



UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2168/2024

**APPROVAL OF AGGREGATE REVENUE REQUIREMENT (ARR) AND
TARIFF FOR FY 2025-26,**

ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2024-25

AND

TRUE-UP OF ARR AND REVENUE FOR FY 2023-24

FOR

Noida Power Company Limited (NPCL) – (Petition No. – 2168/2024)

ORDER UNDER SECTION 62 & 64 OF

THE ELECTRICITY ACT, 2003

November 22, 2025



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Before
UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 2168 / 2024

IN THE MATTER OF:

TRUE-UP FOR FY 2023-24, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2024-25 AND
APPROVAL OF AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2025-26

And

IN THE MATTER OF:

NOIDA POWER COMPANY LTD., GR. NOIDA (NPCL)

ORDER

The Commission, having deliberated upon the above Petition and the subsequent filings by the Petitioner, admitted the Petition on May 09, 2025. Further, having considered the views/comments/suggestions/objections/representations received from the stakeholders during the course of the above proceedings, including the Public Hearing held on July 16, 2025 & State Advisory Committee (SAC) meeting held on July 25, 2025, the Commission hereby passes this Order in exercise of the powers vested to it under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 (hereinafter referred to as 'the Act').

The Licensee / Petitioner, in accordance with Regulation 5.10 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019, and Regulation 5.7 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 shall publish the Tariff approved by the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the Licence area of supply and shall put up the approved Tariff on its website and make available for sale of a booklet in English and Hindi containing such approved Tariff/Rate Schedule..

The Tariff, so published, shall be in force after seven days from the date of such publication of Tariff and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

1. INTRODUCTION AND HISTORICAL BACKGROUND

1.1. INTRODUCTION

- 1.1.1. This Order relates to Petition No. 2168 of 2024 filed by Noida Power Company Limited (hereinafter referred to as 'NPCL' or the 'Petitioner') for approval of True Up of FY 2023-24, Annual Performance Review (APR) of FY 2024-25 and Aggregate Revenue Requirement (ARR) & determination of Tariff for FY 2025-26.

1.2. HISTORICAL BACKGROUND

Electricity Act 2003

- 1.2.1. Enactment of the Electricity Act, 2003, along with subsequent policy reforms and digital initiatives, laid the foundation for a robust and enabling framework for the holistic development of India's power sector. Over the past two decades, the sector has transitioned from a monopolistic structure dominated by State Electricity Boards (SEBs) to a more competitive and market-driven ecosystem. Today, the power sector is characterized by open access, private participation, renewable energy integration, and advanced market mechanisms such as power exchanges and real-time markets.
- 1.2.2. Initially, given the strategic importance of electricity and the massive investment requirements, India—like many developing nations—relied heavily on public sector investment for rapid capacity addition. The sector's early growth was driven by SEBs and later supported by Central Public Sector Undertakings (CPSUs) such as NTPC, NHPC, and Power Grid Corporation of India Limited. In recent years, this growth has been complemented by private sector participation, renewable energy expansion, and modernization of transmission and distribution networks, supported by initiatives like the Green Energy Corridor, smart grids, and digitalization of operations
- 1.2.3. **Uttar Pradesh Electricity Regulatory Commission:** The Uttar Pradesh Electricity Regulatory Commission (hereinafter referred to as the 'UPERC' or 'the Commission') was constituted under Section 17 of the Electricity Regulatory Commission's Act, 1998 and came into being on September 10, 1998, vide Government of Uttar Pradesh (GoUP) Notification No. 2813-P-1/98-24. It was later deemed to have been appointed under Section 3 of U.P. Electricity Regulatory Act, 1999 and continues to be the State Commission under the first proviso of Section 82 Electricity Act, 2003 (hereinafter referred to as 'the Act' or 'EA, 2003').

1.2.4. Noida Power Company Limited: Noida Power Company Limited (NPCL) was incorporated on June 29, 1992, under the provisions of the erstwhile Companies Act, 1956 (now replaced with Companies Act, 2013). On December 11, 1992, Greater Noida Industrial Development Authority (GNIDA), a public authority of the Government of Uttar Pradesh, signed a Memorandum of Understanding with CESC Limited (now known as CESC Limited), thereby promoting NPCL, for the purpose of undertaking the supply of electricity to the consumers in the Greater Noida area, as a distinct and separate venture from the then existing Uttar Pradesh State Electricity Board (UPSEB), which was undertaking such distribution and supply of electricity in the State of Uttar Pradesh. GNIDA holds approximately 27% equity shareholding in NPCL and the balance shareholding of approximately 73% is held by CESC Limited.

1.2.5. Subsequently, Noida Power Company Limited (NPCL) was granted license on August 30, 1993 (further amended on July 18, 1996) by the Government of Uttar Pradesh (GoUP) under Section 3(1) of the Indian Electricity Act, 1910, for distribution and retail supply of electricity in the Greater Noida of the State of Uttar Pradesh.

1.2.6. The Commission, in an Order dated November 26, 2020, for approval of Business Plan, observed that License of the Petitioner is valid up to August 30, 2023, and the License will expire within the Control Period. The Petitioner had approached Hon'ble APTEL in the matter. The Appellate Tribunal vide judgment dated August 23, 2022, in the Appeal No. 72 of 2021 held that the term/tenure of the license of the Petitioner would expire on June 09, 2029. Further the Electricity (Amendment) Rules 2023, notified on 30.06.2023, provide for renewal of the License. The Petitioner has further filed Civil Appeal with Hon'ble Supreme Court against the Order of Hon'ble APTEL. Currently, the matter is sub-judice with Apex Court.

1.3. BACKGROUND OF ENACTMENT

1.3.1. The Electricity Act, 2003 (Central Act 36 of 2003) came into force with effect from June 10, 2003, and the previous acts governing the electricity supply in the country viz. The Indian Electricity Act, 1910 (9 of 1910), the Electricity (Supply) Act, 1948 (54 of 1948), and the Electricity Regulatory Commissions Act, 1998 have been repealed. The provisions of the Uttar Pradesh Electricity Reform Act 1999 (Uttar Pradesh Act 24 of 1999) to the extent not inconsistent with the provisions of the Electricity Act 2003,

however, continue to apply to Uttar Pradesh. The first proviso of Section 14 of the Electricity Act 2003 specifies that any person already engaged in the business of transmission or supply of electricity under the UP-Electricity Reform Act on or before the Electricity Reform Act on or before the appointed date i.e. June 10, 2003, shall be deemed to be a licensee under the Electricity Act 2003 and the provisions of Reform Act in respect of such licensee shall apply for a period of one year the appointed of commencement of the Electricity Act 2003 (10th June 2003) and thereafter the provisions of the Electricity Act 2003 shall apply to such business.

1.3.2. Section 61 of the Electricity Act provides the guiding principles for tariff determination:

“Section 61. (Tariff Regulations):

The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely: -

- a. the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees.*
- b. the generation, transmission, distribution and supply of electricity are conducted on commercial principles.*
- c. the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments.*
- d. safeguarding consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner.*
- e. the principles rewarding efficiency in performance;*
- f. multiyear tariff principles;*
- g. that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies in the manner specified by the Appropriate Commission;]*
- h. the promotion of co-generation and generation of electricity from renewable sources of energy.*
- i. the National Electricity Policy and tariff policy:*

Provided that the terms and conditions for determination of tariff under the Electricity (Supply) Act, 1948, the Electricity Regulatory Commission Act, 1998 and the enactments specified in the Schedule as they stood immediately before the appointed date, shall continue to apply for a period of one year or until the terms and conditions for tariff are specified under this section, whichever is earlier.”

1.4. DISTRIBUTION TARIFF REGULATION

- 1.4.1. The Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations 2006 were notified on October 6, 2006. These Regulations were applicable for the determination of ARR and Tariff was applicable till FY 2016-17.
- 1.4.2. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 were notified on May 12, 2014. As per these Regulations, transition period of two years was provided, during which UPERC (Terms and Conditions for Determination of Distribution Tariff) Regulations 2006 were applicable and Uttar Pradesh Electricity Regulatory Commission (Multi Year Distribution Tariff) Regulations, 2014 were applicable from FY 2017-18 to FY 2019-20.
- 1.4.3. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred to as “MYT Regulations, 2019”) were notified on September 23, 2019. These Regulations are applicable for the determination of ARR and Tariff for Control Period from FY 2020-21 to FY 2024-25.
- 1.4.4. The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 (hereinafter referred to as “MYT Regulations, 2025”) were notified on March 26, 2025. These Regulations are applicable for the determination of ARR and Tariff for Control Period from FY 2025-26 to FY 2029-30 unless otherwise extended by the Commission.
- 1.4.5. The Petitioners filed the Petitions as per the MYT Regulations, 2019. After the notification of MYT Regulations, 2025, the Petitioners made revised submissions for ARR for FY 2025-26 as per the provisions of MYT Regulations, 2025.

2. PROCEDURAL HISTORY

2.1. DETAILS OF BUSINESS PLAN ORDERS / MYT ORDERS / PREVIOUS YEARS' ARR AND TARIFF ORDERS

- 2.1.1. As per the provisions of the MYT Regulations, 2019, the Distribution Licensees are required to file the ARR / Tariff Filings before the Commission latest by November 30th of each year. The True-Up Petition for FY 2023-24, APR for FY 2024-25 and ARR for FY 2025-26 was filed by the Petitioner under Section 64 of Electricity Act, 2003 on November 28, 2024 (Petition No. 2168 of 2024).
- 2.1.2. Furthermore, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 (hereinafter referred to as "MYT Regulations 2025") on March 26, 2025. The MYT Regulations 2025 is applicable for the control period from April 01, 2025, to March 31, 2030, unless extended by the Commission. Accordingly, the formats for the control period from April 01, 2025, to March 31, 2030, for filling of True Up/APR/ARR were revised.
- 2.1.3. The Commission vide letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025, shared the formats with the Distribution Licensees for submitting information pertaining to the ARR for FY 2025-26 as per MYT regulations 2025, along with supporting documents and relevant submissions and directed the Distribution Licensees to make revised submissions. Pursuant to this direction, the Petitioner made revised submission for FY 2025-26 in the specified formats via letter dated April 30, 2025, in compliance with the aforementioned communication.

2.2. PRELIMINARY SCRUTINY OF THE PETITION

- 2.2.1. A preliminary analysis was conducted of the Petition, wherein various deficiencies were observed in the Petition and the deficiencies were communicated to the Petitioner via the 1st deficiency dated January 24, 2025, 2nd deficiency dated March 4, 2025, 3rd deficiency dated July 3, 2025.
- 2.2.2. The Petitioner has submitted its response to the deficiencies with respect to the True-Up Petition for FY 2023-24, APR for FY 2024-25 and determination of ARR & Tariff for FY 2025-26. TVS covering the Petition, and all the submissions of the Petitioner were conducted on May 09, 2025, which was attended by senior officials of the Petitioner and during the TVS, the Petitioner explained the various issues raised in the deficiencies.

Minutes of Meeting (MoM) dated May 09, 2025, of the TVS meeting were also communicated to the Petitioner.

- 2.2.3. The Petitioner has submitted its response to the deficiencies as well as queries raised in TVS. The Commission has scrutinized the Petition along with additional data/information and supporting documents, as submitted by the Petitioner, in response to the discrepancies identified and has considered the same while passing this Order.

2.3. ADMITTANCE OF THE TRUE-UP, APR AND ARR / TARIFF FILINGS

- 2.3.1. The Commission admitted the Petition vide its Order dated May 09, 2025, (**Annexed as: Annexure-III**). The Commission, in accordance with Regulation 5.8 of MYT Regulations, 2019, and Regulation 5.5 of MYT Regulation 2025 directed the Petitioner to publish a Public Notice within three working days of issue of the Admittance Order in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in its license area, consisting of the summary and highlights of the proposed ARR and Tariff for FY 2025-26, APR for FY 2024-25, and True-Up for FY 2023-24, and invite suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the Stakeholders and public at large.
- 2.3.2. The Commission also directed that the public notice(s) should also contain the details of the cumulative revenue gap and its treatment, distribution & transmission losses, average power purchase cost, average cost of supply, average retail tariff realized from each category/sub-category of consumers, wheeling charges, transmission charges, open access related charges, etc.
- 2.3.3. The Commission also directed that the public notices should also indicate that the stakeholders should regularly check the websites of the Petitioner for further submissions made with respect to these proceedings. The Petitioner shall also submit a set of notices along with copies of the original newspapers.
- 2.3.4. The Petitioner was also directed to upload, on its website, the Petitions filed before the Commission along with all deficiencies, regulatory filings, response to deficiencies, other information, and related documents, which should be signed digitally and should be in searchable pdf formats along with all Excel files as per the provisions of the Regulations and Orders of the Commission. The Petitioner was also directed to ensure that these files are broken into such sizes so that they can be easily downloaded and for

downloading the same, there should be no requirement of providing personal information.

2.4. PUBLICITY OF THE PETITION

- 2.4.1. The Petition is uploaded on NPCL's official website (<https://www.noidapower.com/NPCL-Tariff-Petition-ARR-2025-26>). In addition to the above, the Public Notice was subsequently issued by the Petitioner in various newspapers, and a period of fifteen days (15) days was given to the general public and all the stakeholders to submit their suggestions and objections.
- 2.4.2. The public notice(s) detailing the salient features of the filings were published by the Licensee in the daily newspapers mentioned below and invited suggestions and objections from all stakeholders and the public at large.

TABLE 2-1 LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF SUMMARY AND HIGHLIGHTS OF THE PETITION BY THE PETITIONER

Newspaper	Date of Publication
Dainik Jagran (Hindi)	May 14, 2025
Navbharat Times (Hindi)	May 14, 2025
The Times of India (English)	May 14, 2025
The Statesman (English)	May 14, 2025

2.5. STATE ADVISORY COMMITTEE

- 2.5.1. The State Advisory Committee (SAC) meeting was conducted on July 25, 2025, wherein the views and suggestions of the members of the SAC were sought. The same has also been taken into consideration while finalizing the ARR and determining the Tariff. The Minutes of the Meeting of SAC Meeting is attached as **(Annexed as: Annexure V)**.
- 2.5.2. Accordingly, taking into consideration the objections / suggestions received from all the stakeholders, public at large within the stipulated time and the views of the State Advisory Committee, the Commission has finalized the Tariff Order for FY 2025-26.

3. PUBLIC HEARING PROCESS

3.1. PUBLIC HEARING

- 3.1.1. The Commission, in order to achieve the twin objectives of observing transparency in its proceedings and protecting the interest of consumers, has always attached importance to the objections/suggestions/comments of public on the ARR/Tariff. The process is significantly important in a “cost plus regime”, where the entire cost allowed to the licensee gets transferred to the consumer.
- 3.1.2. To provide an opportunity to all sections, in the area of the Petitioner, to express their views and to obtain feedback from them, public hearings were held on July 16, 2025. The Commission, in order to have broader participation and views / comments / suggestions / objections from the public at large and all stakeholders, had uploaded the Notice for Public Hearing (**Annexed as: Annexure IV**) dated June 20, 2025, and July 03, 2025, on its website (www.uperc.org) and the same was also published in the daily newspapers.
- 3.1.3. A large number of consumers across categories and various consumer representatives & associations participated in the public hearings and expressed their views.
- 3.1.4. The State Advisory Committee meeting was held on July 25, 2025, in which ARR and Tariff related issues were discussed, and inputs were sought from the members of the Committee. The same has also been taken into consideration while finalizing and determining the ARR and Tariff. Further, during the whole proceedings the Petitioners have changed / updated / revised few data and the same has been used as the final submission of the Petitioners.
- 3.1.5. The views / suggestions / comments / objections / representations on the True-up / APR / ARR / Tariff submissions received from the public were forwarded to the petitioner for its comments / response.
- 3.1.6. Besides this, the Commission, while disposing of the True-Up / APR / ARR / Tariff Petition filed by the Petitioner, has also taken into consideration the oral and written views / comments / suggestions / objections / representations received from various stakeholders during the public hearings or through post or by email.
- 3.1.7. Further, the views / comments / suggestions / objections / representations from the stakeholders after August 12, 2025, have not been taken into consideration.

3.2. VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATION ON TRUE-UP, APR AND ARR / TARIFF FILINGS

- 3.2.1. The Commission has attempted to capture the views/comments/suggestions/objections/representations in this section. It may be that a few names of stakeholders/ public on the attendance list do not appear in this section, however, all the issues/matters relevant to these proceedings have been discussed. In case any comment/ suggestion/observation is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the stakeholders and Licensee's response on such issues while carrying out the detailed analysis/discussion of the True-Up for FY 2023-24, APR for FY 2024-25 and ARR / Tariff for FY 2025-26.
- 3.2.2. All consumer complaints received by the Commission, which are not a part of these ARR/Tariff proceedings, have also been sent to the Discoms for speedy resolution under intimation to the Commission vide a compliance report. All consumers who had submitted their complaints to the Commission are required to follow up with the Petitioner.
- 3.2.3. The list of the consumers, who have submitted their views/comments/suggestions / objections / representations and participated in the Public Hearing, is appended to this Order. The major issues raised therein, the replies given by the Petitioner and the views of the Commission have been summarised as detailed below:

3.3. TARIFF

Comments / Suggestions of the Public

- 3.3.1. All the stakeholders, from different categories of consumers, have submitted that the regulatory discount of 10% provided to the consumers of the Petitioner should continue. It is also stated that no Tariff Proposal has been submitted by the Petitioner and therefore no tariff hike should be given.

Petitioners' Response

- 3.3.2. The Petitioner has submitted that it has filed its petition no 2168 of 2024 for approval of Annual Revenue Requirement and Tariffs for FY 2025-26, Annual Performance Review for FY 2024-25 and Truing-up for FY 2023-24 and requests the Commission to

take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2025-26 based on submissions of the Petitioner in the aforesaid Petition.

- 3.3.3. Further, in view of the submissions made regarding the Regulatory Gap for FY 2025-26, Regulatory Surplus approved by the Commission vs the amount disputed in the various Appeals and projected Regulatory Discount for the current year FY 2025-26, the Company has requested the Commission to reconsider the continuation of the Regulatory Discount. In the alternative, the Petitioner has requested a reduction in the quantum of the Regulatory Discount to address the projected revenue gap.

Commission's View

- 3.3.4. The Commission has examined all the submissions received from stakeholders across various consumer categories, including domestic, agricultural, industrial, commercial and, MSMEs. Tariffs are determined in accordance with the provisions of MYT Regulations notified by the Commission, ensuring alignment with the actual cost of electricity supply, including power purchase, transmission, and distribution expenses. Further, the Commission takes into consideration tariff rationalization to reflect service costs while minimizing cross-subsidies the quantum of Regulatory Discount depends on a number of factor and has been discussed in detail in Chapter on Tariff Philosophy.
- 3.3.5. The Commission acknowledges the concerns raised regarding the impact of a tariff hike on economically vulnerable segments such as domestic consumers, low-income households, and farmers. The Commission has discussed the Tariff Philosophy in detail in Chapter 8 of this Order.

3.4. SALES AND REVENUE

Comments / Suggestions of the Public

- 3.4.1. One of the stakeholders has submitted that the Petitioner has underperformed in terms of revenue realized as sales revenue in audited accounts is lower than the sales revenue approved by the Commission in ARR for FY 2023-24 in Order dated May 24, 2023. Further, the forecast made for sales for FY 2025-26 must be realistic, and all revenue sources, including captive consumption, should be properly included as the Petitioner has projected a 34.72% increase in ARR which is appreciable rise is

insufficient, particularly in relation to assumptions on sales growth, capital investments and power purchase costs.

- 3.4.2. It is submitted that the Petitioner has shown 3.26 MU captive consumption in sales but booked no revenue. The revenue should be booked by the Petitioners as per Rate Schedule.
- 3.4.3. The stakeholders have also submitted that no details of GOUP subsidy have been submitted by the Petitioner.
- 3.4.4. The concern has also been raised that NPCL increases electricity tariffs every year and sends extra bills, especially during summers. It is also submitted that Bills should be charged at government-approved rates only. One of the Stakeholders, Varroc Engineering Ltd. submitted that since January 2022 NPCL has been raising bills under 11kV despite supplying power at 33 kV and requested to correct the bills.

Petitioners' Response

- 3.4.5. The Petitioner submitted that the ARR of Rs. 2,403.92 crore (as approved by the Commission) and Rs. 2,384.11 crore (as claimed by the Petitioner based on audited accounts) both represent figures before accounting for “Non-Tariff Income” and “Revenue from Open Access Customers.” After including these elements, the Net ARR stands at Rs. 2,367.02 crore (approved by the Commission) and Rs. 2,365.34 crore (as claimed by the company based on audited accounts). Further, the observed reduction in ARR reflects that the company has incurred lower actual expenditure compared to the amount approved by the Commission in its Tariff Order dated May 24, 2023. In addition to above Petitioner submitted that the detailed write-up for True up is being submitted based on the Audited Balance Sheet which is subject to prudence check by the Commission. Further, the comparison highlighted in the query spans two separate years—FY 2023-24 to FY 2024-25 and then FY 2024-25 to FY 2025-26. The Petitioner has already explained the basis and rationale for the ARR projections for each of these years in its submissions for True Up, APR and ARR which together cover assumptions on sales growth, capital investments, and power purchase costs.
- 3.4.6. Regarding the Captive consumption the Petitioner has submitted that the detailed justification for excluding revenue from Captive Consumption is already provided in True UP Petition for FY 2023-24.

- 3.4.7. On the matter of subsidy for Private tubewells the Petitioner has submitted that the Government of Uttar Pradesh (GoUP), through letter dated March 06, 2024, has announced a subsidy on electricity bills for all private tube-well consumers across distribution licenses in Uttar Pradesh, effective from April 01, 2023. Further the petitioner submitted that it has approached the Government of Uttar Pradesh (GoUP) vide multiple letters and requested to remit the subsidy claimed for FY 2023-24 to FY 2025-26 but has not yet received till date and hence, the same will be accounted in revenue as and when received from the Government of U.P.
- 3.4.8. In the matter of excess billing the Petitioner has submitted that the Tariff is being charged throughout the year as per the Rate schedule (Fixed charge, Energy charge, other charges etc.) approved by the Commission time to time in Tariff Orders, latest being 10.10.2024. Further during the summer season, overall energy consumption tends to increase significantly due to higher usage of appliances such as air conditioners, coolers, and fans. This leads to an increase in the energy charges for the consumer, and consequently, results in a higher total electricity bill.
- 3.4.9. Regarding Varroc Engineering Ltd., the Petitioner has submitted that the issue raised pertains to an individual consumer grievance relating to tariff classification and billing, whereas the present proceedings are limited to tariff determination for FY 2025-26. Therefore, such matters are addressed through the Consumer Grievance Redressal Forums (CGRF) established under the provision of the UPERC (Consumer Grievance Redressal Forum) Regulations, 2022. Accordingly, the consumer concerned may approach the relevant CGRF for expeditious resolution of this matter.

Commission's View

- 3.4.10. The Commission has taken note of the submissions made by the Stakeholders and has appropriately dealt with in the relevant chapters. In the submission made by the stakeholder regarding billing, the Commission finds that for Varroc Engineering Ltd., the Petitioner has not addressed the concern even after representation is made to the Petitioner directly and also after receiving the comments. The Commission directs the Petitioner to correct the bills and submit compliance report within a month.

3.5. DISTRIBUTION LOSSES/LINE LOSSES AND TRANSMISSION LOSSES

Comments / Suggestions of the Public

3.5.1. The stakeholders have raised concern regarding high level of losses of the Discom despite of favourable consumer mix & substantial investment in CAPEX and expressed the views that the burden of losses should not be put on consumers. Concerns have also been raised regarding the distribution loss trajectory submitted by the Petitioners. It is submitted that efficiency in performance should be reflected in the distribution loss trajectory and therefore should be lowered.

Petitioner's Response

3.5.2. The Petitioner has submitted that it has achieved the Distribution Loss of 7.49% for FY 2023-24 against the approved losses of 7.63%. It is further submitted that Rural consumers number approximately 68,280, representing 36% of NPCL's total consumer base in FY 2024–25. The Petitioner has also submitted that the detailed justification with regard to the proposed Distribution loss trajectory for the control period FY 2025-26 to FY 2029-30.

3.5.3. Regarding substantial CAPEX the Petitioner has submitted that its capital expenditure is primarily focused on building new substations to meet rising demand, releasing new connections in line with a ~15% growth in the consumer base, investing in IT and automation, acquiring land for substations, and procuring operational vehicles.

Commission's View

3.5.4. The Commission has taken note of the submissions made by the Stakeholders and has appropriately dealt with in the relevant chapters. However, it is pertinent to highlight here that the losses at LT level have been considerably high, which is 18.54% for FY 2024-25 as per the submission made by the Petitioner.

3.6. OTHER ARR COMPONENTS

Comments / Suggestions of the Public

3.6.1. The Stakeholders have expressed concern on the power purchase cost claimed by the Petitioner. It is submitted that NPCL has claimed full fixed charges, additional coal costs, and other adjustments under PPAs. It should be ensured that only justified costs

are passed to consumers. Inefficient procurement, past period claims, or unverified adjustments should not inflate power purchase costs, which directly impact tariffs. The stakeholders have raised concern that the Petitioner has been inefficient in power purchase and should consider self-generation rather than procuring from generators outside the State. In regard to Power purchase, it is also submitted that the Petitioner has not been able to meet RPO target as per the trajectory. Concerns have also been raised that no suitable measure has been taken by the Petitioner for improving their power procurement planning for the past many years.

- 3.6.2. The stakeholders have also submitted that the Petitioner has submitted list of major capital expenditure items without supporting justification, purpose, cost-benefit analysis, or implementation timelines. Unjustified capital expenditure leads to higher fixed costs being passed on to consumers. The concern has been raised regarding the procurement of electrical equipment undertaken by the Petitioner. The Commission must ensure that CAPEX is prudent, essential and directly benefits consumers. One of the consumers stated that the capex on replacement of cables should be done in timely manner.
- 3.6.3. It is also submitted that the Petitioner often faces shortages of materials. Non-availability of poles, LT meters, HT meters, and switch boxes on time delays the process of work.
- 3.6.4. Further, the non-tariff income and depreciation claimed by the Petitioner is not as per Regulations.
- 3.6.5. Overall, it is requested that the ARR claimed by the Petitioner is high and needs to be scrutinized particularly prudence check is required for O&M expenses, Return on Equity and Depreciation.

