposed kVAh billing it will reduce the complexities in billing and will encourage the consumers to maintain near unity Power factor to achieve loss reduction, improve system stability, power quality and improve voltage profile.

Commission’s View

The Commission has taken cognizance of stakeholder’s suggestions, Petitioners’ reply and other commercial aspects, and has decided to adopt lag only logic for determination of power factor and not to levy power factor penalty in case of leading power factor for Metro rail as detailed in relevant tariff schedule.

ISSUE No. 14: Issues raised by Public Service Entities/ Municipal Corporations/PHED (Public health Engineering Department)

Issue Raised by Stakeholder(s)

Stakeholders submitted that the proposed kVAh billing method will lead to a significant tariff increase for public bodies providing essential services, thereby affecting affordability and service quality and requested to subsidized tariffs for essential services and there should be no tariff increase for HV-5 consumers for FY 2025-26. They emphasize that ensuring affordable electricity for these critical services is essential for public welfare and urban infrastructure sustainability.

Power factor is influenced by supply quality, which is beyond consumer control. Voltage fluctuations, load shedding, and erratic supply, especially during summer, make it difficult to maintain an optimal power factor. Penalizing public service entities under these conditions is unjustified, as they rely entirely on Discoms for reliable supply.

stakeholders highlighted concerns regarding the surcharge imposed on late bill payments, which applies to all consumers. They pointed out that delays in payments by Municipal Corporations are often due to administrative processes, audits, and bill corrections rather than intentional default. To address this issue fairly, they have requested an extension of payment timelines or a reduction in surcharges.

Petitioners’ Response

The Petitioner submitted that the Discoms are public service entities and all expenses and revenue projections for FY 2025-26 have been filed before the Commission in accordance with the tariff principles outlined in the Madhya Pradesh Electricity Regulatory Commission (Terms & Conditions for Determining Tariff for Distribution and Retail Supply of Electricity) Regulations, 2021. The instant petition concerns the determination of ARR and Tariff proposals for FY 2025-26, and issues related to power factor and power supply quality are beyond its scope.

Furthermore, the Petitioner clarified that subsidizing electricity tariffs falls under the purview of the State Government as per Section 65 of the Electricity Act, 2003 and does not fall within the DISCOMs jurisdiction. Regarding the request for a waiver or reduction of late payment surcharges, the Petitioner submitted that the delayed payments by consumers increase DISCOMs borrowing requirements or delay on payments to suppliers, leading to additional interest costs on working capital. Therefore, the stakeholder's proposal for removal of surcharge lacks merit.

Commission's View

The Commission has noted the submissions made by the stakeholders and reply submitted by the Petitioners. As discussed above, the Commission has not approved the Petitioners' proposal of implementing kVAh based billing in this Tariff Order and has given appropriate directives in this regard to the Petitioners as detailed in Compliance of Directives Chapter of this Tariff Order.

The Commission acknowledges the concerns raised by the stakeholders regarding the quality of power supply. In this regard, the Commission has already notified the MPERC (Power Quality Regulations) 2025, whereby Distribution Licensees are mandated for maintaining power quality as per the standards specified in the Regulations. The objective of these Regulations is to ensure the monitoring and maintenance of power quality parameters as prescribed by the CEA referred to in the Regulations.

These Regulations also provide a Grievance Redressal Mechanism through which consumers can lodge complaints with the Forum and the Electricity Ombudsman with regard to power quality.

Further, as per Section 65 of the Electricity Act, 2003, any subsidy on electricity tariffs falls under the purview of the State Government and the Commission cannot mandate such financial support through this Tariff Order.

Regarding the request for waiver or reduction of late payment surcharges, the Commission recognizes the procedural delay faced by Municipal Corporations but also considers the Petitioners submission that delayed payments from consumers increases DISCOMs borrowing costs. Hence, the Commission has decided to retain the existing provisions in this regard in this Tariff Order.

ISSUE No. 15: Power Intensive Industries HV 3.4

Issue Raised by Stakeholder(s)

The stakeholders stated that Energy Conservation Act, 2001 covers Cement industry and Textile Industry as Power Intensive industries. Therefore, the stakeholders requested the Commission to consider the Cement, Textile Industries and Paper Pulp Industries also as Power Intensive industries.

Petitioners' Response

The Petitioners submitted that the present classification of category is appropriate and the proposal of the stakeholder for further categorization lacks merit and would only result in complication.

Commission's View

The Commission has noted the submissions made by the stakeholders and the reply submitted by the Petitioners. The Commission observes that the Energy Conservation Act, 2001 was enacted with specific objectives and reasons. Tariff determination is being carried out by the Commission under the provisions of the Electricity Act, 2003. At this point, the Commission is not inclined to consider cement, textile, and paper pulp industries under the Power Intensive Industries tariff category.

ISSUE No. 16: Return on Equity (ROE)

Issue Raised by Stakeholder(s)

The stakeholder submitted that DISCOMs have collected over Rs. 10,000 crores as Return on Equity, yet none of it has been distributed to equity shareholders. The stakeholder requested the Commission to investigate the utilization of this public-collected amount, which exceeds actual expenses. Since this sum should exist as an interest-bearing reserve, Rs. 10,000 crores along with accrued interest, be refunded to consumers while finalizing the tariff order.

Petitioners' Response

The Petitioners submitted that RoE has been claimed in accordance with Regulation 31 of the MYT Regulations, 2021. The said Regulation allows the Petitioner to claim 14% of base RoE on equity capital of the respective year. Further, the Petitioner wishes to submit that utilization of RoE is at the discretion of DISCOMs. The DISCOMs may invest the RoE in creation of assets or in any other purpose or may declare dividends in accordance with relevant provisions of Companies Act, 2013 if it meets the criterion for dividend declaration. Further, the MYT Regulations, 2021 also allows the Petitioners to retain any earnings made on investments made out of the allowed RoE. Hence, the claim of the objector that Rs 10,000.00 crores along with interest may be returned to consumers while passing this tariff order is invalid.

Commission's View

The Commission has noted the submission made by stakeholders and reply submitted by the Petitioners. The Commission has allowed Return on Equity as per provision of MYT Regulations, 2021 which is in line with National Tariff Policy issued by the Government of India. The methodology adopted for approval of Return on Equity has been detailed in ARR chapter of this Tariff Order.

ISSUE No. 17: Power Purchase Cost

Issue Raised by Stakeholder(s)

The stakeholders emphasized that power purchase cost, excluding Inter-State and Intra-State transmission charges, require detailed scrutiny by third-party experts in power generation and trading. The Stakeholders also raised concerns over surplus power availability and additional capacity addition.

Further, the Stakeholders submitted that the proposed backing down of 19,692 MU should be independently examined to determine if it benefits the State and whether surplus power can be utilized elsewhere without financial loss.

The stakeholders also submitted that the costly power from IPPs is prioritized over cheaper alternatives, and MPPMCL is not exercising its right of refusal to reduce financial strain. Moreover, MOUs with IPPs were signed without proper load growth studies, leading to massive liabilities and higher tariffs due to fixed charges for idle capacity. Therefore, the stakeholders requested a review of these PPAs to protect the financial health of the electricity sector and consumers.

Petitioners' Response

Petitioners submitted that in order to meet the demand of the distribution licensees MPPMCL procures power from various power stations of Central Sector, MP Genco and/or IPPs based on the allotment and Declared Capacity of the generator. While scheduling the power from the available sources, MPPMCL strictly adheres to the Merit Order Dispatch (MoD) principle, which is also being reviewed by the Commission from time to time. Although the Commission, while deciding the ARR of the licensee exercises various checks for the projections considered by the Petitioners meticulously and applies prudency checks for truing up exercise, nonetheless any examination, if the Commission deem it necessary in this regard, is acceptable to the petitioner

Commission's View

The Commission after carrying out due diligence of the details submitted by the Petitioners and applying the merit order dispatch principle as per the provisions of MYT Regulations, 2021 has approved the Power Purchase Cost as detailed in the ARR chapter of this Tariff Order. For optimum utilisation of the surplus power, the Commission has given directions to the Petitioners as detailed out in relevant Chapter of this Order. Specific instructions to deal with surplus power were also given earlier on 5th January, 2024 by the Commission in petition No. 51/2023.

ISSUE No. 18: Management of Surplus Power

Issue Raised by Stakeholder(s)

The stakeholders emphasized the need for sufficient incentives for HT consumers to utilize surplus power and recommended discounts for LT consumers to encourage higher consumption. Further, the stakeholders requested the Commission not to consider DISCOMs proposal to recover surplus power cost through tariff as this surplus was created in breach of MPERC Regulations. In addition, the stakeholder submitted that the consumers in Madhya Pradesh are unfairly bearing an additional burden of Rs. 4,000 Crores without utilizing the excess power. Given the national power shortage, Madhya Pradesh surplus power should be strategically sold at Rs.7-8 per unit thereby generating revenue that could be passed on to consumers through tariff reductions. The stakeholders requested the Commission to align Power Purchase Agreements (PPAs) with actual demand, review or terminate unnecessary agreements and publish a comprehensive white paper on surplus energy management and policy measures.

Petitioners' Response

The assessment of surplus power in the ARR & Tariff petition for FY 2025-26 is theoretical and subject to change based on actual operations. The actual losses of DISCOMs are higher than the normative loss levels specified in the MYT Regulation, 2021 which may reduce the estimated surplus. Additionally, while assessing availability, the petitioner has considered historical average PAF for conventional generators and CUF for renewable sources. Since renewable energy availability is inherently uncertain, the actual surplus may vary significantly.

Madhya Pradesh, being an agriculture-dominated State experiences a seasonal variation in demand, particularly during the Rabi season when power requirements surge beyond normal levels. During such periods, the petitioner often faces power shortages and procure additional power from the open market. The universal service obligation of the petitioner requires maintaining adequate power availability to ensure uninterrupted supply to all consumer categories. Furthermore, surplus power management is a dynamic process influenced by multiple factors, including grid stability, market conditions, and regulatory frameworks. The petitioner remains committed towards optimizing power procurement strategies while safeguarding consumer interests and financial viability.

Commission's View

The Commission after carrying out due diligence of the details submitted by the Petitioners and applying the merit order dispatch principle as per the provisions of MYT Regulations, 2021 has approved the Power Purchase Cost as detailed in the ARR chapter of this Tariff Order. As mentioned at issue no.17 the Commission has given appropriate directions to the Petitioners for optimum utilisation of surplus power.

ISSUE No. 19: Surcharge for Delayed Payment

Issue Raised by Stakeholder(s)

The stakeholders stated that the rate of surcharge for delayed payment is proposed at 1.25% per month (15% per annum) whereas DISCOMs pay interest at the Bank Rate only on consumers' Security Deposit. The rate of delayed payment surcharge should either be aligned with present Bank Rate or the interest on Security Deposit should be paid at 15% p.a.

Petitioners Response

The Petitioners submitted that the rate of Interest on Security Deposit is governed by MPERC (Security Deposit) Regulations, 2009 and amendment thereof. As per the amendment dated 20th July, 2018, the interest on security deposit is to be paid as per Bank Rate prevailing as on 1st April. Further, the Petitioner does not have material control on the rate of interest on Security Deposits of the consumers. Therefore, the request of the stakeholder cannot be entertained by the Petitioners.

Commission's View

The Commission has considered the interest rate on Security Deposit as per the provision of MYT Regulations, 2021 read with MPERC (Security Deposit) Regulations, 2009 and amendment thereof. This is based on the bank rate as this money otherwise would have been kept at bank. Surcharge acts as a deterrent and hence treated differently. Distribution licensees are also required to pay generators on time. In case of delay, they are also required to pay Late Payment Surcharge (LPS) as prescribed by Government of India. Keeping this in view, provision of Delayed Payment Surcharge (DPS) is there to ensure that the consumer pay their bills on time. This acts as a deterrent if the bills are not paid on time. The DPS has to be charged by the Petitioners as per the General Terms and Conditions of the Tariff Schedule of this Order read with Electricity Supply Code, 2021, as amended from time to time.

ISSUE No. 20: Pension Terminal Benefit Fund

Issue Raised by Stakeholder(s)

The stakeholders submitted that there is delay in payment of Dearness Relief (DR) to pensioners. The payment of dearness relief to Petitioners is a liability which fall under Terminal Benefits.

Further, stakeholders requested the Commission to direct DISCOMs to clear all pending arrears as per past Central Government declarations and ensure timely payments in the future. To safeguard pension disbursement, the stakeholders proposed establishing an ESCROW Guarantee by the State Government and incorporating suitable provisions in the Tariff Order/Regulations.

Stakeholder requested that an arrangement of payment of pension and Terminal Benefit Liabilities of the personnel of the Board and Successor Entities through the State Treasury be made.

Petitioners' Response

The Petitioner's submits that the funding of pension and other terminal benefits is governed by Regulation 3(6) of the MPERC (Terms and Conditions for allowing Pension and Terminal Benefits Liabilities of Personnel of Board and Successor Entities) Regulations, 2012 as amended. DISCOMs are depositing the approved amount as per the Commission's directives within the prescribed timelines.

Commission's View

The Commission has noted the submission made by stakeholders and reply submitted by the Petitioners. The Commission has allowed expense towards contribution to Terminal Benefit Trust Fund for FY 2025-26 as detailed in the ARR chapter of this Tariff Order. The Commission directs the Petitioners to deposit the amount allowed in Tariff Order into the Terminal Benefit Trust Fund without fail.

ISSUE No. 21: Theft of Electricity

Issue Raised by Stakeholder(s)

The stakeholders submitted that DISCOMs have failed to reduce the theft of electricity, rather it has been observed that in case of minor discrepancies, cases of theft are made against small consumers.

Petitioners' Response

The Petitioners submitted that efforts are made to stop theft of electricity. Further, the Petitioners are providing incentive amount to individuals for reporting theft of electricity.

Commission's View

The Commission directs the Petitioners to enhance their efforts towards reduction in commercial losses on account of theft of electricity and also to increase billing efficiency. Further, the Commission noted that in the opinion of stakeholders due to a lack of understanding of the Regulations and the provisions of Tariff Orders, officers of the Discom are often making cases on issues for which remedies are already outlined in the Tariff Orders. Therefore, there is a need to design and implement a regular capacity-building program for officers of the Discoms to ensure they adhere strictly to the provisions of the Regulations and Tariff Orders issued by the Commission. At the same time consumers are always at liberty to seek legal remedies as provided for in the Electricity Act, 2003.

ISSUE No. 22: Billing Demand for HT Consumers

Issue Raised by Stakeholder(s)

The stakeholders suggested that Billing Demand for HT consumers may be reduced from 90% to

80%. Such reduction will attract consumers to increase the Contract Demand, which will indirectly increase the technical minimum consumption and further add to revenue of the DISCOMs.

Petitioner's Response

The Petitioners submitted that reducing the Billing demand to 80% of contract demand will not ensure that consumers would increase the contract demand. However, this in turn would commercially harm the DISCOMs as then billing would be done on actual maximum kVA demand of the consumer or 80% of Contract demand whichever is higher. If the consumers increase the Contract demand without utilizing it, it will ultimately impact the power purchase planning and would increase the cost for DISCOMs. Therefore, the DISCOMs does not support the suggestion to reduce billing demand for HT consumers from 90% to 80%.

Commission's View

The Commission has noted the submissions of stakeholders and reply by the Petitioners. The Commission opines that there are fixed costs of Distribution Licensees, which are to be paid irrespective to consumption of consumers. In the two-part tariff especially Fixed Charges and minimum charge are designed in such a manner that the minimum guarantee to Distribution Licensees to meet their fixed costs could be ensured. The consumer can opt for appropriate contract demand, keeping in view the provisions of this Tariff Order. The Commission after prudence check of the details submitted by the Petitioners, has decided to retain the existing provisions regarding Billing Demand.

ISSUE No. 23: Shopping Malls

Issue Raised by Stakeholder(s)

The stakeholder stated that as per Tariff Order issued by the Commission, shopping malls receive Electricity on HT Tariff (Tariff Schedule: HV-3 shopping mall) and bill to their mall tenants on LV 2.2 (Non-domestic) tariff. As the HT tariff is being increased for the last four years, while LT tariff has not been increased, the shopping malls are incurring losses. In view of above, it is requested that if there is no change in LT tariff (LV2.2) kindly do no change in HT tariff (HV-3.3). and in case there is X % change in HT tariff (HV-3.3), LT (LV2.2.) tariff be increased by same proportion.

Petitioners' Response

The Petitioner submitted that the Commission may take appropriate view in this regard.

Commission's View

The Commission has noted the submission of the stakeholders and reply submitted by the Petitioners. The Commission has appropriately dealt with this issue in the Tariff Schedule of this Tariff Order.

