

## MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

5<sup>th</sup> Floor, Metro Plaza, Bittan Market, Bhopal - 462 016



### AGGREGATE REVENUE REQUIREMENT AND RETAIL SUPPLY TARIFF ORDER FOR FY 2026-27

Petition No. 140/2025

#### PRESENT:

Gopal Srivastava, Acting Chairman  
Gajendra Tiwari, Member

#### IN THE MATTER OF:

**Determination of Aggregate Revenue Requirement (ARR) and Retail Supply Tariff for FY 2026-27 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
AI	Artificial Intelligence
AKVNL	Audhyogik kendriya Vikas Nigam Limited
AMI	Advance Metering Infrastructure
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
DOP	Detailed Operating Procedure
DRE	Distributed Renewable Energy
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
ICT	Inter Connecting Transformer
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
MCR	Maximum Continuous Rating
MD	Maximum Demand
ML	Machine Learning
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
NPAF	Normative Plant Availability Factor
NPLF	Normative Plant Load Factor
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

RCO	Renewable Consumption Obligation
RSD	Reserve Shut Down
RTS	Roof Top Solar
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
SGTSP	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
TOTEX	Total Expenditure
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 26<sup>th</sup> Day of March, 2026)*

- 1.1 This Order is in response to the Petition No. 140 of 2025 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. 140 of 2025 on 28<sup>th</sup> November, 2025. The motion hearing on the Petition was held by the Commission on 9<sup>th</sup> December, 2025, 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 18<sup>th</sup> December, 2025 sought clarifications/ information to fill data gaps, based on the scrutiny of the Petition. Thereafter, the Commission vide letter dated 24<sup>th</sup> December, 2025 received communications from the Petitioners for extension of time for submission of additional information in response to data gaps. The Commission vide letter dated 30<sup>th</sup> December, 2025 allowed additional time for furnishing the additional information in response to data gaps by 09<sup>th</sup> January 2026.
- 1.4 The Commission vide letter dated 24<sup>th</sup> December 2025, 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. 140 of 2025) by 25<sup>th</sup> January 2026. Accordingly, the Petitioners published the public notice in the following newspapers:

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

<b>Newspaper</b>	<b>Language</b>
Central Chronicle, Bhopal	English
The Times of India, Bhopal	English
Acharan, Gwalior	Hindi
Navbharat, Gwalior	Hindi
People's Samachar, Gwalior	Hindi
Raj Express, Bhopal	Hindi

Newspaper	Language
Hitavada, Jabalpur	English
Pradesh Today, Chhindwara	Hindi
Dainik Bhaskar, Jabalpur	Hindi
Nai Duniya, Jabalpur	Hindi
Peoples Samachar, Jabalpur	Hindi
Raj Express, Jabalpur	Hindi
Dainik Jagran, Rewa	Hindi
Patrika, Sagar	Hindi
The Times of India, Indore	English
Dainik Bhaskar, Indore	Hindi
Dainik Bhaskar, Ujjain	Hindi
Dainik Bhaskar, Ratlam	Hindi

- 1.5 In response to the public notice, the Commission received 54 comments (East DISCOM: 13 Nos., West DISCOM: 29 Nos., Central DISCOM: 12 Nos.) from different stakeholders. The Commission conducted Public Hearings on 24<sup>th</sup> February, 2026 for East DISCOM, 25<sup>th</sup> February, 2026 for West DISCOM and 26<sup>th</sup> February, 2026 for Central DISCOM through hybrid mode and heard the objections/comments/suggestions of stakeholders participated in public hearing.
- 1.6 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 Comments on Licensees’ Petition**’ of this Order.
- 1.7 The Petitioners submitted the consolidated response to data gaps raised by the Commission through clarifications and additional information vide letter dated 12<sup>th</sup> January, 2026.

### Disclaimer for Rounding

- 1.8 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

- 1.9 The Petitioners through instant Petition have submitted the Revised Aggregate Revenue Requirement (hereinafter referred as ARR) for FY 2026-27 and tariff proposal for FY 2026-27. The Petitioners have prayed to approve the net ARR of Rs 65,374.38 Crore and the Revenue Gap of Rs. 6,043.78 Crore for FY 2026-27 and to recover the same through a tariff hike of 10.19% in the tariff of FY 2025-26. Summary of the Tariff proposal as submitted by the Petitioners for FY 2026-27 is as follows:

**Table 2 : Summary of Tariff proposal for FY 2026-27 as submitted by Petitioners (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Aggregate Revenue Requirement	18,540.31	26,108.02	20,726.05	65,374.38

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Revenue from sale of power as per existing tariff	16,826.28	23,694.28	18,810.04	59,330.60
<b>Revenue Gap for FY 2026-27</b>	<b>1,714.03</b>	<b>2,413.74</b>	<b>1,916.01</b>	<b>6,043.78</b>

### State Advisory Committee

- 1.10 The Commission convened a meeting of the State Advisory Committee (SAC) on 20<sup>th</sup> February, 2026 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 2026-27.

### Energy Accounting, Meterisation and technical & commercial loss reduction

- 1.11 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 the progress towards meterisation of agricultural DTRs has been very slow, 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 un-metered Domestic Rural connections up to the level of 4.07% and 5.07%, 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 are pending for replacement which needs to be replaced on urgent basis. 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, 2025 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	35,25,351	1,43,579	4.07%

DISCOM	Domestic Rural		
	Total no. of connections	No. of un-metered connections	Percentage (%) Un-metered
West DISCOM	23,80,097	5,155	0.22%
Central DISCOM	21,31,669	1,07,992	5.07%
<b>State</b>	<b>80,37,117</b>	<b>2,56,726</b>	<b>3.19%</b>

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	1,38,628	20,643	14.89%
West DISCOM	1,87,303	14,023	7.48%
Central DISCOM	4,05,759	89,720	22.11%
<b>State</b>	<b>7,31,690</b>	<b>1,24,386</b>	<b>16.99%</b>

- 1.12 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 does not provide any incentive for energy saving by the consumers and it makes accounting of actual losses impossible. The Commission has noted that the pace of meterisation of Agriculture DTRs is extremely slow and it needs to be expedited. 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.**
- 1.13 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 as amended from time to time. 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 as amended from time to time.
- 1.14 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. Further, the Commission vide 2<sup>nd</sup> amendment to MYT Regulations, 2021 has notified AT&C loss reduction trajectory for FY 2024-25 to FY 2026-27. The AT&C and distribution loss reduction trajectory specified in the

MYT Regulations, 2021 for FY 2026-27 is given in the following table:

**Table 5: AT&C and Distribution Losses Trajectory specified in the Regulations for FY 2026-27**

DISCOMs	AT&C Losses	Collection Efficiency	Distribution Losses
East DISCOM	14.00%	100%	14.00%
West DISCOM	12.00%	100%	12.00%
Central DISCOM	14.00%	100%	14.00%

- 1.15 The actual AT&C and distribution loss level for FY 2024-25 reported by the DISCOMs in the True-up Petition vis-a-vis normative targets is as follows:

**Table 6: Normative vis-à-vis Actual AT&C and Distribution Loss for FY 2024-25**

DISCOMs	Normative AT&C Losses	Actual AT&C Losses	Normative Distribution Losses	Actual Distribution Losses
East DISCOM	19.49%	25.53%	19.49%	26.66%
West DISCOM	13.40%	8.87%	13.40%	12.78%
Central DISCOM	19.57%	29.37%	19.57%	26.96%

- 1.16 The Commission appreciates the performance of West DISCOM in achieving lower Distribution and AT&C losses as compared to the loss trajectory specified by the Commission. On the other hand, East and Central DISCOMs 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.
- 1.17 In the previous Tariff Orders, 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.
- 1.18 The Commission has noted that the Government of India launched Revamped Distribution Sector Scheme (RDSS) with the objective of improving quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The scheme is targeted to reduce AT&C losses to Pan-India levels of 12-15% and to reduce the gap between ACS and ARR to zero. This scheme is reform based and result linked. DISCOMs of the State are participating in the scheme and have committed to

reduce AT&C losses as per prescribed targets under the approved Scheme for Madhya Pradesh in a time bound manner. Further, Ministry of Power vide notification dated 16<sup>th</sup> July, 2025, has extended the RDSS sunset date from 31<sup>st</sup> March, 2026 to 31<sup>st</sup> March, 2028 to ensure completion of loss reduction and smart metering works by the DISCOMs within the stipulated timeline, subject to no cost overrun.

- 1.19 It is pertinent to mention that the Commission has admitted the capital investment plan under RDSS and directed the Petitioners to closely monitor the outcomes of the capital investments to ensure that the envisaged results are achieved in a timely manner. The Commission emphasises that it is in the interest of the DISCOMs to expedite RDSS implementation and adhere to the timelines specified by the Central Government.

### Aggregate Revenue Requirement of DISCOMs

- 1.20 The Commission has determined the ARR and Retail Supply Tariff for FY 2026-27 for the DISCOMs in this Order as shown below in the table:

**Table 7: ARR admitted by the Commission for FY 2026-27 (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	11,019.25	10,855.30	19,891.87	17,647.81	11,285.63	12,009.76	42,196.75	40,512.88
Intra-State Transmission including SLDC Charges	2,182.33	1,640.61	2,072.38	2,236.60	2,101.70	1,988.28	6,356.42	5,865.49
O&M Expenses	2,047.54	2,030.54	1,808.06	1,818.33	1,921.08	1,963.23	5,776.69	5,812.10
Depreciation	448.63	399.71	344.55	184.15	397.56	384.46	1,190.74	968.32
Interest & Finance Charges								
<i>On Project Loans</i>	342.75	357.78	101.38	129.51	467.93	464.54	912.06	951.83
<i>On Working Capital Loans</i>	44.54	70.53	18.63	8.82	57.56	69.57	120.73	148.92
<i>On Consumer Security Deposit</i>	115.75	108.13	171.80	171.80	123.45	123.45	411.00	403.38
Return on Equity	312.66	290.45	198.61	198.61	350.88	339.07	862.15	828.13
Lease Charges for Smart Meters	164.71	164.71	72.71	72.71	276.20	276.20	513.62	513.62
R&D Fund	4.00	2.00	4.00	2.00	4.00	2.00	12.00	6.00
Bad & Doubtful Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Expenses Admitted</b>	<b>16,682.18</b>	<b>15,919.76</b>	<b>24,683.98</b>	<b>22,470.35</b>	<b>16,986.00</b>	<b>17,620.57</b>	<b>58,352.16</b>	<b>56,010.67</b>
Less: Other income and Non-Tariff Income	354.14	247.90	300.41	247.05	138.49	165.39	793.05	660.34
<b>Total ARR Admitted</b>	<b>16,328.04</b>	<b>15,671.86</b>	<b>24,383.56</b>	<b>22,223.30</b>	<b>16,847.51</b>	<b>17,455.17</b>	<b>57,559.11</b>	<b>55,350.33</b>
Revenue at Existing Tariff	16,826.28	17,080.24	23,694.28	23,708.93	18,810.04	18,967.91	59,330.60	59,757.08
<b>Revenue Gap/(Surplus) at Existing Tariff</b>	<b>(498.24)</b>	<b>(1,408.38)</b>	<b>689.28</b>	<b>(1,485.64)</b>	<b>(1,962.53)</b>	<b>(1,512.73)</b>	<b>(1,771.49)</b>	<b>(4,406.75)</b>

- 1.21 From the above, it can be observed that the Commission has admitted standalone ARR (excluding true up of previous years) of Rs. 55,350.33 Crore for FY 2026-27 against the Petitioners' claim of Rs. 57,559.11 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. Further, the revenue for FY 2026-27 at existing tariff is Rs. 59,757.08 Crore. Accordingly, on standalone basis for FY 2026-27, the DISCOMs are in Revenue Surplus of Rs. 4,406.75 Crore. The Commission has approved following True-ups Order for MPPGCL, MPPTCL and DISCOMs as follows:

- (i) Revenue Surplus of Rs.1.16 Crore in True-up of ARR of FY 2024-25 of MP Genco approved vide Order dated 25<sup>th</sup> March, 2026.
- (ii) Revenue Gap of Rs. 311.58 Crore in True-up of ARR of FY 2024-25 of MP Power Transmission Company Ltd. approved vide Order dated 23<sup>rd</sup> March, 2026.
- (iii) Revenue Gap of Rs. 6,963.27 Crore in True-up of ARR of FY 2024-25 of DISCOMs approved vide Order dated 25<sup>th</sup> March, 2026.

1.22 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 2026-27 to enable recovery of the same for DISCOMs. Therefore, considering the above True-ups, the Revenue Gap at existing tariff for FY 2026-27 works out as Rs.2,866.94 Crore. In order to allow recovery of the same, the Commission in this Order has allowed a tariff hike of 4.80% against the Petitioners' claim of 10.19%.

1.23 The Commission vide its Order dated 8<sup>th</sup> April, 2025 approved the True-up of MP Genco for FY 2023-24. The Commission in the said Order has approved the surplus of Rs 879 Crore to be passed on by MP Genco to MP Power Management Company Ltd. / three Distribution Companies in six equal monthly instalments during FY 2025-26. As this surplus amount has been passed on by MP Genco to MPPMCL/DISCOMs in FY 2025-26, it has not been considered in approval of ARR for FY 2026-27 and the same shall be examined while carrying out the true-up of DISCOMs for FY 2025-26.

1.24 The ARR admitted for the DISCOMs for FY 2026-27, 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 2026-27 (Rs. Crore)**

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
<b>Total ARR (excluding True-up)</b>	<b>16,328.04</b>	<b>15,671.86</b>	<b>24,383.56</b>	<b>22,223.30</b>	<b>16,847.51</b>	<b>17,455.17</b>	<b>57,559.11</b>	<b>55,350.33</b>
Revenue Gap of MP Transco True-up of FY 2024-25	0.00	189.57	0.00	56.29	0.00	65.72	0.00	311.58
Revenue Surplus of MP Genco True-up of FY 2024-25	0.00	0.35	0.00	0.41	0.00	0.40	0.00	1.16
Revenue Gap of MP DISCOMs True-up of FY 2024-25	2,212.27	2,028.29	1,724.46	2,562.92	3,878.54	2,372.06	7,815.27	6,963.27
<b>Total ARR (including True-up)</b>	<b>18,540.31</b>	<b>17,889.37</b>	<b>26,108.02</b>	<b>24,842.10</b>	<b>20,726.05</b>	<b>19,892.55</b>	<b>65,374.38</b>	<b>62,624.02</b>
Revenue at Existing Tariff	16,826.28	17,080.24	23,694.28	23,708.93	18,810.04	18,967.91	59,330.60	59,757.08
<b>Revenue Gap/(Surplus) at Existing Tariff</b>	<b>1,714.03</b>	<b>809.13</b>	<b>2,413.74</b>	<b>1,133.16</b>	<b>1,916.01</b>	<b>924.64</b>	<b>6,043.78</b>	<b>2,866.94</b>
Revenue at Proposed Tariff	18,540.31	17,889.37	26,108.02	24,842.10	20,726.05	19,892.55	65,374.38	62,624.02
<b>Revenue Gap/(Surplus) at Proposed Tariff</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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 2024-25, the Petitioner had claimed Revenue Gap of Rs. 7,815.27 Crore i.e., including Supplementary Power Purchase Bills for period FY 2014-15 to FY 2022-23. However, the Commission after exercising prudence check of the said claim and considering the stakeholders observations has admitted Revenue Gap of Rs. 6,963.27 Crore.

- 1.26 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.
- 1.27 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.
- 1.28 The Commission through 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> 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. In this regard, **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.**
- 1.29 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.
- 1.30 The Commission in this Order has determined the Green Energy Charges for consumers availing Green Energy from Distribution Licensee 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.
- 1.31 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**

- 1.32 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.

- 1.33 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/-**  
**(Gajendra Tiwari)**  
**Member**

**Sd/-**  
**(Gopal Srivastava)**  
**Acting Chairman**

Date: 26<sup>th</sup> March, 2026  
Place: Bhopal

## **A2: AGGREGATE REVENUE REQUIREMENT FOR PETITIONERS**

### **Sales Forecast**

#### **Sales forecast as submitted by the Petitioners**

- 2.1 Petitioners submitted that, in accordance with Regulation 18 of the MYT Regulations, 2021, the sales mix and quantum of sales are considered uncontrollable factors. This is because actual electricity consumption is influenced by various factors beyond the Licensee's control, such as economic conditions, weather variations, force majeure events like natural disasters, changes in consumption patterns, Government policies, and others.
- 2.2 For projection of sales for FY 2026-27, 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, to enhance forecasting accuracy, the Petitioners have taken preceding six years data, i.e., from FY 2019-20 to FY 2024-25 and the sales data of FY 2025-26 up to the month of August, 2025.
- 2.3 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.
- 2.4 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).

- 2.5 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 2026-27 (MU)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
LV-1: Domestic	7,357.57	7,645.21	6,896.83	21,899.61
LV-2: Non-Domestic	1,693.06	1,986.81	1,639.30	5,319.17
LV-3: Public Water Works & Street Light	939.15	1,073.78	717.13	2,730.06
LV-4 LT Industrial	504.54	840.47	375.96	1,720.97
LV 5: Agriculture and Allied Activities	8,134.26	12,191.21	11,214.47	31,539.94
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	2.57	6.84	3.06	12.48
<b>LT Total</b>	<b>18,631.16</b>	<b>23,744.33</b>	<b>2,0846.75</b>	<b>63,222.24</b>
HV-1: Railway Traction	0.00	0.00	55.32	55.32
HV-2: Coal Mines	487.27	0.00	22.90	510.17
HV-3.1: Industrial	3,253.06	6,107.00	3,855.95	13,216.01
HV-3.2 & 3.3 : Non-Industrial & Shopping Mall	358.45	744.20	710.26	1,812.92
HV-3.4 Power Intensive Industries	279.35	833.17	454.66	1,567.17
HV-4: Seasonal	19.94	12.95	4.58	37.47
HV-5: Irrigation, Public Water Works and Other than Agricultural	303.72	1,632.22	579.30	2,515.24
HV-6: Bulk Residential Users	228.29	47.89	168.97	445.15
HV-7: Synchronization of Power for Generators connected to the Grid	3.85	31.54	5.26	40.65
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	0.00	9.43	3.21	12.64
HV 9: Metro Rail	0.00	8.18	1.65	9.82
<b>HT Total</b>	<b>4,933.93</b>	<b>9,426.58</b>	<b>5,862.05</b>	<b>20,222.56</b>
<b>Total Sales for State</b>	<b>23,565.09</b>	<b>33,170.91</b>	<b>26,708.80</b>	<b>83,444.80</b>

### Commission's Analysis on Sales forecast

- 2.6 The Commission has observed that the Petitioners have relied on the actual data pertaining to FY 2019-20 to FY 2025-26 (up to August) for projection of number of consumers, connected load and sales for FY 2026-27. In order to project number of consumers, connected load and sales for FY 2026-27, the Commission has found it appropriate to consider last six years data from FY 2019-20 to FY 2024-25 and FY 2025-26 (up to December).
- 2.7 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.

2.8 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 2026-27 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 2025-26 considering 9 months actual data, i.e., April to December, 2025 and estimated the sales for January to March, 2026 by considering the proportion of actual energy sales in last 3 months (January – March, 2025) with respect to actual energy sales during first nine months of FY 2024-25 (April to December 2024). Using this average proportion of sales, the Commission has extrapolated the actual energy sales till the month of December, 2025 for the full year to assess the revised estimated energy sales for FY 2025-26. 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 2026-27.
- 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.

2.9 Based on above approach, the sales admitted for FY 2026-27 by the Commission is as follows:

**Table 10: Category wise sales admitted by the Commission for State for FY 2026-27 (MU)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
LV-1: Domestic	7,364.86	7,549.71	6,935.64	21,850.21
LV-2: Non-Domestic	1,707.62	1,995.07	1,633.02	5,335.70
LV-3: Public Water Works & Street Light	1,141.87	1,090.71	793.10	3,025.68
LV-4 LT Industrial	509.50	848.56	375.89	1,733.96
LV 5: Agriculture and Allied Activities	8,247.75	12,226.71	11,342.91	31,817.37
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	2.57	6.84	3.06	12.48
<b>LT Total</b>	<b>18,974.17</b>	<b>23,717.60</b>	<b>21,083.62</b>	<b>63,775.40</b>
HV-1: Railway Traction	0.00	0.00	55.32	55.32
HV-2: Coal Mines	471.52	0.00	21.56	493.08
<i>HV-3.1: Industrial</i>	3,302.94	5,152.48	3,429.86	11,885.29
<i>HV-3.2: Non-Industrial</i>	356.03	692.30	668.88	1,717.21
<i>HV-3.3: Shopping malls</i>	8.90	50.64	44.49	104.03
<i>HV-3.4: Power Intensive Industries</i>	293.32	1,775.87	899.60	2,968.80

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
HV-3: HT Industrial, Non-Industrial and shopping malls	3,961.20	7,671.29	5,042.84	16,675.32
HV-4: Seasonal	32.37	10.04	5.70	48.11
HV-5: Irrigation, Public Water Works and Other than Agricultural	320.36	1,645.49	593.30	2,559.15
HV-6: Bulk Residential Users	242.07	49.25	166.45	457.76
HV-7: Synchronization of Power for Generators connected to the Grid	3.85	32.91	5.79	42.55
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	0.00	9.43	3.21	12.64
HV-9: Metro Rail	0.00	8.18	1.65	9.82
<b>HT Total</b>	<b>5,031.36</b>	<b>9,426.59</b>	<b>5,895.80</b>	<b>20,353.75</b>
<b>Total Sales for State (LT + HT)</b>	<b>24,005.53</b>	<b>33,144.19</b>	<b>26,979.42</b>	<b>84,129.15</b>

## Energy Balance

### Petitioners' Submission

- 2.10 The Petitioners submitted that for projecting the energy requirement for FY 2026-27, annual sales have been converted into monthly sales using the sales profile actually observed in the past years for each DISCOM.
- 2.11 Regulation 26.1 of the MYT Regulation, 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.
- 2.12 Petitioners submitted that, in view of the implementation delays under the RDSS scheme particularly in system strengthening works, loss reduction initiatives, and smart metering, which are largely beyond their control the achievement of the originally approved AT&C loss reduction targets has been adversely impacted.
- 2.13 They further submitted that the Ministry of Power (MoP) has duly recognized these ground realities and revised the Result Evaluation Framework (REF) targets by deferring them to subsequent years. Accordingly, the Petitioners have requested the Commission to adopt a similar pragmatic approach and grant relaxation in the AT&C loss targets for tariff determination for FY 2026–27 by allowing the approved loss levels of FY 2025–26 to continue, thereby ensuring alignment with central guidelines and enabling realistic and achievable performance benchmarks without imposing undue financial strain on the Distribution.
- 2.14 Petitioners submitted that for determining the power purchase requirement and cost for FY 2026-27 they have considered the distribution loss levels for FY 2026-27 as per the revised

trajectory as approved by the Commission.

- 2.15 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.
- 2.16 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 (NPAF) 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 (NPLF) 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.
- 2.17 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 come 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.
- 2.18 The Petitioners have therefore, assessed the normative profiling of distribution losses for FY 2026-27 in tandem with actual distribution losses recorded during FY 2024-25. 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.
- 2.19 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 2026-27.
- 2.20 The Intra-State transmission losses of 2.60% for FY 2024-25 as reported by MPPTCL to

MPPMCL have been considered for FY 2026-27. 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 03<sup>rd</sup> November 2024 to 26<sup>th</sup> October 2025 (52-weeks data).

- 2.21 Based on the above, the Petitioners have projected energy requirement for FY 2026-27 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 2026-27 (MU)**

Particulars	Unit	East DISCOM	West DISCOM	Central DISCOM	State
Sales	MU	23,565.11	33,170.91	26,708.44	83,444.46
Distribution loss	%	14.00%	14.00%	12.00%	13.21%
Distribution loss	MU	3,835.88	4,522.98	4,346.15	12,750.00
Energy Requirement at DISCOM Boundary	MU	27,400.99	37,693.89	31,054.59	96,149.47
Intra-State Transmission Losses	%	2.60%	2.60%	2.60%	2.60%
Intra-State Transmission Losses	MU	732.11	1,006.37	830.08	2,568.57
Energy Requirement at State Boundary	MU	28,132.75	38,700.53	31,883.92	98,717.20
Inter-State Transmission Losses	MU	672.18	946.73	762.01	2,380.92
<b>Ex-Bus Energy Requirement</b>	<b>MU</b>	<b>28,804.93</b>	<b>39,647.26</b>	<b>32,645.93</b>	<b>1,01,098.12</b>

## Commission's Analysis

- 2.22 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 07<sup>th</sup> November, 2023 on Review Petition filed by the Petitioners decided not to revise the approach.
- 2.23 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 given several directions earlier, 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.
- 2.24 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 2026-27, monthly sales profile, which is based on the actual sales profile of past years, as submitted by the Petitioners, has been considered.

- 2.25 The distribution loss level trajectory as specified for FY 2026-27 in the 2<sup>nd</sup> amendment of MYT Regulations, 2021 is given in the table below:

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

DISCOMs	FY 2026-27
East	14.00%
West	12.00%
Central	14.00%

- 2.26 As regards the Petitioner's request to adopt a similar approach and grant relaxation in the AT&C loss targets for tariff determination for FY 2026–27 by allowing the approved loss levels of FY 2025–26 to continue, the Commission is of the view that the loss targets have been approved in the MYT Regulations, 2021 after due stakeholder consultation process and considering all the aspects submitted by the Petitioner. The Petitioners are well aware of the targets fixed by the Commission and West Discom has already achieved the loss levels below the targets. Hence, it would not be appropriate to revise the loss targets at this stage. Accordingly, the Commission has considered the distribution losses target for FY 2026-27 as specified in MYT Regulations, 2021 for projecting the energy requirement for FY 2026-27. Further, the Commission 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.
- 2.27 The Commission has considered the Inter-State transmission losses as 3.83% based on actual PGCIL losses on all India Average basis considering the weekly losses for the period of 07<sup>th</sup> March, 2025 to 28<sup>th</sup> February, 2026 (52-weeks data).
- 2.28 Intra-State transmission losses have been considered as per actual losses for FY 2024-25, i.e., 2.60% as submitted by MPPTCL in their annual report of regulatory compliance for FY 2024-25.
- 2.29 The energy balance / Energy requirement computed based on admitted sales and normative losses for FY 2026-27, is shown in the following tables:

**Table 13: Energy requirement admitted by the Commission for FY 2026-27**

Particular	East DISCOM	West DISCOM	Central DISCOM	State
Total Sales (MU)	24,005.53	33,144.19	26,979.42	84,129.15
Distribution loss (%)	14.00%	12.00%	14.00%	13.22%
Distribution loss (MU)	3,907.88	4,519.66	4,392.00	12,819.54
Input at T-D interface (MU)	27,913.41	37,663.85	31,371.42	96,948.69
Intra State Transmission loss (%)	2.60%	2.60%	2.60%	2.60%

Particular	East DISCOM	West DISCOM	Central DISCOM	State
Intra State Transmission loss (MU)	745.12	1,005.40	837.43	2,587.95
Input at G-T interface (MU)	28,658.53	38,669.26	32,208.85	99,536.64
Inter State Transmission Losses (MU)	734.05	990.45	824.98	2,549.48
<b>Power Purchase Requirement for FY 2026-27 (MU)</b>	<b>29,392.58</b>	<b>39,659.71</b>	<b>33,033.84</b>	<b>1,02,086.12</b>

## Assessment of Energy Availability

### Petitioners' Submission

- 2.30 Petitioners submitted that for accurate determination and projection of power purchase cost remain imperative to ensure reasonable recovery of expenses under the purview of Section 61 of the Electricity Act, 2003. The current prevalent methodology employed for the assessment of Power Purchase cost operates on a consolidated monthly basis framework, whereby the total energy Availability and consumer Demand of the Distribution licensee are aggregated across the calendar month. Subsequently, power procurement Scheduling and corresponding cost computations are undertaken on the basis of this aggregated data without capturing the impact of hour-wise generation and demand profile.
- 2.31 Further, submitted that prevailing approach inherently treats Energy Availability and Demand on equal footing, thereby neglecting the fundamentally time-coupled nature of Supply and Demand. Petitioners submitted that renewable energy sources, particularly Solar Power, are predominantly available during daylight hours and must consequently be scheduled to meet demand or energy requirements specific to those periods. However, the prevailing methodology for assessing power purchase costs fails to account for these hourly generation profiles.
- 2.32 Furthermore, the existing methodology also does not capture the impact of Technical Minimum scheduling while determining the energy requirement for the Distribution licensee. Instead, the existing methodology totally based on the Merit Order Despatch (MOD) Principle wherein the total availability from generating stations is schedule in order of increasing Variable Charges till the required normative Demand is met. This tantamount that those stations falling below the last despatched stations in the MoD rank, i.e., the Stations above which the normative energy requirement (and surplus sale if any) is fulfilled, shall remain under backdown or RSD throughout the months/year. However, in actual scenario it is not possible even when the actual loss of the Licensee remains within the normative range. It is submitted that the MPPMCL/DISCOMs are required to first ensure Technical Minimum Scheduling for State Gencos, Central Generating Stations and for IPPs as well in line with Detailed Operating Procedure (DOP) issued by the appropriate Regulatory Commissions. The MoD principle is applied after honouring the Technical Minimum Scheduling of the generating stations.
- 2.33 Petitioners submitted that the above mentioned demerit of existing methodology generally leads to substantial disparities in the estimated versus actual Power Purchase Cost, as

observed during truing-up proceedings of ARR from previous years.

- 2.34 The Petitioners submitted that the Commission has notified the MPERC (Framework for Resource Adequacy) Regulations, 2024 (herein after referred as MPERC RA Regulations, 2024), which mandate the preparation of Long-term, Medium-term, and Short-term Distribution Resource Adequacy Plans. These Regulations require assessment of demand and energy availability on an hourly basis, rather than on a consolidated energy basis.
- 2.35 Taking cognizance of the various relevant provisions as specified under the MPERC RA Regulations, 2024, the Petitioners for the first time have attempted to determine the power purchase cost on hourly basis in this Petition.
- 2.36 Petitioners submitted that for the purpose of projecting the hourly demand for the financial year 2026-27, the Petitioners have commenced with a base analysis of the most recent actual hourly demand data, specifically for the financial year 2024-25. To ensure data accuracy and reliability, the Petitioners have utilized the Block-wise Deviation Report encompassing actual demand data for all three State Distribution Companies. This report, issued by the Madhya Pradesh State Load Despatch Centre (MP SLDC), covers the complete period from 1st April 2024 to 31st March 2025. The report contains granular scheduled energy drawal data expressed in kilowatt-hours (kWh) for each of the 96 (fifteen-minute time) blocks corresponding to every day of the FY 2024-25.
- 2.37 The Petitioners have meticulously extracted the actual scheduled drawal figures at 15-minute intervals (i.e., quarter-hourly blocks) for each day throughout FY 2024-25, aggregating the data across all three DISCOMs to represent the consolidated State demand. To translate this 15-minute block data into hourly demand values, the Petitioners computed the sum of the scheduled energy (in kWh) of four consecutive 15-minute blocks for each hour of the day. This aggregation yields the total energy demand within each one-hour interval for every day. Consequently, the Petitioners derived the hourly demand profile at the State level on a day-by-day basis for the entire financial year 2024-25.
- 2.38 Petitioners submitted that to establish representative hourly demand profiles for each month, the Petitioners further aggregated these hourly demand values by summing the demand corresponding to the same hour across all days of the respective month. The resulting sum was then considered to represent the hourly demand for that particular hour of the month.
- 2.39 Petitioners submitted that following a similar methodology as employed for hourly demand estimation, the Petitioners undertook the process of estimating the hourly availability of each contracted generating source by first collecting actual declared availability data at 15-minute intervals (block-wise) for each generating station for every day in FY 2023-24 and FY 2024-25. This detailed data was furnished by the Madhya Pradesh State Load Despatch Centre (MP SLDC) and the State Planning Cell (MP SPC). Thereafter, the average of declared availability of four consecutive 15-minute blocks was calculated to derive the average hourly availability for each hour of the day. This hourly availability calculation was performed for every day throughout FY 2023-24 and FY 2024-25.
- 2.40 Further, Petitioners submitted that to derive representative hourly availability profiles for each

month, the Petitioners further averaged the hourly availability values corresponding to the same hour across all days within a given month. This resulted in an hourly availability figure considered representative of that hour for the month. Hour-wise monthly availability was thus computed for all 24 hours of each month of FY 2023-24 and FY 2024-25.

- 2.41 Utilizing the installed capacities of the plants, the Petitioners calculated the representative Plant Availability Factor (PAF) on an hourly basis for FY 2023-24 and FY 2024-25. For new generating stations and/or plants for which historical availability data was not available, the Petitioners adopted average hourly Plant Availability Factors as considered by the State Planning Cell (SPC) under the Resource Adequacy Plan.
- 2.42 Petitioners submitted that they have collected plant-wise maintenance and overhauling schedules, primarily from MP Genco's thermal and hydro Generating units. Taking this information into account, the Petitioners exercised their best judgment in selecting appropriate hourly Plant Availability Factors for each generating station and accordingly projected the representative hourly availability for the financial year 2026-27.
- 2.43 The Petitioners further proceeded to calculate the hourly power purchase cost following the approach outlined below:
- For each representative hour of the month, the Petitioners first scheduled the must run stations viz Solar, Wind, Hydro, Biomass/Biogas and also nuclear stations against the corresponding hourly demand/normative energy requirement.
  - After fulfilling the entire energy availability from must run sources, the Petitioners scheduled tied-up Thermal generating stations at their Technical Minimum level (@55%). The remaining energy requirement for each representative hour of the month was then computed after accounting for these must-run and Technical Minimum schedules.
  - To fulfil the remaining normative energy requirement, the Petitioners applied Merit Order Dispatch, whereby the balance demand was met by scheduling thermal generating stations in ascending order of their energy charges, thereby optimizing cost efficiency.
  - Based on the total energy scheduled from each Generating Station (including must-run, Technical Minimum, and Merit Order Dispatch), the Petitioners calculated the corresponding Variable Cost by applying the actual Energy Charges (in Rs./kWh) applicable to each respective station.
  - Subsequently, the Petitioners evaluated the surplus power availability hour-wise from each tied-up Generating Stations for the representative hours of the month. Concurrently, Petitioners have also worked out the market rate (IEX) for the latest available months on hourly basis.
  - For any surplus power available where the applicable station's Variable rate was lower than the prevailing market rate, the Petitioners assumed such surplus could be sold in

the market. The net financial saving on account of such surplus power sales was computed as the difference between the variable cost of surplus power sold and the revenue realized from the market sale.

- Finally, this net saving from surplus power sale was deducted from the total calculated variable cost to arrive at the finalized hourly power purchase cost projection for FY 2026-27.

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

- Existing long-term allocated generation capacity of MP.
- New generation capacity additions during FY 2025-26 (after Nov 25) and FY 2026-27 for Renewables, Central Sector, Joint Venture and by private players awarded through competitive bidding.
- Impact of change in generation capacity allocation in WR, NR and ER.

2.45 The details of upcoming capacity additions anticipated during FY 2026-27 are as follows:

**Table 14: Details of Capacity Addition with respect to Solar Projects during FY 2026-27**

Project	Capacity (MW)	Expected commissioning	Project	Capacity (MW)	Expected commissioning
<b>FY 2025-26</b>			<b>FY 2026-27</b>		
RUMS, Neemuch	149	Expected up to February 2026	KUSUM A	347	Expected up to April 2026
CPSU – II NTPC	500	Expected up to February 2026	CPSU – II SECI	500	Expected up to September 2026
NHPC, Rajasthan	320	Expected up to March 2026	KUSUM A	1,385	Expected up to February 2027
			KUSUM C	1,114	Expected up to February 2027
<b>Total</b>	<b>9,69</b>		<b>Total</b>	<b>2,999</b>	

**Table 15: Details of Capacity Addition with respect to Hydro Projects during FY 2026-27**

Project	Capacity (MW)	Expected commissioning	Project	Capacity (MW)	Expected commissioning
<b>FY 2025-26</b>			<b>FY 2026-27</b>		
Amhata-IV	3.80	Dec-25	NHPC - Lower Subhansiri	13.13	June-26
NHPC - Lower Subhansiri	13.13	Dec-25		13.13	June-26
	13.13	Dec-25		13.13	Nov-26
	13.13	Mar-26		13.13	Nov-26
	13.13	Mar-26			
NHPC - Rangit 120 MW	16.00	Dec-25			
<b>Total</b>	<b>72.30</b>			<b>52.50</b>	

2.46 The following table shows allocated capacity from existing stations as well as the new

capacity additions, which are expected to become operational during FY 2026-27:

**Table 16: Allocated stations submitted by the Petitioners for FY 2026-27**

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
1	Amarkantak TPS Ph-III	210.00	100.00%	206.78*
2	Satpura TPS Ph-IV	500.00	100.00%	490.77*
3	SGTPS Ph-I & II	840.00	100.00%	824.49*
4	SGTPS Ph-III	500.00	100.00%	490.77*
5	Shri Singaji STPS Phase-I	1,200.00	100.00%	1,177.85*
6	Shri Singaji STPS Phase-II	1,320.00	100.00%	1,320.00
<b>A</b>	<b>Total (MP Genco Thermal-MP Share)</b>	<b>4,570.00</b>		<b>4,510.66</b>
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	59.68%	26.86
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>B</b>	<b>Total (MP Genco Hydel)</b>	<b>1,186.00</b>		<b>921.53</b>
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	0.17%	0.71
25	SJVN Jhakri HPS	1,500.00	0.19%	2.80
26	Tehri HPS	1,000.00	0.19%	1.86
27	Koteshwar HPP	400.00	0.19%	0.74
28	NHPC Parbati II & III	1,320.00	0.28%	3.72
29	NHPC Chamera II	300.00	0.34%	1.01
30	NHPC Chamera III	231.00	0.28%	0.65
31	NHPC Dulhasti	390.00	0.28%	1.10
32	NHPC Dhauliganga	280.00	0.28%	0.79
33	NHPC Sewa II	120.00	0.28%	0.34
35	NHPC Kishanganga	330.00	0.28%	0.93
36	NTPC Koldam HPP I	800.00	0.13%	1.04
37	NTPC Singrauli Small HPP	8.00	0.28%	0.02
38	NHPC Lower Subansiri HEP Units	2,000.00	5.25%	105.00
40	NHPC - Rangit	120.00	13.33%	16.00
41	SAS Hydel Project Pvt Ltd.	-	-	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

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
45	Sirmour Small Hydel Pvt. Ltd.	-	-	24.00
46	NVDA Indira sagar LBC HPS	15.00	100.00%	15.00
47	NVDA Bargi LBC HPS	10.00	100.00%	10.00
48	Mini & Micro Hydel Plants	-	-	7.26
<b>C</b>	<b>Total (JV Hydel &amp; Other Hydel)</b>	<b>1,2547.82</b>		<b>2615.14</b>
49	NTPC Korba	2,100.00	22.71%	476.97
50	NTPC Korba III	500.00	14.26%	71.30
51	NTPC Vindiyachal I	1,260.00	34.54%	435.15
52	NTPC Vindiyachal II	1,000.00	31.31%	313.08
53	NTPC Vindiyachal III	1,000.00	24.01%	240.08
54	NTPC Vindiyachal IV	1,000.00	27.40%	274.02
55	NTPC Vindiyachal V Unit 1	500.00	27.33%	136.66
56	NTPC Sipat I	1,980.00	16.05%	317.86
57	NTPC Sipat II	1,000.00	18.31%	183.08
58	NTPC Mouda I	1,000.00	1.31%	178.65
59	NTPC Mouda II Unit 1	1,320.00	1.75%	253.85
60	NTPC Solapur STPS	1,320.00	24.18%	319.12
61	NTPC Gadarwara STPS, Unit-1	800.00	51.76%	414.08
62	NTPC Lara STPS, Raigarh, Unit I	1,600.00	10.96%	175.35
63	NTPC Khargone STPS, Unit-I & II	1320.00	51.76%	683.24
64	NTPC Kawas GPP	656.20	0.02%	0.13
65	NTPC Gandhar GPP	657.39	0.02%	0.15
66	KAPP Kakrapar	1,840.00	19.58%	360.21
68	TAPP Tarapur	1,080.00	20.94%	226.18
69	NTPC Gadarwara STPS, Unit-2	800.00	51.76%	414.08
<b>D</b>	<b>Total WR Region</b>	<b>22,733.59</b>		<b>5,473.25</b>
70	NTPC Kahalgaon II	1,500.00	4.93%	73.95
71	LoI through DVC (Sep-2020 to Mar-2032)	1000.00	10.00%	100.00
<b>E</b>	<b>Total ER Region</b>	<b>2,500.00</b>		<b>173.95</b>
72	NTPC Auraiya GPP	663.00	0.28%	1.86
73	NTPC Dadri GPP	830.00	0.29%	2.42
74	NTPC Anta GPP	419.00	0.28%	1.18
75	NTPC Firoz Gandhi Unchahar I	420.00	0.03%	0.12
76	NTPC Firoz Gandhi Unchahar II	420.00	0.09%	0.38
77	NTPC Firoz Gandhi Unchahar III	210.00	0.09%	0.19
78	NTPC Firoz Gandhi Unchahar IV	500.00	0.09%	0.46
79	NTPC Rihand TPS-I	1,000.00	0.09%	0.91
80	NTPC Rihand TPS-II	1,000.00	0.09%	0.91
81	NTPC Rihand TPS-III	1,000.00	0.09%	0.91
82	NTPC NCTP Dadri II	980.00	0.09%	0.88
83	NTPC Singrauli	2,000.00	0.09%	1.82
84	NTPC IGPS I Jhajjar	1,500.00	0.14%	2.14
85	MEJA Urja Nigam	1,320.00	0.14%	1.86
86	NTPC Tanda	1,320.00	0.06%	0.80
87	Ghatampur TPP	660.00	0.13%	0.85
88	Khurja STPS	1,320.00	0.19%	2.50
89	Rajasthan (NPCIL)	1,030.00	0.28%	2.90

Sr. No	Source	Plant Capacity (MW)	MP's Share in %	MP's Share in MW
90	NARORA (NPCIL)	440.00	0.27%	1.20
<b>F</b>	<b>Total NR Region</b>	<b>17,032.00</b>		<b>24.29</b>
91	Torrent Power	1,147.50	6.54%	75.00
92	BLA Power, Unit-I & II	90.00	35.00%	31.50
93	Jaypee Bina Power	500.00	65.00%	350.00
94	Lanco Amarkantak TPS Unit 1	300.00	100.00%	300.00
95	Reliance UMPP, Sasan	3,960.00	37.50%	1,485.00
96	Essar Power STPS	1,200.00	5.00%	60.00
97	Jaiprakash Power STPS, Nigri	1,320.00	37.50%	495.00
98	MB Power STPS, Unit-I	600.00	35.00%	210.00
99	MB Power STPS, Unit-II	600.00	35.00%	210.00
100	Jhabua Power STPS, Unit-1	600.00	35.00%	210.00
101	PFCCCL	0.00	0.00%	218.00
<b>G</b>	<b>Total (IPPs)</b>	<b>10,317.50</b>		<b>3,644.50</b>
102	DRE Solar	291.39	100.00%	291.39
103	ISTS Solar	3,543.35	100.00%	3,543.35
104	MP Solar	1,169.00	100.00%	1169.00
	<b>Total (Solar)</b>	<b>5,003.74</b>		<b>5,003.74</b>
105	DRE Wind	539.65	100.00%	539.65
106	ISTS Wind	747.26	100.00%	747.26
107	MP Wind	1,851.40	100.00%	1,851.40
	<b>Total (Wind)</b>	<b>3,138.31</b>		<b>3,138.31</b>
108	<b>Bio Mass/Bio gas/MSW</b>	<b>41.90</b>	<b>100.00%</b>	<b>41.90</b>
<b>H</b>	<b>Total Renewable Energy</b>	<b>8,183.95</b>		<b>8,183.95</b>
<b>I</b>	<b>Grand Total</b>	<b>79,070.86</b>		<b>25,547.28</b>