Petitioners' Response

- 3.6.6. The Petitioner has submitted that it has filed its petition no 2168 of 2024 for approval of Annual Revenue Requirement and Tariffs for FY 2025-26, Annual Performance Review for FY 2024-25 and Truing-up for FY 2023-24 for the consideration of the Commission. In the petition, the Petitioner has already submitted the detailed justification for claiming costs, including Power Purchase Cost, based on the audited accounts for FY 2023-24. In its ARR Tariff Petition for FY 2025-26, the Petitioner

proposed reducing short-term power procurement to 26%, down from 36% in FY 2023–24 and aims to source 75% of its power through long-term contracts in the coming years.

- 3.6.7. With regard to the Capital expenditure the Petitioner has submitted that in ARR Petition and Tariff Formats it has submitted detailed justifications and computation for the capital expenditure.
- 3.6.8. With regard to shortage of material the Petitioner has submitted that it maintains adequate inventory by entering into annual rate contracts for critical materials such as poles, meters, and junction boxes. This approach ensures consistent and sufficient material availability to meet operational requirements.
- 3.6.9. The Petitioner has made submission on comments for O&M Expenses, Return on Equity and Depreciation. With regard to high O&M expenses and low non-tariff income the Petitioner has submitted that it has submitted detailed justifications for its claimed O&M expenses & non-tariff income, based on the audited accounts for FY 2023–24 and MYT Regulations 2025. With regard to the Higher Return on Equity the Petitioner has submitted that it has filed multiple appeals (Nos. 98/2021, 343/2021, 398/2022, 676/2023, and 58/2025) before the Hon’ble Tribunal challenging various Tariff Orders issued between 2020 and 2024. As these matters are sub judice, the Petitioner has accounted for the respective balances without incorporating the Commission’s adjustments. For the comment on Depreciation the Petitioner has submitted that it has claimed depreciation as per the provision of the MYT Regulations and appropriate adjustment has been made for the retired and replaced assets. Further the Petitioner has submitted that it has already submitted the detailed justification for Non-Tariff Income, based on the MYT Regulations, 2019 and audited accounts for FY 2023-24, for consideration of the Commission.

Commission’s View

- 3.6.10. The Commission is of the view that there is no stay granted by Hon’ble APTEL on the Appeals filed by the Petitioner. Therefore, the Petitioner should have considered the values approved by the Commission while determining the value of components of ARR such as RoE, Interest on Loan, Depreciation etc. The Commission has approved the ARR after prudence checking and scrutinizing the submissions made by the

Petitioner. The Commission has taken note of the submissions made by the Stakeholders and has appropriately dealt with in the relevant chapters.

3.7. PROMOTION OF RENEWABLE ENERGY

Comments / Suggestions of the Public

3.7.1. A stakeholder from industry requested for the reintroduction of net metering for industrial consumers to facilitate renewable energy adoption and reduce dependence on conventional grid supply.

3.7.2. Another Stakeholder submitted that the Petitioner should incorporate proposals related to Energy Storage Systems, PM Surya Ghar–Muft Bijli Yojana, and Demand Side Management in its submission.

Petitioners’ Response

3.7.3. The Petitioner has submitted that the Commission has already notified the Rooftop Solar PV Grid Interactive Systems Gross / Net Metering Regulations, 2019, which govern the applicable framework in this regard. As per the said Regulations, the Net Metering scheme is permitted only for LMV-1 (domestic) consumers and LMV-5 (agricultural) consumers. The Consumers may provide their suggestions to the Commission regarding any change in the above said Regulations.

3.7.4. Furthermore, the Petitioner has submitted that it has finalized a tender for procuring power from Battery Energy Storage Systems (BESS) in accordance with the Ministry of Power’s 2022 guidelines and will soon seek Commission approval. Under the PM Surya Ghar – Muft Bijli Yojana (PMSG-MBY), it plans to install 1,100 new net meters in FY 2025–26, having already exceeded the FY 2024–25 target by facilitating 472 connections. Additionally, the Petitioner has included various Demand Side Management (DSM) and sustainability initiatives in its FY 2025–26 filings, such as EV charging infrastructure, energy efficiency programs, BLDC fan replacements, zero-waste mechanisms, and water conservation projects, all aimed at enhancing energy efficiency, reducing peak demand, and promoting long-term sustainability.

Commission’s View

3.7.5. The Commission is of the considered view that the benefit of net metering cannot be extended to all categories of consumers as it has huge cost implication for the Discoms.

Net metering allows 100% banking and withdrawal of such banked power at any time of the day including peak hours. Power purchase cost for daytime (off peak hours) is low and during peak hours it is high. Thus, a net metered consumer injects power when it is cheap and withdraws power when it is costly. Moreover, considering the demand profile of the state, demand during daytime is low and solar power injections are high, leading to issues of management of such power. Therefore, domestic consumers being subsidised consumers are promoted to install roof top and avail net metering. While industrial consumers cannot avail net metering, they can opt for net billing and reduce their power purchase cost.

3.8. SUPPLY CODE/ PERFORMANCE RELATED ISSUES

Comments / Suggestions of the Public

- 3.8.1. Complaints related to high voltage fluctuation, frequent tripping and maintenance of electrical equipment have been raised by the stakeholders from industries and multistorey buildings.
- 3.8.2. One of the stakeholders requested that if a premises is given on rent, the tenant shall be allowed to take a separate connection. This issue is quite grave in the area of Licensee as big plots have been allotted and therefore the premises can be rented to several tenants.
- 3.8.3. One of the stakeholders raised the concern that when an MSME establishes a new company, it is provided with a temporary electricity connection (LMV-9) for construction activities. It is requested that MSMEs may be provided connection under LMV-6 consumer category.
- 3.8.4. Several stakeholders submitted that the load limit for LMV-6 category consumers should be increased from 50kW to 75-100 kW.

Petitioner's Response

- 3.8.5. The Petitioner has submitted that the network has been developed by the Local Area Development Authority and handed over to the Petitioner. The Petitioner strives to maintain supply voltage within the prescribed limits of 230 V $\pm 6\%$ at all consumer terminals, as per the provisions of U.P. Electricity Supply Code 2005 and its subsequent amendments. Instances of persistent high voltage, such as 250–252 V, are taken

seriously, and corrective measures — including network reconfiguration, installation of voltage regulators, or load balancing — are undertaken time to time to ensure consumer safety and prevent potential damage to home appliances.

3.8.6. With regard to Phasing and Tripping issue the Petitioner has submitted that they regularly monitor the condition of electric pillars as part of its preventive maintenance program. Aging or damaged infrastructure is identified through field inspections and system performance data. Accordingly, timely replacement is undertaken in a phased manner based on criticality, safety, and network reliability considerations, ensuring minimal disruption to consumers.

3.8.7. On the matter of separate connection, temporary supply connection and load augmentation/reduction, the Petitioner has submitted that it is complying with the provisions of the UPERC Supply Code, 2005. All applications are processed as per the laid-down regulatory procedures to ensure transparency and timely service delivery.

Commission's View

3.8.8. The Commission has taken note of the submissions made by the stakeholders and is of the view that the concerns raised by the stakeholders primarily related to supply code to be dealt with separately.

3.9. SINGLE POINT TO MULTIPOINT CONNECTION

Comments / Suggestions of the Public

3.9.1. Consumers in multi-storied buildings have raised several concerns, including higher electricity charges collected by builders/RWAs compared to payments made to distribution licensees, non-passing of rebates, and lack of transparency in billing—especially for prepaid meters under single-point and multi-point connections. Issues include deduction of unrelated charges from prepaid meters, denial of new connections, unclear responsibilities for infrastructure maintenance, and lack of proper surveys or consent in converting from single point to multi-point connections. Consumers also face challenges due to excessive documentation, exclusion of townships from the 13th Amendment, and incomplete infrastructure handovers. Additional concerns involve lack of clarity on rooftop solar (RSPV) installations, net metering benefits not reaching consumers, unresolved complaints with CGRFs,

difficulties in EV charging connections, and recharging prepaid meters. It is also submitted that there has been non-compliance of the directives of the Commission in Tariff order that October 10, 2024.

Petitioners' Response

3.9.2. The Petitioner submitted that the issue does not relate to the current tariff determination for FY 2025–26. It is further submitted that the Petitioner had launched an online portal in March 2025 and repeatedly notified deemed franchisees to comply with directives from the Commission's order dated 10.10.2024, however, Nirala Estate has failed to upload audited billing data and share individual consumption details with residents. As a result, the Petitioner imposed a Rs. 5,000 penalties in July 2025 for non-compliance.

Commission's View

3.9.3. The Commission is developing a framework concept paper to holistically address different concerns the concerns raised by the consumers in multi-storeyed buildings, both on single point and on multi-point supply subsequent to implementation of 13th Amendment in Supply Code as well as in townships on single point connection. The Concept paper will be issued shortly after issuance of Tariff order. The concept paper endeavours to resolve as many issues as possible barring the extension of facility of net metering benefits in multi-storied buildings, as this will be taken care of immediately in aftermath of issuance of group net metering and virtual net metering Regulations by this Commission. These Regulations are likely to be issued shortly. However, the Concept paper will deal with virtually all remaining issues, but it will involve a paradigm shift in the roles and responsibilities of various stakeholders involved in providing supply to the consumers of multi-storied buildings and townships and an attempt is being made to use technology in order to optimize the cost. The Commission considers it prudent that the discussion paper is floated for discussion among the stakeholders and would be given a final shape after providing an opportunity of hearing to various stakeholders so that the solution remains pragmatic keeping in view the ground realities while ensuring that a strict regulatory oversight is there on various players so that the consumers at large are not fleeced by the

unscrupulous developers/builders/RWAs and that the consumers do not fall hostage to the situational seize. However, three issues for which no detailed consultation is required and where either the licensee or the consumers are facing pressing difficulties or where serious omissions of Commission's directions have come to the notice of Commission, are being dealt through this tariff order, in order to avoid any further delay in compliance of these issues.

3.10. MISCELLANEOUS

Comments / Suggestions of the Public

3.10.1. The stakeholders have submitted that data on connections in the dark zone, where new connections are banned, has not been submitted. It is requested to conduct investigation in this regard. The stakeholders also submitted that electrical panels installed by NPCL are mostly old and finished, posing a constant danger. All such panels should be replaced. The stakeholders have raised concern regarding rising cases of theft, particularly due to Vacant houses in the city. It is requested that efforts should be made to curb such cases. One of the stakeholders highlighted that after installation of electrical equipment NPCL does not complete the excavation works. Concern has also been raised by the stakeholders regarding inefficient customer services as there is delays in response times, prolonged documentation verification even after online application, and the continued requirement to submit hard copies of supply agreements at the office. There have been instances of delay in providing connection that have been raised by the stakeholders. The stakeholders from industry have also submitted that despite making the payment, RMU has not been installed by the Petitioners.

3.10.2. Stakeholders have submitted that electricity duty should not be increased, tariffs should be cost-reflective, and the Time-of-Day (ToD) tariff should align with the Ministry of Power's Electricity (Rights of Consumers) Amendment Rules, 2003, dated 14.06.2023.

Petitioners' Response

3.10.3. The Petitioner has explained that challenges in providing connections in unauthorized colonies and flood-prone (Doob) areas were already addressed in its ARR Petition and

related correspondence, forming part of the justification for the proposed distribution loss trajectory for FY 2025–26 to FY 2029–30.

3.10.4. Regarding old electrical panels, the Petitioner stated that it conducts regular monitoring and phased replacement based on safety and reliability. Damage due to third-party activities or theft is promptly repaired to maintain system integrity.

3.10.5. On electricity theft in vacant houses, the Petitioner clarified that it does not support such practices and that property owners are responsible for securing premises. Legal action is taken under the Electricity Act, 2003, and consumers are encouraged to report suspicious activities with specific details.

3.10.6. The Petitioner affirmed that its online process for new connections is fully operational, with over 90% of requests processed online. Physical submission of the Supply Agreement remains necessary. Consumers are advised to contact customer care for unresolved issues or missing application details.

3.10.7. For excavation-related complaints, the Petitioner stated that restoration of affected areas is standard practice. Consumers are requested to provide specific issue details for further investigation and action.

3.10.8. On RMU procurement, the Petitioner explained the process takes 4–5 months due to bidding, design approvals, and delivery timelines. RMUs are being installed across the network, and consumers are asked to share specific concerns for resolution.

3.10.9. The Petitioner clarified that Electricity Duty is a statutory charge levied by the Government of Uttar Pradesh, and the Company only acts as a collecting agent, depositing the amount with the relevant authorities.

3.10.10. The Petitioner has submitted that it has filed the Tariff Petition for approval of tariff, revenue gap, and surplus. In accordance with the Commission's Tariff Order dated 10.10.2024, it has implemented Time-of-Day (ToD) tariffs for all eligible consumer categories.

Commission's View

3.10.11. Electricity Duty matter is not in the purview of the Commission. The Commission has deliberated upon ToD structure in tariff order dated October 10, 2024, taking into consideration the load profile and other factor to align with the Rules. The Commission



is of the view that frequent changes in ToD structure should not be made. For other comments, the Commission has taken note of the other submissions.

4. TRUE UP OF FY 2023-24

4.1. BACKGROUND

- 4.1.1. The Petitioner has filed the Truing Up of expenditures and revenue for FY 2023-24 based on the expenditures and revenue as per Audited Balance Sheet and applicable Regulations. In this section, the Commission has analyzed all the elements of expenditures and revenue for FY 2023-24 and has undertaken the truing up of expenses and revenue after a prudence check of the data made available by the Petitioner as per Regulations.
- 4.1.2. The Petitioner has submitted that Regulation 6 of MYT Regulations, 2019, states about the True Up of the Aggregate Revenue Requirement of the Distribution Licensee.
- 4.1.3. The Petitioner, based on the Annual Balance Sheet, actual operational data and Regulations for the Financial Year 2023-24, has submitted this petition for Truing-up of ARR for FY 2023-24 for the approval of the Commission in the prescribed formats as per MYT Regulations, 2019.
- 4.1.4. The Petitioner has submitted the details of True-up of ARR for FY 2023-24, and operational results as per the Accounting Statement for FY 2023-24 for perusal and approval of the Commission. The Petitioner has also submitted the Annual Energy Audit Report for FY 2023-24.
- 4.1.5. As per the direction of the Commission in the Tariff Order for FY 2014-15, the accounts of the Petitioner for True Up year have been audited by an independent auditor appointed by the Commission.

4.2. BILLING DETERMINANTS

Petitioner's Submission

- 4.2.1. The Petitioner has submitted that, as per the Tariff Order dated May 24, 2023, the Commission approved the number of consumers, connected load and sales for FY 2023–24 as 1,68,359 consumers, 1,606.75 MW load and 3315.59 MU sales respectively. However, as per the Audited Balance Sheet, the actual figures are 1,61,914 consumers and 1,658.61 MW load and 3130.40 MU sales respectively. The details of the same are shown in the Table below:

TABLE 4-1 NO. OF CONSUMERS & CONNECTED LOAD (FY 2023-24) AS APPROVED IN ARR/ TARIF ORDER FOR FY 2023-24

Sl. No.	Category	No. of Consumers	Connected Load (MW)	Sales (MU)
1	LMV-1: Domestic Light, Fan & Power	1,54,407	643.32	980.70
2	LMV-2: Non-Domestic Light & Fan & Power	5,060	47.77	59.28
3	LMV-3: Public Lamps	499	12.58	37.76
4	LMV-4: Institutions	620	8.3	18.89
5	LMV-5: Private Tube Wells	1,292	6.5	20.45
6	LMV 6: Small and Medium Power	3,880	100.24	130.94
7	LMV-7: Public Water Works	320	13.88	30.48
8	LMV-9: Temporary Supply	933	19.69	54.58
9	Electric Vehicle Charging (LMV-11)	23	1.81	1.01
10	HV-1: Non-Industrial Bulk Power	285	192.6	435.50
11	HV-2: Large and Heavy Power	1,040	560.06	1,546.00
	Total	1,68,359	1,606.75	3,315.59

TABLE 4-2 NO. OF CONSUMERS & CONNECTED LOAD (FY 2023-24) AS SUBMITTED BY THE PETITIONER

Sl. No.	Category	No. of Consumers	Connected Load (MW)	Sales (MU)
1	LMV-1: Domestic Light, Fan & Power*	1,47,935	747.30	982.87
2	LMV-2: Non-Domestic Light, Fan & Power	5,050	49.18	76.64
3	LMV-3: Public Lamps	921	9.65	27.84
4	LMV-4: Institution	527	7.78	17.74
5	LMV-5: Private Tube Wells*	971	5.06	10.68
6	LMV-6: Small and Medium Power	3,708	94.68	130.31
7	LMV-7: Public Water Works	315	15.71	32.69
8	LMV-9: Temporary Supply	1,123	20.56	58.32
9	LMV-11: Electric Vehicle Charging	7	0.35	0.03
10	HV-1: Non-Industrial Bulk Power	289	169.75	370.23
11	HV-2: Large and Heavy Power	1,068	538.59	1,423.06
	Total	1,61,914	1,658.61	3,130.40
	Actuals as on 31 st March 2023	1,35,214	1,448.95	2,870.42
	Growth over previous year	19.75%	14.47%	9.05%

*Total may not be tally due to rounding off

4.2.2. The Petitioner has submitted that the projections of number of consumers and the connected load were based on certain assumptions regarding various factors such as forthcoming development in area, Master Plan of Greater Noida Industrial Development

- Authority, Central / State Govt. schemes like “Saubhagya” scheme, conversion of Single point to multi point connections etc., however, the actual number of consumers and connected load have varied because of variations in the aforesaid parameters.
- 4.2.3. The Petitioner has requested the Commission to approve the Connected Load and Consumer Numbers as per the Audited Balance Sheet for FY 2023-24, the same.
- 4.2.4. Further, the Commission vide Tariff Order dated May 24, 2023, had approved the rate schedule vide which a regulatory discount of 10%, applicable to all the consumers of Greater Noida, was retained by the Commission which was applicable from June 06, 2023.
- 4.2.5. Accordingly, the consumers were billed on the basis of applicable tariff order i.e. Rate Schedule approved in the prevailing Tariff Order dated July 20, 2022, from April 01, 2023, to June 05, 2023, and as per the revised Rate Schedule approved vide Tariff Order dated May 24, 2023, for the remaining period from June 06, 2023, till March 31, 2024.
- 4.2.6. The Government of Uttar Pradesh (GoUP), through letter no. 443/24-1-2024-49P/2014 dated March 06, 2024, had announced a subsidy on electricity bills for all private tube-well consumers across distribution licenses in Uttar Pradesh, effective from April 01, 2023. Although the Petitioner vide letter no. NPCL/MD/2024/09/001 dated September 11, 2024, has approached the Government of Uttar Pradesh (GoUP) and requested to remit the subsidy claimed for FY 2023-24 but has not yet received till date and hence, the same will be accounted in revenue as and when received by the Government of U.P.
- 4.2.7. The Petitioner has submitted that the Commission vide Tariff Order dated July 20, 2022, has included the deemed revenue against the Captive Consumption of the Petitioner at the rate of LMV-4(B) and Sales (MU) at the time of True up for FY 2020-21. Aggrieved by the aforesaid treatment, the Petitioner has filed Appeal No 398 of 2022 before the Hon’ble APTEL, which is pending adjudication.
- 4.2.8. As the aforesaid matter is still pending before the Hon’ble APTEL, the Petitioner has considered the captive consumption for FY 2023-24 under Category 4(B) as per the directions of the Commission, nevertheless, the revenue has been considered at NIL value as per past practices. The Commission may appreciate that if the Captive Consumption in MUs is not included in the Sales, the same will result in incorrect computation of the T&D Losses. Therefore, it is very necessary to include Captive

Consumption in MUs in Sales. It is pertinent to mention here that earlier the Petitioner was considering unit consumed captively under LMV-4 (A) category.

4.2.9. The Petitioner submitted the details of the Captive Consumption and corresponding amount, as per the LMV- 4(B) Tariff Schedule, which is detailed in the Table given below:

TABLE 4-3 CAPTIVE CONSUMPTION REVENUE AS SUBMITTED BY THE PETITIONER

S. No.	Particulars	FY 2023-24	Remark
1	Sales (MU)	3.26	Included in Sales
2	Revenue (Rs. Cr.)	3.02	Normative value of Revenue

4.2.10. The Petitioner further submitted that all the connections for captive purposes are metered and duly reconciled every month. The recorded energy in the meters has been considered in the sales since inception and allowed by the Commission.

4.2.11. The Petitioner also submitted that the Hon'ble Tribunal has dealt a similar issue related to the self/ captive consumption by a Distribution Licensee in the matter of Arun Kumar Datta Vs. DERC & Otr. in Appeal No.195 of 2013 [Judgement dated February 09, 2015] wherein it was observed that the State Commission should have allowed self-consumption only to the extent of actual consumption for metered installations and therefore it is directed to determine the self-consumption based on the metered data only.

4.2.12. The Petitioner has submitted that from the above Judgement of the Hon'ble Tribunal, it is also clear that the self / captive consumption by the Distribution Licensee in running its offices, call centers, substations, Distribution Business etc. is required to be allowed by the Commission to the extent of actual consumption for metered installations.

4.2.13. The Petitioner has further submitted to continue the treatment of captive consumption at NIL value as the same has been considered by the Commission in the previous Orders. The Petitioner has further submitted that Captive consumption cannot be treated as sale as grammatically sales mean any transfer of property in goods by one person to another. The Petitioner also submitted that there is no transfer in case of captive consumption.

4.2.14. Additionally, the Petitioner has submitted that if Captive Consumption (MU), both in Revenue (Rs.) and Sales (MU) are considered, then the corresponding actual expenses in A&G expenses should also be allowed, as the base A&G expenses do not include

expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in Revenue of FY 2020-21 being the first year of new MYT control period.

4.2.15. The Petitioner has submitted that the Commission in its Tariff Order dated Oct 10, 2024, while Truing-up ARR for FY 2022-23 has considered the captive consumption observing as follows-

*“4.19.23 The Petitioner has claimed additional O&M regarding the payment of the captive consumption of electricity bills, however, the Commission has already finalized the base values of O&M for the control period & hence it would not like to go into the merit of the matter at this stage and proceedings. Further, an Appeal filed by the Petitioner is pending before the Hon’ble APTEL in this matter. **However, the deemed revenue is provisionally not being considered in this Tariff Order.** The final treatment will be done as per the orders passed by Hon’ble APTEL in the above said Appeal.”*

4.2.16. In view of the above, Petitioner has requested to approve the actual sales and revenue for FY 2023-24 as per the Audited Balance Sheet considering captive consumption at NIL value.

4.2.17. The Petitioner has further submitted that in the case of LMV-1 and LMV-5, unmetered sales are accounted based on the consumption pattern/use of the electricity in the concerned area. There are 118 villages in its licensed area, where migrant labour/encroachers are in abundance, and they are often found indulging in the theft of electricity. Apart from the above due to ongoing development activities, in many cases, the land though acquired by GNIDA, but continue to be utilized for farming activities by encroachers/ earlier occupants and indulge into pilferage of power, therefore, in order to curb theft of power and Distribution Losses, it regularly conducts loss control drives in these areas to remove unauthorized tapings as well as recovery of sales through assessment under Section 126 read with 135 of the Act for unauthorized use/theft of Electricity which otherwise could not be accounted for. The amount recovered against such cases is being accounted under the same category. Since these are unauthorized connections, the amount assessed and recovered against electricity theft from such consumers under Section 126 read with 135 of the Act does not get reflected in the number of consumers and their consumption when computed on the basis of only authorized consumer numbers and connected load as mentioned in the forms

prescribed by the Commission. It is pertinent to mention here that such assessed and recovered amount is also included in the sales of LMV-1 and LMV-5 categories which the Commission has been wrongly considering as “Excess Sales”.

4.2.18. The Petitioner has submitted that the above treatment of accounting for assessed consumption in theft cases is in sync with the judgment of the Hon’ble APTEL as held in the matter of **Reliance Infrastructure Limited Vs. MERC & Ors.** in Appeal No. 85 of 2012 wherein the Hon’ble APTEL observed that **the assessed energy has to be considered as supplied by the distribution licensee to the concerned person.** *It is also observed that If the distribution licensee has plugged the energy “leakages” in the system through vigilance initiative, it has not only ensured that the recorded consumption would increase in future but has also ensured that the consumption not recorded in the meter in the past is also retrieved by charging the concerned person for such energy. According to Hon’ble APTEL, there is no dispute that the pilfered electricity has also been consumed and has been procured by the distribution licensee for distributing in its licensed area. The pilfered energy has not been recorded in the meter and can only be assessed.*

4.2.19. Furthermore, the Petitioner has submitted that the unmetered sales of the Petitioner are within the norms prescribed for State U.P. DISCOMs by the Commission in its Order dated 09th December 2016. These norms have also been made applicable to the Petitioner through the Tariff Order dated 04th December 2020, which is currently under challenge before the Hon’ble APTEL in Appeal No. 98/2021. Accordingly, the details of the sales booked of LMV -1 and LMV – 5 categories during FY 2023-24 are as shown in Table herein below:

TABLE 4-4 DETAILS OF UNMETERED SALES AS SUBMITTED BY THE PETITIONER FOR LMV 1 CATEGORY

Particulars	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
No. of Consumers	889	831	819	766	739	670	660	660	660	653	653	653	653
Connected Load (in MVA)	2.32	2.19	2.16	2.01	1.95	1.79	1.76	1.76	1.76	1.74	1.74	1.74	1.74
PF	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
Connected Load (in MW)	2.09	1.97	1.94	1.81	1.75	1.61	1.58	1.58	1.58	1.57	1.57	1.57	1.57
Sales claimed by the Petitioner	0.30	0.28	0.28	0.26	0.25	0.23	0.23	0.23	0.23	0.23	0.23	0.23	2.97

TABLE 4-5 DETAILS OF UNMETERED SALES AS SUBMITTED BY THE PETITIONER FOR LMV 5
CATEGORY

Particulars	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
No. of consumers	381	380	380	349	347	329	291	288	288	287	287	286	286
Connected Load (in MVA)	1.75	1.74	1.73	1.60	1.59	1.50	1.33	1.32	1.32	1.31	1.31	1.31	1.31
PF	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
Connected Load (in MW)	1.57	1.57	1.56	1.44	1.43	1.35	1.20	1.19	1.19	1.18	1.18	1.18	1.18
Sales claimed by the Petitioner	0.22	0.22	0.22	0.20	0.20	0.19	0.17	0.17	0.17	0.17	0.17	0.16	2.24

4.2.20. The above table shows that the energy consumption of LMV - 1 and LMV - 5 unmetered categories is 2.97 MUs and 2.24 MUs respectively for FY 2023-24. Thus, the Petitioner requested the Commission to true-up the actual number of consumers, connected load, sales and revenue for FY 2023-24 including the unmetered sales for LMV-1 and LMV-5 category based on the Accounting Statement.