ISSUE No. 24: Abolition of night TOD Rebate and Surcharge during Peak hours

Issue Raised by Stakeholder(s)

The stakeholders submitted that DISCOMs proposal to abolish the Time-of-Day (TOD) rebate of 10% on energy charges during night hours (10:00 PM to 6:00 AM) should not be considered as it would severely impact industries operating 24x7. Previously, the rebate varied seasonally i.e., 10% from April to October and 20% from November to March, averaging 14.17%. For FY 2024-25, it was set at a flat 10% throughout the year. The sudden removal of this rebate, without conducting a proper load curve study or seeking stakeholder feedback, is unjustified. Further, Industries running continuously now face higher energy costs, discouraging optimal load factor utilization, which is crucial for system efficiency. Thus, the stakeholders requested the Commission to reject DISCOMs proposal and reinstate the TOD rebate to support industrial consumers**.**

Further, stakeholders objected to the imposition of a 20% surcharge during peak hours (6:00 AM to 9:00 AM and 5:00 PM to 10:00 PM) despite the State having surplus power. In addition, the stakeholders submitted that DISCOMs have not conducted a proper load pattern study to justify this surcharge. Given the surplus power scenario, the surcharge not only increases operational costs for consumers but also lacks a data-driven rationale. Therefore, stakeholders requested the Commission to direct MPPMCL to present detailed load studies and publish an approach paper for stakeholder inputs. The stakeholders requested the Commission to withdraw the 20% peak-hour surcharge to provide relief to consumers.

Petitioners' Response

Regarding the abolition of the 10% Time-of-Day (ToD) rebate during 10:00 PM to 6:00 AM, the Petitioners have conducted a detailed block-wise analysis of power purchase costs for FY 2022-23. The analysis revealed that the actual per-unit power procurement cost is higher during non-solar hours (when the ToD rebate is provided) and lower during solar hours (when normal energy charges apply). Furthermore, data from the Indian Energy Exchange (IEX) confirms that power procurement costs are lower during solar hours and significantly higher during non-solar hours. Given this, the financial burden of the ToD rebate during night hours is being socialized across all LT consumers and HT consumers who does not receive this rebate.

In regard to the ToD rebate during night hours, the Petitioners submitted the hourly demand forecasting and availability position model for FY 2025-26 and requested to consider results of aforesaid model which reveals deficit of power during night hours except for the month June to Sept during the year while considering the applicability of ToD rebate during night hours.

Regarding the withdrawal of the 20% surcharge during peak hours (6:00 AM to 9:00 AM & 5:00 PM to 10:00 PM), the Electricity (Rights of Consumers) Amendment Rules, 2023, explicitly mandate that the peak-hour tariff for commercial and industrial consumers (with a contract demand above 10 kW) must be at least 1.20 times the normal tariff, and for other consumers, at least 1.10 times the normal tariff. Further, the Rules prescribe that the tariff during solar hours should be at least 20% lower than the normal tariff. In accordance with these provisions, the Commission, in Tariff Order for FY 2024-25, has implemented ToD tariffs for all non-domestic (commercial) and industrial consumers with a contract demand above 10 kW. Since the peak-hour surcharge is mandated by the Electricity Rules, 2023, its withdrawal is beyond the purview of DISCOMs.

Commission's View

The Commission has noted the submission of the Stakeholders and reply submitted by the Petitioners. The Commission has gone through the demand patterns and prices of electricity at different times during the day. After taking into account all relevant factors, this issue is appropriately dealt with in the Tariff Order.

ISSUE No. 25: Income from other Sources

Issue Raised by Stakeholder(s)

The stakeholders submitted that DISCOMs are collecting charges from cable operators, communication companies or other advertising company, who uses their pole and other infrastructure, whereas its revenue is not considered in income from other sources.

Petitioners' Response

The Petitioners stated that all the components of ARR in instant Petition have been claimed as per MYT Regulations, 2021 and details of income from other sources are provided in the Petition as part of other income.

Commission's View

The Commission has noted the submission of the Stakeholders and reply submitted by the Petitioners. The Commission observed that the Petitioners have considered the above said income under 'Other Income and same is deducted from the ARR as per Clause 42 (Other Income) of MYT Regulations, 2021 as detailed in ARR Chapter of this Order.

ISSUE No. 26: Open Access Charges

Issue Raised by Stakeholder(s)

The stakeholders suggested to waive all the extra charges such as cross subsidy, additional surcharge, transmission charges, wheeling charges etc. on procurement of Renewable Power by any mode under Open Access, captive and group captive.

Petitioners' Response

Petitioner submitted that the open access charges recoverable are governed by various Regulations issued by the Commission.

Commission's View

The Commission has noted the submission made by stakeholders and reply submitted by the Petitioners. The Open Access Charges are applicable as per the MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021 and MPERC (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended.

ISSUE No. 27: Reduction in Minimum Contract Demand in HV- Category

Issue Raised by Stakeholder(s)

The stakeholders has proposed reduction the Minimum Contract Demand from 100 kVA to 50 kVA for 33 KV consumers as most of the consumers in this category are MSMEs engaged in processes that require an uninterrupted power supply with stable voltage. Such stability is not available on 11 kV feeders, and their actual demand does not reach 100 kVA.

Petitioners' Response

The Petitioners submitted that this issue is not the subject matter of instant Tariff Petition for FY 2025-26. The supply voltage for different contract demands is being governed by relevant provisions of Supply Code, 2021 and amendments thereof.

Commission's View

The Commission has taken note of the stakeholder's request and the petitioner's response. As the supply voltage for different contract demands is governed by the relevant provisions of the Supply Code, 2021 and amendments thereof, therefore the Commission has not delt this issue in the current petition.

ISSUE No. 28: Supply Affording Charges

Issue Raised by Stakeholder(s)

The stakeholders submitted that for HT Industrial Consumer connections, Supply Affording Charges are determined based on the desired Contract Demand for new or additional connections. Similarly, for LV-4 consumers, these charges should also be based on Contract Demand rather than connected load.

Petitioners' Response

The Petitioners submitted that this issue is not the subject matter of instant Tariff Petition for FY 2025-26. The supply affording charges is being governed by relevant provisions of MPERC Supply Code, 2021 and amendments thereof.

Commission's View

The Commission acknowledges the stakeholder's request and the petitioner's response. As supply affording charges are governed by the relevant provisions of the MPERC (Recovery of Expenses and other Charges for providing Electric Line or Plant used for the purpose of giving Supply) Regulations, 2022 as amended, therefore the Commission has not delt this issue in the current petition.

ISSUE No. 29: Quality of Supply and services

Issue Raised by Stakeholder(s)

The stakeholders submitted that in rural and urban areas, the DISCOMs have failed to provide quality supply & services especially in rural areas. The work related to feeder separation remains incomplete, and issues related to voltage fluctuations persist. Furthermore, the condition of transformers, poles, and wires is poor and requires urgent attention. Additionally, the Petitioners have failed to provide new connections in rural areas in a timely manner

Frequent power tripping, occurring 1 to 10 times daily, disrupts industries and households, leading to increased electricity consumption, production losses, and equipment damage. Continuous-process industries like plastic and paper manufacturing face significant financial setbacks due to these interruptions. To mitigate this impact, it is urged that the Commission introduce a compensation mechanism, adjusting electricity bills based on the frequency of tripping. Advanced meters like smart meters accurately record tripping instances, enabling automatic compensation to affected consumers, ensuring financial relief from recurring power disruptions.

Petitioners' Response

The Petitioners submitted that the approved feeder separation work has been completed under the feeder separation scheme in rural areas and interruption in power supply in feeders is only due to faults or sudden excessive load increase. The power supply is restored by doing rectification work or making alternative arrangement as soon as it comes to the notice of the Petitioners. Further, new connections have regularly been provided by DISCOMs under various schemes.

Due to the extensive network, power supply faults may occur on feeders. However, upon receiving a complaint, the DISCOM promptly addresses and resolves the issue at the earliest possible time.

Commission's View

The issues raised by stakeholders broadly relate to consumer services, including the quality of supply, Standards of Performance, reliability of power supply, distribution planning, Operation & Maintenance (O&M) practices, and the grievance redressal mechanism in urban, rural, and industrial areas of the Distribution Licensee. The Commission has taken several significant steps to address these concerns, as discussed briefly below:

i. To protect consumer interests and rights, the Commission has made necessary amendments to the MPERC (Distribution Performance Standards) Regulations, 2012. These amendments mandate that the distribution licensee shall ensure 24x7 power supply to consumers, except agricultural consumers supplied through separate agricultural feeders. The Regulations also specify Standards of Performance parameters and introduce provisions for automatic compensation in certain services if grievances are not addressed or services are not delivered within the stipulated timeline.

ii. In regard to improving power quality parameters, the Commission has notified the MPERC (Power Quality) Regulations, 2025 on 10th January, 2025, aiming to enhance power supply reliability and system efficiency by setting standards for power quality parameters such as voltage variation, harmonics, sag, swell, and flickers. The regulations apply to Distribution Licensees, Designated Consumers (including industries, malls, and EV stations), and Distributed Generation Resources (DGRs). Distribution Licensees to install Power Quality (PQ) meters at 33/11 kV substations within two years, while Designated Consumers and DGRs to install them within one year.

    The Regulations specify the roles and responsibilities of the Distribution Licensee, Designated Consumer, and DGRs to ensure compliance. These Regulations also provide a Grievance Redressal Mechanism through which consumers can lodge complaints with the Forum and the Electricity Ombudsman with regard to power quality in accordance with the provisions of the said Regulations.

iii. The Commission, vide order dated 20th June 2024, has specified the following trajectory for System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) for cities with a population of 1 lakh and above, aiming to enhance the reliability of power supply by setting clear SAIFI and SAIDI targets and requiring DISCOMs to strengthen infrastructure and reporting mechanisms

Year	SAIFI (Interruptions/Year/Consumer)	SAIDI (Hours/Year/Consumer)
FY 2024-25	120	90
FY 2025-26	100	80
FY 2026-27	90	60

iv. The Commission has revised the Electricity Distribution Code, 2006 with the Madhya Pradesh Electricity Distribution Code (Revision-1), 2024 to establish a framework for the planning, development, operation, maintenance, and use of distribution systems within the Licensee's area of supply, ensuring the supply system operates efficiently and provides reliable, economic, and continuous service to all consumers.\

v. Commission is also monitoring performance of DISCOMs regularly & taking appropriate actions according to Electricity Act 2003 if it fails to adhere to the regulations made by the Commission in this regard.

vi. The Commission registered Suo Moto petitions nos. 37/2023, 38/2023 and 39/2023 in the matter of non- compliance by the DISCOMs and issued final orders on 02nd February, 2024.

ISSUE No. 30: Incentives for adopting Demand Side Management for metered Agriculture consumers on installation of energy saving devices

Issue Raised by Stakeholder(s)

Metered agricultural pump consumers struggle to avail the rebate on ISI-certified motors, capacitors, and friction-free pipes due to the requirement of submitting a test report from a registered electrical contractor every quarter. The cost incurred by farmers for obtaining this report often surpasses the rebate amount, making the process impractical. As a result, many farmers miss out on the benefits of this scheme. To address this issue, the reporting requirement should be extended from a quarterly basis to at least an annual or bi-annual frequency.

Petitioners' Response

The petitioner stated that, as per the provisions outlined in Clause 1.5 of the LT tariff schedule of Tariff Order issued by the Commission, agricultural consumers are entitled to rebates. Accordingly, consumers who complete the necessary formalities receive the applicable rebate in their bills.

Commission's View

The Commission has made provisions under tariff categories LV-5 (Agriculture and Allied Activities) and HV-5 (Irrigation, Public Water Works, and Other Agricultural Services) to incentivize consumers who install energy-saving devices under Demand Side Management (DSM) initiatives. The Commission has taken note of the concerns raised by stakeholders regarding the challenges faced in availing these incentives, particularly in relation to the verification process conducted by third-party agencies appointed by the Distribution Licensees.

Accordingly, the Commission directs the Distribution Licensees to streamline the verification process for energy-saving devices installed by consumers, ensuring that all eligible consumers are able to claim incentives without undue hardship. The revised streamlined procedure should be submitted to the Commission within 3 months of this order.

Further, the Commission has observed that Distribution Licensees have not made adequate efforts to promote awareness of these incentives in rural areas. Therefore, the Commission directs the Distribution Licensees to undertake appropriate publicity measures.

ISSUE No. 31: Non-Availability of Audited Account and Tariff Formats

Issue Raised by Stakeholder(s)

The stakeholders request MP DISCOMs to submit the Tariff Formats for FY 2023-24 and FY 2025-26, along with the Audited Accounts for FY 2023-24, as mandated by the MYT Regulations, 2021. Additionally, they sought an extension for submitting comments on the True-up of FY 2023-24, contingent upon the availability of these Audited Accounts on the MPERC website.

Petitioners' Response

The petitioner stated that the necessary Tariff Formats, along with the Audited Accounts and other relevant documents, have already been submitted to the Commission. Additionally, the Audited Accounts for FY 2023-24 have been published on the petitioner's website.

Commission's View

The Commission has noted the submission of stakeholder and reply submitted by the Petitioners. Further, Petitioners are instructed to upload the audited accounts and Tariff Format on their website to ensure easy accessibility for all stakeholders. The time extension of 2 weeks was provided as per stakeholder's request.

ISSUE No. 32: Demand side management

Issue Raised by Stakeholder(s)

MP DISCOMs have not proposed any Demand Side Management (DSM) initiatives, which are essential for optimizing energy consumption.

Petitioners' Response

The petitioners have not offered any comments

Commission's view

The Commission observed that Demand Side Management (DSM) has evolved beyond traditional energy conservation, driven by sectoral developments such as the large-scale integration of Renewable Energy (RE), which has shifted the focus from conventional Peak/Off-Peak demand management to Solar/Non-Solar hour-based strategies. To support this transition, the Commission has notified the MPERC (Framework for Resource Adequacy) Regulations, 2024 for optimal utilisation of generation resources, and has also expanded the applicability of Time-of-Day (ToD) tariff to LT industrial and non-domestic consumers above 10 kW in the Retail Supply Tariff Order for FY 2024-25. In light of these developments, Distribution Licensees are directed to prepare and submit a comprehensive DSM plan aligned with the current regulatory framework to the Commission within six months of this order.

ISSUE No. 33: No road map for energy storage

Issue Raised by Stakeholder(s)

Stakeholder emphasizes that Energy Storage is a highly effective tool for energy arbitrage, enabling DISCOMs to optimize their Power Purchase Costs. In the case of Battery Energy Storage Systems (BESS), batteries can be charged during off-peak hours and discharged during peak hours, reducing dependence on costly short-term market power or the need to schedule high-cost power plants.

Given the significant decline in battery prices in FY 2024 and the active participation of various DISCOMs, MP DISCOMs should also integrate Energy Storage into their Power Procurement Planning, aligning with the Resource Adequacy Planning framework formulated by CEA for MP.

Petitioner's Response

The petitioners have not offered any comments

Commission view

The Commission observes that Petitioners have claimed Energy Storage Obligation (ESO) in para 5.3.2 of their Petition. The Commission has considered ESO contribution under Other RPO as per MPERC (Co-generation and generation of electricity from Renewable sources of energy) (Revision-II) Regulations, 2021 and amendments thereof. The analysis and observations of the Commission have been detailed in para 2.88 to 2.93 of this Order.

ISSUE No. 34: **Concession to Electricity Theft**

Issue Raised by Stakeholder(s)

The stakeholder stated that, according to Letter No. 94 dated May 21, 2024, from the Chief General Manager (Revenue Management), M.P. Power Management Co. Ltd., Jabalpur, there is no legal provision for granting concessions to electricity thieves through the Lok Adalat. However, unlawful concessions are still being granted under the directives of the Energy Department, GoMP. Furthermore, the current petition has not been filed with a reduced concession amount, which continues to be provided by the Energy Department, GoMP.

Response from Petitioners

The petitioner submitted that the objection raised is not relevant to the current petition.

Commission's View

The Commission has acknowledged the stakeholder's submission and the petitioner's response. The comment of the stakeholder is subject matter of True-up petition. moreover, the letter cited by the stakeholder does not pertain to truing up period of FY 2023-24, Moreover, appeal of any order passed by the Lok Adalat does not lie before this Commission.

ISSUE No. 35: Respondent in Tariff Petition

Issue Raised by Stakeholder(s)

The stakeholder stated that the Commission does not make stakeholder a party to the proceedings which creates difficulties in filing an appeal before the Electricity Appellate Tribunal, New Delhi, leading to unnecessary delays and time wastage.

Response from Petitioners

The petitioner submitted that the objection raised is not relevant to the current petition.

Commission's View

The Commission has acknowledged the stakeholder's submission and the petitioner's response. It is noted that the parties to the petition are made by the petitioners themselves. As per sub-section (3) of Section 64 of the Electricity Act, 2003, the Commission has to issue an Order considering all suggestions and objections from the public. The Commission is following this provision and ensures transparency by inviting comments and objections from the public (stakeholders) to gather valuable inputs and facilitate an effective outcome in the proceedings.

