

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY  
COMMISSION SHIMLA**

**Miscellaneous Application No: 185 of 2024**

Date of Institution: **07.05.2024**

Heard on: 24.08.2024

**Decided on: 09.10.2024**

The HP State Electricity Board Limited, through its  
Chief Engineer (Commercial),  
Vidyut Bhawan,  
Shimla, H.P. 171004.

.....**Petitioner**

**Clarificatory Petition on Commission's Order dated 15.03.2024 on  
Business Plan and Mutli year tariff Order for 5<sup>th</sup> Control Period  
(FY25-29), ARR and Determination of Tariff for FY25 & True-up of  
FY23 of the 4<sup>th</sup> MYT Control Period for HPSEBL.**

**CORAM**

DEVENDRA KUMAR SHARMA  
**CHAIRMAN**

YASHWANT SINGH CHOGAL  
**MEMBER (Law)**

SHASHI KANT JOSHI  
**MEMBER**

Present:-

Sh. Kamlesh Saklani, Authorised Representative for the  
Petitioner.

Sh. Kameshwar Dhaulta, Consumer Representative.

**ORDER**

This Clarificatory Petition has been filed by the Petitioner against  
the order dated 15.03.2024 passed by the Commission on Business  
Plan of the Himachal Pradesh State Electricity Board Limited  
(HPSEBL/ Petitioner for short) and Multi Year Tariff for the 5<sup>th</sup> Control  
Period (FY25-FY29), ARR and determination of tariff for FY25 & True-  
up of FY23 of the 4<sup>th</sup> MYT Control Period for the HPSEBL.

2. As per the HPSEBL, it filed Petition No. 14 of 2024 for True up of uncontrollable parameters for FY22-23, Annual Revenue Requirement (ARR for short) and Determination of Tariff for FY 2024-25 & Petition No. 15 of 2024 for the Business Plan and Multi Year ARR for the 5<sup>th</sup> Control Period (FY2024-25 to FY2028-29) for Distribution Business of the HPSEBL and accordingly, which were disposed off by the Commission vide Order dated 15.03.2024 under which an option was given to the HPSEBL to seek clarification in case of doubt of any of the provisions of the tariff Order.

3. According to the HPSEBL, the Commission while truing up the Uncontrollable Parameters for FY22-23 for 4<sup>th</sup> Control Period (FY20 to FY24) has observed in Para 7.1.2 as under:-

*“7.1.2 It is observed that the Petitioner has not submitted the CAG audited accounts for FY 2022-23. In response to the query, the Petitioner informed that the CAG Audit for FY 2022-23 is undergoing and the report of the same after approval from CAG-New Delhi is expected to be completed by 20.03.2024. In the absence of the CAG Audited Accounts, the Commission is undertaking a provisional true-up for FY 2022-23. Further, it has been observed that during the scrutiny of the True up figures submitted by the Petitioner, it has been submitting additional claims and details with respect to the already claimed amount against the parameters. Therefore, due to time constraints and non submissions of the CAG audit report, the Commission feels appropriate to continue with a provisional true-up. The Commission shall review the provisional true up carried out in this order in the next year tariff filings. Additionally, certain claims which have remained unexplained or were submitted in response to the deficiencies letters for which adequate prudence check could not be*

*undertaken. The Commission shall review the pending and additional claims at the time of final truing-up based on CAG Audited Accounts.”*

**Clarifications on Provisional True-up**

4. The HPSEBL has sought the following clarifications in respect of certain components on True-up of FY2022-23:-

- i) The Regional Energy Accounts for the last quarter of FY22-23 were received by the HPSEBL during December, 2023 and the HPSEBL vide additional submissions prayed for revision of tables on account of the change in energy input enclosed at Annexure-TAS-(2) TAS(2a) of the reply. As per the HPSEBL, the true up done on the provisional basis does not reflect the input energy and grid losses resulting in deviation of provisional true up with respect to actual T&D losses as reflected in Table 131, disincentive for under achievement of T&D losses as reflected in Tables No. 139, 140 and provisional true up of total power purchase cost reflected in Table No. 141 and impact on the ARR/ Gap/ Surplus and other relevant tables which may be considered at the time of final true up.
- ii) With respect to interest on working capital worked out in Table no. 151 with the interest rate of 10%, it is submitted that as per provisions of Regulation 22 of the Himachal

