



BY SPEED POST

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No. MD/WZ/05/ COM /TRAC/
To,

1671

Indore, dated
1 FEB 2024

The Secretary,
Madhya Pradesh Electricity Regulatory Commission
Metro Plaza 4th& 5th Floor,
Bittan Market,
Bhopal,

Sub: **Objection/Comments/Suggestions received from stakeholders on the public notice in the matter of Tariff/ARR Petition filed by the Distribution Companies for FY 2024-25 (P-73/2023) –M/s. Association of Industries Dewas.**

Ref: 1. Commission Secretary letter no. MPERC/RE/2024/226 dated 19/01/2024.

The point-wise response from the MPPKVCL, Indore on the issues raised by the stakeholder is as under:-

- 1. Stakeholder has welcomed the proposal of the Discom hence no comments on such submission.**
- 2. Introducing KVAH billing for HT Category:-**

It is submitted that the rationale & Methodology adopted for 'Introduction To KVAH Based Billing To HT Consumers' has already been elaborated in the part A15 of the petition. Kind attention of the Hon'ble Commission is drawn to the fact that the considering the benefits of kVAH based billing Industries has appreciated such proposal of the petitioner. The relevant part of the letter addressed to the Hon'ble Commission is reproduced as under:

"4. Introducing KVAH billing for HT Category:

We welcome to proposal of Discoms to introduce KVAH billing

Because various advantage of switching over to KVAh billing to both licensee and consumers and KVAH billing help to consumer to improve the power factor and they will get more incentive and less penalty as in HT power factor penalty is maximum 35% while in case of LT consumer it is 10% only.

As the incentives and penalties are inbuilt in the kVAh billing it will reduce the complexities in billing and will encourage the consumer to maintain near unity Power Factor to achieve loss reduction, improve system stability, power quality and improve voltage profile. More than 10 states already converted billing system on KVAH billing".

- 3. Grid Support Charges under Net Metering:-**

It is submitted that there are some incidental expenses which are being incurred by the petitioner Distribution licensee for catering, developing and maintaining the network for its functions and operations while facilitating Net Metering arrangement and or extending facility of the petitioner's distribution network to the consumers. The rationale behind levy of Grid Support Charges under Net Metering Arrangement mentioned in chapter A19 of Petition. Hon'ble Commission is requested to suitable view in the matter.

4. Silent point

- (i) As revenue from existing tariff is not sufficient to recover cost of supply tariff hike is proposed.
- (ii) Default in payment of due of the distribution licensee adversely affect the ability of the distribution licensee to fulfill its commitment towards generators, employee finance etc. Thus proposal lack merit..
- (iii) FUEL & POWER PURCHASE COST ADJUSTMENT (FPPCA) is being recovered in accordance to Tariff regulation. It is submitted that proposal and rational behind FPPCA has duly provided in the petition.

5. Management of Surplus Power :-

Based on the historical data, petitioners have made forecasts of sales and have estimated the energy requirement of Discoms by grossing up the sales with normative loss level as specified by the Commission. The energy requirement of Discoms has been further grossed up with Intra-state Transmission losses and Inter-state Transmission losses to arrive at the Ex-bus requirement. Similarly, the petitioners have also estimated the availability of energy. Considering the above estimations the petitioners have envisaged an energy surplus scenario.

Whereas during actual operation the demand projections of the licensees made for every 15 minutes block interval also varies from hour to hour, day to day, season to season basis and so do the loss level of the licensee. Further during actual operations the availability of generators as considered in the ARR petition may or may not be available due to many reasons which are beyond the control of the distribution licensee. Further the actual energy requirement may remain more than what has been projected in the petition.

During Rabi season the power demand of the licensee is usually much higher than that during non-Rabi season, hence in actual operating conditions it is not necessary that there will be a surplus power uniformly throughout the year.

The Distribution licensee has to meet the power demand of all the consumers as per the relevant provisions of the Electricity Act, 2003 under the obligation to supply. During Rabi season there may be times when the petitioners needs to purchase power from open market i.e. through Energy exchange.