\*Share of AKVNL has been excluded from the total share of MP

- 2.47 Petitioners submitted that with regard to NTPC Mouda STPS I & II the firm shares of 156 MW and 212 MW, respectively, were surrendered and reallocated to Gujarat from March 21, 2021, until March 2026. This surrendered capacity will become available to Madhya Pradesh from April 2026. Therefore, the same is being considered for FY 2026-27.
- 2.48 The Petitioners have considered the revised Allocation of Power to the State of MP, from Central Sector stations as specified by Western Regional Power Committee in their letter No. WRPC/Comml-I/6/Alloc/2025/1788-1819 dated 29<sup>th</sup> September, 2025, from Eastern Region NTPC Kahalgaon-2 vide GoI MoP letter no. ERPC/Comm-I/Gen/Share/2025-26/1188 dated 29<sup>th</sup> September, 2025 and from Northern Region as per Northern Regional Power Committee letter dated 1<sup>st</sup> October, 2025. Allocation from MP Genco and other sources have been considered based on inputs provided and latest updates from their concerned office.
- 2.49 Based on the above, the summary of availability for FY 2026-27 from various existing and upcoming sources as submitted by the Petitioners is shown in the table below:

Table 17: Month wise energy availability projection submitted by the Petitioners for FY 2026-27 (MU)

Sr. No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1	Amarkantak TPS Ph-III	120	121	95	-	78	102	126	130	139	139	122	127	1,300
2	Satpura TPS Ph-IV	286	288	264	194	174	232	285	311	315	325	293	297	3,266
3	SGTPS Ph-I & II	423	435	377	306	264	264	416	459	492	491	339	363	4,627
4	SGTPS Ph-III	263	190	277	268	269	223	281	291	273	305	275	286	3,200
5	Shri Singaji STPS Phase-I	640	658	700	632	524	255	595	683	733	731	645	671	7,467
6	Shri Singaji STPS Phase-II	724	764	727	371	390	609	794	747	881	874	802	810	8,492
<b>A</b>	<b>Total (MP Genco Thermal-MP Share)</b>	<b>2,455</b>	<b>2,456</b>	<b>2,440</b>	<b>1,770</b>	<b>1,700</b>	<b>1,684</b>	<b>2,497</b>	<b>2,620</b>	<b>2,834</b>	<b>2,865</b>	<b>2,476</b>	<b>2,554</b>	<b>28,352</b>
7	Rani Awanti Bai Sagar, Bargi HPS	29	30	40	42	58	57	31	38	32	36	39	39	471
8	Bansagar Ph I HPS (Tons)	49	51	42	23	68	89	87	92	83	63	62	80	789
9	Bansagar Ph-II HPS (Silpara)	9	10	5	5	5	9	10	13	11	10	8	9	103
10	Bansagar Ph-III HPS (Deolond)	8	-	21	23	7	24	10	-	-	-	-	-	93
11	Bansagar Ph-IV HPS (Jhinna)	8	8	5	6	7	7	8	8	8	7	6	6	83
12	Birsinghpur HPS	2	3	3	6	10	10	7	4	5	5	4	4	63
13	Madikheda HPS	0	-	1	3	7	20	11	7	11	2	11	4	78
14	Rajghat HPS	0	4	1	9	16	14	5	3	12	17	16	10	106
15	Gandhisagar HPS	23	12	1	7	7	13	14	34	40	42	37	38	270
16	Ranapratap Sagar HPS	1	1	1	1	1	5	31	37	39	39	35	-	193
17	Jawahar Sagar HPS	6	7	7	13	24	24	18	10	13	14	10	9	156
18	Pench HPS	20	15	4	21	41	27	42	50	31	38	25	11	325
<b>B</b>	<b>Total (MP Genco Hydel)</b>	<b>156</b>	<b>141</b>	<b>130</b>	<b>158</b>	<b>254</b>	<b>300</b>	<b>274</b>	<b>296</b>	<b>285</b>	<b>274</b>	<b>253</b>	<b>210</b>	<b>2,730</b>
19	NHDC Indira Sagar HPS	122	143	142	160	491	482	352	200	268	277	210	177	3,025
20	NHDC Omkareshwar HPS	63	74	74	83	255	251	183	104	139	144	109	92	1,573
21	NVDA Sardar Sarovar HPS	101	118	118	132	406	398	291	166	222	229	174	146	2,500
22	Rihand HPS	0	2	3	5	7	14	14	2	1	8	8	4	68
23	Matatila HPS	0	2	0	1	4	4	4	4	4	6	5	3	36
24	SJVN Rampur HPS	0	0	0	0	0	0	0	0	0	0	0	0	2
25	SJVN Jhakri HPS	0	0	0	1	1	1	1	1	1	1	1	0	9
26	Tehri HPS	0	0	0	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	2
28	NHPC Parbati II & III	0	1	1	1	2	2	1	1	1	1	1	1	12
29	NHPC Chamera II	0	0	0	0	1	0	0	0	0	0	0	0	3
30	NHPC Chamera III	0	0	0	0	0	0	0	0	0	0	0	0	2
31	NHPC Dulhasti	0	0	0	0	1	1	0	0	0	0	0	0	3
32	NHPC Dhauliganga	0	0	0	0	0	0	0	0	0	0	0	0	2
33	NHPC Sewa II	0	0	0	0	0	0	0	0	0	0	0	0	1
34	NHPC Kishanganga	0	0	0	0	0	0	0	0	0	0	0	0	3
35	NTPC Koldam HPP I	0	0	0	0	1	1	0	0	0	0	0	0	3
36	NTPC Singrauli Small HPP	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr. No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
37	NHPC Lower Subansiri HEP Units	6	8	11	22	39	38	28	21	27	28	22	19	270
38	NHPC - Rangit	2	2	2	5	8	8	6	3	4	4	3	3	50
39	SAS Hydel Project Pvt Ltd.	1	1	1	3	5	5	3	2	3	3	2	2	31
40	Amhata Hydro Energy Pvt. Ltd.	0	1	1	1	2	2	1	1	1	1	1	1	11
41	Amhata Hydro Energy Pvt. Ltd. - II	0	1	1	1	2	2	1	1	1	1	1	1	11
42	Amhata Hydro Energy Pvt. Ltd. - IV	0	1	1	1	2	2	1	1	1	1	1	1	11
43	Sirmour Small Hydel Pvt. Ltd.	12	13	12	12	12	12	13	13	14	14	13	13	153
44	NVDA Indira sagar LBC HPS	2	2	2	4	8	7	5	3	4	4	3	3	47
45	NVDA Bargi LBC HPS	1	1	1	3	5	5	4	2	3	3	2	2	31
46	Mini & Micro Hydel Plants	1	1	1	2	4	4	3	1	2	2	2	1	23
<b>C</b>	<b>Total (JV Hydel &amp; Other Hydel-NR)</b>	<b>315</b>	<b>371</b>	<b>373</b>	<b>440</b>	<b>1,257</b>	<b>1,239</b>	<b>916</b>	<b>527</b>	<b>697</b>	<b>728</b>	<b>558</b>	<b>468</b>	<b>7,890</b>
47	NTPC Korba	267	278	240	231	212	256	297	309	331	293	228	298	3,239
48	NTPC Korba III	42	43	31	25	38	39	45	48	50	52	46	48	508
49	NTPC Vindychal I	234	236	212	204	203	188	221	257	261	258	248	239	2,761
50	NTPC Vindychal II	184	194	137	163	184	172	194	172	180	215	198	199	2,194
51	NTPC Vindychal III	143	147	141	144	119	114	155	162	174	172	155	159	1,784
52	NTPC Vindychal IV	165	170	159	136	144	137	146	184	196	194	175	179	1,985
53	NTPC Vindychal V Unit 1	82	84	79	82	77	74	84	91	98	88	87	89	1,015
54	NTPC Sipat I	134	188	151	154	133	146	186	196	226	232	203	188	2,135
55	NTPC Sipat II	109	98	84	111	101	103	107	120	130	133	119	106	1,321
56	NTPC Mouda I	101	104	98	103	99	96	123	119	127	127	112	117	1,327
57	NTPC Mouda II Unit 1	151	132	147	155	133	129	145	145	178	177	157	163	1,812
58	NTPC Solapur STPS	160	159	135	145	170	177	201	214	210	211	192	196	2,169
59	NTPC Gadawara STPS, Unit-1	224	244	235	182	184	177	194	248	288	285	264	257	2,781
60	NTPC Lara STPS, Raigarh, Unit I	97	105	92	98	86	83	76	83	99	125	112	118	1,176
61	NTPC Khargone STPS, Unit-I & II	360	392	304	209	357	365	430	452	451	475	394	412	4,601
62	NTPC Kawas GPP	0	0	0	0	0	0	0	0	0	0	0	0	0
63	NTPC Gandhar GPP	0	0	0	0	0	0	0	0	0	0	0	0	0
64	KAPP Kakrapar (including new capacity)	184	190	142	158	184	148	124	200	215	216	189	155	2,105
65	TAPP Tarapur	125	129	120	126	114	116	130	136	142	145	125	119	1,527
66	NTPC Gadawara STPS, Unit-2	237	259	249	193	195	188	206	263	305	302	280	273	2,951
<b>D</b>	<b>Total WR Region</b>	<b>3,000</b>	<b>3,152</b>	<b>2,756</b>	<b>2,619</b>	<b>2,733</b>	<b>2,707</b>	<b>3,066</b>	<b>3,400</b>	<b>3,661</b>	<b>3,703</b>	<b>3,282</b>	<b>3,314</b>	<b>37,393</b>
67	NTPC Kahalgaon II	48	47	46	46	40	30	48	47	45	56	49	51	553
68	LoI through DVC (Sep-2020 to Mar-2032)	61	60	61	64	59	54	67	68	73	73	63	64	767
<b>E</b>	<b>Total ER Region</b>	<b>109</b>	<b>107</b>	<b>107</b>	<b>111</b>	<b>98</b>	<b>84</b>	<b>116</b>	<b>115</b>	<b>118</b>	<b>128</b>	<b>112</b>	<b>114</b>	<b>1,320</b>
69	NTPC Auraiya GPP	1	1	1	1	1	1	1	1	1	1	1	1	13
70	NTPC Dadri GPP	1	1	1	1	1	1	1	2	2	2	1	1	17

Sr. No.	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
71	NTPC Anta GPP	1	1	1	1	1	1	1	1	1	1	1	1	8
72	NTPC Firoz Gandhi Unchahar I	0	0	0	0	0	0	0	0	0	0	0	0	1
73	NTPC Firoz Gandhi Unchahar II	0	0	0	0	0	0	0	0	0	0	0	0	3
74	NTPC Firoz Gandhi Unchahar III	0	0	0	0	0	0	0	0	0	0	0	0	1
75	NTPC Firoz Gandhi Unchahar IV	0	0	0	0	0	0	0	0	0	0	0	0	3
76	NTPC Rihand TPS-I	1	1	0	0	0	0	1	1	1	1	1	1	6
77	NTPC Rihand TPS-II	1	1	0	0	0	0	1	1	1	1	1	1	6
78	NTPC Rihand TPS-III	1	1	0	0	0	0	1	1	1	1	1	1	6
79	NTPC NCTP Dadri II	1	1	0	0	0	0	1	1	1	1	1	1	6
80	NTPC Singrauli	1	1	1	1	1	1	1	1	1	1	1	1	13
81	NTPC IGPS I Jhajjar	1	1	1	1	1	1	1	1	1	1	1	1	15
82	MEJA Urja Nigam	1	1	1	1	1	1	1	1	1	1	1	1	13
83	NTPC Tanda	0	0	0	0	0	0	0	1	1	1	0	0	6
84	Ghatampur TPP	0	0	0	0	0	0	0	1	1	1	1	1	6
85	Khurja STPS	1	1	1	1	1	1	1	2	2	2	1	2	18
86	Rajasthan (NPCIL)	2	2	2	2	2	1	2	2	2	2	2	2	20
87	NARORA (NPCIL)	1	1	1	1	1	1	1	1	1	1	1	1	8
<b>F</b>	<b>Total NR Region</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>15</b>	<b>171</b>
88	Torrent Power	-	-	-	-	-	-	-	-	-	-	-	-	-
89	BLA Power, Unit-I & II	16	18	16	15	15	15	16	16	19	18	16	19	198
90	Jaypee Bina Power	198	205	194	176	101	158	207	207	242	222	213	198	2,321
91	Lanco Amarkantak TPS Unit 1	159	162	154	123	112	113	159	165	189	171	183	172	1,862
92	Reliance UMPP, Sasan	805	840	869	821	860	766	884	874	938	967	826	860	10,310
93	Essar Power STPS	31	31	26	25	20	20	30	24	27	35	31	35	336
94	Jaiprakash Power STPS, Nigri	287	308	293	251	157	244	314	313	317	345	294	314	3,438
95	MB Power STPS, Unit-I	117	125	123	128	110	116	123	126	102	134	122	125	1,452
96	MB Power STPS, Unit-II	117	125	123	128	110	116	123	126	102	134	122	125	1,452
97	Jhabua Power STPS, Unit-1	112	108	97	56	66	116	115	116	141	136	108	133	1,305
98	PFCCCL	128	137	135	140	120	126	136	139	114	149	135	138	1,597
<b>G</b>	<b>Total (IPPs)</b>	<b>1,971</b>	<b>2,059</b>	<b>2,030</b>	<b>1,865</b>	<b>1,672</b>	<b>1,790</b>	<b>2,107</b>	<b>2,106</b>	<b>2,193</b>	<b>2,311</b>	<b>2,049</b>	<b>2,118</b>	<b>24,271</b>
99	DRE Solar	92	93	86	87	86	80	83	85	97	102	466	491	1,848
100	ISTS Solar	1,002	1,018	940	952	938	970	1,005	1,021	1,175	1,226	1,143	1,205	12,596
101	MP Solar	228	226	210	208	212	193	188	189	220	245	239	258	2,616
102	DRE Wind	67	85	87	86	77	66	60	50	49	49	47	58	783
103	ISTS Wind	243	307	316	313	280	240	219	182	176	179	172	211	2,838
104	MP Wind	270	342	352	349	312	268	243	202	196	199	191	235	3,158
<b>H</b>	<b>Total Renewable Energy</b>	<b>1,908</b>	<b>2,080</b>	<b>1,999</b>	<b>2,003</b>	<b>1,911</b>	<b>1,823</b>	<b>1,803</b>	<b>1,731</b>	<b>1,918</b>	<b>2,003</b>	<b>2,263</b>	<b>2,464</b>	<b>23,905</b>
<b>I</b>	<b>Grand Total</b>	<b>9,928</b>	<b>10,380</b>	<b>9,847</b>	<b>8,979</b>	<b>9,637</b>	<b>9,640</b>	<b>10,793</b>	<b>10,810</b>	<b>11,722</b>	<b>12,029</b>	<b>11,008</b>	<b>11,259</b>	<b>126,031</b>

- 2.50 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 29<sup>th</sup> January, 2020 in accordance with Clause 8.8 (6) of the aforesaid Madhya Pradesh Electricity Grid Code (Revision-II), 2019 issued on 21<sup>st</sup> 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.
- 2.51 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.
- 2.52 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 5<sup>th</sup> May, 2017.
- 2.53 The Petitioners submitted that in its previous True-up and ARR Petition they 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 & FY 2023-24 as well, it has not considered the Technical Minimum impact under the ARR determination for FY 2025-26.
- 2.54 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.
- 2.55 The Petitioners submitted that as per the Commission’s 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.

- 2.56 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. If such power stations are shut down considering the economic facts, power would not be delivered to the consumers due to various technical constraints. This phenomenon is clearly demonstrable with the help of hourly Power Purchase model wherein during certain solar hours, there is no requirement of MOD schedule at normative loss level in a particular day/month due to higher Solar availability in such period. Whereas in the same particular day/month, there is MOD scheduling to certain generating stations during non-solar hours due to absence of Solar power availability. Without maintaining TMM scheduling, it is technically infeasible to bring such Thermal units back on, Bar promptly when Solar generation ceases. Hence, the concept of Technical Minimum cannot be ignored.
- 2.57 Petitioners therefore requested the Commission to factor in the TMM scheduling while estimating the power purchase requirement and hence, cost for FY 2026-27.

### Commission's Analysis

- 2.58 The Commission observed that the Petitioners have considered the allocation from Northern, Western and Eastern Region as per the latest allocation specified by Regional Power Committees for assessment of energy availability from Central Generating Stations (CGS).
- 2.59 The Commission has considered the CGS allocation from Western Region stations for FY 2026-27 as provided by Western Regional Power Committee vide their letter No. WRPC/Comm-I/6/Alloc/2025/1788-1819 dated 29<sup>th</sup> September, 2025, from Eastern Region NTPC Kahalgaon-2 communicated vide MoP GoI letter no. ERPC/Comm-I/Gen/Share/2025-26/1188 dated 29<sup>th</sup> September, 2025 and from Northern Region as per Northern Regional Power Committee vide revision letter dated 1<sup>st</sup> October, 2025. Further, the Commission has considered the allocation of remaining generating stations as per notification no. 2211/F-3-13/2016/XIII dated 21<sup>st</sup> March, 2016, by Energy Deptt. Govt. of Madhya Pradesh.
- 2.60 The Commission has considered allocation of existing stations to MPPMCL, and new capacity addition proposed during FY 2026-27 as shown in the following table:

**Table 18: Allocation of Generating Station considered by the Commission for FY 2026-27**

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
<b>I</b>	<b>Central Generating Stations</b>		<b>43,105.59</b>		<b>5,273.01</b>
1	NTPC Korba	WR	2,100.00	22.71%	476.91
2	NTPC Korba III	WR	500.00	14.26%	71.30
3	NTPC Vindychal I	WR	1,260.00	34.54%	435.20
4	NTPC Vindychal II	WR	1,000.00	31.11%	311.12

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
5	NTPC Vindychal III	WR	1,000.00	24.01%	240.10
6	NTPC Vindychal IV	WR	1,000.00	27.40%	274.00
7	NTPC Vindychal V Unit 1	WR	500.00	27.33%	136.65
8	NTPC Sipat I	WR	1,980.00	16.05%	317.79
9	NTPC Sipat II	WR	1,000.00	18.31%	183.10
10	NTPC Mouda I	WR	1,000.00	1.31%	13.10
11	NTPC Mouda II Unit 1	WR	1,320.00	1.75%	23.10
12	NTPC Kawas GPP	WR	656.20	0.02%	0.13
13	NTPC Gandhar GPP	WR	657.39	0.02%	0.13
14	NTPC Auraiya GPP	NR	663.00	0.28%	1.86
15	NTPC Dadri GPP	NR	830.00	0.29%	2.41
16	NTPC Anta GPP	NR	419.00	0.28%	1.17
17	NTPC Kahalgaon II	ER	1,500.00	4.93%	73.95
18	KAPP Kakrapar	WR	440.00	19.58%	86.15
19	KAPP Kakrapar Unit-3	WR	700.00	19.58%	137.06
20	KAPP Kakrapar Unit-4	WR	700.00	19.58%	137.06
21	TAPP Tarapur	WR	1,080.00	20.94%	226.11
22	RAPP Rawabhatta	NR	1,030.00	0.28%	2.88
23	NAPP Narora	NR	440.00	0.27%	1.19
24	NTPC Solapur STPS, Phase-1	WR	1,320.00	24.18%	319.18
25	NTPC Gadawara STPS, Unit-1	WR	800.00	51.76%	414.08
26	NTPC Gadawara STPS, Unit-2	WR	800.00	51.76%	414.08
27	NTPC Lara STPS, Raigarh, Unit I	WR	800.00	10.96%	87.68
28	NTPC Lara STPS, Raigarh, Unit II	WR	800.00	10.96%	87.68
29	NTPC Firoz Gandhi Unchahar I	NR	420.00	0.03%	0.12
30	NTPC Firoz Gandhi Unchahar II	NR	420.00	0.09%	0.38
31	NTPC Firoz Gandhi Unchahar III	NR	210.00	0.09%	0.19
32	NTPC Firoz Gandhi Unchahar IV	NR	500.00	0.09%	0.45
33	NTPC Rihand I	NR	1,000.00	0.09%	0.90
34	NTPC Rihand II	NR	1,000.00	0.09%	0.90
35	NTPC Rihand III	NR	1,000.00	0.09%	0.90
36	NTPC NCTP Dadri II	NR	980.00	0.09%	0.88
37	NTPC Singrauli	NR	2,000.00	0.09%	1.80
38	NTPC IGPS I Jhajjar	NR	1,500.00	0.14%	2.10
39	NTPC Khargone STPS, Unit-I	WR	660.00	51.76%	341.62
40	NTPC Khargone STPS, Unit-II	WR	660.00	51.76%	341.62
41	Meja Urja Nigam	NR	1,320.00	0.14%	1.85
42	NTPC Tanda Stage-II	NR	1,320.00	0.06%	0.79
43	DVC (MTPS & CTPS)	ER	1,840.00	5.43%	100.00
44	Khurja STPS	NR	1,320.00	0.19%	2.50
45	Ghatampur TPP	NR	660.00	0.13%	0.85
<b>II</b>	<b>MP Genco Power Station (Thermal &amp; Hydro)</b>		<b>5,756.00</b>		<b>5,491.53</b>
46	Amarkantak TPS Ph-III	State	210.00	100.00%	210.00
47	Satpura TPS Ph-IV	State	500.00	100.00%	500.00
48	SGTPS Ph-I & II	State	840.00	100.00%	840.00
49	SGTPS Ph-III	State	500.00	100.00%	500.00
50	Shri Singaji STPS, Ph-I	State	1,200.00	100.00%	1,200.00

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
51	Shri Singaji STPS, Ph-2	State	1,320.00	100.00%	1,320.00
52	Rani Awanti Bai Sagar, Bargi HPS	State	90.00	100.00%	90.00
53	Bansagar Ph I HPS (Tons)	State	315.00	100.00%	315.00
54	Bansagar Ph-II HPS (Silpara)	State	30.00	100.00%	30.00
55	Bansagar Ph-III HPS (Deolond)	State	60.00	100.00%	60.00
56	Bansagar Ph-IV HPS (Jhinna)	State	20.00	100.00%	20.00
57	Birsinghpur HPS	State	20.00	100.00%	20.00
58	Marhikheda HPS	State	60.00	100.00%	60.00
59	Rajghat HPS	State	45.00	59.68%	26.86
60	Gandhisagar HPS	State	115.00	50.00%	57.50
61	Ranapratap Sagar & Jawahar Sagar HPS	State	271.00	50.00%	135.50
62	Pench HPS	State	160.00	66.67%	106.67
<b>III</b>	<b>JV Hydel &amp; Other Hydels</b>		<b>12,588.43</b>		<b>2,615.08</b>
63	NHDC Indira Sagar HPS	State	1,000.00	100.00%	1,000.00
64	NHDC Omkareshwar HPS	State	520.00	100.00%	520.00
65	Sardar Sarovar HPS	WR	1,450.00	57.00%	826.50
66	Rihand HPS	NR	300.00	15.00%	45.00
67	Matatila HPS	NR	30.60	32.68%	10.00
68	SJVN Rampur HPS	NR	412.02	0.17%	0.70
69	SJVN Jhakri HPS	NR	1,500.00	0.19%	2.85
70	Tehri HPS	NR	1,000.00	0.19%	1.90
71	Koteshwar HPP	NR	400.00	0.19%	0.76
72	NHPC Parbati II & III	NR	1,320.00	0.28%	3.70
73	NHPC Chamera II	NR	300.00	0.34%	1.02
74	NHPC Chamera III	NR	231.00	0.28%	0.65
75	NHPC Dulhasti	NR	390.00	0.28%	1.09
76	NHPC Dhauliganga	NR	280.00	0.28%	0.78
77	NHPC Sewa II	NR	120.00	0.28%	0.34
78	NHPC Kishanganga	NR	330.00	0.28%	0.92
79	NTPC Koldam HPP I	NR	800.00	0.13%	1.04
80	NTPC Singrauli Small HPP	NR	8.00	0.28%	0.02
81	NHPC Lower Subansiri HEP (Unit-1 to 8)	NER	2,000.00	5.25%	105.00
82	NHPC – Rangit	NER	120.00	13.33%	16.00
83	SAS Hydel Project Pvt Ltd.	State	9.75	100.00%	9.75
84	Amhata Hydro Energy Pvt. Ltd.	State	3.60	100.00%	3.60
85	Amhata Hydro Energy Pvt. Ltd. - II	State	3.60	100.00%	3.60
86	Amhata Hydro Energy Pvt. Ltd. - IV	State	3.60	100.00%	3.60
87	Sirmour Small Hydel Pvt. Ltd.	NR	24.00	100.00%	24.00
88	NVDA Indira sagar LBC HPS	State	15.00	100.00%	15.00
89	NVDA Bargi LBC HPS	State	10.00	100.00%	10.00
90	Mini & Micro Hydel Plants	State	7.26	100.00%	7.26
<b>IV</b>	<b>IPPs</b>		<b>8,188.00</b>		<b>3,484.50</b>
91	BLA Power	State	90.00	35.00%	31.50
92	Jaypee Bina Power	State	500.00	65.00%	325.00
93	Lanco Amarkantak TPS Unit 1	WR	300.00	100.00%	300.00
94	Reliance UMPP, Sasan	WR	3,960.00	37.50%	1,485.00
95	Jaiprakash Power STPS, Nigri	WR	1,320.00	37.50%	495.00

Sr. No.	Generating Stations	Region	Installed Capacity (MW)	Allocation (%)	Total (in MW)
96	MB Power STPS	WR	1,200.00	35.00%	420.00
97	Jhabua Power STPS, Unit-1	WR	600.00	35.00%	210.00
98	PFCCCL	WR	218.00	100.00%	218.00
<b>V</b>	<b>Renewables</b>		<b>8,183.95</b>		<b>8,183.95</b>
99	DRE Solar	State	291.39	100.00%	291.39
100	ISTS Solar	ISTS	3,543.35	100.00%	3,543.35
101	MP Solar	State	1,169.00	100.00%	1,169.00
102	DRE Wind	State	539.65	100.00%	539.65
103	ISTS Wind	ISTS	747.26	100.00%	747.26
104	MP Wind	State	1,851.40	100.00%	1,851.40
105	Bio Mass/Bio gas/MSW	State	41.90	100.00%	41.90
<b>VI</b>	<b>Grand Total</b>		<b>77,821.97</b>		<b>25,048.07</b>

2.61 The Commission in order to project energy availability for FY 2026-27 has analysed the following:

- (i) Actual average scheduled energy in previous three years, i.e., FY 2023-24 to FY 2025-26 (up to December, 2025) as per State Energy Accounts.
- (ii) Actual availability of Central Generating Stations as per Regional Energy Accounts for FY 2019-20 to FY 2024-25.
- (iii) Actual availability of IPPs, MPPGCL, NHDC and NVDA as per State / Regional Energy Account for FY 2024-25.
- (iv) Projections made by NHDC, NVDA and MPPGCL for FY 2026-27.
- (v) Actual availability of RE Power from existing PPA for compliance of RPO.

#### **Energy Availability from Central Generating Stations and Nuclear Power Plants**

2.62 As regards the energy availability from Central Generating Stations (Thermal Power Plants), the Commission observed that the actual availability for FY 2024-25 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 2024-25.

2.63 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 2024-25.

2.64 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**

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

2.66 Similarly, the energy availability projections as provided by the NHDC for Indira Sagar

Power Station (ISPS), Omkareshwar (OSP) and as per petitioners' projections for Sardar Sarovar Project (SSP) have been considered by the Commission for FY 2026-27.

- 2.67 As regards the energy availability from IPP Generating Stations, the Commission observed that the actual availability for FY 2024-25 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 2024-25.

#### **Energy Availability from Renewable Energy Generating Stations**

- 2.68 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 2026-27 has been detailed in the subsequent Section of this Order.

#### **Energy Availability from New Generating Stations**

- 2.69 For the assessment of availability from new generating stations, the Commission has considered projected availability as submitted by the Petitioners for FY 2026-27.
- 2.70 Availability of energy from Mahan Energy Ltd (Essar Power) submitted in the Petition is not in accordance with the Commission's Order dated 4<sup>th</sup> May, 2016 in SMP No 51/2015. Therefore, the availability from Essar Power as proposed by the Petitioners for FY 2026-27 has not been considered in this Order. Also, the Commission has not considered the availability and the cost thereon, for the Sugan 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 with Sugan Torrent Generating Station. However, the Petitioners are at liberty to approach the Commission through a separate Petition in this regard.
- 2.71 The Commission has examined the Petitioners' submission regarding the consideration of hourly power purchase cost assessment methodology. The Commission observed that while the proposed approach aims to bring granularity in cost allocation by linking power procurement with hour-wise demand and generation profiles, there are certain practical and regulatory limitations /constraints in adopting the same at this stage.
- 2.72 Firstly, the Commission observed that the actual operation of the power is subject to multiple dynamic factors, including technical minimum constraints of generating stations, must-run status of renewable energy sources, grid security requirements, transmission constraints, and deviations arising from real-time system operations. The simplified hour-wise matching of generation and demand, as proposed by the Petitioners, does not adequately capture these operational complexities and may lead to a distorted representation of the actual power procurement cost.
- 2.73 Secondly, the Commission observed that power procurement by Distribution Licensees is largely governed by long-term and medium-term power purchase agreements, wherein scheduling is undertaken in accordance with merit order dispatch and grid discipline requirements. The cost incurred is therefore not solely driven by hour-wise demand variations

but is influenced by contractual obligations, fixed cost liabilities, and system-level dispatch considerations. The proposed methodology does not sufficiently account for these aspects.

- 2.74 Thirdly, the Commission is of the view that implementation of an hourly assessment framework would require robust, validated, and auditable data on an hour-wise basis across all sources of power procurement, including conventional, renewable, short-term purchases, and deviations. At present, there exist data consistency and reconciliation challenges across multiple sources, which may impact the accuracy and reliability of such an assessment.
- 2.75 Further, the Commission observed that the ensuring year FY 2026-27 is the last year of the Control Period under the MYT Regulations, 2021. Therefore, the Commission is not inclined to introduce a significant methodological change at this stage as it may impact the consistency in the approach with previous years of the Control Period.
- 2.76 In view of the above, the Commission does not find merit in adopting the hourly power purchase cost assessment methodology proposed by the Petitioners for the present Control Period. However, recognising the potential benefits of such an approach in the long term, particularly in the context of increasing renewable energy penetration and evolving market mechanisms, the Commission shall revisit this aspect in the next Control Period after undertaking a detailed examination and stakeholder consultation.
- 2.77 Accordingly, in line with the approach adopted in previous MYT/ARR Orders, the Commission shall continue to assess the power purchase cost on a consolidated monthly basis, wherein the total energy availability and consumer demand of the Distribution Licensee are aggregated over the calendar month.
- 2.78 The Commission has analysed the Petitioners' submission regarding consideration of Technical Minimum (TMM) scheduling while applying Merit Order Dispatch (MOD) principle. The Commission observed that in the Retail Supply Tariff Orders for FY 2024-25 and FY 2025-26, the proposal for incorporating the impact of technical minimum scheduling in the estimation of power purchase cost was not considered.
- 2.79 However, upon analysis of the approved vis-à-vis actual power purchase cost, the Commission has observed a consistent variation in the Power Purchase Rate at Ex-Bus. The rate approved in the Retail Supply Tariff Order for FY 2023-24 was Rs. 3.63/kWh, which increased to Rs. 4.25/kWh in the True-up for the same year, reflecting a variation of Rs. 0.62/kWh. Similarly, for FY 2024-25, the approved rate of Rs. 3.64/kWh increased to Rs. 4.05/kWh in the True-up, indicating a variation of Rs. 0.41/kWh. The Commission observed that a significant part of this variation is attributable to the non-consideration of technical minimum constraints of generating stations during the estimation of power purchase cost under the Merit Order Dispatch framework.
- 2.80 From the above analysis, the Commission observed that in actual system operations, scheduling of generating stations is invariably undertaken after considering the technical minimum, grid security requirements, and operational constraints. As such, even if the impact of TMM scheduling is not explicitly factored into the Aggregate Revenue Requirement, the Distribution Licensees are required to incur such costs in real-time operations. These

additional costs are subsequently recovered from consumers through the Fuel and Power Purchase Adjustment Surcharge mechanism resulting in a gap between the approved and actual power purchase costs during the True-up exercise.

- 2.81 Therefore, to address this issue and minimise the recurring gap between approved and actual power purchase costs, the Commission is of the view that the cost implications arising due to Technical Minimum scheduling need to be appropriately factored into the power purchase cost estimation.
- 2.82 Accordingly, the Commission finds it appropriate to incorporate the impact of TMM scheduling in the determination of power purchase cost for FY 2026-27. This approach is expected to improve the accuracy of Power Purchase Cost projections, enhance regulatory certainty and reduce reliance on post-facto adjustments through the FPPAS mechanism.
- 2.83 Based on the above, month-wise and generating station-wise details of projected availability for FY 2026-27 is shown in the following table:

**Table 19 : Month wise energy availability projection for FY 2026-27 (MU)**

Sr. No.	Particulars	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
1	NTPC Korba	314.33	317.18	299.62	296.87	262.45	277.28	308.67	315.40	342.69	322.81	280.55	329.67	3,667.52
2	NTPC Korba III	50.14	51.60	41.61	37.12	47.58	47.40	50.19	51.81	53.77	54.50	50.17	52.78	588.67
3	NTPC Vindychal I	266.06	269.21	234.42	230.44	229.30	202.94	229.15	264.76	276.31	264.58	247.75	262.38	2,977.30
4	NTPC Vindychal II	209.56	216.41	166.78	186.87	203.14	189.08	197.44	169.65	158.23	218.09	209.61	211.96	2,336.82
5	NTPC Vindychal III	161.58	167.38	159.10	152.36	118.66	130.47	149.66	165.73	178.03	175.94	152.54	156.28	1,867.71
6	NTPC Vindychal IV	200.84	170.05	181.87	172.21	176.97	167.15	168.25	201.03	207.86	210.36	194.00	204.41	2,255.00
7	NTPC Vindychal V Unit 1	99.60	100.49	93.20	96.05	91.67	86.86	92.15	98.12	106.31	97.27	57.89	102.63	1,122.24
8	NTPC Sipat I	175.75	209.19	176.81	193.83	171.74	182.20	201.54	196.54	211.36	237.02	216.82	204.73	2,377.51
9	NTPC Sipat II	112.97	122.21	110.17	122.35	102.07	110.05	117.04	124.96	138.31	136.52	121.34	114.85	1,432.84
10	NTPC Mouda I	7.66	7.46	6.35	4.02	5.09	5.49	5.39	9.66	10.87	12.91	12.76	10.19	97.84
11	NTPC Mouda II Unit 1	10.40	13.12	10.30	12.54	9.47	5.97	6.89	13.46	18.99	23.49	23.36	17.47	165.46
12	NTPC Auraiya GPP	0.00	0.00	0.00	0.00	0.00	6.34	8.56	0.00	0.00	0.00	0.00	0.00	14.90
13	NTPC Dadri GPP	0.00	0.00	0.00	0.00	12.94	2.91	2.35	0.00	0.00	0.00	0.00	0.00	18.20
14	NTPC Anta GPP	0.00	0.00	0.00	0.00	3.30	5.18	0.62	0.00	0.00	0.00	0.00	0.00	9.09
15	NTPC Kahalgaon II	45.40	45.97	43.41	42.35	39.51	36.64	42.19	42.17	48.66	50.74	58.01	48.32	543.37
16	KAPP Kakrapar	69.00	71.02	53.23	59.38	68.79	55.46	46.57	74.86	80.43	81.04	70.72	58.15	788.64
17	KAPP Kakrapar Unit-3	57.50	59.18	44.36	49.49	57.33	46.22	38.81	62.39	67.03	67.53	58.93	48.46	657.24
18	KAPP Kakrapar Unit-4	57.50	59.18	44.36	49.49	57.33	46.22	38.81	62.39	67.03	67.53	58.93	48.46	657.24
19	TAPP Tarapur	123.22	126.44	118.25	123.50	111.91	114.25	128.13	133.29	139.61	142.61	122.87	116.70	1,500.78
20	RAPP Rawabhata	1.14	1.15	1.08	1.08	1.04	1.01	1.16	1.28	1.38	1.37	1.19	1.22	14.10
21	NAPP Narora	0.71	0.71	0.67	0.67	0.65	0.63	0.72	0.80	0.86	0.85	0.74	0.76	8.76
22	NTPC Solapur STPS, Phase-1	234.02	197.49	157.78	129.25	191.47	172.39	187.25	172.56	176.90	248.21	292.53	198.98	2,358.83
23	NTPC Gadawara STPS, Unit-1	260.06	230.82	216.15	159.09	199.04	185.65	159.93	205.48	255.69	317.61	324.53	278.02	2,792.08
24	NTPC Gadawara STPS, Unit-2	260.06	230.82	216.15	159.09	199.04	185.65	159.93	205.48	255.69	317.61	324.53	278.02	2,792.08
25	NTPC Lara STPS, Raigarh, Unit I	58.37	62.05	57.53	58.72	52.13	42.87	46.65	50.37	55.82	62.01	58.92	64.16	669.60
26	NTPC Lara STPS, Raigarh, Unit II	58.37	62.05	57.53	58.72	52.13	42.87	46.65	50.37	55.82	62.01	58.92	64.16	669.60
27	NTPC Firoz Gandhi Unchahar I	1.05	0.35	1.23	0.51	1.46	0.63	1.34	1.71	0.86	0.15	0.17	0.68	10.14
28	NTPC Firoz Gandhi Unchahar II	0.58	0.66	0.88	0.76	1.05	0.41	1.16	0.90	0.39	0.24	0.45	0.25	7.74

Sr. No.	Particulars	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
29	NTPC Firoz Gandhi Unchahar III	0.37	0.14	0.47	0.30	0.61	0.12	0.98	1.05	0.24	0.10	0.14	0.15	4.67
30	NTPC Firoz Gandhi Unchahar IV	0.83	0.46	1.08	0.66	1.36	0.75	0.82	0.98	0.20	0.12	0.10	0.39	7.76
31	NTPC Rihand I	3.97	2.86	3.27	3.97	4.26	3.95	3.86	10.26	13.16	10.47	6.70	1.67	68.41
32	NTPC Rihand II	2.80	2.83	3.72	3.55	3.81	4.15	1.74	9.93	10.12	5.82	6.13	1.52	56.12
33	NTPC Rihand III	0.93	1.25	1.67	2.04	1.58	1.47	1.88	1.21	1.24	1.16	1.05	0.66	16.14
34	NTPC NCTP Dadri II	1.52	0.19	0.78	2.54	4.14	1.76	3.06	0.91	0.76	0.36	0.41	0.91	17.33
35	NTPC Singrauli	6.07	4.92	5.38	5.10	10.14	15.09	8.00	26.10	38.14	18.36	12.96	3.29	153.53
36	NTPC IGPS I Jhajjar	0.92	2.56	9.27	4.62	4.56	1.21	4.54	5.63	2.31	1.39	0.74	1.44	39.21
37	NTPC Khargone STPS, Unit-I	259.13	244.31	175.78	107.10	173.56	172.09	189.33	202.94	221.00	301.96	287.80	231.83	2,566.84
38	NTPC Khargone STPS, Unit-II	259.13	244.31	175.78	107.10	173.56	172.09	189.33	202.94	221.00	301.96	287.80	231.83	2,566.84
39	Meja Urja Nigam	0.95	0.80	0.95	1.00	0.84	0.94	0.62	0.59	1.02	1.30	1.21	0.96	11.19
40	NTPC Tanda Stage-II	0.95	0.78	2.14	0.76	4.12	2.20	4.77	2.24	0.37	0.46	0.64	0.94	20.38
41	DVC (MTPS & CTPS)	61.03	60.15	61.37	64.33	58.64	54.47	67.35	67.84	72.90	72.58	62.93	63.56	767.14
42	Khurja STPS	1.43	1.43	1.35	1.35	1.30	1.26	1.45	1.61	1.72	1.72	1.48	1.52	17.63
43	Ghatampur TPP	0.49	0.49	0.46	0.46	0.44	0.43	0.50	0.55	0.59	0.59	0.51	0.52	6.01
44	Amarkantak TPS Ph-III	122.63	125.00	105.90	113.61	79.42	107.23	119.16	120.72	126.16	125.40	117.55	126.25	1,389.04
45	Satpura TPS Ph-IV	304.25	302.97	280.29	268.61	139.94	258.08	256.11	289.10	295.80	315.38	303.93	306.57	3,321.03
46	SGTPS Ph-I & II	428.20	376.87	359.37	370.93	316.08	357.00	352.18	370.41	412.93	430.76	378.44	405.55	4,558.72
47	SGTPS Ph-III	323.49	341.26	323.26	279.58	133.52	135.84	327.53	371.56	368.91	299.80	182.29	292.30	3,379.35
48	Shri Singaji STPS, Ph-I	749.31	697.93	605.08	523.91	587.47	556.51	502.25	653.61	730.72	712.43	574.72	756.28	7,650.22
49	Shri Singaji STPS, Ph-2	691.38	692.86	686.03	776.28	633.19	471.82	479.04	753.16	756.96	834.61	833.15	851.91	8,460.38
50	Rani Awanti Bai Sagar, Bargi HPS	28.45	29.28	38.61	40.56	56.37	55.75	30.40	37.15	30.73	35.18	37.82	38.14	458.43
51	Bansagar Ph I HPS (Tons)	59.18	60.88	49.68	27.00	81.66	106.79	104.48	109.81	99.05	75.70	74.70	95.41	944.35
52	Bansagar Ph-II HPS (Silpara)	7.90	9.15	4.98	4.98	4.83	8.15	9.01	11.88	10.46	9.07	7.25	8.17	95.84
53	Bansagar Ph-III HPS (Deolond)	10.25	0.00	27.87	30.62	9.88	32.23	12.66	0.00	0.00	0.00	0.00	0.00	123.50
54	Bansagar Ph-IV HPS (Jhinna)	8.21	8.13	5.28	6.46	7.50	7.85	8.05	8.17	8.77	7.44	6.19	6.87	88.92
55	Birsinghpur HPS	1.92	2.26	2.25	4.45	7.85	7.59	5.59	3.17	4.05	4.14	3.32	2.79	49.40
56	Marhikheda HPS	0.23	0.00	0.96	3.62	9.92	27.27	15.14	9.96	14.17	3.31	14.10	5.40	104.07
57	Rajghat HPS	0.00	3.25	0.49	7.91	14.68	13.06	4.72	2.64	11.33	15.96	15.18	9.59	98.80