Pradesh Electricity Regulatory Commission (Terms and Condition of Determination of Wheeling Tariff and Retail Supply Tariff) (4<sup>th</sup> Amendment) Regulations, 2021, the interest charges on working capital shall be as under:

*“22. Interest Charges on Working Capital.-Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 300 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 exceeded the working capital loan including rate of interest based on the normative figures. The Commission shall calculate working capital requirement for wheeling and retail supply business in accordance with these regulations to arrive at working capital requirement of distribution licensee.”*

It is submitted that the provision of interest rate of relevant year as per the amended provision is the, “the Financial Year in which Petition is filed”. The true up Petition has been filed by the HPSEBL on 30.11.2023 and SBI one year MCLR on 01.04.2023 was 8.5% and adding the 300 basis point, the interest rate would be 11.5% but in the provisional true up, the same has been taken up as 10%. A clarification in respect of the rate of interest has been sought as there is an

impact of Rs. 6.50 Crore on account of interest @ rate 11.5%.

- ii) The HPSEBL has claimed Miscellaneous written off amounting to Rs. 80.63 Cr. in the true up. In this regard, the HPSEBL had submitted the reply to the query of Commission on 01.03.2024 but the amount claimed has not been discussed in the True up Petition and has been disallowed. In view of clause 7.1.2 of True Up for FY 2022-23, it is understood that the same shall be taken up at the time of final true up.
- iv) The carrying cost been taken up on compound interest whereas the Regulations do not provide for the same. Not only this, the Interest rate for FY2022-23 has been worked out as 10.78% instead of 10.82% which needs to be clarified.
- v) The Commission has also not allowed the other bank charges observing that in the absence of any details, such charges cannot be allowed. It is submitted that detail provided 13.04.2024 in response to Query No. 10 vide letter dated 07.03.2024 might not have been scrutinized and in view of Para 7.12 such expenditure will be considered at the time of final true up.

## **Clarifications on ARR for the 5<sup>th</sup> Control Period and Tariff**

### **Determination for FY2024-25**

5. The HPSEBL has sought the following clarifications on ARR for the 5<sup>th</sup> Control Period and Tariff Determination for FY 2024-25:-

- i) As per the HPSEBL, there appears to be a calculation error in Table No. 259. Further, due to change in the quantum of ARR, the HPSEBL has to arrange the working capital and the interest on working capital has been on the lower side as compared to the interest requirement as per the provisions of the HPERC (Multi Year Wheeling Tariff and Retail Supply Tariff) Regulations, 2023. Further the late payment surcharge from the customers was being allowed in the previous Tariff Regulations to cater to the working capital requirements which has now been treated as non-tariff income in the above MYT Regulations. Thus, it needs to be clarified that working capital and interest on working capital shall be allowed by the Commission at the time of True up as per the MYT Regulations, 2023.
- ii) In Para 10.7.1 of the tariff Order, the Commission has retained the tariff structure as per the 4<sup>th</sup> APR Order 31.03.2024 for FY24, however, the following clarifications have been made:-

*“However, it is clarified that domestic consumers without having NOC/ approval from the government authorized agencies/ statutory authorities, shall be required to bear the rate of highest slab under domestic category for the complete consumption in any billing cycle. These Consumers shall also not be eligible for availing the GoHP subsidy as well.”*

.....  
**“Table 1: Existing and Approved Tariff for Domestic Category**

Description Units/month	Existing		Approved	
	Energy Charges (Rs/kWh)	Fixed Charges (Rs. /con/month)	Energy Charges (Rs/kWh)	Fixed Charges (Rs. /con/month)
0-60 (Lifeline Consumers including BPL)	3.72	55.00*	4.72	55.00*
0-125	4.37	85.00	5.60	85.00
126-300	5.27	85.00	6.00	85.00
301 & above	5.87	85.00	6.25	85.00

*\*Fixed Charge for tribal and difficult areas is also fixed at Rs. 40/month irrespective of consumption.*

*#Heritage hotels, Incredible India bed-and-breakfast, homestay units in rural areas are to be charged under domestic category as per the HP Tourism Policy with Energy Charges for such Consumers to be levied at 30% higher than the net Energy Charges payable (net off subsidy) by the Consumers in the respective slab.*