4.2.21. Additionally, the Petitioner has provided the details of energy sales and revenue booked against theft cases during FY 2023-24 in the Table below.

TABLE 4-6 DETAILS OF THEFT CASES AS SUBMITTED BY THE PETITIONER FOR FY 2023-24

Category	Theft Cases (No.)	FIR Lodged (No.)	Units Assessed (MU)	Revenue Assessment (Cr.)	Units Realized (MU)	Revenue received against Theft (Cr.)	Revenue Included in the accounting statement (Cr.)
LMV-1	6451	2836	35.37	38.83	6.82	7.07	7.07
LMV-2	252	123	5.24	7.84	0.58	0.88	0.88
LMV-4	4	2	0.10	0.19	0.02	0.03	0.03
LMV-5	435	6	5.84	1.26	0.10	0.03	0.03
LMV-6	26	18	0.52	0.68	0.11	0.16	0.16
LMV-7	1	-	0.04	0.00			
LMV-9	91	14	0.20	0.45	0.08	0.11	0.11
HV-1	1	1	0.87	1.51	0.87	1.51	1.51
TOTAL	7261	3000	48.18	50.76	8.58	9.80	9.80

4.2.22. The Petitioner has submitted that it has determined the value of the balance unutilized net metering units i.e. 0.13 MUs at the end of the FY 2023-24 (the settlement period) and payment made to the consumer at a net metering Rate of Rs. 2/Unit amounting to Rs. 0.03 Cr. as per aforesaid UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 and the same has been accounted in the Power Purchase

section of this Chapter. Accordingly, the reconciliation of sales and revenue with net-metering impact for FY 2023-24 is given in Table here below:

TABLE 4-7 SALES AND REVENUE BREAK UP INCLUDING NET-METERING IMPACT AS PROVIDED BY THE PETITIONER FOR FY 2023-24

S No.	Particulars	Ref.	Units (MUs)	Revenue (Rs. Cr.)
1	Sales and Revenue from Sale of Electricity as per Audited Balance Sheet	a	3,135.91	2,324.86
2	Less: Deemed Sales and Revenue against Net-metered Procurement	b	5.51	3.88
3	Actual Sales and Revenue billed from Sale of Electricity excluding Net-metering	c=a-b	3,130.40	2,320.97

4.2.23. The Petitioner has submitted that the Commission had approved the sales and revenue at 3,315.59 MU and Rs. 2,413.23 Cr. respectively. However, the actual sales and revenue have varied because of variations in the parameters, based on actual consumption and supply conditions.

4.2.24. The Petitioner has submitted that the prevailing Rate Schedule largely comprises of two components viz. demand charge based on connected load irrespective of actual consumption and energy charge which varies directly in proportion to the actual consumption of the consumers. Due to power supply, load factor of consumers, and various other reasons, which are beyond the control of the Petitioner, the actual sales, revenue, and Average Billing Realization (ABR) as per Annual Balance Sheet have varied as compared to the amount approved in Tariff Order dated May 24, 2023.

4.2.25. The Petitioner has submitted that all billing parameters viz. the details of category / sub-category, rate schedule of the respective category / subcategory, other parameters applicable under each category, general clauses of rate schedule and provisions of Electricity Supply Code are configured in the SAP-ERP only. More than 95% of the meter reading is done through AMR, LPR and CMRI without any manual intervention, hence, the sales and revenue are automatically recorded / computed by the SAP-ERP system. The Petitioner has requested the Commission to true-up the actual sales and revenue for FY 2023-24 on the basis of Audited Balance Sheet.

Commission's Analysis

4.2.26. The Commission observes that the Petitioner has reported total energy sales of 3,130.40 MU for FY 2023–24, whereas the Audited Balance Sheet reflects a figure of 3,135.91 MU. Accordingly, the Commission sought clarification regarding this discrepancy. In response, the Petitioner has submitted that the deemed sale and revenue from net metering procurement have been adjusted from the total sales and revenue figures in the Audited Balance Sheet. The monthly details of energy managed through net metering—including energy banked, adjusted, and settled at the end of FY 2023–24 along with its treatment in the Audited Balance Sheet, are presented below.

TABLE 4-8 DETAILS OF ENERGY MANAGED THROUGH NET METERING MONTHLY BASIS FY 2023-24

Category Type	HV-1		HV-2		LMV-1		LMV-2		LMV-3		LMV-4		LMV-6		TOTAL	
Month	MU	Rs. Cr.	MU	Rs. Cr.	MU	Rs. Cr.			MU	Rs. Cr.	MU	Rs. Cr.	MU	Rs. Cr.	MU	Rs. Cr.
Apr-23	0.32	0.27	0.39	0.27	0.12	0.07	-	-	-	-	0.01	0.00	0.01	0.00	0.85	0.62
May-23	0.21	0.18	0.23	0.16	0.10	0.06	-	-	-	-	0.00	0.00	0.00	0.00	0.55	0.40
Jun-23	0.19	0.16	0.24	0.17	0.10	0.06	0.00	0.00	-	-	0.00	0.00	0.00	0.00	0.54	0.39
Jul-23	0.07	0.06	0.09	0.06	0.07	0.04	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.24	0.17
Aug-23	0.07	0.05	0.19	0.13	0.08	0.05	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.35	0.25
Sep-23	0.09	0.07	0.25	0.17	0.09	0.06	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.44	0.30
Oct-23	0.08	0.06	0.15	0.10	0.12	0.07	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.36	0.24
Nov-23	0.19	0.15	0.22	0.15	0.08	0.05	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.50	0.36
Dec-23	0.12	0.10	0.11	0.07	0.07	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.21
Jan-24	0.07	0.06	0.08	0.05	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.13
Feb-24	0.14	0.11	0.15	0.10	0.09	0.05	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.39	0.27
Mar-24	0.34	0.26	0.28	0.18	0.15	0.09	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.79	0.54
FY_24	1.88	1.52	2.38	1.61	1.11	0.65	0.01	0.00	0.06	0.05	0.03	0.02	0.04	0.02	5.51	3.88
Energy Settled at end of FY_24	0.01	0.00	-	-	0.12	0.02	-	-	-	-	0.00	0.00	-	-	0.13	0.03

** Based on the Audited Balance Sheet, the Petitioner has included Rs. 3.91 Cr in both, i.e. the Power Purchase cost as well as the Billed Revenue keeping the net impact on ARR and Revenue as neutral.*

4.2.27. As per the third proviso of Regulations 10.4(iii) and 10.4(iv) of UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019, in Net Metering arrangement, at the end of each settlement period, any electricity credits, which remain unadjusted, shall be paid at a Net Metering Rate of Rs 2/kWh by the Distribution Licensee or as notified by the Commission from time to time.

4.2.28. The Commission observes that the energy injected into the grid by consumers is typically utilized within the same financial year, and no bill is raised by the Petitioner for

such usage. In essence, the energy injected in the grid, which is treated as a “purchase” by the Petitioner, is returned to the consumer in the subsequent month(s). As a result, no further adjustment is necessary for this energy. However, any energy that remains unutilized at the end of the financial year is to be treated as a “purchase” by the Petitioner at the tariff specified in the third proviso to Regulations 10.4 (iii) and 10.4 (iv) of the UPERC RSPV Net Metering Regulations, 2019. Accordingly, the Commission approved the category wise energy sales as per Audited Balance Sheet of the Petitioner for FY 2023-24. The appropriate treatment, in relation to energy related to net metering, has been done in the approval for power purchase cost.

4.2.29. The Category-wise billing determinants approved/Trued up for FY 2023-24 by the Commission are shown in the Table below:

TABLE 4-9 NO. OF CONSUMER APPROVED BY THE COMMISSION FOR FY 2023-24

Consumer Category	Approved in TO for FY 2023-24 dated 24.05.2023	Claimed	Approved
(LMV1) Domestic Light, Fan & Power	1,54,407	1,47,935	1,47,935
(LMV2) Non- Domestic Light, Fan & Power	5,060	5,050	5,050
(LMV3) Public Lamps	499	921	921
(LMV4) Light, Fan & Power for Institutions	620	527	527
(LMV5) Small Power - Private Tube wells	1,292	971	971
(LMV6) Small and Medium Power	3,880	3,708	3,708
(LMV 7&8) Public Water Works	320	315	315
(LMV9) Temporary Supply	933	1,123	1,123
(LMV11) Electric Vehicle Charging	23	7	7
(HV1) Non-Industrial Bulk Load	285	289	289
(HV2) Large & Heavy Power	1,040	1,068	1,068
Total	1,68,359	1,61,914	1,61,914

TABLE 4-10 CONNECTED LOAD IN (MW) APPROVED BY THE COMMISSION

Connected Load (MW)	Approved in TO for FY 2023-24 dated 24.05.2023	Claimed	Approved
(LMV1) Domestic Light, Fan & Power	643	747	747
(LMV2) Non- Domestic Light, Fan & Power	48	49	49

Connected Load (MW)	Approved in TO for FY 2023-24 dated 24.05.2023	Claimed	Approved
(LMV3) Public Lamps	13	10	10
(LMV4) Light, Fan & Power for Institutions	8	8	8
(LMV5) Small Power - Private Tube wells	7	5	5
(LMV6) Small and Medium Power	100	95	95
(LMV 7&8) Public Water Works	14	16	16
(LMV9) Temporary Supply	20	21	21
(LMV11) Electric Vehicle Charging	2	0	0
(HV1) Non-Industrial Bulk Load	193	170	170
(HV2) Large & Heavy Power	560	539	539
Total	1,607	1,659	1,659

TABLE 4-11 ENERGY SALES APPROVED BY THE COMMISSION

Consumption (MU)	Approved in TO for FY 2023-24 dated 24.05.2023	Claimed	Approved
(LMV1) Domestic Light, Fan & Power	980.70	982.87	984.00
(LMV2) Non- Domestic Light, Fan & Power	59.28	76.64	76.64
(LMV3) Public Lamps	37.76	27.84	27.84
(LMV4) Light, Fan & Power for Institutions	18.89	17.74	17.74
(LMV5) Small Power - Private Tube wells	20.45	10.68	10.68
(LMV6) Small and Medium Power	130.94	130.31	130.31
(LMV 7&8) Public Water Works	30.48	32.69	32.69
(LMV9) Temporary Supply	54.58	58.32	58.32
(LMV11) Electric Vehicle Charging	1.01	0.03	0.03
(HV1) Non-Industrial Bulk Load	435.50	370.23	372.00
(HV2) Large & Heavy Power	1,546.00	1,423.06	1,426.00
Total	3,315.59	3,130.41	3,135.92

4.2.30. The Commission notes that the Petitioner submitted a letter to the Government of Uttar Pradesh (GoUP), claiming an amount of Rs. 75,84,413 under the subsidy scheme applicable to registered eligible private tube-well consumers in its area, effective from April 1, 2023, as announced by the GoUP. However, the Petitioner has received neither the subsidy amount nor has any such amount recorded in the Audited Balance Sheet.

As per Letter No. NPCL/MD/2024/09/001 dated September 11, 2024, submitted to the GoUP, the Petitioner reported a total of 977 private tube-well consumers during FY 2023–24, out of which 486 consumers have qualified under the subsidy scheme. Accordingly, subsidy of Rs. 75,84,413 is required to be transferred to these eligible consumers as bills at Tariff payable have been issued to these consumers in the FY 2023-24. The Commission shall consider this subsidy claim once the amount is received by the Petitioner. The details of private tube-well consumers and the corresponding subsidy demand are provided below.

TABLE 4-12 DETAILS OF LMV5 TUBE WELLS CONSUMER FOR FY 2023-24

Total Tube bell Consumer details			Total Registered eligible Consumer as on 31.08.2024		
Total No. of Consumer	Total Billed Amount (Rs.)	Total subsidy Amount as per Notification	Eligible Consumer	Total Billed amount to eligible Consumer	Eligible Subsidy amount (Rs.)
977	1,93,39,599	1,37,88,779	486	1,12,22,475	75,48,413

4.2.31. The Commission observes that the Petitioner claimed captive consumption as part of energy sales of the LMV 4(B) category. However, the corresponding revenue is considered as NIL for FY 2023-24. The Commission, though in the case of State Discoms observed that self / captive consumption is billed under LMV-4(A) / HV-1 category according to the Rate Schedule. The same approach is also applied for the self / captive consumption of the Petitioner. Further, the treatment of the revenue from self-consumption is detailed in the revenue section of this Order.

4.2.32. Thus, the Commission, based on the data submitted by the Petitioner, has calculated the excess sales of LMV 1 and LMV-5 Unmetered Category for FY 2023-24 as under:

TABLE 4-13 APPROVED SALES FOR LMV-1 UNMETERED CONSUMERS AS PER NORMS FOR NPCL

Particulars	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
No. of consumers	889	831	819	766	739	670	660	660	660	653	653	653	653
Connected Load (in MVA)	2.32	2.19	2.16	2.01	1.95	1.79	1.76	1.76	1.76	1.74	1.74	1.74	1.74
PF	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
Connected Load (in MW)	2.09	1.97	1.94	1.81	1.75	1.61	1.58	1.58	1.58	1.57	1.57	1.57	1.57



Particulars	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Sales claimed by the Petitioner	0.30	0.28	0.30	0.26	0.25	0.23	0.23	0.23	0.23	0.23	0.23	0.23	2.99
Normative Consumption per (kWh/kW/Month)	144	144	144	144	144	144	144	144	144	144	144	144	144
Sales as Per Norms	0.30	0.28	0.30	0.26	0.25	0.23	0.23	0.23	0.23	0.23	0.23	0.23	2.99
Total Excess sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TABLE 4-14 APPROVED SALES FOR LMV-5 UNMETERED CONSUMERS AS PER NORMS FOR NPCL

Particulars	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
No. of consumers	381	380	380	349	347	329	291	288	288	287	287	286	286
Connected Load (in MVA)	1.75	1.74	1.73	1.6	1.59	1.5	1.33	1.32	1.32	1.31	1.31	1.31	1.31
PF	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
Connected Load (in MW)	1.57	1.57	1.56	1.44	1.43	1.35	1.2	1.19	1.19	1.18	1.18	1.18	1.18
Sales claimed by the Petitioner	0.22	0.22	0.22	0.20	0.23	0.18	0.17	0.17	0.17	0.17	0.17	0.16	2.27
Normative Consumption per (kWh/kW/Month)	140	140	140	140	140	140	140	140	140	140	140	140	140
Sales as Per Norms	0.22	0.22	0.22	0.20	0.23	0.19	0.17	0.17	0.17	0.17	0.17	0.17	2.25
Total Excess sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0

4.2.33. As the unmetered consumption is within the norms, the Commission approves the sale for unmetered consumers as given by the Petitioner.

4.2.34. As per the Petitioner's submission, theft cases are duly assessed in accordance with the provisions of the Electricity Act 2003 and the U.P. Electricity Supply Code, 2005. The corresponding revenue is recognized in the Company's books of accounts in compliance with Indian Accounting Standards (Ind AS) 115, as notified under Section 133 of the Companies Act, 2013. Based on this, the Commission has approved the realization of 8.58 million units (MU) and revenue of Rs. 9.80 crore against electricity theft.

4.3. ENERGY BALANCE AND DISTRIBUTION LOSSES

Petitioner's Submission

4.3.1. The Petitioner has submitted that the Commission vide Order dated November 26, 2020, has approved the Distribution Loss Trajectory for the Petitioner. The same is given in the Table below:

TABLE 4-15 DISTRIBUTION LOSSES APPROVED IN BUSINESS PLAN ORDER

Particulars	UoM	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Distribution Loss	%	7.92%	7.80%	7.70%	7.63%	7.57%

- 4.3.2. The Petitioner has highlighted that various obstacles/hurdles are faced by it in achieving the Regulatory approved Distribution losses.
- 4.3.3. The Petitioner has submitted that the issues such as frequent dharnas by various outfits of the Kisan Unions at its offices demanding waiver in the energy bills/electricity theft bills of consumers and unauthorized tapping of illegal wire, by around 9,000 people resides in Hindon River Doob area, from the nearby low-voltage (LV) to get the illegally tapping due to restriction for providing electricity connection in these areas have significant issues for the Petitioner. It is also mentioned that the people of Doob area arrange dharna and road blocking in demand of new electricity connection and in protest of de-hooking drive in this area.
- 4.3.4. The Petitioner has further submitted that there is no Special Electricity Court for fast resolution of the electricity theft Complaint Cases. As a result, the consumers resort to blatant theft of electricity without any fear of judicial consequences.
- 4.3.5. The Petitioner has highlighted some of volatile issues which are beyond the control of the Licensee such as:
- Local Authority restraining the Petitioner from providing electricity connection in unplanned and un-authorized colonies leading to unauthorized tapping of energy. The menace has been quite high in Doob area of Greater Noida which is witnessing rapid build-up of colonies considering with growing urbanization and all-round development.
 - Greater Noida, being a developing city with many vacant residential premises, has attracted unauthorized occupants in urban areas who also indulge in hooking and tapping of electricity.
 - In villages and unauthorized colonies, due to lack of planned development and no authority for approving “Naksha”, at many places, the electrical network is being exploited to such a level where even the electrical poles / transformers are being covered within the boundary / four wall of the houses leading to

theft/ pilferage. Due to widespread land acquisition in Greater Noida, allocation of certain percentage of land to farmers and development of private colonies and allocation, the above practice is quite frequent and widespread in Greater Noida Area.

4.3.6. The Petitioner has submitted that it is facing challenges in providing new electricity connections due to GNIDA's non-approval and restrictions in Doob areas and unauthorized colonies. Although the Petitioner's licensed area falls within GNIDA's notified area, some builders and individuals are constructing on freehold land not acquired by GNIDA but still within its jurisdiction. These landowners possess valid ownership documents like registered sale deeds and apply for electricity connections. However, GNIDA has instructed the Petitioner to obtain prior approval (NOC) before installing lines or granting connections in these areas to prevent disruptions in future development.

4.3.7. The Petitioner has submitted that despite the universal supply obligation under Section 43 of the Electricity Act, 2003 and Regulation 4.1 of the Supply Code, which mandates electricity connections to owners/occupiers, Regulation 4.4 requires a No Objection Certificate (NOC) from the local authority if mandated by law. GNIDA has either not responded or explicitly denied permission in certain cases, preventing the Petitioner from granting connections. This has led to several issues such as:

- **Rampant electricity theft** using illegal connections.
- **Damage to the electrical infrastructure**, compromising safety.
- **Difficulty in verifying colony approval status**, despite applicants providing valid ownership documents.

4.3.8. As a result, use of unauthorized electricity causes revenue loss, safety hazards, and unfair burden on paying consumers. Although the Commission had directed the Petitioner to file a separate petition on this issue, around 4 MW worth of connections remain pending or rejected. It is submitted that with 21 hours of daily supply, this could result in 20 MU of energy consumption, contributing significantly to commercial losses and LT line losses.

4.3.9. The Petitioner has submitted that the following are the pre-requisites for effectively controlling T&D Losses:

a) On the part of the Licensee:

- I. Robust Distribution Network.
- II. Identification of theft prone areas.
- III. Educating / spreading awareness / information about social, environmental, safety and legal consequences of power theft
- IV. Periodical Loss control Drives
- V. Registering FIRs / Court Cases

b) Active support of Village Pradhan's, RWAs & Local leaders (Society): While the Petitioner is diligently performing its duties for loss control as stated above, societal support is often found missing and rather many times, it is working contrary. Consumers are involved in theft by themselves and putting undue pressure / giving threats to the officials of the Petitioner to just let off such wrongdoers or blatantly helping them.

c) Speedy action by Police and Special Court: In this regard, it is pertinent to mention that as on September 30, 2024, 11,194 cases are pending in special courts. Also, 5,572 FIRs are pending for investigation by the Police apparently due to highly overburdened insufficient police staff. Due to the above constraint, the loss control drives being conducted by the Petitioner does not yield into desired results.

d) Police Support During Mass Drive: There are some villages where the theft of electricity is rampant due to deliberately damaging our electricity network. During drive in these areas, our team faces strong resistance and unsafe working condition. To ensure the safe and secure mass drives, there is essential requirement of the robust police support to the team.

4.3.10. The Petitioner submitted that despite its efforts, certain ground realities—such as low population density, poor HT:LT ratio, lack of dedicated police stations and special courts for electricity theft cases, and political interference—hinder effective reduction of Transmission & Distribution (T&D) losses. Nevertheless, it has achieved a distribution loss of 7.49% in FY 2023-24, which is lower than the normative loss of 7.63% set by the Commission. This overachievement qualifies the Petitioner for an incentive as per regulatory provisions.

4.3.11. The summarized Energy Balance for FY 2023-24 in the format prescribed by the Commission in Tariff Order dated May 24, 2023, is provided in Table below:

TABLE 4-16 ENERGY BALANCE (FY 2023-24)

S. No.	Particulars	U.o.M.	Approved	Actuals
1	Energy Sales	MU	3,315.59	3,130.40
2	Distribution Loss	%	7.63%	7.49%
3	Distribution Loss	MU	273.88	253.56
4	Energy Requirement at NPCL	MU	3,589.47	3,383.96
5	Energy Available/Delivered at NPCL Bus	MU	108.09	136.60
6	Net Energy requirement at NPCL Bus	MU	3,481.38	3,247.36
7	Intra State Losses	%	3.22%	3.22%
8	Energy Requirement at STU/UP Periphery	MU	3,597.21	3,355.41
9	Energy from sources connected at STU Bus	MU	35.16	138.09
10	Net Energy Requirement at STU Bus	MU	3,562.05	3,217.31
11	Inter-State Losses	%	3.75%	3.53%
12	Energy Requirement at CTU Bus	MU	3,700.83	3,334.93
13	Total Energy Requirement	MU	3,844.08	3,609.62

4.3.12. The Petitioner has requested the Commission to acknowledge the strenuous efforts in bringing down the Distribution Losses to a level below the Target set by the Commission. The Petitioner also requested to retain the additional revenue generated from the reduction in Distribution Losses beyond the specified target as efficiency gains in True-up ARR for FY 2023-24 as given below:

TABLE 4-17 COMPUTATION OF EFFICIENCY GAIN ON LOSS REDUCTION

Sl. No.	Particulars	U.O.M	Ref.	Actuals
1	Energy Imported	MU's	A	3,383.96
2	Energy available for sale assuming 7.63% T&D Losses	MU's	$b=a*92.37\%$	3,125.76
3	Actual energy sold	MU's	C	3,130.40
4	Additional energy available for sale due to reduction in T&D Loss	MU's	$d=c-b$	4.64
5	Revenue from total energy sold	Rs. Cr.	E	2,320.97
6	Average realization from energy sold	Rs. /kWh	$f=e*10/c$	7.41
7	Additional revenue due to lesser T & D Losses	Rs. /kWh	$g=d*f/10$	3.44
8	Efficiency Gains earned	Rs. Cr.	$h=g$	3.44

Commission's Analysis

4.3.13. The Commission observes that the actual Distribution Losses claimed by the Petitioner is lower than the distribution losses approved in the Business Plan Order. Thus, for the purpose of truing up the distribution losses, the Commission has considered the distribution losses claimed by the Petitioner.

4.3.14. The Commission has considered the energy sales figures as per the Audited Balance Sheet for the financial year 2023–24 rather than 3,130.40 MU as the total energy sales of 3,135.91 MUs have been recorded in the Audited Balance Sheet. The Petitioner has adjusted monthly net injection by roof top consumer under net metering arrangement, as discussed earlier, from the net sale in audited Balance Sheet. Hence for the purpose of the True Up, the Commission has treated 5.51 MU (3,135.91- 3,130.40) as deemed purchase from G-DAM segment of Power Exchange. Due to a revision in the sales units, the distribution loss percentage has been adjusted from 7.49%, as claimed by the Petitioner, to 7.48%, as calculated by the Commission. Accordingly, the approved energy balance along with detail of source connected at NPCL Network has been provided below:

TABLE 4-18 ENERGY PURCHASE FROM SOURCES CONNECTED AT NPCL NETWORK (MU)

Supplier's Name	Claimed	Approved
GNIDA (Solar)	0.89	0.89
APPCPL (Solar)	0.34	0.34
NPCL (Solar)	0.00	0.00
TPTCL- Govt of Himachal Pradesh (Hydro)	147.96	147.96
APPCPL- Goodwill, HP (Hydro)	13.32	13.32
Net Metering (Renewable Sources)	0.13	0.13
Net Metering Allowed at GDAM Rates	0	5.51
DSM/UI	-26.05	-26.05
Total	136.6	142.11

TABLE 4-19 APPROVED ENERGY BALANCE FOR FY 2023-24

Particulars	UOM	Approved in TO for FY 2023-24 dated 24.05.2024	Claimed in Petition	Approved Upon Truing Up
Energy Sales	MU	3,315.59	3,130.40	3,135.91
Distribution Loss	%	7.63%	7.49%	7.48%
Distribution Loss	MU	273.88	253.56	253.56
Energy Requirement at NPCL	MU	3,589.47	3,383.96	3,389.47
Energy Available/Delivered at NPCL Bus	MU	108.09	136.6	142.11
Net Energy requirement at NPCL Bus	MU	3,481.38	3,247.36	3,247.36
Intra State Losses	%	3.22%	3.22%	3.22%
Energy Requirement at STU/UP Periphery	MU	3,597.21	3,355.41	3,355.41
Energy from sources connected at STU Bus	MU	35.16	138.09	138.09
Net Energy Requirement at STU Bus	MU	3,562.05	3,217.31	3,217.32
Inter-State Losses	%	3.75%	3.53%	3.53%
Energy Requirement at CTU Bus	MU	3,700.83	3,334.93	3,334.94
Total Energy Requirement	MU	3,844.08	3,609.62	3,615.14

4.3.15. Further, the Petitioner's claim of Rs. 3.44 Cr. towards efficiency gain on loss reduction is disallowed as there are no provisions for sharing of efficiency gains in MYT Distribution Regulations, 2019.