ISSUE No. 36: Physical Hearing

Issue Raised by Stakeholder(s)

The stakeholders requested the Commission to conduct physical hearings instead of virtual hearings for better engagement and clarity.

Response from Petitioners

The petitioner stated that the Commission may take an appropriate view on the matter.

Commission's View

The Commission received requests from certain stakeholders for hearings to be conducted in physical mode. Considering these requests, the Commission, through a public notice dated 6th February 2025, scheduled a physical hearing on 14th February 2025 in the Commission's Courtroom, where the concerned stakeholders were given the opportunity to present their views

ISSUE No. 37: Hearing in the absence of Chairman

Issue Raised by Stakeholder(s)

The stakeholder emphasized that with the Commission's Chairman position currently vacant, the hearing on the electricity tariff hike petition should be deferred until a new Chairman is appointed. Conducting the hearing solely with the remaining members may not be in the best interest of consumers.

Response from Petitioners

The petitioners have not offered any comments

Commission's View

Section 93 of the Electricity Act, 2003 stipulates that no act or proceeding of the Appropriate Commission shall be questioned or held invalid merely on the ground of any vacancy or defect in its constitution. In light of the above statutory provision, the objection raised by the stakeholder is devoid of merit and unsustainable in law.

Further, Section 64 (3) of the Electricity Act 2003 provides that tariff order should be issued within 120 days after filing of the tariff petitions of the licensees.

ISSUE No. 38: RPO Target specified by the Commission

Issue Raised by Stakeholder(s)

Stakeholder submitted that the Commission should consider the targets specified by the MoP in the notification dated October 20, 2023. Accordingly, they requested approval of a surplus of Rs.159 Crore as the net cost implication of RPO for DISCOMs for FY 2025-26.

Petitioners' Response

The Petitioners submitted that the basis of the projection of RPO procurement and its cost has been duly provided in Para 5.3 of the Tariff Petition for ARR of FY 2025-26.

Commission's View

The Commission observes that Renewable Consumption Obligations (RCO) is specified by MoP under provisions of Energy Conservation Act, 2001 as amended. The Commission has determined tariff under the Electricity Act, 2003 and the Petitioners have not proposed procurement of power towards meeting RCO under Energy Conservation Act, 2001.

Annexure-1 (List of Stakeholders)

LIST OF STAKEHOLDERS- EAST DISCOM

Sr. No.	Name	Address
1	The Commissioner,	Office of the Municipal Corporation, Jabalpur
2	The Assistant Engineer (Electrical)	Office of Municipal Corporation, Rewa
3	The Commissioner	Nagar Palik Nigam, Near Government Excellence School, Sagar
4	Shri Neelesh Dubey,	The Commissioner, Office of the Municipal Corporation, Katni
5	Shri P G Najpande	M/s. Nagrik Upbhokta Margdarshak Manch, 6/47, Ramnagar, Adhartal, Jabalpur
6	Shri Nirmal Lohia, Advocate	Taldarbaja, Tikamgarh
7	Shri Mangalram Mahavar	Om Janshahyog Samiti, 972, Mandla Road, Bilhari, Jabalpur
8	Shri D R Jeswani	M/s. Mahakaushal Udyog Sangh, 22, Industrial Area, Richhai, Jabalpur 482010
9	Shri Shankar Nagdev	M/s. Mahakaushal Chamber of Commerce & Industry, Chamber Bhawan, Civic Centre, Marhatal, Jabalpur
10	Shri Surajit Chatterjee	M/s. Orient Paper Mills. Prop. Orient Paper & Industries Ltd. PO-Amlai Paper Mills, Distt. Shahdol
11	Shri Saurabh Bajpai	M/s. Ramnik Power & Alloys (P) Ltd. C/o. M/s. A.P.Trivedi Sons, Main Road, Balaghat
12	Shri Saurabh Bajpai	M/s. A.P. Trivedi Sons, Main Road, Balaghat
13	Shri Saurabh Bajpai	M/s. A.P. T. Tiles, Garden Road, Garra, Balaghat.
14	Shri Irfan Khan	M/s. J.K Cement Works, Panna M.P.
15	Shri Ashish Asopa	M/s. J.K. White Cement, Katni
16	Shri M M Ansari	Madhya Pradesh Vidyut Mandal Pensioner Association, 139, JDA Scheme 2 V Wajnamathh, Jabalpur
17	Smt. Priyanka Tiwari	Vill. Papkhar, Tehsil Hanumana, Distt. Mhowganj
18	Shri Rajendra Agrawal	1995/A, Gyan Vihar Colony, Narmada Road, Jabalpur 408068
19	Shri K.K. Agrawal	Bharat Krishak Samaj, Mahakaushal, Gangotri Apartment, Gol Bazar, Jabalpur
20	Shri Ramesh Patel	Bhartiya Kisan Union, Near Mahaveer Chowk, Ward No. 8, Shihora Distt. Jabalpur

LIST OF STAKEHOLDERS- WEST DISCOM

Sr. No.	Name	Address
1	The Commissioner	The Commissioner, Office of the Municipal Corporation, Indore
2	The Commissioner	The Ujjain Municipal Corporation, Chhatrapati Shivaji Bhawan, Agar Road, Ujjain
3	The Commissioner	Office of the Commissioner, Municipal Corporation, Dewas
4	Smt. Priyanka Singh Rajawat	The Commissioner, The Municipal Corporation, Khandwa
5	Shri Himanshu Bhatt,	The Commissioner, Office of the Nagar Palik Nigam, 01, college Road, Ratlam
6	Shri Sandeep Shrivastava	The Commissioner, Office of the Municipal Corporation, Nagar Nigam Bhawan, Pragati Nagar, Burhanpur
7	Shri M.C. Rawat, Secretary	The Madhya Pradesh Textile Mills Association, Jal Sabhagrah, 56/1, South Tukoganj, Indore 452 001
8	Shri RC Somani and Shri M U Nagori	Association of Industrties, Dewas, 1/B/1, 1B/2A, I.S. Gajra Industria Area, No. 1, A.B. Road, Dewas 455001
9	Shri R S Goyal	51, Pradesh Nagar, Nemawar Road, Indore 452 001
10	Mandi Vyapari Sanghtan	M/s. Mandi Vyapari Sangathan, Khargone, Distt. Khargone-451 001
11	M/s. Pradeep Cotton Pvt. Ltd	M/s. Pradeep Cotton Pvt. Ltd.Warla Road, Sendhwa, Tah. Sendhwa, Distt. Barwani
12	M/s. Soni Ginning Factory	M/s. Soni Ginning Factory, Warla Road, Distt. Barwani
13	M/s. Navin Ginning Factory	M/s. Navin Ginning Factory, Verla Road, Sendhwa, Distt. Barwani
14	M/s. Diveel Cotton Industires	M/s. Diveel Cotton Industires, Pansemal Road, infront of Petrol Pump, Khetia, Distt. Barwani
15	M/s. Sancheti Cotex	M/s. Sancheti Cotex, Pansemal Road, Khetia, Distt. Barwani
16	Shri Balaji Cotton,	Shri Balaji Cotton, 434/1, Bokrata Road, Khetia, Distt. Barwani
17	M/s. Goverdhan Cottex	M/s. Goverdhan Cottex Ginning & Pressing Factory, Bygore Road, Khetia, Distt. Barwani
18	M/s. Harman Cottex	M/s. Harman Cottex Opp.Dejla Dewada Colony, Bistan Road,Khargone-451001(M.P.)
19	M/s SMO Industries	M/s. S.M.O. Industries, Indore Road, Kasrawad, Tahsil - Kasrawad, Distt. Khargone 451 228

Sr. No.	Name	Address
20	M/s. Manjeet Cotton Pvt. Ltd.	M/s. Manjeet Cotton Pvt. Ltd., Village Satarti, Bhoida Satrati Road, Tahsil-Kasrawad, Distt.m Khargone
21	M/s. Gomtesh Ginning & Pressing Pvt. Ltd.	M/s. Gomtesh Ginning & Pressing Pvt. Ltd., H.O., Bakaner, Distt. Dhar
22	M/s. Goyal Agro Industries	M/s. Goyal Agro Industries, Udyog Nagar, Village Palda, Nemawar Road, Indore
23	M/s. Sampat Pulses,	M/s. Sampat Pulses, K No. 16/2/2, Gram Devguradia, Post Sanavdia, Distt. Tah. Indore
24	M/s. Shree Mahalaxmi Cotton Pressing Factory	M/s. Shree Mahalaxmi Cotton Pressing Factory, Karwad Road, Bamania - 457770 Distt. Jhabua
25	M/s. Kasyapp Sweetner	M/s. Kasyap Sweetners Limited, Chetanya Gram, Badnawar, Dist. Dhar (MP) – 454 660.
26	Shri S.M. Jain, Director	M/s. Venus Alloys Pvt. Ltd., Unit -II, Village Fatehganj, Tehsil Dalauda, Distt. Mandsaour, R/O, 67, Industrial Area, Mandsaur - 458001 (M.P.)
27	Shri Pawan Singhania & Shri Shubham Jain	M/s. Rathi Iron & Steel Industries Ltd. 103, Laxmi Tower, 576, M.G. Road, Indore
28	Shri Sandeep Jain & Shri Shubham Jain	M/s. Jaideep Ispat & Alloys Pvt. Ltd. 103, Laxmi Tower, 576, M.G. Road, Indore 452001
29	Shri Vinay Singhal	M/s. Maral Overseas Ltd., 468-469, Goyal Nagar, Indore 452 018
30	M/s. Burhanpur Processing Mills	M/s. Burhanpur Processing Mills P Ltd. Plot No. 4,5,6,7,8,9,10,11,12 Vill. Rahta Kharkod, Tehsil & Distt. Burhanpur
31	Shri Debprakash Das	M/s. Greencell Express Pvt. Ltd., Registtered Office: Unit No. 405, 4th Floor, E-Wing, Corporate Avenue, New A.K. Link Road, Chakala, Andheri (E),
32	Shri Sanjeev Jain & Shri Gopal Verma	M/s. Bharti aritel limited 3rd & 4th floor, scheme no. 54 a.b. road, metro tower, near vijay nagar square, Indore- 452010 MP India
33	Shri Mahendra Sahu & Shri Ravindra Tiwari	M/s. Indus Towers Limited, 1st Floor, Maloo 01, Plot No. 26 C, Rong Road, Scheme No. 94, Indore 452010
34	Shri L S Chouhan	M/s. Vidyut Mandal Pensioners Association, Urja Parasar, Pologround, Indore
35	Shri Satish Verma,Dhar	M/s. All India Consumer Protection Organisation, 5, Dat Gali Rasmadal, Dhar 454001
36	Shri Amit Garg	B-26/19, Ved Nagar, Ujjain
37	Shri Sanjay Agrawal	970, Manak Chowk, Mhow
38	Smt. Sandhya Agrawal	970, Manak Chowk, Mhow
39	Smt. Padma Devi Agrawal	970, Manak Chowk, Mhow
40	Shri Vipin Surana	vipin.surana71@gmail.com
41	Shri Anand Mishra	Maa Bhagvati Vihar Colony, Mhowgaon, Mhow

LIST OF STAKEHOLDERS- CENTRAL DISCOM

Sr. No.	Name	Address
1	Shri P. Narahari	The Public Health Engineering Department, Mantralaya,Vallabh Bhawan, Bhopal
2	Shri Pradeep S. Mishra	the Directorate, Urban Administration & Development Department, Palika Bhawan, Near 6 No. Bus Stop, Shivaji Nagar, Bhopal
3	The CMO	Office of the Municipal Corporation , Mandideep, Distt. Raisen
4	Shri K V S Choudhary	Managing Director, Madhya Pradesh Jal Nigam, 8, Arera Hills, Bhopal 462004
5	Shri Shishir Kushwaha	Member (Power), Narmada Valley Development Authority, Narmada Bhawan, 59, Arera Heals, Bhopal
6	Shri Shobhit Tandon	MP Metro Rail Corporation Ltd., 2nd Floor, Smart City Development Corporation Office Building, Kaliwadi Road, BHEL, Sector-A, Barkheda, Bhopal
7	Shri Vipin Kumar Jain	M/s. M.P. Small Scale Industries Organisation, E-2/30, Mahavir Nagr, Arera Colony, 462 016
8	Shri Yogesh Goyal	M/s. Govindpura Industries Association, Association Complex, Industrial Area, Govindpura, Bhopal 462 023
9	Shri C B Malpani	M/s. Association of All Industries, Mandideep, Plot No. AM-19, Sector-B, Industrial Area, Mandideep Distt. Raisen
10	Shri S Pal	M/s. Vardhman Yarn. A1-A6, Industrial Area-II, Satlapur, Mandideep Distt. Raisen
11	Shri Shailesh Shivprakash Loddha	M/s. Trident Limited, Trident Group, Saghera, Barnala
12	M/s. Sagar Yarn	M/s. Sagar Yarn, Vill. Tehsil Goharganj, Obedullahganj to Jabalpur Road, NH-12,

Sr. No.	Name	Address
		Distt. Raisen
13	M/s. DB Mall Pvt. Ltd.	M/s. DB Mall Pvt. Ltd. Block No. 1A, 5th Floor. DB City Corporat Park, Arera Hills, Bhoapl - 462011
14	M/s. Ishan Mall LLP, Gwalior	M/s. Ishan Mall LLP, Block No. 1A, 5th Floor. DB City Corporat Park, Arera Hills, Bhoapl - 462011
15	Shri Ashok Kumar Gupta,	M/s. Vidyut Pensioners Hit Rakshak Sangh H No. C- 20, Vardhman Green Park Colony, 80 Feet Road, Ashoka Graden Bhopal
16	Shri R.S. Kushwaha	M/s. United Forum for Power Employees & Engineers, Bhopal
17	Shri Prashant Deshmukh	M/s. Reliance Project & Property Management Service Ltd., Office-101, Saffron, Nr. Centre Point, Panchwati, 5 Rasta, Ambawadi, Ahmedabad, Gujrat
18	Shri M C Bansal	M/s. Justice for Public Cause Foundation Trus, Flat No. 402, Sapphire Block, Nikhil Nestles, Near Ashima Mall, Hoshangabad Road, Jatkhedi, Bhopal 462 026
19	Shri Ranjan Agrawal	M/s. Martandak Solar Energy P. Ltd.,
20	Shri Kamal Rathi	E-2/48, Arera Colony, Bhopal
21	Shri Alok Kumar Verma and Others	Akhada Chowk, Pratap Ward, Tikari, Betul
22	Shri Himanshu Chawla	Power Foundation of India, B-28, Qutab Institutional Area, New Delhi 110016

LIST OF STAKEHOLDERS- APPEARD IN PHYSICAL MODE

Sr. No.	Name	Address
1	Shri Nirmal Lohia	Advocate, Taldarbaja, Tikamgarh
2	Shri Vipin Kumar Jain	MP Small scale industries Organization Bhopal
3	Shri Yogesh Goyal	M/s. Govindpura Industries Association, Association Complex, Industrial Area, Govindpura, Bhopal 462 023
4	Shri CB Malpani	M/s. Association of All Industries, Mandideep, Plot No. AM-19, Sector-B, Industrial Area, Mandideep Distt. Raisen
5	Sri Satish Verma	Bhopal
6	Sri Ashok Gupta	Vidut Pensioner Hitrakhsask Sangh, Bhopal

TARIFF SCHEDULES

Annexure-2 (Tariff Schedules for Low Tension Consumers)

ANNEXURE TO THE TARIFF ORDER PASSED BY MPERC FOR FINANCIAL YEAR 2025-26

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

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Tariff Schedule LV - 1

DOMESTIC:

Applicability:

This tariff is applicable for light, fan and power for residential use. Dharamshalas, Gaushalas, old age homes, day care centres for senior citizens, rescue houses, orphanages, Affordable Rental Housing Complex established under Pradhan Mantri Awas Yojana, Registered home stays under following Schemes of the State Government: (a) MP Homestay Establishment (Registration and Regulation) Scheme, 2010, Amended 2018, (b) MP Bed and Breakfast Establishment (Registration and Regulation) Scheme, 2019, (c) MP Farm Stay Establishment (Registration and Regulation) Scheme, 2019, (d) MP Gram Stay Establishment (Registration and Regulation) Scheme, 2019, places of worship and religious institutions will also be covered under this category.

Tariff:

LV 1.1 (Consumers having sanctioned load not more than 100 watts (0.1 kW) and consumption not more than 30 units per month)

(a) Energy Charge and Fixed Charge – For metered connection

Monthly Consumption (units)	Energy Charge (paise per unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)
Up to 30 units	350	NIL

LV 1.2

(i) Energy Charge and Fixed Charge – For metered connection

Monthly Consumption Slab (units)	Energy Charge with telescopic benefit (paise per unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)	
		Urban areas	Rural areas
Up to 50 units	445	76 per connection	62 per connection
51 to 150 units	541	129 per connection	106 per connection
151 to 300 units	679	28 for each 0.1 kW load*	26 for each 0.1 kW load*
Above 300 units	698	28 for each 0.1 kW load*	26 for each 0.1 kW load*

Notes:

*1) The fixed charges shall be levied considering every 15 units of consumption per month or part thereof equal to 0.1 kW of load. **Example**: If consumption during the month is 155 units, then the fixed charges shall be levied for 1.1 kW. In case the consumption is 350 units then the fixed charges shall be levied for 2.4 kW.