*@In case of MES and other military establishments, if they are able to segregate the domestic load in their respective cantonment area, then it can apply for separate meter under Domestic Category else they shall be charged at Domestic Tariff along with additional 5% on the Energy Charge.*

*\$ For Industries which are under PDCO due to non-payment of dues or are sick & closed, prepaid meter shall be provided upto load of 20 kW for lighting & security purpose only till regular Industrial Connection is restored.*

*## Domestic consumers without having NOC/ approval from TCP/ Municipalities/ government authorized agencies/ statutory authorities, shall be required to bear the rate of highest slab under domestic category for the complete consumption in any billing cycle. These Consumers shall also not be eligible for availing the GoHP subsidy as well.”*

In view of above the following clarification have been sought:-

- i. The government authorized agencies/ statutory authorities needs to be clarified who are competent to issue NOC for slab-wise tariff and subsidy to the domestic consumers.
- ii. The areas covered for highest slab to the domestic consumers without subsidy and without slab-wise tariff may be clarified.
- iii. It may be clarified whether the condition for highest slab without subsidy and slab-wise tariff to the domestic consumers without having NOC/ approval from the government authorized agencies/ statutory authorities is applicable either for the consumers who came in existence after 01.04.2024 or is applicable for all existing as well as new domestic consumers in HPSEBL.
- iv. The provisions of non eligibility for availing the GoHP subsidy and levy of highest slab for entire consumption in respect of consumers without NOC seems to be contradictory to clause No. 10.9.3 and 10.9.2 of tariff order wherein it has been mentioned that Govt. of HP vide letter dated 13.03.2024 has committed to provide additional support to neutralize the impact of increase in electricity



tariff through additional subsidy. It is prayed to clarify whether the consumers without NOC are eligible for availing GoHP subsidy or not.

- iii) Under Clause 10.9 of Tables No. 291, 292, 293, the category wise energy charges approved by the Commission and per unit Subsidy by HP Govt. with effective energy charges has been approved. Under Temporary Meter supply connections, the limit of load/Demand has been approved up to 200 kVA. However, the connections above 200 KVA are also released and billed as per schedule of tariff given under Part-II of General Conditions of Tariff and schedule of tariff -Annexure-I. A clarification has been sought as to whether the subsidy is available up to 200 kVA or for all the consumers covered under Temporary Metered Supply in view of Clause No. 10.9.3.
- iv) The Employee Cost approved at Table No. 245 does not include the provisions for Dearness Allowance and the retirement factor worked out at table No. 243. There is gap in the salaries for different categories of employees which was also submitted with the petition.

Further, there appears to be a calculation error while working out the other staff cost due to the fact that actuarial provisions of

Gratuity has been deduced instead of actuarial provision of Earned Leave Encashment, since gratuity is covered under Terminal benefit, whereas, EL Encashment is covered under other Staff Cost resulting in underestimation of other staff cost as under:-

(All figures except retirement factor is in Rs Cr)

Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29
<b>Other Staff Cost approved by Commission</b>							
Other staff cost	104.38	110.02	115.96	115.02	114.62	114.68	115.60
Retirement Factor	Other Staff Cost : 483.31; Less Actuarial prov. Gratuity: 378.93; Net 104.38		-				
Retirement amount			0.0589	-0.0545	-0.0507	0.0436	0.0388
Net Other Staff Cost			-6.83	-6.27	-5.81	-5.00	-4.49
			109.13	108.75	108.80	109.68	111.11
<b>Calculations as per actual Staff Cost ( Excluding Actuarial provision for EL Encashment)</b>							
Particulars	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Other staff cost	<b>166.02</b>	174.98	184.43	182.94	182.30	182.40	183.87
Retirement Factor	Other Staff Cost : 483.31; Less Actuarial prov. EL Encashment: 317.29; Net <b>166.02</b>		0.0589	0.0545	0.0507	0.0436	0.0388
Retirement amount			-10.86	-9.98	-9.25	-7.95	-7.14
Net Other Staff Cost				173.57	172.96	173.06	174.45
<b>Under-estimation</b>			<b>-64.44</b>	<b>-64.22</b>	<b>-64.25</b>	<b>-64.77</b>	<b>-65.62</b>

It has been prayed to issue clarification on the above to implement the tariff.