4.4. POWER PURCHASE

Petitioner's Submission

4.4.1. The Petitioner has submitted that it has procured 3,383.96 MU in FY 2023-24 to meet the demand of the consumers. The Petitioner submitted source wise details of the actual power purchase cost in the subsequent paragraphs.

Power Procurement from LTPPA

4.4.2. The Petitioner has submitted that during FY 2023-24; it procured the majority of its power requirement from LTPPA with Dhariwal Infrastructure Limited (Genco) for the supply of 187 MW power. The M/s DIL's plant availability during the year was 93.65% and based on the consumer's load profile and demand in its license area, the Petitioner has drawn 1,314.59 MU at Ex-Generation Bus and 1,226.94 MU at NPCL Bus.

- 4.4.3. Further, the Petitioner has submitted that as per M/s DIL vide its letter dated September 28, 2023, the auxiliary consumption has been revised from 9% to 8.5% accordingly, the contracted capacity has increased by 1 MW from 170 to 171 MW w.e.f. October 1, 2023.
- 4.4.4. The Petitioner has submitted that the Commission vide its Tariff Order dated September 21, 2022, in Genco's MYT Petition no. 1531 of 2019 has determined the tariff for the control period starting from FY 2019-20 to FY 2023-24 in accordance with UPERC Generation Tariff Regulations 2019 wherein for FY 2023-24 it has approved the Fixed Cost @Rs. 1.727/unit and Energy Cost @Rs. 2.471/unit.
- 4.4.5. The Petitioner has claimed the cost for the power procured under LTPPA during FY 2023-24 as per the actual availability (fixed cost at normative availability) and rates approved by the Commission in its Tariff Order dated May 24, 2023, as summarized here-in-below in Table.

TABLE 4-20 LONG TERM POWER (FY 2023-24)

Sl. No.	Description	UoM	Actuals
1	Contracted Quantum at ex-Genco Bus	MW	170/171*
2	No of Days	-	366
3	Hours	-	24
4	Normative Availability	%	85%
5	Units at Normative Availability	MU	1,273.02
6	Plant Availability	%	93.56%
7	Actual Utilisation	%	87.78%
8	Units at Ex-Bus	MU	1,314.59
9	Inter-State Losses	%	3.56%
10	Units at UP Periphery	MU	1,267.77
11	Intra-State Losses	%	3.22%
12	Units at NPCL	MU	1,226.94
13	Fixed Cost @ Rs. 1.727 /unit (@normative availability i.e. 85%)	Rs. Cr.	219.85
14	Variable Cost @ Rs. 2.471 /unit	Rs. Cr.	324.84
15	Rebate on Fixed & Variable Charges	Rs. Cr.	(8.17)
16	Total Cost	Rs. Cr.	536.52

- 4.4.6. As shown in the above table, the actual plant availability during FY 2023-24 was at 93.56%. Accordingly, the Genco raised bills for full fixed cost @ 85% which has been considered in the Audited Balance Sheet for FY 2023-24.
- 4.4.7. The Petitioner has submitted that based on the Regulation-35 of UPERC Generation Tariff Regulation, 2019, Genco has also billed incentives as the dispatched power, based

on actual drawl was 87.78%, being 2.78% higher than normative availability. The summary of incentives as claimed by Genco and paid by the Petitioner is shown here-in-below in Table.

TABLE 4-21 INCENTIVE FOR GENCO (FY 2023-24)

Sellers	Contracted Units (MU)	85% of Contracted Capacity (MU)	Despatched Units (MU)	Incentive Units (MU)	Incentive Rate (Rs./kWh)	Gross Amount (Rs. Cr.)	Rebate (Rs. Cr.)	Net Amount (Rs. Cr.)
DIL	1,497.67	1,273.02	1314.03	41.01	0.65	2.67	(0.04)	2.63

4.4.8. The Petitioner has submitted that the Commission in its MYT Generation Tariff Order dated September 21, 2022, approved the Fixed Charges at Rs. 1.727/kWh and Energy Charges at Rs. 2.471/kWh at ex-Genco bus excluding the inter-state and intra-state transmission charges and losses. Accordingly, the inter-state transmission charges & losses of PGCIL and intra-state transmission charges & losses of UPPTCL were paid on actual basis.

4.4.9. Accordingly, the total cost of long-term power purchase plant claimed for True Up for FY 2023-24 is tabulated in Table below.

TABLE 4-22 LONG TERM POWER PURCHASE COST

S. No.	Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Rebate (Rs. Cr.)	Total Cost at NPCL Bus
1	Long Term Power from Genco	1,226.94	219.85	324.84	(8.17)	536.52
2	Incentive		2.67		(0.04)	2.63
3	Total (1+2)	1,226.94	222.52	324.84	(8.21)	539.14

Impact of deferrals of Petitioner's Tariff Orders dated October 10, 2024

4.4.10. The Petitioner has submitted that the Commission approving the true up of the Petitioner for the period FY 2022-23 in its Tariff Order dated October 10, 2024, had deferred some cost towards the impact of Additional coal and change in law impact. The relevant extract reproduced below

"Change in Law and Additional Coal Charges:

5.5.105 The Petitioner has requested to allow the claims for Additional Coal and Change in Law along with carrying cost and submitted the summary table for carrying cost. The Commission has approved various costs with respect to Additional Coal

and Change in Law for earlier years vide the following orders in the Petitions filed by the Genco:

- a) Order dated June 8, 2022, in Petition No. 1630 of 2020 for true-up of Additional Coal Charges of Rs. 7.24 Cr. for FY 2019-20
- b) Order dated March 20, 2023, in Petition No. 1794 of 2020 for true-up of Additional Coal Charges of Rs. 0.41 Cr. for FY 2020-21
- c) Order dated June 13, 2023, in Petition No. 1873 of 2022 for true-up of Additional Coal Charges of recoverable of Rs. 7.03 Cr. for FY 2021-22
- d) Order dated May 2, 2024, in Petition No. 2005 of 2023 for true-up of Additional Coal Charges of recoverable of Rs. 74.74 Cr. for FY 2022-23
- e) Order dated June 28, 2022, in Petition No. 1654 of 2020 for true-up of Change in Law Charges of Rs. 3.66 Cr. for FY 2019-20
- f) Order dated May 12, 2023, in Petition No. 1798 of 2021 for true-up of Change in Law Charges of Rs. 4.86 Cr. for FY 2020-21
- g) Order dated June 13, 2023, in Petition No. 1879 of 2022 for true-up of Change in Law Charges of Rs. 5.12 Cr. for FY 2021-22
- h) Order dated April 4, 2024, in Petition No. 2004 of 2023 for true up of Change in Law Charges of 5.36 Cr for FY 2022-23

5.5.106 The Commission, in view of the above orders, has allowed the charges as per the below table. However, the impact of change in law and additional coal claimed by the Petitioner (for which the Commission's order has been published in FY 2023-24 and FY 2024-25) shall only be allowed once the NPCL's True-up for respective years will be issued by the Commission. Accordingly, the same is not approved in True-Up of the power purchase cost for FY 2022-23. The approved charges for Additional Coal and Change in Law are given in the Table below:

Table 5-60: ADDITIONAL COAL & CHANGE IN LAW CHARGES APPROVED BY THE COMMISSION (Rs. Cr.)

	Claimed		Approved		Order Date	Audit Year
Additional Coal	Amount	Carrying Cost	Amount	Carrying Cost		
2019-20	7.24	2.48	7.24	2.38*	Order dt.08.06.22	2022-23
2020-21	0.41	0.08	0.41	0.08	Order dt.20.03.23	2022-23
2021-22	(7.03)*	(0.72)	Shall be considered in True up of FY 2023-24		Order dt. 13.06.23	2023-24
2022-23	73.25**	-	Shall be considered in True up of FY 2024-25		Order dt. 02.05.24	2024-25
Total	73.87	1.84	7.65	2.46		

Change in Law	Amount	Carrying Cost	Amount	Carrying Cost	Order Date	Audit Year
2019-20	3.66	1.25	3.66	1.20*	Order dt.28.06.22	2022-23
2020-21	4.86	0.96	Shall be considered in True up of FY 2023-24		Order dt.12.05.23	2023-24
2021-22	5.12	0.52			Order dt.13.06.23	2023-24
2022-23	5.25	-	Shall be considered in True up of FY 2024-25		Order dt.12.04.24	2024-25
CG Environment Cess and Development Cess	1.76	-	1.76	-	Order dt.02.08.22	2022-23
Total	20.65	2.73	5.42	1.20		

*The Commission has calculated the carrying cost at 13.80% as approved in IoWC in T.O of FY 2021-22.

** Net of rebate..."

4.4.11. Accordingly, the Petitioner has requested the Commission to consider an amount of Rs. (7.03) Cr. towards Additional coal and Rs. 9.98 Cr. (Rs. 4.86 Cr. + Rs. 5.12 Cr.) towards Change in Law along with carrying cost. Since the Commission has considered the carrying cost till FY 2021-22 on additional coal charges and change in law which is to be allowed in FY 2023-24, the total impact of GENCOs Orders for FY 2023-24 up to FY 2022-23 including carrying cost is given in Table.

TABLE 4-23 SUMMARY OF CARRYING COST ON ADDITIONAL COAL & CHANGE IN LAW CHARGES (RS. CRORE)

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23
1	Opening Balance	-	5.32	3.74
2	Approved Change in Law Charges - FY 21	4.86		
3	Approved Change in Law Charges - FY 22		5.12	
4	Approved Additional Coal Charges - FY 22		(7.03)	
5	Additions Subtotal (5=1+2+3+4)	4.86	3.41	3.74
6	RoI for Carrying Cost as per prevailing Distribution Tariff Regulation	9.57%	9.50%	10.29%
7	Carry. Cost (6*5)	0.46	0.32	0.38
8	Closing Balance (5+7)	5.32	3.74	4.12

- 4.4.12. Accordingly, the Petitioner requested the Commission to approve the impact of Rs. 4.12 Cr. including carrying cost for Long Term Power Plant (LTPP) i.e. M/s DIL arising from Tariff Order dated October 10, 2024, while Truing-up ARR for FY 2023-24.
- 4.4.13. There is no provision on Power Purchase Cost considered in True-up Petition for FY 2023-24 as the Petitioner has claimed the DIL's LTPPA Power cost based on the approved tariff only.
- 4.4.14. Furthermore, the Petitioner has submitted that apart from the fixed cost and incentive, the Genco also raised bills towards following components of tariff: -
- A. Bills for Rs. 20.25 Cr towards Additional coal for FY 2023-24 as per Order dated May 6, 2020, in Petition No. 1438 of 2019.
 - B. Bills for Rs. 5.05 Cr. towards Change in Law for FY 2023-24 as per Order dated May 29, 202, in Petition No. 1440 of 2019.
 - C. Bills for Rs. 8.32 Cr towards reimbursement of O&M expenses for the control period from FY 2019-20 to FY 2023-24 approved vide Order dt. September 21, 2022, in Petition No. 1531 of 2019.
 - D. Credit Note of Rs. 0.21 Cr towards claim of Additional Coal for FY 2022-23 approved vide Order dt. May 02, 2024, in Petition No. 2005 of 2022.
- 4.4.15. The Petitioner has submitted that the Commission in Tariff Order dated October 10, 2024, provided that the impact of change in law and additional coal claimed by the Petitioner shall only be allowed once the True-up for respective years will be issued by the Commission. In view of this, the Petitioner has duly considered all the above-mentioned costs in its Audited Balance Sheet for FY 2023-24 but has claimed the same in its instant APR Petition for FY 2024-25.

Power Procurement from MTPPA

- 4.4.16. The Petitioner has tied up the following Medium-Term Power through Competitive Bidding on DEEP Portal in accordance with the Guidelines of Central Government, details given in Table below

Table 4-24 MEDIUM TERM PPAS DATED 30.12.2020 & 31.12.2020

Source	Capacity	Duration	Period	Composite Tariff at NPCL (Rs./kWh)	Nature
TPTCL (GoHP, H.P.)	45 MW	RTC	May-Sep	4.43*	Large Hydro
APPCPL (GEL, H.P.)	15 MW	RTC	May-Sep		
*Note: Composite tariff of TPTCL (GoHP) comprises Cost of fixed and variable charges of Rs. 1.661 per kWh, Cost of Transmission Charges of Rs. 0.7978 per kWh and Cost of Transmission Losses of Rs. 0.31 per kWh while Composite tariff of APPCPL (GEL) comprises Cost of fixed and variable charges of Rs. 1.695 per kWh, Cost of Transmission Charges of Rs. 0.79 per kWh and Cost of Transmission losses of Rs. 0.25 per kWh.					

TABLE 4-25 MEDIUM TERM PPAS DATED 07.12.2022

Source	Capacity	Duration	Period	Composite Tariff at NR (Rs./kWh)	Nature
TPTCL (JITPL, Orissa)	100 MW	RTC	Apr-Mar	4.05*	Thermal
<i>*Note: Composite tariff of TPTCL (JITPL, Orissa) comprises Cost of fixed and variable charges of Rs. 2.025 per kWh.)</i>					

4.4.17. The tariff of Rs. 4.43 per unit for power delivered at the NPCL Bus was discovered through a competitive bidding process and was based on the prevailing transmission charges and losses as specified in the bid documents. This tariff, along with the Power Purchase Agreements (PPAs) dated December 30, 2020, and December 31, 2022, was duly approved by the Commission through its Order dated May 10, 2021.

4.4.18. Similarly, the tariff of Rs. 4.05 per unit for thermal power sourced from M/s TPTCL (JITPL), as indicated in the table above, was determined through competitive bidding. This tariff is applicable at the CTU Periphery of the Seller and therefore excludes transmission charges, transmission losses, operating charges, and application fees of both PGCIL and UPPTCL. As per the terms of the PPA dated December 7, 2022—approved by the Commission via its Order dated March 6, 2023—the Petitioner shall bear all applicable charges and losses incurred from the injection point at the CTU Periphery of the Seller to the drawl point at the NPCL Bus.

4.4.19. The Petitioner has submitted that for transmission charges and losses, components of the tariffs quoted by APPCPL and TPTCL were based on the prevailing transmission charges and losses, however, the same has to be paid on actuals in accordance with

Articles 5.5 and 5.6 of the above-approved PPAs dated January 23, 2020, December 30, 2020, and December 31, 2020.

4.4.20. Accordingly, based on the applicable transmission charges and losses for Inter-State and Intra-State Transmission, the Petitioner procured 844.60 MU power in aggregate through above sources at the landed cost of Rs 4.31/kWh (excluding impact of ISTS and Intra-state Transmission charges) at NPCL bus as summarized in Tables below:

TABLE 4-26 MEDIUM TERM POWER PURCHASE COST FOR JITPL, ORISSA DURING FY 2023-24

S. No	Description	UoM	M/S TPTCL (Source- JITPL, Orissa)
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	100
2	Hours	-	24
3	No of Days	-	366
4	Contract Units at NPCL	MU	878.40
5	Declared Availability		85.66%
6	Forecasted Utilization of Available Capacity	%	85%
7	Units at Normative Availability		746.64
8	Actual Utilisation		83.34%
9	Units at Ex-Bus	MU	732.00
10	Inter-State Losses	%	3.54%
11	Units at UP Periphery	MU	706.05
12	Intra-State Losses	%	3.22%
13	Units at NPCL	MU	683.31
14	Fixed Cost*	Rs. Cr.	152.31
15	Energy Cost	Rs. Cr.	151.52
16	Rebate on Energy Cost	Rs. Cr.	(3.04)
17	Total Cost excluding transmission cost [#] (14+15+16)	Rs. Cr.	300.80
18	Landed Rate (17/13*10)	Rs. kWh	4.40

TABLE 4-27 MEDIUM TERM POWER PURCHASE COST FOR M/S APPCPL, GOODWILL, HP DURING FY 2023-24

S. No	Description	UoM	M/S APPCPL (Source- Goodwill, HP)
	Contracted Period	Month	May-Sept
1	Contracted Quantum	MW	15
2	Hours	-	24
3	No of Days	-	153
4	Contract Units at NPCL	MU	55.08
5	Declared Availability		24.18%
6	Forecasted Utilization of Available Capacity	%	85%
7	Units at Normative Availability		46.82
8	Actual Utilisation		24.18%
9	Units at Ex-Bus	MU	13.32
10	Inter-State Losses	%	N.A.

S. No	Description	UoM	M/S APPCPL (Source- Goodwill, HP)
11	Units at UP Periphery	MU	13.32
12	Intra-State Losses	%	N.A.
13	Units at NPCL	MU	13.32
14	Fixed Cost*	Rs. Cr.	2.36
15	Energy Cost	Rs. Cr.	3.10
16	Rebate on Energy Cost	Rs. Cr.	(0.05)
17	Total Cost incl. transmission cost (14+15+16)	Rs. Cr.	5.40
18	Landed Rate (17/13*10)	Rs. kWh	4.05

TABLE 4-28 MEDIUM TERM POWER PURCHASE COST FOR M/S TPTCL, GOHP DURING FY 2023-24

S. No	Description	UoM	M/S TPTCL (Source- G.o.HP)
	Contracted Period	Month	May-Sept
1	Contracted Quantum	MW	45
2	Hours	-	24
3	No of Days	-	153
4	Contract Units at NPCL	MU	165.24
5	Declared Availability		90.22%
6	Forecasted Utilization of Available Capacity	%	85%
7	Units at Normative Availability		140.45
8	Actual Utilisation		89.54%
9	Units at Ex-Bus	MU	147.96
10	Inter-State Losses	%	N.A.
11	Units at UP Periphery	MU	147.96
12	Intra-State Losses	%	N.A.
13	Units at NPCL	MU	147.96
14	Fixed Cost*	Rs. Cr.	24.35
15	Energy Cost	Rs. Cr.	33.55
16	Rebate on Energy Cost	Rs. Cr.	(0.58)
17	Total Cost incl. transmission cost (14+15+16)	Rs. Cr.	57.33
18	Landed Rate (17/13*10)	Rs. kWh	3.87

4.4.21. Further, the Petitioner has submitted that as per Article 11.4.2 of the above approved Medium-Term Agreements with M/s APPCPL and M/s TPTCL, full fixed charges are to be paid if the actual availability of the plant is more than Normative Availability of 85%. Further, Article 11.6.1 provides that if the scheduled generation by the suppliers is more than 85%, then the supplier is eligible for incentives @50% of fixed charges and Article 11.6.2 provides that if the scheduled generation by the supplier is less than 85%, then the Petitioner shall claim damages from the supplier @ 25% of fixed charges.

4.4.22. Since, the dispatched power towards declared availability of M/s TPTCL (Source: GoHP) was 89.53%, it claimed incentives of Rs. 0.64 Cr. net of rebate for FY 2023-24 which has also been paid by the Petitioner as shown in below table

TABLE 4-29 INCENTIVE OF M/S TPTCL (GOHP) FOR FY 2023-24

Seller	Contracted Units at NPCL (MU)	85% of Contracted Capacity (MU)	Despatched Units at NPCL (MU)	Incentive Units (MU)	Fixed Charges (Rs. /kWh)	Incentive @ 50% of Fixed Charge (Rs. /kWh)	Gross Amount (Rs. Cr.)	Rebate (Rs. Cr.)	Net Amount (Rs. Cr.)
TPTCL-GoHP	165.25	140.45	147.96	7.51	1.732	0.867	0.65	(0.01)	0.64

4.4.23. It is also submitted that the Commission vide Tariff Order dated October 10, 2024, has allowed the incentive net of rebate for Medium-Term Agreements with M/s APPCPL and M/s TPTCL for FY 2022-23.

4.4.24. Further, during FY 2023-24, other suppliers having MTPPA with the Petitioner failed to make the availability of their plant up to 85% Capacity. Therefore, the Petitioner has claimed the Damages in terms of Article 11.6.2 of the PPA from these suppliers. The summary of Damages claimed from suppliers in terms of the MTPPA is provided below in Table below

TABLE 4-30 DAMAGES CLAIMED FOR FY 2023-24

Sellers	Contracted Units at NPCL (MU)	85% of Contracted Capacity (MU)	Despatched Units at NPCL (MU)	Damage Units (MU)	Fixed Charges (Rs. /kWh)	Damage Rate* (Rs. /kWh)	Damage Amount (Rs. Cr.)
APPCPL (Goodwill, HP)	55.08	46.82	13.32	33.50	1.77	0.44	1.48

4.4.25. Since, the aforesaid damage amount is included in "Other Income" of Audited Balance Sheet for FY 2023-24, the same has been considered of Non-Tariff Income.

4.4.26. Accordingly, the summary of power procured from approved Medium-Term Sources during FY 2023-24 is as provided below in Table

TABLE 4-31 MEDIUM TERM POWER PURCHASE COST (FY 2023-24)

S. No.	Seller	Units at NPCL	Fixed Charges, Incentive and damages	Energy Charges	Rebate	Total Cost at NPCL Bus	Landed Rate at NPCL Bus*
		(MU)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)	(Rs. /kWh)
1	TPTCL(Source-JITPL)	683.31	152.31	151.52	(3.04)	300.80	4.40
2	TPTCL (GoHP)	147.96	24.35	33.55	(0.58)	57.33	3.87
3	APPCPL (Goodwill, HP)	13.32	2.36	3.10	(0.05)	5.40	4.05
4	Sub-Total (1+2+3)	844.59	179.03	188.17	(3.67)	363.53	4.30
5	Incentive Paid	-	0.65	-	(0.01)	0.64	-
	Total (4+5)	844.59	179.68	188.17	(3.68)	364.17	4.31

Power Procurement from Short Term Sources

4.4.27. The Petitioner submitted that to meet some of its power requirement from power exchanges. It has procured 897.07 MU through purchase from Power Exchange at an average cost of Rs. 6.52 per unit excluding impact of inter-state & intra-state transmission charges, operating charges and application fee wherever applicable.

Power Procurement from Renewable Energy Sources

Long Term Renewable Sources

4.4.28. The Petitioner has submitted that it has procured power from the following renewable sources on long term basis:

- 0.89 MU @Rs. 6.92 per kWh was procured from Long Term Power Purchase Agreement for 1 MWp Solar power with Greater Noida Industrial Development Authority (GNIDA) as per the PPA approved by the Commission vide its Order Dated July 14, 2015.
- 34.33 MU @Rs. 3.74 per kWh procured from Long Term Power Purchase Agreement for 10 MW Wind power with PTC India Limited signed on June 27, 2017, duly approved by the Commission vide its Order Dated January 05, 2018.
- 0.34 MU@ Rs. 5.38/ kWh which is a competitive price as compared to G-DAM prices during FY 2023-24, from PPA with APPCPL approved by the Commission while approving the Business Plan vide its MYT Order dated November 30, 2017
- 42.54 MU @Rs 3.12/ kWh (Landed Cost of Power) from Long Term Power Purchase Agreement for 25 MW solar power with Tata power approved by the Commission vide its Order dated September 18, 2019

- 56.78 MU@Rs 3.12/kwh (Landed cost of Power) from Long Term Power Purchase Agreement for 25 MW solar power with Adani Solar approved by the Commission vide its Order dated September 18, 2019

4.4.29. It is further submitted that during FY 2023-24, M/s Tata Power having LTPPA with the Petitioner failed to make the availability of their plant up to 85% Capacity. Therefore, the Petitioner has claimed the Damages in terms of Article 11.6.2 of the PPA from these suppliers. Since the invoice for these damages were raised after end of FY 2023-24 in accordance with the terms of PPA, the same has been accounted for in books of accounts of the Petitioner in FY 2024-25. The summary of Damages claimed from suppliers in terms of the MTPPA is provided in the Table below.

TABLE 4-32 DAMAGE CLAIMED FROM M/S TATA POWER SOLAR

S. No.	Particulars	U.o.M	Ref.	Amount
1	Contracted Units at NPCL	MU	a	52.70
2	85% of Contracted Capacity	MU	b=a*85%	44.80
3	Despatched Units at NPCL	MU	c	43.95
4	Damage Units	MU	d=c-b	(0.85)
5	Fixed Charges	(Rs. / kWh)	E	3.08
6	Damage Rate (Rs. / kWh)	(Rs. / kWh)	f=e*25%	0.77
7	Damage Amount	(Rs. Cr.)	g=d*f/10	(0.07)

Short Term Renewable Sources

4.4.30. For the purpose of procurement of power for FY 2023-24 to meet the demand, and to meet the prescribed level of RPO obligations, the Petitioner had conducted competitive bidding on DEEP portal from time to time and submitted the results thereof to the Commission for adoption of tariff and approval of PPA. Accordingly, the Petitioner in aggregate procured 36.37 MU at Rs. 6.81 per unit from approved short term PPAs as detailed in the Table below.

TABLE 4-33 SUMMARY OF SHORT-TERM POWER FOR FY 2023-24

S. No.	Sellers	Units at NPCL (MU)	Energy Charges (Rs. Cr.)	Rebate on Energy Charges (Rs. Cr)	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs./kWh)*
1	PTC (Singroli Bhatwari)	25.76	17.91	(0.36)	17.55	6.81
2	PTC (NSL Sugars, Karnataka (NSL))	10.61	7.37	(0.15)	7.23	6.81

S. No.	Sellers	Units at NPCL (MU)	Energy Charges (Rs. Cr.)	Rebate on Energy Charges (Rs. Cr)	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs./kWh)*
	Total	36.37	25.28	(0.51)	24.78	6.81

4.4.31. Further, in line with the directions of the Commission in the Tariff Order dated July 20, 2022, the Petitioner has purchased 270.02 MU (including 156.76 MU from large hydro) of renewable power at Rs. 6.97 per kWh landed at NPCL bus from Green Day Ahead Market (GDAM), and Green Term Ahead Market (GTAM) of Power Exchanges for meeting its RPO.