Sr. No.	Particulars	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
58	Gandhisagar HPS	22.15	11.76	0.65	6.94	7.16	12.39	13.81	32.85	38.03	40.31	35.40	36.73	258.18
59	Ranapratap Sagar & Jawahar Sagar HPS	7.33	8.43	8.32	14.52	25.67	29.35	48.42	46.66	52.70	52.93	45.09	8.78	348.20
60	Pench HPS	19.79	14.84	3.84	20.64	40.82	26.50	41.56	49.47	30.55	37.34	24.36	10.93	320.64
61	NHDC Indira Sagar HPS	139.40	163.83	163.23	183.29	562.54	551.96	403.82	229.54	307.16	317.35	240.74	202.35	3,465.22
62	NHDC Omkareshwar HPS	70.56	82.93	82.62	92.78	284.75	279.39	204.41	116.19	155.48	160.64	121.86	102.43	1,754.04
63	Sardar Sarovar HPS	102.85	120.87	120.43	135.23	415.04	407.23	297.94	169.35	226.62	234.14	177.61	149.30	2,556.61
64	Rihand HPS	0.80	3.63	6.71	9.56	14.15	26.83	26.77	3.23	1.32	15.18	14.68	7.49	130.34
65	Matatila HPS	0.09	2.11	0.38	1.24	4.40	4.80	4.99	4.48	4.57	6.84	6.37	3.88	44.15
66	SJVN Rampur HPS	0.15	0.17	0.17	0.34	0.60	0.58	0.43	0.24	0.31	0.32	0.25	0.21	3.76
67	SJVN Jhakri HPS	0.58	0.68	0.68	1.34	2.37	2.29	1.69	0.96	1.22	1.25	1.00	0.84	14.92
68	Tehri HPS	0.28	0.33	0.33	0.65	1.14	1.11	0.81	0.46	0.59	0.60	0.48	0.41	7.19
69	Koteshwar HPP	0.10	0.12	0.12	0.24	0.42	0.41	0.30	0.17	0.22	0.22	0.18	0.15	2.65
70	NHPC Parbati II & III	0.19	0.22	0.22	0.44	0.78	0.75	0.55	0.31	0.40	0.41	0.33	0.28	4.89
71	NHPC Chamera II	0.19	0.22	0.22	0.44	0.78	0.75	0.55	0.31	0.40	0.41	0.33	0.28	4.90
72	NHPC Chamera III	0.12	0.14	0.14	0.27	0.48	0.46	0.34	0.19	0.25	0.25	0.20	0.17	3.01
73	NHPC Dulhasti	0.26	0.30	0.30	0.60	1.05	1.02	0.75	0.42	0.54	0.56	0.45	0.37	6.62
74	NHPC Dhauliganga	0.13	0.15	0.15	0.30	0.53	0.51	0.38	0.21	0.27	0.28	0.22	0.19	3.32
75	NHPC Sewa II	0.06	0.07	0.07	0.13	0.24	0.23	0.17	0.10	0.12	0.12	0.10	0.08	1.48
76	NHPC Kishanganga	0.17	0.20	0.20	0.39	0.68	0.66	0.48	0.27	0.35	0.36	0.29	0.24	4.28
77	NTPC Koldam HPP I	0.19	0.23	0.23	0.45	0.79	0.76	0.56	0.32	0.41	0.42	0.33	0.28	4.96
78	NTPC Singrauli Small HPP	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.09
79	NHPC Lower Subansiri HEP (Unit-1 to 8)	6.43	7.56	11.30	22.34	39.39	38.11	28.07	21.19	27.12	27.73	22.22	18.68	270.13
80	NHPC - Rangit	1.96	2.30	2.30	4.54	8.00	7.74	5.70	3.23	4.13	4.22	3.39	2.85	50.37
81	SAS Hydel Project Pvt Ltd.	1.19	1.40	1.40	2.77	4.88	4.72	3.48	1.97	2.52	2.57	2.06	1.73	30.69
82	Amhata Hydro Energy Pvt. Ltd.	0.44	0.52	0.52	1.02	1.80	1.74	1.28	0.73	0.93	0.95	0.76	0.64	11.33
83	Amhata Hydro Energy Pvt. Ltd. - II	0.44	0.52	0.52	1.02	1.80	1.74	1.28	0.73	0.93	0.95	0.76	0.64	11.33
84	Amhata Hydro Energy Pvt. Ltd. - IV	0.44	0.52	0.52	1.02	1.80	1.74	1.28	0.73	0.93	0.95	0.76	0.64	11.33
85	Sirmour Small Hydel Pvt. Ltd.	12.22	12.57	11.83	12.43	12.00	11.61	13.06	13.25	14.23	14.18	12.53	13.04	152.96

Sr. No.	Particulars	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
86	NVDA Indira sagar LBC HPS	1.84	2.16	2.15	4.26	7.50	7.26	5.35	3.03	3.87	3.96	3.17	2.67	47.22
87	NVDA Bargi LBC HPS	1.23	1.44	1.43	2.84	5.00	4.84	3.57	2.02	2.58	2.64	2.12	1.78	31.48
88	Mini & Micro Hydel Plants	0.89	1.04	1.04	2.06	3.63	3.51	2.59	1.46	1.87	1.92	1.54	1.29	22.84
89	BLA Power	16.61	21.91	17.25	18.55	17.46	15.23	13.37	11.60	16.19	24.66	23.63	15.83	212.28
90	Jaypee Bina Power	183.94	200.59	175.90	166.61	124.46	168.83	196.05	212.39	251.17	220.81	183.57	137.80	2,222.10
91	Lanco Amarkantak TPS Unit 1	152.67	162.96	169.24	151.99	102.65	107.56	167.02	145.09	165.45	161.02	151.20	175.96	1,812.79
92	Reliance UMPP, Sasan	906.81	941.30	968.00	874.49	957.32	876.08	901.17	970.25	991.31	927.92	877.78	939.59	11,132.00
93	Jaiprakash Power STPS, Nigri	319.85	338.67	317.25	300.18	233.78	291.80	311.39	306.34	319.67	328.64	275.80	317.36	3,660.73
94	MB Power STPS	275.97	281.46	271.90	287.58	261.70	264.23	256.12	278.10	235.73	272.46	232.14	282.21	3,199.60
95	Jhabua Power STPS, Unit-1	140.69	123.26	105.16	72.24	82.06	122.37	106.14	108.65	154.64	153.65	132.43	157.04	1,458.32
96	PFCCCL	128.48	137.17	134.53	140.31	119.86	126.12	135.87	139.19	114.05	149.42	134.95	137.52	1,597.47
97	DRE Solar	91.79	93.27	86.12	87.25	85.92	80.36	83.42	84.58	97.32	101.60	465.55	490.53	1,847.72
98	ISTS Solar	1,001.93	1,018.05	940.05	952.37	937.79	969.89	1,005.45	1,020.85	1,174.62	1,226.19	1,143.49	1,204.84	12,595.51
99	MP Solar	227.62	225.62	210.50	208.15	211.62	193.17	188.31	189.18	219.86	244.60	239.05	258.05	2,615.73
100	DRE Wind	66.96	84.77	87.11	86.35	77.19	66.30	60.31	50.14	48.55	49.25	47.37	58.23	782.53
101	ISTS Wind	242.83	307.44	315.92	313.16	279.93	240.46	218.73	181.82	176.09	178.60	171.79	211.17	2,837.93
102	MP Wind	270.26	342.17	351.60	348.52	311.54	267.61	243.43	202.35	195.97	198.77	191.19	235.02	3,158.43
103	Bio Mass/Bio gas/MSW	6.13	8.49	7.23	7.28	6.58	4.94	2.90	2.30	5.32	4.34	4.50	6.63	66.64
<b>104</b>	<b>Grand Total</b>	<b>10,596.77</b>	<b>10,737.87</b>	<b>10,006.12</b>	<b>9,699.32</b>	<b>10,252.58</b>	<b>10,153.33</b>	<b>10,145.83</b>	<b>10,558.16</b>	<b>11,410.29</b>	<b>11,932.45</b>	<b>11,211.53</b>	<b>11,517.24</b>	<b>1,28,221.49</b>

## Assessment of Power Purchase Cost

### Petitioners' Submission

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

**Table 20 : Fixed cost and Energy charges of MPPMCL allocated stations as submitted by the Petitioners for FY 2026-27**

Sr. No.	Source	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
1	Amarkantak TPS Ph-III	174	MPERC MYT Ord dtd 19-05-2021 in P.no. 53 of 2020 for MP Genco Plants for FY 2019-20 to FY 2023-24 read with Corrigendum order dtd 09.09.2021	2.05	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
2	Satpura TPS Ph-IV	511		3.17	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
3	SGTPS Ph-I & II	572		2.73	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
4	SGTPS Ph-III	321		2.10	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
5	Shri Singaji STPS Phase-I	1,081		3.45	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
6	Shri Singaji STPS Phase-II	1,164		2.95	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
7	Rani Awanti Bai Sagar, Bargi HPS	10	MPERC MYT Ord dtd 04-03-2025 in P.no. 56 of 2024 for MP Genco Plants for FY 2024-25 to FY 2028-29.	0.76	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
8	Bansagar Ph I HPS (Tons)	23		0.79	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
9	Bansagar Ph-II HPS (Silpara)	23		0.65	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
10	Bansagar Ph-III HPS (Deolond)	23		1.06	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
11	Bansagar Ph-IV HPS (Jhinna)	5		0.81	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
12	Birsinghpur HPS	3		0.84	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
13	Madikheda HPS	11		1.83	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
14	Rajghat HPS	4		2.34	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
15	Gandhisagar HPS	5		1.36	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)

Sr. No.	Source	Fixed Charges (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 (Oct-24 to Sept-25)
17	Jawahar Sagar HPS	0		1.51	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
18	Pench HPS	11		0.65	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
19	NHDC Indira Sagar HPS	279	CERC Ord 06-01-2022 in P.no. 106/GT/2020 for 01-04-2019 to 31-03-2024	1.80	Energy Charge as per Weighted Avg of past 12 months Bills (Apr-24 to Mar-25)
20	NHDC Omkareshwar HPS	171	CERC Ord 11-03-2022 in P.no. 107/GT/2020 for 01-04-2019 to 31-03-2024	2.01	Energy Charge as per Weighted Avg of past 12 months Bills (Apr-24 to Mar-25)
21	NVDA Sardar Sarovar HPS	101	MPERC Order 06-08-2013 in P.no. 18 of 2013 for 01-04-2014 to 31-03-2017	0.89	Energy Charge as per Weighted Avg of past 12 months Bills (Apr-24 to Mar-25)
22	Rihand HPS	0	UPERC Ord 28.04.2025 in P-2074 of 2024	0.40	As Approved by the Hon'ble Commission in Tariff Order of FY 2025-26
23	Matatila HPS	0	UPERC Ord 28.04.2025 in P-2074 of 2025	0.40	As Approved by the Hon'ble Commission in Tariff Order of FY 2025-26
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	2.04	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
25	SJVN Jhakri HPS	1	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	1.21	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
26	Tehri HPS	1	CERC Order dtd. 13-05-2022 in P.no. 97/GT/2020 for 01.04.2019 to 31.03.2024	2.20	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
27	Koteshwar HPP	1	CERC Ord dtd. 08.11.2024 in P.no. 60/GT/2024 for 01.04.2019 to 31.03.2024 (interim Truing-up)	3.29	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
28	NHPC Parbati II & III	1	CERC Ord dtd. 31.03.2024 in P.no. 96/GT/2020 for 01.04.2019 to 31.03.2024	1.70	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
29	NHPC Chamera II	1	CERC ROrd dtd. 19.05.2024 in P.no. 03/RP/2023 for review of Tariff determined in P-145/GT/2020 for FY 14-19 and determination of Tariff for 01.04.2019 to 31.03.2024	1.36	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
30	NHPC Chamera III	1	CERC ROrd dtd. 12.07.2024 in P.no. 26/RP/2023 for review of Tariff determined in P-642/GT/2020 for FY 14-19 and determination of Tariff for 01.04.2019 to 31.03.2024	2.28	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
31	NHPC Dulhasti	1	CERC Ord dtd. 09.05.2022 in P.no. 146/RP/2020 for 01.04.2019 to 31.03.2024	2.65	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)

Sr. No.	Source	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
32	NHPC Dhauliganga	0.4	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 (Oct-24 to Sept-25)
33	NHPC Sewa II	0.3	CERC TuPOrd dtd. 17.08.2023 for FY 14-19 and Tariff for 01.04.2019 to 31.03.2024 P.no. 643/GT/2020	2.25	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
34	NHPC Kishanganga	1	CERC TuPOrd dtd. 12.01.2024 in P.no. 453/GT/2020 for 01.04.2024 to 31.03.2024	3.13	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
35	NTPC Koldam HPP I	1	CERC Ord dtd. 14.01.2024 in P.no. 412/GT/2020 for 01.04.2019 to 31.03.2024	1.52	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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 Generator
39	SAS Hydel Project Pvt Ltd.	0	-	5.77	As per Agreement with Generator
40	Amhata Hydro Energy Pvt. Ltd.	0	-	5.57	As per Generic Tariff Order
41	Amhata Hydro Energy Pvt. Ltd. - II	0	-	5.84	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	-	5.64	As per Generic Tariff Order
44	NVDA Indira sagar LBC HPS	0	-	2.44	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
45	NVDA Bargi LBC HPS	0	-	2.68	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
46	Mini & Micro Hydel Plants	0	-	5.76	As per MPERC Tariff Order
47	NTPC Korba	250	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	1.53	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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 (Oct-24 to Sept-25)
49	NTPC Vindiyachal 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	2.17	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
50	NTPC Vindiyachal II	171	CERC Ord dtd. 10.06.2022 in P.no. 485/GT/2014 for 01.04.2019 to 31.03.2024	2.23	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
51	NTPC Vindiyachal III	154	CERC Ord 20.01.2023 in P.no. 402/GT/2020 for 01.04.2019 to 31.03.2024	2.20	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
52	NTPC Vindiyachal IV	322	CERC Order dtd. 05.01.2024 in P.no. 422/GT/2020 for 01.04.2019 to 31.03.2024	2.10	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
53	NTPC Vindiyachal V Unit 1	163	CERC Ord 15.06.2023 in P.no. 415/GT/2020 for 01.04.2019 to 31.03.2024	2.24	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)

Sr. No.	Source	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
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	1.63	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
55	NTPC Sipat II	126	CERC Ord dtd. 06.06.2022 in P.no. 435/GT/2020 for 01.04.2019 to 31.03.2024	1.82	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	3.64	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
57	NTPC Mouda II Unit 1	26	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 (Oct-24 to Sept-25)
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	5.20	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
59	NTPC Gadawara STPS, Unit-1	599	CERC Corrig. Ord. 16-06-2025 in Petition No. for 01.04.2019 to 31.03.2024	4.04	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	2.01	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	4.36	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
62	KAPP Kakrapar (including new capacity addition)	0	-	3.65	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
63	TAPP Tarapur	0	-	3.43	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
64	NTPC Gadawara STPS, Unit-2	599	CERC Corrig. Ord. 16-06-2025 in Petition No. for 01.04.2019 to 31.03.2024	4.04	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
65	NTPC Kahalgaon II	48	CERC Ord 29.03.2023 in P.no. 442/GT/2020 for 01-04-2019 to 31-03-2024	2.60	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
66	DVC (MTPS & CTPS)	106	As per LOI	3.35	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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 2025-26
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 2025-26
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 2025-26
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	3.69	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	3.61	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)

Sr. No.	Source	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
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	4.42	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
73	NTPC Firoz Gandhi Unchahar IV	1	CERC Ord dtd. 29.03.2023 in P.no. 197-GT/2017 and 364-GT-2020 and 3/GT/2021 for 01-04-2019 to 31.03.2024 implementation of APTEL Judgment dt 22.09.2022 in Appeal no. 61/2020	3.40	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
74	NTPC Rihand TPS-I	1	CERC Ord dtd. 15.09.2023 in P.no. 433/GT/2020 for 01.04.2019 to 31.03.2024	1.70	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	1.68	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	1.57	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
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	4.11	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
78	NTPC Singrauli	1	CERC Ord dtd. 05.09.2023 in P.no. 424/GT/2020 for 01-04-2019 to 31-03-2024	1.77	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
79	NTPC IGPS I Jhajjar	2	CERC Order dtd. 22.09.2022 in P.no. 489/GT/2020 for 01-04-2019 to 31-03-2024	4.26	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
80	MEJA Urja Nigam	3	CERC Ord dtd. 19.05.2024 in P.no. 183/GT/2022 for 30.04.2019 to 31.03.2024	3.23	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
81	NTPC Tanda	1	CERC Ord dtd. 02.05.2025 in P.no. 281/GT/2020 for the period from COD of Unit-1 (07.11.2019) to 31.03.2024	1.40	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
82	Ghatampur TPP	2	CERC Ord dtd. 12.08.2025 in P.no. 370/GT/2025 for period from CoD of Unit-1 (12.12.2024) to 31.03.2029	3.19	-
83	Khurja STPS	2	CERC Ord dtd. 31.08.2025 in P.no. 475/GT/2025 for period from CoD of Unit-1 (26.01.2025) to 31.03.2029	2.17	-
84	Rajasthan (NPCIL)	0	Tariff @ Rs 2.9914 as DAE Notification dtd 22.03.2018 for 01.04.2017 to 31.03.2022	4.07	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
85	NARORA (NPCIL)	0	Tariff @ Rs 3.9248 as DAE Notification dtd 22.03.2018 for 01.04.2017 to 31.03.2022	2.77	Energy Charge as per Weighted Avg of past 12 months Bills (Oct-24 to Sept-25)
86	Torrent Power	26	CERC Ord dtd 20.08.2020 in P.no. 268/GT/2019 for 01.04.2019 to 31.03.2024	0.00	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
87	BLA Power, Unit-I & II	72	MPERC Ord dtd 13-06-2023 in P.no. 14/2023 for FY 2019-20 to FY 2023-24	4.08	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)

Sr. No.	Source	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Variable Charge (Rs. /kWh)	Basis of Energy Charges
88	Jaypee Bina Power	368	MPERC Ord dtd 28.02.2025 in P.no. 52/2024 for FY 2024-25 to FY 2028-29	3.42	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
89	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	2.34	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
90	Reliance UMPP, Sasan	166	MPERC Ord dtd 08-05-2021 in P.no. 47/2020 for FY 2019 to FY 2024	1.51	Energy Charge as per Weighted Avg of past 12 months Bills ( Apr-24 to Mar-25)
91	Essar Power STPS	0	-	2.07	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
92	Jaiprakash Power STPS, Nigri	484	MPERC Ord dtd 03-05-2021 in P.no. 43/2020 for FY 2019 to FY 2024	0.83	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
93	MB Power STPS, Unit-I	220	MPERC Ord dtd 01-05-2021 in P.no. 46/2020 for FY 2019 to FY 2024	2.83	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
94	MB Power STPS, Unit-II	220	MPERC Ord dtd 01-05-2021 in P.no. 46/2020 for FY 2019 to FY 2024	2.83	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
95	Jhabua Power STPS, Unit-1	225	MPERC Ord dtd 08-05-2021 in P.no. 47/2020 for FY 2019 to FY 2024	3.26	Energy Charge as per Weighted Avg of past 12 months Bills ( Oct-24 to Sept-25)
96	PFCCCL	77		2.55	
97	DRE Solar	0	-	3.92	As per weighted average of discovered/ approved rate
98	ISTS Solar	0	-	2.65	As per weighted average of discovered/ approved rate
99	MP Solar	0	-	5.46	As per weighted average of discovered/ approved rate
100	DRE Wind	0	-	5.17	As per weighted average of discovered/ approved rate
101	ISTS Wind	0	-	2.89	As per weighted average of discovered/ approved rate
102	MP Wind	0	-	5.58	As per weighted average of discovered/ approved rate
103	Bio Mass/Bio gas/MSW	0	-	7.37	Energy Charge as per Weighted Avg of past 12 months Bills (Apr-24 to Mar-25)

2.85 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 2026-27 as submitted by the Petitioners is given in the following table:

**Table 21 : MOD for FY 2026-27 as submitted by the Petitioners**

Sr. No	Must Run Sources	Variable Charge (Paisa/kWh)	Rank	MOD Stations	Variable Charge (Paisa/kWh)
1	Rihand HPS	0.40	1	Torrent Power	0.00
2	Matatila HPS	0.40	2	Jaiprakash Power STPS, Nigri	0.83
3	Bansagar Ph-II HPS (Silpara)	0.65	3	NTPC Tanda	1.40
4	Pench HPS	0.65	4	Reliance UMPP, Sasan	1.51
5	Rani Awanti Bai Sagar, Bargi HPS	0.76	5	NTPC Korba	1.53
6	Bansagar Ph I HPS (Tons)	0.79	6	NTPC Rihand TPS-III	1.57
7	Bansagar Ph-IV HPS (Jhinna)	0.81	7	NTPC Korba III	1.59
8	Birsinghpur HPS	0.84	8	NTPC Sipat I	1.63
9	NVDA Sardar Sarovar HPS	0.89	9	NTPC Rihand TPS-II	1.68
10	Bansagar Ph-III HPS (Deolond)	1.06	10	NTPC Rihand TPS-I	1.70
11	SJVN Jhakri HPS	1.21	11	NTPC Singrauli	1.77
12	Gandhisagar HPS	1.36	12	NTPC Sipat II	1.82
13	NHPC Chamera II	1.36	13	NTPC Lara STPS, Raigarh, Unit I	2.01
14	NHPC Dhauliganga	1.42	14	Amarkantak TPS Ph-III	2.05
15	Ranapratap Sagar HPS	1.51	15	Essar Power STPS	2.07
16	Jawahar Sagar HPS	1.51	16	NTPC Vindychal IV	2.10
17	NTPC Koldam HPP I	1.52	17	SGTPS Ph-III	2.10
18	NHPC Parbati II & III	1.70	18	NTPC Vindychal I	2.17
19	NHDC Indira Sagar HPS	1.80	19	Khurja STPS	2.17
20	Madikheda HPS	1.83	20	NTPC Vindychal III	2.20
21	NHDC Omkareshwar HPS	2.01	21	NTPC Vindychal II	2.23
22	SJVN Rampur HPS	2.04	22	NTPC Vindychal V Unit 1	2.24
23	Tehri HPS	2.20	23	Lanco Amarkantak TPS Unit 1	2.34
24	NHPC Sewa II	2.25	24	PFCCL	2.55
25	NHPC Chamera III	2.28	25	NTPC Kahalgaon II	2.60
26	Rajghat HPS	2.34	26	NTPC Dadri GPP	2.65
27	NVDA Indira Sagar LBC HPS	2.44	27	SGTPS Ph-I & II	2.73
28	ISTS Solar	2.65	28	MB Power STPS, Unit-I	2.83
29	NHPC Dulhasti	2.65	29	MB Power STPS, Unit-II	2.83
30	NVDA Bargi LBC HPS	2.68	30	Shri Singaji STPS Phase-II	2.95
31	NARORA (NPCIL)	2.77	31	NTPC Anta GPP	3.09
32	ISTS Wind	2.89	32	Satpura TPS Ph-IV	3.17
33	NHPC Uri II	2.99	33	Ghatampur TPP	3.19
34	NHPC Kishanganga	3.13	34	MEJA Urja Nigam	3.23
35	Koteshwar HPP	3.29	35	Jhabua Power STPS, Unit-1	3.26
36	TAPP Tarapur	3.43	36	DVC (MTPS & CTPS)	3.35
37	KAPP Kakrapar	3.65	37	NTPC Firoz Gandhi Unchahar IV	3.40
38	DRE Solar	3.92	38	Jaypee Bina Power	3.42
39	NHPC -Tiesta	4.07	39	Shri Singaji STPS Phase-I	3.45
40	Rajasthan (NPCIL)	4.07	40	NTPC Mouda II Unit 1	3.52
41	NHPC - Rangit	4.37	41	NTPC Firoz Gandhi Unchahar II	3.61
42	NTPC Singrauli Small HPP	5.04	42	NTPC Mouda I	3.64
43	NHPC Lower Subansiri HEP Units	5.09	43	NTPC Firoz Gandhi Unchahar I	3.67
44	DRE Wind	5.17	44	NTPC Gadawara STPS, Unit-1	4.04
45	MP Solar	5.46	45	NTPC Gadawara STPS, Unit-2	4.04
46	Amhata Hydro Energy Pvt. Ltd.	5.57	46	BLA Power, Unit-I & II	4.08
47	MP Wind	5.58	47	NTPC NCTP Dadri II	4.11
48	Sirmour Small Hydel Pvt. Ltd.	5.64	48	NTPC IGPS I Jhajjar	4.26
49	Mini & Micro Hydel Plants	5.76	49	NTPC Khargone STPS, Unit-I & II	4.36
50	SAS Hydel Project Pvt Ltd.	5.77	50	NTPC Firoz Gandhi Unchahar III	4.42
51	Amhata Hydro Energy Pvt. Ltd. - II	5.84	51	NTPC Solapur STPS	5.20
52	Amhata Hydro Energy Pvt. Ltd. - IV	5.97	52	NTPC Auraiya GPP	8.76
53	Bio Mass/Bio gas/MSW	7.37			

2.86 The table below shows generating station-wise details of fixed costs and energy costs for FY

2026-27 as submitted by the Petitioners:

**Table 22 : Fixed Charges and Energy Charges as Claimed by Petitioners for FY 2026-27  
(Rs. Crore)**

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
1	Amarkantak TPS Ph-III	174.00	233.50	407.50
2	Satpura TPS Ph-IV	511.20	679.10	1,190.30
3	SGTPS Ph-I & II	571.60	997.30	1,568.90
4	SGTPS Ph-III	321.40	582.60	904.00
5	Shri Singaji STPS Phase-I	1,081.50	1,542.30	2,623.80
6	Shri Singaji STPS Phase-II	1,164.00	1,754.50	2,918.40
7	Rani Awanti Bai Sagar, Bargi HPS	9.90	35.70	45.60
8	Bansagar Ph I HPS (Tons)	23.30	62.70	86.00
9	Bansagar Ph-II HPS (Silpara)	23.30	6.70	30.00
10	Bansagar Ph-III HPS (Deolond)	23.30	9.90	33.20
11	Bansagar Ph-IV HPS (Jhinna)	5.20	6.70	11.90
12	Birsinghpur HPS	3.10	5.20	8.30
13	Madikheda HPS	10.50	14.30	24.80
14	Rajghat HPS	3.90	24.90	28.90
15	Gandhisagar HPS	4.90	36.60	41.50
16	Ranapratap Sagar HPS	0.00	29.10	29.10
17	Jawahar Sagar HPS	0.00	23.50	23.50
18	Pench HPS	11.10	21.20	32.30
19	NHDC Indira Sagar HPS	279.50	545.10	824.60
20	NHDC Omkareshwar HPS	171.40	316.10	487.50
21	NVDA Sardar Sarovar HPS	101.40	221.30	322.70
22	Rihand HPS	0.00	2.70	2.70
23	Matatila HPS	0.00	1.40	1.40
24	SJVN Rampur HPS	0.60	0.50	1.00
25	SJVN Jhakri HPS	1.30	1.10	2.40
26	Tehri HPS	1.00	1.30	2.20
27	Koteshwar HPP	0.60	0.80	1.30
28	NHPC Parbati II & III	0.60	2.00	2.60
29	NHPC Chamera II	0.50	0.40	1.00
30	NHPC Chamera III	0.50	0.50	1.00
31	NHPC Dulhasti	1.10	0.90	2.00
32	NHPC Dhauliganga	0.40	0.40	0.70
33	NHPC Sewa II	0.30	0.20	0.50
34	NHPC Uri II	0.00	0.00	0.00
35	NHPC Kishanganga	1.00	0.90	1.90
36	NTPC Koldam HPP I	0.80	0.50	1.30
37	NTPC Singrauli Small HPP	0.00	0.00	0.00
38	NHPC Lower Subansiri HEP Units	0.00	137.50	137.50
39	NHPC -Tiesta	0.00	0.00	0.00
40	NHPC - Rangit	0.00	22.00	22.00
41	SAS Hydrel Project Pvt Ltd.	0.00	17.70	17.70
42	Amhata Hydro Energy Pvt. Ltd.	0.00	6.30	6.30
43	Amhata Hydro Energy Pvt. Ltd. - II	0.00	6.60	6.60

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
44	Amhata Hydro Energy Pvt. Ltd. - IV	0.00	6.80	6.80
45	Sirmour Small Hydel Pvt. Ltd.	0.00	86.30	86.30
46	NVDA Indira sagar LBC HPS	0.00	11.50	11.50
47	NVDA Bargi LBC HPS	0.00	8.40	8.40
48	Mini & Micro Hydel Plants	0.00	13.20	13.20
49	NTPC Korba	250.30	437.70	687.90
50	NTPC Korba III	56.30	71.10	127.40
51	NTPC Vindychal I	270.50	511.80	782.20
52	NTPC Vindychal II	170.80	404.60	575.40
53	NTPC Vindychal III	153.50	328.50	482.00
54	NTPC Vindychal IV	321.90	356.10	677.90
55	NTPC Vindychal V Unit 1	163.30	184.60	347.90
56	NTPC Sipat I	280.10	300.60	580.70
57	NTPC Sipat II	126.40	205.30	331.80
58	NTPC Mouda I	17.30	262.20	279.40
59	NTPC Mouda II Unit 1	25.60	349.40	375.00
60	NTPC Solapur STPS	458.10	593.90	1,052.00
61	NTPC Gadarwara STPS, Unit-1	598.70	600.00	1,198.70
62	NTPC Lara STPS, Raigarh, Unit I	283.50	198.10	481.50
63	NTPC Khargone STPS, Unit-I & II	994.00	1,040.60	2,034.60
64	NTPC Kawas GPP	0.10	0.00	0.10
65	NTPC Gandhar GPP	0.10	0.00	0.10
66	KAPP Kakrapar	0.00	767.90	767.90
67	TAPP Tarapur	0.00	524.20	524.20
68	NTPC Gadarwara STPS, Unit-2	598.70	619.00	1,217.60
69	NTPC Kahalgaon II	47.80	110.70	158.40
70	DVC (MTPS & CTPS)	105.70	153.40	259.10
71	NTPC Auraiya GPP	1.00	5.90	6.90
72	NTPC Dadri GPP	0.90	3.40	4.40
73	NTPC Anta GPP	0.50	1.60	2.20
74	NTPC Firoz Gandhi Unchahar I	0.10	0.20	0.30
75	NTPC Firoz Gandhi Unchahar II	0.30	0.50	0.80
76	NTPC Firoz Gandhi Unchahar III	0.20	0.30	0.50
77	NTPC Firoz Gandhi Unchahar IV	0.50	0.70	1.20
78	NTPC Rihand TPS-I	0.50	1.00	1.40
79	NTPC Rihand TPS-II	0.50	1.00	1.40
80	NTPC Rihand TPS-III	0.90	0.80	1.80
81	NTPC NCTP Dadri II	0.80	1.30	2.10
82	NTPC Singrauli	1.00	1.90	2.90
83	NTPC IGPS I Jhajjar	2.30	3.30	5.60
84	MEJA Urja Nigam	2.90	2.60	5.50
85	NTPC Tanda	1.00	0.70	1.70
86	Ghatampur TPP	2.00	1.20	3.20
87	Khurja STPS	2.30	3.20	5.50
88	Rajasthan (NPCIL)	0.00	8.30	8.30
89	NARORA (NPCIL)	0.00	2.30	2.30
90	Torrent Power	26.20	0.00	26.20

Sr. No	Particulars	Fixed Charges (Rs. Crore)	Variable Charge (Rs. Crore)	Total (Rs. Crore)
91	BLA Power, Unit-I & II	71.90	41.50	113.40
92	Jaypee Bina Power	367.60	468.60	836.20
93	Lanco Amarkantak TPS Unit 1	264.20	340.70	604.90
94	Reliance UMPP, Sasan	166.30	1,276.80	1,443.20
95	Essar Power STPS	0.00	55.80	55.70
96	Jaiprakash Power STPS, Nigri	484.00	233.80	717.80
97	MB Power STPS, Unit-I	220.00	265.90	486.00
98	MB Power STPS, Unit-II	220.00	257.90	477.90
99	Jhabua Power STPS, Unit-1	225.50	217.30	442.80
100	PFCCL	76.40	281.90	358.30
101	DRE Solar	0.00	723.80	723.80
102	ISTS Solar	0.00	3,333.50	3,333.50
103	MP Solar	0.00	1,428.40	1,428.40
104	DRE Wind	0.00	404.60	404.60
105	ISTS Wind	0.00	820.00	820.00
106	MP Wind	0.00	1,761.20	1,761.20
107	Bio Mass/Bio gas/MSW	0.00	49.10	49.10
<b>108</b>	<b>Total</b>	<b>11,565.80</b>	<b>27,498.50</b>	<b>39,064.30</b>

### Commission's Analysis

2.87 The Commission observed that the Petitioners have considered actual energy charges as per bills for the period from October, 2024 to September, 2025 and fixed charges as per MYT Orders/based on actual bills for the period from October, 2024 to September, 2025 approved by this Commission and CERC for claiming power purchase cost for FY 2026-27.

2.88 The Commission has considered fixed and energy charges for the generating station for FY 2026-27 based on following approach: -

#### Determination of Fixed Cost

##### Central, State and IPPs Generating Stations

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

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

2.91 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.

2.92 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.

## Determination of Energy Cost

### Central, State and IPPs Thermal/Hydro/Renewable Generating Stations

- 2.93 The Commission has considered energy charges for the Thermal/Hydro generating stations as per actuals during the period from October, 2024 to September, 2025 as submitted by the Petitioners for FY 2026-27.
- 2.94 Further, the Commission has computed the energy charges of the Petitioners as per the following approach:
- a) The monthly energy requirement has been determined based on the projected monthly energy sales grossed up with admitted loss levels of Distribution System, Intra-State and Inter-State transmission System.
  - b) To meet this projected monthly energy requirement, the Commission has first scheduled the power from the must run generating stations considering their projected monthly availability and the corresponding projected variable charges rate as submitted by the Petitioners.
  - c) Thereafter, the remaining projected monthly energy requirement has been considered to be met from the thermal generating stations upto 55% (TMM) of scheduled energy of each generating station considering their projected monthly availability and the corresponding projected variable charges rate as submitted by the Petitioners.
  - d) Thereafter, balance projected monthly energy requirement has been considered to be met from the thermal generating stations from remaining 45% of scheduled energy of each generating station considering their projected monthly availability as per the monthly MOD principle. Accordingly, corresponding projected variable Charges for energy scheduled has been worked out based on MOD principle considering the projected variable charges rate as provided by the Petitioners.
  - e) Shortfall, if any, in meeting the projected monthly energy requirement has been considered to be met through purchase of power from open market as considered by the Commission.
  - f) For any surplus power energy available from the thermal generating stations after meeting the projected monthly energy requirement has been considered for sale to MPIDCs and Power exchange as considered by the Commission in this Order. Further, the reference rate as worked out by the Commission has been used to compute the variable charges for such sales.
  - g) Thereafter, the net financial impact of such power sale has been computed as the difference between the variable cost of power sold and the revenue realised from sale to MPIDCs and power exchanges.
  - h) The net savings arising from such transactions has been adjusted against the total variable cost to arrive at the final power purchase cost projection for FY 2026-27.
- 2.95 On the basis of the above considerations, the Fixed and Energy Charges considered for FY 2026-27 is shown in the table below:

**Table 23: Basis of Fixed and Energy Charges considered for the generating stations for FY 2026-27**

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.	1.53	As Per Petitioners' 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 Petitioners' submission
3	NTPC Vindiyachal I	783	CERC Order dated 17-03-2023 in review of P.no. 401/GT/2020 for 01-04-2019 to 31-03-2024	2.17	As Per Petitioners' submission
4	NTPC Vindiyachal II	545	CERC Order 10th June, 2022 in Petition No. 485/GT/2020 for 1.4.2019 to 31.3.2024	2.23	As Per Petitioners' submission
5	NTPC Vindiyachal III	747	CERC Order 18-01-2023 in P.no. 285/GT/2020 for True-up of FY 2014 to 2019	2.20	As Per Petitioners' submission
6	NTPC Vindiyachal IV	1,175	CERC Order dated 05-01-2024 in P.no. 422/GT/2020 for 01-04-2019 to 31-03-2024	2.10	As Per Petitioners' submission
7	NTPC Vindiyachal V Unit 1	598	CERC Order dated 15-06-2023 in P.no. 415/GT/2020 for 30-10-2019 to 31-03-2024	2.24	As Per Petitioners' submission
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.	1.63	As Per Petitioners' submission
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	1.82	As Per Petitioners' submission
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	3.64	As Per Petitioners' submission
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 Petitioners' submission
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 Petitioners' submission
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 Petitioners' submission
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 Petitioners' submission
15	NTPC Kahalgaon II	969	CERC Order 29th March, 2023 in P.no. 442/GT/2020 for the period 2019-24	2.60	As Per Petitioners' submission
16	KAPP Kakrapar	0		3.65	As Per Petitioners' submission

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs./kWh)	Basis for Energy Charges
17	KAPP Kakrapar Unit-3	0		3.65	As Per Petitioners' submission
18	KAPP Kakrapar Unit-4	0		3.65	As Per Petitioners' submission
19	TAPP Tarapur	0		3.43	As Per Petitioners' submission
20	RAPP Rawabhata	0		4.07	As Per Petitioners' submission
21	NAPP Narora	0		2.77	As Per Petitioners' submission
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	5.20	As Per Petitioners' submission
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	4.04	As Per Petitioners' submission
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	4.04	As Per Petitioners' submission
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	2.01	As Per Petitioners' submission
26	NTPC Lara STPS, Raigarh, Unit II	1,293	Same as Fixed Charges for Lara Unit-1	2.01	As Per Petitioners' submission
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	3.67	As Per Petitioners' submission
28	NTPC Firoz Gandhi Unchahar II	316	CERC Order dated 12th December, 2021 in Petition No. 438/GT/2020	3.61	As Per Petitioners' submission
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.	4.42	As Per Petitioners' submission
30	NTPC Firoz Gandhi Unchahar IV	582	CERC Order dated 23rd March, 2023 in Petition No. 3/GT/2021	3.40	As Per Petitioners' submission
31	NTPC Rihand I	569	CERC Order dated 15th September, 2023 in P. No. 433/GT/2020	1.70	As Per Petitioners' submission
32	NTPC Rihand II	547	CERC Order date 26th September, 2023 in Petition No. 426/GT/2020	1.68	As Per Petitioners' submission
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	1.57	As Per Petitioners' submission
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	4.11	As Per Petitioners' submission

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs./kWh)	Basis for Energy Charges
35	NTPC Singrauli	1,059	CERC Order 5th September, 2023 in P.no. 424/GT/2020 for the period 2019-24	1.77	As Per Petitioners' submission
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	4.26	As Per Petitioners' submission
37	NTPC Khargone STPS, Unit-I	961	CERC Order dtd. 26-07-2023 in P.no. 402/GT/2019 for 01.02.2020 (CoD Unit-I) to 31.3.2024	4.36	As Per Petitioners' submission
38	NTPC Khargone STPS, Unit-II	961	'CERC Order dtd. 26-07-2023 in P.no. 402/GT/2019 for 01.02.2020 (CoD Unit-I) to 31.3.2024	4.36	As Per Petitioners' submission
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	3.23	As Per Petitioners' submission
40	NTPC Tanda Stage-II	1,646	CERC Order dated 17.04.2024 in P.no. 445/GT/2020 for 01.04.2019 to 31.03.2024	1.40	As Per Petitioners' submission
41	DVC (MTPS & CTPS)	1,945	Prorated Fixed Charges based on actual bills for FY 2024-25	3.35	As Per Petitioners' submission
42	Khurja STPS	21	CERC Order dated 31.08.2025 in P.no. 475/GT/2025 for period from CoD of Unit-I (26.01.2025 to 31.03.2029)	2.17	As Per Petitioners' submission
43	Ghatampur TPP	1,579	CERC Order dated 12.08.2025 in P.no. 370/GT/2025 for period from CoD of Unit-I (12.12.2024 to 31.03.2029)	3.19	As Per Petitioners' submission
44	Amarkantak TPS Ph-III	174	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.05	As Per Petitioners' submission
45	Satpura TPS Ph-IV	511	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	3.17	As Per Petitioners' submission
46	SGTPS Ph-I & II	572	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.73	As Per Petitioners' submission
47	SGTPS Ph-III	321	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.10	As Per Petitioners' submission
48	Shri Singaji STPS, Ph-I	1,081	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	3.45	As Per Petitioners' submission
49	Shri Singaji STPS, Ph-2	1,164	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.95	As Per Petitioners' submission

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs./kWh)	Basis for Energy Charges
50	Rani Awanti Bai Sagar, Bargi HPS	20	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.76	As Per Petitioners' submission
51	Bansagar Ph I HPS (Tons)	140	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.79	As Per Petitioners' submission
52	Bansagar Ph-II HPS (Silpara)		MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.65	As Per Petitioners' submission
53	Bansagar Ph-III HPS (Deolond)		MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.06	As Per Petitioners' submission
54	Bansagar Ph-IV HPS (Jhinna)	10	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.81	As Per Petitioners' submission
55	Birsinghpur HPS	6	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.84	As Per Petitioners' submission
56	Marhikheda HPS	21	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.83	As Per Petitioners' submission
57	Rajghat HPS	13	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	2.34	As Per Petitioners' submission
58	Gandhisagar HPS	20	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	1.36	As Per Petitioners' submission
59	Ranapratap Sagar & Jawahar Sagar HPS	0	As Per Petitioners' submission	1.51	As Per Petitioners' submission
60	Pench HPS	33	MPERC MYT Order dated March 04,2025 in P. No. 56 of 2024	0.65	As Per Petitioners' submission
61	NHDC Indira Sagar HPS	559	CERC order dated: 06.1.2022, Petition No.106/GT/2020	1.80	As Per Petitioners' submission
62	NHDC Omkareshwar HPS	343	CERC order dated: 11th March, 2022, Petition No. 107/GT/2020	2.01	As Per Petitioners' submission
63	Sardar Sarovar HPS	356	MPERC Order dated August 6,2013 in P. No. 18 of 2013	0.89	As Per Petitioners' submission
64	Rihand HPS	0	As Per Petitioners' submission	0.40	As Per Petitioners' submission
65	Matatila HPS	0	As Per Petitioners' submission	0.40	As Per Petitioners' submission
66	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	2.04	As Per Petitioners' submission

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs./kWh)	Basis for Energy Charges
67	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.	1.21	As Per Petitioners' submission
68	Tehri HPS	1,029	CERC Order dated 13th May 2022 in Petition No. 97/GT/2020 for 1.4.2019 to 31.3.2024	2.20	As Per Petitioners' submission
69	Koteshwar HPP	593.65	CERC Order dated 08.11.2024 in P. No. 60/GT/2024 for 01.04.2019 to 31.03.2024	3.29	As Per Petitioners' submission
70	NHPC Parbati II & III	459.61	CERC Order dated 31.03.2024 in P. No. 96/GT/2020 for 01.04.2019 to 31.03.2024	1.70	As Per Petitioners' submission
71	NHPC Chamera II	314	CERC Order dated 06.01.2024 in P. No. 291/GT/2020 for 01.04.2019 to 31.03.2024	1.36	As Per Petitioners' submission
72	NHPC Chamera III	372	CERC Order dated 12.07.2024 in P. No. 26/RP/2023 for 01.04.2019 to 31.03.2024	2.28	As Per Petitioners' submission
73	NHPC Dulhasti	772	CERC Order dated 9th May, 2022 in Petition No. 146/GT/2020	2.65	As Per Petitioners' submission
74	NHPC Dhauliganga	253	CERC Order dated 18th August, 2022 in Petition No. 284/GT/2020	1.42	As Per Petitioners' submission
75	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	2.25	As Per Petitioners' submission
76	NHPC Kishanganga	703	CERC Order dated 12.01.2024 in P. No. 453/GT/2020 for 01.04.2019 to 31.03.2024	3.13	As Per Petitioners' submission
77	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	1.52	As Per Petitioners' submission
78	NTPC Singrauli Small HPP	0	As Per Petitioners' submission	5.04	As Per Petitioners' submission
79	NHPC Lower Subansiri HEP (Unit-1 to 8)	0	As Per Petitioners' submission	5.09	As Per Petitioners' submission
80	NHPC - Rangit	0	As Per Petitioners' submission	4.37	As Per Petitioners' submission
81	SAS Hydel Project Pvt Ltd.	0	As Per Petitioners' submission	5.77	As Per Petitioners' submission
82	Amhata Hydro Energy Pvt. Ltd.	0	As Per Petitioners' submission	5.57	As Per Petitioners' submission
83	Amhata Hydro Energy Pvt. Ltd. - II	0	As Per Petitioners' submission	5.84	As Per Petitioners' submission

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Basis for Fixed Charges	Energy Charges (Rs./kWh)	Basis for Energy Charges
84	Amhata Hydro Energy Pvt. Ltd. - IV	0	As Per Petitioners' submission	5.97	As Per Petitioners' submission
85	Sirmour Small Hydel Pvt. Ltd.	0	As Per Petitioners' submission	5.64	As Per Petitioners' submission
86	NVDA Indira sagar LBC HPS	0	As Per Petitioners' submission	2.44	As Per Petitioners' submission
87	NVDA Bargi LBC HPS	0	As Per Petitioners' submission	2.68	As Per Petitioners' submission
88	Mini & Micro Hydel Plants	0	As Per Petitioners' submission	5.76	As Per Petitioners' submission
89	BLA Power	114	MPERC MYT Order dated February 13,2025 in P. No. 51 of 2024	4.08	As Per Petitioners' submission
90	Jaypee Bina Power	525	MPERC MYT Order dated February 28,2025 in P. No. 52 of 2024	3.42	As Per Petitioners' submission
91	Lanco Amarkantak TPS Unit 1	203	MPERC Order in P.No. 64 of 2021 dated 13.05.2022	2.34	As Per Petitioners' submission
92	Reliance UMPP, Sasan	434	Prorated Fixed Charges based on actual bills for FY 2023-24	1.51	As Per Petitioners' submission
93	Jaiprakash Power STPS, Nigri	1,561	MPERC MYT Order dated February 28,2025 in P. No. 53 of 2024	0.83	As Per Petitioners' submission
94	MB Power STPS	1,379	MPERC MYT Order dated February 28,2025 in P. No. 57 of 2024	2.83	As Per Petitioners' submission
95	Jhabua Power STPS, Unit-1	752	MPERC order in Petition No. 47 of 2020 dated 08.05.2021	3.26	As Per Petitioners' submission
96	PFCCL	76	As Per Petitioners' submission	2.55	As Per Petitioners' submission
97	DRE Solar	0		3.92	As Per Petitioners' submission
98	ISTS Solar	0		2.65	As Per Petitioners' submission
99	MP Solar	0		5.46	As Per Petitioners' submission
100	DRE Wind	0		5.17	As Per Petitioners' submission
101	ISTS Wind	0		2.89	As Per Petitioners' submission
102	MP Wind	0		5.58	As Per Petitioners' submission
103	Bio Mass/Bio gas/MSW	0		7.37	As Per Petitioners' submission

2.96 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 2026-27. Further, the Commission directs the Petitioners not to restrict supply unduly to any category of consumers during FY 2026-27.