- v) The A&G expenses have been projected in table No. 252 excluding the Legal charges, wherein, during the control period and implementation of various orders/ directions from legal / statutory authorities and discharge of duties as distribution

licensees, the legal charges cannot be reduced to zero and, therefore, is required to be included in the A&G expenses. It is prayed to clarify as to whether the same may be allowed on true up as per actual.

- vi) It is submitted that MES consumers have been included under Domestic Schedule of Tariff at Sr. No (q) of applicability, whereas, under schedule of tariff for bulk supply, it has been mentioned that “ in case of MES, this schedule shall continue to apply till such time MES do not avail Open Access” which is contradictory and requires clarification.
- vii) It is submitted that under Clause No. 10.9.5, only two categories have been mentioned for reverting back the tariff to the original tariff in case the subsidy is not received in advance, whereas, subsidy is available to all category and in the directive at 12.2.9, to revert to original tariff on non receipt of subsidy has been given without mention of any category. It has been prayed to clarify the same for the implementation of tariff.

6. Notice of the Petition was issued to Sh. K.S. Dhaulta, Consumer Representative who has filed reply that the Order dated 15.03.2024 is unambiguous, clear and has been passed after detailed examination/ consideration of the material facts, record, regulations/ laws and

requires no further explanation. Further, no clarification at this stage can be given as the final true up is yet to be conducted and any changes at this stage shall not be in the interest of the consumers. It is submitted that the Commission has approved the provisional true-up and the interest rate charges on working capital have been allowed @ 10% based on SBI one year MCLR which are reasonable and the enhanced interest rate @ Rs. 11.5% cannot be allowed in the interest of the consumers. Further, the HPSEBL has not submitted the CAG audited accounts which may be projected in the true up and the factual statement of accounts. Further, any change in final true-up figure may impact the revenue gap in the financial year and ultimately tariff on the consumers.

7. It is further submitted that the order in respect of domestic category on consumers for levy of energy charges need to be re-visited as the meters have been installed by the consumers after the order of the authorities dispensing the requirement of NOC as the water and electricity are the essential services and cannot be denied. Also that the amended Clause 3.1.2.1 of the Himachal Pradesh Electricity Supply Code, 2009 stipulates formalities/ documents for the new connections covered under single part tariff which provides that the Application and Agreement form shall be accompanied by (1)

identity proof (i.e. Passport, Aadhar Card, Voter Card etc.) of the applicant; and (2) proof of applicant's ownership or occupancy over the premises for which new connection is being sought or in the absence of any proof of ownership or occupancy, any other address proof not given as part of identity proof under (1) above, and, (3) the test report. Thus, the Commission may not enforce the requirement of NOC and charging the highest slab for such consumers which would be harsh on the consumers to be burdened with highest slab tariff for no fault of them which shall also be discriminatory against the other domestic consumers. Also submitted that in the larger interest of the consumers of the State, the order may be reviewed and the position prior to the order be restored to settle the issue for good.

8. We have heard Sh. Kamlesh Saklani, Authorised Representative for the Petitioner and Sh. Kameshwar Dhaulta, Consumer Representative for the Respondent and have perused the entire record carefully.

#### **CLARIFICATIONS ON PROVISIONAL TRUE UP**

9. Undisputedly, the Commission vide Order dated 15.03.2024 has done only the provisional true up of uncontrollable parameters. The final true up is yet to be done. The Commission has disallowed certain claims for want of sufficient data/ clarification/ proof/ details etc. The

Commission has also made it very clear in Para 7.1.2 that the Commission shall review the provisional true up carried out in this order in the next year tariff filings. Para 7.1.2 of the order dated 15.03.2024 is reproduced as under:-

*“7.1.2 It is observed that the Petitioner has not submitted the CAG audited accounts for FY 2022-23. In response to the query, the Petitioner informed that the CAG Audit for FY 2022-23 is undergoing and the report of the same after approval from CAG-New Delhi is expected to be completed by 20.03.2024. In the absence of the CAG Audited Accounts, the Commission is undertaking a provisional true-up for FY 2022-23. Further, it has been observed that during the scrutiny of the True up figures submitted by the Petitioner, it has been submitting additional claims and details with respect to the already claimed amount against the parameters. Therefore, due to time constraints and non submissions of the CAG audit report, the Commission feels appropriate to continue with a provisional true-up. The Commission shall review the provisional true up carried out in this order in the next year tariff filings. Additionally, certain claims which have remained unexplained or were submitted in response to the deficiencies letters for which adequate prudence check could not be undertaken. The Commission shall review the pending and additional claims at the time of final truing-up based on CAG Audited Accounts.”*

10. Therefore, certain claims which have remained unexplained or were submitted in response to the deficiencies letters for which adequate prudence check could not be undertaken, the Commission will review all such pending and additional claims at the time of final truing-up based on CAG Audited Accounts and other sufficient proof. Therefore, the Commission will consider all such aspects on which the clarification on the provisional true up of uncontrollable parameters has

been sought and if found correct and true, the genuine claims will be considered.