2) In cases where the readings are recorded for the duration other than the respective days of the month, the consumption shall be prorated for the month so as to arrive at the proportionate units eligible for different slabs in a particular billing month. Accordingly, the Fixed and Energy Charges shall be computed.

Illustration

Previous Meter Reading: 4th April 2025
Next Meter Reading: 10th May 2025
Consumption period: 36 days
Consumption: 450 units

Slab-wise consumption to be considered for billing:

Slab	Computation of Consumption on Pro-rata basis	Units to be considered for billing slab
0-50	50 units/30 days*36 days	60
51-150	100 units/30 days *36 days	120
151-300	150 units /30 days *36 days	180
Above 300	Balance Units	90
Total		**450**

(ii) Energy Charge and Fixed Charge for Temporary connections

Temporary connection	Energy Charge (paise per unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)	
		Urban areas	Rural areas
Temporary connection for construction of own house (For a period generally less than two years may be extended maximumup to five years)	1.25 times the tariff applicable as per schedule LV 1.2 (i)		
Temporary connection for social/ marriage purposes and religious functions.	868	82 for each one kW of sanctioned or connected or recorded load, whichever is highest, for each 24 hours duration or part thereof.	67 for each one kW of sanctioned or connected or recorded load, whichever is highest, for each 24 hours duration or part thereof.

Temporary connection	Energy Charge (paise per unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)	
		Urban areas	Rural areas
Supply through DTR meter for clusters of Jhuggi/Jhopadi till individual meters are provided	391	NIL	NIL

(iii) Energy Charge and Fixed Charge for un-metered rural domestic connections having connected load upto 500 watts:

Particulars	Units and Energy Charge to be billed per month for unmetered connections (paise per unit)	Monthly Fixed Charge (Rs.)
Un-metered connection in rural areas having connected load upto 500 watts	75 units @ 548 per unit	117 per connection

Specific Terms and Conditions for LV-1 category:

a) No minimum charges are applicable to this category of consumers.

b) In case of prepaid consumers, a rebate of 25 paise per unit shall be applicable on the energy charges and all other charges shall be calculated on the Tariff applicable after rebate. A consumer opting for prepaid meter shall not be required to make any security deposit.

c) **Additional charge for excess connected load:** No extra charges are applicable on the energy/fixed charges due to the excess connected load.

d) In case of temporary requirement for renovation/upgradation of premises, load for such temporary purpose is allowed to be used from existing metered connection on the same tariff applicable for permanent connection subject to other terms and conditions of LT Domestic Tariff.

e) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of Low Tension Tariff.

f) Other terms and conditions shall be as specified under General Terms and Conditions for Low Tension Tariff.

Tariff Schedule LV - 2

NON-DOMESTIC:

LV 2.1

Applicability:

This tariff is applicable for light, fan and power to Schools / Educational Institutions including workshops and laboratories of Engineering Colleges / Polytechnics/ITIs (which are registered with /affiliated/ recognized by the relevant Govt. body or university), Hostels for students or working women or sports persons.

Tariff:

Tariff shall be as given in the following table:

Sub category	Energy Charge (paise/unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)	
		Urban areas	Rural areas
Sanctioned load based tariff (only for connected load up to 10 kW)	670	162 per kW	131 per kW
Demand based tariff (**Mandatory** for Connected load above 10 kW)	690	281 per kW or 225 per kVA of billing demand	241 per kW or 193 per kVA of billing demand

LV 2.2

Applicability:

This tariff is applicable for light, fan and power to Railways (for purposes other than traction and supply to Railway Colonies/water supply), Shops/showrooms, Parlors, All Offices, Hospitals and medical care facilities including Primary Health Centers, clinics, nursing homes belonging to either Govt. or public or private organisations, public buildings, guest houses, Circuit Houses, Government Rest Houses, X-ray plant, recognized Small Scale Service Institutions, clubs, restaurants, eating establishments, meeting halls, places of public entertainment, circus shows, hotels, cinemas, professional's chambers (like Advocates, Chartered Accountants, Consultants, Doctors etc.), bottling plants, marriage gardens, marriage houses, advertisement services, advertisement boards/ hoardings, training or coaching institutes, petrol pumps and service stations, tailoring shops, laundries, gymnasiums, health clubs, telecom towers for mobile communication and any other establishment which is not covered in other LV categories.

Tariff:

Tariff shall be as given in the following table:

Sub category	Energy Charge (paise/unit) Urban/ Rural areas	Monthly Fixed Charge (Rs.)	
		Urban areas	Rural areas
Sanctioned load based tariff (only for connected load up to 10 kW) on all units if monthly consumption is **upto 50 units**	650	88 per kW	73 per kW
Sanctioned load based tariff (only for connected load up to 10 kW) on all units in case monthly consumption **exceeds 50 units**	800	144 per kW	123 per kW
Demand based tariff (**Mandatory** for Connected load above 10 kW)	710	302 per kW or 242 per kVA of billing demand	220 per kW or 176 per kVA of billing demand
Temporary connection for consumers covered under LV 2.1 and 2.2 categories (except for marriage purposes) including multi point temporary connections for Mela*	890	230 per kW or part thereof of sanctioned or connected or recorded load, whichever is the highest	201 per kW or part thereof of sanctioned or connected or recorded load whichever is the highest
Temporary connection for marriage purposes at marriage gardens or marriage halls or any other premises covered under LV 2.1 and 2.2 categories	890	93 for each kW or part thereof of sanctioned or connected or recorded load, whichever is the highest for each 24 hours duration or part thereof	73 for each kW or part thereof of sanctioned or connected or recorded load, whichever is the highest for each 24 hours duration or part thereof

* In case permission for organizing Mela is granted by Competent Authorities of the Government of Madhya Pradesh.

Specific Terms and Conditions for LV-2 category:

a) No minimum charges are applicable to this category of consumers.

b) **Additional Charge for excess load / demand:** Shall be billed as given in General Terms and Conditions of Low Tension tariff.

c) **For LV-2.1 and LV-2.2:** For the consumers having connected load in excess of 10 kW, demand based tariff is mandatory. The consumers having connected load upto and including 10 kW may also opt for demand based tariff.

d) In case of prepaid consumers, a rebate of 25 paise per unit shall be applicable on the energy charges and all other charges shall be calculated on the Tariff applicable after rebate. A consumer opting for prepaid meter shall not be required to make any security deposit.

e) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of Low Tension Tariff.

f) Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

Tariff Schedule LV – 3

PUBLIC WATER WORKS AND STREET LIGHTS

Applicability:

The tariff **LV-3** is applicable for Public Utility Water Supply Schemes, Sewage Treatment Plants, Sewage Pumping Installations run by P.H.E. Department or Local Bodies or Gram Panchayats or any other organization authorised by the Government to supply/ maintain public water works / sewerage installations, traffic signals and lighting of public streets or public places including parks, town halls, monuments and its institutions, museums, public toilets, public libraries, reading rooms run by the Government or Local Bodies, and Sulabh Shochalaya and shall also be applicable to electric crematorium maintained by local bodies/trusts.

Note: Private water supply scheme, water supply schemes run by institutions for their own use/ employees/ townships etc. shall not fall in this category. These shall be billed under the appropriate tariff category to which such institution belongs. In case water supply is being used for two or more different purposes then entire consumption shall be billed for purpose for which the tariff is higher.

Tariff:

Category of consumers/area of applicability	Energy Charge (paise per unit)	Monthly Fixed Charge (Rs. per kW)
Municipal Corporation/ Cantonment board /Municipality / Nagar Panchayat	603	372
Gram Panchayat	575	184

Specific Terms and Conditions for LV-3 category:

(a) **Incentives for adopting Demand Side Management:**
An **incentive** equal to 5 % of Energy Charges shall be given on installation and use of energy saving devices (such as ISI energy efficient motors for pump sets and programmable on-off/ dimmer switch with automation for street lights). **Incentive** will be admissible only if full bill is paid within due dates failing which all consumed units will be charged at normal rates. Such incentive will be admissible from the month following the month in which energy saving devices are put to use and are verified by a person authorized by the Distribution Licensee. This incentive will continue to be allowed till such time these energy saving devices remain in service. The Distribution Licensee is required to arrange wide publicity of above incentive.

(b) The tariff for temporary connection shall be 1.25 times the applicable tariff.

(c) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of Low Tension Tariff.

(d) No minimum charges are applicable to this category of consumers.

(e) Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

Tariff Schedule LV - 4

LT INDUSTRIAL

Applicability:

Tariff **LV-4** is applicable to light, fan and power for operating equipment used by printing press and any other industrial establishments and workshops (where any processing or manufacturing takes place including tyre re-treading). These tariffs are also applicable to cold storage, gur (jaggery) making machines, flour mills, Masala Chakkies, hullers, khandsari units, ginning and pressing units, sugar cane crushers (including sugar cane juicing machine), power looms, dal mills, besan mills, and ice factories and any other manufacturing or processing units (excluding bottling plant) producing/processing food items or processing agriculture produce for preservation/increasing its shelf life and Dairy units (where milk is processed to produce other end products of milk other than chilling, pasteurization etc.)

Tariff:

S. No.	Category of consumers	Monthly Fixed Charge (Rs.)		Energy Charge (paise per unit) – Urban / Rural Area
		Urban Areas	Rural Areas	
4.1	**Non seasonal consumers**			
4.1 a	Demand based tariff*	326 per kW or 261 per kVA of billing demand	211 per kW or 169 per kVA of billing demand	676

*** In case of consumers having contract demand up to 20 HP/15 kW, the energy charges and fixed charges shall be billed at a rate 30% less than the charges shown in above table for tariff category 4.1a.**

Provided that consumers whose recorded maximum demand during a month is more than 20 HP/15 kW, rebate of 30% shall not be applicable for that particular month.

S. No.	Category of consumers	Monthly Fixed Charge (Rs.)		Energy Charge (paise per unit) – Urban / Rural Area
		Urban Areas	Rural Areas	
4.2	**Seasonal Consumers (**This tariff shall be applicable to such seasonal industries / consumers defined under this schedule**)**			
4.2 a	**During season**	Normal tariff as for Non seasonal consumers	Normal tariff as for Non seasonal consumers	Normal tariff as for Non seasonal consumers

S. No.	Category of consumers	Monthly Fixed Charge (Rs.)		Energy Charge (paise per unit) – Urban / Rural Area
		Urban Areas	Rural Areas	
4.2 b	**During Off - season**	Normal tariff as for Non-seasonal consumers on 10 % of contract demand or actual recorded demand, whichever is more	Normal tariff as for Non-seasonal consumers on 10 % of contract demand or actual recorded demand, whichever is more	120 % of normal tariff as for Non-seasonal consumers

Specific Terms and Conditions for LV-4 category:

(a) The maximum demand of the consumer in each month shall be reckoned as four times the largest amount of kilovolt ampere hours delivered at the point of supply of the consumer during any continuous fifteen minutes in that month.

(b) Demand based tariff is mandatory for all the LT industrial consumers.

(c) **Additional Charge for Excess Demand:** Shall be billed as given in the General Terms and Conditions of Low Tension Tariff.

(d) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of Low Tension Tariff.

(e) No minimum charges are applicable to this category of consumers.

(f) **Other Terms and conditions for seasonal consumers**:

i. Season shall mean continuous period upto 6 months with a ceiling of 185 days.

ii. Period other than the declared season shall be considered as the off season period.

iii. The consumer has to declare months of season and off season for a year within 60 days of issuance of this tariff order and inform the same to the Distribution Licensee. The Year in this case shall be a period of 12 months commencing from start of season / off season, as applicable. If the consumer has already declared the period of season and off-season prior to issuance of this order, same shall be taken into cognizance for the purpose and accepted by the Distribution Licensee.

iv. The seasonal period once declared by the consumer cannot be changed during the year.

v. If the declared season or off-season spreads over two tariff periods, then the tariff for the respective period shall be applicable.

vi. This tariff is not applicable to composite units having seasonal and other category of loads.

vii. The consumer will be required to restrict his monthly off season consumption to 15% of the highest of average monthly consumption during the preceding three seasons. In case this limit is exceeded in any off season month, the consumer will be billed under Non seasonal tariff for the whole year (as opted) as per the tariff in force.

viii. The consumer will be required to restrict his maximum demand during off season up to 30 % of the contract demand. In case the maximum demand recorded in any month of the declared off season exceeds 36% of CD (120% of 30% of CD), the consumer will be billed under Non seasonal tariff for the whole year (as opted) as per the tariff in force.

(g) The tariff for temporary connection for Non seasonal consumers shall be 1.25 times the applicable tariff.

(h) Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

Tariff Schedule LV - 5

AGRICULTURE AND ALLIED ACTIVITIES

Applicability:

The tariff **LV-5.1** shall apply to connections for agricultural pump, chaff cutters, threshers, winnowing machines, seeding machines, irrigation pumps of lift irrigation schemes including water drawn by agriculture pumps for use by cattle and pump connections for the purpose of fodder farming associated to Gaushalas.

The tariff **LV-5.2** shall apply to connections for nurseries, farms growing flowers/ plants/ saplings/ fruits, mushroom and grasslands.

The tariff **LV-5.3** shall apply to connections for fisheries ponds, aquaculture, sericulture, hatcheries, poultry farms, cattle breeding farms and those dairy units only where extraction of milk and its processing such as chilling, pasteurization etc. is done.

The tariff **LV- 5.4** shall apply to connections for permanent agricultural pump, chaff cutters, threshers, winnowing machines, seeding machines, irrigation pumps of lift irrigation schemes including water drawn by agriculture pumps for use by cattle and pump connections for the purpose of fodder farming associated to Gaushalas to whom flat rate tariff is applicable.

Tariff:

S. No.	Sub-Category	Monthly Fixed charges (Rs. per HP)	Energy charges (paise per unit)
LV- 5.1			
a) (i)	First 300 units per month	67	507
(ii)	Above 300 units up to 750 units in the month	83	610
(iii)	Rest of the units in the month	91	638
b)	Temporary connections	91	638
c)	DTR metered group consumers	Nil	487
LV-5.2			
a) (i)	First 300 units per month	67	507
(ii)	Above 300 units up to 750 units in the month	83	610
(iii)	Rest of the units in the month	91	638
b)	Temporary connections	91	638
LV-5.3			
a)	Up to 25 HP connected load in urban areas	129 per HP	563
b)	Up to 25 HP connected load in rural areas	98 per HP	546
c)	Demand based tariff (Mandatory above 25 HP connected load) in urban areas	288 per kW or 230 per kVA of billing demand	638
d)	Demand based tariff (Mandatory above 25 HP connected load) in rural areas	157 per kW or 126 per kVA of billing demand	638
LV-5.4		See para 1.2 of terms & conditions	

Note: The agriculture consumers in urban area connected to a feeder other than separated agriculture feeder will be billed as per consumption recorded in the meter. Existing unmetered consumers may be billed as per flat rate till meters are installed. DISCOMs must ensure that meters on all such connections are installed by the end of the current financial year.

<u>Specific Terms and Conditions for LV-5 category:</u>

1.1 **Billing of consumers under tariff schedule LV 5.1:** Billing to the consumers covered under tariff schedule LV 5.1 shall be done on a monthly basis based on the consumption recorded in the meter. Unmetered temporary connection under this schedule shall be billed on the basis of assessment of consumption provided under condition 1.3 (iii) of this schedule.

1.2 **Billing of consumers under tariff schedule LV 5.4:** The bill for the consumer covered under the tariff category LV 5.4 shall be calculated at the rates specified under the tariff schedule LV 5.1 based on norms for assessment of units per HP specified under condition 1.3 of this schedule. In event of tariff subsidy for consumers, action as mandated under Section 65 of the Electricity Act, 2003 shall be ensured by all concerned and such consumers shall be billed accordingly by the Distribution Licensees.

1.3 **Basis of energy audit and accounting for categories LV 5.1 and LV 5.4**:

i) For energy audit and accounting purposes, actual billed consumption of LV 5.4 and metered consumers covered under tariff schedule LV 5.1 shall be considered.

ii) For unmetered agriculture consumers under LV 5.4 category, assessed consumption shall be as per following norms:

Particulars	No. of units per HP of sanctioned load per month	
	Urban/Rural Area	
Type of Pump/Motor	**April to Sept**	**Oct to March**
Three Phase	**95**	**170**
Single Phase	**95**	**180**

iii) For unmetered temporary agriculture consumers under LV 5.1 category, assessed consumption shall be as per following norms:

Particulars	No. of units per HP of sanctioned load per month	
Type of Pump/ Motor	**Urban Area**	**Rural Area**
Three Phase	**220**	**195**
Single Phase	**230**	**205**

1.4 Agricultural consumers opting for temporary supply shall have to pay the charges in advance for three months including those who request to avail connection for one month only subject to replenishment from time to time for extended period and adjustment as per final bill after disconnection. Regarding temporary connection for the purpose of threshing the crops, temporary connection for a period of one month can be served at the end of Rabi and Kharif seasons only with payment of one month's charges in advance.