4.4.32. In addition to the above, the Commission vide its Tariff Order dated October 10, 2024, directed the Petitioner to account for the unadjusted electricity as purchase as per the UPERC Rooftop Solar PV Grid Interactive System Gross/Net Metering) Regulations, 2019. In this regard, it is submitted that the Petitioner has determined the value of the balance unadjusted units or electricity credits i.e. 0.13 MUs at the end of the FY 2023-24 (the settlement period) as shown in the below table as purchase by the Licensee and payment made to the consumer at a net metering Rate of Rs. 2 per Unit amounting to Rs. 0.03 Cr. as per aforesaid UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019.

4.4.33. Thus, the Petitioner overall procured 441.40 MU during FY 2023-24 renewable power as summarized in Table below

TABLE 4-34 RENEWABLE POWER (FY 2023-24)

S. No.	Description	Actual		
		Units @ NPCL	Rate/kWh	Amount (Rs. Cr.)
A	Long Term Source			
1	PTC (Wind)	34.33	3.74	12.82
2	GNIDA (Solar)	0.89	6.92	0.62
3	APPCPL-Solar	0.34	5.38	0.18
4	Adani (Solar)	56.78	3.12	17.71
5	Tata (Solar)	42.54	3.12	13.27
	Sub Total (A)	134.87	3.31	44.60
B	Short Term Source			
1	PTC (Singroli Bhatwari)- HPO	25.76	6.81	17.55
2	PTC (NSL Sugars, Karnataka (NSL))- Non-Solar	10.61	6.81	7.23

S. No.	Description	Actual		
		Units @ NPCL	Rate/kWh	Amount (Rs. Cr.)
3	Net Metering	0.13	2.00	0.03
4	Power Exchange	270.02	6.97	188.31
	Sub Total (B)	306.52	6.95	213.12
C	Total (A+B)	441.40	5.84	257.71

4.4.34. The Petitioner, based on the above-referred procurement of renewable power, has submitted the status of RPO computed in accordance with RPO Regulations at the end of FY 2023-24 as provided in Table below

TABLE 4-35 RPO STATUS MU'S (FY 2023-24)

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year*	Balance Obligation Carried Forward
	A	B	c	d=a+b-c
Solar	40.38	153.28	162.39	31.27
Non-Solar	0.71	214.59	124.59	90.71
Hydro Power	7.22	91.97	37.97	61.22
Total[#]	48.32	459.83	324.95	183.20

4.4.35. The Petitioner has submitted that the Commission, in the Tariff Order dated July 20, 2022, while Truing up the ARR for FY 2020-21, has revised the methodology of computing RPO by considering the ex-bus energy purchased by the Petitioner.

4.4.36. The Petitioner has submitted that the Commission has changed the methodology of RPO computation from “consumption units” to “power purchase units” at ex-bus contrary to UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time. On this aspect, the Petitioner has filed appeal No.398 of 2022, and therefore, for the purpose of computation of RPO, the Petitioner has not considered the methodology as adopted by the Commission in the Tariff Order dated July 20, 2022, and computed the above-mentioned RPO Status on the basis of methodology as followed by the Commission in its preceding Tariff Orders.

UI/DSM

4.4.37. The Petitioner has submitted that the forecasted demand is dependent upon unforeseen and uncontrollable factors. Similarly, the power availability from various sources considered in power procurement planning very often changes due to various

unforeseen and uncontrollable factors. The variation in any of these parameters associated with integrated power system network leads to variation in either injection or drawl of power and such variation continuously keeps on happening resulting in mismatch in injection and drawl. Thus, due to factors inherent within the power system dynamics, deviation is an inherent phenomenon associated with power system operation. The charges payable/ receivable on account of such uncontrollable variations are being dealt with in terms of Deviation Settlement Mechanism.

4.4.38. There are time blocks wherein the power tied up may remain unutilized and thus need to be sold on Power Exchanges. Similarly, at times, the Petitioner may overdraw power within safe limits as provided in the DSM Regulations.

4.4.39. The Petitioner has mentioned that MYT Regulations, 2019 also provides for power drawl under the DSM mechanism to be a pass-through as mentioned in Regulation 14.7 of the MYT Regulations, 2019. Further, the Commission vide Suo-Moto Order dated November 24, 2022, has adopted the provisions of CERC DSM regulation-2022.

4.4.40. Accordingly, based on the prevailing DSM Regulations, the Petitioner received Rs. 2.43 Cr towards 26.05 MU power settled under DSM Regulations which is approximately 0.77% of the power purchase quantum and 0.12% of power purchase cost. The DSM above is net-off under-drawn and overdrawn.

4.4.41. The Petitioner submitted that the power procurement cost from DSM is well within the overall limit of 10 % of power purchase cost and is just 0.86% of overall power purchase cost and requested the Commission to approve the cost of power settled under DSM mechanism.

Transmission Charges

4.4.42. The total transmission charges as claimed by the Petitioner for FY 2023-24 is given in Table herein as below: -

TABLE 4-36 TRANSMISSION COST FOR FY 2023-24 (RS. CR.)

S. No.	Particulars	Transmission Charges	Rebate	Total Cost
1	Inter State Transmission Charges	110.55	(1.88)	108.67
2	Intra State Transmission Charges	85.95	-	85.95
3	SLDC Application Fee	0.23	-	0.23
4	Sub-Total	196.73	(1.88)	194.85
	Other Charges			
5	CTUIL-PGCIL past Invoice	1.75		1.75

S. No.	Particulars	Transmission Charges	Rebate	Total Cost
6	TPTCL (Source- PPGCL) Transaction for FY-23 billed in FY-24	0.41		0.41
7	Total	198.89	(1.88)	197.01

Other Charges/ Bills / Claims

4.4.43. The Commission via the Tariff Order dated October 10, 2024, has deferred certain claims towards Medium Term PPA as the same raised /claimed by the suppliers during FY 2023-24. The details of the same are given in Table herein as below

TABLE 4-37 IMPACT OF AMOUNT DEFERRED FOR MTPP IN TARIFF ORDER DATED OCTOBER 10, 2024

S. No.	Particular	Claimed	Approved
		Amount (Rs. Cr.)	Amount (Rs. Cr.)
1	Provisions of Fixed cost		Shall be considered in True up of FY 2023-24 (Para 5.5.119 to 5.5.121 of TO dated 10.10.2024)
1.1	APPCPL - Govt. of AP Fixed Cost Provision (FY-21)	0.35	
1.2	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)	0.35	
1.3	APPCPL - Govt. of AP Fixed Cost Provision (FY-22)	2.48	
1.4	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)	2.00	
1.5	Carrying Cost on above	0.88	
	Total	6.07	

4.4.44. Apart from this, the Commission has also deferred certain claims towards transmission cost as the same raised /claimed by the suppliers during FY 2023-24. Details of the same is given in Table: -

TABLE 4-38 IMPACT OF AMOUNT DEFERRED FOR TRANSMISSION CHARGES IN TARIFF ORDER DATED OCTOBER 10, 2024

S. No.	Particular	Claimed	Approved
		Amount (Rs. Cr.)	Amount (Rs. Cr.)
1	Transmission Charges		Shall be considered in True up of FY 2023-24 (Para. 5.5.173 of TO dated 10.10.24)
1.1	TPTCL (Source- PPGCL) Trans. Charge Provision Not Paid	0.28	
1.2	Carrying Cost on above	0.07	
	Total	0.35	

4.4.45. The Petitioner has requested the Commission to approve Rs. 6.07 Cr. and Rs. 0.35 Cr. for transmission charges.

4.4.46. Accordingly, based on the Audited Annual Accounts for FY 2023-24 and aforesaid submissions with respect to Impact of Genco's Tariff Orders, the summary of Power Purchase Cost along with reconciliation with Audited Balance Sheet for FY 2023-24 as claimed in True-up ARR for FY 2023-24 vis-vis approved by the Commission vide Tariff Order dated May 24, 2023, is given Table below:

TABLE 4-39 TOTAL POWER PURCHASE COST FOR FY 2023-24

S. No.	Source of Power Purchase	Approved			Actuals		
		MU's	Rs. / kWh	Amount Rs. Cr.	MU's	Rs. / kWh	Amount Rs. Cr.
A	Long Term Power Plant						
1	DIL- Energy	1,190.04	4.51	536.26	1,226.94	4.37	536.52
2	DIL-Incentive						2.63
	Sub-Total (A)	1,190.04	4.51	536.26	1,226.94	4.37	539.14
B	Medium Term						
1	TPTCL(Source-JITPL)	695.50	4.35	302.39	683.31	4.40	300.80
2	TPTCL- Govt of Himachal Pradesh (Hydro)*	139.54	4.43	61.81	147.96	3.87	57.33
3	APPCPL- Goodwill, HP (Hydro)*	46.51	4.43	20.61	13.32	4.05	5.40
4	Incentive on MTPPA						0.64
	Sub-Total (B)	881.55	4.37	384.81	844.60	4.31	364.17
C	Power Exchange	916.63	6.35	582.16	897.07	6.52	584.94
D	Renewable Energy	601.25	5.46	328.02	441.40	5.84	257.71
E	UI/Sale				(26.05)	0.93	(2.43)
	Total Charges (sum of A to E)	3,589.47	4.85	1,831.25	3,383.96	4.85	1,743.54
F	Transmission Charges						
1	Inter State Transmission Charges			178.30			108.67
2	Intra State Transmission Charges			86.90			85.95
3	SLDC Application Fee						0.23
4	PGCIL arrear Bill						1.75
5	TPTCL (Source- PPGCL) Trans. (for FY-23 billed in FY-24)						0.41
	Sub-Total (F)			265.20			197.01
G	Total Power Purchase Cost (G= sum of A to F)	3,589.47	5.84	2,096.46	3,383.96	5.73	1,940.54
H	Additional Claim						
1	LTPPA T.O. Impact						4.12
2	MTPPA T.O. Impact						6.07
3	Transmission Charges T.O. impact						0.35
	Total Additional Claim						10.54
I	Total Power Purchase Cost (G+H)	3,589.47	5.84	2,096.46	3,383.96	5.77	1,951.09

4.4.47. The Petitioner requests the Commission to approve the total Power Purchase cost of Rs. 1,951.09 Cr. in full comprising Inter-State and Intra-State Transmission charges during FY 2023-24 as submitted in the above table.

Commission's Analysis

4.4.48. The Commission observed that the Petitioner has claimed the actual power purchase cost Rs. 1,743.54 Cr and transmission charges of Rs. 197.01 Cr however in note 29 of the audited balance sheet the energy charges are Rs. 1782.73 Cr and transmission charges are Rs. 197.01 Cr. The Petitioner, in reply, submitted the reconciliation of Power purchase cost as provided in the Table below:

TABLE 4-40 RECONCILED POWER PURCHASE COST SUBMITTED BY THE PETITIONER

S. No.	Particulars	Mus at NPCL Bus	Energy Charges, Fixed Charges & Other Charges	Rebate	Net Energy Charges, Fixed Charges & other charges	Transmission/Other Charges	Rebate on Transmission Charges	Net Transmission Charges	Total Power Purchase Cost
1	Cost as per Audited Balance Sheet (Refer Note 46(b))	3,389.47	1,794.13	13.77	1,780.36	201.26	1.88	199.38	1,979.74
2	Less-								
2.1	Additional Coal (FY 2023-24)		20.25	0.29	19.96				19.96
2.2	Change in Law (FY 2023-24)		5.05	0.08	4.98				4.98
2.3	Reimbursement of O&M expenses (FY 19 to FY 24)		8.32	0.11	8.20				8.20
2.4	Refund against True up of Additional Coal FY23		(0.21)		(0.21)				(0.21)
2.5	Net Metering (Renewable Sources)	5.51	3.88		3.88				3.88
2.6	Adani Power (Solar) Cost for period 06.01.21 to 04.04.21 vide Commission Order dt.15.03.23 (50%)					2.39		2.39	2.39
	Sub Total	5.51	37.29	0.48	36.81	2.39	-	2.39	39.20
					1,743.55				
3	Additional Claim								
3.1	LTPPA								
3.1a	Additional Coal Charges for FY 2021-22 approved in Petition 1873/2022 vide Order dt. 13.06.23		(7.03)		(7.03)				(7.03)
3.1b	Change in Law for FY 2020-21 approved in Petition 1798/2021 vide Order dt.12.05.23		4.86		4.86				4.86
3.1c	Change in Law for FY 2021-22 approved in Petition 1879/2022 vide Order dt.13.06.23		5.12		5.12				5.12

S. No.	Particulars	Mus at NPCL Bus	Energy Charges, Fixed Charges & Other Charges	Rebate	Net Energy Charges, Fixed Charges & other charges	Transmission/Other Charges	Rebate on Transmission Charges	Net Transmission Charges	Total Power Purchase Cost
3.1d	Carrying Cost on above		1.17		1.17				1.17
	Sub Total		4.12		4.12				4.12
3.2	MTPPA								
3.2a	APPCPL - Govt. of AP Fixed Cost Provision (FY-21)		0.35		0.35				0.35
3.2b	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)		0.35		0.35				0.35
3.3c	APPCPL - Govt. of AP Fixed Cost Provision (FY-22)		2.48		2.48				2.48
3.2d	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)		2.00		2.00				2.00
3.2e	Carrying Cost on above		0.88		0.88				0.88
	Sub Total		6.07		6.07				6.07
4	Transmission								
4.1	TPTCL (Source- PPGCL) Trans. Charge (FY 21-22)					0.28		0.28	0.28
4.2	Carrying Cost on above					0.07		0.07	0.07
	Sub Total		-	-	-	0.35	-	0.35	0.35
5	Grand Total (1-2+3+4)	3,383.96	1,767.03	13.29	1,753.74	199.22	1.88	197.34	1,951.09

4.4.49. Further in format F13 the Petitioner submitted Power drawl under UI scheme as -26.05 MU and total cost for UI drawl as Rs. -2.43 Cr. The Commission directed the Petitioner to provide the units under UI and sales on exchange separately along with the cost and whether the sales on exchange has been done as per the Order of the Commission in Petition No. 2020/2023. The Petitioner submitted that no power was sold on the power exchange during the financial year 2023-24. The figure of (-26.05 MU) reported in Format F13 pertains exclusively to UI drawl transactions. Accordingly, the total cost of Rs. (2.43 Cr) is solely attributable to UI drawl and does not include any component related to power sales on the exchange.

4.4.50. The Commission has directed the petitioner to submit the time block wise transactions of units and cost incurred for DSM over drawl and under drawl separately for FY 2023-24. Accordingly, the Petitioner in its reply submitted the details of time block wise transactions of units and cost incurred for DSM over drawl and under drawl for FY 2023-24 along with Reconciliation/ Summary.

TABLE 4-41 DSM SCHEDULED FOR FY 2023-24 SUBMITTED BY THE PETITIONER

	NPCL			Open Access			
Month	Total Schedule (MU)	Total Drawl (In MU)	Total Deviation (MU)	Open Access Schedule (MU)	Open Access Drawl (MU)	Open Access DSM (MU)	DSM as per True-Up
	A	B	C=B-A	D	E	F=E-D	G=C-F
Apr-23	264.13	259.51	-4.61	3.52	3.09	-0.42	-4.19
May-23	307.27	300.50	-6.77	4.60	3.89	-0.71	-6.06
Jun-23	339.79	334.51	-5.28	3.97	3.80	-0.17	-5.11
Jul-23	351.75	348.25	-3.51	4.92	5.18	0.27	-3.77
Aug-23	364.70	363.53	-1.17	5.99	5.65	-0.33	-0.83
Sep-23	347.83	345.80	-2.03	4.86	4.90	0.04	-2.06
Oct-23	285.53	285.12	-0.42	6.42	5.76	-0.66	0.24
Nov-23	214.36	212.52	-1.85	5.18	4.84	-0.34	-1.51
Dec-23	231.69	231.51	-0.18	5.22	4.84	-0.38	0.20
Jan-24	280.29	279.82	-0.46	3.87	3.83	-0.03	-0.43
Feb-24	239.46	237.15	-2.32	5.82	5.48	-0.34	-1.97
Mar-24	243.52	242.23	-1.29	7.35	6.60	-0.75	-0.54
FY24	3470.33	3440.45	-29.88	61.72	57.88	-3.84	-26.05

4.4.51. Further the Petitioner Submitted that the Petitioner submitted that the bills raised by UPSLDC are more often erroneous and prone to revision multiple times. During FY 2023-24, UPSLDC has revised its bills multiple times and despite so many revisions, they still need to be corrected in respect of accounting of scheduled energy by Petitioner/ Open Access consumers as well as meter data of their feeders. Needless to mention that UPSLDC has been revising its bill even in the past e.g. during FY 2015-16 to FY 2022-23, UPSLDC revised its bills more than 49 times including revisions for multiple weeks of preceding periods. In view of the same, the Petitioner rely on the Regional Energy Account (REA) published by NRLDC which is more accurate and stable for accounting of DSM Charges.

4.4.52. The Petitioner has claimed an incentive of Rs. 2.63 Cr is payable to DIL. The Commission sought clarification from the Petitioner whether this amount has been approved. The Petitioner in its reply submitted that incentive claimed of Rs. 2.63 Cr is based on the Regulation 35 of the UPERC Generation Tariff Regulations, 2019, which provides for payment of incentive to Genco for energy made available and utilized by the Discom when actual availability is over and above 85% as normative availability. Accordingly, based on the Regulation, Genco has also billed incentives as the dispatched power based on actual drawl was 87.78%, being 2.78% higher than normative availability.

4.4.53. The Commission noted that Table No. 18 of tariff Petition and Format PPC FY 24 indicate a fixed charge of Rs. 219.85 crore for long-term power. However, based on the fixed

charge rate of Rs. 1.727/unit and the energy quantum of 1,226.94 MUs, the calculated fixed charge amounts to Rs. 211.89 crore. Consequently, the Commission sought to the Petitioner to explain the discrepancy and provide a detailed computation of the fixed charges.

4.4.54. In response to the above-mentioned query, the Petitioner clarified that the fixed charges are computed based on the energy units at Normative Availability (85%) of the plant, as per the terms of the Power Purchase Agreement (PPA). While actual availability may exceed normative levels, the fixed charges remain payable on the basis of normative availability. The Commission's reference to 1,226.94 MUs pertains to the energy at the NPCL Periphery, whereas for the purpose of calculating normative availability under long-term power procurement, the energy must be considered at the Ex-bus level, which is 1,273.02 MU. Accordingly, applying the fixed charge rate of Rs. 1.727/unit to 1,273.02 MUs results in a total fixed charge of Rs. 219.85 Crores, which aligns with the submission.

4.4.55. The Commission observed that Table No. 18 of the Tariff Petition and Format PPC FY 24 reflect a variable charge of Rs. 324.84 crore for long-term power. However, based on a variable cost of Rs. 2.471 /unit and an energy quantum of 1,226.94 MUs, the calculated variable charge amounts to Rs. 303.17 crore. Accordingly, the Commission directed the Petitioner to clarify the discrepancy and provide a detailed computation of the energy charges.

4.4.56. In response, the Petitioner submitted that the energy charges have been computed based on energy units at the Ex-bus level of the generating plant, in accordance with the provisions of the Power Purchase Agreement (PPA). The energy quantum of 1,226.94 MUs referred to by the Commission corresponds to the NPCL Periphery, whereas for tariff computation, the applicable energy quantum is 1,314.59 MUs at Ex-bus, as detailed in Table 18 of Appendix-III: Text of True-Up FY 2023-24. Applying the energy charge rate of Rs. 2.471/unit to 1,314.59 MUs results in a total energy charge of Rs. 324.84 crore, consistent with the submission.

4.4.57. The Commission asked the Petitioner to provide the basis of computation of actual utilization of 45 MW M/S TPTCL, GoHP. In reply to the query the Petitioner submitted the month wise declared availability of the plant as provided in the below table-

TABLE 4-42 MONTH WISE DECLARED CAPACITY OF TPTCL, GOHP FOR FY 2023-24

Sl. No.	Month	Contracted Capacity (MW)	Contracted Capacity (MU)	Declared Capacity (MU) as per Bills issued by TPTCL	Plant Availability In %	Revision by NPCL(MU)	Supplied Energy (MU)	Availability Used In %
1	May-23	33,480.00	33.48	25.84	77.18%	1.12	24.72	73.83%
2	Jun-23	32,400.00	32.40	30.35	93.66%	-	30.35	93.66%
3	Jul-23	33,480.00	33.48	31.28	93.44%	-	31.28	93.44%
4	Aug-23	33,480.00	33.48	31.33	93.56%	-	31.33	93.56%
5	Sep-23	32,400.00	32.40	30.29	93.48%	-	30.29	93.48%
	YTD FY24	1,65,240.00	165.24	149.08	90.22%	1.12	147.96	89.54%

4.4.58. The Commission during Technical validation session sought from the Petitioner to submit the supporting bills along with the justification for all additional claims made towards power purchase cost for FY 2023-24.

4.4.59. The Petitioner in its reply submitted the supporting bills along with reconciliation of Power Purchase Cost as provided in the Audited Balance Sheet as follows:

TABLE 4-43 RECONCILIATION OF POWER PURCHASE AS PROVIDED BY THE PETITIONER

S. No.	Particulars	Mus at NPCL Bus	Total Power Purchase Cost (Rs. Cr)	Remarks	Reference
1	Cost as per Audited Balance Sheet (Refer Note 46(b))	3,389.47	1,979.74		
2	Less-				
2.1	Additional Coal (FY 2023-24)		19.96	Expenses booked & paid in FY24	The company has not claimed such amount based on the Commission directions in Para No. 5.5.106 vide T.O. dated 10.10.2024
2.2	Change in Law (FY 2023-24)		4.98		
2.3	Reimbursement of O&M expenses (FY 19 to FY 24)		8.20		
2.4	Refund against True up of Additional Coal FY23		(0.21)		
2.5	Net Metering (Renewable Sources)	5.51	3.88	Adjusted with Sales as per the direction of Commission	The company has adjusted such amount and units based on the Commission's directions in para no. 5.5.136 vide T.O. dated 10.10.2024

S. No.	Particulars	Mus at NPCL Bus	Total Power Purchase Cost (Rs. Cr)	Remarks	Reference
2.6	Adani Power (Solar) Cost for period 06.01.21 to 04.04.21 vide Commission Order dt.15.03.23 (50%)		2.39	Approved in True up of FY 23	Already approved based on the Commission's directions in Table No. 5-71 vide T.O. dated 10.10.2024
	Sub Total	5.51	39.20		
3	Additional Claim				
3.1	LTPPA				
3.1a	Additional Coal Charges for FY 2021-22 approved in Petition 1873/2022 vide Order dt. 13.06.23		(7.03)	Petition 1873/2022 vide Order dt. 13.06.23	The company has claimed such amount based on the Commission's directions in para no. 5.5.106 vide T.O. dated 10.10.2024
3.1b	Change in Law for FY 2020-21 approved in Petition 1798/2021 vide Order dt.12.05.23		4.86	Petition 1798/2021 vide Order dt.12.05.23	
3.1c	Change in Law for FY 2021-22) approved in Petition 1879/2022 vide Order dt.13.06.23		5.12	Petition 1879/2022 vide Order dt.13.06.23	
3.1d	Carrying Cost on above		1.17	Carrying Cost on Above	
	Sub Total		4.12		Refer Table 22 of Appendix III of the Petition filed on 28.11.2024
3.2	MTPPA				
3.2a	APPCPL - Govt. of AP Fixed Cost Provision (FY-21)		0.35	Provision booked in FY21, paid on 12.12.2024	The company has claimed such amount based on the Commission directions in Para No. 5.5.121 vide T.O. dated 10.10.2024
3.2b	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)		0.35	Provision booked in FY21, paid on 12.12.2024	
3.3c	APPCPL - Govt. of AP Fixed Cost Provision (FY-22)		2.48	Provision booked in FY22, paid on 12.12.2024	
3.2d	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)		2.00	Provision booked in FY22, paid on 12.12.2024	
3.2e	Carrying Cost on above		0.88	Carrying Cost on Above	
	Sub Total		6.07		Refer Table 40 of Appendix III of the Petition filed on 28.11.2024
4	Transmission				
4.1	TPTCL (Source- PPGCL) Trans. Charge (FY 21-22)		0.28	Provision booked in FY22, paid on 02.12.2024	The company has claimed such amount based on the Commission directions in Para

S. No.	Particulars	Mus at NPCL Bus	Total Power Purchase Cost (Rs. Cr)	Remarks	Reference
4.2	Carrying Cost on above		0.07	Carrying Cost on Above	No. 5.5.174 vide T.O. dated 10.10.2024
	Sub Total		0.35		Refer Table 42 of Appendix III of the Petition filed on 28.11.2024
5	Grand Total (1-2+3+4)	3,383.96	1,951.09		

Long Term Power Purchase

4.4.60. The Commission is of the view that power purchase from DIL for FY 2023-24 shall be calculated based on the actual energy availability of DIL for FY 2023-24 and approved fixed Charges and energy charges of DIL for FY 2023-24 determined in the Order dated September 21, 2022, in Petition No. 1531 of 2019. The month-wise declared Availability of the Plant, as reported by the Genco, is provided in their invoice for FY 2023-24 enclosed and the same is reproduced as below.

TABLE 4-44 MONTH-WISE DECLARED AVAILABILITY OF DIL PLANT FOR FY 2023-24 SUBMITTED BY THE PETITIONER

S. No.	Month	Contracted Capacity (MU)	Declared Capacity (MU) as per Bills issued by DIL	Plant Availability
1	Apr-23	122.40	122.40	100.00%
2	May-23	126.48	122.75	97.05%
3	Jun-23	122.40	121.44	99.21%
4	Jul-23	126.48	126.48	100.00%
5	Aug-23	126.48	126.16	99.75%
6	Sep-23	122.40	122.40	100.00%
7	Oct-23	127.22	56.31	44.26%
8	Nov-23	123.12	110.95	90.12%
9	Dec-23	127.22	120.45	94.68%
10	Jan-24	127.22	126.26	99.24%
11	Feb-24	119.02	118.46	99.53%
12	Mar-24	127.22	127.22	100.00%
	Total	1,497.67	1,401.29	93.56%

4.4.61. Accordingly, the Commission has considered the approved per-unit rates of Fixed and Energy Charges for DIL to compute the power purchase cost from DIL for FY 2023–24. The financial impact of the True-Up for DIL pertaining to FY 2023–24 shall be passed on to the Petitioner through the Tariff Order of the relevant year, as applicable.