11. Coming to the specific clarifications as sought on the provisional True up of FY 2022-23, on the issue relating to Regional Energy Accounts (REA for short), the same can be settled at time of final true-up with consideration of any remaining months of REA. The interest on working capital considered in the provisional true-up is as per the HPERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011, as amended from time to time. The Regulation 22 of the above Regulations quoted by the HPSEBL is not applicable for truing up of the past years as the same is applicable for the determination of the ARR and not applicable for truing up. For truing up, the Regulation 11 of the above Regulations is applicable. Sub-regulation (B) of Regulation 11 of the above Regulations is reproduced as under:-

*“11.True Up*

*(B) as per principles - (a) Variation in revenue / expenditure on account of uncontrollable sales and power purchase shall be trued up every year. Truing-up shall be carried out based on the actual/audited information and prudence check by the Commission:*

*Provided that if such variations are large, and it is not feasible to recover in one year alone, the Commission may take a view to create a regulatory asset, as per the guidelines provided in clause 8.2.2 of the National Tariff Policy:*

*Provided further that under business as usual conditions, the Commission, to ensure tariff stability, may include the opening balances of uncovered gap / trued-up costs in the subsequent control period's ARR instead of including in the year succeeding the relevant year of the control period after providing for transition financing arrangement or capital restructuring; (b) for controllable parameters –*

- (I) any surplus or deficit on account of the O&M expenses shall be to the account of the licensee and shall not be trued up in ARR unless such is treated as uncontrollable by the Commission in accordance with these regulations;*
- (II) any surplus or deficit on account of the distribution losses shall be shared between the licensee and the consumers in accordance with these regulations;*
- (III) during mid-term performance review and during the end of the control period true up–
  - (i) O&M expenses treated as uncontrollable may be trued-up on the basis of actual/ audited information and prudence check by the Commission;*
  - (ii) any surplus or deficit on account of variations in the costs and targets of distribution losses treated as uncontrollable, may be trued-up on the basis of actual/ audited information and prudence check by the Commission and shall be shared between the licensee and the consumers in accordance with these regulations;*
  - (iii) the Commission shall review the actual capital investment vis-à-vis approved capital investment;*
  - (iv) depreciation and financing cost, which includes cost of debt including working capital (interest), cost of equity (return) shall be trued up on the basis of actual/ audited information and prudence check by the Commission.”**



12. Since, the true up was done for the year FY2022-23, the interest rate prevailing for FY 2022-23 shall be applicable and has been applied accordingly. The interest of current year when the true up Petition is filed can't be allowed.

13. With respect to the miscellaneous written off amounting to Rs. 80.63 Crore, the information /clarifications provided, as part of response to the query of the Commission, were not adequate. In case the Petitioner is able to establish during the final true up that the expenditure incurred is as per the Regulations, the same may be considered at the time of final true up and no assurance in this regard can be given at this stage.

14. In so far as the carrying cost is concerned, the application of carrying cost is in line with previous practice and does not require any change. Otherwise also, the carrying cost depend on the submission of the Petition for final true up as per the provisions of the HPERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011, as amended from time to time. However, as observed above, the same can be reviewed based on detailed submissions at the time of final true up.

15. Significantly, the Petitioner has also taken up the issue of levy of compound rate of interest before Hon'ble APTEL in the Appeal against

the Order dated 15.03.2024. Thus, no clarification in this regard can be given in this Clarificatory Petition.

16. Regarding disallowing the bank charges, the detail provided by the HPSEBL at the eleventh hour was inadequate. Since the true up is provisional, in case sufficient proof is provided at the time of final true up, the same may be considered.