1.5 Following **incentive*** shall be given to the metered agricultural consumers on installation of energy saving devices –

S. No.	Particulars of Energy Saving Devices	Rate of rebate
1.	ISI / BEE star labeled motors for pump sets	15 paise per unit
2.	ISI / BEE star labeled motors for pump sets and use of frictionless PVC pipes and foot valve	30 paise per unit
3.	ISI / BEE star labeled motors for pump sets and use of frictionless PVC pipes and foot valves along with installation of shunt capacitor of appropriate rating	45 paise per unit

*Incentive shall be allowed on the consumer's contribution part of the normal tariff (full tariff minus amount of Govt. subsidy per unit, if any) for installation of energy saving devices under demand side management. This incentive will be admissible only if full bill is paid within due dates failing which all consumed units will be charged at normal rates. Incentive will be admissible from the month following the month in which Energy Saving Devices are put to use and its verification by a person authorized by the Distribution Licensee. The Distribution Licensee is required to arrange wide publicity to above incentive in rural areas. The licensee is required to place quarterly information regarding incentives provided on its website.

1.6 **Additional Charge for excess Demand:** Shall be billed as given in the General Terms and Conditions of Low Tension Tariff.

1.7 **Delayed payment surcharge** in case of agriculture consumers on LV - 5.4 flat rate tariff shall be levied @ of Rs 1 every month for each block or part thereof of arrears of Rs.100/-. For other sub categories of this Tariff Schedule, the delayed payment surcharge shall be billed as specified under General Terms and Conditions of Low Tension Tariff.

1.8 **Specific conditions for DTR metered consumers:**

a) All the consumers connected to the DTR shall pay the energy charges for the units worked out based on their sanctioned load. .

b) The Distribution Licensee will obtain consent of such connected consumers for billing as per procedure specified in (a) above.

1.9 One CFL/ LED lamp up to 20 Watt is permitted at or near the pump in the power circuit.

1.10 The use of three phase agriculture pump by installing external device during the period when the supply is available on single phase, shall be treated as illegal extraction of energy and action as per prevailing rules and Regulations shall be taken against the defaulting consumer.

1.11 No minimum charges are applicable to this category of consumers.

1.12 **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall not be applicable to this category of consumers.

1.13 Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

Tariff Schedule LV - 6

E- VEHICLE / E-RICKSHAWS CHARGING STATIONS

Applicability:

The tariff is applicable exclusively for Electric Vehicle / Electric Rickshaws charging and battery swapping stations. However, tariff for other consumers who use electricity for charging their own Vehicle / Rickshaws shall be the same as applicable for the relevant category of metered connection from which the Vehicle / Rickshaws are being charged.

Applicable Tariff:

Category	Energy Charge (Paise/unit)
Electric Vehicle/ Rickshaw Charging Stations	714

Specific Terms and Conditions for LV-6 category:

a) The energy charges for E- Vehicle / E- Rickshaws charging stations shall be applicable as below:-

   (i) **During Solar Hours (9 AM to 5 PM):** Rebate of 20% on normal rate of energy charge shall be applicable on energy consumed during this period and;

   (ii) **During Non-Solar Hours (for remaining part of Day):** Surcharge of 20% on normal rate of energy charge shall be applicable on energy consumed during this period.

b) No minimum charges are applicable to this category of consumers.

c) Other terms and conditions shall be as specified under General Terms and Conditions of Low Tension Tariff.

GENERAL TERMS AND CONDITIONS OF LOW-TENSION TARIFF

1. **Rural Areas** mean those areas notified by the GoMP vide notification no. 2010/F13 /05/13/2006 dated 25th March 2006 as may be amended from time to time. **Urban areas** mean all areas other than those notified by the GoMP as Rural Areas.

2. Tariff for Green Energy shall comprise of two elements namely, normal tariff as applicable to that category of consumer and Green Energy Charges as mentioned in Clause 10 or 11 (whichever is applicable) of General Terms and Conditions of LT Tariff.

3. **Rounding off:** All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be ignored and 50 paisa upwards shall be rounded off to next Rupee.

4. **Billing Demand:** In case of demand based tariff, the billing demand for the month shall be the actual maximum kVA demand of the consumer during the month or 90% of the contract demand, whichever is higher. The billing demand shall be rounded off to the nearest integer number i.e. fraction of 0.5 or above will be rounded to next higher integer and the fraction of less than 0.5 shall be ignored.

5. **Fixed charges billing:** Unless specified otherwise, fractional load for the purposes of billing of fixed charges shall be rounded off to nearest integer i.e. fraction of 0.5 or above will be rounded to next higher integer and the fraction of less than 0.5 shall be ignored. However, for loads less than one kW/HP, it shall be treated as one kW/HP.

6. **Additional Charge for excess load/demand:** Shall be billed as per the following procedure:

    a) **For demand based tariff:** The consumers availing supply at demand based tariff shall restrict their actual maximum demand within the contract demand. However, in case the actual maximum demand recorded in any month exceeds 120% of the contract demand, the tariff in this schedule shall apply to the extent of 120 % of the contract demand only. The consumer shall be charged for demand recorded in excess of 120% of contract demand (termed as Excess Demand) at the following rates: -

        i. **Energy charges for excess demand**: No extra charges are applicable on energy charges due to excess demand.

        ii. **Fixed Charges for excess demand:** These charges shall be billed as per the following:

            1. **Fixed Charges for excess demand when the recorded maximum demand is up to 130% of the contract demand**: Fixed Charges for Excess Demand over and above the 120 % of contract demand shall be charged at 1.3 times the normal rate of Fixed Charges.

2. **Fixed Charges for excess demand when the recorded maximum demand exceeds 130% of contract demand**: In addition to Fixed Charges in 1 above, recorded demand over and above 130 % of the contract demand shall be charged at 2 times the normal rate of Fixed Charges.

b) **For sanctioned load based tariff:** The consumers availing supply at sanctioned load based tariff shall restrict their actual connected load within the sanctioned load. However, in case the actual connected load in any month exceeds 120% of the sanctioned load, the tariff in this schedule shall apply to the extent of 120 % of the sanctioned load only. The consumer shall be charged for the connected load found in excess of 120% of the sanctioned load (termed as Excess Load) at the following rates:-

i. **Energy charges for excess load**: No extra charges are applicable on energy charges due to excess connected load.

ii. **Fixed Charges for excess load:** These charges shall be billed as per the following:

1. **Fixed Charges for excess load when the connected load is found up to 130% of the sanctioned load**: Fixed Charges for Excess load over and above the 120 % of sanctioned load shall be charged at 1.3 times the normal rate of Fixed Charges.

2. **Fixed Charges for excess load when the connected load exceeds 130% of sanctioned load**: In addition to Fixed Charges in 1 above, connected load found over and above 130 % of the sanctioned load shall be charged at 2 times the normal rate of Fixed Charges.

c) The above billing for excess load / demand, applicable to consumers is without prejudice to the Distribution Licensee's right to ask for revision of sanctioned load / contract demand and other such rights that are provided under the Regulations notified by the Commission or under any other law.

d) The maximum demand of the consumer in each month shall be reckoned as four times the largest amount of kilovolt-ampere hours delivered at the point of supply of the consumer during any continuous fifteen minutes in that month.

7. Incentives/Rebates:

(a) **Rebate on advance payment**: For advance payment made before commencement of consumption period for which bill is prepared, a rebate at one twelfth of annual interest rate in percentage applicable on working capital shall be given on the amount (excluding security deposit), which remains with the Distribution Licensee at the end of billing month. However, such amount shall be credited to the account of the consumer after adjusting any amount payable to the Distribution Licensee.

Explanation:- Rate of Interest on working capital shall be equal to the Base Rate as on 1st April of FY 2025-26 plus 350 basis points.

(b) **Incentive for prompt payment**: An incentive for prompt payment @ 0.50% of the bill amount (excluding security deposit, any subsidy given by Government and Government levies viz. Electricity Duty and Cess etc.) shall be given in case the payment is made at least 7 days in advance of the due date of payment where the current month billing amount is equal to or greater than Rs. Ten Thousand. The consumers in arrears shall not be entitled for this incentive.

(c) **Rebate for online bill payment:**

(i) Rebate of 0.50% on the total bill amount subject to maximum Rs.20 and minimum Rs 5 shall be applicable.

Provided that the consumers covered under LV-1: Domestic, shall be eligible for rebate of 0.50% on total bill amount, without any ceiling on maximum rebate amount.

(ii) The rebate as per Clause 7(c) (i) above, shall also be applicable to prepaid consumer on all types of recharges irrespective of mode of recharge i.e., Online or Offline:

Provided that such rebate shall not be applicable for initial recharge amount brought forward from security deposit amount of the prepaid consumers.

(d) **Load Factor incentive:** Following slabs of incentive shall be allowed for consumers billed under demand based tariff:

Load factor	Concession in energy charges
Above 25% and up to 30 % load factor on contract demand	12 paise per unit concession on the normal energy charges for all energy consumption over and above 25% load factor during the billing month
Above 30% and up to 40 % load factor on contract demand	In addition to load factor concession available up to 30% load factor, concession at the rate of 24 paise per unit on the normal energy charges for all energy consumption over and above 30 % load factor during the billing month
Above 40% load factor on contract demand	In addition to load factor concession available up to 40% load factor, concession at the rate of 36 paise per unit on the normal energy charges for all energy consumption over and above 40% load factor during the billing month

The **load factor** shall be calculated as per the following formula:

$$\text{Load factor (\%)} = \frac{\text{Monthly consumption X 100}}{\text{No. of hours in the billing month X Demand (kW)}}$$

i. Monthly consumption shall be units (kWh) consumed in the month excluding those received from sources other than Licensee.

ii. No. of Hours in billing month shall exclude period of scheduled outages in hours.

iii. Demand shall be maximum demand recorded or contract demand whichever is higher.

Note: The Load Factor (%) shall be rounded off to the nearest lower integer. The billing month shall be the period in number of days between the two consecutive dates of meter readings taken for the purpose of billing to the consumer for the period under consideration as a month.

(e) Power Factor Incentive:

If the power factor of the consumer (other than LV-1: Domestic Consumer) is 86% or above, incentive shall be payable as follows:

Power Factor	Percentage incentive payable on billed energy charges
86%	0.5
87%	1.0
88%	1.5
89%	2.0
90%	2.5
91%	3.0
92%	3.5
93%	4.0
94%	4.5
95%	5.0
96%	6.0
97%	7.0
98%	8.0
99%	9.0
100%	10.0

For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

Provided that this Incentive shall be billed on the basis of energy actually consumed during the month.

All the rebates/incentives shall be calculated on amount excluding Government Subsidy, if any.

(f) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable to LV consumer categories (except LV-6: E- Vehicle / E-Rickshaws Charging Stations for which applicability of ToD rebate/surcharge is specifically mentioned in specific terms and conditions of that category) on energy charges according to the period of consumption during different periods of the day as per following table:

<table>
<tr><th>Sr. No</th><th>Consumer Tariff Category</th><th>Peak / Off-peak Period</th><th>Rebate on energy charges on energy consumed during the corresponding period</th></tr>
<tr><td colspan="4">For consumers having sanctioned load / contract demand exceeding 10 kW</td></tr>
<tr><td rowspan="3">1.</td><td rowspan="3">LV-1: Domestic and LV-3: Public Water Works & Street Light</td><td>Peak hours (6 AM to 9 AM and 5 PM to 10 PM)</td><td>Surcharge of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak /Solar hours (9 AM to 5 PM)</td><td>Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak hours (10 PM to 6 AM next day)</td><td>Normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td rowspan="3">2.</td><td rowspan="3">LV-2: Non-Domestic and LV-4: LT Industrial</td><td>Peak hours (6 AM to 9 AM and 5 PM to 10 PM)</td><td>Surcharge of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak /Solar hours (9 AM to 5 PM)</td><td>Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak hours (10 PM to 6 AM next day)</td><td>Normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td colspan="4">For consumers with Smart Meters having sanctioned load / contract demand upto 10 kW</td></tr>
<tr><td rowspan="3">3.</td><td rowspan="3">LV-1: Domestic, LV-2: Non-Domestic, LV-3: Public Water Works & Street Light and LV-4: LT Industrial</td><td>Peak hours (6 AM to 9 AM and 5 PM to 10 PM)</td><td>Normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak /Solar hours (9 AM to 5 PM)</td><td>Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>Off peak hours (10 PM to 6 AM next day)</td><td>Normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
</table>

Time of Day (ToD) Rebate/Surcharge shall not be applicable to LV-5: Agriculture and Allied Activities consumer category.

8. Other Terms and Conditions:

(a) The Sanctioned Load or Contract Demand, as the case may be, should not exceed maximum sanctioned load / contract demand for supply voltage at LT as specified in Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time, except where a higher limit is specified or the category is exempted from the ceiling on connected load. If the recorded maximum demand of the consumer exceeds the aforesaid maximum permissible limit in two consecutive billing months during the tariff period, the Distribution Licensee may insist on the consumer to avail HT supply. In case where Smart Meter has been installed, if the recorded maximum demand of the consumer exceeds sanctioned load / contract demand, the revision of sanctioned load / contract demand shall be as specified in Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

(b) No metering charges shall be levied.

(c) In case the cheque presented by the consumer is dishonoured, without prejudice to Distribution Licensee's rights to take recourse to such other action as may be available under the relevant law, a service charge of Rs. 150 plus applicable GST per cheque shall be levied in addition to delayed payment surcharge

(d) Other charges, wherever applicable shall be as specified 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, 2022 and amendments thereof.

(e) Existing LT power consumer (other than LV-1: Domestic Consumer) shall ensure that LT capacitor of proper rating is provided. In this regard, the Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time may be referred for guidance. It shall be the responsibility of the consumer to ensure that power factor during any month is not less than 0.80 (80%) failing which the consumer shall be liable to pay low power factor surcharge on the entire billed amount against energy charges during the month. Provided that such surcharge shall be billed on the basis of energy actually consumed during the month. Power factor surcharge shall be billed at the rates given below in e(1) and e(2):

e(1) For the consumer whose meter is capable of recording power factor:

Power Factor	Percentage Surcharge payable on billed energy charges
79%	1%
78%	2%
77%	3%
76%	4%
75%	5%

Power Factor	Percentage Surcharge payable on billed energy charges
74%	6.25%
73%	7.50%
72%	8.75%
71%	10.00%
Below 71%	10.00%

For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

e(2) For the consumer other than e(1) above: The consumer (other than LV-1: Domestic Consumer) shall ensure that LT capacitors of proper rating are provided and are in good working condition. In this regard, the Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time may be referred for guidance. In case of failure to meet the above criteria, the consumer would be levied a power factor surcharge of 10% on the entire billed amount against energy charges during the month and would be continued to be billed till such time the consumer meets the above criteria.

(f) Levy of power factor surcharge as indicated hereinabove shall be without prejudice to the rights of the Licensee to disconnect the consumer's installation, if steps are not taken to improve the power factor by installing suitable shunt capacitors.

(g) In case of any dispute on applicability of tariff on a particular LT category, the decision of the Commission shall be final.

(h) The tariff does not include any tax, cess or duty, etc. on electrical energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall also be payable by the consumer in addition to the tariff charges and applicable miscellaneous charges.

(i) **Delayed payment Surcharge for all categories:** Surcharge at the rate of 1.25 % per month or part thereof on the amount outstanding (including arrears) will be payable if the bills are not paid up to due date subject to a minimum of Rs.5/- per month for total outstanding bill amount up to Rs. 500/- and Rs 10/ per month for amount of bill more than Rs.500/. The part of a month will be reckoned as full month for the purpose of calculation of delayed payment surcharge. The delayed payment surcharge will not be levied for the period after supply to the consumer is permanently disconnected. However, for the temporary connection, if any, amount is outstanding after disconnection, Delayed Payment Surcharge shall be applicable as per Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time at the rate of 1.25% per month or part thereof.

(j) In case of conversion of LT connection into HT connection, it is mandatory on the part of both the consumer and the licensee to get the HT agreement executed before availing supply at HT.

(k) **Use of mix loads in one connection:** Unless otherwise permitted specifically in the tariff category, the consumer using mix loads for different purposes shall be billed for the purpose for which the tariff is higher.

(l) Consumers in the notified Industrial Growth Centres/Industrial areas/Industrial parks receiving supply under urban discipline shall be billed urban tariff.

(m) No change in the tariff or the tariff structure for any category of consumer is permitted except with prior written permission from the Commission. Any action taken without such written permission of the Commission shall be treated as null and void and shall also be liable for action under relevant provisions of the Electricity Act, 2003.