2.97 The allocation of Merit Order Dispatch for generating station applicable for FY 2026-27 is shown in the table below:

**Table 24: MOD on allocated generating stations for FY 2026-27**

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
<b>I</b>	<b>Must Run Stations</b>		
1	Rihand HPS	1	40
2	Matatila HPS	1	40
3	Bansagar Ph-II HPS (Silpara)	1	65
4	Pench HPS	1	65
5	Rani Awanti Bai Sagar, Bargi HPS	1	76
6	Bansagar Ph I HPS (Tons)	1	79
7	Bansagar Ph-IV HPS (Jhinna)	1	81
8	Birsinghpur HPS	1	84
9	Sardar Sarovar HPS	1	89
10	Bansagar Ph-III HPS (Deolond)	1	106
11	SJVN Jhakri HPS	1	121
12	Gandhisagar HPS	1	136
13	NHPC Chamera II	1	136
14	NHPC Dhauliganga	1	142
15	Ranapratap Sagar & Jawahar Sagar HPS	1	151
16	NTPC Koldam HPP I	1	152
17	NHPC Parbati II & III	1	170
18	NHDC Indira Sagar HPS	1	180
19	Marhikheda HPS	1	183
20	NHDC Omkareshwar HPS	1	201
21	SJVN Rampur HPS	1	204
22	Tehri HPS	1	220
23	NHPC Sewa II	1	225
24	NHPC Chamera III	1	228
25	Rajghat HPS	1	234
26	NVDA Indira Sagar LBC HPS	1	244
27	ISTS Solar	1	265
28	NHPC Dulhasti	1	265
29	NVDA Bargi LBC HPS	1	268
30	NAPP Narora	1	277
31	ISTS Wind	1	289
32	NHPC Kishanganga	1	313
33	Koteshwar HPP	1	329
34	TAPP Tarapur	1	343
35	KAPP Kakrapar	1	365
36	KAPP Kakrapar Unit-3	1	365
37	KAPP Kakrapar Unit-4	1	365
38	DRE Solar	1	392
39	RAPP Rawabhatta	1	407
40	NHPC - Rangit	1	437
41	NTPC Singrauli Small HPP	1	504
42	NHPC Lower Subansiri HEP (Unit-1 to 8)	1	509
43	DRE Wind	1	517

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
44	MP Solar	1	546
45	Amhata Hydro Energy Pvt. Ltd.	1	557
46	MP Wind	1	558
47	Sirmour Small Hydel Pvt. Ltd.	1	564
48	Mini & Micro Hydel Plants	1	576
49	SAS Hydel Project Pvt Ltd.	1	577
50	Amhata Hydro Energy Pvt. Ltd. - II	1	584
51	Amhata Hydro Energy Pvt. Ltd. - IV	1	597
52	Bio Mass/Bio gas/MSW	1	737
<b>II</b>	<b>Other Stations</b>		
53	Jaiprakash Power STPS, Nigri	0	83
54	NTPC Tanda Stage-II	0	140
55	Reliance UMPP, Sasan	0	151
56	NTPC Korba	0	153
57	NTPC Rihand III	0	157
58	NTPC Korba III	0	159
59	NTPC Sipat I	0	163
60	NTPC Rihand II	0	168
61	NTPC Rihand I	0	170
62	NTPC Singrauli	0	177
63	NTPC Sipat II	0	182
64	NTPC Lara STPS, Raigarh, Unit I	0	201
65	NTPC Lara STPS, Raigarh, Unit II	0	201
66	Amarkantak TPS Ph-III	0	205
67	NTPC Vindychal IV	0	210
68	SGTPS Ph-III	0	210
69	NTPC Vindychal I	0	217
70	Khurja STPS	0	217
71	NTPC Vindychal III	0	220
72	NTPC Vindychal II	0	223
73	NTPC Vindychal V Unit 1	0	224
74	Lanco Amarkantak TPS Unit 1	0	234
75	PFCCL	0	255
76	NTPC Kahalgaon II	0	260
77	NTPC Dadri GPP	0	265
78	SGTPS Ph-I & II	0	273
79	MB Power STPS	0	283
80	Shri Singaji STPS, Ph-2	0	295
81	NTPC Anta GPP	0	309
82	Satpura TPS Ph-IV	0	317
83	Ghatampur TPP	0	319
84	Meja Urja Nigam	0	323
85	Jhabua Power STPS, Unit-1	0	326
86	DVC (MTPS & CTPS)	0	335
87	NTPC Firoz Gandhi Unchahar IV	0	340
88	Jaypee Bina Power	0	342
89	Shri Singaji STPS, Ph-I	0	345

Sr. No.	Generating Station	Dispatch Type (1 Must Run, 0 Others)	Energy Charges (Paisa/kWh)
90	NTPC Mouda II Unit 1	0	352
91	NTPC Firoz Gandhi Unchahar II	0	361
92	NTPC Mouda I	0	364
93	NTPC Firoz Gandhi Unchahar I	0	367
94	NTPC Gadarwara STPS, Unit-1	0	404
95	NTPC Gadarwara STPS, Unit-2	0	404
96	BLA Power	0	408
97	NTPC NCTP Dadri II	0	411
98	NTPC IGPS I Jhajjar	0	426
99	NTPC Khargone STPS, Unit-I	0	436
100	NTPC Khargone STPS, Unit-II	0	436
101	NTPC Firoz Gandhi Unchahar III	0	442
102	NTPC Solapur STPS, Phase-1	0	520
103	NTPC Auraiya GPP	0	876

### Fixed and Energy Charges

2.98 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 25 : Fixed and Energy Charges of all generating stations admitted for FY 2026-27**

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
1	NTPC Korba	250.22	481.94	732.15
2	NTPC Korba III	56.34	79.29	135.63
3	NTPC Vindiyachal I	270.51	529.53	800.04
4	NTPC Vindiyachal II	169.70	351.44	521.14
5	NTPC Vindiyachal III	179.38	309.50	488.89
6	NTPC Vindiyachal IV	321.84	397.19	719.03
7	NTPC Vindiyachal V Unit 1	163.31	163.12	326.44
8	NTPC Sipat I	280.05	332.44	612.49
9	NTPC Sipat II	126.46	224.17	350.63
10	NTPC Mouda I	17.26	19.57	36.83
11	NTPC Mouda II Unit 1	25.63	32.08	57.71
12	NTPC Kawas GPP	0.09	0.00	0.09
13	NTPC Gandhar GPP	0.10	0.00	0.10
14	NTPC Auraiya GPP	1.05	7.18	8.23
15	NTPC Dadri GPP	0.92	2.93	3.86
16	NTPC Anta GPP	0.62	1.55	2.16
17	NTPC Kahalgaon II	47.75	94.38	142.14
18	KAPP Kakrapar	0.00	287.72	287.72
19	KAPP Kakrapar Unit-3	0.00	239.78	239.78
20	KAPP Kakrapar Unit-4	0.00	239.78	239.78
21	TAPP Tarapur	0.00	515.33	515.33
22	RAPP Rawabhatta	0.00	5.74	5.74

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
23	NAPP Narora	0.00	2.43	2.43
24	NTPC Solapur STPS, Phase-1	458.18	674.77	1,132.95
25	NTPC Gadarwara STPS, Unit-1	597.88	619.79	1,217.66
26	NTPC Gadarwara STPS, Unit-2	597.88	619.79	1,217.66
27	NTPC Lara STPS, Raigarh, Unit I	141.73	114.95	256.68
28	NTPC Lara STPS, Raigarh, Unit II	141.73	114.95	256.68
29	NTPC Firoz Gandhi Unchahar I	0.08	2.05	2.13
30	NTPC Firoz Gandhi Unchahar II	0.28	1.54	1.82
31	NTPC Firoz Gandhi Unchahar III	0.15	1.13	1.29
32	NTPC Firoz Gandhi Unchahar IV	0.52	1.45	1.97
33	NTPC Rihand I	0.51	10.46	10.97
34	NTPC Rihand II	0.49	8.42	8.91
35	NTPC Rihand III	0.93	2.17	3.09
36	NTPC NCTP Dadri II	0.76	3.92	4.68
37	NTPC Singrauli	0.95	24.24	25.19
38	NTPC IGPS I Jhajjar	2.31	9.18	11.48
39	NTPC Khargone STPS, Unit-I	497.50	615.67	1,113.17
40	NTPC Khargone STPS, Unit-II	497.50	615.67	1,113.17
41	Meja Urja Nigam	2.90	1.99	4.89
42	NTPC Tanda Stage-II	0.99	2.86	3.85
43	DVC (MTPS & CTPS)	105.69	141.42	247.11
44	Khurja STPS	0.04	3.17	3.21
45	Ghatampur TPP	2.04	1.05	3.09
46	Amarkantak TPS Ph-III	172.93	244.89	417.82
47	Satpura TPS Ph-IV	511.19	579.77	1,090.96
48	SGTPS Ph-I & II	508.54	818.55	1,327.09
49	SGTPS Ph-III	319.60	595.96	915.56
50	Shri Singaji STPS, Ph-I	1,033.22	1,451.72	2,484.94
51	Shri Singaji STPS, Ph-2	1,105.68	1,449.52	2,555.20
52	Rani Awanti Bai Sagar, Bargi HPS	8.23	34.76	42.98
53	Bansagar Ph I HPS (Tons)	70.02	75.03	145.05
54	Bansagar Ph-II HPS (Silpara)	0.00	6.20	6.20
55	Bansagar Ph-III HPS (Deolond)	0.00	13.04	13.04
56	Bansagar Ph-IV HPS (Jhinna)	5.20	7.21	12.41
57	Birsinghpur HPS	2.90	4.13	7.04
58	Marhikheda HPS	10.51	19.09	29.60
59	Rajghat HPS	2.78	23.14	25.92
60	Gandhisagar HPS	2.59	35.02	37.62
61	Ranapratap Sagar & Jawahar Sagar HPS	0.00	52.58	52.58
62	Pench HPS	8.71	20.93	29.64
63	NHDC Indira Sagar HPS	279.46	624.58	904.04
64	NHDC Omkareshwar HPS	171.38	352.58	523.96
65	Sardar Sarovar HPS	101.45	226.37	327.82
66	Rihand HPS	0.00	5.21	5.21
67	Matatila HPS	0.00	1.77	1.77
68	SJVN Rampur HPS	0.57	0.77	1.34
69	SJVN Jhakri HPS	1.24	1.81	3.05

Sr. No.	Generating Station	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total (Rs. Crore)
70	Tehri HPS	0.98	1.58	2.56
71	Koteshwar HPP	0.55	0.87	1.42
72	NHPC Parbati II & III	0.64	0.83	1.48
73	NHPC Chamera II	0.50	0.67	1.17
74	NHPC Chamera III	0.51	0.69	1.20
75	NHPC Dulhasti	1.02	1.75	2.77
76	NHPC Dhauliganga	0.35	0.47	0.83
77	NHPC Sewa II	0.27	0.33	0.60
78	NHPC Kishanganga	0.98	1.34	2.32
79	NTPC Koldam HPP I	0.72	0.76	1.47
80	NTPC Singrauli Small HPP	0.00	0.04	0.04
81	NHPC Lower Subansiri HEP (Unit-1 to 8)	0.00	137.49	137.49
82	NHPC - Rangit	0.00	22.01	22.01
83	SAS Hydel Project Pvt Ltd.	0.00	17.72	17.72
84	Amhata Hydro Energy Pvt. Ltd.	0.00	6.32	6.32
85	Amhata Hydro Energy Pvt. Ltd. - II	0.00	6.62	6.62
86	Amhata Hydro Energy Pvt. Ltd. - IV	0.00	6.77	6.77
87	Sirmour Small Hydel Pvt. Ltd.	0.00	86.26	86.26
88	NVDA Indira sagar LBC HPS	0.00	11.54	11.54
89	NVDA Bargi LBC HPS	0.00	8.44	8.44
90	Mini & Micro Hydel Plants	0.00	13.15	13.15
91	BLA Power	34.28	47.62	81.91
92	Jaypee Bina Power	341.38	417.79	759.17
93	Lanco Amarkantak TPS Unit 1	203.07	281.96	485.03
94	Reliance UMPP, Sasan	162.93	1,549.69	1,712.62
95	Jaiprakash Power STPS, Nigri	468.33	303.11	771.44
96	MB Power STPS	413.74	596.01	1,009.75
97	Jhabua Power STPS, Unit-1	225.45	261.09	486.54
98	PFCCCL	76.44	270.61	347.05
99	DRE Solar	0.00	723.76	723.76
100	ISTS Solar	0.00	3,333.49	3,333.49
101	MP Solar	0.00	1,428.43	1,428.43
102	DRE Wind	0.00	404.55	404.55
103	ISTS Wind	0.00	820.04	820.04
104	MP Wind	0.00	1,761.22	1,761.22
105	Bio Mass/Bio gas/MSW	0.00	49.11	49.11
<b>106</b>	<b>Grand Total</b>	<b>11,210.66</b>	<b>27,126.47</b>	<b>38,337.14</b>

## Renewable Purchase Obligation (RPO)

### Petitioners' Submission

2.99 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 12<sup>th</sup> November, 2021 and its first amendment on 16<sup>th</sup> 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.

- 2.100 Further, Petitioners submitted that the Ministry of Power (MoP) on dated 27<sup>th</sup> September 2025 has notified Renewable Consumption Obligations (RCO) under Section 14 of the Energy Conservation Act, 2001, effective 1<sup>st</sup> April 2024. As per the said notification, for all designated consumers under the Act, no additional Renewable Purchase Obligation shall be applicable under the Electricity Act, 2003 (36 of 2003), and the State-level Renewable Purchase Obligation targets have been subsumed within the Renewable Consumption Obligation targets specified in the notification.
- 2.101 As per the said notifications, the RCO obligation is split into wind, hydro, distributed renewable energy (DRE), and other renewables. Wind and hydro RCO can be met only with projects commissioned after March 2024, while DRE covers projects not exceeding 10 MW in size, including rooftop solar under all configurations. Obligations under wind, hydro, and other renewables are interchangeable, but DRE is non-fungible except for surplus.
- 2.102 The said notification also provided that any shortfall in meeting the Renewable Consumption Obligation shall be treated as non-compliance and penalty may be imposed in accordance with the provisions under sub-section (3) of Section 26 of the Energy Conservation Act, 2001 as amended from time to time.
- 2.103 Petitioners submitted that Commission has not yet formally amended its existing MPERC (Co-generation and generation of electricity from Renewable sources of energy) (Revision-II) Regulations, 2021 to reflect the Ministry of Power's notification, however it is understood and expected that the Commission shall shortly issue Draft Amendments to align the existing regulatory framework including relevant Regulations with the new RCO provisions.
- 2.104 The Petitioners in this Petition have worked out the quantum of Wind, Hydro, Others and DRE power purchase requirement for RCO compliance for FY 2026-27. For Distribution licensees, the notifications stipulates that Renewable Consumption Obligation shall be calculated based on the electrical energy supplied to consumers within the periphery of the distribution licensee including the generation from Rooftop Solar.
- 2.105 In line with the sample calculations provided under "Example 2" of Ministry of Power's notification for RCO, the Petitioners have worked out the total electrical input at DISCOMs periphery as given in the table below:

**Table 26: Projected Input Energy for RCO calculations submitted by Petitioners for FY 2026-27 (MUs)**

S. No	Electricity input at Discom periphery	East DISCOM	West DISCOM	Central DISCOM	State
1	From Nuclear sources	967	1,331	1,096	3,395
2	From renewable sources including hydro, wind, solar and co-firing of biomass and municipal solid waste - Inter State	4,978	6,849	5,642	17,469
3	From renewable sources including hydro, wind, solar and co-firing of biomass and municipal solid waste - Intra State	4,413	6,071	5,002	15,486
4	Distribution losses (Normative)	3,836	4,523	4,346	12,705

S. No	Electricity input at Discom periphery	East DISCOM	West DISCOM	Central DISCOM	State
5	Renewable Energy requisitioned by consumers of distribution licensee as per Green Energy Open Access Rules, and supplied by distribution licensee at Green Tariff	-	-	-	-
6	From fossil sources - Inter State	10,970	15,091	12,433	38,495
7	From fossil sources - Intra State	6,072	8,352	6,881	21,305
8	Energy generation from Roof Top Solar	282	524	379	1,185
9	Total Input at Discom Periphery including RTS	27,683	38,218	31,434	97,334
<b>10</b>	<b>Adjusted consumption for RCO calculation</b>	<b>26,715</b>	<b>36,887</b>	<b>30,337</b>	<b>93,940</b>

2.106 Petitioners submitted that the energy from nuclear sources, renewables sources, Inter-State and Intra-State fossils sources as shown above, has been estimated based on the scheduled generation from these sources to meet the projected normative demand for FY 2026-27. Whereas input energy from RTS sources have been projected by considering a nominal escalation of 10% on the latest installed capacity of RTS (in MW) as on October, 2025 (175.54 MW for East DISCOM, 235.94 MW for Central DISCOM and 326.36 MW for West DISCOM) and with a multiplier of 4 kilowatt hour per kilowatt per day, in accordance with the stipulations outlined in the RCO notification.

2.107 The Petitioners have worked out the RCO separately for each Distribution Licensee of Madhya Pradesh as shown in the table below:

**Table 27: Projected RCO calculations for East DISCOM submitted by Petitioners for FY 2026-27**

Category	RCO Targets % - Wind	Energy Required - MUs	Energy Available - Assessed MUs	Achievement %	Target Achieved %	Surplus/ Deficit - MUs	Utilization of Surplus	Achievement after Surplus Adjustment	Additional Purchase (MUs)	Rate for Additional Purchase (Rs./kWh)	Cost of Additional Purchase (Rs. Crore)
Wind Energy	1.97%	526	254	0.95%	48%	(272)	272	100%	-	4.15	-
Hydro Energy	1.34%	358	86	0.32%	24%	(272)	272	100%	-	6.85	-
DRE	2.70%	721	1,135	4.25%	157%	414	-	110%	-	4.75	-
Other RE	29.94%	7,998	8,198	30.69%	102%	200	-	100%	-	4.31	-

**Table 28: Projected RCO calculations for West DISCOM submitted by Petitioners for FY 2026-27**

Category	RCO Targets % - Wind	Energy Required - MUs	Energy Available - Assessed MUs	Achievement %	Target Achieved %	Surplus/ Deficit - MUs	Utilization of Surplus	Achievement after Surplus Adjustment	Additional Purchase (MUs)	Rate for Additional Purchase (Rs./kWh)	Cost of Additional Purchase (Rs. Crore)
Wind Energy	1.97%	598	288	0.95%	48%	(310)	310	100%	-	4.15	-
Hydro Energy	1.34%	407	97	0.32%	24%	(309)	309	100%	-	6.85	-
DRE	2.70%	819	1,346	4.44%	164%	527	-	114%	-	4.75	-
Other RE	29.94%	9,083	9,292	30.63%	102%	209	-	100%	-	4.31	-

**Table 29: Projected RCO calculations Central DISCOM submitted by Petitioners for FY 2026-27**

Category	RCO Targets % - Wind	Energy Required - MUs	Energy Available - Assessed MUs	Achievement %	Target Achieved %	Surplus/Deficit - MUs	Utilization of Surplus	Achievement after Surplus Adjustment	Additional Purchase (MUs)	Rate for Additional Purchase (Rs./kWh)	Cost of Additional Purchase (Rs. Crore)
Wind Energy	1.97%	727	349	48.08%	(377)	(377)	377	100%	-	4.15	-
Hydro Energy	1.34%	494	118	0.32%	24%	(376)	376	100%	-	6.85	-
DRE	2.70%	996	1,698	4.60%	171%	702	-	118%	-	4.75	-
Other RE	29.94%	11,044	11,278	30.57%	102%	234	-	100%	-	4.31	-

- 2.108 From the above, it is observed that Wind and Hydro components have deficits relative to targets, requiring additional purchases. This shortfall primarily arises because obligations under the Wind Energy and Hydro components must be fulfilled using energy generated from projects commissioned after 31<sup>st</sup> March 2024. Based on the projected capacity additions in respective components, the Petitioners anticipate comparatively lower energy availability, resulting in a deficit.
- 2.109 Whereas DRE and Other RE have surpassed their respective targets, generating surpluses that can be deployed to offset deficits in other categories. Accordingly, in line with Clause 3 of the RCO notification, the Petitioners have adjusted the surplus energy from the DRE and Other RE segments against the shortfall estimated in the Wind Energy and Hydro segments.
- 2.110 The Petitioners request the Commission to approve the above Renewable Consumption Obligation calculations for FY 2026-27.

### Commission's Analysis

- 2.111 The Commission has notified the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and its amendment from time to time. In the said Regulations, the Commission has specified Renewable Purchase Obligation (RPO) for Wind Energy, Hydro Energy, Distributed Renewable Energy (DRE), and Others Renewable Energy sources for the Period from FY 2024-25 to FY 2029-30.
- 2.112 Accordingly, the Commission, in accordance with the provisions of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 as amended from time to time has worked out the quantum of Wind Energy, Hydro Energy, Distributed Renewable Energy and Others Renewable Energy required for RPO compliance for FY 2026-27. This has been determined based on the total projected energy to be supplied to consumers within the DISCOM periphery including generation from Rooftop Solar (RTS) for FY 2026-27 as shown in the table below.

**Table 30: Renewable Purchase Obligation as computed by the Commission for FY 2026-27**

Sr. No	Energy Supplied at DISCOM Periphery	East DISCOM	West DISCOM	Central DISCOM	State
1	From Nuclear Sources	978	1,320	1,099	3,397
2	From renewable sources including hydro, wind, solar and co-firing of biomass and municipal solid waste - Inter State	5,178	6,986	5,819	17,983

Sr. No	Energy Supplied at DISCOM Periphery	East DISCOM	West DISCOM	Central DISCOM	State
3	From Renewable Sources including Hydro, Wind, Solar and Co-Firing of Biomass and Municipal Solid Waste - Intra-State	4,696	6,337	5,278	16,311
4	Normative Distribution losses	3,908	4,520	4,392	12,820
5	Renewable Energy Requisitioned by Consumers of Distribution Licensee as per Green Energy Open Access Rules, and Supplied by Distribution licensee at Green Tariff.	-	-	-	-
6	From Fossil Sources - Inter-State	12,097	16,322	13,595	42,014
7	From Fossil Sources - Intra-State	5,419	7,312	6,090	18,822
8	Energy Generated from Roof Top Solar	282	524	379	1,185
9	Total Input at DISCOM Periphery including RTS	28,650	38,801	32,261	99,712
10	<b>Adjusted Consumption for RPO Calculation</b>	<b>27,672</b>	<b>37,481</b>	<b>31,162</b>	<b>96,315</b>

2.113 Further, the energy from nuclear sources, renewable sources, Inter-State and Intra-State fossils sources as shown in the above table, has been estimated based on the scheduled generation from these sources to meet the projected normative energy requirement for FY 2026-27.

2.114 The input energy from RTS sources has been considered based on projections submitted by the Petitioners and thereafter applying a multiplier of 4 kilowatt hour per kilowatt per day, in accordance with the provisions of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and its amendment from time to time.

2.115 In view of the above, the Commission has worked out the RPO compliance for Wind Energy, Hydro Energy, DRE and Others Renewable Energy and for each DISCOMs for FY 2026-27 as shown in the table below:

**Table 31: Renewable Purchase Obligation for Wind Energy as computed by the Commission for FY 2026-27**

Wind Energy					
Sr. No	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Net Total Electricity Consumption for RPO (MU)	27,672	37,481	31,162	96,315
2	Wind Energy RPO Compliance (%)	1.97%	1.97%	1.97%	1.97%
3	Wind Energy Required (MU)	545	738	614	1,897
4	Projected Wind Energy Available for Power Projects COD after 31 <sup>st</sup> March, 2024 (MU)	256	346	288	890
5	Achievement (%)	0.93%	0.92%	0.92%	0.92%
6	<b>Target Achieved (%)</b>	<b>47%</b>	<b>47%</b>	<b>47%</b>	<b>47%</b>
7	<b>Surplus/(Deficit) (MU)</b>	<b>(289)</b>	<b>(393)</b>	<b>(326)</b>	<b>(1,007)</b>

**Table 32: Renewable Purchase Obligation for Hydro Energy as computed by the Commission for FY 2026-27**

Hydro Energy					
Sr. No	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Net Total Electricity Consumption for RPO (MU)	27,672	37,481	31,162	96,315
2	Hydro Energy RPO Compliance (%)	1.34%	1.34%	1.34%	1.34%

Hydro Energy					
Sr. No	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
3	Hydro Energy Required (MU)	371	502	418	1,291
4	Projected Hydro Energy Available for Power Projects COD after 31 <sup>st</sup> March, 2024 (MU)	86	117	97	300
5	Achievement (%)	0.31%	0.31%	0.31%	0.31%
6	<b>Target Achieved (%)</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>
7	<b>Surplus/(Deficit) (MU)</b>	<b>(284)</b>	<b>(386)</b>	<b>(320)</b>	<b>(990)</b>

**Table 33: Renewable Purchase Obligation for DRE as computed by the Commission for FY 2026-27**

DRE					
Sr. No	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Net Total Electricity Consumption for RPO (MU)	27,672	37,481	31,162	96,315
2	DRE RPO Compliance (%)	2.70%	2.70%	2.70%	2.70%
3	DRE Required (MU)	747	1,012	841	2,601
4	Projected DRE Available (MU)	1,096	1,623	1,294	4,014
5	Achievement (%)	3.96%	4.33%	4.15%	4.17%
6	<b>Target Achieved (%)</b>	<b>147%</b>	<b>160%</b>	<b>154%</b>	<b>154%</b>
7	<b>Surplus/(Deficit) (MU)</b>	<b>349</b>	<b>611</b>	<b>453</b>	<b>1,414</b>

**Table 34: Renewable Purchase Obligation for Others RE as computed by the Commission for FY 2026-27**

Others RE					
Sr. No	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Net Total Electricity Consumption for RPO (MU)	27,672	37,481	31,162	96,315
2	Others RE RPO Compliance (%)	29.94%	29.94%	29.94%	29.94%
3	Others RE Required (MU)	8,285	11,222	9,330	28,837
4	Projected Others RE Available (MU)	8,717	11,762	9,797	30,275
5	Achievement (%)	31.50%	31.38%	31.44%	31.43%
6	<b>Target Achieved (%)</b>	<b>105.21%</b>	<b>105%</b>	<b>105%</b>	<b>105%</b>
7	<b>Surplus/(Deficit) (MU)</b>	<b>432</b>	<b>540</b>	<b>467</b>	<b>1,439</b>

2.116 From the above, the Commission observed that there is a shortfall in the fulfilment of Wind Energy and Hydro Energy obligations against the specified targets. This shortfall primarily arises due to the requirement that such obligations are to be met from power projects commissioned on or after 31<sup>st</sup> March 2024.

2.117 However, the Commission further observed that the obligations pertaining to Distributed Renewable Energy and Other Renewable Energy have been exceeded, resulting in surplus availability under these categories. In accordance with Regulation 3.1.1 of the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 as amended from time to time, such surplus is permitted to be adjusted against deficits in other categories. Accordingly, the Commission has adjusted the surplus energy available under DRE and Others Renewable Energy towards the shortfall in Wind Energy and Hydro Energy obligations for FY 2026-27.

2.118 In view of the above adjustment, the Commission finds that no additional procurement of

Wind Energy or Hydro Energy is required for meeting the RPO compliance for FY 2026-27. Accordingly, no additional cost on account of RPO compliance has been considered in the power purchase cost for FY 2026-27 in this Order.

## **Management of Surplus Energy**

### **Petitioners' Submission**

- 2.119 Petitioners submitted that based on the month-wise Hourly Availability and normative Energy requirement as projected for FY 2026-27, the Petitioners have worked out the hour-wise surplus/deficit power. Further, above hourly surplus/(deficit) energy quantum is purely based on the normative loss profiling of DISCOMs. However, given the stringent loss level as prescribed for FY 2026-27 as compared to existing level, it is anticipated to be highly challenging to achieve the approved benchmarks.
- 2.120 Petitioners submitted that Surplus Power is typically disposed of through market sales, thereby enabling optimization of power purchase costs through the revenue generated. The ability to sell surplus power depends on various factors including the demand scenario within the State, the availability of surplus energy with MPPMCL during specific time blocks, the overall Demand-Supply dynamics of the power sector, and the Marginal Clearing Price (MCP) prevailing in the market. While the Petitioners have computed Power Purchase Costs assuming normative loss levels, it is imperative that the assessment of surplus or deficit energy be conducted on realistic loss projections.
- 2.121 In view of the above, the Petitioners have worked out the hour-wise projections of surplus and deficit power based on prevailing loss levels, holding other parameters constant.
- 2.122 Petitioners submitted that mere availability of Surplus Power does not necessarily imply that such power will be sold in the market. As previously mentioned, the sale of surplus power occurs only when the prevailing market price exceeds the variable cost of the generating station producing the surplus. To accurately estimate surplus power sales for FY 2026-27, it is essential to consider the corresponding market prices. However, forecasting future market prices is inherently uncertain due to their highly dynamic nature. Consequently, the Petitioners have analyzed the most recent one-year Market Clearing Price (MCP) data on an hourly basis from the Indian Energy Exchange (IEX), spanning the period from October 2024 to September 2025, and have assumed these prices for the corresponding hours and months of FY 2026-27. The hourly market prices adopted for FY 2026-27, specifically for the purpose of estimating surplus power sales.
- 2.123 Accordingly, the petitioners submitted that there will be a net saving of Rs. 510.22 Crore on account of sale of surplus power and the same has been subtracted from the total variable costs, while computing the total power purchase costs of the DISCOMs for FY 2026-27.

### **Commission's Analysis**

- 2.124 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.

- 2.125 The Commission analysed the average rate discovered in past 12 months in IEX from April, 2025 to March, 2026 and observed that the average rate discovered was Rs. 3.81/kWh.
- 2.126 Further, 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 DISCOMs MYT Order for FY 2022-23 to FY 2026-27 vide dated 31<sup>st</sup> March, 2022 (herein after referred as MYT Order).
- 2.127 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 2022-23, FY 2023-24 and FY 2024-25).
- 2.128 Based on the above information, the Commission has considered the realistic scenario of sale of surplus power through open market and considering gradual increasing trend in previous years, the Commission has considered 10,198.02 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 7.8 of this Order on disposal of Surplus Power.**
- 2.129 As the sale of surplus energy has been considered at Rs. 3.81/kWh, generating stations having variable rate more than Rs. 3.81/kWh have been considered for backing down. Accordingly, the Commission has considered the rate of Rs 3.81/kWh for sale of surplus energy to assess the total revenue from sale of surplus energy.
- 2.130 Further, the Commission has observed that the MPPMCL has entered into Bulk Power Supply Agreement with MPIDC, SEZ-Pithampur (erstwhile MPAKVN) and MPIDC, Industrial Area-Mohasa Babai for supply of power. MPIDCs have been purchasing the additional requirement of energy also from MPPMCL only. The projected energy requirement of MPIDC, SEZ-Pithampur for FY 2026-27 has been considered as 519.18 MU as submitted by MPIDC in its Retail Supply Petition for FY 2026-27 and average rate of power purchase of Rs. 3.60 /kWh as approved by the Commission in its Retail Supply Tariff Order for FY 2025-26. Similarly, energy requirement for MPIDC, Industrial Area- Mohasa Babai for FY 2026-27 has been considered as 380.16 MU as submitted by MPIDC in Retail Supply Petition for FY 2026-27 and average power purchase cost (APPC) at the State periphery as determined by the Commission in this Order. Any under /over recovery shall be adjusted at the time of truing up of FY 2026-27.
- 2.131 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 2026-27:

**Table 35 : Details of saving in power purchase cost through sale of Surplus energy for FY 2026-27**

Sr. No.	Particulars	Reference	FY 2026-27
1	Total Energy Availability (MU)	A	1,28,221.49
2	Total Energy Requirement (MU)	B	1,02,086.12
3	Total Energy Surplus (MU)	C=A-B	26,135.37
4	Energy Backdown (MU)	D	6,014.28
5	Energy Available for Surplus Sale of Power (MU)	E=C-D	20,121.10
6	Sale of power to MPIDC, SEZ-Pithampur (MU)	F	519.18
7	Average Power Purchase Cost of MPIDC, SEZ-Pithampur as Approved in FY 2025-26 Tariff Order (Rs./kWh)	G	3.60
8	Revenue from sale of power MPIDC, SEZ-Pithampur (Rs. Crore)	H=F*G/10	186.90
9	Sale of power to MPIDC, Industrial Area-Mohasa Babai (MU)	I	380.16
10	Average Power Purchase Cost of MPIDC, Industrial Area-Mohasa Babai as approved in this Order (Rs./kWh)	J	4.07
11	Revenue from sale of power MPIDC, Industrial Area-Mohasa Babai (Rs. Crore)	K=I*J/10	154.73
12	Net Surplus Energy available for sale in Power Exchange (MU)	L=E-F-I	19,221.76
13	Surplus Energy considered for Sale (MU)	M	10,198.02
14	Per unit cost of sale of power through Power Exchange (Rs./kWh)	N	3.81
15	Revenue from Sale of Power through Power Exchange (Rs Crore)	O=M*N/10	3,888.21
16	Total Revenue from sale of surplus power in PX and MPIDCs (Rs. Crore)	P=H+K+O	4,229.84
17	Energy Charge of Surplus Energy (Rs Crore)	Q	3,062.87
18	<b>Total saving in Power Purchase Cost by sale of surplus Energy</b>	<b>R=P-Q</b>	<b>1,166.97</b>

2.132 With this approach, though the estimated surplus energy works out to 20,121.10 MU, the Commission has considered the sale of 11,097.36 MU only (i.e., 10,198.02 MU towards surplus sale in Open market and 899.34 MU to MPIDCs). The variable cost of remaining surplus energy of 9,023.73 MU has not been considered by the Commission while projecting the power purchase cost for FY 2026-27. However, the Petitioners are directed to make all efforts to sale maximum possible surplus energy as directed in para 2.128 of this Order.

## Inter-State Transmission Charges

### Petitioners' Submissions

2.133 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 2024-25 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 2026-27.

2.134 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 2026-27 (Rs. Crore)**

Particulars	FY 2026-27
State	3,367.11

### Commission's Analysis

2.135 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 2024-25 have been escalated by 4% per annum for 2 years to arrive at the Inter-State transmission charges for FY 2026-27.

**Table 37: Inter-State Transmission Charges admitted for FY 2026-27 (Rs. Crore)**

Particulars	FY 2026-27
State	3,367.11

### Intra-State Transmission Charges and SLDC Charges

#### Petitioners' Submission

2.136 The Petitioners have considered Intra-State Transmission and SLDC Charges for FY 2024-25 as per actual figures and the same have been increased annually by 4% for each year to arrive at for FY 2026-27, as indicated in the table below:

**Table 38: Intra-State Transmission Charges and SLDC charges claimed for FY 2026-27 (Rs. Crore)**

Sr. No	Transmission Charges	FY 2026-27
1	East DISCOM	2,176.49
2	West DISCOM	2,065.39
3	Central DISCOM	2,094.89
4	State	6,336.77
Sr. No	SLDC Charges	FY 2026-27
1	East DISCOM	5.84
2	West DISCOM	6.99
3	Central DISCOM	6.81
4	State	19.65
Sr. No	Transmission Charges including SLDC Charges	FY 2026-27
1	East DISCOM	2,182.33
2	West DISCOM	2,072.38
3	Central DISCOM	2,101.70
4	State	6,356.42

## Commission's Analysis

- 2.137 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 20<sup>th</sup> March, 2025 in Petition No. 54/2024. Accordingly, Commission has considered Intra-State transmission charges for FY 2026-27 as per aforesaid MYT Order.
- 2.138 The Commission has admitted SLDC Charges for FY 2026-27 as determined in SLDC levy and collection of fees and Charges Order dated 09<sup>th</sup> March, 2026 in Petition No. 134/2025. The same has been considered for FY 2026-27.
- 2.139 Accordingly, Intra-State transmission charges including SLDC charges for FY 2026-27 have been admitted as shown in the table below:

**Table 39 : Intra-State Transmission Charges including SLDC Charges admitted for FY 2026-27 (Rs. Crore)**

Sr. No	Intra-State Transmission Charges	FY 2026-27
1	East DISCOM	1,635.50
2	West DISCOM	2,229.64
3	Central DISCOM	1,982.09
<b>4</b>	<b>State</b>	<b>5,847.23</b>
Sr. No	SLDC Charges	FY 2026-27
1	East DISCOM	5.11
2	West DISCOM	6.96
3	Central DISCOM	6.19
<b>4</b>	<b>State</b>	<b>18.26</b>
Sr. No	Transmission Charges including SLDC Charges	FY 2026-27
1	East DISCOM	1,640.61
2	West DISCOM	2,236.60
3	Central DISCOM	1,988.28
<b>4</b>	<b>State</b>	<b>5,865.49</b>

- 2.140 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

- 2.141 As per item No.8 (ii) of State Govt. Notification No.2260-F-3-24-2009-XIII dated 19<sup>th</sup> 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 at its own expenses on actual basis in proportion to the energy drawal by respective DISCOMs.

2.142 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 2026-27 are mentioned in the table below:

**Table 40: MPPMCL Cost claimed for FY 2026-27 (Rs. Crore)**

S. No.	Particulars	FY 2026-27
I.	Revenue from operations (including Revenue Subsidy)	-
II.	Other income	170.76
III.	Income from other business allocated to Licensed business	-
<b>IV</b>	<b>Total Revenue (I + II+III)</b>	<b>170.76</b>
<b>V</b>	<b>Expenses:</b>	
	Purchase of Power from MP Genco	-
	Purchase of Power from Other Sources	300.00
	Open Access Charges	20.53
	Banking Charges	-
	Bank Charges	5.49
	Depreciation and amortization expenses	7.83
	Interest & Finance Charges	-
	Repairs and Maintenance	8.56
	Employee costs	67.63
	Administration and General expenses	36.31
	Net prior period credit charges	-
	Other Debits, Write-offs	-
	Other Charges	-
	<b>Total Expenses</b>	<b>446.36</b>
VI	Profit before exceptional and extraordinary items and tax (IV-V)	(275.59)
VII	Exceptional items	-
<b>VIII</b>	<b>Profit before extraordinary items and tax (VI – VII)</b>	<b>(275.59)</b>

## Commission’s Analysis

2.143 The Commission observed that Petitioners in their 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.

2.144 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. 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.

2.145 Further, the Commission is of the view that from FY 2026-27, MPPMCL shall 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 2026-27.