### **Clarifications on ARR for the 5<sup>th</sup> Control Period and Tariff**

#### **Determination for FY 2024-25**

#### **Working Capital**

17. The charges including working capital fixed by the Commission for FY 2024-25 has been forecasted and are subject to truing up with the carrying cost. If the working capital requirement has been forecasted on the lower side, the same will be considered at the time of true up. Otherwise also, once the tariff Regulations provide for truing up of the costs, the issue should not have been raised in the Clarificatory Petition.

#### **APPLICABILITY OF SUBSIDY & NO OBJECTION CERTIFICATE**

18. There has been no requirement of a NOC from 21.01.2022 onwards for releasing the electricity connections and, therefore, the Petitioner might have released all connections w.e.f. 21.01.2022

without the NOC. The issues in this regard as raised in Para 3.0 of the Petition are answered as under:-

- i. The Commission in Note 4 to Para 3(A) of Part-II - Schedule of Tariff, Annexure-I, Domestic Supply (DS) has made the following provision:

*“Domestic consumers without having NOC/ approval from TCP/ Municipalities/ government authorized agencies/ statutory authorities, shall be required to bear the rate of highest slab under domestic category for the complete consumption in any billing cycle. These Consumers shall also not be eligible for availing the GoHP subsidy as well.”*

The above note is quite clear and has no ambiguity and the HPSEBL is directed to act accordingly.

- ii. There is nothing in the tariff order about categorisation for highest slabs to the “domestic consumers without subsidy and without slab-wise tariff.” The Petitioner only has to collect NOC’s/ approved completion plan for all the electricity connections released after 21.01.2022 when the condition of taking NOC from a new consumer was dispensed with by the Commission. Further, for new electricity connections, the HPSEBL has to release the same without NOC as per the requirements of the Supply Code. However, for availing the concessional tariff by the

domestic consumers, the NOC/ approved Completion plan must be procured/ collected from the Consumers by the HPSEBL.

- iii. The Petitioner already has the detail of the electricity connections released without NOC after the 21.01.2022. All those consumers released connections after 21.01.2022, shall have to produce NOC/ approved sanction letter from the concerned statutory authority of the area for claiming normal tariff.
- iv. The Commission in para 10.9.3 of Tariff Order has clearly mentioned that the consumers released electricity connection without NOC are not eligible for availing GoHP subsidy w.e.f. 01.04.2024. The condition of dispensing with the NOC was made by the Commission w.e.f. 21.01.2022.

### **Temporary Meter Supply Connections**

19. The Commission has not allowed subsidy for the Temporary meter supply connections above 200 kVA. However, providing of Subsidy is the prerogative of the GoHP. Therefore, the Petitioner, instead of seeking clarification from the Commission on this issue, should seek clarification in this regard from the GoHP.

### **Employee Cost**

20. The provisions of the HPERC Tariff Regulations, 2023 do not provide for any differential treatment for Dearness Allowance and retirement factor and has been considered based on average effect of retirement. There is no calculation error as alleged by the Petitioner. Otherwise also, this issue may be raised at the time of truing up.

### **Legal Charges under A&G Expenses**

21. A&G charges are allowed on a lump sum basis as per the HPERC Tariff Regulations. Any variations may be considered at the time of truing up after doing prudence check and no clarification may be issued at this stage in a Clarificatory Petition.

### **MES Consumers**

In so far as inclusion of MES Consumers under Domestic Schedule of tariff at Sr. No. (q) of Part II: Schedule of Tariff is concerned, the MES consumers are under Domestic schedule of tariff as already explained in the Tariff Order. Thus, the line *“However, in case of MES, this Schedule shall continue to apply till such time MES do not avail Open Access.”* under SCHEDULE - BULK SUPPLY (BS) be considered as deleted from the Tariff Order dated 15.03.2024.

### **Clarification in respect of Clause 10.9.5.**

22. As per Section 65 of the Electricity Act, 2003, the subsidy has to be given in advance failing which the original tariff as determined by

the Commission has to be made applicable. This has already been spelt out in the Tariff Order at Para 12.2.9.

23. In view of the above, the clarification Petition/ Application is disposed off accordingly.

The file after needful be consigned to records.

**Announced**  
**09.10.2024**

**-Sd/-**  
**(Shashi Kant Joshi)**  
**Member**

**-sd-**  
**(Yashwant Singh Chogal)**  
**Member (Law)**

**-sd-**  
**(Devendra Kumar Sharma)**  
**Chairman**