(n) All conditions prescribed herein shall be applicable to the consumer notwithstanding if any contrary provisions exist in the agreement entered into by the consumer with the licensee.

(o) If any difficulty arises in giving effect to any of the provisions of this order, the Commission may, by general or special order, 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.

9. Additional conditions for Temporary Supply at LT:

Temporary supply cannot be demanded by a prospective/ existing consumer as a matter of right but will normally be arranged by the Distribution Licensee when a requisition giving due notice is made. The temporary additional supply to an existing consumer also shall be treated as a separate service and charged subject to following conditions. However, service under Tatkal Scheme shall be made available within 24 hours subject to charges as specified 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, 2022 and amendments thereof.

(a) Fixed Charge and Energy Charge for temporary supply shall be billed at 1.25 times the normal charges as applicable to relevant category if not specified otherwise specifically.

(b) Estimated bill amount is payable in advance before serving the temporary connection subject to replenishment from time to time and adjustment as per final bill after disconnection. No interest shall be given to consumers for this advance payment.

(c) The sanctioned load / contract demand, as the case may be, shall not exceed sanctioned load / contract demand as specified in Madhya Pradesh Electricity Supply Code, 2021 and amended from time to time,

(d) The month for the purpose of billing of charges for temporary supply shall mean 30 days from the date of connection. Any period less than 30 days shall be treated as full month for the purpose of billing.

(e) Connection and disconnection charges and other miscellaneous charges shall be paid separately as specified 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, 2022 and amendments thereof.

(f) Load factor concession shall not be allowed on the consumption for temporary connection.

(g) Power factor incentive/penalty shall be applicable at the same rate as applicable for permanent connection.

10. Consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect shall be required to pay Green Energy Charges at the rate of Rs. 0.53/kWh and such charges shall be applicable over and above the normal tariff for that category of consumers. This facility shall be available to consumers who requisition any quantum of power upto 100% of their monthly consumption for availing power from RE sources. Further, such consumers may avail Green Energy for any number of days in a billing month.

11. The Consumers availing green energy from Distribution Licensee in accordance with provisions of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, shall be required to pay Green Energy Charges at Rs. 0.18/ kWh for Wind, Rs. 3/ kWh for HPO and Rs. 0.74/ kWh for Other, which shall be over and above the normal tariff of respective consumer category as per this Tariff Order.

12. Standby Charges:- Standby Charges for the purpose of Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended from time to time, shall be 0.25 times of the tariff applicable to the consumer availing Green Energy Open Access, which shall be over and above the normal tariff of the respective consumer category.

13. The accounting and settlement for consumers availing net metering/group net metering /gross net metering/virtual net metering facility shall be as per Madhya Pradesh Electricity Regulatory Commission (Grid Interactive Renewable Energy System and Related Matters) Regulations, 2024 as amended from time to time.

14. Wherever, there is variation in general terms & conditions and specific terms & conditions for any particular category, the specific terms and conditions shall prevail for that category.

Annexure-3 (Tariff Schedules for High Tension Consumers)

ANNEXURE TO THE TARIFF ORDER PASSED BY MPERC FOR FINANCIAL YEAR 2025-26

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
TARIFF SCHEDULES FOR HIGH TENSION CONSUMERS

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Tariff Schedule - HV - 1

RAILWAY TRACTION:

Applicability:

This Tariff shall apply to the Railways for Traction loads only.

Tariff:

S. No.	Category of consumer	Monthly Fixed Charge (Rs. per kVA of billing demand per month)	Energy Charge (paise / unit)
1	Railway Traction on 132 kV / 220 kV	344	606

Note: A rebate of Rs. 2 per Unit in energy charges is applicable. This rebate shall be applicable up to FY 2025-26.

Specific Terms and Conditions:

(a) In order to give impetus to electrification of Railway network in the State, a rebate of 15% in energy charges for new Railway traction projects shall be allowed for a period up to FY 2025-26 for new projects. The rebate provided in earlier orders shall remain in force at the rate and for the duration as mentioned in those tariff orders.

(b) The dedicated feeder maintenance charges shall not be applicable.

(c) Annual Minimum charges shall be based on minimum consumption of 1500 units (kWh) per kVA of Contract Demand. The method of billing of minimum charges shall be as given in General Terms and Conditions of High Tension Tariff.

(d) The consumer shall at all times restrict their actual maximum demand within the contract demand. In case the actual maximum demand in any month exceeds 120% of the contract demand, the tariffs given in various schedules shall apply to the extent of the 120% of the contract demand only. The consumer shall be charged for excess demand computed as difference of recorded maximum demand and 120% of contract demand on fixed charges and while doing so, the other terms and conditions of tariff, if any, shall also be applicable on the said excess demand.

(e) **Energy charges for excess demand**: No extra charges are applicable on the energy charges due to the excess demand.

(f) The excess demand so computed as per above, if any, in any month shall be charged at the following rates:

> **(a)** When the recorded maximum demand is up to 130% of contract demand-excess demand over and above 115 % of the contract demand— at the rate of Rs. 378 per kVA

(b) When the recorded maximum demand exceeds 130% of contract demand: - In addition to fixed charges in (a) above, recorded demand over and above 130 % of the contract demand shall be charged—at the rate of Rs. 516 per kVA

While doing so, other provisions of electricity tariff (such as tariff minimum charge etc.) will also be applicable on aforesaid excess demand.

(g) Power Factor Penalty:

i. If the power factor of a consumer falls to 89 percent or below but upto 85 %, penalty will be levied at the rate of one percent of total energy charges for the month for each one percent fall in the power factor below 90 percent. **For determination of power factor, lag only logic shall be used and no power factor penalty shall be levied if leading power factor is recorded.**

ii. If the power factor of a consumer falls to 84 percent or below, the consumer shall be levied a penalty of 5% (five percent) plus @ 2% (two percent) for each one percent fall in his power factor below 85 percent, on the total amount of bill under the head of "Energy Charge". This penalty shall be subject to the condition that penalty on account of power factor does not exceed 35%.

iii. For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

Power Factor penalty shall be billed on the basis of energy actually consumed during the month.

iv. Notwithstanding what has been stated above, if the power factor of a new connection of the consumer is found to be 89% or less in any month during the initial 6 (six) months from the date of connection, the consumer shall be entitled to a maximum period of six months to improve it to not less than 90% subject to following conditions:

a) This period of six months shall be reckoned from the month in which the power factor was found for the first time to be 89% or less.

b) In all cases, the consumer will be billed penal charges for power factor, but in case the consumer maintains the power factor in subsequent three months (thus in all four months) to not less than 90%, the charges on account of power factor billed during the initial six months period, shall be withdrawn and credited in next monthly bills.

c) The facility, as mentioned herein, shall be available not more than once to new consumer whose power factor is 89% or less at any time during 6 months from the date of connection. Thereafter, the charges on account of power factor, if found 89% or less, shall be payable as by any other consumer.

(h) Emergency feed extension: Provided that if as a result of the emergency in the traction substation or in the transmission line supplying load or part thereof is transferred to an adjacent traction substation, the M.D. for the month for that adjacent traction substation shall be as the average of M.D. for previous three months during which no emergency had occurred.

(i) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall not be applicable to this category of consumers.

(j) Other terms and conditions shall be as mentioned in the General Terms and Conditions of High Tension Tariff.

Tariff Schedule - HV – 2

COAL MINES:

Applicability:

This Tariff shall apply to the Coal Mines for power, ventilation, lights, fans, coolers, etc. which shall mean and include all energy consumed for coal mines and lighting in the offices, stores, canteen, compound lighting etc. and the consumption for residential use therein.

Tariff:

Sub category	Monthly Fixed Charge (Rs./kVA of billing demand per month)	Energy Charge for consumption up to 50% load factor (paise / unit)	Energy Charge for consumption in excess of 50% load factor (paise / unit)
Coal Mines			
11 kV supply	715	751	665
33 kV supply		743	644
132 kV supply		723	623
220 kV supply		701	601

Specific Terms and Conditions:

a. **Minimum Charges based on Consumption** shall be on the following basis:

Supply Voltage	Annual minimum consumption in units (kWh) per kVA of contract demand
For supply at 220 / 132 kV	1620
For supply at 33 / 11 kV	1200

Note: The method of billing of minimum charges shall be as given in General Terms and Conditions of High Tension Tariff.

b. **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

c. Other terms and conditions shall be as specified under General Terms and Conditions of High Tension Tariff.

Tariff Schedule - HV - 3

INDUSTRIAL, NON-INDUSTRIAL AND SHOPPING MALLS

Applicability:

The **tariff HV-3.1(Industrial)** shall apply to all HT industrial consumers including mines (other than coal mines) for power, light and fan etc. which shall mean and include all energy consumed for factory and lighting in the offices, main factory building, stores, canteen, residential colonies of industries, compound lighting, common and ancillary facilities such as Telecom tower, Banks, General purpose shops, Water supply, Sewage pumps, Police Stations, etc. located within the premises of the industrial units and Dairy units where milk is processed (other than chilling, pasteurization etc.) to produce other end products of milk. This tariff shall also apply to cold storages.

The **tariff HV-3.2 (Non Industrial)** shall apply to establishments like Railway Stations, Offices, Hotels, Hospitals, Institutions etc. (excluding group of consumers) having mixed load for power, light and fan etc. which shall mean and include all energy consumed for lighting in the offices, stores, canteen, compound lighting etc. This shall also cover all other categories of consumers, defined in LT non-domestic category subject to the condition that the HT consumer shall not redistribute/sub-let the energy in any way to other person.

The **tariff HV-3.3 (Shopping malls)** shall apply to establishments of shopping malls having group of non-industrial consumers subject to the specific terms and conditions specified in (i) of this schedule.

Shopping Mall shall be a multi-storeyed shopping centre in an urban area having a system of enclosed walkways with collection of independent retail stores, services and parking areas constructed and maintained by a management firm/ developer as a unit.

The **tariff HV-3.4 (Power intensive industries)** shall apply to Mini Steel Plants (MSP), MSP with rolling mills/ sponge iron plants in the same premises, electro chemical/ electro thermal industry, Ferro alloy industry which shall mean and include all energy consumed for factory and lighting in the offices, main factory building, stores, canteen, residential colonies of industries, compound lighting etc

Tariff:

S. No.	Sub-Category of consumer	Monthly Fixed Charge (Rs./kVA of billing demand per month)	Energy Charge for consumption up to 50% load factor (paise / unit)	Energy Charge for consumption in excess of 50% load factor (paise / unit)
3.1	**Industrial**			
	11 kV supply	399	750	650
	33 kV supply	631	746	641
	132 kV supply	719	705	606
	220/400 kV supply	719	660	560
3.2	**Non-Industrial**			
	11 kV supply	363	785	695
	33 kV supply	516	768	670
	132 kV supply & above	608	720	610
3.3	**Shopping Malls**			
	11 kV supply	356	766	691
	33 kV supply & above	413	756	651
3.4	**Power intensive industries**			
	33 kV supply	627	591	591
	132 kV supply & above	766	567	567

Specific Terms and Conditions:

(a) **Minimum Charges based on Consumption** for all the above categories shall be on following basis:

Supply Voltage	Sub- category	Annual minimum consumption in units (kWh) per kVA of contract demand
For supply at 132 kV & above	Rolling Mills	1200
	Educational institutions	720
	Others	1800
For supply at 33 / 11 kV	Educational institutions	600
	Contract demand up to 100 kVA	600
	Others	1200

Note: The method of billing of minimum charges shall be as given in General Terms and Conditions of High Tension Tariff.

(b) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

(c) **Rebate for supply through feeders feeding supply to predominantly rural areas**: HT consumers of this category receiving supply through rural feeders shall be entitled to 5 % rebate on Fixed Charges and 20 % reduction in Minimum Consumption (kWh) as specified above for respective voltage levels.

(d) **Rebate for existing HT connections:** A rebate of Rs. 1 per Unit in energy charges is applicable for incremental monthly consumption w.r.t corresponding month of FY 2015-16. For any new consumer served during and after FY 2015-16, the base months for calculation of incremental monthly consumption shall be the first 12 months subsequent to the month of availing the connection. The incremental consumption for any month shall be worked out considering the consumption of the corresponding base month.

The consumer availing this rebate shall not be entitled to the rebate of new HT connection/ Green field connection under clause (e) below.

(e) **Rebate for new HT connections:** A rebate of Rs 1 per Unit or 20% whichever would be less is applicable in energy charges for new connection for the consumption recorded. The rebate shall be allowed upto FY 2025-26 from the date of connection for such new projects for which agreements for availing supply from licensee are finalized during and after FY 2016-17.

Provided that no rebate shall be applicable for connections obtained by virtue of change in ownership in existing connection or by reconnection.

Provided also that new connection on the permanently disconnected premises shall only be eligible for such rebate, if, the application for new service connection on such premises is received not before the expiry of six months from the date of its permanent disconnection.

The consumer availing this rebate shall not be entitled for the rebate of incremental consumption under clause (d) above.

(f) **Rebate for Captive power plant consumers:**

Applicability: The rebate shall be applicable to consumers-

i. Who have been meeting their demand either fully or partially during FY 2016-17 and/or FY 2017-18 and/or FY 2018-19 and/or FY 2019-20 and/or FY 2020-21 and/or FY 2021-22 and/or FY 2022-23 and/or FY 2023-24 and/or FY 2024-25 through their captive power plants (Other than renewable energy based captive power plants) located in Madhya Pradesh.

ii. The rebate shall be applicable upto FY 2025-26 from the date of request submitted by the consumer to the Licensee during and after FY 2017-18. The consumer shall be required to apply to the Licensee for the rebate indicating that he would be willing to avail supply from Licensee by switching consumption from his existing captive power plant.

iii. The **base year** shall be the financial year preceding the year during which the consumer has applied for switching consumption from his captive power plant to the licensee.

e.g., If a consumer applies for switching his consumption from captive power plant to Licensee in August, 2018, then his base year for calculation of incremental consumption would be FY 2017-18.

iv. Who have recorded an incremental consumption i.e., an increase in the units consumed from the Licensee in any month of the current year (FY 2025-26) compared to the same month in **base year**.

v. A rebate of Rs 2 per unit shall be applicable on incremental units of the consumer subject to reduction in captive generation as per the methodology given below:-

	Base Year		**Current Financial Year**		**Incremental Consumption from DISCOM**	**Reduction in Captive Generation**	**Units eligible for Rs 1/unit rebate in energy charges as per Clause (d) or (e) of specific terms & conditions**	**Units eligible for Rs 2/ Unit rebate on incremental units**
	Consumption from DISCOM (Units)	Captive Generation Units	Consumption from DISCOM (Units)	Captive Generation (Units)	**Units**	**Units**	**Units**	**Units**
	(A1)	(B1)	(A2)	(B2)	X= A2-A1	Y = B1-B2		
Scenario 1	100	90	110	90	10	0	10	0
Scenario 2	100	90	110	80	10	10	0	10
Scenario 3	100	90	110	70	10	20	0	10
Scenario 4	100	90	100	80	0	10	0	0
Scenario 5	100	90	120	80	20	10	10	10

Note: 1) Captive power plant referred above shall be the “Captive Generating Plant” as defined in Rule 3 of the Electricity Rules, 2005

2) For new consumers added during this tariff period who were fully meeting their demand from their captive power plants during the previous financial year, their consumption from DISCOM may be treated as zero for the base year.

X = the incremental consumption recorded by the captive consumer in any month of the current financial year compared to the same month of base year.

And

Y = the quantum of reduction in units consumed from captive plant (self-consumption) achieved by the captive consumer in any month of the current financial year compared to the same month in the base year.

For all other cases of incremental consumption i.e when X>Y, the existing rebate of Rs 1/unit in energy charges will be applicable on X-Y units (as per the rebate for incremental consumption given in clause (d) or (e) in the Specific Terms & Conditions for HV-3).

Scenario 1: There is no reduction in Captive Generation but only incremental consumption from DISCOM, hence a rebate of Rs 1/unit in energy charges is applicable on incremental consumption from DISCOM (as per the rebate for incremental consumption given in clause (d) or (e) in the Specific Terms & Conditions for HV-3).

Scenario 2: The incremental consumption from DISCOM is due to the reduction of captive consumption by same quantum of units hence it will attract a rebate of Rs 2 per unit on incremental units.

Scenario 3:There is higher reduction in Captive Generation as compared to incremental Consumption from DISCOM hence incremental units consumed from the DISCOM as shown in the table, shall qualify for a Rebate of Rs 2 per unit.

Scenario 4: There shall not be any rebate due to absence of incremental Consumption from DISCOM irrespective of reduction in Captive Generation.

Scenario 5: This scenario depicts higher incremental consumption from DISCOM (X) than reduction in Captive Generation (Y) hence units corresponding to (X-Y) shall qualify for rebate of Rs 1/unit in energy charges (as per the rebate for incremental consumption given in clause (d) or (e) in the Specific Terms & Conditions for HV-3) while units Y shall qualify for Rebate of Rs 2 per unit.