- 2.146 Further, the Commission has admitted the expenses of MPPMCL towards Open Access Charges, Operation and Maintenance Expenses, depreciation and Bank Charges for FY 2026-27, subject to prudence check at the time of true up.
- 2.147 The Commission has also considered other income of MPPMCL for FY 2026-27 as per the Petitioners’ submission. Accordingly, the net MPPMCL cost admitted in this Order is surplus income for FY 2026-27. Further, the expenses related to power purchase, if any, incurred by MPPMCL would be appropriately considered at the time of truing up for FY 2026-27, after prudence check.
- 2.148 MPPMCL Cost/ Income admitted by the Commission for FY 2026-27 has been shown in the table below:

**Table 41: MPPMCL Cost/ Income admitted by the Commission for FY 2026-27 (Rs. Crore)**

Sr. No.	Particulars	FY 2026-27
1	Open Access Charges	20.53
2	Depreciation and Amortization	7.83
3	Employee Expenses	67.63
4	R&M Expenses	8.56
5	A&G Expenses	36.31
6	Bank Charges	5.49
7	<b>Total Expenses</b>	<b>146.36</b>
8	Other Income	170.76
9	<b>Net MPPMCL Cost/ (Income)</b>	<b>(24.41)</b>

## Summary of Power Purchase Cost Petitioners' Submission

2.149 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 2026-27 (Rs. Crore)**

No.	Particulars	UoM	FY 2026-27											Total	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar
A	Fixed Charges	Rs. Crore	964	964	964	964	964	964	964	964	964	964	964	964	11,566
B	Energy Charge including additional cost of RCO compliance	Rs. Crore	2,207	2,336	2,165	2,070	1,960	1,916	2,169	2,528	2,579	2,646	2,552	2,370	27,498
B1	Supplementary cost if any														
C	MPPMCL Cost/ (Income)	Rs. Crore	23	23	23	23	23	23	23	23	23	23	23	23	276
D	Less: Saving from Sale of Surplus Power	Rs. Crore	(42)	(1)	(12)	(7)	(59)	(43)	(125)	(1)	(27)	(75)	(40)	(79)	(510)
<b>E</b>	<b>Power Purchase Cost</b>	<b>Rs. Crore</b>	<b>3,151</b>	<b>3,322</b>	<b>3,140</b>	<b>3,050</b>	<b>2,888</b>	<b>2,860</b>	<b>3,031</b>	<b>3,514</b>	<b>3,539</b>	<b>3,558</b>	<b>3,499</b>	<b>3,278</b>	<b>38,830</b>
F	Inter State Transmission Charges (PGCIL)	Rs. Crore	281	281	281	281	281	281	281	281	281	281	281	281	3,367
G	Intra-State Transmission Charges including SLDC Charges	Rs. Crore	530	530	530	530	530	530	530	530	530	530	530	530	6,356
<b>H</b>	<b>Net Power Purchase Cost including Transmission Charges</b>	<b>Rs. Crore</b>	<b>3,961</b>	<b>4,132</b>	<b>3,951</b>	<b>3,860</b>	<b>3,699</b>	<b>3,670</b>	<b>3,841</b>	<b>4,324</b>	<b>4,349</b>	<b>4,368</b>	<b>4,310</b>	<b>4,089</b>	<b>48,553</b>
I	Ex-Bus Energy Requirement	MUs	7,879	8,267	7,611	7,351	7,295	7,296	8,178	9,557	9,830	10,082	9,325	8,427	101,099
<b>J</b>	<b>Power Purchase Rate at Ex-Bus (J = E/I*10)</b>	<b>Rs/Unit</b>	<b>4.00</b>	<b>4.02</b>	<b>4.13</b>	<b>4.15</b>	<b>3.96</b>	<b>3.92</b>	<b>3.71</b>	<b>3.68</b>	<b>3.60</b>	<b>3.53</b>	<b>3.75</b>	<b>3.89</b>	<b>3.84</b>
K	Input at G-T interface	MUs	7,692	8,081	7,454	7,170	7,132	7,143	7,993	9,329	9,581	9,810	9,102	8,231	98,718

No.	Particulars	UoM	FY 2026-27												Total
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
L	Power Purchase Rate at State Periphery (L=(E+F)/K*10)	Rs/Unit	4.46	4.46	4.59	4.65	4.44	4.40	4.14	4.07	3.99	3.91	4.15	4.32	4.27
M	Input at T-D interface	MUs	7,493	7,880	7,267	6,980	6,941	6,945	7,791	9,091	9,327	9,552	8,864	8,018	96,149
N	Power Purchase Rate at DISCOM Periphery (N=H/M*10)	Rs/Unit	5.29	5.24	5.44	5.53	5.33	5.28	4.93	4.76	4.66	4.57	4.86	5.10	5.05
O	Total Sales	MUs	6,110	6,330	6,650	6,256	6,159	6,161	7,504	7,472	7,551	7,779	7,870	7,603	83,444
P	Power Purchase Per Unit Sales (P=H/O*10)	Rs/Unit	6.48	6.53	5.94	6.17	6.01	5.96	5.12	5.79	5.76	5.61	5.48	5.38	5.82

### Commission's Analysis

2.150 The total power purchase cost as admitted by the Commission for FY 2026-27 is summarized in the following table:

**Table 43 : Total Power Purchase cost admitted for FY 2026-27 (Rs. Crore)**

Sr. No.	Particulars	UoM	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
A	Fixed Charges	Rs. Crore	934.22	934.22	934.22	934.22	934.22	934.22	934.22	934.22	934.22	934.22	934.22	934.22	11,210.66
B	Energy Charge including RPO compliance	Rs. Crore	2,099.90	2,160.69	2,163.19	2,039.80	2,009.71	1,961.90	2,312.19	2,352.41	2,379.72	2,519.75	2,614.88	2,512.34	27,126.47
C	MPPMCL Cost	Rs. Crore	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(2.03)	(24.41)
D	Saving from Sale of Surplus Power	Rs. Crore	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(97.25)	(1,166.97)
E	Power Purchase Cost	Rs. Crore	2,934.84	2,995.63	2,998.13	2,874.74	2,844.65	2,796.84	3,147.13	3,187.35	3,214.66	3,354.69	3,449.82	3,347.28	37,145.76
F	Inter State Transmission Charges	Rs. Crore	280.59	280.59	280.59	280.59	280.59	280.59	280.59	280.59	280.59	280.59	280.59	280.59	3,367.11
G	Intra-State Transmission Charges including SLDC	Rs. Crore	488.79	488.79	488.79	488.79	488.79	488.79	488.79	488.79	488.79	488.79	488.79	488.79	5,865.49

Sr. No.	Particulars	UoM	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Total
H	Power Purchase Cost including Transmission and SLDC Charges	Rs. Crore	3,704.22	3,765.01	3,767.51	3,644.13	3,614.04	3,566.23	3,916.51	3,956.74	3,984.04	4,124.07	4,219.21	4,116.67	46,378.37
I	Ex-Bus Energy Requirement	MUs	7,489.16	7,735.03	8,074.99	7,627.22	7,502.54	7,522.17	9,160.55	9,189.19	9,257.37	9,605.52	9,633.94	9,288.45	1,02,086.12
J	Power Purchase Rate at Ex-Bus (J = E/I*10)	Rs/kWh	3.92	3.87	3.71	3.77	3.79	3.72	3.44	3.47	3.47	3.49	3.58	3.60	3.64
K	Input at G-T interface	MUs	7,305.16	7,558.51	7,891.61	7,437.54	7,333.56	7,367.01	8,944.53	8,943.28	9,001.16	9,308.25	9,390.55	9,055.50	99,536.64
L	Power Purchase Rate at State Periphery (L=(E+F)/K*10)	Rs/kWh	4.40	4.33	4.15	4.24	4.26	4.18	3.83	3.88	3.88	3.91	3.97	4.01	4.07
M	Input at T-D interface	MUs	7,115.22	7,361.99	7,686.42	7,244.16	7,142.89	7,175.47	8,711.97	8,710.75	8,767.13	9,066.23	9,146.39	8,820.05	96,948.69
N	Power Purchase Rate at DISCOM Periphery (N=H/M*10)	Rs/kWh	5.21	5.11	4.90	5.03	5.06	4.97	4.50	4.54	4.54	4.55	4.61	4.67	4.78
O	Total Sales	MUs	6,173.93	6,388.88	6,669.51	6,286.57	6,199.54	6,227.85	7,560.27	7,559.98	7,607.45	7,866.60	7,936.71	7,651.86	84,129.15
P	Power Purchase Per Unit Sales (P=H/O*10)	Rs/kWh	6.00	5.89	5.65	5.80	5.83	5.73	5.18	5.23	5.24	5.24	5.32	5.38	5.51

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

### Petitioners' Submission

#### Investments

- 2.151 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.
- 2.152 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.
- 2.153 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 20<sup>th</sup> 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:

- 2.154 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.
- 2.155 Distribution infrastructure works are 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:

- 2.156 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.

- 2.157 The scheme-wise summary of capital expenditure and capitalisation of the three DISCOMs for FY 2026-27 as proposed by DISCOMs are given below:-

**Table 44: Capital Expenditure Plan for FY 2026-27 (Rs. Crore)**

Name of Scheme	East DISCOM	West DISCOM	Central Discom	State
Capital store and spares	0.00	5.71	0.00	5.71
Loss Reduction (RDSS) & Modernization	1,011.00	734.00	800.00	2,545.00
System Strengthening & Transmission Development (SSTD)	500.00	500.00	700.00	1,700.00
<b>Total</b>	<b>1,511.00</b>	<b>1,239.71</b>	<b>1,500.00</b>	<b>4,250.71</b>

### Scheme Wise Capitalization

- 2.158 DISCOM-wise scheme wise capitalization plan as filed by the Petitioners for FY 2026-27 is given below:

**Table 45 : Scheme wise capitalization proposed by Petitioners for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
From Opening CWIP	499.12	336.53	497.16	1,332.81
PM JANMAN	0.00	0.00	6.32	6.32
DA- JGUA	0.00	0.00	4.18	4.18
Loss Reduction & Modernization (RDSS)	404.40	207.75	811.89	1,424.04
SSTD	300.00	250.00	280.00	830.00
<b>Total</b>	<b>1,203.52</b>	<b>794.28</b>	<b>1,599.54</b>	<b>3,597.35</b>

### Capitalization and CWIP

- 2.159 DISCOM-wise capitalization plan and the status of Capital Works in Progress (CWIP) as filed by the Petitioners for FY 2026-27 are indicated below:

**Table 46 : 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	1,663.74	4,807.57	2,491.54	8,962.84
2	Fresh Investment during the year	1,511.00	1,239.71	1,500.00	4,250.71
3	<b>Total Capitalisation during the year</b>	<b>1,203.52</b>	<b>794.28</b>	<b>1,599.54</b>	<b>3,597.35</b>
4	<b>Closing Balance of CWIP</b>	<b>1,971.21</b>	<b>5,252.99</b>	<b>2,392.00</b>	<b>9,616.21</b>

### Lease Charges towards Smart Meters

- 2.160 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.

- 2.161 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.
- 2.162 In view of the above and based on the projected smart meter installation for the FY 2026-27 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 47 : DISCOM-wise lease charges towards Smart Meters for FY 2026-27 (Rs. Crore)**

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
1	Lease Charges towards Smart Meters	164.71	72.71	276.20	513.62

- 2.163 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**

- 2.164 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 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.
- 2.165 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.
- 2.166 The Commission vide order dated 30<sup>th</sup> December, 2022 read with Order dated 04<sup>th</sup> 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 2026-27, 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 targets by the Petitioners under RDSS scheme. The capitalisation plan provisionally considered by

the Commission for FY 2026-27 is shown in the table below:

**Table 48: Projected Asset Capitalization considered by the Commission for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	1,203.52
West DISCOM	794.28
Central DISCOM	1,599.54
<b>State</b>	<b>3,597.35</b>

## Lease Charges for Smart Meters

2.167 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.”*

2.168 The Commission observed that 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.

2.169 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.”*

2.170 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.”*

2.171 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 by the Petitioners. Accordingly, the lease charges for smart meters provisionally considered by the Commission for FY 2026-27 is shown in the table below:

**Table 49 : DISCOM-wise lease charges towards Smart Meters considered by the Commission for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	164.71
West DISCOM	72.71
Central DISCOM	276.20
<b>State</b>	<b>513.62</b>

## Operation and Maintenance Expenses

### Petitioners' Submission

2.172 Operation and Maintenance (O&M) expenses have been calculated for FY 2026-27 by the Petitioners 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.

2.173 The Petitioners submitted that the audited expenses of FY 2024-25 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 2024-25 are taken into account. Otherwise, the actual expenses of FY 2026-27 at the time of True-up of FY 2026-27 would substantially differ than the approved norms. Therefore, there is need to revise the base year and rework the expenditure for FY 2026-27.

2.174 Further, the Petitioners submitted that the revised base year has been considered as the year ending 31<sup>st</sup> March 2025 instead of the year ending 31<sup>st</sup> 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 2022-23 to FY 2024-25 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 31<sup>st</sup> March, 2024, which in turn is escalated with revised escalation rate to arrive at the normative expenses for the base year ending 31<sup>st</sup> March, 2025. The base year expenses so calculated are then escalated to arrive at normative Employee expenses and A&G expenses for FY 2026-27.

- 2.175 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 2024-25 has been derived as 5.53% which is based on the average yearly inflation of past five years, i.e., from FY 2019-20 to FY 2024-25 with 30% and 70% weightage to WPI and CPI, respectively. Similarly, the revised escalation rate for FY 2025-26 has been worked out as 4.98% based on the average yearly WPI of the past five years and the average yearly CPI of the past five years, as shown in the following Table:

**Table 50: Escalation Rate for FY 2024-25 and FY 2025-26 (%)**

Year	Yearly WPI	WPI Inflation	Yearly CPI	CPI Inflation
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%
FY 2024-25	154.86	2.27%	410.64	3.38%
Average from FY20 to FY24		4.93%		5.78%
Average from FY21 to FY25		5.05%		4.95%
Weightage		30%		70%
<b>Escalation rate for FY 2024-25 (4.93%*30%+5.78%*70%)</b>				<b>5.53%</b>
<b>Escalation rate for FY 2025-26 (5.05%*30%+4.95%*70%)</b>				<b>4.98%</b>

## Employee Expenses as submitted by the Petitioners

- 2.176 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 3% over previous quarters' D.A. rate as shown below:-

**Table 51: Dearness Allowance Considered (%)**

Particulars (As per 7 <sup>th</sup> Pay)	FY 2026-27
DA as percentage of Basic for first quarter - Apr to June	61%
DA as percentage of Basic for 2 <sup>nd</sup> and 3 <sup>rd</sup> quarter - July to Dec	64%
DA as percentage of Basic for 4 <sup>th</sup> quarter - Jan to March	67%

- 2.177 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**

- 2.178 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**

- 2.179 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**

- 2.180 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 RDSS Schemes, the funding shall be available to DISCOMs if the scheme is being implemented in TOTEX mode.
- 2.181 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.
- 2.182 Petitioners submitted that they have estimated the TOTEX requirement for meterisation 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 meterisation was claimed under O&M expenses on equated yearly instalment over the operation period of 10 years.

- 2.183 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 2026-27, there is a revision in OPEX part too.
- 2.184 The Petitioners have re-estimated the OPEX portion for FY 2026-27 as follows:-

**Table 52: Additional OPEX submitted by the Petitioners (Rs Crore)**

Particular	East DISCOM	West DISCOM	Central DISCOM	State
Additional OPEX Expenses	126.39	71.87	108.82	307.08

- 2.185 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 and 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.
- 2.186 Summary of claims of the Petitioners with respect to O&M Expenses is shown in the table below:

**Table 53: O&M Expenses Claimed by the Petitioners for FY 2026-27 (Rs. Crore)**

Sr. No.	Particular	East DISCOM	West DISCOM	Central DISCOM	State
1	Employee Expenses (including arrears, DA and others)	1,373.44	1,325.96	1,294.98	3,994.38
2	A&G Expenses	152.21	171.78	138.07	462.06
3	R&M Expenses	395.50	238.45	379.22	1,013.17
4	Additional OPEX Expenses	126.39	71.87	108.82	307.08
<b>5</b>	<b>Total O&amp;M Expenses</b>	<b>2,047.54</b>	<b>1,808.06</b>	<b>1,921.08</b>	<b>5,776.69</b>

### Commission's Analysis on O&M Expenses

- 2.187 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 as amended from time to time. Further, the DISCOMs shall also be eligible for additional R and M Expenses of 0.50%, if the Licensee is able to achieve Distribution Loss or AT&C Loss trajectory specified in Regulation 26.1 or Regulation 26.2 of these Regulations or is able to achieve at least 3% reduction in Distribution/AT&C losses as compared to previous year”*

2.188 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 2025-26. For approval of Employee Expenses for the FY 2026-27, following approach has been adopted by the Commission:

- The average of past years' actual audited employee expenses from FY 2022-23 to FY 2024-25 has been considered for deriving normative Employee Expenses for FY 2023-24 and then escalated with escalation rate of FY 2024-25 to arrive at the base year, i.e., FY 2024-25.
- The base year expenses so calculated has been escalated twice to arrive at normative Employee expenses for FY 2026-27.

2.189 The escalation rate considered for calculating the normative expenses of FY 2024-25 has been derived based on the average yearly inflation of past five years, i.e., from FY 2019-20 to FY 2023-24 with 30% and 70% weightage to WPI and CPI, respectively. Accordingly, based on the same, the Commission has arrived at escalation rate of 5.53% for FY 2024-25. Similarly,

the escalation rate for FY 2025-26 has been worked out as 4.98% as shown in the table below:-

**Table 54: Escalation Rate admitted for FY 2024-25 and FY 2025-26 (%)**

Year	Yearly WPI	WPI Inflation	Yearly CPI	CPI Inflation
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%
FY 2024-25	154.86	2.27%	410.64	3.38%
Average from FY20 to FY24		4.93%		5.78%
Average from FY21 to FY25		5.05%		4.95%
Weightage		30%		70%
<b>Escalation rate for FY 2024-25 (4.93%*30%+5.78%*70%)</b>				<b>5.53%</b>
<b>Escalation rate for FY 2025-26 (5.05%*30%+4.95%*70%)</b>				<b>4.98%</b>

- 2.190 The Commission has considered Dearness Allowance (DA) applicable for the 1<sup>st</sup> Quarter (April 2026 to June 2026) as 61%. Subsequently, for the 2<sup>nd</sup> and 3<sup>rd</sup> Quarters (July 2026 to December 2026), the Commission has considered an increase in DA of 3% over the 1<sup>st</sup> Quarter, resulting in a DA of 64%. For the 4<sup>th</sup> Quarter (January 2027 to March 2027), the Commission has considered a DA of 67%, by considering a 3% increase over the DA of the 3<sup>rd</sup> Quarter for projecting DA for FY 2026-27.
- 2.191 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...”*
- 2.192 Considering the above, the Commission had allowed Rs. 1,800 Crore in Tariff Orders for FY 2017-18 to FY 2025-26 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 2026-27.
- 2.193 Based on the methodology adopted for projection of Employee Expenses for FY 2026-27, 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 and its amendments from time to time.

- 2.194 As regards R&M Expenses, the Commission has considered 2.30% of opening GFA towards base R&M expenses for FY 2026-27 in accordance with Regulation 36.4 of the MYT Regulations, 2021.
- 2.195 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 2026-27. 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 2026-27.
- 2.196 Further, the Commission has projected the O&M Expenses capitalisation for FY 2026-27 considering actual capitalisation percentage of 3.75%, 1.46% and 1.53% for East, West and Central DISCOM, respectively, during FY 2024-25.
- 2.197 The Commission observed that the variation between the O&M expenses claimed by the Petitioners and admitted in this Order is primarily attributable to the difference in the opening GFA considered for the computation of R&M expenses for East DISCOM. Further, the Petitioners have computed DA by considering 50% of the basic salary for both regular and outsourced employees. However, in line with the approach adopted by the Commission in previous ARR/MYT Orders, DA is admissible only for regular employees and has been considered accordingly. The Commission also observed that East DISCOM has not included MPERC fees under A&G expenses, and the same has been considered as per the provision of MPERC (Fees, Fines and Charges) Regulations, 2024 and its amendments from time to time. Further, variation in O&M Expenses capitalisation is on account of Petitioners' projection based on escalation rate whereas the Commission has considered O&M Expenses capitalisation considering actual capitalisation percentage during FY 2024-25 as per the approach adopted in previous ARR/MYT Orders.
- 2.198 Accordingly, the admitted O&M Expenses for FY 2026-27 are shown in the table below:

**Table 55: Operation and Maintenance Expenses admitted for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
<i>Opening GFA</i>	16,845.65	10,254.05	16,487.68	43,587.37
<b>Repair and Maintenance Expenses @ 2.30%</b>	<b>387.45</b>	<b>235.84</b>	<b>379.22</b>	<b>1,002.51</b>
<i>Basic Salary</i>	555.33	468.08	493.07	1,516.48
<i>Outsource Employee Expenses</i>	337.58	410.25	363.55	1,111.39
<i>Other Allowance</i>	63.61	70.29	64.00	197.90
<i>Dearness Allowance</i>	355.41	299.57	315.57	970.55
<i>Terminal Benefits</i>	34.67	39.45	35.37	109.49

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Employee Expenses	1,346.61	1,287.64	1,271.57	3,905.81
Administrative and General Expenses	151.28	168.27	148.73	468.28
Other Expenses (Rates & Taxes etc.)	3.55	2.60	5.53	11.68
MPERC fees	1.40	1.88	1.57	4.85
Provision for Terminal Benefit Trust Fund	70.00	70.00	70.00	210.00
O&M Expenses Capitalised	(56.13)	(19.77)	(22.21)	(98.11)
Additional Operational Expenditure (RDSS)	126.39	71.87	108.82	307.08
<b>Total O&amp;M Expenses</b>	<b>2,030.54</b>	<b>1,818.33</b>	<b>1,963.23</b>	<b>5,812.10</b>

## Depreciation

### Petitioners' Submission

- 2.199 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.
- 2.200 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%.
- 2.201 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.
- 2.202 The DISCOM-wise depreciation claimed for FY 2026-27 is as shown in the table below:

**Table 56: Depreciation claimed by the Petitioners for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Building	1.41	4.56	9.01	14.98
Hydraulic Works	0.00	0.00	0.28	0.28
Other Civil Works	1.55	0.59	0.13	2.27
Plant & Machinery	151.52	114.00	92.80	358.32
Line Cable Networks etc.	282.64	219.25	184.72	686.61
Vehicles	0.15	0.23	0.00	0.39
Furniture & fixtures	0.00	0.26	0.19	0.46
Office Equipment	0.07	3.55	11.27	14.88

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
RGGVY, IPDS, Soubhagya, DDUGJY, RDSS	11.28	0.00	78.95	90.23
Amortization of Intangible Assets	0.00	0.64	5.18	5.82
Supervision assets	0.00	0.00	0.00	0.00
Capital Stores & Spares	0.00	1.48	15.03	16.50
<b>Total</b>	<b>448.63</b>	<b>344.55</b>	<b>397.56</b>	<b>1,190.74</b>

## Commission's Analysis of Depreciation

2.203 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 31st March 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 Regulation 34.2:*

*(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.”*

2.204 Accordingly, the Commission has considered the asset addition for FY 2026-27 as admitted in table 49. 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 2026-27. Depreciation has been worked out on the basis of the projected average net GFA computed considering the opening and closing net GFA of FY 2026-27. In accordance with the provisions of the Regulations, the Commission has not allowed depreciation towards assets created through consumer contribution and grants.

2.205 The Commission has observed that the Petitioners have submitted Fixed Asset Registers up to FY 2024-25.

2.206 As the GFA for FY 2026-27 has been admitted provisionally, the weighted average depreciation rate (i.e., 4.00%, 3.25% and 3.40% for East, West and Central DISCOMs, respectively) derived on the basis of Fixed Asset Register submitted by the DISCOMs for FY 2024-25 has been considered for computation of depreciation for FY 2026-27 in line with the approach adopted by the Commission in previous ARR/MYT Orders.

2.207 The depreciation admitted for FY 2026-27 is given in the following table:

**Table 57: Depreciation admitted for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
<b>Opening GFA as on 1<sup>st</sup> April, 2025</b>	<b>8,972.12</b>	<b>4,912.17</b>	<b>10,307.47</b>	<b>24,191.76</b>
Add: Addition during Financial Year	1,043.00	684.10	1,405.34	3,132.43
Less: Consumer Contribution/Grants in Financial Year	438.83	214.43	812.51	1,465.77
<b>Opening GFA as on 1<sup>st</sup> April, 2026</b>	<b>9,576.28</b>	<b>5,381.83</b>	<b>10,900.30</b>	<b>25,858.41</b>
Add: Addition during Financial Year	1,203.52	794.28	1,599.54	3,597.35
Less: Consumer Contribution/Grants in Financial Year	370.65	242.44	794.10	1,407.18
<b>Closing GFA as on 31<sup>st</sup> March, 2027</b>	<b>10,409.16</b>	<b>5,933.68</b>	<b>11,705.74</b>	<b>28,048.58</b>
Average GFA	9,992.72	5,657.75	11,303.02	26,953.50
<b>Rate of Depreciation</b>	<b>4.00%</b>	<b>3.25%</b>	<b>3.40%</b>	<b>3.59%</b>
<b>Depreciation Admitted</b>	<b>399.71</b>	<b>184.15</b>	<b>384.46</b>	<b>968.32</b>

## Interest and Finance Charges

### Petitioners' submission

- 2.208 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.
- 2.209 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 2024-25 has been considered in line with the closing debt as approved by the Commission in its True-up Order of FY 2023-24. However, in case of Central DISCOM, due to prior period capitalization of Rs. 906.31 Crore, The detailed working of the same is provided in the separate Petition submitted for True up of ARR for FY 2024-25.
- 2.210 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 2024-25. The repayment of loan has been considered equal to depreciation. Accordingly, the closing debt of FY 2024-25 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 2024-25 is then considered as opening debt of FY 2025-26.
- 2.211 Similarly, opening and closing debt of FY 2025-26 and FY 2026-27 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.
- 2.212 The interest on loan for FY 2026-27 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.

2.213 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.

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

**Table 58: Interest on Project Loan claimed for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Opening Debt associated with GFA	3,653.55	778.36	4,314.24	8,746.15
GFA Addition during the year	1,203.52	794.28	1,599.54	3,597.35
Consumer Deposit and Grants utilized during the year	370.65	242.44	794.10	1,407.18
Net GFA Addition during the year	832.87	551.84	805.44	2,190.16
Addition of Equity	293.28	154.15	379.11	826.54
Net GFA considered as funded through debt	539.60	397.69	426.34	1,363.62
Debt repayment during the year	448.63	344.55	397.56	1,190.74
Closing debt associated with GFA	3,744.51	831.50	4,343.02	8,919.03
Average debt associated with Loan	3,699.03	804.93	4,328.63	8,832.59
Weighted average rate of interest (%) on all loans	9.21%	9.66%	10.40%	9.83%
<b>Interest on Project Loans</b>	<b>340.55</b>	<b>77.79</b>	<b>450.31</b>	<b>868.65</b>
<b>Other Finance cost</b>	<b>2.20</b>	<b>23.59</b>	<b>17.62</b>	<b>43.41</b>
<i>Bank Charges</i>	<i>0.19</i>	<i>0.00</i>	<i>0.60</i>	<i>0.80</i>
<i>Commitment Charges</i>	<i>1.53</i>	<i>0.00</i>	<i>13.81</i>	<i>15.34</i>
<i>Guarantee/LC Charges</i>	<i>0.48</i>	<i>23.59</i>	<i>3.21</i>	<i>27.27</i>
<b>Interest Cost Claimed in Petition</b>	<b>342.75</b>	<b>101.38</b>	<b>467.93</b>	<b>912.06</b>

## Commission's Analysis of Interest and Finance Charges

2.215 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.”*

- 2.216 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.”*

- 2.217 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.
- 2.218 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.
- 2.219 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.
- 2.220 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 2026-27 is as follows:
- a) Opening loan for FY 2025-26 has been considered same as the closing loan admitted in true up of FY 2024-25. Thereafter, addition in FY 2025-26 has been considered as per the Petitioners' submission. The closing loan thus arrived for FY 2025-26 has been considered as opening loan for FY 2026-27.
  - b) Net asset addition to GFA during the year is arrived at by subtracting the Consumer Contribution/Grants utilised 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 2026-27.
- 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 previous True-up/MYT/ARR Orders.
- g) Other Finance costs for FY 2026-27 have been admitted considering the actual percentage of actual finance cost to average loan in FY 2023-24 and FY 2024-25. The average of FY 2023-24 and FY 2024-25 works out to 0.10%, 2.09% and 0.31% for East, West and Central DISCOM, respectively.

2.221 The Commission observed the variation between the Interest on Project Loan claimed by the Petitioners and admitted in this Order is primarily due to depreciation admitted in this Order. The depreciation admitted by the Commission has a consequential impact on the normative project loan computation, as the depreciation allowed for a given year is considered equivalent to the normative loan repayment for that year, thereby affecting the overall interest cost and normative loan balance for the respective years. Further, the variation is also due to the difference in the methodology adopted for computing the weighted average rate of interest, wherein the Commission has not considered interest rates pertaining to perpetual loans, Public/SLR Bonds, PP Bonds, and Interest on Working Capital Loans for computation of weighted average rate of interest. Moreover, variation in Other finance cost arise as the Petitioners have considered the actual expenditure incurred over the previous financial years whereas, the Commission has computed the same by considering the actual percentage of actual finance cost to average loan in FY 2023-24 and FY 2024-25. In addition to this, East and Central DISCOMs have considered the proposed equity addition during the year instead of admitting the lower of the two values (actual equity addition during the year and proposed equity addition during the year). Consequently, a difference has arisen in the opening equity balance for FY 2025-26 and FY 2026-27.

2.222 Further, the approach adopted by the Commission for admittance of Interest on Project Loan in this Order in line with the approach adopted by the Commission in previous ARR/MYT Orders.

2.223 Based on the above, the Interest and Finance charges admitted for FY 2026-27 are shown in the table below:

**Table 59: Interest and finance charges admitted for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
<b>Opening Debt associated with GFA as on 1<sup>st</sup> April, 2025</b>	<b>3,700.10</b>	<b>912.49</b>	<b>4,290.10</b>	<b>8,902.68</b>
Addition to GFA during the year	604.16	469.66	592.83	1,666.66
70% of addition to net GFA considered as funded through Loan net of Consumer Contribution	422.91	340.46	414.98	1,178.35
Debt repayment during the year	370.97	167.52	360.68	899.17
<b>Opening Debt associated with GFA as on 1<sup>st</sup> April, 2026</b>	<b>3,752.04</b>	<b>1,085.42</b>	<b>4,344.40</b>	<b>9,181.86</b>
Addition to GFA during the year	832.87	551.84	805.44	2,190.16
70% of addition to net GFA considered as funded through Loan net of Consumer Contribution	583.01	397.69	563.81	1,544.51
Debt repayment during the year	399.71	184.15	384.46	968.32
<b>Closing debt associated with GFA as on 31<sup>st</sup> March, 2027</b>	<b>3,935.34</b>	<b>1,298.97</b>	<b>4,523.75</b>	<b>9,758.06</b>
Average debt	3,843.69	1,192.20	4,434.07	9,469.96
Weighted average rate of interest (%) on all loans as per Petitioner	9.21%	8.77%	10.17%	9.60%
Interest on Project Loans	353.87	104.58	450.97	909.42
Other Finance cost	3.91	24.93	13.57	42.41
<b>Interest cost admitted on project loans</b>	<b>357.78</b>	<b>129.51</b>	<b>464.54</b>	<b>951.83</b>

## Interest on Working Capital

### Petitioners' Submission

2.224 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.

2.225 Further, as per Regulation 38, the rate of interest on working capital shall be equal to the Base Rate as on 1<sup>st</sup> 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 1<sup>st</sup> April, 2024 is 8.65%. Accordingly, the Petitioners have considered the interest rate on working capital as 12.15% (SBI-MCLR 8.65% plus 350 bps).

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

**Table 60: Interest on Working Capital claimed for 2026-27 (Rs Crore)**

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
<b>I</b>	<b>Wheeling</b>				
<b>A)</b>	1/6 <sup>th</sup> of annual requirement of inventory for 1% GFA of previous year	22.9	13.8	22.0	58.7
<b>B)</b>	O&M expenses				
	R&M expenses	395.5	238.5	379.2	1,013.2
	A&G expense	152.2	171.8	138.1	462.1

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
	Employee expenses	1,373.4	1,256.0	1,295.0	3,924.4
<b>B) i)</b>	Total of O&M expenses	1,921.2	1,666.2	1,812.3	5,399.6
<b>B) ii)</b>	1/12 <sup>th</sup> of total	160.1	138.8	151.0	450.0
<b>C)</b>	Receivables				
<b>C) i)</b>	Annual Revenue from wheeling charges	0.00	3.8	0.00	3.8
<b>C) ii)</b>	Receivables equivalent to 2 months average billing of wheeling charges	0.00	0.6	0.00	0.6
<b>D)</b>	Total Working capital [ A) + B) ii) - C) ii)]	183.0	153.3	173.0	509.3
<b>E)</b>	Rate of Interest	12.15%	12.15%	12.15%	12.15%
<b>F)</b>	<b>Interest on Working capital (Wheeling)</b>	<b>22.2</b>	<b>18.6</b>	<b>21.0</b>	<b>61.9</b>
<b>II</b>	<b>Retail Supply</b>				
<b>A)</b>	1/6 <sup>th</sup> of annual requirement of inventory for previous year	5.7	3.5	5.5	14.7
<b>B)</b>	Receivables				
<b>B) i)</b>	Annual Revenue from Tariff and charges	16,826.3	24,383.6	18,809.9	60,019.7
<b>B) ii)</b>	Receivables equivalent to 2 months average billing	2,804.4	4,063.9	3,135.0	10,003.3
<b>C)</b>	Power Purchase expenses	11,019.3	19,891.9	11,285.6	42,196.7
<b>C) i)</b>	1/12 <sup>th</sup> of power purchase expenses	918.3	1,657.7	940.5	3,516.4
<b>D)</b>	Consumer Security Deposit	1,708.3	2,767.1	1,899.3	6,374.6
<b>E)</b>	Total Working capital (A+B ii) - C i) - D)	183.6	(357.4)	300.7	484.3
<b>F)</b>	Rate of Interest	12.15%	12.15%	12.15%	12.15%
<b>G)</b>	<b>Interest on Working capital (Retail Supply)</b>	<b>22.3</b>	<b>0.00</b>	<b>36.5</b>	<b>58.8</b>
<b>H)</b>	<b>Total Interest on Working Capital (Wheeling + Retail Supply)</b>	<b>44.5</b>	<b>18.6</b>	<b>57.6</b>	<b>120.7</b>

## Commission's Analysis of Interest on Working Capital

2.227 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 1<sup>st</sup> April 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.”*

- 2.228 Accordingly, the Commission has considered the opening Gross Fixed Asset of FY 2026-27 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 consumer security deposit has been considered as per the closing balance of consumer security deposit for FY 2026-27. 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 2022-23 to FY 2024-25 for FY 2026-27.
- 2.229 The Commission observed that Petitioners have incorrectly considered rate of interest in working capital, whereas the Base Rate on 1<sup>st</sup> of April, 2025 (SBI one-year MCLR-9.00% plus 350 basis) stands at 12.50%. The same has been considered as normative interest rate applicable for working capital loans of DISCOMs for FY 2026-27.
- 2.230 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 61: Interest on Working Capital admitted by the Commission (Rs. Crore)**

Sr. No	Particulars	Months	East DISCOM	West DISCOM	Central DISCOM	State
<b>For wheeling Activity</b>						
A)	1/6th of annual requirement of inventory for previous year	6	21.07	12.76	20.11	53.94
B) i)	Total of O&M Expenses		2,030.54	1,818.33	1,963.23	5,812.10
B) ii)	1/12th (1 Months) of total O&M Expenses		169.21	151.53	163.60	484.34
C)	Receivables					
C) i)	Annual Revenue from wheeling charges		0.00	2.95	0.08	3.03
C) ii)	Receivables equivalent to 2 months average billing of wheeling charges	6	0.00	0.49	0.01	0.50
D)	Total Working capital (A+B(ii)+C(ii))		190.28	164.78	183.73	538.79
E)	Rate of Interest		12.50%	12.50%	12.50%	12.50%
F)	<b>Interest on Working Capital for Wheeling Activity</b>		<b>23.79</b>	<b>20.60</b>	<b>22.97</b>	<b>67.35</b>
<b>For Retail Sale Activity</b>						
A)	1/6th of annual requirement of inventory for previous year	6	5.27	3.19	5.03	13.48
B)	Receivables					
B) i)	Annual Revenue from Tariff and charges		17,889.37	24,842.10	19,892.55	62,624.02
B) ii)	Receivables equivalent to 2 months average billing (B(i)/6)		2,981.56	4,140.35	3,315.43	10,437.34
C)	Annual Power Purchase expenses		10,855.30	17,647.81	12,009.76	40,512.88
C) i)	1/12th (1 Months) of power purchase expenses (C/12)		904.61	1,470.65	1,000.81	3,376.07
D)	Consumer Security Deposit		1,708.28	2,767.08	1,946.81	6,422.18
E)	Total Working capital (A+B (ii) - C (i) - D)		373.94	(94.19)	372.83	652.57
F)	Rate of Interest		12.50%	12.50%	12.50%	12.50%
G)	<b>Interest on Working capital for Retail Sale Activity</b>		<b>46.74</b>	<b>(11.77)</b>	<b>46.60</b>	<b>81.57</b>
<b>Summary</b>						
A)	For wheeling Activity		23.79	20.60	22.97	67.35
B)	For Retail Sale Activity		46.74	(11.77)	46.60	81.57
C)	<b>Total Interest on Working Capital admitted</b>		<b>70.53</b>	<b>8.82</b>	<b>69.57</b>	<b>148.92</b>

## Interest on Consumer Security Deposit

### Petitioners' Submission

2.231 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.

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

**Table 62: Interest on Consumer Security Deposit claimed by the Petitioners for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Interest on Consumer Security Deposit	115.75	171.80	123.45	411.00

**Commission's Analysis of Consumer Security Deposit**

- 2.233 The Commission observed that East DISCOM has worked out interest on Consumer Security Deposit on the basis of actual interest paid on the average Consumer Security Deposit in FY 2024-25. Thereafter, same interest rate has been considered for FY 2025-26 and FY 2026-27 for projection of interest on Consumer Security Deposit whereas West and Central DISCOMs have computed the interest on Consumer Security Deposit as per MYT Regulations, 2021.
- 2.234 The Commission has computed the interest on Consumer Security Deposit as per the provisions 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 6.50% and admitted the same as shown in the table below:

**Table 63: Interest on Consumer Security Deposit (CSD) admitted for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	108.13
West DISCOM	171.80
Central DISCOM	123.45
<b>State</b>	<b>403.38</b>

**Return on Equity (RoE)****Petitioners' Submission**

- 2.235 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.
- 2.236 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 2026-27 as follows:
- (a) Opening Equity for FY 2024-25 has been taken equivalent to the closing equity admitted in true-up of FY 2023-24. However, mainly in case of Central Discom, during the FY 2024-25, assets amounting to Rs. 906.31 Crores have been capitalized retrospectively from FY 2014-15. This capitalization pertains to periods prior to FY 2024-25, 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 2024-25, as submitted in the True- Up petition for FY 2024-25.

- (b) Thereafter addition in equity for FY 2024-25 has been considered as proposed in True-up Petition for FY 2024-25. The closing equity thus arrived for FY 2024-25 has been considered as opening equity for FY 2025-26.
- (c) Net asset addition to GFA during FY 2025-26 and FY 2026-27 of the Control Period has arrived 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.

2.237 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 64: Return on Equity Claimed by the Petitioners for FY 2026-27 (Rs. Crore)**

Sr. No.	Particulars	East DISCOM	West DISCOM	Central DISCOM	State
A1	Opening balance of GFA identified as funded through equity	1,994.79	1,341.57	2,385.50	5,721.86
<b>B</b>	<b>Proposed capitalization of assets as per the investment plan (net of consumer contribution and grant)</b>	<b>832.87</b>	<b>551.84</b>	<b>805.44</b>	<b>2,190.15</b>
B1	Proportion of capitalized assets funded out of equity, internal reserves	293.28	154.15	379.11	826.54
B2	Balance Proportion of capitalized assets funded out of project loans (B - B1)	539.60	397.69	426.34	1,363.63
C1	Normative additional equity (30% of B)	249.86	165.55	241.63	657.04
C2	Normative additional debt (70% of B)	583.01	386.29	563.81	1,533.11
D1	Excess / shortfall of additional equity over normative (B1-C1)	43.42	(11.40)	137.47	169.49
D2	Excess / shortfall of additional debt over normative (B2-C2)	(43.42)	11.40	(137.47)	(169.49)
<b>E</b>	<b>Equity eligible for Return (A1+(C1/2)) OR (A1+(B1/2)), whichever is lower</b>	<b>2,119.72</b>	<b>1,418.64</b>	<b>2,506.32</b>	<b>6,044.68</b>
<b>F</b>	<b>Rate of Return in Equity</b>	<b>14.75%</b>	<b>14.00%</b>	<b>14.00%</b>	<b>14.26%</b>
<b>G</b>	<b>Return on Equity</b>	<b>312.66</b>	<b>198.61</b>	<b>350.88</b>	<b>862.15</b>

### Commission's Analysis of Return on Equity

2.238 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.”

2.239 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 2026-27.

- 2.240 Regulation 22 of the MYT Regulations, 2021 and amendments thereof 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.
- 2.241 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 2026-27 is as follows:
- Opening Equity for FY 2025-26 has been considered as the closing equity admitted in true up of FY 2024-25. Thereafter addition in equity for FY 2025-26 has been considered as per the Petitioners' Submission. The closing equity thus arrived for FY 2025-26 has been considered as opening equity for FY 2026-27.
  - Net asset addition to GFA during each year of the Control Period is arrived by subtracting the Consumer Contribution/Grants utilised from total asset addition to GFA.
  - 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.
  - 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.
- 2.242 The Commission observed the variation between the Return on Equity claimed by the Petitioners and admitted in this Order is primarily due to East and Central DISCOMs considered the proposed equity addition during the year instead of admitting the lower of the two values (actual equity addition during the year and proposed equity addition during the year). Consequently, a difference has arisen in the opening equity balance for FY 2025-26 and FY 2026-27. Further, East DISCOM had initially claimed an additional RoE of 0.75%. However, in response to the additional data gaps, East DISCOM requested the Commission to consider RoE at 14%.
- 2.243 The total equity identified along with RoE as admitted for FY 2026-27 is shown in the tables below:

**Table 65: Return on Equity admitted for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
<b>Opening Equity identified with GFA as on 1<sup>st</sup> April, 2025</b>	<b>1,768.44</b>	<b>1,212.37</b>	<b>2,123.29</b>	<b>5,104.10</b>
Equity addition admitted during the Year	226.34	129.20	197.31	552.86
<b>Opening Equity identified with GFA as on 1<sup>st</sup> April, 2026</b>	<b>1,949.69</b>	<b>1,341.57</b>	<b>2,301.14</b>	<b>5,592.41</b>
GFA Addition	1,203.52	794.28	1,599.54	3,597.35
Consumer Deposit and Grants utilised	370.65	242.44	794.10	1,407.18
Net GFA Addition	832.87	551.84	805.44	2,190.16

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
30% of addition to net GFA considered as funded through equity net of consumer contribution	249.86	165.55	241.63	657.05
Proposed Equity addition during the Year	293.28	154.15	379.11	826.54
Equity addition admitted during the Year	249.86	154.15	241.63	645.65
<b>Closing Equity as on 31<sup>st</sup> March, 2027</b>	<b>2,199.55</b>	<b>1,495.72</b>	<b>2,542.77</b>	<b>6,238.05</b>
Average Equity	2,074.62	1,418.65	2,421.96	5,915.23
<b>RoE @ 14% Admitted</b>	<b>290.45</b>	<b>198.61</b>	<b>339.07</b>	<b>828.13</b>

## Research and Development Fund

### Petitioners' Submission

- 2.244 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.
- 2.245 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.
- 2.246 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 crunch in managing day to day business activity, it has become difficult for them to arrange the required R&D fund on its own.
- 2.247 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 2026-27 and allow its recovery through tariff.
- 2.248 The summary of expenses towards R&D fund as considered by the Petitioners are shown in the table below:

**Table 66: R&D Fund Claimed by Petitioner for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	4.00
West DISCOM	4.00
Central DISCOM	4.00
<b>State</b>	<b>12.00</b>

**Commission's Analysis of Research and Development Fund**

- 2.249 The Commission observed that in Retail Supply Tariff Order of FY 2024-25 and FY 2025-26 it has allowed R&D Fund of Rs. 2 Crore for each DISCOM. In line with the approach adopted in the said Orders, the Commission on provisional basis admits R&D Fund expenses of Rs. 2 Crore for each DISCOM as against the claim of Rs.4 Crore for each DISCOM submitted by the Petitioners.
- 2.250 The Commission will carry out prudence check of actual expenditure towards R&D Fund at the time of true up, subject to the final approval of SOP and actual expenditure incurred towards R&D Fund. Accordingly, the R&D Fund expenses provisionally considered by the Commission for FY 2026-27 is shown in the table below:

**Table 67 : DISCOM-wise R&D Fund Expenses considered by the Commission for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	2.00
West DISCOM	2.00
Central DISCOM	2.00
<b>State</b>	<b>6.00</b>

**Other Items of ARR**

- 2.251 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**

- 2.252 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 68: Provision for Bad and Doubtful Debts Claimed for FY 2026-27 (Rs Crore)**

DISCOM	FY 2026-27
East DISCOM	0.00
West DISCOM	0.00
Central DISCOM	0.00
<b>State</b>	<b>0.00</b>

### Commission's Analysis on Bad and Doubtful debts

2.253 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”*

2.254 **The Commission has not considered any provision for Bad and doubtful debt for FY 2026-27 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

2.255 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 2026-27 based on averaging method over various components of other income. Further the Petitioners have also considered the escalation rate as arrived for escalation of O&M Expenses for the projection of appropriate components of Other Income.