- 4.4.62. The Commission observed that in the MYT Format the petitioner has claimed the total energy billed by the long-term source “DIL” is 1314.59 MUs whereas after due diligence of the monthly bills of this source, it has been observed that 5,61,000 kWh of energy has been procured from Manikaran Power Limited. The Commission vide its deficiency note dated March 4, 2025, sought the Petitioner justification as to why energy from Manikaran Power Limited has been claimed under the source DIL & its impact on the Power Purchase Cost from DIL. The Petitioner is also required to show the impact of this power on the PLF of DIL.
- 4.4.63. The Petitioner has submitted that there is unavoidable reduction in power supply from DIL during the period 06:00 hrs and 18:00 hrs on February 1, 2024, and the schedule for the balance period of the day would remain unchanged. Additionally, to mitigate any adverse impact on the Petitioner’s power procurement requirements, DIL proposed an alternative arrangement whereby the deficit quantum (28 MW for 06:00 to 09:00 hrs and 53 MW for 09:00 to 18:00 hrs) would be supplied at the regional periphery through block-wise procurement from M/s Manikaran Power Ltd. under the Day Ahead Market. DIL also assured that any financial implications arising due to this alternative procurement from M/s Manikaran Power Ltd. would be borne by DIL itself.
- 4.4.64. Further, the Petitioner has submitted that the Commission vide its Order dated January 15, 2016, & April 20, 2016, approved the Power Purchase Agreement of the Petitioner entered with M/s Dhariwal Infra structures Ltd. for procurement of 187 MW power for a period of 25 years. The clause 4.7 “**Alternative Source of Power Supply**” of the approved PPA with DIL provides the following:

“4.7 Alternative Source of Power Supply

4.7.1 During the Operating Period, if the Seller is unable to provide supply of power to the Procurer up to the Contracted Capacity from the Power Station except due to a Force Majeure Event or due to a Procurer Event of Default, the Seller is free to supply power up to the Contracted Capacity from an alternative generation source to meet its obligations under this Agreement. Such power shall be supplied to the Procurer at the same Tariff as per the terms of this Agreement and subject to provisions of Article 4.7.2. In case the transmission and other incidental charges, including but not limited to application fees for Open Access, RLDC/SLDC charges, etc., applicable from the alternative source of power supply are higher than the applicable Transmission Charges from the

Interconnection Point to the Delivery Point, the Seller would be liable to bear such additional charges.

4.7.2 The Seller shall be permitted to supply power to the Procurer from any alternative source for a maximum continuous duration of six (6) Months or a maximum non continuous period of twelve (12) months during the Operating Period.”

4.4.65. The Petitioner has submitted that considering the approved PPA clause as mentioned above, it had procured power from Manikaran Power Limited. Further it is submitted that the total cost of power purchase Rs. 41,19,066 from Manikaran Power Limited (MPL) for 5,61,000 MU is in line with the arrangement wherein DIL committed to bear the financial burden of this alternative power procurement, the Petitioner issued Debit Note No. NPCL/DN/23-24/01 dated 6th February 2024 to DIL for the differential amount of Rs. 27,32,835, which has been calculated as per the PPA-approved rate of Rs. 2.471/unit with DIL, details as given below:

S. No.	Particulars	Amount (Rs.)
A	Cost of 0.561 MUs power procured from MPL on 1.02.2024	4,119,066
B	Cost of 0.561 MUs power as per PPA approved rate of Rs. 2.471/Unit	1,386,231
C	Differential amount to be reimbursed by DIL (A-B)	2,732,835

4.4.66. Hence, the net cost to the Petitioner is Rs. 1,386,231 for the procurement of 5,61,000 kWh at the rate of Rs. 2.471/unit. Further, for the computation of Plant Availability for FY 2023-24, the Petitioner has excluded power from MPL. For the True-up for FY 2023-24, the Petitioner has claimed a Plant Availability of 93.56%, which excludes power from MPL.

4.4.67. The approval of power purchase cost from DIL for FY 2023-24 is shown in the Table below:

TABLE 4-45 POWER PURCHASE COST FROM DIL FOR FY 2023-24 APPROVED BY THE COMMISSION

Sl. No.	Description	UoM	Petitioner Submission	Approved
1	Contracted Quantum at ex-Genco Bus	MW	170/171*	171
2	No of Days	-	366	366
3	Hours	-	24	24
4	Normative Availability	%	85%	85%
5	Units at Normative Availability	MU	1273.02	1277.54

Sl. No.	Description	UoM	Petitioner Submission	Approved
6	Plant Availability	%	93.56%	93.56%
7	Actual Utilisation	%	87.78%	87.78%
8	Units at Ex-Bus	MU	1,314.59	1,314.59
9	Inter-State Losses	%	3.56%	3.56%
10	Units at UP Periphery	MU	1,267.77	1,267.77
11	Intra-State Losses	%	3.22%	3.22%
12	Units at NPCL	MU	1,226.94	1,226.94
13	Fixed Cost @ Rs. 1.727 /unit (@normative availability i.e. 85%)	Rs. Cr.	219.85	219.85
14	Variable Cost @ Rs. 2.471 /unit	Rs. Cr.	324.84	324.84
15	Rebate on Fixed & Variable Charges	Rs. Cr.	(8.17)	(8.17)
16	Total Cost	Rs. Cr.	536.52	536.52

*171 MW w.e.f. October 2023

Incentive

4.4.68. It is observed that the Petitioner has claimed an incentive of Rs. 2.63 Cr as DIL has billed incentives because the dispatched power (based on the actual drawl) was 87.78 % i.e., 2.78% higher than the normative availability. The Commission shall deal with the claim after True up of DIL for FY 2019-20 to FY 2023-24.

Impact of Previous Tariff Order

4.4.69. The Commission, in its Order dated October 10, 2024, provides that the impact of change in law and additional coal claimed by the Petitioner shall be allowed once NPCL's True up for respective years will be issued by the Commission. The relevant extract has been provided in the Petitioners' submission

4.4.70. The Commission observed that DIL, through its Invoice Nos. NPCL/SI/20-21/04 dated February 4, 2021, and NPCL/SI/21-22/01 dated May 4, 2021, raised claims under Change in Law events for the periods April 2020 to September 2020 and October 2020 to March 2021, respectively. The total claim amounted to Rs. 4.91 Crore. After applying a 2% rebate to the claimed amount, the net claim was reduced to Rs. 4.81 crore. Accordingly, the Commission considers the revised claim of Rs. 4.81 crore in place of the earlier approved and claimed amount of Rs. 4.86 crore.

4.4.71. Accordingly, the cost approved towards the impact of Additional coal and change in law, as approved in Order dated October 10, 2024, is hereby approved by the Commission. The detailed calculation of additional coal and change in Law charges along with carrying cost is provided in below table.

TABLE 4-46 SUMMARY OF CARRYING COST ON ADDITIONAL COAL & CHANGE IN LAW CHARGES

S. No.	Particulars	Petitioner Submission			Approved		
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2020-21	FY 2021-22	FY 2022-23
1	Opening Balance	-	5.32	3.74	0	4.81	2.90
2	Approved Change in Law Charges - FY 21	4.86			4.81		
3	Approved Change in Law Charges - FY 22		5.12		0	5.12	
4	Approved Additional Coal Charges - FY 22		(7.03)		0	-7.03	
5	Additions Subtotal (5=1+2+3+4)	4.86	3.41	3.74	4.81	2.90	2.90
6	Roi for Carrying Cost as per prevailing Distribution Tariff Regulation	9.57%	9.50%	10.29%	9.57%	9.50%	10.30%
7	Carry. Cost (6*5)	0.46	0.32	0.38	0.23	0.37	0.30
8	Closing Balance (5+7)	5.32	3.74	4.12	5.04	3.26	3.20

4.4.72. The Commission approves the power purchase cost of the Petitioner from the Long-Term source DIL (including Transmission Charges) for FY 2023-24 as shown in the Table below:

TABLE 4-47 POWER PURCHASE FROM LONG TERM SOURCE (DIL) APPROVED BY THE COMMISSION (IN RS. CRORE)

Particulars	Billed	Inter-State Losses	at UP Periphery	Intra-State Losses	at NPCL bus	Fixed Charges	Variable Charges	Rebate	Net charges
Long Term Power (Conventional Sources)	MUs	%	MUs	%	MUs	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Long Term Power	1314.59	3.56%	1267.79	3.22%	1226.97	219.85	324.84	8.17	536.52
Additional Coal Charges for FY 2021-22 approved in Petition 1873/2022 vide Order dt. 13.06.23									(7.03)
Change in Law for FY 2020-21 approved in Petition 1798/2021 vide Order dt.12.05.23									4.81
Change in Law for FY 2021-22) approved in Petition 1879/2022 vide Order dt.13.06.23									5.12
Carrying Cost on above									0.89

Particulars	Billed	Inter-State Losses	at UP Periphery	Intra-State Losses	at NPCL bus	Fixed Charges	Variable Charges	Rebate	Net charges
Long Term Power (Conventional Sources)	MUs	%	MUs	%	MUs	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Total						219.85	324.84	8.17	540.31

Medim Term Power Purchase

4.4.73. The Petitioner in FY 2023-24 has purchased Power through Medium term Power purchase from the plants as detailed in Petitioners' submission. The Commission has done the prudence check and finds the submission to be correct. Accordingly, the Commission approves the Power purchase Cost for Medium Term Sources as claimed by the Petitioner. The Commission, in its tariff Order dated October 10, 2024, had approved provision of fixed cost amounting Rs. 5.18 Crore for APPCL and Rs. 0.28 Crore of TPTCL (GoHP) transmission charge with observation that the invoices for these damages were raised after the end of FY 2022-23 in accordance with the terms of PPA. Therefore, the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the proceedings were for Truing up of FY 2022-23, the claimed amount was deferred till the true up FY 2023-24. It has been observed that the supplementary bill raised by APPCL under 'Change in Law' was issued on September 11, 2023, without any carrying cost being claimed. Consequently, the Commission has not approved the carrying cost charges as claimed by the Petitioner. Accordingly, the Commission hereby approves the same in this true up Order for FY 2023-24.

TABLE 4-48 CARRYING COST AMOUNT DEFERRED FOR TRANSMISSION CHARGES (RS. CR.)

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	Total
1	Opening Balance	0	0.29	0.32	
2	Additions: TPTCL (Source- PPGCL) Trans. Charge	0.28			
3	Closing Balance (3=1+2)	0.28	0.29	0.32	
4	Average Balance	0.14	0.29	0.32	
5	RoI for Carrying Cost as per prevailing Distribution Tariff Regulation	9.57%	9.50%	10.30%	
6	Carrying Cost (4*5)	0.01	0.03	0.03	0.07
7	Grand Closing Balance (3+6)	0.29	0.32	0.35	0.35

TABLE 4-49 POWER PURCHASE FROM MEDIUM TERM SOURCE APPROVED BY THE COMMISSION (IN RS. CRORE)



Particulars	Billed	Inter-State Losses	at UP Periphery	Intra-State Losses	at NPCL bus	Fixed Charges	Variable Charges	Rebate	Net charges
	MUs	%	MUs	%	MUs	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
TPTCL(Source-JITPL)	732.00	3.54%	706.05	3.22%	683.31	152.31	151.52	3.04	300.80
TPTCL- Govt of Himachal Pradesh (Hydro)	147.96	0	147.96	0	147.96	24.35	33.55	0.58	57.33
APPCPL- Goodwill, HP (Hydro)	13.32	0	13.32	0	13.32	2.36	3.10	0.05	5.40
Incentive claimed by MTPPA Supplier TPTCL (GoHP)							0.65	0.01	0.64
APPCPL - Govt. of AP Fixed Cost Bill (FY-21)							0.35		0.35
APPCPL - Govt. of Nagaland Fixed Cost Bill (FY-21)							0.35		0.35
APPCPL - Govt. of AP Fixed Cost Bill (FY-22)							2.48		2.48
APPCPL - Govt. of Nagaland Fixed Cost Bill (FY-22)							2.00		2.00
Sub-Total									369.36

Power Purchase Renewable energy and Exchange

4.4.74. The Petitioner has submitted the power purchase cost from the Renewable sources for FY 2023-24 as discussed in Petitioner's submission. The Commission's approval for the submitted renewable sources along with approval Orders is shown below:

TABLE 4-50 RENEWABLE ENERGY SOURCES AND COMMISSION'S APPROVAL

Name of Plant	Petition No.	Date of the Order	Link
PTC (Wind)	1228/2017	January 05, 2018	https://www.uperc.org/App_File/Pt1228of2017orderdt-05-01-18-pdf152018124349PM.pdf
GNIDA (Solar)	1012/2015	July 14, 2017	https://www.uperc.org/App_File/1012-2015NoidaPowerCompanyLtd-pdf715201533327PM.pdf
APPCPL-Solar	Not Approved		
Adani (Solar)	1479/2019	September 18, 2019	https://www.uperc.org/App_File/1479order18-9-2019-pdf9242019111547AM.pdf
Tata (Solar)	1479/2019	September 18, 2019	https://www.uperc.org/App_File/1479order18-9-2019-pdf9242019111547AM.pdf

Name of Plant	Petition No.	Date of the Order	Link
PTC (Singroli Bhatwari)- HPO	1965/2023	June 13, 2023	Pt-no-1965of2023NPCL-13-06-2023-pdf613202332908AM.pdf
PTC (NSL Sugars, Karnataka (NSL))- Non-Solar	1966/2023	June 13, 2023	Pt-no-1966of2023NPCL-13-06-2023-pdf613202332919AM.pdf
Net Metering	Deemed Approved		

4.4.75. The Commission, vide its Order dated July 14, 2015, in Petition No. 1012 of 2015, had approved the procurement of solar power by NPCL from GNIDA at a tariff of Rs. 7.06/unit. It is further observed that the Petitioner has claimed procurement at a rate of Rs. 6.92/unit net of 2% rebate for timely payment. Accordingly, the Commission approves the actual rate of Rs. 6.92/unit as claimed by the Petitioner for the purpose of Truing up for FY 2023-24.

4.4.76. The Commission observed that the Petitioner has procured 0.34 MU of solar power from M/s APPCPL at a rate of Rs. 5.38/kWh which has not been approved by the Commission. The petitioner had been procuring the power from this source in the past also and the same had been allowed at the exchange rate because this power is used in the fulfilment of RPO Obligation. Therefore, as per the past practices, the Commission is allowing at a benchmark rate of Rs. 5.24/kWh, as per the Table 5-51 in para no. 5.4.96 equivalent to the Weighted Market Clearing Price (MCP) of the Green Day Ahead Market for FY 2023-24.

4.4.77. The Commission, vide Order dated September 18, 2019, in Petition No. 1479 of 2019, approved the tariff for NPCL to procure solar power from M/s Adani Energy (Mahoba Solar (UP) Pvt. Ltd, Ahmedabad) and M/s Tata Power.

4.4.78. The Commission observed that in the MYT Format PPC FY24, the month-wise quantum of energy and corresponding energy charges claimed from the long-term renewable source, Adani Solar, do not align with the monthly bills submitted by the Petitioner. Accordingly, the Commission directed the Petitioner to provide a justification for the discrepancies between the claimed and billed energy quantum and corresponding charges. In response, the Petitioner submitted its explanation vide letter dated March 17, 2025.

4.4.79. The Petitioner submitted that M/s Adani Solar has raised the monthly bill based on the methodology outlined in the Table given below:

Table M/S Adani solar Energy Chitrakoot One Limited	
Billable Energy of each plant, month of April-2023	
Metering at 33KV of 50MW plant, M1 Export	1,05,96,000
Metering at 33KV of 25MW plant, M2 Export	54,88,200
Metering at 132 Mau remote substation for 75MW, M3 Import	1,58,48,880
Metering at 33KV (50+25) MW Plant (M1+M2) Export	1,60,57,800
Total loss (L) = (M1+M2-M3)	2,08,920
Plant loss (L1) = $L * M1 / (M1 + M2)$	1,37,516
Plant loss (L2) = $L * M2 / (M1 + M2)$	71,404
EP1 = (M1-L1) (Billable energy of 50MW plant)	1,04,32,084
EP2 = (M2-L2) (Billable energy of 25MW plant)	54,16,796

4.4.80. Further, the Petitioner submitted that in case of Adani Solar, the payments were processed as per the energy quantum reported by the Uttar Pradesh State Load Dispatch Centre (UPSLDC) and energy charges as per the Power Purchase Agreement (PPA). Therefore, this resulted in a difference between the energy quantum and charges reflected in the invoices raised by Adani Solar and those considered by the Petitioner for payment.

4.4.81. The difference between the energy quantum and charges reflected in the invoices raised by Adani Solar and those considered by the Petitioner for payment for FY 2021-22 and FY 2022-23 is provided below for ready reference of the Commission:

Billing details as per Adani and NPCL						
FY	Billing as per Adani			Billing as per NPCL		
	Units as per JMR (MUs)	Energy Rate	Amount (Rs. Cr.)	Units as per UPSLDC (MUs)	Energy Rate	Amount (Rs. Cr.)
FY 2021-22	54.17	3.08	16.68	53.60	3.08	16.27
FY 2022-23	57.89	3.08	17.83	56.48	3.08	17.40

4.4.82. It can be observed from the above that in FY 2021-22 and FY 2022-23, as per data from UPSLDC, the units and corresponding amounts considered by NPCL are lower than those billed by Adani Solar. Further, to address the discrepancy, the Petitioner approached Adani Solar and formally communicated the issue regarding the difference between units recorded as per their metering methodology and the units reported by UPSLDC. Adani Solar acknowledged the difference and agreed to align its billing with UPSLDC data starting from February 2024.

Period		No. of days	Invoice Date	Invoice No.	Billing as per Adani			Billing as per NPCL		
From	To				Units as per JMR (MUs)	Energy Rate	Amount (Rs. Cr)	Units as per UPSLDC (MUs)	Energy Rate	Amount (Rs. Cr)
01-Apr-23	30-Apr-23	30	09-May-23	Chitrakoot/25 MW/NPCL/2023-24/01	5.42	3.08	1.67	5.72	3.08	1.76
01-May-23	31-May-23	31	03-Jun-23	Chitrakoot/25 MW/NPCL/2023-24/02	5.79	3.08	1.78	6.10	3.08	1.88
01-Jun-23	30-Jun-23	30	04-Jul-23	Chitrakoot/25 MW/NPCL/2023-24/03	5.21	3.08	1.60	5.55	3.08	1.71
01-Jul-23	31-Jul-23	31	04-Aug-23	Chitrakoot/25 MW/NPCL/2023-24/04	4.60	3.08	1.42	4.96	3.08	1.53
01-Aug-23	31-Aug-23	31	05-Sep-23	Chitrakoot/25 MW/NPCL/2023-24/05	4.35	3.08	1.34	4.70	3.08	1.45
01-Sep-23	30-Sep-23	30	04-Oct-23	Chitrakoot/25 MW/NPCL/2023-24/06	4.45	3.08	1.37	4.76	3.08	1.46
01-Oct-23	31-Oct-23	31	08-Nov-23	Chitrakoot/25 MW/NPCL/2023-24/07	5.11	3.08	1.57	5.37	3.08	1.65
01-Nov-23	30-Nov-23	30	05-Dec-23	Chitrakoot/25 MW/NPCL/2023-24/08	3.79	3.08	1.17	4.15	3.08	1.28
01-Dec-23	31-Dec-23	31	03-Jan-24	Chitrakoot/25 MW/NPCL/2023-24/09	3.47	3.08	1.07	3.83	3.08	1.18
01-Jan-24	31-Jan-24	31	05-Feb-24	Chitrakoot/25 MW/NPCL/2023-24/10	2.96	3.08	0.91	3.33	3.08	1.02
01-Feb-24	28-Feb-24	28	04-Mar-24	Chitrakoot/25 MW/NPCL/2023-24/11	4.50	3.08	1.39	4.50	3.08	1.39
01-Mar-24	31-Mar-24	31	03-Apr-24	Chitrakoot/25 MW/NPCL/2023-24/12	5.71	3.08	1.76	5.71	3.08	1.76
		365		Total FY24	55.36	3.08	17.05	58.67	3.08	18.07

4.4.83. The above table provides a detailed month-wise reconciliation of energy units billed as per Adani Solar's metering and UPSLDC's reported figures, highlighting the differences in quantum and corresponding charges.

4.4.84. Further, the Commission also directed the Petitioner to provide the justification as to how a 25 MW solar plant can generate energy of 58.67 MUs @ 26.79% Capacity Utilization Factor (CUF).

4.4.85. The Petitioner submitted that as per Clause 4.6 of the approved Power Purchase Agreement (PPA) dated February 14, 2019, for the supply of 25 MW Solar Power by Adani Wind Energy (TN) Limited, the Solar Power Producer (SPP) is permitted to generate within a variation range of +10% to -15% of the declared annual Capacity Utilization Factor (CUF) of 24.50% for a period extending up to ten (10) years from the Commercial Operation Date (COD).

4.4.86. Accordingly, the allowable CUF range (upper limit) for the 25 MW solar plant is 26.95% $[24.50\% + (24.50\% \times 10\%) = 26.95\%]$. Accordingly, based on the installed capacity of 25 MW, the possible maximum annual energy generation will be 59.18 MUs $[25 \text{ MW} \times 8,784 \text{ hours} \times 26.95\% = 59.18 \text{ MUs}]$. It is evident that the actual energy generation of 58.67 MUs, as claimed, falls well within the permissible upper limit of 59.18 MUs, which is allowed under the terms of the PPA.

4.4.87. Further, the Commission has reviewed the response submitted by the Petitioner and observed that reconciliation of energy units billed for February and March 2024 was jointly conducted by Adani Solar and UPSLDC. However, no such reconciliation had been carried out for the period from April 2023 to January 2024. Furthermore, there was difference in units billed by Adani Solar and the power purchase claimed by the

Petitioner during this period. The Petitioner has also failed to furnish any supplementary bills or invoices for the months from April 2023 to January 2024 to account for the differential units between Adani Solar and the Petitioner. In light of this, the Commission approves the power purchase cost of Adani Solar based on the bills submitted by the Petitioner and raised by Adani Solar.

4.4.88. Accordingly, the Commission approves procurement from long-term solar power of 42.54 MUs @Rs 3.12/ kWh from Tata power at the Landed Cost of Power at NPCL Periphery and 56.78 Mus with cost of power claimed by Adani Solar at for FY 2023-24.

4.4.89. The Commission, vide Order dated January 23, 2018, in Petition No. 1228 of 2017, approved the tariff for NPCL to procure Wind Power from PTC India Limited. Accordingly, the Commission approved 34.33 MU @ Rs. 3.74 per kWh procured from Long Term Power Purchase Agreement for 10 MW Wind power with PTC India Limited.

4.4.90. Further, the Commission observed that in the MYT Format PPC FY24, the petitioner has claimed the total energy billed by the long-term renewable source "PTC Wind" is 35.47MUs with energy charge of Rs. 13.07 Cr whereas after prudence check of the monthly bills of this source, it has been observed that the energy charge in the bill for the m/o Jan-24 is of only Rs. 55.67 Lakhs whereas petitioner has claimed Rs.1.11 Cr in the Petition. The Commission asked the Petitioner to give the justification as to why excess amount towards energy charge has been claimed in the bill of Jan-24.

4.4.91. The Petitioner has submitted the reply of the above-mentioned query vide letter dated March 17, 2025. The Petitioner has submitted that PTC India vide its letter No. PTC/Comm/AWEKOL-NPCL/1895 dated 11.08.2023 intimate regarding receipt of notification of Change in Law Event from AWEKOL vide its letter number AWEK1L/10 MW/T-I/CIL/20230810 dated 10.08.2023, intimating the occurrence of Change in Law Event on the ground of necessitating installation of reactive power compensation device by RE generator in order to demonstrate dynamic reactive power 'capability to operate at least up to "V-curve" boundaries (0.95 Lag/Lead) corresponding to the generation level at the point of interface/interconnection in terms of modified interpretation of Clause B.82 (1) of CEA Regulations 2013.

4.4.92. Further, AWEKOL, vide its above letter informed that once the installation of necessary reactive power devices is completed, the cost incurred on account of installation of reactive power compensator will be shared along with its impact on tariff. Additionally,

AWEKOL shall approach an appropriate Commission for getting necessary approval for payment of compensation towards Change in Law events in terms of PPA.

4.4.93. Subsequently, PTC India Ltd., on behalf of Adani Green Energy (PTC Wind), raised a supplementary invoice dated 30th December 2023 for Rs. 55,17,117 towards the Change in Law claim related to the installation of a 275 MVAR Capacitor Bank.

4.4.94. Considering the above, the Petitioner, while disputing the claim, made the payment under protest, considering it as a Change in Law adjustment. The corresponding amount has, therefore, been included in the total energy charge claimed for January 2024, resulting in the discrepancy observed between the bill amount and the amount claimed in the Petition.

4.4.95. The Petitioner further submitted that the matter regarding the legitimacy of the Change in Law claim is currently under consideration by the regulatory authority concerned. If the final decision does not favor the supplier, the Petitioner shall claim a refund of the amount from the supplier, along with carrying cost, to ensure that no undue financial burden is placed on the Petitioner.

4.4.96. The Commission had gone through the submission of the Petitioner and does not find it suitable to approve the cost of capacitor as the matter is sub judice. Accordingly, the Commission does not approve the claim of the Petitioner towards Capacitor Bank.

4.4.97. The Commission notes a total net injection of 5.64 MU by rooftop solar consumers during FY 2023-24. Of this, the Petitioner has accounted for 5.51 MU as deemed sales under net metering procurement, while the remaining 0.13 MU was unutilized at the end of the financial year, in accordance with the UPERC (Rooftop Solar PV Grid Interactive System/Net Metering) Regulations, 2019. Consistent with the approach adopted in the previous year's order, the Commission has treated the 5.51 MU of energy from net metering as a deemed purchase from the G-DAM segment of the Power Exchange. Accordingly, the Commission has considered the Weighted Market Clearing Price (MCP) of Rs. 5.24/unit (as per IEX for FY 2023-24), resulting in a total purchase cost of Rs. 2.89 crore. For the remaining 0.13 MU, payment to consumers has been made at the net metering rate of Rs. 2/unit, amounting to Rs. 0.03 crore, in line with the UPERC regulations.