(g) Rebate for Open Access Consumers

Applicability: The rebate shall be applicable to consumers

i. Who have been availing open access during the last financial year (FY 2024-25).

ii. Who have recorded an incremental consumption i.e., an increase in the units consumed from the Licensees in any month of the current year (FY 2025-26) compared to the same month in last year (FY 2024-25).

iii. The rebate shall be applicable from the date of request submitted by the consumer to the Licensee during FY 2025-26.

iv. The consumer shall be required to apply with the Licensee for the rebate indicating that he would be willing to avail supply from Licensee by switching consumption from open access.

v. A rebate of Rs 1 per unit shall be applicable on incremental units of the consumer subject to reduction in open access consumption as per the methodology given below.

	FY 2024-25		**FY 2025-26**		**Incremental Consumption from DISCOM X= A2-A1**	**Reduction in OA units Y = B1-B2**	**Applicable units for rebate as per clause (d) of specific terms & conditions**	**Rs 1/unit rebate on incremental units of Open Access**
	Consumption from DISCOM (A1)	**Wheeled Units (B1)**	**Consumption from DISCOM (A2)**	**Wheeled Units (B2)**				
Scenario 1	100	90	110	90	10	0	10	0
Scenario 2	100	90	110	80	10	10	0	10
Scenario 3	100	90	110	70	10	20	0	10
Scenario 4	100	90	100	80	0	10	0	0
Scenario 5	100	90	120	80	20	10	10	10

X = the incremental consumption recorded by the open access consumer in any month of the current financial year as compared to the same month of base year.

And

Y = the quantum of reduction in units consumed from open access by the consumer in any month of the current financial year as compared to the same month in the base year.

For all other cases of incremental consumption i.e when X>Y, the existing rebate of Rs 1/unit in energy charges will be applicable on X-Y units (as per the rebate for incremental consumption given in clause (d) in the Specific Terms & Conditions for HV-3).

Scenario 1: There is no reduction in open access consumption but only incremental consumption from DISCOM, hence a rebate of Rs 1/unit in energy charges is applicable on incremental consumption from DISCOM (as per the rebate for incremental consumption given in clause (d) in the Specific Terms & Conditions for HV-3).

Scenario 2: The incremental consumption from DISCOM is due to the reduction of open access consumption by same quantum of units hence it will attract a rebate of Rs 1 per unit on incremental units.

Scenario 3: There is higher reduction in open access consumption as compared to incremental Consumption from DISCOM hence incremental units consumed from the DISCOM as shown in the table, shall qualify for a Rebate of Rs 1 per unit.

Scenario 4: There shall not be any rebate due to absence of incremental Consumption from DISCOM irrespective of reduction in open access consumption.

Scenario 5: This scenario depicts incremental consumption from DISCOM (X) and reduction in open access consumption (Y) hence units corresponding to (X-Y) shall qualify for rebate of Rs 1/unit in energy charges (as per the rebate for incremental consumption given in clause (d) in the Specific Terms & Conditions for HV-3) while units Y shall qualify for Rebate of Rs 1 per unit.

(h) Conversion of Existing LT Industrial/Non domestic connection to corresponding HT connection

A rebate of Rs. 1 per unit in the energy charges on the HT tariff shall be provided to those existing LT consumers who convert to HV 3 category during FY 2025-26. The rebate is applicable for FY 2025-26 for the units billed only after the commencement of HT Agreement during FY 2025-26.

(i) Additional specific terms and conditions for shopping mall

Individual end user shall not be levied a rate which is exceeding non-domestic-commercial tariff (LV 2.2) in case of LT connection and HT non-industrial tariff (HV 3.2) in case of HT connection, as determined by the Commission.

Tariff Schedule - HV - 4

SEASONAL:-

Applicability:

This tariff shall be applicable to such seasonal industries / consumers requiring energy for the production purposes for season defined under this schedule.

The licensee shall allow this tariff to any industry having seasonal use only.

Tariff:

Category of consumers	Monthly Fixed Charge (Rs./kVA of billing demand per month)	Energy Charge for consumption up to 50% load factor (paise / unit)	Energy Charge for consumption in excess of 50% load factor (paise / unit)
During Season			
11 kV supply	405	708	602
33 kV supply	448	688	583
During Off-Season			
11 kV supply	Rs. 405 on 10% of contract demand or actual recorded demand during the season, whichever is higher	850 i.e. 120% of seasonal Energy Charge	Not applicable
33 kV supply	Rs. 448 on 10% of contract demand or actual recorded demand during the season, whichever is higher	826 i.e. 120% of seasonal Energy Charge	Not applicable

Specific Terms and Conditions:

a) Season shall mean continuous period upto 6 months with a ceiling of 185 days and minimum period of 3 months.

b) Period other than the declared season shall be considered as the off season period.

c) The consumer has to declare months of season and off season for a year within 60 days of issue of this tariff order and inform the same to the Distribution Licensee. The Year in this case shall be a period of 12 months commencing from start of season / off season, as applicable. If the consumer has already declared the period of season and off-season prior to issuance of this order, same shall be taken into cognizance for the purpose and accepted by the Distribution Licensee.

d) The seasonal period once declared by the consumer during Year cannot be changed.

e) If the declared season or off-season spreads over two tariff periods, then the tariff for the respective period shall be applicable.

f) This tariff is not applicable to composite units having seasonal and other category of loads.

g) No minimum charges are applicable to this category of consumers.

h) **Time of Day (ToD)) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

i) The consumer will be required to restrict his monthly off season consumption to 15% of highest of the average monthly consumption of the preceding three seasons. In case, this limit is exceeded in any off season month, the consumer will be billed under HV-3.1 Industrial Schedule for the whole year (as opted).

j) The consumer will be required to restrict his maximum demand during off season up to 30 % of the contract demand. In case the maximum demand recorded in any month of the declared off season exceeds 36% of CD (120% of 30% of CD), the consumer will be billed under HV 3.1 Industrial tariff for the whole year (as opted) as per the tariff in force.

k) Other terms and conditions shall be as per the General Terms and Conditions of High Tension Tariff.

Tariff Schedule - HV - 5

IRRIGATION, PUBLIC WATER WORKS AND OTHER THAN AGRICULTURAL

Applicability:

This Tariff Category shall apply to supply of power to lift irrigation schemes, group irrigation, Public Utility Water Supply schemes, sewage treatment plants /sewage pumping plants and for energy used in lighting pump house.

This Tariff category shall also applicable to River link projects implemented by government or its agency provided that the supply of power is utilized for purposes covered under this category only.

Note: Private water supply scheme, water supply schemes run by institutions for their own use/employees/townships etc. will not fall in this category but billed under the appropriate tariff category to which such institution belongs. In case water supply is being used for two or more different purposes then the highest tariff shall be applicable.

This tariff category shall also apply to supply of power to other than agriculture pump connections i.e. the connection for hatcheries, fisheries ponds, poultry farms, cattle breeding farms, grasslands, vegetables/ fruits/ floriculture/ mushroom growing units etc. and dairy (for those dairy units where only extraction/collection of milk and its processing such as chilling, pasteurization etc. is done). However, in units where milk is processed to produce other end products of milk, billing shall be done under HV-3.1 (Industrial) category.

Tariff:

Sub-Category	Monthly Fixed Charge (Rs. / kVA of billing demand per month)	Energy Charge (paise per unit)
11 kV supply	389	628
33 kV supply		614
132 kV & above supply		574

Specific Terms and Conditions:

(a) **Annual Minimum Charge shall be based on Consumption** of 720 units (kWh) per kVA of contract demand. The method of billing of minimum charges shall be as given in General Terms and Conditions of High Tension Tariff.

(b) **Time of Day (ToD)) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

(c) **Incentive for adopting Demand Side Management**

An **incentive** equal to 5 % energy charges shall be given on installation and use of energy saving devices (such as ISI energy efficient motors for pump sets). **Incentive** will only be admissible if full bill is paid within due dates failing which all consumed units will be charged at normal rates as the case may be. Such incentive will be admissible from the month following the month in which energy saving devices are put to use and its verification by a person authorized by the licensee. The incentive will continue to be allowed till such time these energy saving devices remain in service. The Distribution Licensee is required to arrange wide publicity for above incentive. The Distribution Licensee is required to place quarterly information regarding incentives provided on its web site.

(d) Other terms and conditions shall be as per the General Terms and Conditions of High Tension Tariff.

Tariff Schedule - HV - 6

BULK RESIDENTIAL USERS

Applicability:

The tariff category **HV-6.1** is applicable for supply to industrial or any other township (e.g. that of University or academic institutions, hospitals, MES and Border villages, etc.) for domestic purpose only such as lighting, fans, heating etc. provided that the connected load for essential common facilities such as Non-domestic supply in residential area, street lighting shall be within the limits specified hereunder: -

(i) Water supply and Sewage pumping, Hospital - **No limit**

(ii) Non-domestic and other General purpose put together - **20% of total connected load,**

The tariff category **HV-6.2** is applicable for supply to Registered Cooperative Group Housing Societies as per the Ministry of Power's notification no. S.O.798 (E) dated 9th June, 2005 and also to other Registered Group Housing Societies and individual domestic user, old age homes, day care centres for senior citizens, rescue houses, orphanages run by Govt./charitable trust, places of worship and religious institutions will also be covered under this category**.** The Terms and Conditions to this category of consumers shall be applicable as per relevant provisions of the Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

Tariff:

S. No.	Category of consumers	Monthly Fixed Charge (Rs. / kVA of billing demand per month)	Energy Charge for consumption up to 50% load factor (paise / unit)	Energy Charge for consumption in excess of 50% load factor (paise / unit)
1	**For Tariff Sub-Category 6.1**			
	11 kV supply	367	654	589
	33 kV supply		639	569
	132 kV supply		617	547
2	**For Tariff Sub-Category 6.2**			
	11 kV supply	235	654	589
	33 kV supply		639	569
	132 kV supply		617	547

Specific Terms and Conditions:

(a) Annual Minimum Charges shall be based on Consumption of 780 units (kWh) per kVA of contract demand. The method of billing of minimum consumption shall be as given in General Terms and Conditions of High Tension Tariff.

(b) The individual end user shall not be levied a rate exceeding the tariff applicable to the corresponding LT category.

(c) **Time of Day (ToD)) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

(d) Other terms and conditions shall be as specified under General Terms and Conditions of High Tension Tariff.

Tariff Schedule - HV - 7

SYNCHRONIZATION OF POWER FOR GENERATORS CONNECTED TO THE GRID

Applicability:

This Tariff shall apply to those generators who are already connected to the grid and seek to avail power for synchronization with the grid. This Tariff category shall also be applicable to the Generator/Co-generation plant from Renewable Sources entitled to draw power exclusively for its own use from the State Distribution Licensee for synchronization of plant with the grid or during shutdown period of its plant or during other emergencies (but not for construction) or for auxiliaries or forced outage.

Tariff for all voltages:

Category	Energy Charge (Paise/unit)
For all Voltage levels of HV category	1029

Specific Terms and Conditions:

(a) The supply for above purpose with the grid shall not exceed 15% of the capacity of the Power Plant. In case of drawl of power above 15% of the capacity of the power plant on any occasion, the excess energy drawn during the billing month shall be billed at the rate of 2 times of the normal energy charges.

(b) The condition for minimum consumption shall not be applicable to the generators including CPP. Billing shall be done for energy recorded on each occasion of availing supply during the billing month.

(c) The supply shall not be allowed to the CPP for production purpose for which they may avail stand-by support under the relevant Regulations.

(d) The synchronization with the grid shall only be made available after commissioning of the plant.

(e) The generator including CPP shall execute an agreement with the Licensee for meeting the requirement of synchronization/power with the grid incorporating the above terms and conditions.

(f) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall not be applicable to this category of consumers.

Tariff Schedule - HV - 8

E- VEHICLE / E- RICKSHAWS CHARGING STATIONS

Applicability:

The tariff is applicable exclusively for Electric Vehicle / Electric Rickshaws charging and Battery Swapping stations. However, tariff for other consumers who use electricity for charging their own Vehicles/Rickshaws shall be the same as applicable for the relevant category of connection from which the Vehicles/Rickshaws is being charged at such premises:

Provided that the connected load for essential facilities such as maintenance and office setup at Electric Vehicle / Electric Rickshaws Charging Stations shall be within 10% of total connected load.

Applicable Tariff:

Category	Energy Charge (Paise/unit)
E- Vehicle / E- Rickshaws Charging Stations	714

Specific Terms and Conditions:

a) The energy charges for E- Vehicle / E- Rickshaws charging stations shall be applicable as given below:-

   (i) **During Solar Hours (9 AM to 5 PM):** Rebate of 20% on normal rate of energy charge shall be applicable on energy consumed during this period and;

   (ii) **During Non-Solar Hours (for remaining part of Day):** Surcharge of 20% on normal rate of energy charge shall be applicable on energy consumed during this period.

b) No minimum charges are applicable to this category of consumers.

c) Other terms and conditions shall be as specified under General Terms and Conditions for High Tension Tariff.

Tariff Schedule - HV - 9

Metro Rail:

Applicability:

This Tariff shall apply to Metro Rail for Traction and Non-Traction loads.

Tariff:

S. No.	Category	Monthly Fixed Charge (Rs. per kVA of billing demand per month)	Energy Charge (paise / unit)
1	Sub-Urban Rail Transport (Metro Rail) at 132kV/220kV	310	570

Specific Terms and Conditions:

(a) **Additional Charge for Excess demand:** Shall be billed as given in General Terms and Conditions for High Tension tariff.

(b) Annual Minimum charges shall be based on minimum consumption of 1,000 units (kWh) per kVA of Contract Demand, this being the first year of operation of Metro Rail project in the State. The method of billing of minimum charges shall be as given in General Terms and Conditions of High Tension Tariff.

(c) **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable as specified in General Terms and Conditions of High Tension Tariff.

(d) **Power Factor Penalty:**

i. If the power factor of a consumer falls to 89 percent or below but upto 85 %, penalty will be levied at the rate of one percent of total energy charges for the month for each one percent fall in the power factor below 90 percent. **For determination of power factor, lag only logic shall be used and no power factor penalty shall be levied if leading power factor is recorded.**

ii. If the power factor of a consumer falls to 84 percent or below, the consumer shall be levied a penalty of 5% (five percent) plus @ 2% (two percent) for each one percent fall in his power factor below 85 percent, on the total amount of bill under the head of “Energy Charge”. This penalty shall be subject to the condition that penalty on account of power factor does not exceed 35%.

iii. For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

Power Factor penalty shall be billed on the basis of energy actually consumed during the month.

iv. Notwithstanding what has been stated above, if the power factor of a new connection of the consumer is found to be 89% or less in any month during the initial 6 (six) months from the date of connection, the consumer shall be entitled to a maximum period of six months to improve it to not less than 90% subject to following conditions:

a) This period of six months shall be reckoned from the month in which the power factor was found for the first time to be 89% or less.

b) In all cases, the consumer will be billed penal charges for power factor, but in case the consumer maintains the power factor in subsequent three months (thus in all four months) to not less than 90%, the charges on account of power factor billed during the initial six months period, shall be withdrawn and credited in next monthly bills.

c) The facility, as mentioned herein, shall be available not more than once to new consumer whose power factor is 89% or less at any time during 6 months from the date of connection. Thereafter, the charges on account of power factor, if found 89% or less, shall be payable as by any other consumer.

(e) Other terms and conditions shall be as mentioned in the General Terms and Conditions of High Tension Tariff.

GENERAL TERMS AND CONDITIONS OF HIGH-TENSION TARIFF

The following terms and conditions shall be applicable to all HT consumer categories subject to Specific Terms and Conditions for that category as mentioned in the Tariff Schedule of respective category:

1.1 The contract demand shall be expressed in whole number only.

1.2 Tariff for Green Energy shall comprise of two elements namely, normal tariff as applicable to that category of consumer and Green Energy Charges as mentioned in Clause 1.25 and 1.26 (whichever is applicable) of General Terms and Conditions of HT Tariff.

1.3 **Character of Service:** The character of service shall be as per the Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

1.4 **Point of Supply:**

(a) The power will be supplied to the consumer ordinarily at a single point for the entire premises.

(b) In case of Railway Traction, the supply at each sub-station shall be separately metered and charged.

(c) In case of coal mines, the power will be supplied ordinarily at a single point for the entire premises. The power may, however, be supplied, on the request of the consumer, at more than one point subject to technical feasibility. In such cases, metering and billing will be done for each point of supply separately.

1.5 **Determination of Demand:** The **maximum demand** of the supply in each month shall be four times the largest number of kilovolt ampere hours delivered at the point of supply during any continuous 15 minutes during the month as per sliding window principle of measurement of demand.