2.256 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 Petitioners have claimed depreciation on net block of assets. Further, in line with the methodology adopted by the Commission in its

previous True-up Order of FY 2023-24, 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 69: Other Income and Non-Tariff Income for FY 2026-27 (Rs Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Income from Investment, Fixed & Call Deposits	53.97	91.07	80.57	225.60
Interest on loans and Advances to staff	0.00	0.01	0.00	0.01
Other Income from Trading/Sale of scrap	34.48	15.77	18.91	69.16
Interest on Advances to Suppliers / Contractors	0.00	0.03	0.00	0.03
Income/Fee/Collection against staff welfare activities	0.00	0.04	0.00	0.04
Miscellaneous receipts	180.25	0.00	39.02	219.27
Wheeling charges	0.00	3.75	0.00	3.75
Supervision charges	41.12	74.18	0.00	115.29
Recovery from theft	44.32	0.00	0.00	44.32
Income from renting	0.00	4.88	0.00	4.88
Other miscellaneous income	0.00	110.65	0.00	110.65
<b>Total</b>	<b>354.14</b>	<b>300.41</b>	<b>138.49</b>	<b>793.05</b>

## Commission's Analysis on Other Income

2.257 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.”*

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

2.259 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 70: Total actual Other Income as per True-up Orders (Rs Crore)**

DISCOM	FY 2022-23	FY 2023-24	FY 2024-25
East DISCOM	245.02	153.01	345.67
West DISCOM	209.34	247.37	284.44
Central DISCOM	138.37	147.68	210.13

2.260 Based on the above actual Other Income admitted by the Commission in True-up Orders for FY 2022-23, FY 2023-24 and FY 2024-25, the Commission has admitted Other Income for FY 2026-27 as the average of actual Other Income during FY 2022-23 to FY 2024-25, 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 2026-27 admitted by the Commission excluding metering charges is as tabulated below, which shall be considered at actuals at the time of true-up:

**Table 71: Other Income admitted for FY 2026-27 (Rs. Crore)**

DISCOM	FY 2026-27
East DISCOM	247.90
West DISCOM	247.05
Central DISCOM	165.39
<b>State</b>	<b>660.34</b>

## Differential Bulk Supply Tariff (DBST)

### Petitioners' Submission

- 2.261 The Government of MP vide gazette notification dated 21<sup>st</sup> 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.
- 2.262 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.
- 2.263 The Power Purchase cost allocated to DISCOMs based on DBST methodology for FY 2026-27 submitted by the Petitioners is given in the table below:

Table 72: DBST submitted by the Petitioners for FY 2026-27 (Rs Crore)

Sr.No	Particulars	Unit	East DISCOM	West DISCOM	Central DISCOM	State
<b>A</b>	<b>Revenue from Existing Tariff</b>	<b>Rs. Crore</b>	<b>16,826.29</b>	<b>23,694.28</b>	<b>18,810.04</b>	<b>59,330.61</b>
<b>B</b>	<b>Other costs of Discoms (Expenditure other than power purchase cost)</b>	<b>Rs. Crore</b>	<b>5,338.72</b>	<b>4,143.77</b>	<b>7,338.72</b>	<b>16,821.22</b>
1	R&M Expense	Rs. Crore	521.89	310.32	488.04	1,320.25
2	Employee Expenses	Rs. Crore	1,373.44	1,325.96	1,294.98	3,994.38
3	A&G Expense	Rs. Crore	152.22	171.78	138.07	462.07
4	Depreciation and Related debits	Rs. Crore	448.63	344.55	397.56	1,190.74
5	Interest & Finance Charges	Rs. Crore	503.04	291.80	648.95	1,443.79
6	Other Debits, Write-offs (Prior period and bad debts)	Rs. Crore	168.71	76.71	280.20	525.62
7	RoE	Rs. Crore	312.66	198.61	350.88	862.15
8	Less: Other income	Rs. Crore	354.14	300.41	138.49	793.05
9	Impact of True ups	Rs. Crore	2,212.27	1,724.46	3,878.54	7,815.27
<b>C</b>	<b>Intra- State transmission Charges including SLDC Charges</b>	<b>Rs. Crore</b>	<b>2,182.33</b>	<b>2,072.38</b>	<b>2,101.70</b>	<b>6,356.42</b>
<b>D</b>	<b>Aggregated Amount available with Discoms for Power purchase (A-B-C)</b>	<b>Rs. Crore</b>	<b>9,305.23</b>	<b>17,478.13</b>	<b>9,369.62</b>	<b>36,152.97</b>
<b>E</b>	<b>Total Power Purchase Cost</b>	<b>Rs. Crore</b>				<b>42,196.75</b>
<b>F</b>	<b>Surplus/Gap (E-D)</b>	<b>Rs. Crore</b>				<b>6,043.77</b>
<b>G</b>	Ex-Bus Energy Requirement	MU	28,804.93	39,647.26	32,645.93	1,01,098.12
<b>H</b>	Ex-Bus Energy Requirement	%	28%	39%	32%	100%
<b>I</b>	<b>Allocation of surplus/Gap as per the Energy Requirement</b>	<b>Rs. Crore</b>	<b>1,714.03</b>	<b>2,413.74</b>	<b>1,916.01</b>	<b>6,043.77</b>
<b>J</b>	<b>Power Purchase Cost for Discom (D+I)</b>	<b>Rs. Crore</b>	<b>11,019.26</b>	<b>19,891.86</b>	<b>11,285.63</b>	<b>42,196.75</b>
<b>K</b>	<b>Bulk Supply Tariff</b>	<b>Rs./kWh</b>	<b>3.83</b>	<b>5.02</b>	<b>3.46</b>	<b>4.17</b>

## Commission's Analysis of DBST

- 2.264 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 21<sup>st</sup> 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.
- 2.265 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 2026-27, as shown in the table below:

**Table 73: Differential Bulk Supply Tariff Admitted by the Commission for FY 2026-27 (Rs Crore)**

Particulars	Reference	East DISCOM	West DISCOM	Central DISCOM	State
<b>Revenue from Admitted Tariff (Rs. Crore)</b>	<b>A</b>	<b>17,889.37</b>	<b>24,842.10</b>	<b>19,892.55</b>	<b>62,624.02</b>
<b>Other Costs of ARR of DISCOMs (Expenses other than Power Purchase Cost) (Rs. Crore)</b>	<b>B</b>	<b>5,393.46</b>	<b>4,957.68</b>	<b>5,894.51</b>	<b>16,245.65</b>
O&M Expenses		2,030.54	1,818.33	1,963.23	5,812.10
Depreciation		399.71	184.15	384.46	968.32
Interest & Finance Charges					
<i>On Project Loans</i>		357.78	129.51	464.54	951.83
<i>On Working Capital Loans</i>		70.53	8.82	69.57	148.92
<i>On Consumer Security Deposit</i>		108.13	171.80	123.45	403.38
Return on Equity		290.45	198.61	339.07	828.13
Lease Charges for Smart Meters		164.71	72.71	276.20	513.62
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		247.90	247.05	165.39	660.34
Impact of MP Genco, MP Transco and MP DISCOMs True-ups		2,217.51	2,618.80	2,437.38	7,273.69
<b>Intra-State Transmission Charges including SLDC</b>	<b>C</b>	<b>1,640.61</b>	<b>2,236.60</b>	<b>1,988.28</b>	<b>5,865.49</b>
<b>Aggregated Amount available with DISCOMs for Power purchase (Rs. Crore)</b>	<b>D=A-B-C</b>	<b>10,855.30</b>	<b>17,647.81</b>	<b>12,009.76</b>	<b>40,512.88</b>
<b>Total Power Purchase Cost (Rs. Crore)</b>	<b>E</b>				<b>40,512.88</b>
<b>Revenue Gap/(Surplus) (Rs. Crore)</b>	<b>F=E-D</b>				<b>0.00</b>
<b>Ex-Bus Energy Requirement (MU)</b>	<b>G</b>	<b>29,392.58</b>	<b>39,659.71</b>	<b>33,033.84</b>	<b>1,02,086.12</b>
% Allocation as per Ex-Bus Energy Requirement		29%	39%	32%	100%
<b>Allocation of Revenue Gap/(Surplus) as per Ex-Bus Energy Requirement (Rs. Crore)</b>	<b>H</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Power Purchase Cost for DISCOMs (Rs. Crore)</b>	<b>I=H+D</b>	<b>10,855.30</b>	<b>17,647.81</b>	<b>12,009.76</b>	<b>40,512.88</b>
<b>Bulk Supply Tariff for FY 2026-27 (Rs./kWh)</b>		<b>3.69</b>	<b>4.45</b>	<b>3.64</b>	<b>3.97</b>

2.266 Based on the above, the ARR as admitted for FY 2026-27 is shown in the following table:

**Table 74: Aggregate Revenue Requirement (ARR) admitted for State for FY 2026-27 (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	11,019.25	10,855.30	19,891.87	17,647.81	11,285.63	12,009.76	42,196.75	40,512.88
Intra-State Transmission including SLDC Charges	2,182.33	1,640.61	2,072.38	2,236.60	2,101.70	1,988.28	6,356.42	5,865.49
O&M Expenses	2,047.54	2,030.54	1,808.06	1,818.33	1,921.08	1,963.23	5,776.69	5,812.10
Depreciation	448.63	399.71	344.55	184.15	397.56	384.46	1,190.74	968.32

Particulars	East DISCOM		West DISCOM		Central DISCOM		State	
	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted	Claimed	Admitted
Interest & Finance Charges								
<i>On Project Loans</i>	342.75	357.78	101.38	129.51	467.93	464.54	912.06	951.83
<i>On Working Capital Loans</i>	44.54	70.53	18.63	8.82	57.56	69.57	120.73	148.92
<i>On Consumer Security Deposit</i>	115.75	108.13	171.80	171.80	123.45	123.45	411.00	403.38
Return on Equity	312.66	290.45	198.61	198.61	350.88	339.07	862.15	828.13
Lease Charges for Smart Meters	164.71	164.71	72.71	72.71	276.20	276.20	513.62	513.62
R&D Fund	4.00	2.00	4.00	2.00	4.00	2.00	12.00	6.00
Bad & Doubtful Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Expenses Admitted</b>	<b>16,682.18</b>	<b>15,919.76</b>	<b>24,683.98</b>	<b>22,470.35</b>	<b>16,986.00</b>	<b>17,620.57</b>	<b>58,352.16</b>	<b>56,010.67</b>
Less: Other income and Non- Tariff Income	354.14	247.90	300.41	247.05	138.49	165.39	793.05	660.34
<b>Total ARR Admitted</b>	<b>16,328.04</b>	<b>15,671.86</b>	<b>24,383.56</b>	<b>22,223.30</b>	<b>16,847.51</b>	<b>17,455.17</b>	<b>57,559.11</b>	<b>55,350.33</b>
Revenue Gap of MP Transco True-up of FY 2024-25	0.00	189.57	0.00	56.29	0.00	65.72	0.00	311.58
Revenue Surplus of MP Genco True-up of FY 2024-25	0.00	0.35	0.00	0.41	0.00	0.40	0.00	1.16
Revenue Gap of MP DISCOMs True-up of FY 2024-25	2,212.27	2,028.29	1,724.46	2,562.92	3,878.54	2,372.06	7,815.27	6,963.27
<b>Total ARR Admitted (including True-up)</b>	<b>18,540.31</b>	<b>17,889.37</b>	<b>26,108.02</b>	<b>24,842.10</b>	<b>20,726.05</b>	<b>19,892.55</b>	<b>65,374.38</b>	<b>62,624.02</b>

2.267 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:*

<i>Particulars</i>	<i>Wheeling Business</i>	<i>Supply Business</i>
<i>Operation and Maintenance expenses</i>	70%	30%
<i>Depreciation</i>	95%	5%
<i>Interest on loan</i>	95%	5%
<i>Interest on working capital</i>	10%	90%
<i>Return on Equity</i>	90%	10%

<i>Particulars</i>	<i>Wheeling Business</i>	<i>Supply Business</i>
<i>Power purchase cost including transmission and SLDC charges</i>	<i>0%</i>	<i>100%</i>

2.268 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.

2.269 Accordingly, the Commission has allocated the cost related to Wheeling and Supply activities as per allocation matrix. As such the ARR for FY 2026-27 for all the three DISCOMs is segregated as under:

**Table 75: Admitted ARR for Wheeling Business for FY 2026-27 (Rs. Crore)**

<b>Particulars</b>	<b>East DISCOM</b>	<b>West DISCOM</b>	<b>Central DISCOM</b>	<b>State</b>
Operation and Maintenance expenses	2,030.54	1,818.33	1,963.23	5,812.10
70% of Operation and Maintenance expenses for Wheeling Business	1,421.38	1,272.83	1,374.26	4,068.47
Depreciation	399.71	184.15	384.46	968.32
95% of Depreciation for Wheeling Business	379.73	174.94	365.24	919.90
Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund	524.49	204.22	742.74	1,471.46
95% of Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund for Wheeling Business	498.27	194.01	705.61	1,397.88
Interest on Working Capital for Wheeling Business	23.79	20.60	22.97	67.35
Return on Equity	290.45	198.61	339.07	828.13
90% of Return on Equity for Wheeling Business	261.40	178.75	305.17	745.32
Less: Other income and Non-Tariff Income	247.90	247.05	165.39	660.34
10% of other income and Non-Tariff Income for Wheeling Business	24.79	24.70	16.54	66.03
Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs for Wheeling Business	2,217.51	2,618.80	2,437.38	7,273.69
10% of Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs	221.75	261.88	243.74	727.37
<b>Total for Wheeling Business</b>	<b>2,781.52</b>	<b>2,078.30</b>	<b>3,000.43</b>	<b>7,860.26</b>

**Table 76: Admitted ARR for Supply Business for FY 2026-27 (Rs. Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Power Purchase Cost including transmission and SLDC charges	12,495.91	19,884.42	13,998.04	46,378.37
100% of Power Purchase Cost including transmission and SLDC charges for Supply Business	12,495.91	19,884.42	13,998.04	46,378.37
Operation and Maintenance expenses	2,030.54	1,818.33	1,963.23	5,812.10
30% of Operation and Maintenance expenses for Supply Business	609.16	545.50	588.97	1,743.63
Depreciation	399.71	184.15	384.46	968.32
5% of Depreciation for Supply Business	19.99	9.21	19.22	48.42
Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund	524.49	204.22	742.74	1,471.46
5% of Interest on Project Loans, Lease Charges for Smart Meters and R&D Fund for Supply Business	26.22	10.21	37.14	73.57
Interest on Working Capital for Supply Business	46.74	-11.77	46.60	81.57
Return on Equity	290.45	198.61	339.07	828.13
10% of Return on Equity for Supply Business	29.04	19.86	33.91	82.81
Interest on Consumer Security Deposit	108.13	171.80	123.45	403.38
100% of Interest on Consumer Security Deposit for Supply Business	108.13	171.80	123.45	403.38
Less: Other income and Non-Tariff Income	247.90	247.05	165.39	660.34
90% of other income and Non-Tariff Income for Supply Business	223.11	222.34	148.85	594.31
Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs	2,217.51	2,618.80	2,437.38	7,273.69
90% of Impact of True-Ups of Past Years of MP Transco, Genco and DISCOMs for Supply Business	1,995.76	2,356.92	2,193.64	6,546.32
<b>Total for Supply Business</b>	<b>15,107.85</b>	<b>22,763.79</b>	<b>16,892.12</b>	<b>54,763.76</b>

## Revenue from Existing and Admitted Tariffs and Gap/Surplus

### Petitioners' Submission

- 2.270 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, FY 2024-25 and 2025-26 there was a tariff hike of 2.64%, 1.65%, 0.07% and 3.46% 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.
- 2.271 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.
- 2.272 Petitioners have proposed a hike of 10.19% for FY 2026-27.
- 2.273 The revenue from existing and proposed tariff for FY 2026-27 is as follows:

**Table 77: Revenue at Existing and proposed Tariff submitted by Petitioner for FY 2026-27 (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	4801	5269	5205	5677	4779	5212	14785	16158
LV-2	Non-Domestic	1587	1725	1926	2097	1555	1690	5068	5512
LV-3	Public Waterworks & Street Light	624	695	751	843	499	559	1874	2097
LV-4	LT Industry	480	519	761	822	356	385	1596	1725
LV-5	Agriculture	5109	5813	7765	8841	7307	8317	20180	22970
LV-6	EV Charging	2	2	5	5	2	2	9	10
<b>TOTAL – LT</b>		<b>12,602</b>	<b>14,023</b>	<b>16,413</b>	<b>18,284</b>	<b>14,497</b>	<b>16,164</b>	<b>43,513</b>	<b>48,472</b>
HV-1	Railway Traction	0	0	0	0	36	38	36	38
HV-2	HV 2: Coal Mines	437	464	0	0	23	25	460	489

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	2772	2967	4063	4347	2610	2716	9445	10030
HV-3.2	Non-Industrial	333	355	630	671	593	635	1557	1661
HV-3.3	Shopping Mall	9	9	44	47	34	37	87	93
HV-3.4	Power Intensive Industries	175	196	1039	1158	446	504	1660	1858
HV-4	Seasonal & Non-Seasonal	23	24	13	13	6	6	42	43
HV-5	PWW Works & Other Agri.	261	277	1408	1500	435	465	2105	2242
HV-6	Bulk Residential Users	204	214	34	36	120	127	357	376
HV-7	RECs/Synchro of power for Generator connected to Grid	11	11	35	37	5	6	51	54
HV-8	EV Charging	0	0	7	8	2	2	9	10
HV-9	Metro Rail	0	0	8	7	3	2	10	9
	<b>TOTAL – HT</b>	<b>4,224</b>	<b>4,517</b>	<b>7,281</b>	<b>7,824</b>	<b>4,313</b>	<b>4,562</b>	<b>15,818</b>	<b>16,903</b>
	<b>TOTAL (LT+HT)</b>	<b>16,826</b>	<b>18,540</b>	<b>23,694</b>	<b>26,108</b>	<b>18,810</b>	<b>20,726</b>	<b>59,331</b>	<b>65,374</b>

## Commission Analysis

2.274 The consumer category-wise revenue including rebate/incentives at existing and admitted tariff for FY 2026-27 is presented in the table below:

**Table 78: Revenue including Rebate/ Incentives at Existing and Admitted Tariffs for FY 2026-27 (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	4,819.49	5,065.40	5,131.70	5,389.20	4,809.97	5,054.69	14,761.16	15,509.29
LV-2	Non-Domestic	1,598.80	1,669.62	1,935.28	2,018.73	1,549.79	1,616.28	5,083.88	5,304.63
LV-3	Public Water Works & Street Light	743.11	789.13	761.90	810.28	543.30	576.42	2,048.32	2,175.83
LV-4	LT Industrial	482.76	502.83	767.45	798.33	355.99	370.24	1,606.20	1,671.40

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	5,153.00	5,428.25	7,783.23	8,194.35	7,388.88	7,767.93	20,325.10	21,390.53
LV-6	E-Vehicle/ E-Rickshaws Charging Stations	1.84	1.92	4.88	5.09	2.19	2.28	8.91	9.29
	<b>LT Total</b>	<b>12,799.01</b>	<b>13,457.15</b>	<b>16,384.44</b>	<b>17,215.98</b>	<b>14,650.12</b>	<b>15,387.84</b>	<b>43,833.57</b>	<b>46,060.97</b>
HV-1	Railway Traction	0.00	0.00	0.00	0.00	24.75	25.93	24.75	25.93
HV-2	Coal Mines	426.30	432.36	0.00	0.00	22.54	22.87	448.84	455.24
HV-3	HT Industrial, Non-Industrial and shopping malls	3,331.09	3,459.99	5,776.20	6,019.73	3,693.61	3,856.09	12,800.91	13,335.81
	HV-3.1: Industrial	2,807.49	2,914.65	4,062.64	4,227.29	2,617.51	2,728.07	9,487.64	9,870.01
	HV-3.2: Non-Industrial	337.96	350.47	630.23	654.09	594.76	618.21	1,562.94	1,622.78
	HV-3.3: Shopping malls	8.78	9.12	44.16	45.90	34.33	35.85	87.28	90.87
	HV-3.4: Power Intensive Industries	176.86	185.75	1,039.17	1,092.45	447.01	473.96	1,663.05	1,752.16
HV-4	Seasonal	27.38	27.38	8.87	8.87	5.22	5.22	41.47	41.47
HV-5	Irrigation, Public Water Works and Other than Agricultural	271.35	281.80	1,455.89	1,512.57	443.24	462.28	2,170.48	2,256.65
HV-6	Bulk Residential Users	214.61	220.18	34.95	36.08	118.42	122.23	367.98	378.49
HV-7	Synchronization of Power for Generators connected to the Grid	10.50	10.50	36.25	36.25	5.96	5.96	52.71	52.71
HV 8	E-Vehicle/ E-Rickshaws Charging Stations	0.00	0.00	6.74	7.02	2.29	2.39	9.03	9.41
HV-9	Metro Rail	0.00	0.00	5.59	5.59	1.76	1.76	7.35	7.35
	<b>HT Total</b>	<b>4,281.23</b>	<b>4,432.22</b>	<b>7,324.49</b>	<b>7,626.12</b>	<b>4,317.79</b>	<b>4,504.71</b>	<b>15,923.52</b>	<b>16,563.06</b>
	<b>Grand Total (LT + HT)</b>	<b>17,080.24</b>	<b>17,889.37</b>	<b>23,708.93</b>	<b>24,842.10</b>	<b>18,967.91</b>	<b>19,892.55</b>	<b>59,757.08</b>	<b>62,624.02</b>

- 2.275 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 2026-27 is as shown in the table below:

**Table 79: Final ARR and Revenue from existing tariffs for FY 2026-27 (Rs Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Total ARR admitted including True-up (A)	17,889.37	24,842.10	19,892.55	62,624.02
Revenue at existing Tariffs (B)	17,080.24	23,708.93	18,967.91	59,757.08
<b>Uncovered Gap/(Surplus) (C=A-B)</b>	<b>809.13</b>	<b>1,133.16</b>	<b>924.64</b>	<b>2,866.94</b>

- 2.276 To meet the aforesaid Revenue Gap of Rs. 2,866.94 Crore, the Commission has increased the tariff by 4.80%, 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 80: Final ARR and Revenue from admitted tariffs for FY 2026-27 (Rs Crore)**

Particulars	East DISCOM	West DISCOM	Central DISCOM	State
Total ARR admitted including True-up (A)	17,889.37	24,842.10	19,892.55	62,624.02
Revenue at admitted Tariffs (B)	17,889.37	24,842.10	19,892.55	62,624.02
<b>Uncovered Gap/(Surplus) (C=A-B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 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. 7,707.75 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 2025-26 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 81 : Wheeling Charges submitted by the Petitioners for FY 2026-27**

Voltage	Wheeling Cost Allocated (Rs. Crore)	Sales (MU)	Wheeling Charges (Rs. / kWh)
33 kV	207.31	11,579.94	0.18
Below 33 kV			
(a) 11 kV	79.55	1,112.01	0.72
(b) LT	7,420.89	63,221.91	1.17

#### 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 through Open Access or 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 2026-27, the expenditure towards wheeling business for all the DISCOMs works out to be Rs. 7,860.26 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 82 : 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	23,181.50	22,246.83	21,303.00	66,731.33	14,704.34	22.04
Below 33 kV						
(a) 11 kV	1,78,361.10	1,57,841.66	1,57,961.00	4,94,163.76	1,07,588.49	21.77
(b) LT	1,51,648.20	3,77,102.88	2,23,676.34	7,52,427.42	78,566.52	10.44
<b>Sub-Total</b>	<b>3,30,009.30</b>	<b>5,34,944.54</b>	<b>3,81,637.34</b>	<b>12,46,591.18</b>	<b>1,86,155.01</b>	
<b>Total</b>	<b>3,53,190.80</b>	<b>5,57,191.37</b>	<b>4,02,940.34</b>	<b>13,13,322.51</b>	<b>2,00,859.35</b>	

**Table 83: 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	11,672.30	16,604.15	14,268.75	42,545.20	27,996.69	65.80
11/0.4 kV Transformer	15,865.90	28,722.99	19,124.47	63,713.36	30,289.52	4.75
<b>Total</b>	<b>27,538.20</b>	<b>45,327.14</b>	<b>33,393.22</b>	<b>1,06,258.56</b>	<b>58,286.21</b>	

3.14 Data for length of lines and transformation capacity expected to be added during FY 2026-27 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 84 : 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	14,704.34	27,996.69	42,701.03
Below 33 kV			
(a) 11 kV	1,07,588.49	30,289.52	1,37,878.02
(b) LT	78,566.52		78,566.52
<b>Total</b>	<b>2,00,859.35</b>	<b>58,286.21</b>	<b>2,59,145.57</b>

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

**Table 85 : 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	42,701.03	16.48%	7,860.26	1,295.18
Below 33 kV				
(a) 11 kV	1,37,878.02	53.20%		4,182.04
(b) LT	78,566.52	30.32%		2,383.04
<b>Total</b>	<b>2,59,145.57</b>	<b>100.00%</b>		<b>7,860.26</b>

### 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 86 : Energy Wheeled at different voltage levels (MU)**

EHT (400 kV, 220 kV, & 132 kV)	33 kV System	11 kV	LT	State
7,543.41	11,652.49	1,165.27	63,775.40	84,136.57

- 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 87 : 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	1,295.18
Energy Wheeled at 33 kV (as per Table: -85)	B	MU	11,652.49
Total energy wheeled {excluding energy at 132 kV} (as per Table: -85)	C	MU	76,593.16
Proportion of 33 kV energy wheeled to total energy wheeled	$D=B/C*100$	%	15.21%
<b>Cost allocation</b>			
<b>Wheeling cost of 33 kV allocated to 33 kV users only</b>	$E=A*D$	Rs. Crore	<b>197.04</b>

**Table 88 : 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	1,295.18
Wheeling cost of 33 kV allocated to 33 kV users only	B	Rs. Crore	197.04
Remaining Wheeling Cost of 33kV	C=A-B	Rs. Crore	1,098.14
Wheeling Cost at 11 kV	D	Rs. Crore	4,182.04
Wheeling Cost at 11 kV along with remaining Wheeling Cost of 33kV	E=C+D	Rs. Crore	5,280.18
Energy Wheeled at 11 kV (as per Table: -85)	F	MU	1,165.27
Total energy wheeled {excluding energy at 132 kV} (as per Table: -85)	G	MU	76,593.16
Proportion of 11 kV energy wheeled to total energy wheeled	H	MU	1.52%
<b>Cost allocation</b>			
<b>Wheeling cost of 11 kV allocated to 11 kV users only</b>	<b>I=E*H</b>	<b>Rs. Crore</b>	<b>80.33</b>

- 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 89 : Wheeling Charges at different Voltage levels**

Voltage	Wheeling Cost allocated (Rs. Crore)	Sales (MU)	Wheeling charges (Rs. /kWh)
33 kV	197.04	11,652.49	0.17
Below 33 kV			
(a) 11 KV	80.33	1,165.27	0.69
(b) LT	7,582.88	63,775.40	1.19

- 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. 89 shall also be 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 90 : 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	7.38	1.57	0.65	0.65
LV-2: Non-Domestic	10.36	1.57	3.63	1.57
LV-3: Public Water Works & Street Light	7.68	1.57	0.95	0.95
LV-4: LT Industrial	10.02	1.57	3.29	1.57
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	7.28	1.57	0.55	0.55
HV-1: Railway Traction	6.82	1.57	1.87	1.57
HV-2: Coal Mines	9.59	1.57	4.31	1.57
HV-3.1: Industrial	8.49	1.57	3.21	1.57
HV-3.2: Non-Industrial	9.72	1.57	4.44	1.57
HV-3.3: Shopping malls	8.95	1.57	3.68	1.57
HV-3.4: Power Intensive Industries	6.27	1.57	0.99	0.99
HV-4: Seasonal & Non-Seasonal	11.47	1.57	6.20	1.57
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.91	1.57	3.64	1.57
HV-6: Bulk Residential Users	8.46	1.57	3.18	1.57
HV-7: Synchronization and Start-Up Power	13.17	1.57	7.90	1.57
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.74	1.57	2.46	1.57
HV 9: Metro Rail	9.10	1.57	3.82	1.57

### Commission's Analysis

3.25 The Tariff Policy notified by Government of India (GoI) on dated 28<sup>th</sup> 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 91 : 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	1,02,086.12	37,145.76	3.64

- 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 92 : Voltage-wise losses**

Voltage Level	Loss level (L)
EHT (transmission system) including External losses*	3.83%
33 kV #	3.57%
11 kV#	4.47%
LT#	5.18%

\* EHT Voltage level losses have been considered 3.83% for FY 2026-27.

#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 2026-27 are worked out as under:

**Table 93 : Transmission Charges**

Particulars	Unit	Quantity
PGCIL Charges	Rs. Crore	3,367.11
MPPTCL Charges including SLDC Charges	Rs. Crore	5,865.49
<b>Total Charges</b>	<b>Rs. Crore</b>	<b>9,232.61</b>
Units to be handled	MU	1,02,086.12
<b>Transmission Charges per unit</b>	<b>Rs/kWh</b>	<b>0.90</b>

- 3.30 Wheeling charges have been determined for consumers connected at 33 kV, 11kV and LT as shown in Table No. 89, above.
- 3.31 Finally, the term in the Tariff Policy formula, ‘T’, Average Tariff for different categories, is derived from expected revenue for FY 2026-27 as shown in the following table:

**Table 94: Average Billing Rate (ABR) for FY 2026-27 at approved tariff (Rs./kWh)**

Category of consumers	Average Tariff 'T' (Rs Per Unit)
LV-1: Domestic	7.10
LV-2: Non Domestic	9.94
LV-3: Public Water Works & Street Light	7.19
LV-4: LT Industrial	9.64

Category of consumers	Average Tariff 'T' (Rs Per Unit)
LV-5: Agriculture and Allied Activities	6.72
LV-6: E-Vehicle/ E-Rickshaws Charging Stations	7.44
HV-1: Railway Traction	6.69
HV-2: Coal Mines	9.23
HV-3: HT Industrial, Non-Industrial and Shopping Malls	8.00
<i>HV-3.1: Industrial</i>	8.30
<i>HV-3.2: Non Industrial</i>	9.45
<i>HV-3.3: Shopping Malls</i>	8.74
<i>HV-3.4: Power Intensive Industries</i>	5.90
HV-4: Seasonal	8.62
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.82
HV-6: Bulk Residential Users	8.27
HV-7: Synchronization of Power for Generators connected to the Grid	12.39
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.44
HV 9: Metro Rail	7.48

- 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 95 : 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 (3.83%)	Cost of Power grossed up for distribution losses (33kV-3.57%, LT-9.65%)	Transmission charges (Rs. per unit)	Wheeling charges at 33 kV (Rs. per unit)	Total Cost
						$[C/(1-L/100) + D+R]$
1	3.64	3.78	0.00	0.90	0.00	4.69
2	3.64	3.78	3.92	0.90	0.17	5.00
3	3.64	3.78	4.33	0.90	1.19	6.43

**Table 96: 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)
<b>Illustration -3</b>				
LV-1: Domestic	7.10	1.49	0.67	0.67
LV-2: Non-Domestic	9.94	1.49	3.52	1.49
LV-3: Public Water Works & Street Light	7.19	1.49	0.77	0.77
LV-4: LT Industrial	9.64	1.49	3.21	1.49
LV-6: E-Vehicle/ E-Rickshaws Charging Stations	7.44	1.49	1.02	1.02
<b>Illustration -1</b>				
HV-1: Railway Traction	6.69	1.49	2.00	1.49
<b>Illustration -2</b>				
HV-2: Coal Mines	9.23	1.49	4.24	1.49
HV-3: HT Industrial, Non-Industrial and Shopping Malls	8.00	1.49	3.00	1.49
<i>HV-3.1: Industrial</i>	8.30	1.49	3.31	1.49
<i>HV-3.2: Non Industrial</i>	9.45	1.49	4.45	1.49
<i>HV-3.3: Shopping Malls</i>	8.74	1.49	3.74	1.49
<i>HV-3.4: Power Intensive Industries</i>	5.90	1.49	0.90	0.90
HV-4: Seasonal	8.62	1.49	3.62	1.49
HV-5: Irrigation, Public Water Works and Other than Agricultural	8.82	1.49	3.82	1.49

Category of HT/EHT consumers	Average Tariff 'T' (Rs Per Unit)	Ceiling 20% of ACoS (Rs/Unit)	CSS (Rs/Unit)	Applicable CSS (Rs/Unit)
HV-6: Bulk Residential Users	8.27	1.49	3.27	1.49
HV-7: Synchronization of Power for Generators connected to the Grid	12.39	1.49	7.39	1.49
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.44	1.49	2.45	1.49
HV 9: Metro Rail	7.48	1.49	2.48	1.49

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.95.
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 97 : Computation of Additional Surcharge Submitted by the Petitioners for FY 2026-27**

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-24	6,120.93	5,106.55	1,014.38	3.18	0.95	0.30
2	Oct-24	7,229.76	5,925.38	1,304.38	1.30	1.07	0.14
3	Nov-24	7,783.52	6,756.16	1,027.36	1.20	1.13	0.14
4	Dec-24	7,843.43	6,731.25	1,112.18	1.14	1.14	0.13
5	Jan-25	7,827.67	6,982.00	845.67	1.21	1.13	0.14
6	Feb-25	7,266.23	6,929.93	336.30	1.51	1.82	0.27
7	Mar-25	7,423.66	6,585.22	838.44	0.97	0.19	0.02
8	Apr-25	7,881.87	6,983.19	898.68	-	-	-
9	May-25	7,944.86	6,476.31	1,468.56	-	-	-
10	Jun-25	7,503.58	5,706.98	1,796.60	-	-	-
11	Jul-25	6,837.30	5,488.90	1,348.40	-	-	-
12	Aug-25	7,152.28	5,330.82	1,821.46	-	-	-
		<b>88,815.11</b>	<b>75,002.69</b>	13,812.42		<b>7.42</b>	<b>1.13</b>
<b>Additional Surcharge on OA Consumers (Rs./Unit) = (8/7*10)</b>							<b>1.53</b>

3.36 The Petitioners have thus claimed the Additional Surcharge of Rs. 1.53 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. 98.
- 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 DISCOMs for the Control Period FY 2022-23 to FY 2026-27. Computation of the Additional Surcharge is shown in the table below:

**Table 98 : Determination of Additional Surcharge for FY 2026-27**

Sr. No.	Particulars	Reference	Unit	Values
1	Admitted Fixed Cost of Thermal Generating Sources for FY 2026-27	A	Rs. Crore	10,539.09
2	Admitted Total MU Available from Thermal Generating Stations for FY 2026-27	B	MU	89,147.81
3	<b>Average Per Unit FC of Thermal Generating Stations for FY 2026-27</b>	<b>C=A/B*10</b>	<b>Rs. /kWh</b>	<b>1.18</b>
4	Total Projected Back down/RSD Volume for FY 2026-27	D	MU	6,014.28
5	Projected Open Access Volume for year for FY 2026-27 based on actual of previous year (as per Petitioners' submission)	E	MU	7.42
6	Fixed Cost pertaining to Back down/RSD capacity for FY 2026-27	F=E*C/10	Rs. Crore	0.88
7	<b>Per Unit Additional Surcharge (to be applicable on OA Consumers)</b>	<b>G=F/E*10</b>	<b>Rs. /kWh</b>	<b>1.18</b>

- 3.40 The Commission has thus determined the Additional Surcharge of Rs. 1.18 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 2026-27 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 In regards to the Green Energy Tariff, Petitioners submitted that the Ministry of Power ("MoP"), by notification dated 27<sup>th</sup> September 2025, has notified Renewable Consumption Obligations ("RCO") under Section 14 of the Energy Conservation Act, 2001, effective from 1<sup>st</sup> April 2024. The said notification expressly provides that for all designated consumers under the Act, no additional Renewable Purchase Obligation shall be applicable under the Electricity Act, 2003 (36 of 2003). Further, the State-level Renewable Purchase Obligation targets have been subsumed within the RCO targets specified therein.
- 4.3 However, the notification does not prescribe the methodology or approach to be adopted for the calculation of the Green Energy Tariff as stipulated under the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022.
- 4.4 The Petitioners note that the Commission has not yet formally amended the extant MPERC (Co-generation and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations, 2021, to align with the MoP notification. In the absence of clear regulatory guidance regarding the methodology for computation of Green Energy Tariff, the Petitioners have, in the present Petition, refrained from calculating the Green Energy Tariff for the purpose of RCO compliance of the obligated entities.
- 4.5 Further, Petitioners submitted that they reserve their right to approach the Commission afresh for appropriate directions, amendments, or clarifications, should there be any future modifications to the applicable regulations in this regard.
- 4.6 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 99 : Green Energy Charges Proposed by the Petitioners  
for FY 2026-27**

RE Power Procurement for the Period FY 2026-27			Non-RE Power Procurement (Only Variable) for the Period FY 2026-27			Difference between RE & Non-RE Power	Claimed Green Energy Tariff
MU	Rs. Cr	Rs/Unit	MU	Rs. Cr	Rs/Unit	Rs/Unit	Rs/Unit
A	B	C	D	E	F	G = (C – F)	H
34,524	10,210	2.96	66,574	17,289	2.60	0.36	0.36

- 4.7 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 2026-27 shall also be applicable to the respective categories of consumer.

### Commission's Analysis

- 4.8 In the Tariff Order for FY 2023-24, FY 2024-25 and FY 2025-26, 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

- 4.9 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.
- 4.10 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.
- 4.11 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.

- 4.12 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.
- 4.13 The consumers shall have to place a requisition for availing power from RE sources with their respective Distribution Licensee.

#### Treatment of RPO.

- 4.14 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

- 4.15 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 75% 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 100 : 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 2026-27**

RE Power Procurement for the Period FY 2026-27			Non-RE Power Procurement (Only Variable) for the Period FY 2026-27			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	$G = (C - F)$	$H = G * 75\%$
35,446.93	10,350.48	2.92	66,639.19	16,775.99	2.52	0.40	0.30

- 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

- 4.16 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
- 4.17 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.
- 4.18 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

- 4.19 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.
- 4.20 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.
- 4.21 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.

- 4.22 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 tariff 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.
- 4.23 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 Energy , Hydro Energy and Others Renewable Energy which shall be applicable to consumers over and above the normal tariff of the respective category as per the provisions of Regulations.
- 4.24 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 Energy, Hydro Energy and Others Renewable Energy,) 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 101 : Effective Cost of Pooled Power Purchase of RE sources**

Particulars	Unit	Wind Energy	Hydro Energy	Others Renewable Energy
Power Purchase Cost of RE Sources	Rs. Crore	255.98	159.50	8,706.72
Quantum of RE Source	MUs	950.18	320.49	31,347.13
<b>Average Rate of RE Sources</b>	<b>Rs./kWh</b>	<b>2.69</b>	<b>4.98</b>	<b>2.78</b>
Distribution loss	%	13.22%	13.22%	13.22%
RE Source Rate after considering Distribution loss	Rs./kWh	3.10	5.74	3.20
Intra-State Transmission loss	%	2.60%	2.60%	2.60%
RE Source Rate after Considering Intra-State Transmission loss	Rs./kWh	3.19	5.89	3.29
Inter and Intra – State Transmission Charges	Rs./kWh	0.90	0.90	0.90
<b>Contribution of Pooled Power Purchase of RE sources in ACOS</b>	<b>Rs./kWh</b>	<b>4.09</b>	<b>6.79</b>	<b>4.19</b>

- b) In order to determine the Cross Subsidy Charges, the difference between ACoS and ABR of respective tariff categories has 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 and Transmission Charges works out to be Rs 1.93/kWh (i.e., Rs. 16,245.65 Crore of Other ARR Components / Sales of 84,129.15 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.1.33/kWh (i.e. Rs. 11,210.66 Crore as Fixed Cost of Power Purchase /Sales of 84,129.15 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)

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

Table 102 : Computation of Incremental Green Energy Charges for consumers for FY 2026-27

Category of consumers	Effective Cost of Pooled Power Purchase Cost of RE (Rs/kWh)			ABR (Rs/kWh)	Cross Subsidy (Rs/kWh)	Service Charges (Rs/kWh)		Green Energy Tariff Applicable (Rs/kWh)			Incremental Green Energy Charges (Rs/kWh)		
	Wind Energy	Hydro Energy	Others Renewable Energy			Fixed Cost of Power Purchase excluding Transmission Charges	Other ARR Components	Wind Energy	Hydro Energy	Others Renewable Energy	Wind Energy	Hydro Energy	Others Renewable Energy
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	4.09	6.79	4.19	7.10	(0.35)	1.33	1.93	7.01	9.71	7.11	(0.09)	2.61	0.01
LV-2: Non Domestic				9.94	2.50			9.85	12.55	9.95			
LV-3: Public Water Works & Street Light				7.19	(0.25)			7.10	9.80	7.20			
LV-4: LT Industrial				9.64	2.20			9.55	12.25	9.65			
LV-5: Agriculture & allied activities				6.72	(0.72)			6.63	9.34	6.73			
LV-6: E-Vehicle/ E-Rickshaws Charging Stations				7.44	0.00			7.36	10.06	7.45			
HV-1: Railway Traction				6.69	(0.76)			6.60	9.30	6.70			
HV-2: Coal Mines				9.23	1.79			9.14	11.85	9.24			
HV-3: HT Industrial, Non-Industrial and Shopping Malls				8.00	0.55			7.91	10.61	8.01			
HV-4: Seasonal				8.62	1.18			8.53	11.23	8.63			
HV-5: Irrigation, Public Water Works and Other than Agricultural				8.82	1.37			8.73	11.43	8.83			
HV-6: Bulk Residential Users				8.27	0.82			8.18	10.88	8.28			
HV-7: Synchronization of Power for Generators connected to the Grid				12.39	4.94			12.30	15.00	12.40			
HV 8: E-Vehicle/ E-Rickshaws Charging Stations				7.44	0.00			7.36	10.06	7.45			
HV 9: Metro Rail				7.48	0.04			7.39	10.09	7.49			

## Treatment of RPO

4.26 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

4.27 The Commission has determined the Green Energy Charges of Rs. 0.30/kWh for FY 2026-27 for consumers availing Green Energy from Distribution Licensee only for the purpose of reducing their carbon footprint and seeking Certification to this effect.

4.28 Further, the Commission observed that Incremental Green Energy Charges worked out for Wind Energy and Other Renewable Energy as per the MPERC (Co-generation and generation of electricity from Renewable sources of energy) Regulations, 2021 and amendments thereof are on the lower side and do not adequately reflect the likely additional cost burden to be incurred by the Petitioners for procurement of such green power.

4.29 The Commission further noted that, under the provisions of the aforesaid Regulations, consumers opting for green energy supply from the Distribution Licensee are required to be supplied electricity sourced from renewable energy. In order to meet such incremental demand, the Petitioners would be required to undertake additional procurement of renewable energy over and above their existing tied-up capacity.

4.30 The Commission has also observed that the procurement of Wind Energy for such purpose would necessarily be from wind power projects commissioned after 31<sup>st</sup> March, 2024, which are expected to have lower availability of power projects. Further, the existing renewable energy portfolio available with the Petitioners is limited in nature and is primarily towards meeting their statutory Renewable Purchase Obligation. Therefore, such existing RE capacity may not be sufficient to cater to the incremental requirement arising from consumers opting for green energy supply.