Hence the surplus scenario envisaged by the petitioner is subjected to the trueing-up exercise based on the actual operation during the year and in accordance with the Regulations of the Commission. However we appreciate the view of stakeholder to consume more electricity from the licensees for more production and ToD rebate being provided in the tariff order is nothing but a special night tariff.

Stakeholder welcome the proposal of the petitioner for introduction of ToD segment to LT Industrial/ Commercial Consumers. Hon'ble Commission is requested to take the suitable view in this regard.

6. Power Purchase Cost & The points which require further Scrutiny:-

It is submitted that the basis of the projections of the power purchase cost has been duly provided in the petition. Stakeholder is requested to refer the chapters A4, A5 and A6 to the petition.

The rates of depreciation, O&M Expenses, A&G Expense, CIP& CWIP has been taken by petitioners as per Tariff Regulations 2021.

7. Proposed Tariff Schedule for 2024-25:-

(i) ToD Rebate:-

In this regard kind attention drawn towards the section 62(3) of Electricity act 2003 which is reproduced as under-

"The appropriate commission shall not, while determining the tariff under this act show undue preference to any consumer of electricity but may differentiate according to consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or time at which the supply is required or geographical position of any area, the nature of supply and purpose for which supply is required. "

Therefore, Hon'ble Commission is fully empowered to make differential Tariff to be charged on consumption of electricity during any specified period or time. Further rational behind instant proposal already been given in Tariff Petition and even acknowledged by the stakeholder.

In addition to this various other rebates/incentives have been provisioned in Tariff order to the HT consumers and the consumers are availing the same.

8. High Tension Tariff:-

(i) Request for Tariff Minimum Units:-

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. At present fixed charges is not sufficient to recover the fixed cost of the licensee. Therefore unless the fixed charges are increases to that level so as to sufficient to recover the fixed cost of supply TMM cannot be abolished.

In this regard kind attention also drawn towards the clause 41 of the Tariff Regulation 2021, which clearly stated that tariff minimum charges shall be included in Tariff income.

(ii) Rebate for Existing HT connections & Rebate for new HT connections & Period of Season:-

Stakeholder has welcomed the proposal of the Discom hence no comments on such submission. Further proposal regarding ToD tariff is submitted in line with Electricity (Right of Consumers) Amendment Rules 2023.

(iii) Request for Seasonal Consumer:

(a) In accordance with the methodology given in the tariff order billing of minimum consumption is being done in terms of units and credit of the same in any subsequent period is also being done in terms of units only. Rate of billing has no relevance as far as billing of minimum consumption is concerned. Thus, proposal of the stakeholder in this regard lacks merit.

(b) Separate Tariff to seasonal consumers are given only because seasonal consumers consume power part of the year. If it is the submission of consumer that off season is very less then there is no requirement of separate seasonal tariff category.

(iv) Use of Temporary Purpose in HT Premises:-

In this regard kind attention is drawn towards the following provisions of Tariff Order FY 2023-24:-:

"GENERAL TERMS AND CONDITIONS OF HIGH TENSION TARIFF

1.19 Temporary supply at HT:

(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."

7. Income from other Sources:-

In the instant ARR & Tariff Petition other income projected on estimated. Thereafter in truing-up of ARR petition based on the audited accounts and Regulation actual other income considers by the Discom for each Financial Year. Thus question of non-consideration of any income does not arises.

8. LT Industrial:

The existing provision in Tariff order FY 2023-24 shall be continued.

9. Seasonal Consumers:-

In accordance with the methodology given in the tariff order billing of minimum consumption is being done in terms of units and credit of the same in any subsequent period is also being done in terms of units only. Rate of billing has no relevance as far as billing of minimum consumption is concerned. Thus, proposal of the stakeholder in this regard lacks merit.

10. Other issue of Members of Association Dewas:-

Issues raised by the stakeholder regarding unscheduled outage and payment through cheque is not subject matter of instant Tariff Petition.

Sd/-

Dy. Director (TRAC)
MPPKVVCL, Indore

Copy to:-

1. Chief General Manager (RM), MP Power Management Co. Ltd, Jabalpur.
2. M/s.. Association of Industries 1/B/1, 1/B/2A IS Gajra Industries Area no. 1 A.B. Road Dewas-455001

Dy. Director (TRAC)
MPPKVVCL, Indore