1.6 **Billing demand:** The billing demand for the month shall be the actual maximum kVA demand of the consumer during the month or 90% of the contract demand, whichever is higher. In case power is availed through open access, the billing demand for the month shall be the actual maximum kVA demand during the month excluding the demand availed through open access for the period for which open access is availed or 90% of the contract demand, whichever is higher, subject to the provisions of Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

The provisions regarding additional charges for excess demand shall be applicable as per clause 1.16 of these conditions.

Note: The billing demand shall be rounded off to the nearest integer number i.e. the fraction of 0.5 or above will be rounded off to next integer figure and the fraction of less than 0.5 shall be ignored.

1.7 **Minimum charges shall be billed as follows:**

1) The consumer shall be billed for annual minimum charges based on consumption (kWh) number of units per kVA of contract demand specified for their category, irrespective of whether any energy is consumed or not during the year.

2) The consumer shall be billed one twelfth of annual minimum consumption (kWh) specified for their category each month in case the actual consumption is less than above mentioned minimum consumption.

3) During the month in which actual cumulative consumption equals or greater than the annual minimum consumption, no further billing of monthly minimum consumption shall be done in subsequent months of the financial year.

4) Tariff minimum consumption shall be adjusted in the month in which cumulative actual or billed monthly consumption exceeds cumulative monthly prorated minimum annual consumption. If actual cumulative consumption does not get fully adjusted in that month, adjustment shall continue to be provided in subsequent months of the financial year. The following example illustrates the procedure for monthly billing of consumption where prorated monthly minimum consumption is 100 kWh based on annual consumption of 1200 kWh.

Month	**Actual cumulative consumption (kWh)**	**Cumulative minimum consumption (kWh)**	**Higher of 2 and 3 (kWh)**	**Already billed in the year (kWh)**	**To be billed in the month = (4-5) (kWh)**
1	2	3	4	5	6
April	95	100	100	0	100
May	215	200	215	100	115
June	315	300	315	215	100
July	395	400	400	315	85
Aug	530	500	530	400	130
Sept	650	600	650	530	120
Oct	725	700	725	650	75
Nov	805	800	805	725	80
Dec	945	900	945	805	140
Jan	1045	1000	1045	945	100

Month	Actual cumulative consumption (kWh)	Cumulative minimum consumption (kWh)	Higher of 2 and 3 (kWh)	Already billed in the year (kWh)	To be billed in the month = (4-5) (kWh)
Feb	1135	1100	1135	1045	90
March	1195	1200	1200	1135	65

1.8 **Rounding off:** All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be ignored and 50 paisa upwards shall be rounded off to next Rupee.

Incentive/ Rebate / penalties

1.9 **Power Factor Incentive:**

Power factor incentive shall be payable as follows:

Power Factor	Percentage incentive payable on billed energy charges on the basis of energy actually consumed
96%	1.0 (one percent)
97%	2.0 (two percent)
98%	3.0 (three percent)
99%	5.0 (five percent)
100 %	7.0 (seven percent)

For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

1.10 **Load factor calculation**

1) The **Load Factor** shall be calculated as per the following formula:

$$\text{Load Factor (\%)} = \frac{\text{Monthly consumption X 100}}{\text{No. of hours in the billing month X Demand (KVA) X PF}}$$

i. Monthly consumption shall be units (kWh) consumed in the month excluding those received from sources other than Licensee.

ii. No. of Hours in billing month shall exclude period of scheduled outages in hours.

iii. Demand shall be maximum demand recorded or contract demand whichever is higher.

iv. Power factor shall be 0.9 or actual monthly power factor whichever is higher

Note: The load factor (%) shall be rounded off to the nearest lower integer. In case the consumer is getting power through open access, units set off from other sources, the net energy (after deducting units set off from other sources, from the consumed units) billed to consumer shall only be taken for the purpose of working out load factor. The billing month shall be the period in number of days between the two consecutive dates of meter readings taken for the purpose of billing to the consumer.

1.11 **Incentive for advance payment:** For advance payment made before commencement of consumption period for which bill is prepared, an incentive at one twelfth of annual interest rate in percentage applicable on working capital shall be given on the amount (excluding security deposit), which remains with the Distribution Licensee at the end of billing month. However, such amount shall be credited to the account of the consumer after adjusting any amount payable to the Distribution Licensee

Explanation:- Rate of Interest on working capital shall be equal to the Base Rate as on 1st April of FY 2025-26 plus 350 basis points.

1.12 **Rebate for online bill payment:** Rebate of 0.5% on the total bill amount maximum up to Rs 1000 will be applicable for making online payment of bill.

1.13 **Prompt payment incentive**: An incentive for prompt payment @0.25% of bill amount (excluding, security deposit, meter rent and Government levies viz. Electricity Duty and Cess) shall be given in case the payment is made at least 7 days in advance of the due date of payment where the current month billing amount is equal to or greater than Rs. One Lakh. The consumers in arrears shall not be entitled for this incentive.

1.14 **Time of Day (ToD) Rebate/Surcharge:** This rebate/surcharge shall be applicable to HV consumer categories (except HV-8: E- Vehicle / E-Rickshaws Charging Stations for which applicability of ToD rebate/surcharge is specifically mentioned in specific terms and conditions of that category) on energy charges according to the period of consumption during different periods of the day as per following table:

<table>
<tr><th>Sr. No</th><th>Consumer Tariff Category</th><th colspan="2">Peak / Off-peak Period</th><th>Rebate on energy charges on energy consumed during the corresponding period</th></tr>
<tr><td rowspan="4">1.</td><td rowspan="4">HV-2: Coal Mines, HV-3: Industrial, Non-Industrial and Shopping Malls, HV-4: Seasonal, HV-5: Irrigation, Public Water Works and Other than Agricultural and HV 9: Metro Rail</td><td colspan="2">Peak hours (6 AM to 9 AM and 5 PM to 10 PM)</td><td>Surcharge of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td colspan="2">Off peak /Solar hours (9 AM to 5 PM)</td><td>Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td rowspan="2">Off peak hours (10 PM to 6 AM next day)</td><td>For Months June to September</td><td>Rebate of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td>For Months April to May and October to March</td><td>Rebate of 7.50% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td rowspan="3">2.</td><td rowspan="3">HV-6: Bulk Residential Users</td><td colspan="2">Peak hours (6 AM to 9 AM and 5 PM to 10 PM)</td><td>Surcharge of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td colspan="2">Off peak /Solar hours (9 AM to 5 PM)</td><td>Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
<tr><td colspan="2">Off peak hours (10 PM to 6 AM next day)</td><td>Normal rate of energy charge shall be applicable for energy consumed during this period.</td></tr>
</table>

Note:

1. ToD rebate and surcharge shall not be applicable on Fixed charges.
2. The above mentioned off-peak period and peak period shall also be applicable for the purpose of banking as per the provision of Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 and amendments thereof.
3. Time of Day (ToD) Rebate/Surcharge shall not be applicable to HV-1: Railway Traction and HV-7:Sychronization of power for Generators connected to the Grid consumer categories.

1.15 **Power Factor Penalty (For consumers other than HV-1: Railway Traction and HV-9: Metro Rail)**

(i) If the power factor of the consumer falls to 89% or below, the consumer shall be levied a penalty @ 1% (one percent), for each one percent fall in his power factor below 90 percent, on total amount of bill under the head of "Energy Charges":

(ii) If the power factor of the consumer falls to 84% or below, the consumer shall be levied a penalty of 5% (five percent) plus @ 2% (two percent) for each one percent fall in his power factor below 85 percent on the total amount of bill under the head of "Energy Charges". This penalty shall be subject to the condition that penalty on account of power factor does not exceed 35%.

(iii) Should the power factor fall to below 69% or below, the Distribution Licensee reserves the right to disconnect the consumer's installation till steps are taken to improve the same to the satisfaction of the Distribution Licensee. This is, however, without prejudice to the levy of penalty charges for power factor in the event of supply not being disconnected.

(iv) For this purpose, the "power factor" shall have the same meaning as in Madhya Pradesh Electricity Supply Code, 2021, as amended from time to time.

Power Factor penalty shall be billed on the basis of energy actually consumed during the month.

(v) Notwithstanding what has been stated above, if the power factor of a new consumer is found to be 89% or less in any month during the initial 6 (six) months from the date of connection, the consumer shall be entitled to a maximum period of six months to improve it to not less than 90% subject to following conditions:

a) This period of six months shall be reckoned from the month following the month in which the power factor was found for the first time to be 89% or less.

b) In all cases, the consumer will be billed the penal charges for power factor, but in case the consumer maintains the power factor in subsequent three months (thus in all four months) to not less than 90%, the charges on account of power factor billed during the initial six months period, shall be withdrawn and credited in next monthly bills.

c) The facility, as mentioned herein, shall be available not more than once to new consumer whose power factor is 89% or less in any month during 6 months from the date of connection. Thereafter, the charges on account of power factor, if found 89% or less, shall be payable as applicable to any other consumer.

1.16 **Additional Charges for excess demand**

i. The consumer shall at all times restrict their actual maximum demand within the contract demand. In case the actual maximum demand in any month exceeds 120% of the contract demand, the tariffs given in various schedules shall apply to the extent of the 120% of the contract demand only. The consumer shall be charged for excess demand computed as difference of recorded maximum demand and 120% of contract demand on fixed charges and while doing so, the other terms and conditions of tariff, if any, shall also be applicable on the said excess demand. The excess demand so computed, if any, in any month shall be charged at the following rates from all consumers except Railway Traction.

ii. **Energy charges for excess demand**: No extra charges are applicable on the energy charges due to the excess demand.

iii. **Fixed charges for excess demand: -** These charges shall be billed as per following:

1. **Fixed charges for excess demand when the recorded maximum demand is up to 130% of the contract demand:** Fixed charges for excess demand over and above the 120 % of contract demand shall be charged at 1.3 times the normal fixed charges.

2. **Fixed charges for excess demand when the recorded maximum demand exceeds 130% of contract demand**: In addition to fixed charges in 1 above, recorded demand over and above 130 % of the contract demand shall be charged at 2 times the normal fixed charges.

Example for fixed charges billing for excess demand: If the contract demand of a consumer is 100 kVA and the maximum demand recorded in the billing month is 140 kVA, the consumer shall be billed towards fixed charges as under:-

a) Up to 120 kVA at normal tariff.

b) Above 120 kVA up to 130 kVA i.e. for 10 kVA at 1.3 times the normal tariff.

c) Above 130 kVA up to 140 kVA i.e. for 10 kVA at 2 times the normal tariff.

iv. The excess demand computed in any month will be charged along with the monthly bill and shall be payable by the consumer.

v. The billing of excess demand at higher tariff is without prejudice to the Licensee's right to discontinue the supply in accordance with the provisions contained in the Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time.

1.17 **Delayed Payment Surcharge:** Surcharge at the rate of 1.25 % per month or part thereof on the amount outstanding (including arrears) will be payable if the bills are not paid up to due date. The part of a month will be reckoned as full month for the purpose of calculation of delayed payment surcharge. The delayed payment surcharge will not be applicable after supply to the consumer is permanently disconnected. However, for the temporary connection, if any amount is outstanding after disconnection, Delayed Payment Surcharge shall be applicable as per Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time at the rate of 1.25% per month or part thereof.

1.18 All the rebates/incentives shall be calculated on amount excluding Government Subsidy.

1.19 **Service Charge for Dishonoured Cheques:** In case the cheque(s) presented by the consumer are dishonoured, a service charge at the rate of Rs. 1000/- plus applicable GST per cheque shall be levied in addition to delayed payment surcharge as per rules. This is without prejudice to the Distribution Licensee's rights to take action in accordance with any other applicable law.

1.20 **Temporary supply at HT:** The character of temporary supply shall be as defined in the M.P. Electricity Supply Code, 2021 as amended from time to time. If any consumer requires temporary supply then it shall be treated as separate service and charged subject to the following conditions.

(a) Fixed Charges and Energy Charges shall be charged at 1.25 times the normal tariff. The fixed charges shall be recovered for the number of days for which the connection is availed during the month by prorating the monthly fixed charges. Month shall be considered as the number of total days in that calendar month.

(b) The consumer shall ensure minimum consumption (kWh) as applicable to the permanent consumers on pro-rata based on number of days as detailed below:

$$\text{Minimum consumption for supply for temporary period} = \frac{\text{Annual minimum consumption as applicable to permanent supply X No. of days of temporary connection}}{\text{No. of days in the year}}$$

(c) The billing demand shall be the demand requisitioned by the consumer or the highest monthly maximum demand during the period of supply commencing from the month of connection ending with the billing month, whichever is higher. For example:

Month	Recorded Maximum Demand (kVA)	Billing Demand (kVA)
April	100	100
May	90	100
June	80	100
July	110	110
August	100	110
September	80	110
October	90	110
November	92	110
December	95	110
January	120	120
February	90	120
March	80	120

(d) The consumer shall pay the estimated charges in advance, before serving the Temporary Connection subject to replenishment from time to time and adjustment as per final bill after disconnection. No interest shall be given on such advance payment.

(e) Connection and Disconnection Charges shall also be paid.

(f) In case existing HT consumer requires temporary supply for the purpose of addition and/or alteration within the premises of existing HT connection, then the consumer is allowed to avail the same through its existing permanent connection to the extent of its Contract Demand and such consumer shall be billed at applicable tariff for permanent connection. Excess demand, if any, shall be treated as per the provisions in clause 1.16 above.

(g) Power factor incentives/penalties and the condition for Time of Day rebate shall be applicable at the same rate as for permanent connection.

Other Terms and Conditions:

1.21 The existing 11 kV consumer with contract demand exceeding 300 kVA who want to continue to avail supply at 11 kV at his request, shall be required to pay additional charge at 3 %. This additional charge of 3% shall be applicable for enhanced maximum demand recorded for fixed charges and incremental units proportionate to enhanced maximum demand recorded for energy charges.

1.22 The existing 33 kV consumer with contract demand exceeding 10,000 kVA who want to continue to avail supply at 33 kV at his request, shall be required to pay additional charge at 2%. This additional charge of 2% shall be applicable for enhanced maximum demand recorded for fixed charges and incremental units proportionate to enhanced maximum demand recorded for energy charges.

1.23 The existing 132 kV consumer with contract demand exceeding 50,000 kVA who want to continue to avail supply at 132 kV at his request, shall be required to pay additional charge at 1%. This additional charge of 1% shall be applicable for enhanced maximum demand recorded for fixed charges and incremental units proportionate to enhanced maximum demand recorded for energy charges.

1.24 No Metering Charges shall be levied.

1.25 Consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect shall be required to pay Green Energy Charges at the rate of Rs. 0.53/kWh and such charges shall be applicable over and above the normal tariff for that category of consumers. This facility shall be available to consumers who requisition any quantum of power upto 100% of their monthly consumption for availing power from RE sources. Further, such consumers may avail Green Energy for any number of days in a billing month.

1.26 The Consumers availing green energy from Distribution Licensee in accordance with provisions of MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof, shall be required to pay Green Energy Charges at Rs. 0.18/ kWh for Wind, Rs. 3/ kWh for HPO and Rs. 0.74/ kWh for Other, which shall be over and above the normal tariff of respective consumer category as per this Tariff Order.

1.27 **Standby Charges:-** Standby Charges for the purpose of Madhya Pradesh Electricity Regulatory Commission (Methodology for determination of Open Access charges and Banking charges for Green Energy Open Access consumers) Regulations, 2023 as amended from time to time, shall be 0.25 times of the tariff applicable to the consumer availing Green Energy Open Access, which shall be over and above the normal tariff of the respective consumer category.

1.28 The accounting and settlement for consumers availing net metering/group net metering /gross net metering/virtual net metering facility shall be as per Madhya Pradesh Electricity Regulatory Commission (Grid Interactive Renewable Energy System and Related Matters) Regulations, 2024 as amended from time to time.

1.29 The tariff does not include any tax or duty, etc. on electrical energy that may be payable at any time in accordance with any law then in force. Such charges, if any, shall be payable by the consumer in addition to the tariff charges.

1.30 No changes in the tariff or the tariff structure including minimum charges for any category of consumer are permitted except with prior written permission of the Commission. Any order without such written permission of the Commission will be treated as null and void and also shall be liable for action under relevant provisions of the Electricity Act, 2003.

1.31 In case a consumer, at his/her request, avails supply at a voltage higher than the standard supply voltage as specified under relevant category, he/she shall be billed at the rates applicable for actually availed supply voltage and no extra charges shall be levied on account of higher voltage.

1.32 All consumers to whom fixed charges are applicable are required to pay fixed charges in each month irrespective of whether any energy is consumed or not.

1.33 If any difficulty arises in giving effect to any of the provisions of this order, the Commission may, by general or special order, 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.

1.34 All conditions prescribed herein shall be applicable notwithstanding if any contrary provisions, exist in the agreement entered into by the consumer with the licensee.

1.35 Wherever, there is variation in general terms & conditions and specific terms & conditions given for any particular category, the specific terms and conditions shall prevail for that category.

1.36 In case any dispute arises regarding interpretation of this tariff order and/or applicability of this tariff, the decision of the Commission shall be final and binding.