4.31 Accordingly, the Commission is of the view that the cost of additional procurement required to meet such demand needs to be appropriately reflected in the Incremental Green Energy Charges, so as to ensure that there is no undue financial burden on the Petitioners as well as to DISCOMs consumers in form of cross subsidisation.

4.32 In view of the above, the Commission has approved Green Energy Charge of Rs. 0.40/kWh for Wind Energy and Others Renewable Energy (i.e., the difference in weighted average rate of RE power and weighted average rate of Energy charge (Variable Charges) of Non RE sources) and for Hydro Energy as Rs. 2.61/kWh 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 2026-27.

- 4.33 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.
- 4.34 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.
- 4.35 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.**
- 4.36 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 2026-27 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 2026-27 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 In order to work out category-wise cross subsidy based on voltage-wise cost of supply, the Commission has determined 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 2026-27 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 2026-27**

State	Units	EHT System (400 kV, 220 kV, 132 kV & 66 kV)	33 KV System	11 KV + LT System	Total
Sales admitted	MU	7,542.30	11,646.37	64,940.48	84,129.15
Technical and Commercial losses	%	3.83%	3.57%	9.65%	17.59%
Energy input admitted	MU	7,842.93	12,559.24	81,683.95	1,02,086.12
Energy lost admitted (Technical up to 33kV and 11 kV + LT- technical and commercial)	MU	300.63	912.87	16,743.48	17,956.97
Commercial loss assumed as 50% of 11kV and LT overall losses	MU			8,371.74	
Commercial losses apportioned for all voltage levels in proportion to voltage wise sales admitted	MU	750.54	1,158.94	6,462.26	8,371.74
Net Energy Loss admitted	MU	1,051.16	2,071.81	14,834.00	17,956.97
Net energy input for Computing VCoS	MU	8,593.46	13,718.18	79,774.48	1,02,086.12
Power Purchase Costs - allocated based on voltage-wise losses net energy input	Rs. Crore	3,904.06	6,232.25	36,242.05	46,378.37
Other costs - allocated based on voltage-wise sales	Rs. Crore	810.83	1,294.37	7,527.10	9,632.31
Less: Other income - allocated based on voltage-wise sales	Rs. Crore	55.59	88.74	516.02	660.34
Recoveries of Past Years	Rs. Crore	612.29	977.43	5,683.97	7,273.69
<b>Total Costs (ARR requirement) for FY 2026-27</b>	<b>Rs. Crore</b>	<b>5,271.60</b>	<b>8,415.32</b>	<b>48,937.10</b>	<b>62,624.02</b>
<b>VCoS</b>	<b>Rs. /Unit</b>	<b>6.99</b>	<b>7.23</b>	<b>7.54</b>	<b>7.44</b>

6.11 Consumer category-wise approximate cross-subsidy, computed based on voltage-wise cost of supply for FY 2026-27 is shown in the table below:

**Table 104: Cross-subsidy based on voltage-wise cost of supply for FY 2026-27 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	7.54	7.10	94%
LV-2: Non-Domestic	7.54	9.94	132%
LV-3: Public Water Works & Street Light	7.54	7.19	95%
LV-4 LT Industrial	7.54	9.64	128%
LV 5: Agriculture and Allied Activities	7.54	6.72	89%
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	7.54	7.44	99%
HV-1: Railway Traction	6.99	6.69	96%
HV-2: Coal Mines	7.11	9.23	130%
HV-3: Industrial, Non-Industrial and shopping malls	7.16	8.00	112%
HV-4: Seasonal	7.45	8.62	116%
HV-5: Irrigation, Public Water Works and Other than Agricultural	7.12	8.82	124%
HV-6: Bulk Residential Users	7.25	8.27	114%
HV-7: Synchronization of Power for Generators connected to the Grid	7.11	12.39	174%
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	7.23	7.44	103%
HV 9: Metro Rail	6.99	7.48	107%
<b>Total</b>	<b>7.44</b>	<b>7.44</b>	<b>100%</b>

6.12 While determining the tariffs for FY 2026-27, 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 2026-27 works out to Rs. 7.44 per unit as against Rs. 7.14 per unit for FY 2025-26. The table below shows the cost coverage (Average realization as percentage of Average cost of supply) on account of tariff for FY 2026-27, as compared to the cost coverage in the Tariff Order for FY 2025-26:

**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 2025-26	FY 2026-27		
	(as per Tariff Order)	(Achieved as per this Tariff Order)		
<b>LV- Categories</b>				<b>7.44</b>
LV-1: Domestic	95%	95%	7.10	
LV-2: Non-Domestic	134%	134%	9.94	
LV-3: Public Water Works & Street Light	98%	97%	7.19	
LV-4 LT Industrial	130%	129%	9.64	
LV 5: Agriculture and Allied Activities	90%	90%	6.72	
LV 6: E-Vehicle/ E-Rickshaws Charging Stations	100%	100%	7.44	
<b>Total LT</b>	<b>97%</b>	<b>97%</b>	<b>7.22</b>	
<b>HV- Categories</b>				
HV-1: Railway Traction	75%	90%	6.69	
HV-2: Coal Mines	124%	124%	9.23	
HV-3: Industrial, Non-Industrial and shopping malls	108%	107%	8.00	
HV-4: Seasonal	114%	116%	8.62	
HV-5: Irrigation, Public Water Works and Other than Agricultural	118%	118%	8.82	
HV-6: Bulk Residential Users	111%	111%	8.27	
HV 8: E-Vehicle/ E-Rickshaws Charging Stations	100%	100%	7.44	
HV 9: Metro Rail	100%	100%	7.48	
<b>Total HT</b>	<b>109%</b>	<b>109%</b>	<b>8.14</b>	
<b>Total (LT + HT)</b>	<b>100%</b>	<b>100%</b>	<b>7.44</b>	

### kVAh billing for HT Consumers

6.13 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 7.3 in Chapter 7.

## Restructuring of Night ToD Rebate for HT Consumers

6.14 The Petitioners have requested the Commission to withdraw the existing Time-of-Day (ToD) rebate applicable to HT category consumers during the off-peak ToD slot from 10:00 PM to 6:00 AM next day. The Commission has carefully examined the Petitioners submission. The Commission observed that any withdrawal of such rebate has significant implications on HT consumers, demand-side behaviour, system efficiency, and overall cost of supply.

Further, the Commission observed that the Petitioners have not furnished adequate data or analysis to justify the proposed withdrawal of the ToD rebate. In particular, no detailed assessment has been provided regarding the impact on load curve, marginal cost of supply during off-peak hours or the consequential effect on overall power procurement cost and system operations. Moreover, the revenue implications of such withdrawal, including the potential impact on cross-subsidy and tariff design, have not been substantiated.

In the absence of a comprehensive cost-benefit analysis and supporting information and data, the Commission is not inclined to accept the proposal at this stage. Accordingly, the Commission directs the Petitioners to undertake a detailed study based on actual data of FY 2024-25 and FY 2025-26 and submit a comprehensive report with their next ARR and Tariff Petition. The Commission shall consider the proposal of the Petitioners based on detailed analysis, supporting data/Information and justification at the time of tariff determination for FY 2027-28.

## Changes in Tariff Design

6.15 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 2026-27. Main features of the tariff design are detailed in following paragraphs:

- i. **Minimum Charges:** The minimum charges for HV-5: Irrigation, Public Water Works and Other than Agricultural, HV-6: Bulk Residential Users and HV 9: Metro Rail categories have been abolished. Accordingly, there will be no minimum charges for LV, HV-4: Seasonal, HV-5: Irrigation, Public Water Works and Other than Agricultural, HV-6: Bulk Residential Users and HV 9: Metro Rail categories
- ii. **Metering Charges:** No metering charges are to be levied.
- iii. **Billing Demand:** In General Terms and Conditions of Low and High Tension Tariff the definition of Billing demand has been aligned with the provisions specified in Sixth amendment to MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021.

- iv. **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 2026-27 for the incremental consumption at Rs. 1 per unit.

Further, the basis for determining incremental monthly consumption has been revised. Instead of using the consumption of the corresponding month of FY 2015-16 (base year), it shall now be computed with reference to the consumption of the corresponding month of the preceding five years, with effect from FY 2026-27.

- v. **Rebate for new HT connection for HV-3 category consumers (all sub-categories) :** The rebate for new HT connections on incremental monthly consumption shall be limited to a period of Ten (10) years (i.e., 120 months) from the date of connection.
- vi. **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 2026-27.

## **A7: COMPLIANCE OF DIRECTIVES ISSUED IN TARIFF ORDER FOR FY 2025-26**

The response submitted by DISCOMs on the directives issued by the Commission in the Retail Supply Tariff Order for FY 2025-26 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 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.*

#### **East DISCOM Submission:**

It is submitted that under RDSS, smart meters have been installed for 9,69,959 consumers, 4,621 DTRs and 8,124 feeders. In 15 feeders, smart meters are installed at all three levels - feeder, DTR and consumer. In 155 feeders, meters are installed at the feeder level, DTR-level installations are in progress, and more than 80% of consumers are metered. The DISCOM has an operational MDM, enabling feeder-wise and DTR-wise energy audits for accurate technical loss assessment. Additionally, East DISCOM has engaged Bidgely and EsyaSoft for AIML-based analysis of smart meter data, including energy audit and theft analysis reports. A detailed study plan with timelines will be submitted in the coming months, and monthly progress reports will be furnished as directed.

#### **Central DISCOM Submission:**

It is submitted that the Central DISCOM awarded this work to MANIT, Bhopal in August 2024. In this regard, a meeting was held at the MPERC Office, attended by faculty of MANIT, and General Manager (Commercial), MPMKVVCL. A copy of the presentation made during the meeting has been submitted vide letter no. MD/MK/RA/277 dated 18.11.2025.

#### **West DISCOM Submission:**

M/s PPS Energy Solutions Pvt. Ltd. was awarded the work of evaluation of technical losses of the distribution network of MPPKVVCL, Indore. After completion of all requisite formalities, the firm commenced the work in January 2025. As per the approved methodology, the study involved evaluation of T&D losses based on sampling of approximately 1% of various components of the distribution network, including 33 kV lines, 33/11 kV substations, 11 kV lines, distribution transformers (DTRs) of various categories, and LT networks up to the consumer end. The sampling of network components and consumers was carried out in accordance with the guidelines stipulated by the Commission.

The final report of the technical loss study, indicating voltage-wise losses, has already been

submitted to the Commission.

**Commission's Observations/ Directions:**

West DISCOM and Central DISCOM have made progress in undertaking the technical loss study and have submitted their preliminary reports to the Commission. However, East DISCOM has not yet submitted the requisite study despite the Commission's repeated directions in this regard.

East DISCOM, in its submission, has stated that it has proposed to carry out the study through analysis of smart meter data installed at the consumer, DTR, and feeder levels, and that it will submit a detailed study plan in due course. It has further submitted that, in 15 feeders, smart meters have been installed at all three levels i.e., feeder, DTR, and consumer.

The Commission observed that with the installation of smart meters at all three levels, East DISCOM with proper consumer indexing with DTR & Feeder is in position to undertake energy audit and technical loss measurement using real-time data in a precise and reliable manner.

In view of above, the Commission directs East DISCOM to carry out the technical loss measurement study based on the available smart meter data and submit a detailed study report, along with methodology and analysis, within two months from the date of this Order. A copy of the study report and methodology shall also be circulated to Central DISCOM and West DISCOM for necessary action.

Further, Central DISCOM and West DISCOM are directed to commence technical loss studies using available smart meter data in areas where such meters have been installed at the consumer, DTR, and feeder levels. The outcome of such studies be reported to the Commission at the earliest.

## **7.2 Replacement of Stopped and Defective Meters**

**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.*

**East DISCOM Submission:**

It is submitted that East Discom have focused on replacing the Stop Defective meters in Urban (DL, NDL, and Industrial) and Rural (NDL and Industrial) areas, achieving a reduction of defective meters to less than 1% in these categories. Currently, the focus has been shifted to addressing the reduction of Stop Defective meters in Rural DL, with specific month-wise targets assigned to each division. Monitoring of progress is being carried out regularly.

**Central DISCOM Submission:**

It is submitted that under RDSS Smart Metering scheme, meters are being replaces in Urban Areas. The non-smart meters after replacement in Urban Area shall be utilized to replace the stop defective meters after testing. Submission of status regarding replacement of stop/defective meters is being complied by Discom. It is submitted that the Central Discom shall be installing Smart Meters in Rural areas also. However, the modalities and implementation strategy along with the tendering process is under discussion.

**West DISCOM Submission:**

In accordance with current Statutory/ Regulatory Framework, all existing meters are required to be replaced with smart meters. In connection with this matter, the Central Government has introduced the Revamped Distribution Sector Scheme (RDSS). It is pertinent to mention that if the Discom were to procure non-smart or traditional meters to replace the existing ones, these newly procured meters would not reach the end of their anticipated lifespan. Consequently, this situation would result in a dual burden of costs- firstly for the non-smart meter used to replace the existing defective meter, and subsequently for the smart meter used to replace the non-smart meter.

Given this context, the Discom respectfully submits that the task of replacement of defective meters should be carried out in alignment with the implementation of activities under the RDSS scheme. This approach would prevent unnecessary cost burdens and to ensure a coordinated and efficient meter replacement process.

Presently, the installation of smart meters is being done as per the trajectory under the RDSS scheme. The good spared non-smart meters found on the installation of smart meters are also being utilized against the replacement of stopped or defective meters in the company area, which is not covered under the trajectory of the RDSS Scheme.

With respect to the replacement of defective meters in rural areas, instructions have already been issued to the field offices in accordance with the prioritization mentioned above. The instructions include a monthly target of replacing 10% of defective meters. Accordingly, a target for the replacement of 4,66,361 nos. of stop/defective meters in rural areas has been

assigned to the field offices. Against this target 65,659 defective meters have been replaced so far.

The Commission vide order dated 20.08.2025 in Petition No. 02/2025, has granted relaxation in the implementation timeline for replacement of existing meters, including stopped, defective, and burnt meters, with Smart Pre-payment meters. The timeline has been extended from 31<sup>st</sup> December 2024 to 31<sup>st</sup> March 2028.

In compliance of instructions issued by the Commission in respect of submission of quarterly report on replacement of stop/ defective meters, the timely submission of the quarterly progress report (MIS Report) to the Commission is being ensuring through Reporter of Compliance (RoC).

**Commission's Observations/ Directions:**

The Commission has noted the submissions of DISCOMs regarding the replacement of stopped and defective meters. While certain improvements have been reported, particularly in urban and industrial categories and under the RDSS smart metering initiative, the overall progress especially in rural domestic areas remains unsatisfactory. The significant shortfall in achieving targeted replacements, particularly in rural areas, reflects inadequate compliance with the Commission's directives and the provisions of the Madhya Pradesh Electricity Supply Code, 2021.

In view of the above, the Commission directs all DISCOMs to ensure time-bound replacement of all stopped and defective meters strictly in accordance with the prescribed timelines, without deferring such activities on account of future smart metering plans. Further, strict adherence to monthly targets, enhanced focus on rural areas further, DISCOMs are directed to submit quarterly compliance reports within 30 days from the end of each quarter for review by the Commission.

**7.2 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 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.*

**East DISCOM Submission:**

The R-15 statement has been aligned as per the Tariff categories, sub-categories, and slabs approved by the Commission, in compliance with the directions of Commission.

**Central DISCOM Submission:**

The R-15 has been aligned as per Tariff category/subcategory and slabs approved by the Commission.

**West DISCOM Submission:**

It is submitted that the tariff category/sub-category and the slab-wise of R-15 statement has been aligned with the standard R-15 statement.

**Commission's Observations/ Directions:**

The Commission has noted the progress reported by the DISCOMs in aligning the R-15 data with the Tariff Category, Sub-category, and applicable slabs as per the Retail Supply Tariff Orders. However, the Commission observed that the still the R-15 data are not aligned with the Retail Supply Tariff Order. Therefore, the Petitioners are directed to align R-15 Statement (MPERC) accurately with the categories, sub-categories and slabs of the approved tariff schedule with the actual billing data.

The DISCOMs shall submit quarterly compliance reports to the Commission within 30 days from the end of each quarter for review.

**7.3 Introduction of kVAh billing****Commission's Directives:**

*The Commission has observed 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.

**East DISCOM Submission:**

As directed by the Commission, a study has been carried out on kVAh billing of HT Consumers and its implication on the transition from KWh billing to kVAh billing for each category of consumer. A report on same has been submitted to the Commission vide letter no. MD/EZ/CGM (Comm.)/1377 dated 26.09.2025.

**Central DISCOM Submission:**

With reference to the directives to carry out on impact assessment of kVAh, following analysis is submitted by Central Discom based on the available data and confirm our compliance actions.

(A) Summary of KWh to kVAh conversion factor and revenue neutral tariffs

- Approach: revenue neutral kVAh tariffs are derived by multiplying the existing KWh tariff by the conversion factor (kVAh/KWh) computed for each tariff sub categories and Discom.
- Average conversion factor for Central Discom is 0.933
- Detailed working sheet is submitted to the Commission vide letter no. MD/MK/RA/277 dated 18.11.2025.

**West DISCOM Submission:**

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 Program:** The Petitioner has continuously directed the field offices

to conduct awareness among the HT consumers regarding the kVAh billing. The Status report of Awareness Programs Conducted for kVAh Billing for FY 2025-26 is submitted to the Commission vide letter no. MD/WZ/05/COM/TRAC/26/18820 dated 18.11.2025.

Further, comprehensive awareness programme was conducted across all Circles of the Discom through video conferencing and physical meetings. A total of 15 Circles were covered, The Association of Industries from Indore, Pithampur, Dewas, Ujjain, Ratlam, and other regions also participated.

**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, the impact study for FY 2024-25 is submitted to the Commission vide letter no. MD/WZ/05/COM/TRAC/26/18820 dated 18.11.2025.

#### **Commission's Observations/ Directions:**

The Commission has noted the submissions of the Petitioners. The Commission also noted the submissions made by other stakeholders during the public hearing. The Commission therefore, observed that the transition from kWh billing to kVAh billing is a significant change for both DISCOMs and consumers. Therefore, adequate consumer awareness and preparedness is very important prior to implementation of such transition. Further, the Commission observed that, the DISCOMs have not analysed that whether the meters installed at consumer's premises are capable of measuring KVAh data or not. Therefore, directs the DISCOMs to ensure that the metering infrastructure for all HT consumers proposed to be billed on a kVAh basis is capable of accurately recording kVAh consumption to facilitate a smooth transition and striking a balance between the consumers recording poor power factor and power factor nearer to unity.

The DISCOMs shall submit quarterly compliance reports to the Commission within 30 days from the end of each quarter for review.

#### **7.4 Consumer services related issues:**

##### **Commission's Directives:**

*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 under automatic 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 20<sup>th</sup> 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:

<b>Year</b>	<b>SAIFI (Interruptions/Year/Consumer)</b>	<b>SAIDI (Hours/Year/Consumer)</b>
<b>FY 2024-25</b>	120	90
<b>FY 2025-26</b>	100	80
<b>FY 2026-27</b>	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.*

***East DISCOM Submission:***

The automatic compensation mechanism for Load Reduction, Name Transfer services and New Service Connection has been implemented.

**Central DISCOM Submission:**

- i. SAIFI/SAIDI: The compliance has already been sent vide letter no. 452 dated 21/08/2025.
- ii. Madhya Pradesh Electricity Distribution Code Regulation 2024- MPMKVVCL is committed to deliver uninterrupted and high-quality power supply to the consumers by strictly adhering to the regulations set by the Commission. To enhance consumer experience and service efficiency, MPMKVVCL has implemented robust system for grievance redressal communication and real time monitoring.
- iii. Faster Grievance Resolution: MPMKVVCL operates a centralized call-centre for transparent and effective grievance registration and resolution mechanism, ensuring prompt and efficient redressal of consumer concerns. Through continuous monitoring, we ensure timely resolution of consumer grievances. Additionally, we obtain feedback on 100% of complaints to enhance consumer satisfaction.

Enhanced communication channels: MPMKVVCL offers multiple channels for consumers to register complaints, ensuring 24X7 availability and reliable grievance redressal. Various modes of complaints registration are as under-

- 1912/18002331912/07552551912- MPMKVVCL is using a SIP line with a maximum capacity of 800 channels at call center to provide uninterrupted services. Consumers can contact on these numbers to register their complaints easily.
- IVR- Consumer can register their complaint by using their registered mobile number or IVRS no. only.
- Whats app Chatbot (07552551222)- consumer can use Whatsapp Chatbot also to register their complaints.

- Upay App- This application is available both on Google Play store and Apple Store, allowing consumers to register complaints and access various facilities conveniently.
- MPCZ Portal- Consumers can register their complaints through our website also. (<https://portal.mpcz.in/web/>)
- Voice Bot- In house voice bot facility is also developed by MPMKVVCL for ease of consumers. CCR- consumer can easily talk to our customer case representatives regarding their complaints.

#### **Additional Facilities**

- Feedback: Facility to take consumers feedback via Voice bot and Upay app is also developed to ensure consumers feedback on all registered complaints.
- Real-time Complaint Tracking: Consumers can also track real-time status of their complaints via Upay App using the URL provided in complaints SMS.
- Planned Shutdowns Intimation: In case of planned shutdowns, MPMKVVCL provides prior intimation to consumers via SMS alerts sent 24 hours and 2 hours before the scheduled shutdown time
- Unplanned Shutdown Intimation: During unplanned interruptions, MPMKVVCL intimates' consumers via SMS if the duration exceeds 10 minutes
- Shutdown Updates: In case of shutdown, details of the same are also sent in complaint SMS.
- Monitoring Mechanisms: MPMKVVCL has developed a unique complaints mechanism to ensure timely and transparent complaint redressal.
- Real-Time Officer Alerts: In addition to above, officers follow-up on complaints through call center, SMS are also sent to officers regularly if complaints delayed or count of complaints exceeds suddenly in a specific area.
- Officers receive real-time intimation in case of supply failures, prolonged unplanned outages, or excessive interruptions on a feeder, enabling swift response and minimizing downtime.
- Performance Monitoring Tools: Different dashboard and reports are provided in our in house developed CRM- i Smapark and Nistha App for performance analysis and real-time monitoring of complaints.

#### **West DISCOM Submission:**

It is submitted that two services, namely load reduction and name transfer, have been designated for automatic processing, thereby granting compensation without requiring approval from the Junior Engineer (JE) or Executive Engineer (EE).

Additionally, a semi-automatic mechanism for the compensation service related to New Service Connection (NSC) is currently available and is projected to transition to full automation before filing of ARR Petition for FY 2026-27.

Efforts to convert other services to a fully automatic process are ongoing. This transition is complicated by the necessity for physical verification, as well as possible delays arising from the consumer's side due to incomplete documentation or outstanding tasks. Consequently, these factors may impact the timelines outlined in the Guaranteed Standards.

Work is actively progressing within the distribution company to achieve full automation for the remaining services pertaining to commercial section (NOC, Release of Temporary connections NON-Extension, reconnection after disconnection, Resolution of complaints on consumer bills, Conversion of Service NON-Extension) for remaining services work is under progress.

It is respectfully submitted that the compliance report pertaining to the Madhya Pradesh electricity Distribution Code, 2024, has been diligently compiled and prepared by multiple sections within the Distribution Company (Discom). Moreover, the compliance report has been duly submitted in a timely manner by the Report of Compliance (RoC) within the Discom aligning with the regulatory mandates prescribed by the Madhya Pradesh Electricity Regulatory Commission (MPERC).

Further, regarding the compliance on Power Quality Regulations & Madhya Pradesh Electricity Distribution Code Regulations, 2024 the West Discom has submitted their response in action taken report on MoM held with Discoms on 19.06.25.

The Discom is maintaining all 11 KV Feeder with Proper Meterisation and Survey of all fault Prone Location. The Company also take necessary action for renovation of Line and Substation and every month analyses SAIFI and SAIDI of cities with a Population of 1 Lakh and above also reducing Unplanned Outages / Tripping with Proper Maintenance. The Discom share data of SAIFI & SAIDI target every month and achievements with the Commission as per the Commission's Order dated 20<sup>th</sup> June 24.

#### **Commission's Observations/ Directions:**

The Commission has taken note of the submissions of the DISCOMs and has emphasized the need for strict compliance with the applicable regulations. The DISCOMs are directed to prioritize consumer-related services, including strengthening grievance redressal mechanisms, enhancing monitoring systems in accordance with the specified timelines, and ensuring the timely submission of compliance reports as per provisions of Regulations.

Further, the DISCOMs shall submit quarterly status reports on consumer services' compliance within 30 days of the end of each quarter for review by the Commission.

### **7.5 Preparation of Standard Operating Procedures for Supplementary Bills**

#### **Commission's Directives:**

*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.*

#### **MPPMCL’s Submission:**

For complying with the directions of the Commission, MPPMCL has entrusted the development of the IT tool, as per the approved SoP, to the MPSEDC team supporting MPPMCL’s IT systems. Earlier, these systems were supported by M/s L&T Infotech, who had developed the software for bill verification. The MPSEDC team is facing challenges in developing the required IT tool within the existing module and has sought additional scope to incorporate the specified software requirement specifications, which is presently under consideration. It is further submitted once the IT tool is developed, it will capture the details of supplementary bills recently received from the Generators; however, it may not be able to replicate all the required hyperlinked details of supplementary bills pertaining to prior periods.

#### **Commission’s Observations/ Directions:**

The Commission observed from the reply submitted by MPPMCL that the Petitioners have to develop the required IT tools in accordance with the approved Standard Operating Procedures within the stipulated time period. The Commission observed that the above mentioned reason explained by the Petitioners not satisfactory. The Commission, therefore, directs the Petitioners to take urgent measures to develop the required IT tools in a time-bound manner. Further, a quarterly status report in this regard be submitted to the Commission for review within 30 days from the end of each quarter.

## 7.6 Geo-tagging of Assets

### Commission's Directives:

*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 and make entries into their 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:

It is 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.

### Central DISCOM Submission:

Central DISCOM submitted that detailed have been submitted with True-up petition.

### West DISCOM Submission:

It is 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 for Assets capitalized in FY 2024-25. Further, the Company is in process to capture Geo tagged location of all the upcoming schemes assets apart from the RDSS scheme. The present status of the same has been submitted to the Commission.

### Commission's Observations/ Directions:

The Commission has taken note of the Petitioners submissions and also has taken note of their submission in True-up Petition for FY 2024-25. The Petitioners are directed to submit FAR with requisite entries in regard to geo-tagging of assets in the specified format as required under Regulation 24.1(A)(iii) of the MYT Regulations, 2021.

Further, the Petitioners are directed to comply with aforesaid Regulations and submit a quarterly status report for review within 30 days from the end of each quarter to the Commission.

## 7.7 Adhering to the timelines of RDSS

### Commission's Directives:

*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.*

**East DISCOM Submission:**

**Financial progress:** It is submitted that under the Revamped Distribution Sector Scheme (RDSS), a total project cost of Rs.3,411 Cr for loss reduction works was sanctioned. Against this, Discom has received Rs.757.51 Cr from the Government of India and Rs.389.21 Cr from the Government of Madhya Pradesh, totaling Rs.1,146.72 Cr. Out of the received amount, Rs.1,133.52 Cr has been utilized towards payments to vendors under the scheme, and the remaining balance is Rs.13.20 Cr. East Discom is closely monitoring the implementation and remain committed for timely execution and submission of quarterly progress reports as required.

**Smart Meter Progress:** It has submitted that under RDSS, smart meters have been installed at 9,69,959 consumers, 4,621 DTRs and 8,124 feeders.

**Central DISCOM Submission:**

The details have already been submitted to the Commission vide this office letter no. MD/MK/RA/143 dated 01.09.2025

**West DISCOM Submission:**

It is submitted that the installation progress, smart meter installed during the period July'25 to Sep'25 are 44,168 and the cumulative smart meter installation under RDSS scheme is 8,25,741 Nos. Further the RDSS status report is submitted to the Commission.

**Commission's Observations/ Directions:**

The Commission has noted the submissions and directs the DISCOMs to strictly adhere to the timelines prescribed by the Government of India under the RDSS scheme without fail.

The DISCOMs shall submit a quarterly status report in this regard for review within 30 days from the end of each quarter to the Commission.

## **7.8 Disposal of Surplus Power**

**Commission's Directives:**

*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.*

#### **MPPMCL Submission:**

It is submitted that 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. Further, the information of sale of power through Power Exchange April'24 to Mar'25 is being submitted to the Hon'ble Commission in the True-petition for FY 2024-25. It is also submitted that the information of surplus power not sold i.e. surrender power for the period from Sep'24 to Aug'25 is being submitted in computation of Additional surcharge in soft copy.

#### **Commission's Observations/ Directions:**

The Commission observes that the Petitioners must adopt a more proactive and structured approach towards optimizing the sale of surplus power to minimize the overall power purchase cost burden on consumers. The Commission reiterates that all available avenues, including bilateral arrangements, participation in short-term tenders, and transactions through platforms such as Power Exchanges, PushP Portal, HP-DAM, and OTC mechanisms, must be actively and continuously explored.

Further, the Commission directs the Petitioners to ensure strict compliance with the directives issued in Order dated November 10, 2023, and January 5, 2024, in Petition No. 51/2023.

### **7.9 Meterisation of DTRs and Unmetered Rural Domestic Consumers Connections**

#### **Commission's Directives:**

*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.*

**East DISCOM Submission:**

East Discom had focused on replacing the Stop-Defective (SD) meters in Urban (DL, NDL, and Industrial) and Rural (NDL and Industrial) areas, achieving a reduction of defective meters to less than 1% in these categories. Now our focus is to replace SD meters of rural DL as well as meterisation of unmetered consumers and to replace 1.8 Lakhs unmetered connection. To address this, Discom has set a target to replace defective meters and install new ones for unmetered connections.

**Central DISCOM Submission:**

It is humbly submitted that under RDSS Smart Metering scheme, meters are being replaced in Urban Areas. The non-smart meter removed from Urban area shall be utilized for replacement of stop defective meters after testing of the removed meters. It is also submitted that the Central Discom shall be installing Smart Meters in Rural areas also. However, the modalities and implementation strategy along with the tendering process is under discussion.

**West DISCOM Submission:**

**Part A:**

100% meterisation of Urban and Rural consumers (excluding Agriculture) was completed in the FY 2016-17. However, meterisation is a continuous process. As per the current status, West Discom has 6547 nos. of unmetered domestic consumers. As such, the unmetered connection (excluding Agriculture) in Ujjain Region is NIL and in Indore Region only 6547 nos. of domestic consumers are unmetered as per R-15 report of month April-25. These 6547 nos. of unmetered domestic consumers (i.e. Tribal area consumers of Dhar, Jhabua circle only) are connected with the load upto 500 watts under rural area and billed with only 75 units per month as per the prevalent tariff order. Discom had 15251 nos. of unmetered domestic connections as per the R-15 report of Mar-24, which are being reduced continuously and currently 6547 nos. of unmetered domestic connections are balanced as per the R-15 report of August-25. As such, Discom is making continuous efforts for meterisation of these balance unmetered connections. The achievement of 100 % Meterisation will ensured up to the end of this FY 2025-26.

**The identification of defective meters is ensured as follows: -**

- (i) Identified by Meter Reader: The meter reader identifies the defective meter during meter reading.
- (ii) Identified by Office Assistant: During review of meter reading (PMR).
- (iii) Identified by Consumer: The consumer reports the defective meter to the DC/Zone In-charge which is further verified by DC in-charge.
- (iv) Identified Remotely: In smart meter system, defective meters are detected remotely via smart-meter communications by identifying anomalies in their electricity usage or power quality data.

**Part B:**

In the matter regarding replacement of stop/defective meters, in urban area West Discom has almost achieved 97% of the consumers billed as per meter. Some meters are defective during routine course of business, which are being promptly replaced in urban area. Further action is being taken for achieving 100% billing on the basis of actual consumption recorded in urban areas.

In rural area, it is submitted that in accordance with the current Statutory/Regulatory Framework, all existing meters are required to be replaced with smart meters. The Central Government has introduced the Revamped Distribution Sector Scheme (RDSS) in which a provision of 100% meters to be replaced with Smart meter has been provided. It is pertinent to mention that if the Discom were to procure non-smart or traditional meters to replace the existing ones, these newly procured meters would not reach the end of their anticipated lifespan. Consequently, this situation would result in a dual burden of costs—firstly for the non-smart meter used to replace the existing defective meter, and subsequently for the smart meter used to replace the non-smart meter.

Given this context, the task of replacement of defective meters should be carried out in alignment with the implementation of activities under the RDSS scheme. This approach would prevent unnecessary cost burdens and to ensure a coordinated and efficient meter replacement process.

Presently, the installation of smart meters is being done in the trajectory area under the RDSS scheme. On the installation of smart meters, the good spared non-smart meters found after testing are also being utilized against the replacement of stopped or defective meters in the company area, which is not covered under the trajectory of the RDSS Scheme.

Discom is committed for prompt identification and replacement of stop / defective meters.

**Commission's Observations/ Directions:**

The DISCOMs are directed to continue submitting quarterly progress reports on DTR metering and Energy Audit status within 15 days from the end of each quarter. Thereafter, the Energy Auditor of the each DISCOM shall make a comprehensive presentation on the Quarterly Energy Audit Report before the Commission on the scheduled date as communicated by the Commission.

## 7.10 Establishing of R&D Fund

### Commission's Directives:

*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 matrix. 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.*

### MPPMCL Submission:

It is submitted that the Energy Department, vide Order No. 9967/3773943/2025/13/ 02 dated 13.11.2025, has recently constituted a Research and Development Committee comprising members from the DISCOMs, IITs, IIMs, CRPI, NIT, and IIITs. The revised SoP shall be prepared based on the suggestions and inputs received during the Committee's deliberations. In this regard, it is apprised to the Commission that the revised SoP will be submitted shortly.

### Commission's Observations/ Directions:

The Commission observed that the Petitioners have not yet submitted the required Standard Operating Procedure (SoP) for approval of the Commission.

The Commission, therefore, directs MPPMCL and the DISCOMs to submit the SoP in this regard within one month for review and approval of the Commission.

## 7.11 Tariff Subsidy

### Commission's Directives:

*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.*

**East DISCOM Submission:**

The quarterly report is submitted regularly to the Commission.

**Central DISCOM Submission:**

The quarterly report is submitted regularly to the Commission.

**West DISCOM Submission:**

The quarterly subsidy report is submitted regularly to the Commission in compliance with Regulation 4 (iv) of the MPERC (Manner of payment of subsidy by State Govt.) (Revision-I) Regulation 2024.

**Commission's Observations/ Directions:**

The Commission observed that compliance in the matter is not satisfactory. The quarterly subsidy reports are not being submitted by MPPMCL and the DISCOMs within the timelines and in the manner specified under Regulation 4(iv) of the MPERC (Manner of Payment of Subsidy by State Government) (Revision-1) Regulations, 2024, as amended.

Further, the Commission has repeatedly directed the DISCOMs and MPPMCL to expeditiously complete metering at feeders, DTRs, and for unmetered domestic and agricultural consumers to enable comprehensive energy accounting and auditing, which is a prerequisite for the implementation of the SOP. The DISCOMs shall also replace stopped/defective meters in accordance with the Performance Standards Regulations and eliminate assessed consumption for non-agricultural consumers by expediting the transition to metered consumption. The DISCOMs and MPPMCL are directed to ensure strict compliance of the Commission directives in the matter and ensure timely submission of quarterly subsidy report in desired manner henceforth.

## A8: PUBLIC SUGGESTIONS AND COMMENTS ON LICENSEES' PETITION

- 8.1 After admission of the ARR and Tariff Petition for FY 2026-27 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 of comments/objections/suggestions. Names of the stakeholders who had filed the comments/objections/suggestions on the ARR /Tariff Petition for FY 2026-27 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 25<sup>th</sup> January, 2026.

**Table 106 : List of Newspapers- Public Notice published by Petitioners**

<b>Newspaper</b>	<b>Language</b>
Central Chronicle, Bhopal	English
The Times of India, Bhopal	English
Acharan, Gwalior	Hindi
Navbharat, Gwalior	Hindi
People's Samachar, Gwalior	Hindi
Raj Express, Bhopal	Hindi
Hitavada, Jabalpur	English
Pradesh Today, Chhindwara	Hindi
Dainik Bhaskar, Jabalpur	Hindi
Nai Duniya, Jabalpur	Hindi
Peoples Samachar, Jabalpur	Hindi
Raj Express, Jabalpur	Hindi
Dainik Jagran, Rewa	Hindi
Patrika, Sagar	Hindi
The Times of India, Indore	English
Dainik Bhaskar, Indore	Hindi
Dainik Bhaskar, Ujjain	Hindi
Dainik Bhaskar, Ratlam	Hindi

- 8.3 The Commission held the Public Hearing on 24<sup>th</sup> February, 2026 for East DISCOM, 25<sup>th</sup> February, 2026 for West DISCOM, and 26<sup>th</sup> February, 2026 for Central DISCOM through hybrid mode and heard the objections/comments/ suggestions of the stakeholders, who has participated in public hearing.

8.4 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	East DISCOM, Jabalpur	13
2	West DISCOM, Indore	29
3	Central DISCOM, Bhopal	12
	<b>Total</b>	<b>54</b>

8.5 In order to seek suggestions on the Petition, a meeting of the State Advisory Committee (SAC) was convened on 20<sup>th</sup> February, 2026, through video conferencing mode.

8.6 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 does not relate to ARR and tariff are not discussed in this Chapter.

### ***ISSUE No. 1: Tariff Hike***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the proposed tariff hike of 10.19% by the Distribution Licensees, amounting to Rs. 6,044 Crore, should not be considered as the average cost of supply in Madhya Pradesh is already higher than that of neighboring States. Further 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 have submitted that the Annual Revenue Requirement (ARR) and Tariff Petition for the Distribution & Retail Supply Business for FY 2026-27 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 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 in retail supply tariff orders. Similarly, The Commission this year also after exercising prudence check on the submissions filed and other documents placed on record by the Petitioners has approved the Tariff in accordance with MYT Regulations.

### ***ISSUE No. 2: Subsidized Tariff for Essential Public Services***

#### **Issue Raised by Stakeholder(s)**

The Stakeholders have requested the Commission to consider subsidizing electricity tariff for essential public services, particularly drinking water supply and domestic water delivery in urban and rural areas. It was submitted that such public service entities do not have alternative revenue streams to absorb the additional electricity costs and, therefore, may be compelled to pass on the increased expenses to the beneficiaries, which would place an additional financial burden on urban and rural

households.

**Petitioners' Response**

Petitioner submitted that subsidizing electricity tariff 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.

**Commission's View**

As per Section 65 of the Electricity Act, 2003, any subsidy on electricity tariff falls under the purview of the State Government and the Commission cannot provide such financial support through this Tariff Order.

***ISSUE No. 3: Fuel and Power Purchase Adjustment Surcharge (FPPAS)***

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the Commission has considered the recovery of increase in power purchase cost through Fuel and Power Purchase Adjustment Surcharges (FPPAS) on monthly basis, which is reviewed every month and revised rates are decided accordingly. Accordingly, recovery of FPPAS rates revised monthly, the power purchase cost has already been met, and there should be no additional burden on consumers towards power purchase cost, which constitutes almost 80% of total ARR.

**Petitioners' Response**

The Petitioners have stated that FPPAS charges are determined in accordance with the provisions of Tariff Regulations and section 62(4) of the Electricity Act, 2003.

**Commission's View**

The Commission has noted the submission of stakeholders 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 include 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 fuel and power purchase cost approved by the Commission in Tariff Order. 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 additional recovery on account of power purchase cost or any other component.

***ISSUE No. 4: Green Energy Tariff***

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the proposed Green Energy Tariff of Rs. 0.36/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 consumers opting for 100% renewable energy are already making significant contribution to sustainability and this additional charge acts as a deterrent.

**Petitioners' Response**

The Petitioners have submitted that they have proposed Green Energy Tariff for an entity towards fulfilment of their RPO obligations.

### **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: Abolition of night TOD Rebate***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the proposed withdrawal of Time of Day (ToD) rebate during night hours (10:00 PM–6:00 AM) is not justified as Petitioners have not provided any analysis on the impact of removing the ToD rebate. It was also highlighted that industrial consumers, especially continuous process industries, would face higher operational costs due to the proposed withdrawal.

The stakeholders further submitted that the State is power-surplus and that increasing or continuing night rebates would help in absorbing surplus power. The above mentioned rebate had already been reduced in the previous tariff order, and any further reduction or discontinuation would not be in the interest of consumers or DISCOMs.

#### **Petitioners' Response**

The Petitioners have submitted that the proposed revision in the Time-of-Day (ToD) tariff structure is in compliance with the provisions of the Electricity (Rights of Consumers) Amendment Rules, 2023, which mandate implementation of ToD tariffs for various consumer categories within specified timelines. Further, the ToD framework, including differential pricing for peak and solar hours, is aligned with guidelines issued by the Ministry of Power for efficient demand-side management.

It was stated that ToD tariffs are designed to provide price signals to consumers, encouraging reduced consumption during peak/high-cost periods and increased usage during periods of surplus or lower-cost supply, such as solar hours. The Petitioners also relied on provisions of the Electricity Act, 2003 to submit that the Commission is empowered to determine differential tariffs based on time of consumption.

Accordingly, the proposed ToD structure, including revision of rebates, has been formulated in line with statutory provisions, policy guidelines, and the objective of ensuring optimal utilization of available power resources.

#### **Commission's View**

The Commission has noted the submission of the Stakeholders and reply submitted by the Petitioners. After taking into account all relevant factors, the Commission has decided to continue the night TOD rebate in this order.

**ISSUE No. 6: Distribution Losses**

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the distribution loss levels of the three DISCOMs in the State continue to show wide variation. As recorded in the tariff proposal for FY 2026-27, West DISCOM has reported distribution losses of about 12.33%, whereas the loss levels of the other DISCOMS are significantly higher. This persistent disparity reflects differences in operational efficiency and network performance.

**Petitioners' Response**

The Petitioner have submitted they are working continuously to minimize the distribution losses.

**Commission's View**

The Commission has already specified distribution and AT&C loss trajectory for the period of FY 2024-25 to FY 2026-27 through 2<sup>nd</sup> amendment to MYT Regulations 2021. Accordingly, the Commission has approved ARR for FY 2026-27 for Distribution Licensees as per the trajectory specified in MYT Regulations, 2021.

**ISSUE No. 7: Tariff Minimum Charges**

**Issue Raised by Stakeholder(s)**

The 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 have 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, 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 DISCOMs and are levied only when consumption of consumer falls below guaranteed minimum consumption. The Commission in its Tariffs Orders for FY 2023-24, FY 2024-25 and FY 2025-26 has gradually abolished tariff minimum charges for LT Domestic, LT Agriculture, LT Industrial, LT Non-Domestic and HT Seasonal categories consumers. As another step forward towards tariff rationalization, the Commission in this Order has abolished the tariff minimum charges for HV-5 Agriculture, HV-6 Bulk Residential users and HV-9 Metro Rail categories consumers as detailed in this Tariff Order.

**ISSUE No. 8: Seasonal Consumers**

**Issue Raised by Stakeholder(s)**

Stakeholders have submitted that the off-season period for seasonal consumers should be 4 months in place of 6 months as per consumer option. Further, the stakeholders proposed that the condition to restrict monthly off-season consumption to 15% of highest of average monthly consumption of the preceding three seasons must be abolished.