TABLE 4-51 IEX Weighted MCLR for FY 2023-24

Market Snapshot					
year: 2023					
Year	Total Sell Bid (MWh)	Total MCV (MWh)	Total FSV (MWh)	MCP (Rs/MWh)	Weighted MCP (Rs/MWh)
2023-2024	4614412.18	2501699.83	2499231.42	5810.60	5241.40
Summary	Total Sell Bid (MWh)	Total MCV (MWh)	Total FSV (MWh)	MCP (Rs/MWh) *	Weighted MCP (Rs/MWh)
Total	4614412.18	2501699.83	2499231.42		
Max	4614412.18	2501699.83	2499231.42	5810.60	5241.40
Min	4614412.18	2501699.83	2499231.42	5810.60	5241.40
Avg	4614412.18	2501699.83	2499231.42	5810.60	5241.40

*IEX | Indian Energy Exchange

4.4.98. The Commission directs the Petitioner to comply with the provisions of UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 for accounting of energy and the same has to be reflected in the audited balance sheet rather than making adjustments in treatment of energy from net metering based on the accounting being done by the Petitioner. In case of non-compliance, the Commission may take necessary corrective actions.

4.4.99. The Commission, in its previous tariff Order dated October 10, 2024, had approved provision of fixed cost amounting for Rs. 0.64 Crore from damages claimed from Adani Solar with observation that the invoices for these damages were raised after the end of FY 2022-23 in accordance with the terms of PPA, however, the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. The aforesaid damage amount is considered under Non-Tariff Income head for this year.

4.4.100. The Commission, vide its Order dated June 13, 2023, in Petition No. 1965 of 2023, approved power procurement from short term power purchase from PTC (Singroli Bhatwari) for period of July 01, 2023, to August 31, 2023.

4.4.101. Based on the above, the power purchase cost from short-term sources approved for FY 2023-24 is as shown in the Table below:

TABLE 4-52 ENERGY PURCHASE AND SHORT-TERM POWER PURCHASE APPROVED BY THE COMMISSION FOR FY 2023-24

S. No.	Particulars	Claimed			Approved		
		Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)	Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)
1	PTC (Wind)	34.33	3.74	12.82	34.33	3.57	12.27
2	GNIDA (Solar)	0.89	6.92	0.62	0.89	6.92	0.62
3	APPCPL-Solar	0.34	5.38	0.18	0.34	5.24	0.17
4	Adani (Solar)	56.78	3.12	18.07	56.78	3.12	16.71

S. No.	Particulars	Claimed			Approved		
		Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)	Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)
5	Tata (Solar)	42.54	3.12	13.27	42.54	3.12	13.27
	Sub Total (A)	134.87	3.31	44.04	134.87	3.19	43.04
1	PTC (Singroli Bhatwari)- HPO	25.76	6.81	17.55	25.76	6.81	17.55
2	PTC (NSL Sugars, Karnataka (NSL))- Non-Solar	10.61	6.81	7.23	10.61	6.81	7.23
3	Net Metering	0.13	2.00	0.03	0.13	2.00	0.03
4	Power Exchange (Large Hydro)	156.76	7.10	111.36	156.76	7.10	111.36
5	Power Exchange (Renewable)*	113.26	6.79	76.96	118.77	6.75	79.85
	Sub Total	306.52	6.63	213.12	312.03	6.92	216.01
	Total	441.39		257.17	446.9		259.05

* 5.51 MU for Net metering adjusted is considered at the rate equal to GDAM rate of IEX in FY 2023-24 Rs. 2.89 Crore

Short Term Power purchase

4.4.102. After approving the above sources, the remaining energy requirement of 897.07 MU has been fulfilled through purchase from Power Exchange at an average cost of Rs. 6.52 per unit excluding impact of inter-state & intra-state transmission charges, operating charges and application fee wherever applicable. Furthermore, for the power purchase from the exchange, the Commission observes that the Petitioner included the trading margin of IEX. The Commission allows IEX margin and GST.

TABLE 4-53 POWER PURCHASE FROM EXCHANGE APPROVED BY THE COMMISSION

S. No.	Particulars	Claimed			Approved		
		Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)	Units @ NPCL	Rate/ kWh	Amount (Rs. Cr.)
1	Power Exchange (Thermal)	897.07	6.52	584.94	897.07	6.52	584.94

UI/DSM

4.4.103. It has been observed that the Petitioner received Rs. 2.43 Cr towards 26.05 MU of power settled under DSM which is approximately 0.77% of the power purchase quantum and 0.12% of the power purchase cost. The Commission directed the Petitioner to provide time block wise transactions of units and cost incurred for DSM over drawl and under drawl separately for the FY23-24. The Petitioner in its reply

submitted details of time block wise transactions of units and cost incurred for DSM over drawl and under drawl for FY 2023-24.

4.4.104. Further, with respect to the bills raised by UPSLDC, the Petitioner submitted that the bills raised by UPSLDC are more often erroneous and prone to revision multiple times. During FY 2023-24, UPSLDC has revised its bills multiple times and despite so many revisions, they still need to be corrected in respect of accounting of scheduled energy by NPCL/ Open Access consumers as well as meter data of their feeders. Needless to mention that UPSLDC has been revising its bill even in the past e.g. during FY 2015-16 to FY 2022-23, UPSLDC revised its bills more than 49 times including revisions for multiple weeks of preceding periods. In view of the same, the Petitioner relies on the Regional Energy Account (REA) published by NRLDC, which is more accurate and stable for accounting DSM Charges. Therefore, considering the submission made by the Petitioner the Commission approves the quantum of energy adjusted through UI/DSM as claimed by the Petitioner for FY 2023-24.

Renewable Purchase obligation

4.4.105. The Commission, in UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019, provided the Renewable Purchase Obligation (RPO) to be met by the Licensee for FY 2023-24 as shown in the Table below:

TABLE 4-54 RPO TARGET FOR FY 2023-24

	Non-Solar			
Year	Other non-Solar	HPO	Solar	Total
2023-24	7%	3%	5%	15%

4.4.106. The Commission in its Order dated October 10, 2024, directed the Petitioner to compute the RPO obligation on “Energy Consumption at discom Periphery” and fulfill the RPO backlogs from the purchase of RE power or Renewable Energy Certificates (RECs). The methodology is under challenge by the Petitioner in various Appeals currently pending adjudication before the Hon’ble APTEL. The Commission found certain discrepancies in the submission made by the Petitioner. These were clarified by the Petitioner during the Technical validation session vide which it was submitted that

the energy from consumers having net metering arrangement has not been considered. Accordingly, the RPO submission was revised. The claimed and approved RPO of the Petitioner is shown below:

TABLE 4-55 RENEWABLE PURCHASE OBLIGATION COMPUTED BY THE COMMISSION

S. No	Particular	Formula	Petitioner Claimed	Commission Approved
			Quantum (MU)	Quantum (MU)
1	Gross Energy Consumption (Sales) (Excluding Inter-State sales)	A	3130.40	3135.91
2	Distribution Loss (%)	B	7.49%	7.48%
3	Energy Consumption at Discom Periphery	$C=A/(1-B)$	3383.96	3389.47
4	Hydro Purchase at Distribution Periphery (MU)	D	318.44	318.04
5	Net Power Sale for RPO computation	$E=C-D$	3065.52	3071.43
6	Total Obligation for the year (%)			
6.1	Solar (%)	F	5.00%	5.00%
6.2	Non-Solar (%)	G	7.00%	7.00%
6.3	HPO Obligation for the year (%)	H	3.00%	3.00%
7	Total Obligation for year			
7.1	Solar (MU)	$I=E*F$	153.57	153.57
7.2	Non-Solar (MU)	$J=E*G$	215.00	215.00
7.3	HPO Obligation for the year (MU)	$K=E*H$	92.14	92.14
7.4	Total Obligation for the year (MU)	$L=I+J+K$	460.71	460.71
8	Total RPO Fulfilled during the year			
8.1	Solar Purchase at Distribution Periphery (MU)	M	162.07	162.07
8.2	Non-Solar Purchase at Distribution Periphery (MU)	N	124.80	124.80
8.2	HPO (MU)	O	37.97	37.97
8.4	Total RPO to be fulfilled	$P=M+N+O$	324.84	324.84
9	Balance Obligation to be fulfilled for the year	$R=S+T+U$	135.87	135.87
9.1	Solar (MU)	$S=I-M$	(8.50)	(8.50)
9.2	Non-Solar (MU)	$T=J-N$	90.20	90.20
9.3	HPO Obligation for the year (MU)	$U=K-O$	54.18	54.18
14	Opening Obligation to be fulfilled for the year	V	48.32	103.01*
15	REC Purchase			
16	Closing Obligation to be fulfilled for the year	$U+V$	183.21	238.88

*Closing value of unfulfilled obligation from FY 2022-23

TABLE 4-56 RPO STATUS COMPUTED UP TO FY 2023-24 BY THE COMMISSION (MU)

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year	Balance Obligation Carried Forward
	A	b	c	d=a+b-c
Solar	86.74	153.57	162.07	78.24

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year	Balance Obligation Carried Forward
	A	b	c	d=a+b-c
Non-Solar	7.67	215.00	124.80	97.87
Hydro Power	8.58	92.14	37.97	62.76
Total	103.01	460.71	324.84	238.88

4.4.107. The Commission, in Tariff Order dated October 10, 2024, had directed the Petitioner to comply with the Renewable Purchase Obligation (RPO) targets as stipulated under the UPERC regulations by either through the procurement of Renewable Energy Certificates (RECs), additional purchase of renewable energy, or procurement from the power exchange, ensuring the required solar and non-solar RPO targets are met in full. The Petitioner has made certain submissions on purchase of REC in FY 2024-25. Further directions in regard to compliance of RPO have been given in the directives after taking into consideration the submissions that have been made in the ARR for FY 2025-26.

4.4.108. After verifying monthly bills submitted by the Petitioner the Commission approves the Transmission charges as claimed by the Petitioner.

4.4.109. Further, other claims related to Transmission Charges Arrear for FY 2020-21 based on Commission's Order dated July 20, 2022, UPPTCL-SLDC application fee and Power exchange application fee are also approved. The summary of Power purchase cost approved by the Commission for FY 2023-24 is as follows:

TABLE 4-57 POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CRORE)

Particulars	Claimed in Petition for FY 2023-24			Approved upon Truing Up for FY 2023-24		
	Units at NPCL Periphery	Landed Cost	Power Purchase Cost	Units at NPCL Periphery	Landed Cost	Power Purchase Cost
	Units	Rs. /Units	Rs. Crore	Units	Rs./Units	Rs. Crore
Long Term Power (Conventional Sources)						
Long Term Power	1,226.94	4.37	536.52	1,226.94	4.37	536.52
Incentive for (FY 2023-24)			2.63			0.00
Subtotal	1,226.94	4.39	539.14	1,226.94	4.37	536.52
Long Term Power (Renewable Sources)						
PTC (Wind)	34.33	3.74	12.82	34.33	3.57	12.27
GNIDA (Solar)	0.89	6.92	0.62	0.89	6.92	0.62



	Claimed in Petition for FY 2023-24			Approved upon Truing Up for FY 2023-24		
Particulars	Units at NPCL Periphery	Landed Cost	Power Purchase Cost	Units at NPCL Periphery	Landed Cost	Power Purchase Cost
	Units	Rs. /Units	Rs. Crore	Units	Rs./Units	Rs. Crore
APPCPL (Solar)	0.34	5.38	0.18	0.34	5.24	0.17
Adani (Solar)	56.78	3.12	17.71	56.78	3.12	16.71
Tata (Solar)	42.54	3.12	13.27	42.54	3.12	13.27
NPCL (Solar)	0.00	-	-	0.00	-	0.00
Subtotal	134.88	3.31	44.60	134.88	3.27	43.04
Medium Term Power (Conventional Sources)						
TPTCL(Source-JITPL)	683.31	4.40	300.80	683.31	4.40	300.80
Subtotal	683.31	4.40	300.80	683.31	4.40	300.80
Medium Term Power (Renewable Sources)						
TPTCL- Govt of Himachal Pradesh (Hydro)	147.96	3.87	57.33	147.96	3.87	57.33
APPCPL- Goodwill, HP (Hydro)	13.32	4.05	5.40	13.32	4.05	5.40
Incentive claimed by MTPPA Supplier TPTCL (GoHP)		-	0.64			0.64
Subtotal	161.28	3.93	63.37	161.28	3.93	63.37
Short Term Power (Conventional Sources)						
Power Exchange	897.07	6.52	584.94	897.07	6.52	584.94
Subtotal	897.07	6.52	584.94	897.07	6.52	584.94
Short Term Power (Renewable Sources)						
PTC (Source- Singoli) (Hydro)	25.76	6.81	17.55	25.76	6.81	17.55
PTC (NSL Sugars Ltd.)	10.61	6.81	7.23	10.61	6.81	7.23
Power Exchange (large Hydro)	156.76	7.10	111.36	156.76	7.10	111.36
Power Exchange (Renewable)	113.26	6.79	76.96	113.26	6.79	76.96
Net Metering (Renewable Sources)	0.13	2.00	0.03	0.13	2.00	0.03
Net Metering Allowed at GDAM Rates				5.51	5.24	2.89
Subtotal	306.52	6.95	213.12	306.52	6.95	216.32
Total Power procurement	3,410.01	5.12	1,745.98	3,410.01	5.11	1,744.68
DSM/UI	(26.05)	0.93	-2.43	(26.05)	0.93	-2.43
Net Power Procurement	3,383.96	5.15	1,743.54	3,383.96	5.14	1,742.25
Transmission/Other Charges						
Inter State Transmission Charges		-	108.67			108.67

	Claimed in Petition for FY 2023-24			Approved upon Truing Up for FY 2023-24		
Particulars	Units at NPCL Periphery	Landed Cost	Power Purchase Cost	Units at NPCL Periphery	Landed Cost	Power Purchase Cost
	Units	Rs. /Units	Rs. Crore	Units	Rs./Units	Rs. Crore
Intra State Transmission Charges			85.95			85.95
SLDC Application Fee			0.23			0.23
Other Charges:			-			0.00
PGCIL/CTUIL Arrear Bill		-	1.75			1.75
TPTCL (Source- PPGCL) Trans. (for FY-23 billed in FY-24)		-	0.41			0.41
Subtotal	-	-	197.01	-		197.01
Total Power procurement	3,383.96	5.73	1,940.55	3,383.96	5.72	1,939.26
Total Other Claims		-	10.54			9.33
Grand Total	3,383.96	5.77	1,951.09	3,389.47	5.75	1,948.58

4.4.110. The Average Power Purchase Cost (APPC) from different sources, excluding Transmission Charges, are as shown below:

Table 4-58 APPROVED AVERAGE POWER PURCHASE COST FOR FY 2023-24

Sources	APPC Ex Bus (Rs. /kWh)
Non-RE (incl. Large Hydro & Exchange)	4.83
RE (Excl. Large Hydro)	4.97
RE Solar	3.08
RE Non-Solar	5.97
All Sources	4.84

4.5. OPERATION AND MAINTENANCE EXPENSES

Petitioner's Submission

- 4.5.1. The Operation and Maintenance (O&M) expenses comprise of Employee related costs, Administrative & General (A&G) Expenses and Repair & Maintenance (R&M) expenditure.
- 4.5.2. The Petitioner has submitted that the Commission while approving the O&M Expenses in ARR for FY 2023-24 in its Tariff Order dated May 24, 2023 computed the normative O&M expenses based on trued-up O&M expenses of FY 2015-16 to FY 2019-20 which

contain some inadvertent arithmetical errors while computing normative O&M Expenses for this control period which are as follows:

- I. Error in computation of Employee Expenses for FY 2023-24 due to erroneous consideration of net true-up employee expenses for FY 2015-16 & FY 2016-17 i.e. after deduction of employee expenses capitalized instead of gross true-up employee expenses while computing normative O&M expenses.
- II. Error in computation of A&G Expenses for FY 2023-24 based on trued-up expenses for FY 2015-16 to FY 2019-20 without considering the following:
 - (a) Expenses incurred for compliance of directives of the State Commission.
 - (b) Impact of Service Tax.
 - (c) Impact of Goods & Service Tax and
 - (d) Cost of Borrowing of DPS.

4.5.3. The Commission trued-up the O&M Expenses up to FY 2016-17 in accordance with UPERC Distribution Tariff Regulation 2006. As per Regulation 4.3 of the Distribution Tariff Regulations 2006, the methodology for computation of normative O&M expenses was as follows:

“4.3 Operation & Maintenance Expenses (O&M):

1. The O&M expenses comprise of employee cost, repairs & maintenance (R&M) cost and administrative & general (A&G) cost. The O&M expenses for the base year shall be calculated on the basis of historical / audited costs and past trend during the preceding five years.

However, any abnormal variation during the preceding five years shall be excluded. For determination of the O&M expenses of the year under consideration, the O & M expenses of the base year shall be escalated at inflation rates notified by the Central Government for different years. The inflation rate for above purpose shall be the weighted average of Wholesale Price Index and Consumer Price Index in the ratio of 60:40. Base year, for these regulations means, the first year of tariff determination under these regulations.

2. Where such data for the preceding five years is not available the Commission may fix O&M expenses for the base year as certain percentage of the capital cost.

3. Incremental O&M expenses for the ensuing financial year shall be 2.5% of capital addition during the current year. O&M charges for the ensuing financial year shall be sum of incremental O&M expenses so worked out and O&M charges

of current year escalated on the basis of predetermined indices as indicated in regulation 4.3 (1).

4. The O&M expenses shall be brought to an efficient level i.e. in equivalence with similarly placed efficient utilities. The Commission may fix norms based on the circuit kilometres of distribution lines and number of bays in substation and such other parameters, as may be determined by the Commission in due course of time.

5. The Commission may consider additional O&M expenses on account of war, insurgency, and change in laws or like eventualities for a specified period.”

- 4.5.4. In view of above, the Petitioner has submitted that as per the aforementioned Distribution Tariff Regulations 2006, the O&M Expenses were computed in consolidated manner without bifurcating the same into A&G, R&M and Employee Expenses. Accordingly, the Commission approved the O&M Expense for FY 2015-16 and FY 2016-17 in a consolidated manner.
- 4.5.5. However, for the purpose of computing of normative R&M Expenses, A&G Expenses and Employee Expenses for the MYT Control Period FY 2020-21 to FY 2024-25, the Commission segregated the consolidated O&M Expenses for FY 2015-16 & FY 2016-17 in proportion to trued-up R&M Expenses, A&G Expenses and Employee Expenses of FY 2017-18.
- 4.5.6. Further, the Commission trued up the O&M Expenses of Rs. 45.20 Cr for FY 2015-16 which was net of Employee Cost Capitalization of Rs. 6.90 Cr. Accordingly, the Gross O&M Expenses for FY 2015-16 was Rs. 52.10 Cr.
- 4.5.7. Further, the Commission, vide Tariff Order dated January 22, 2019, trued up the O&M Expenses of Rs. 51.44 Cr for FY 2016-17 which was net of Employee Cost Capitalization of Rs. 12.32 Crores. Accordingly, the Gross O&M Expenses for FY 2016-17 were Rs.63.76 Cr.
- 4.5.8. Also, the Commission vide its Tariff Order dated 03.09.2019 trued up the O&M Expenses of Rs. 66.36 Cr. for FY 2017-18 which was the net of Employee Cost Capitalization of Rs. 10.34 Cr., accordingly the Gross O&M Expenses for FY 2017-18 were Rs. 76.70 Cr.
- 4.5.9. However, while computing the normative employee cost, the Commission has considered the same gross Employee Cost for FY 2017-18 to FY 2019-20 but erroneously considered net trued up Employee Cost for FY 2015-16 and FY 2019-20 is given in Table herein below:

TABLE 4-59 O&M EXPENSES TO BE CONSIDERED FOR NORMATIVE O&M EXPENSES (RS. CR.)

S. No.	Particulars	O&M Expenses	Employee Expenses Capitalized	Net O&M Expenses	O&M Expenses considered for normative O&M computation	O&M Expenses to be considered for normative O&M computation
A	B	C	D	E=C-D	F	G=C
1	FY 2015-16 (T.O. dtd. 30.11.2017)	52.10	6.90	45.20	45.20	52.10
2	FY 2016-17 (T.O. dtd. 22.01.2019)	63.76	12.32	51.44	51.44	63.76
3	FY 2017-18 (T.O. dtd. 03.09.2019)	76.70	10.34	66.35	76.69	76.69
4	FY 2018-19 (T.O. dtd. 04.12.2020)	81.82	8.99	72.83	81.82	81.82

4.5.10. In view of the above, it can be observed that there is an inadvertent arithmetical error while calculating the proportionate components of A&G Exp., R&M Exp. and Employee Exp. as for FY 2015-16 and 2016-17, the Commission, erroneously considered net Trued-up O&M expense of Rs. 45.20 Crore and Rs. 51.44 Crore in FY 2015-16 and FY 2016-17 respectively (after deduction of Employee Cost Capitalized) instead of gross trued-up O&M Expenses of Rs. 52.10 Cr (FY 2015-16) and Rs. 63.76 Cr. (FY 2016-17). Further details of computation done by the Commission are given in Table below:

TABLE 4-60: COMPUTATION OF O&M EXPENSES AS PER PREVIOUS TARIFF ORDERS (RS. CR.)

Particulars	Emp	R&M	A&G	O&M Excl. Fin. Chg.	Fin. Chg.	Gross O&M
FY 2015-16	15.54	22.86	6.80	45.20	3.07	48.27
FY 2016-17	17.69	26.01	7.74	51.44	1.71	53.15
FY 2017-18	26.37	38.78	11.54	76.69	1.64	78.33
FY 2018-19	29.61	39.89	12.32	81.82	1.58	83.40
FY 2019-20	35.92	38.58	13.43	87.93	1.74	89.67
Average FY 2017-18	25.03	33.22	10.37	68.62	1.95	70.56
Indices for FY 2018-19 (%)	5.20%	5.20%	5.20%		5.20%	
FY 2018-19	26.33	34.95	10.91	72.19	2.05	74.24
Indices for FY 2019-20 (%)	6.30%	6.30%	6.30%		6.30%	
FY 2019-20	27.99	37.15	11.59	76.73	2.18	78.91
Indices for FY 2020-21 (%)	5.35%	2.96%	2.96%		2.96%	
FY 2020-21	29.49	38.25	11.93	79.67	2.24	81.91

Particulars	Emp	R&M	A&G	O&M Excl. Fin. Chg.	Fin. Chg.	Gross O&M
Indices for FY 2021-22 (%)	6.00%	2.42%	2.42%		2.37%	
FY 2021-22	31.26	39.18	12.22	82.65	2.3	84.95
Indices for FY 2022-23 (%)	5.89%	5.32%	5.32%		5.50%	
FY 2022-23	33.10	41.26	12.87	87.23	2.42	89.65
Indices for FY 2023-24 (%)	5.40%	7.90%	7.90%		7.90%	
FY 2023-24	34.89	44.52	13.89	93.30	2.61	95.91

4.5.11. In view of the above, the Petitioner has submitted that the Employee Expenses capitalized is to be deducted from the Gross Employee Expenses to arrive at the Net Employee Expenses but only after determination of normative employee expense. Therefore, Gross Employee Expenses need to be considered while computing the normative Employee Expenses by adding back the employee cost capitalized.

4.5.12. Further, the Petitioner submitted that Regulation 45 of MYT Regulation, 2019 provides that the Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019, subject to prudence check by the Commission. In this respect, it is submitted that the Commission had in addition to the normative O&M Expenses determined as per Distribution Tariff Regulation, 2006 and MYT Regulation, 2014, has also allowed additional O&M expenses incurred by the Petitioner on the following heads which were not included in Normative O&M Expenses as enumerated below –

- Expenses incurred for compliance of directives of the State Commission.
- Impact of Service Tax till FY 2016-17;
- Impact of Goods & Service Tax (GST) in FY 2017-18 and
- Cost of Borrowing of DPS.

4.5.13. The Petitioner has provided the details of the expenses approved by the Commission as given below:

- The Commission, while Truing up ARR for FY 2015-16 *vide* the MYT Tariff Order dated November 30, 2017, approved the Expenses incurred for compliance of directives of the Commission of Rs. 0.82 Cr. and Impact of Service Tax of Rs. 1.41 Cr. separately in addition to the normative O&M Expenses. It also trued-up Cost

of Borrowing for DPS of Rs. 1.44 Cr for FY 2015-16 in MYT Tariff Order dated 30.11.2017.

- The Commission while Truing up the ARR for FY 2016-17 vide the Tariff Order dated January 22, 2019, approved the Expenses incurred for compliance of directives of Rs. 1.12 Cr and Impact of Service Tax of Rs. 2.05 Cr. separately in addition to the normative O&M Expenses. The Commission also trued-up Cost of Borrowing for DPS of Rs. 3.02 Cr for FY 2016-17 in Tariff Order dated January 22, 2019.
- The Commission, while Truing up the ARR for FY 2017-18 vide Tariff Order dated September 03, 2019, approved the Impact of Goods & Service Tax of Rs. 2.22 Cr. separately in addition to the O&M Expenses. The Commission also trued-up Cost of Borrowing for DPS of Rs. 3.33 Cr for FY 2017-18 in the Tariff Order dated September 03, 2019.

4.5.14. Since the Commission has approved the above-referred legitimate expenses incurred by the Petitioner in compliance with change in law / direction of the Commission, the same need to be considered as part of the Trued-up O&M Expenses for determination of Normative O&M Expenses for Base Year as per Regulation 45 of MYT Regulation, 2019. However, the Commission while approving the O&M Expenses in ARR of FY 2023-24 vide its Tariff Order dated May 24, 2023, inadvertently not considered the above-mentioned additional O&M expenses being trued-up and approved in preceding years.