### **Petitioners' Response**

Petitioners have submitted that, one cannot compare the seasonal consumer with the industrial consumer. The minimum billing demand for the off season in respect of the seasonal consumer is only '10% of CD' against the '90% of CD' in case of normal industrial consumer only on the premises that they consume power in a particular segment of the year and not throughout the year. If it is the submission of the seasonal consumers that the period of the off season is very less than in that case there would be no need of separate cheaper tariff for the seasonal consumer. Further, on the matter of 15% limit on recorded units is exceeding in any off-season month, the Commission is empowered as per provisions of Electricity Act 2003, to decide on the conditions suitable for consumption during off season.

### **Commission's View**

The Commission has noted the submissions made by the stakeholders and reply submitted by the Petitioners and dealt with the issue appropriately in this tariff order.

### ***ISSUE No. 9: Supply for temporary purpose in existing HT consumer's premises***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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 allows existing HT consumers to avail the supply required for addition and or / alteration within the premises of existing HT connections, which cater the requirement of Stakeholder.

### ***ISSUE No. 10: Introduction of kVAh tariff for HT categories***

#### **Issue Raised by Stakeholder(s)**

Stakeholders have submitted that the replacement of kWh-based billing with kVAh-based billing would effectively eliminate the existing Power Factor (PF) incentive, resulting in a loss of up to 7% on energy charges. It was stated that several consumers have maintained a power factor above 0.99 and have made significant investments in PF improvement equipment & systems across their installations; however, under the proposed system, such consumers would no longer receive any benefit for maintaining a high-power factor, thereby leading to an unjustified increase in their costs.

Stakeholders further requested that the implementation of kVAh billing for HT consumers be deferred,

citing the need to ensure revenue neutrality, transparency, adequate preparedness, and a well-informed transition.

It was also submitted that the proposed kVAh billing methodology would significantly increase tariffs for public bodies engaged in essential public services.

One of the stakeholders submitted that the Commission may consider a "Shadow Billing Period" of 6 months where kVAh is shown for information only, allowing consumers to correct their Power Factor before financial implementation of KVAh billing.

### **Petitioners' Response**

The Petitioners have submitted that kVAh billing for HT consumers should be introduced in FY 2026-27, 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 2026-27, 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 2025-26 directed the Petitioners to conduct comprehensive consumer awareness programmes across the State and carry out the impact assessment study and submit the study report along with power analyser data. As the DISCOMs have not fully complied with the directions given in Tariff Order for FY 2025-26, 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: Power Intensive Industries HV 3.4***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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 has not considered cement, textile, and paper pulp industries under the Power Intensive Industries tariff category.

**ISSUE No. 12: Power Purchase Cost**

**Issue Raised by Stakeholder(s)**

The stakeholders have 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.

The stakeholder submitted that power procurement from Independent Power Producers (IPPs) are being prioritized over comparatively lower-cost power sources. Further, additional power is being procured from such costlier power plants which increases the overall power purchase cost.

One of the stakeholders pointed out the following issues in regards power purchase cost:

**Underestimation of Thermal Availability:** The Petitioner has projected lower availability from State thermal stations (28,352 MU) compared to normative levels and recent actuals (~30,750 MU), without providing justification.

**Underestimation of Hydel Generation:** Availability from Indira Sagar and Omkareshwar projects has been underestimated despite higher past generation and adequate reservoir levels, especially considering their low-cost nature.

**Lower Projection from NTPC Stations:** The Petitioner has assumed significantly lower availability from NTPC stations compared to historical performance, without consultation or supporting data.

**Lack of Authentic Data Sources:** The stakeholder requested that availability projections be based on authorized estimates from respective generating companies and competent authorities.

**Unapproved Methodology:** The Petitioner has adopted an hourly-based approach for demand, availability, and pricing without prior approval of the Commission or stakeholder consultation, which is inconsistent with the MYT framework.

**Petitioners' Response**

Petitioners have 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 prudence checks for the projections considered by the Petitioners meticulously.

With regard to the adoption of an hourly-based methodology for demand, availability, and cost estimation, the Petitioners submitted that the same is in line with the provisions of the MPERC (Resource Adequacy Framework) Regulations, 2024. This approach enables more accurate forecasting, improved resource planning, and enhanced transparency, and is therefore neither arbitrary nor without regulatory basis.

**Commission's View**

The Commission noted the concerns raised by the stakeholders in regards to power purchase cost & accordingly 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.

***ISSUE No. 13: Management of Surplus Power***

**Issue Raised by Stakeholder(s)**

The stakeholders submitted that the State is presently power-surplus, with supply exceeding demand, and therefore, in line with market principles, electricity tariffs should ideally decrease rather than increase.

Stakeholders further submitted that increasing night rebates would encourage higher consumption during off-peak hours, enabling better utilization of surplus power and reducing the need to sell such power in the open market.

**Petitioners' Response**

The assessment of surplus power in the ARR & Tariff petition for FY 2026-27 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. The Commission has given appropriate directions to the Petitioners for optimum utilisation of surplus power as detailed out in relevant chapter of this Order.

***ISSUE No. 14: Surcharge for Delayed Payment***

**Issue Raised by Stakeholder(s)**

The stakeholders have 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% per annum.

### **Petitioners Response**

The Petitioners have 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 20<sup>th</sup> July, 2018, the interest on security deposit is to be paid as per Bank Rate prevailing as on 1<sup>st</sup> 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.

### ***ISSUE No. 15: Billing Demand for HT Consumers***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have suggested that Billing Demand for HT consumers may be reduced from 90% to 80% of contract demand. 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.

Further, Present billing demand in Madhya Pradesh is computed using a 15-minute Demand Integration Period, the Commission may consider extending the Demand Integration Period to 30 minutes. Such an approach would not dilute the accuracy of demand measurement; rather, it would adjust the averaging horizon so that short-duration operational fluctuations are not disproportionately reflected in billing demand, while still capturing sustained system loading.

#### **Petitioner's Response**

The Petitioners have submitted that reducing the Billing demand to 80% of contract demand will not ensure increase in 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%.

Further, the proposal for adoption of a 30-minute Demand Integration Period (DIP) for computation of Maximum Billing Demand is opposed, as the existing 15-minute DIP provides more accurate, granular, and realistic representation of actual consumer demand patterns. Further during actual operation, the demand projections of the licensees made for every 15- minutes block interval.

#### **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 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. 16: Incentive / Rebate / Surcharge**

**Issue Raised by Stakeholder(s)**

The stakeholders requested to enhance the following consumer incentives/rebates:

- i) **Incremental Rebate for Existing Connection under HV 3 category** - A rebate of Rs. 1 per Unit in energy charges is applicable for incremental monthly consumption w.r.t corresponding month of FY 2021-22 in place of FY 2015-16. It should be maintained for any new consumer served during and after FY 2015-16.
- ii) **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.
- iii) **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.
- iv) **Advance/Prompt Payment Incentive** – The rebate on advance payment should be increased from 1% to 1.5%.
- v) **Rebate for online payment**- The rebate of 0.5% on total bill amount will be applicable for entire bill amount the maximum ceiling of Rs. 1000 needs to be removed it will help DISCOMs to receive payment timely.

**Petitioners' Response**

The Petitioners have submitted that the average billing rate (ABR) of HV 3.4 (Power Intensive Industries) tariff category is already lower than the overall average billing rate (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 with certain modifications, which have been detailed in the Tariff Schedule chapter of this Tariff Order.

**ISSUE No. 17: Cross Subsidy Surcharge**

**Issue Raised by Stakeholder(s)**

The Stakeholders submitted that the Cross subsidy Surcharge proposed from Rs. 1.24kWh to Rs. 1.57/kWh is very high and further open access power purchase shall be unviable, which is not in line with motive of Open access policy.

Further submitted that the Commission should calculate CSS and Additional Surcharge separately on Purchasing RE Power from third party within the State. In present ARR there is no difference in

Calculation in Cross Subsidy & Additional Surcharge for Purchasing RE Power. Hence submitted to reduce and eliminate CSS and Additional surcharges on purchase of RE power.

### **Response from Petitioners**

The Petitioners have submitted that the proposed CSS is in line with the Electricity Act 2003, National Tariff policy, Regulations of CERC/MPERC and Cross Subsidy Road Map. The present regime for determination of CSS and Additional surcharge is appropriate.

### **Commission's View**

The Commission has noted the submission made by stakeholders and reply submitted by the Petitioners. The methodology for computation of CSS and Additional Surcharge has been detailed in relevant section of this order.

### ***ISSUE No. 18: Categorisation of Telecom towers***

#### **Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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. 19: Pension Terminal Benefit Fund***

**Issue Raised by Stakeholder(s)**

The Stakeholders have questioned whether the annual provision of Rs.210 Crore for the Pension Trust is adequate to meet the long-term pension liabilities.

Further, stakeholders submitted that despite repeated directions issued by the Commission, the assessment of the total fund requirement of the Pension Trust has not yet been finalized, which is not in the interest of pensioners.

Stakeholders also submitted that the Commission may introduce an explicit provision in the MPERC Regulations, 2012 mandating that the entire amount approved under transmission charges be deposited into the Pension Trust. Correspondingly, transmission charges may be revised proportionately to ensure adequate funding of the Trust.

Additionally, stakeholders requested that pension disbursement be routed through the Pension Trust funds transferred to the Government Treasury for payment to pensioners, similar to the mechanism adopted by the Government of Uttar Pradesh.

**Petitioners' Response**

The Petitioners have submitted 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 2026-27 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. 20: Income from other Sources***

**Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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 Regulation 42 (Other Income) of MYT Regulations, 2021 as detailed in ARR Chapter of this Order.

**ISSUE No. 21: Open Access Charges**

**Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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 from time to time.

**ISSUE No. 22: Lease charges for Smart Meter**

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the DISCOMs have claimed lease charges for smart meters under OPEX while also claiming full Operation and Maintenance (O&M) expenses. It was stated that since smart meters automate the process of meter reading and billing, the conventional expenses associated with meter reading and billing included under A&G costs should reduce significantly. Therefore, claiming both costs simultaneously amounts to double counting of expenses.

It was further submitted that inclusion of such costs contradicts the Central Government's direction that the financial burden of smart meter implementation should not be passed on to consumers.

It was also submitted that the petitioners have proposed to implement smart meters under the TOTEX model, wherein a portion of the expenditure is treated as CAPEX through lease charges and the remaining as OPEX. The stakeholder raised concerns regarding the recovery of lease charges on this basis.

**Response from Petitioners**

The Petitioners have submitted that, as per Ministry of Power guidelines for Revamped Schemes, funding is linked to implementation under the TOTEX model, and accordingly, smart metering is being executed through PPP in this mode. The cost structure includes an upfront payment, OPEX EMI, and CAPEX EMI, with partial upfront CAPEX and the balance recovered through annuity over 10 years.

It was further submitted that, in line with ICAI's Ind AS 116 (Leases), smart meters are treated as leased assets, and related expenses are claimed as per lease agreements. The Petitioners clarified that upfront payments and CAPEX EMI are claimed as lease charges under Regulation 35 of the MYT Regulations, 2021. Since smart meters are not capitalized as GFA, no depreciation, interest, or return on equity has been claimed, thereby avoiding double counting.

**Commission's View**

The Commission after carrying out due diligence of the details submitted by the Petitioners and as per the provisions of MYT Regulations, 2021 has approved the lease charges for smart meters as detailed in the ARR chapter of this Tariff Order.

**ISSUE No. 23: Solar Net metering accounting**

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that fixed charges are being levied on the entire consumption, including the electricity generated from the consumer's own rooftop solar installation, which has been installed at the consumer's own cost. The stakeholder therefore requested the Commission to issue clear guidelines to ensure that consumers having rooftop solar systems are not subjected to pay fixed charges on units generated and consumed from their own solar installations.

**Response from Petitioners**

Petitioners have submitted that the provision of Fixed Charges is in accordance with the Electricity Act, 2003 and the Tariff Policy, 2016. Fixed charges are determined to recover the cost of maintaining the distribution network, which includes transformers, substations, lines, metering systems, and other related infrastructure.

Consumers with rooftop solar installations also rely on the grid during non-solar hours, seasonal variations, emergency situations, and for import-export adjustments under the net metering framework. Therefore, recovery of the cost of continuously available network infrastructure through fixed charges is essential to ensure grid stability, reliability, and cost recovery.

**Commission's View**

The Commission observes that fixed charges are levied to recover the cost of maintaining the distribution network and are not linked to the actual energy consumption. Consumers with rooftop solar installations remain connected to the grid and rely on it for backup supply, seasonal variations, and net metering adjustments. Therefore, recovery of such costs through fixed charges is justified.

**ISSUE No. 24: Voltage linked Incentive**

**Issue Raised by Stakeholder(s)**

The HV-3.4 consumers constitute a distinct category of system-efficient users, as they are supplied directly from the Extra High Voltage (EHV) network, make minimal use of the downstream distribution infrastructure, and are associated with negligible transmission and distribution losses. Further, the per-unit operation and maintenance cost for supplying power at EHV levels is significantly lower when compared to supply at 440V, 11 kV, or 33 kV Lines.

In view of the above, stakeholders submitted that consumers supplied at 132 kV and above impose a demonstrably lower cost-to-serve on the distribution system, and accordingly, merit appropriate recognition within the tariff framework.

In this regard, the regulatory approach adopted by the Jharkhand State Electricity Regulatory Commission (JSERC) may offer useful guidance. JSERC provides a voltage-linked rebate of 5% for consumers connected at the 132 kV level, recognizing reduced network usage and lower system losses associated with EHV supply.

**Response from Petitioners**

Petitioners have submitted that Average Billing Rate (ABR) being recovered from certain consumer categories such as HV 3.4 is consistently lower than the ABR approved by the Commission. As the ABR to HV 3.4 is already below the average ABR, hence the proposal of incentive proposed by stakeholder lacks merit.

Tariff in every state is based on its own Average Cost of Supply (ACOS), consumer mix, network conditions, past revenue gaps, power procurement costs, and the norms specified in that State's Regulatory Commission Regulations.

### **Commission's View**

Tariff design is guided by state-specific factors including cost of supply, consumer mix, and prevailing regulatory framework, and may not be directly comparable with practices adopted in other states. In view of the above, the Commission does not find sufficient justification at this stage to introduce an additional voltage-linked incentive.

### ***ISSUE No. 25: Depreciation***

#### **Issue Raised by Stakeholder(s)**

The DISCOMs have projected depreciation expenditure of Rs.1,190 Crore, which constitutes nearly 20% of the total ARR gap of Rs.6,044 Crore. This depreciation component alone adds approximately 2% to monthly electricity bills. However, the DISCOMs do not maintain any corresponding depreciation reserve, and are separately seeking approval from the Commission for capital expenditure.

Further, significant portion of assets are already being created through direct recovery from consumers by way of line affordability charges, equipment costs, and similar levies. In such circumstances, allowing depreciation on the same assets would amount to double recovery from consumers. Therefore, the said depreciation expenditure deserves to be disallowed.

#### **Response from Petitioners**

Petitioners have submitted that the objection attempting to correlate the depreciation expenditure of Rs. 1,190 Crore with the overall ARR gap of Rs. 6,044 Crore is factually incorrect and conceptually flawed. The ARR gap is a consolidated outcome of distinct components-namely the Revenue Gap of Rs. -1,771 Crore, the Power Purchase Supplementary Cost of 23,451 Crore, and the impact of the DISCOMs True-Up amounting to Rs. 4,365 Crore. Therefore, the objection lacks merit and does not warrant consideration.

### **Commission's View**

The Commission has approved the depreciation as per the provisions of MYT Regulation, 2021 and amendments thereof. The details have been discussed in ARR chapter of this Order.

### ***ISSUE No. 26: Coal Cess Reduction Impact***

#### **Issue Raised by Stakeholder(s)**

Stakeholders have submitted that with effect from 22/09/2025, the surcharge of Rs.400/tonne on coal has been abolished and GST on coal has been revised from 5% to 18%, resulting in a net reduction in coal cost this change is expected to yield significant financial benefits to power generation companies.

The stakeholders contended that such cost reductions should be reflected in the power purchase cost and ultimately passed on to consumers.

#### **Response from Petitioners**

The Petitioners have submitted that the ARR has been prepared in accordance with applicable regulations based on the latest available actual data for the preceding 12 months, and therefore the impact of GST revision effective from 22/09/2025 could not be considered at the time of filing. It was further submitted that any variation in power purchase cost, including benefits arising from reduction

in coal cost, is passed on to consumers through the FPPAS mechanism in a transparent and timely manner, thereby safeguarding consumer interests.

**Commission's View**

The Commission observes that any variation in power purchase cost, including reduction in fuel cost, is to be passed on to consumers through the Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism. Accordingly, the benefit arising out of such cost reduction shall be reflected in the FPPAS.

***ISSUE No. 27: Rural Area / Agricultural Connection***

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that DISCOMs are failing to provide quality electricity regularly, feeder separation work is incomplete still, there are voltage problem with tripping and conditions of transformer, poles, and wires are not upto mark. Further, the new connections are not provided by the Petitioners in rural area.

**Response from Petitioners**

The Petitioners have 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. As soon as it comes to notice of the Petitioners the power supply is restored by doing rectification work or making alternative arrangement. Further, new connections have regularly been provided by DISCOMs under various scheme.

**Commission's View**

The Commission has taken note of the stakeholder's request and the petitioner's response. The Commission has allowed the capital expenditure for the DISCOMs for improvement in infrastructure works and the DISCOMs are required to ensure the adequate & quality supply and prompt services to consumers upto their satisfaction.

***ISSUE No. 28: Reduction in Minimum Contract Demand***

**Issue Raised by Stakeholder(s)**

The stakeholders have 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 have submitted that this issue is not the subject matter of instant Tariff Petition for FY 2026-27. 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 with this issue in the current petition.

**ISSUE No. 29: Supply Affording Charges**

**Issue Raised by Stakeholder(s)**

The stakeholders have 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 have submitted that this issue is not the subject matter of instant Tariff Petition for FY 2026-27. The supply affording charges is being governed by relevant provisions of MPERC 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 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 dealt with this issue in this Order.

**ISSUE No. 30: Status of Unmetered Consumers**

**Issue Raised by Stakeholder(s)**

The stakeholders have submitted that the DISCOMs have not yet achieved 100% metering. It was stated that even after several years, about 1.87 lakh consumers remain unmetered, and their consumption is being billed at a flat rate of 75 units per connection. The stakeholder further submitted that such a practice leads to under-recovery from these consumers, and the cost of any excess consumption is ultimately passed on to other paying consumers, resulting in an unfair financial burden on them.

**Response from Petitioners**

Petitioners have submitted that at present, the installation of smart meters is being done as per the trajectory under the RDSS scheme.

**Commission's View**

The Commission has noted the submissions of the stakeholders and the response of the Petitioners. The Commission through successive Retail Supply Tariff Orders is consistently directing and monitoring the Petitioners to ensure 100% metering of unmetered consumers, particularly in the domestic and agricultural categories.

**ISSUE No. 31: Quality of Supply and services**

**Issue Raised by Stakeholder(s)**

The stakeholders have 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 have 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 DISCOMs promptly addresses and resolves the issue at the earliest possible time.

### **Commission's View**

The Commission has undertaken several measures to address these concerns, including amendments to the MPERC (Distribution Performance Standards) Regulations, 2012 to ensure 24x7 power supply, defined service standards, and introduce provisions for automatic compensation in case of delays.

Further, the MPERC (Power Quality) Regulations, 2025 are notified to improve supply quality by prescribing standards for parameters such as voltage variation, harmonics, and interruptions, along with installation of power quality meters and a structured grievance redressal mechanism.

Additionally, the Commission has specified SAIFI and SAIDI trajectories to improve reliability in urban areas, and notified the Electricity Distribution Code, (Rev-I) 2024 to strengthen planning and operational frameworks, and continues to closely monitor DISCOM performance. Appropriate actions are undertaken under the Electricity Act, 2003 in case of non-compliance with regulatory provisions, ensuring improved service delivery and consumer protection.

## ***ISSUE No. 32: Hearing in the absence of Chairman***

### **Issue Raised by Stakeholder(s)**

The stakeholders have 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.

**Annexure-1 (List of Stakeholders)****LIST OF STAKEHOLDERS- EAST DISCOM**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
1	Shri P G Najpande	M/s. Nagrik Upbhokta Margdarshak Manch, 6/47, Ramnagar, Adhartal, Jabalpur
2	Shri Shankar Nagdev	M/s. Mahakoshal Chamber of Commerce & Industry, Chamber Bhawan CIVIC Center Mahatala Jabalpur. 482002 MP
3	Shri Akhil Mishra	Lardganj Vyapari Sangh, 26 Sp Market, Jabalpur
4	Shri Ravidatt Singh, & Others	M/s. Rastriya Kisan Majdur Mahasangh, Sirmour Road, Near Khutehi Block Office, Panchvati Petrol Pump, Sirmour Road, Rewa
5	Shri Shobhnath Kushwah/ Shri Bhaktprahladh Verma	M/s. Rastriya Kisan Majdur Mahasangh, Sirmour Road, Near Khutehi Block Office, Panchvati Petrol Pump, Sirmour Road, Rewa
6	Shri Jitendra Kumar Patel (Desi),	M/s. Kishan Sewa Sangathan, Gangotri apartment Gol Bazar, Jabalpur
7	Shri O.P. Verma	M/s. Prism Johnson Ltd. Rajdeep, Rewa Road, Distt. Satna 485001
8	M/s. JK Cement Works	M/s. J K Cement Works, A Unit of JK Cement Ltd., Village Harduwaken, Teh. Amanganj, Distt. Panna M.P.
9	Shri Ashish Asopa	M/s. JK White, Katni (A unit of JK Cement Ltd., Katni) Village Pupaund, Teh. Badwara, Distt. Katni MP 483773
10	Dr. C.S Kashikar	M/s Orient Paper mills. Prop Orient Paper & Industries Ltd. PO-Amlai Paper mills Dist. Shahdol
11	Shri Rajendra Agrawal Shri Rajesh Choudhary	1995/A, Gyan Vihar Colony, Narmada Road, Jabalpur 408068
12	Ramnik Power & Alloys (P) Ltd (Represented by Shri Saurabh Bajpai)	M/s. Ramnik Power & Alloys (P) Ltd. C/o. M/s. A.P. Trivedi Sons, Main Road, Balaghat
13	M/s. A.P. T. Tiles (Represented by Shri Saurabh Bajpai)	M/s. A.P. T. Tiles, Garden Road, Garra, Balaghat. Postal Address: A.P. Tiles, C/o. M/s. A.P. Trivedi Sons, Main Road, Balaghat
14	Shri K.K. Agrawal	Bharat Krishak Samaj, Mahakaushal, Gangotri Apartment, Gol Bazar, Jabalpur

**LIST OF STAKEHOLDERS- WEST DISCOM**

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
1	Shri M.U Nagori/ RC Somani	M/s. Association of Industries, Dewas, 1/B/1, 1B/2A, I.S. Gajra Industria Area, No. 1, A.B. Road, Dewas 455001
2	M/s. Diveel Cotton Industries	M/s. Diveel Cotton Industries, Pansemal Road, in front of Petrol Pump, Khetia, Distt. Barwani
3	Shri Gajanand Malviya	Shri Balaji Cotton, 434/1, Bokrata Road, Khetia, Distt. Barwani 451881
4	Shri R.S Goyal	51, Prakash Nagar, Nemawar Road, Indore 452 001
5	M/s. Sampat Pulses	M/s. Sampat Pulses, K No. 16/2/2, Gram Devguradia, Post Sanavdia, Distt. Tah. Indore
6	M/s. Pradeep Cotton Pvt. Ltd	M/s. Pradeep Cotton Pvt. Ltd. Warla Road, Sendhwa, Tah. Sendhwa, Distt. Barwani

Sr. No.	Name	Address
7	M/s. Prem Praksh Agro and Industries	M/s. Prem Praksh Agro and Industries 307, The View, 1 Lord Colony, Y.N. Road, Indore
8	M/s. Goyal Agro Industries	M/s. Goyal Agro Industries, Udyog Nagar, Village Palda, Nemawar Road, Indore
9	Shri Sanjay Agrawal	M/s. S.M.O. Industries, Indore Road, Kasrawad, Tahsil - Kasrawad, Distt. Khargone 451 228
10	M/s. Sancheti Cotex	M/s. Sancheti Cotex, Pansemal Road, Khetia, Distt. Barwani
11	Shri R S Goyal	51, Prakash Nagar, Nemawar Road, Indore 452 001 ( <b>Additional Submission</b> )
12		M/s. Navin Ginning Factory, Verla Road, Sendhwa, Distt. Barwani
13	M/s. Goverdhan Cottex Ginning & Pressing Factory	M/s. Goverdhan Cottex Ginning & Pressing Factory, Bygore Road, Khetia, Distt. Barwani
14	Shri RS Goyal	M/s. Harman Cottex Opp.Dejla Dewada Colony, Bistan Road, Khargone-451001(M.P.)
15	Shri Manjeet Singh Chawla	M/s. Mandi Vyapari Sangathan, C/o Harman Cottex, Vyapari Vishranti Bhawan, Krishi Upaj Mandi Parisar, Bistan Road, Khargone, Distt. Khargone-451 001
16	Shri M.C. Rawat, Secretary	The Madhya Pradesh Textile Mills Association, Jal Sabhagrah, 56/1, South Tukoganj, Indore 452 001
17	Shri Satish Verma	M/s. All India Consumer Protection Organisation, 5, Dat Gali, Rasmadal, Dhar 454001
18	Dr. Gautam Kothari	Pitham pur Audyogik Sangathan 231, Saket Nagar, Indore 452 018
19	Shri S.M. Jain, President M.P. Chapter	M/s. Venus Alloys Pvt. Ltd., Unit -II, Village Fatehgarh, Tehsil Dalauda, Distt. Mandsaur R/O, 67, Industrial Area, Mandsaur - 458001 (M.P.)
20	Shri Pawan Singhania	M/s. Rathi Iron & Steel Industries Ltd. 103, Laxmi Tower, 576, M.G. Road, Indore
21	Shri Shubham Jain	1.M/s. Jaideep Steel Works India Pvt. Ltd.,103, Laxmi Tower, 576, M.G. Road, Indore 452001
22	Shri M U Nagori	M/s. Vippy Industries, 28, Industrial Area No. 1, Dewas
23	Shri Yogesh Lodha	M/s. Indus Towers Limited, 1st Floor, Maloo 01, Plot No. 26 C, Rong Road, Scheme No. 94, Indore 452010
24	Shri RC Somani	67 CH Scheme No. 74C Vijay Nagar Indore 452 010
25	Shri RC Somani	Vidyut Mandal Pensioners Association, Pologround, Indore
26	Shri M.R Patidar	Vidyut Mandal Pensioners Association, Khandwa Road Parisar, Khargone
27	Shri K.D Mishra & Shri Nirmal Sharma	Vidyut Mandal Pensioners Association, Burhanpur MP
28	Shri Sushil Sharma	Vidyut Mandal Karmchari Union, 197, K Sector A, Scheme No. 71, Gumasta Nagar Main Road, Indore
29	Sanjay Kumar Agrawal	970 Manak Chowk Mau

**LIST OF STAKEHOLDERS- CENTRAL DISCOM**

Sr. No.	Name	Address
1	Shri Sanket Bhondve (Commissioner)	Directorate, Urban Administration & Development Department, Palika Bhawan, Near 6 No. Bus Stop, Shivaji Nagar, Bhopal
2	Shri K V S Choudhary, Managing Director	Madhya Pradesh Jal Nigam, 8, Arera Hills, Bhopal 462004
3	Dr. SP Kochhar	M/s. COAI, 14, Bhai Veer Singh Marg, New Delhi 110001
4	Shri Vinay Kumar Singh Parihar	M/s. United Forum for Power Employees & Engineers, Bhopal
5	Ann Josey, Varun Potty	Prayas (Energy Group) Pune
6	The Executive Director	Power Foundation of India, B-28, Qutab Institutional Area, New Delhi 110016
7	Dr. Harish Anand	M/s. Saanjh Forum for Electricity Consumers
8	Shri Shidharth Agrawal	Sagar Manufactures Pvt. Ltd. integrated Textile Industry Vill. Tamot, Tehsil -Goharganj, Obedullahganj to Jabalpur Road, NH-45, Distt. Raisen 464 993
9	Shri Mahendra Khante	M/s. Vardhman Textile Ltd. Talpura Rehti Roadf, Distt. Sehore
10	Shri Shrikant Mundra	Gandhi Chowk, Ward No. 04, Khirakiya Distt. Harda 461441
11	Shri Nitin Saxena	A-509, Ashoka Garden, Bhopal 462023
12	Shri Kamal Rathi	E-2/48, Arera Colony, Bhopal

**LIST OF STAKEHOLDERS- APPEARD IN PHYSICAL MODE**

Sr. No.	Name	Address
1	Shri Rajendra Agrawal	1995/A, Gyan Vihar Colony, Narmada Road, Jabalpur 408068
2	Shri Ravidatt Singh	M/s. Rastriya Kisan Majdur Mahasangh, Sirmour Road, Near Khutehi Block Office, Panchvati Petrol Pump, Sirmour Road, Rewa
3	Shri Saurabh Bajpai	M/s. A.P. T. Tiles, Garden Road, Garra, Balaghat.
4	Shri Mahendra Khante	M/s. Vardhman Textile Ltd. Talpura Rehti Roadf, Distt. Sehore
5	Shri Gautam Kothari	Pithampur Audyogik Sangathan 231, Saket Nagar, Indore 452 018
6	Shri Kamal Rathi	E-2/48, Arera Colony, Bhopal
7	Shri Harish Anand	M/s. Saanjh Forum for Electricity Consumers

# **TARIFF SCHEDULES**

**Annexure-2 (Tariff Schedules for Low Tension Consumers)**

**ANNEXURE TO THE TARIFF ORDER PASSED BY MPERC FOR  
FINANCIAL YEAR 2026-27**

**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	372	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	471	81 per connection	67 per connection
51 to 150 units	567	134 per connection	111 per connection
151 to 300 units	705	30 for each 0.1 kW load*	28 for each 0.1 kW load*
Above 300 units	724	30 for each 0.1 kW load*	28 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: 4<sup>th</sup> April 2026

Next Meter Reading: 10<sup>th</sup> May 2026

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
<b>Total</b>		<b>450</b>

**(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 maximum up 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.	894	87 for each one kW of sanctioned or connected or recorded load, whichever is highest, for each 24 hours duration or part thereof.	72 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	417	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 @ 574 per unit	122 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. Other provisions with regard to prepaid consumers are governed by the Practice Directions and SOP approved by the Commission.
- 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)	700	172 per kW	141 per kW
Demand based tariff ( <b>Mandatory</b> for Connected load above 10 kW)	720	291 per kW or 233 per kVA of billing demand	251 per kW or 201 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 <b>upto 50 units</b>	680	98 per kW	83 per kW
Sanctioned load based tariff (only for connected load up to 10 kW) on all units in case monthly consumption <b>exceeds 50 units</b>	830	154 per kW	133 per kW
Demand based tariff ( <b>Mandatory</b> for Connected load above 10 kW)	740	312 per kW or 250 per kVA of billing demand	230 per kW or 184 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*	920	240 per kW or part thereof of sanctioned or connected or recorded load, whichever is the highest	211 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	920	103 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	83 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. Other provisions with regard to prepaid consumers are governed by the Practice Directions and SOP approved by the Commission.
  - 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.
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**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	638	389
Gram Panchayat	610	208

**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	<b>Non seasonal consumers</b>			
4.1 a	Demand based tariff*	336 per kW or 269 per kVA of billing demand	221 per kW or 177 per kVA of billing demand	705

\* 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	<b>Seasonal Consumers</b> (This tariff shall be applicable to such seasonal industries / consumers defined under this schedule)			
4.2 a	<b>During season</b>	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	Energy charges
		(Rs. per HP)	(paise per unit)
<b>LV- 5.1</b>			
a) (i)	First 300 units per month	77	533
(ii)	Above 300 units up to 750 units in the month	93	636
(iii)	Rest of the units in the month	101	664
b)	Temporary connections	101	664
c)	DTR metered group consumers	Nil	513
<b>LV-5.2</b>			
a) (i)	First 300 units per month	77	533
(ii)	Above 300 units up to 750 units in the month	93	636
(iii)	Rest of the units in the month	101	664
b)	Temporary connections	101	664
<b>LV-5.3</b>			
a)	Up to 25 HP connected load in urban areas	139 per HP	589
b)	Up to 25 HP connected load in rural areas	108 per HP	572
c)	Demand based tariff (Mandatory above 25 HP connected load) in urban areas	298 per kW or 238 per kVA of billing demand	664
d)	Demand based tariff (Mandatory above 25 HP connected load) in rural areas	167 per kW or 134 per kVA of billing demand	664
<b>LV-5.4</b>	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.**

**Specific Terms and Conditions for LV-5 category:**

- 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	
	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:**
- All the consumers connected to the DTR shall pay the energy charges for the units worked out based on their sanctioned load. .
  - 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	744

**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 25<sup>th</sup> 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 kW or kVA demand (as the case may be) 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.

### **4.(A) Billing Demand for Open Access Consumers:-**

- (i) If the consumer opts for open access power within his contract demand, the billing demand for the month shall be the actual maximum kW or kVA demand during the month or 90% of the contract demand, whichever is higher.

Provided that power drawn in any month over and above the contract demand shall be considered as excess demand drawn by the consumer from the Distribution Licensee and shall be billed as per Clause 6 of these terms and conditions.

- (ii) If the consumer opts for open access over and above his Contract Demand, the billing demand for the month shall be the actual maximum kW or 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.

Provided that power drawn in any month over and above the contract demand plus open access demand shall be considered as excess demand drawn by the consumer from the Distribution Licensee and shall be billed as per Clause 6 of these terms and conditions.

The provisions regarding additional charges for excess load/demand shall be applicable as per Clause 6 of these terms and conditions.

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.

\*Consumers opt for open access over and above contract demand shall restrict their actual maximum demand within contract demand plus open access demand.

**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 1<sup>st</sup> April of FY 2026-27 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 (availed from the licensee for open access consumers) 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:

<b>Power Factor</b>	<b>Percentage incentive payable on billed energy charges</b>
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:

<b>Sr. No</b>	<b>Consumer Tariff Category</b>	<b>Peak / Off-peak Period</b>	<b>Rebate on energy charges on energy consumed during the corresponding period</b>
<b>For consumers having sanctioned load / contract demand exceeding 10 kW</b>			
1.	LV-1: Domestic and LV-3: Public Water Works & Street Light	Peak hours (6 AM to 9 AM and 5 PM to 10 PM )	Surcharge of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak /Solar hours (9 AM to 5 PM)	Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.

Sr. No	Consumer Tariff Category	Peak / Off-peak Period	Rebate on energy charges on energy consumed during the corresponding period
		Off peak hours (10 PM to 6 AM next day)	Normal rate of energy charge shall be applicable for energy consumed during this period.
2.	LV-2: Non-Domestic and LV-4: LT Industrial	Peak hours (6 AM to 9 AM and 5 PM to 10 PM)	Surcharge of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak /Solar hours (9 AM to 5 PM)	Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak hours (10 PM to 6 AM next day)	Normal rate of energy charge shall be applicable for energy consumed during this period.
<b>For consumers with Smart Meters having sanctioned load / contract demand upto 10 kW</b>			
3.	LV-1: Domestic, LV-2: Non-Domestic, LV-3: Public Water Works & Street Light and LV-4: LT Industrial	Peak hours (6 AM to 9 AM and 5 PM to 10 PM)	Normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak /Solar hours (9 AM to 5 PM)	Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak hours (10 PM to 6 AM next day)	Normal rate of energy charge shall be applicable for energy consumed during this period.

**Note: 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:**

<b>Power Factor</b>	<b>Percentage Surcharge payable on billed energy charges</b>
79%	1%
78%	2%
77%	3%
76%	4%
75%	5%
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. 0.30/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. 0.40/ kWh for Wind Energy, Rs. 2.61/ kWh for Hydro Energy and Rs. 0.40/ kWh for Others Renewable Energy, 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.
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**Annexure-3 (Tariff Schedules for High Tension Consumers)**

**ANNEXURE TO THE TARIFF ORDER PASSED BY MPERC FOR  
FINANCIAL YEAR 2026-27**

**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	354	626

**Note: A rebate of Rs. 2 per Unit in energy charges is applicable. This rebate shall be applicable up to FY 2026-27.**

**Specific Terms and Conditions for HV-1 category:**

- (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 2026-27 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. 389 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. 531 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)
<b>Coal Mines</b>			
11 kV supply	725	761	675
33 kV supply		753	654
132 kV supply		733	633
220 kV supply		711	611

**Specific Terms and Conditions for HV-2 category:**

- 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
<i>For supply at 220 / 132 kV</i>	1620
<i>For supply at 33 / 11 kV</i>	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)
<b>3.1</b>	<b>Industrial</b>			
	11 kV supply	409	779	679
	33 kV supply	641	775	670
	132 kV supply	729	734	635
	220/400 kV supply	729	689	589
<b>3.2</b>	<b>Non-Industrial</b>			
	11 kV supply	373	815	725
	33 kV supply	526	798	700
	132 kV supply & above	618	750	640
<b>3.3</b>	<b>Shopping Malls</b>			
	11 kV supply	366	796	721
	33 kV supply & above	423	786	681
<b>3.4</b>	<b>Power intensive industries</b>			
	33 kV supply	632	620	620
	132 kV supply & above	771	596	596

**Specific Terms and Conditions for HV-3 category:**

- (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 shall be applicable to existing consumers on the incremental monthly consumption with reference to the consumption of the corresponding month of the 5<sup>th</sup> preceding year from the FY 2026-27.

The consumer availing this rebate shall not be entitled to the rebate of new HT connection under clause (e) below.

- (e) **Rebate for new HT connections:** A rebate of Rs 1 per Unit shall be applicable in energy charges for new connection for the consumption recorded. The rebate shall be allowed upto FY 2026-27 from the date of connection for such new connections 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.

Provided further that the rebate for new HT connection shall not be allowed after the period of Ten years (i.e.,120 Months) from the date of connection. However, after 120 Months from the date of connection of such consumers, the rebate for existing HT connections shall be applicable as per clause (d) above.

The consumer availing this rebate shall not be entitled for the rebate of incremental consumption under clause (d) above.

**Note for clause (d) & (e):**

In case of merger of connections existing on contiguous land and satisfying the terms and conditions as per Madhya Pradesh Electricity Supply Code, 2021 as amended from time to time, the rebates under clause (d) & (e) shall be applicable in the following manner:

- (i) Where a connection availing the existing HT connection rebate under clause (d) is merged with another connection availing the new HT connection rebate under clause (e), the corresponding base month's consumption of the HT connection availing the existing-connection rebate under clause (d) shall be deducted from the total consumption of the merged HT connection.
- (ii) Where a connection availing the new-connection rebate under clause (e) is merged with another connection availing the existing-connection rebate under clause (d), the corresponding base month's consumption of the HT connection

availing the existing-connection rebate under clause (d) shall be deducted from the total consumption of the merged connection.

**(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 and/or FY 2025-26 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 2026-27 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 2026-27) 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 (from the sources other than renewable energy) during the last financial year (FY 2025-26).
- 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 2026-27) compared to the same month in last year (FY 2025-26).
- iii. The rebate shall be applicable from the date of request submitted by the consumer to the Licensee during FY 2026-27.

- 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 2025-26		FY 2026-27		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 2026-27. The rebate is applicable for FY 2026-27 for the units billed only after the commencement of HT Agreement during FY 2026-27.

**(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.

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**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)
<b>During Season</b>			
<b>11 kV supply</b>	405	708	602
<b>33 kV supply</b>	448	688	583
<b>During Off-Season</b>			
<b>11 kV supply</b>	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
<b>33 kV supply</b>	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 for HV-4 category:**

- 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.
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**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	399	655
33 kV supply		641
132 kV & above supply		601

**Specific Terms and Conditions for HV-5 category:**

- (a) No minimum charges are applicable to this category of consumers.
- (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.
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**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 9<sup>th</sup> 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)
<b>1</b>	<b>For Tariff Sub-Category 6.1</b>			
	11 kV supply	377	674	609
	33 kV supply		659	589
	132 kV supply		637	567
<b>2</b>	<b>For Tariff Sub-Category 6.2</b>			
	11 kV supply	245	674	609
	33 kV supply		659	589
	132 kV supply		637	567

**Specific Terms and Conditions for HV-6 category:**

- (a) No minimum charges are applicable to this category of consumers.
- (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 for HV-7 category:**

- (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	744

**Specific Terms and Conditions for HV-8 category:**

- 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 for HV-9 category:**

- (a) **Additional Charge for Excess demand:** Shall be billed as given in General Terms and Conditions for High Tension tariff.
- (b) No minimum charges are applicable to this category of consumers.
- (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.
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## **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.
  - 1.6.(A) **Billing Demand for Open Access Consumers:-**
    - (i) If the consumer opts for open access power within his contract demand, the billing demand for the month shall be the actual maximum kVA demand during the month or 90% of the contract demand, whichever is higher.

Provided that power drawn in any month over and above the contract demand shall be considered as excess demand drawn by the consumer from the Distribution Licensee and shall be billed as per Clause 1.16 of these terms and conditions.

- (ii) If the consumer opts for open access over and above his Contract Demand, 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.

Provided that power drawn in any month over and above the contract demand plus open access demand shall be considered as excess demand drawn by the consumer from the Distribution Licensee and shall be billed as per Clause 1.16 of these terms and conditions.

The provisions regarding additional charges for excess demand shall be applicable as per clause 1.16 of these terms and 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) 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

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)
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
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:

$$\text{Load Factor (\%)} = \frac{\text{Monthly consumption X 100}}{\text{No. of hours in the billing month X Demand (kVA) X PF}}$$

- Monthly consumption shall be units (kWh) consumed in the month excluding those received from sources other than Licensee.
- No. of Hours in billing month shall exclude period of scheduled outages in hours.
- Demand shall be maximum demand recorded (availed from the licensee for open access consumers) 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 2026-27 plus 350 basis points.**

1.12 **Rebate for online bill payment:** Rebate of 0.5% on the total bill amount maximum up to Rs 1,000 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:

Sr. No	Consumer Tariff Category	Peak / Off-peak Period		Rebate on energy charges on energy consumed during the corresponding period
1.	HV-2: Coal Mines, HV-3: Industrial, Non-Industrial and Shopping Malls, HV-4: Seasonal, HV-5: Irrigation, Public Water Works and	Peak hours (6 AM to 9 AM and 5 PM to 10 PM)		Surcharge of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak /Solar hours (9 AM to 5 PM)		Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak hours	For Months June to September	Rebate of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.

Sr. No	Consumer Tariff Category	Peak / Off-peak Period	Rebate on energy charges on energy consumed during the corresponding period
	Other than Agricultural and HV 9: Metro Rail	(10 PM to 6 AM next day) For Months April to May and October to March	Rebate of 7.50% on normal rate of energy charge shall be applicable for energy consumed during this period.
2.	HV-6: Bulk Residential Users	Peak hours (6 AM to 9 AM and 5 PM to 10 PM)	Surcharge of 10% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak /Solar hours (9 AM to 5 PM)	Rebate of 20% on normal rate of energy charge shall be applicable for energy consumed during this period.
		Off peak hours (10 PM to 6 AM next day)	Normal rate of energy charge shall be applicable for energy consumed during this period.

**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:Synchronization 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.

\*Consumers opt for open access over and above contract demand shall restrict their actual maximum demand within contract demand plus open access demand.

- 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. 1,000/- 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:

$$\text{Minimum consumption for supply for temporary period} = \frac{\text{Annual minimum consumption as applicable to permanent supply} \times \text{No. of days of temporary connection}}{\text{No. of days in the year}}$$

- (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. 0.30/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. 0.40/ kWh for Wind Energy, Rs. 2.61/ kWh for Hydro Energy and Rs. 0.40/ kWh for Others Renewable Energy, 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.
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