4.5.15. In view of the provisions of MYT Regulation 2019, the above additional O&M expenses on Compliance of directives of the State Commission, Impact of Service Tax, Financing cost of Delayed Payment Surcharge (DPS) and Impact of GST are required to be considered in determination of normative O&M Expenses for Base Year, accordingly, the Petitioner has included the same in the computation of Average O&M Expenses for Base Year.

4.5.16. Furthermore, while truing up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the cost of borrowing for DPS vide the Tariff Orders dated December 04, 2020, and August 26, 2021. Aggrieved by this, the Petitioner has challenged the same by way of the Appeal No.98 of 2021 and the Appeal No.343 of 2021 respectively. Therefore, for the purpose of computation of Normative O & M Expenses, the Petitioner

has considered cost of borrowing for DPS for FY 2018-19 and FY 2019-20 on the basis of claims in respective true-up petition pending final outcome of the above appeals.

4.5.17. Further, while truing up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the Impact of GST vide the Tariff Orders dated April 04, 2020, and August 26, 2021. Aggrieved by this, the Petitioner has challenged the same by way of the Appeal No.98 of 2021 and the Appeal No.343 of 2021 respectively. Therefore, for the purpose of computation of normative O & M Expenses, the Petitioner has considered the impact of GST for FY 2018-19 and FY 2019-20 on the basis of its claims in respective true-up petition pending final outcome of the above appeals.

4.5.18. In view of the above submission, the Petitioner has requested the Commission to approve the O&M Expenses after considering gross Employee Cost and expenses approved by the Commission towards (i) Expenses incurred for compliance of directives of the Commission; (ii) Impact of Service Tax; (iii) Impact of Goods & Service Tax; and (iv) Cost of Borrowing of DPS for the current control period of MYT Regulations, 2019.

4.5.19. Accordingly, based on the above submissions and methodology as provided in Regulation 45 (a) to (e) of MYT Regulations 2019, the average of corrected trued up values of O&M Expenses including additional O&M expenses, as enumerated above, during last five (5) financial years i.e. FY 2015-16 to FY 2019-20 for determining values of Employee costs, A&G Expenses and R&M Expenses for the middle year i.e. FY 2017-18 is provided in Table herein below: -

TABLE 4-61 NORMATIVE O&M EXPENSES (RS. CR.)

Sl. No	Particulars	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Average Normative (FY 17-18)
1	Emp. Exp.	18.20	22.31	26.38	29.62	35.92	26.49
2	R&M Exp.	26.76	32.80	38.78	43.29	48.22	37.97
3	A&G Exp.	7.97	9.76	11.54	12.32	13.43	11.00
4	Subtotal	52.92	64.88	76.70	85.23	97.57	75.46
5	Finance Charges	3.07	1.71	1.64	1.58	1.74	1.95
6	S. Tax / GST	1.41	2.05	2.22	3.56	4.01	2.65
7	Financing Cost of DPS	1.44	3.02	3.33	3.28	2.85	2.78
8	Subtotal	5.92	6.78	7.19	8.42	8.61	7.38
9	Total O&M Expenses	58.84	71.66	83.89	93.65	106.18	82.84

4.5.20. Further in line with the norms stipulated in Regulation 45 (c), the values of each component of O&M expenses arrived of the middle year (i.e. FY 2017-18) values is further escalated to determine the normative expenses till base year i.e. FY 2019-20 as shown in Table herein below:

TABLE 4-62 COMPUTATION OF NORMATIVE O&M EXPENSES FOR BASE YEAR (RS. CR.)

Sl. No	Particulars	Ref.	Emp. Exp.	A&G Exp.	R & M Exp.	O&M Exp.
1	Normative Expense (FY 17-18)	a	26.49	18.39	37.97	82.84
2	Escalation Factor (FY 18- 19)	b	5.20%	5.20%	5.20%	
3	Normative Expense (FY 18-19)	c=a x (1 + b)	27.86	19.35	39.95	87.15
4	Escalation Factor (FY 19-20)	d	6.30%	6.30%	6.30%	
5	Normative Expense (FY 19-20)	e=c x (1 + d)	29.62	20.56	42.46	92.64

4.5.21. Accordingly, based on the above determined normative O&M Expenses for Base Year i.e. FY 2019-20, the computation of normative O&M Expenses for FY 2023-24 is provided herein below:

Normative Employee Expenses: -

4.5.22. Accordingly, based on Regulation 45.1, the normative employee expenses for FY 2023-24 works out as shown in Table given below: -

TABLE 4-63 EMPLOYEE EXPENSES (RS. CR.)

S. No.	Particulars	Formula	Normative Emp. Expense
A	Normative Emp. Exp. for Base Year (FY 2019-20)		29.62
B	CPI Inflation (FY 2020-21)		5.35%
C	Normative Emp. Exp. for FY 2020-21	C=A*(1+B)	31.20
D	CPI Inflation (FY 2021-22)		6.00%
E	Normative Emp. Exp. for FY 2021-22	E=C*(1+D)	33.08
F	CPI Inflation (FY 2022-23)		5.89%
G	Normative Emp. Exp. for FY 2022-23	G=E*(1+F)	35.03
H	CPI Inflation (FY 2023-24)		5.40%
I	Normative Emp. Exp. for FY 2023-24	I=G*(1+H)	36.92

Administrative & General Expenses: -

4.5.23. Accordingly, based on Regulation 45.2, the normative A&G expenses for FY 2023-24 work out as shown in Table given below:

TABLE 4-64 A&G EXPENSES (RS. CR.)

S. No.	Particulars	Formula	Normative A&G Expense
A	A&G Exp. for Base Year (FY 2019-20)		20.56

S. No.	Particulars	Formula	Normative A&G Expense
B	WPI Inflation (FY 2020-21)		2.96%
C	A&G Exp. for FY 2020-21	$C=A*(1+B)$	21.17
D	WPI Inflation (FY 2021-22)		2.42%
E	A&G Exp. for FY 2021-22	$E=C*(1+D)$	21.68
F	WPI Inflation (FY 2022-23)		5.32%
G	A&G Exp. for FY 2022-23	$G=E*(1+F)$	22.84
H	WPI Inflation (FY 2023-24)		7.90%
I	A&G Exp. for FY 2023-24	$I=G*(1+H)$	24.64

4.5.24. Further, the Petitioner has submitted that if the Commission decides to include the Captive Consumption both Revenue (Rs.) and Sales (MU) as part of sales, then corresponding actual expenses in the A&G should also be allowed, as the base A&G expenses does not include expenses on account of Captive Consumption due to the reason that the Commission has for the first time decided to include the same in Revenue of FY 2020-21.

4.5.25. Accordingly, the Petitioner has requested the Commission to approve an additional amount of Rs. 3.29 Cr. for FY 2023-24 on account of Captive Consumption under A&G Expenses.

Repair and Maintenance Expense

4.5.26. Accordingly, based on Regulation 45.2, the normative R&M expenses for FY 2023-24 work out as shown in Table given below:

TABLE 4-65 R&M EXPENSES (RS. CR)

S. No.	Particulars	Formula	Normative R&M Expense
A	R&M Exp. for Base Year (FY 2019-20)	A	42.46
B	WPI Inflation (FY 2020-21)	B	2.96%
C	R&M Exp. for FY 2020-21	$C=A*(1+B)$	43.72
D	WPI Inflation (FY 2021-22)	D	2.42%
E	R&M Exp. for FY 2021-22	$E=C*(1+D)$	44.77
F	WPI Inflation (FY 2022-23)	F	5.32%
G	R&M Exp. for FY 2022-23	$G=E*(1+F)$	47.16
H	WPI Inflation (FY 2023-24)	F	7.90%
I	R&M Exp. for FY 2022-23	$G=E*(1+F)$	50.88

4.5.27. Based on the above figures, the summary of normative O&M Expenses as computed on the basis of methodology provided in Regulation 45 of MYT Regulations, 2019 as compared to preceding years is provided in Table given below: -

TABLE 4-66 SUMMARY OF O&M EXPENSES (RS. CR)

Sl. No.	Financial Year	Nature	Employee Expenses	A & G Expense	R & M Expense	Gross O&M Expense
As per Distribution Tariff Regulations, 2006 and MYT Regulation, 2014						
1	FY 2015-16	Trued-up	18.2	13.89	26.76	58.84
2	FY 2016-17	Trued-up	22.31	16.55	32.8	71.66
3	FY 2017-18	Trued-up	26.38	18.73	38.78	83.89
4	FY 2018-19	Claimed Normative	29.62	20.74	43.29	93.65
5	FY 2019-20	Claimed Normative	35.92	22.04	48.22	106.18
As per MYT Regulations, 2019						
6	FY 2017-18	Normative	26.49	18.39	37.97	82.84
7	FY 2018-19	Normative	27.86	19.35	39.95	87.15
8	FY 2019-20	Normative	29.62	20.56	42.46	92.64
9	FY 2020-21	Normative	31.20	21.17	43.72	96.09
10	FY 2021-22	Normative	33.08	21.68	44.77	99.53
11	FY 2022-23	Normative	35.03	22.84	47.16	105.02
12	FY 2023-24	Normative	36.92	24.64	50.88	112.44

4.5.28. However, the Commission vide Tariff Order dated May 24, 2023, has approved the O & M expenses at Rs. 101.92 Cr. including employee cost capitalized for FY 2023-24. It may be seen from the above Table that the above normative O&M expenses of Rs. 112.44 Cr. is on the very lower side due to the following reasons:

- Normative O&M expenses as per MYT Regulations, 2014 for FY 2019-20 is Rs. 106.18 Cr. whereas normative O&M expenses as per MYT Regulations, 2019 for the same FY 2019-20 is Rs. 92.64 Cr. creating a gap of Rs. 13.54 Cr;
- Due to above effect, the Commission may please appreciate that such lowered normative O&M expenses of base year of FY 2019-20 is itself leading to consequential adverse impact in subsequent years.

4.5.29. The Petitioner has submitted that even if the computation of normative O&M expenses as provided by the Commission vide its Tariff Order dated July 20, 2022, is considered, it is observed that the Commission has computed the base year value of FY 2019-20 as Rs. 68.59 Cr. (net of employee expenses capitalized) to arrive at the normative O&M expenses for FY 2020-21 to FY 2024-25, which is much lower than the O&M Expenses for FY 2019-20 amounting to Rs. 77.61 Cr. (net of employee expenses capitalized) already True Up by the Commission in its Tariff Order dated August 26, 2021.

4.5.30. As a result, the approach adopted by the Commission in MYT Regulations, 2019 is resulting in substantial losses to the Petitioner in subsequent years i.e. for FY 2020-21 to FY 2024-25 and it is likely that the Petitioner may face challenges to meet its regular expenses, including employee costs, R&M expenses, and A&G expenses. If the Commission has considered the actual True Up figures of FY 2019-20, the Petitioner may not have suffered such substantial losses due to reduced normative O&M expenses.

4.5.31. Further, the Commission has been pioneering in the implementation of various new regulations in the State of Uttar Pradesh. Further, the Ministry of Power has also issued several rules and regulations which are to be followed by the Petitioner. The details of some of the Regulations are as follows:

- 1. Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulations, 2019:** The Commission issued the UPERC (Standard of Performance) Regulations, 2019 [“SOP Regulations, 2019”] which is applicable on all the distribution licensees, their franchisee and the consumers in the State of Uttar Pradesh. The Commission in these regulations have made the Performance parameters more stringent and has considerably reduced timelines to resolve Consumer Complaints.
- 2. Electricity (Rights of Consumers) Rules, 2020:** The Ministry of Power has introduced the Electricity (Rights of Consumers) Rules, 2020. These rules have made the Performance parameters more stringent and timelines to resolve Consumer Complaints have been reduced considerably.
- 3. Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019:** Ministry of Power published the guidelines vide Notification Dated 17th August, 2021, in pursuance to the provisions made in clause 4(1) (b) of the Central Electricity Authority (Installation and Operation of Meters) (Amendment) Regulations, 2019 in regard to timelines for the replacement of existing meters with smart meters with prepayment feature. The Relevant para is reproduced below:

“

2. All feeders and distribution transformers (DTs) shall be provided with meters having AMR facility or covered under AMI, as per the timelines specified below:

(i) All feeders shall be metered by December 2022.

(ii) All DTs in electrical divisions having more than 50% consumers in urban areas with AT&C losses more than 15% in financial year 2019-20, and in all other

electrical divisions with AT&C losses more than 25% in financial year 2019-20, shall be metered by December, 2023.

(iii) All DTs in areas other than those mentioned in (ii) above, shall be metered by March, 2025.

(iv) DTs and HVDS transformers having capacity less than 25 kVA may be excluded from the above timelines.”

4. Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021: Bureau of Energy Efficiency vide notification no. 18/1/bee/discom/2021 dated October 06, 2021, has made the “The Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021”. The said Regulations has defined the times lines for Feeder & DT Metering, Energy Accounting and Process of Energy Audit. The following are the key direction and timelines mentioned in the above-mentioned Regulations.

- a) Every electricity distribution Petitioner shall conduct an annual energy audit for every financial year and submit the annual energy audit report to the Bureau and respective State Designated Agency and also made available on the website of the electricity distribution Petitioner within a period of four months from the expiry of the relevant financial year
- b) Every electricity distribution Petitioner shall ensure that all feeder wise, circle wise and division wise periodic energy accounting shall be conducted by the energy manager of the electricity distribution Petitioner for each quarter of the financial year and submit the periodic energy accounting report to the Bureau and respective State Designated Agency and also made available on the website of electricity distribution Petitioner within forty-five days from the date of the periodic energy accounting.
- c) The electricity distribution Petitioner shall establish an information technology enabled system to create energy accounting reports without any manual interference.
- d) The electricity distribution Petitioner shall create a centralized energy accounting and audit cell comprising of:
 - i) Every electricity distribution Petitioner shall designate a nodal officer, who shall be a full-time employee of the electricity distribution Petitioner in the rank of the Chief Engineer or above, for the purpose of reporting of the

annual energy audit and periodic energy accounting and communicate the same to the Bureau.

- ii) a nodal officer, an energy manager and an information technology manager, having professional experience of not less than five years;
 - iii) a financial manager having professional experience of not less than five years.
- e) The energy accounting and audit system and software shall be developed to create monthly, quarterly and yearly energy accounting reports.
- f) Every electricity distribution Petitioner shall provide the details of the information technology system in place as specified in clause (f) of regulation 5 that ensures minimal manual intervention in creating the energy accounting reports and any manual intervention of any nature, in respect of the period specified therein, shall be clearly indicated in the periodic energy accounting report.

5. Directions of Commission for 100% Feeder Metering: The Commission vide its tariff Orders dated December 4, 2020, August 26, 2021, and July 20, 2022, also directed the Petitioner to ensure 100% feeder metering and DT metering with energy audit.

6. Cyber Security related Regulations and Directions:

a) In view of the ever-rising risks associated with cyber security for both IT (Information Technology) and OT (Operational Technology) Infrastructure, the Ministry of Power and various other government bodies have issued a series of Regulations and Directions to the Power Utilities including the Petitioner. To comply with the aforesaid regulations and directions, the Petitioner has to share cyber security related information/details to the respective agencies and more importantly need to upgrade its capabilities to counter the cyber security-related threats simultaneously. In this regard, following are the details of the recent Regulations / directions issued by various authorities:

i) Central Electricity Authority (CEA)

- CEA, vide CEA-CH-13-12/4/2021-IT Division dated 8th Oct 2021, has issued “Guidelines on Cyber Security for Power Sector” to be complied by all Power Sector entities mandatorily;
- CEA has also directed all Power Sector entities to create, maintain and regularly practice (through mock drills) their “Cyber Crisis Management Plan (CCMP)”. Compliance with the Cyber Crisis Management Plan requires multiple new initiatives to be implemented in the area of cyber security, such as implementation of Security Incident and Event Management software, Firewall for screening of network traffic between IT and OT networks, tool to scan traffic in OT networks, etc.

- All Power utilities also have to identify and report their “Critical Information Infrastructure (CII)” to CEA and NCIIPC to identify Nation-wide CIIs in Power Sector.

ii) **Computer Security Incident Response Team Power (CSIRT)**

- Central Electrical Authority vide letter no. CEA.CH-13-12/11/2021-IT-Div./348 dated 06.10.2021 has formed CSIRT to work as single Nodal Agency for Cyber Security for entire power sector to deal with all emergencies of Cyber security in entire power sector.

b) To comply with the Regulations and Directions issued by various agencies mentioned above and specially to comply with the mandatory requirements of “Guidelines on Cyber Security for Power Sector” issued by the CEA, the Petitioner need to take following steps:

- Continuous Monitoring (24 X 7) for Cyber Security related events and incidents occurring in IT and OT infrastructure and assets
- Regular monitoring and maintenance of Data Centre and related assets
- Timely reporting to all agencies for various requirements of compliance
- Procurement and maintenance of hardware, software and tools required for Cyber Security
- Maintain adequate number of skilled manpower to manage all compliances and also regularly upgrade skill sets for the involved manpower to meet latest International Cyber trends and challenges
- Carry out regular training and awareness session for the entire employee base and external parties on Cyber Security related matters.
- Engage external auditors and consultants time to time to check if Petitioner’s Cyber Security Posture is up to the required standards and what other measures can be taken to improve the same.

c) Accordingly, the Petitioner is required to create infrastructure for compliance of the above Regulations and Directions. For the aforesaid purpose, The Petitioner need to procure and install additional infrastructure (including servers, Firewall, communication bandwidth, network devices, Data Centre devices, etc.) and cyber security related software and tools like AntiVirus, Security Information and Event Management (SIEM), OT Visibility Tool, Security Operation Centre (SOC), Endpoint Detection and Response (EDR), Mobile Device Management (MDM), etc to facilitate compliance of the Directions of the above mentioned Governing Bodies.

d) To comply with the requirement of “Guidelines on Cyber Security for Power Sector” issued by the CEA, the Petitioner also needs to appoint and maintain an in-house Information Security Team with adequate manpower and with members like Chief Information Security Officer (CISO), Deputy/Alternate CISO and other necessary resources to manage cyber security for the organization and monitor various tools and software, etc. which will also add to the O&M on regular basis to comply with the need to continuously upgrade the skills of the employees responsible for managing cyber security.

e) Thus, in Order to comply with the above-mentioned Regulations and Guidelines, the Petitioner is required to purchase new hardware, software and tools and also required to recruit additional competent manpower leading to additional expenses O&M Expenses.

4.5.32. The Petitioner will require to create infrastructure for compliance of the above regulations. Therefore, DT and Feeder metering project is being proposed to facilitate compliance to the directions of the Commission, Ministry of Power and Bureau of Energy Efficiency. The overall project comprises of installation and commissioning Energy Meters, LTCTs, Meter Boxes, associated communication devices along with HES application, Software Applications, IT Hardware, Data exchange and integration to fulfil the reporting requirements.

4.5.33. Further, the above-referred installation and commissioning of DT meters, Feeders and HES and Software will also entail annual maintenance cost thereof. The Petitioner also needs to appoint an Energy Manager, Financial Manager, IT Manager, Third Party Certified Accredited Energy Auditor etc. which will also have additional employee costs and consequently it will have to incur additional administrative costs on a regular basis.

4.5.34. In Order to comply with the above new / amended Regulations, the Petitioner is required to recruit additional competent manpower leading to additional expenses on employee cost, A & G expenses and R & M Expenses. Therefore, such additional O & M expenses are required to be incurred to comply with the above Regulations promulgated subsequent to the MYT Regulations 2019, need to be allowed as additional O & M expenses over and above the normative O&M expenses determined under MYT Regulations 2019.

4.5.35. In this regard, the Petitioner would like to bring the kind attention of the Commission towards regulations 45 (d) of the MYT Regulations, 2019, the same are being reproduced below –

“45. Operation & Maintenance Expenses

.....

*d) The One-time expenses such as expense due to change in accounting policy, arrears paid due to Pay Commissions, etc., and **the expenses beyond the control of the Distribution Licensee such as dearness allowance, terminal benefits, etc., in Employee cost, shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.***

.....”

4.5.36. It is pertinent to mention here that expenses incurred for compliance of above rules and regulation constitutes “Change in Law” event as defined in Regulation 2(9) of MYT Regulations, 2019 as reproduced below:

“2 (9) "Change in Law" means occurrence of any of the following events: a) enactment, bringing into effect or promulgation of any new Indian law; or b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or c) change in interpretation or application of any Indian law by a competent court, Tribunal or Indian Governmental Instrumentality, which is the final authority under law for such interpretation or application; or d) change by any competent statutory authority in condition or covenant of any consent or clearances or approval or Licence available or obtained for the Project; or e) coming into force or change in any bilateral or multilateral agreement or treaty between the Government of India and any other Sovereign Government having implications for the Transmission System regulated under these Regulations;”

4.5.37. The Commission vide its Tariff Order dated May 24, 2023, for the U.P. State DISCOMs has also allowed additional R&M expenses equivalent to 50% of Normative R&M expenses to comply with SOP regulations in addition to the Normative O&M expense. The extract of relevant para of the said Tariff Order of the U.P. State DISCOMs is reproduced below:

“4.7.64. As can be seen from above, at the time of approval of additional R&M expense, the Commission stated that the same shall be reviewed at the time of True-Up with respect to the actuals to the satisfaction of the Commission. Further, the Commission vide TVS MOM dated February 27, 2023 directed the Petitioners to submit actual additional R&M expenses incurred in this regard. In response, the Petitioners submitted that the amount incurred with regards to implementation of SoP Regulations and CGRF Regulations has been booked under various accounting heads of O&M expenses.

4.7.65. The Petitioners further submitted that the Discoms faced challenges while segregating this amount under the similar duplicate accounting heads, therefore,

*the amount incurred / to be incurred is booked / provisioned under the various accounting head under O&M expenses as per the existing practice adopted as per Companies Act. The Commission is of the view that although the Petitioners are claiming additional R&M expenses for implementation of SoP Regulations much progress is not being reflected. Moreover, the Petitioners have also failed to substantiate their claim. However, the Petitioners have made progress in development of framework for implementation of SoP Regulations. **Accordingly, the Commission is allowing 50% of additional R&M approved in Tariff Order for FY 2021-22 dated July 29, 2021 on account of implementation of SoP Regulations.***

(Emphasis added)

4.5.38. However, the Commission vide its Tariff Order dated October 10, 2024, has not allowed the aforesaid expenses for FY 2022-23 to U.P. State DISCOMs by stating that they were not able to adequately explain how the claimed amount of the additional R&M was specifically used for the development of the Consumer Grievance Redressal Forums (CGRFs). Further, the Commission vide its Tariff Order dated October 10, 2024, has not approved the claims on account of implementation of SOP and CGRF expenses of the Petitioner for FY 2022-23 and directed the Petitioner to show such expenses separately in the Audited Balance Sheet, the same is reproduced as under:

*“5.6.90 The Audited figure in the Balance Sheet, wherein the Licensee has claimed that **these include the expenses incurred on the account of SOP implementation and other compliances as the Commission has allowed R&M which is inclusive of (SOP, CGRF etc. implementation) and hence this value is considered as its audited values.** It is expected that the Petitioner will implement SOP and CGRF Regulations within the Norms being approved by the Commission. Further, the audited figures are inclusive of such expenses, hence, the **Petitioner is directed to show these expenses towards SOP, etc. separately in Audited Accounts.**”*

[Emphasis Added]

4.5.39. In this regard, it is pertinent to mention that the Petitioner in Order to comply with the UPERC (Standard of Performance) Regulations, 2019, Electricity (Rights of Consumers) Rules, 2020, Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019, Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021, Directions of Commission for 100% Feeder Metering/ Cyber Security related Regulations and Directions regarding Smart Metering/ DT Metering, it has recruited

additional manpower and enhanced its infrastructure wherever required leading to additional employee cost, A&G expenses and R & M Expenses. Additional manpower has been employed across the organization viz. Break-down gangs with requisite vehicles, upgradation of Gangs from Two wheelers to Four wheelers, additional manpower in operations and control center for management of calls and maneuverability of Break-down Gangs etc., additional manpower in Commercial & metering to handle consumer complaints including site visits wherever required, increase in CRM and call center executives to handle the larger volumes calls in a time bound manner with follow-up call etc. Further, the SOP regulations require various information to be captured through IT Systems for calculation of claims and also for reporting purposes. For the purpose, more skilled manpower has been recruited in Information Technology and Automation along with associated infrastructure. The impact of such additional measures for compliance and enhancing the consumer experience lead to an increase in the expenses.

4.5.40. In fact, the Hon'ble Tribunal in its Judgment dated September 30, 2019, in Appeal No. 246 of 2014 titled 'TPDDL v. DERC' stated that such uncontrollable expenses are beyond the control of the Petitioner, the relevant extract is reproduced as under:

"16.4.1 We have carefully gone through the rival submissions of learned counsel for the Appellant and learned counsel for the Respondent Commission and also taken note of the findings of this Tribunal in its judgment dated 10.02.2015 in Appeal No. 171 of 2012. It is not in dispute that the Appellant has actually incurred various expenses as claimed by it in the petition which the State Commission has disallowed while truing up for FY 2012-13 giving reasoning that these expenses are controllable. It is, however, seen that many of the expenses so claimed by the Appellant are in the category of uncontrollable in nature and need to be looked into by the Commission by adopting a judicious approach instead of disallowing all of them in totality. This Tribunal in its judgment dated 10.2.2015 in Appeal no. 171 of 2012 has held that enhancement in expenses due to reasons beyond the control of the utility, such as statutory obligations are uncontrollable in nature and, therefore, ought to be allowed."

[Emphasis Supplied]

4.5.41. Further, the Petitioner has signed a MoU with Central Electricity Authority (CEA) for consultancy on Load Forecasting and Network Planning. The scope of work was divided into three key areas:

- **Load Forecast Study:** Conducted by CEA's PDM & LF division, forecasting load growth for the next 3, 5, and 10 years.
- **Transmission System Plan:** Developed by CEA's Power System Planning division in consultation with UPPTCL, focusing on 400/220/132 kV network planning till FY 2032-33.
- **Distribution System Plan:** Executed by PRDC under CEA's DP&T division, covering detailed network planning for NPCL's 33 kV and below systems, including load evacuation, substation and feeder requirements, transformer augmentation, voltage management, and reliability standards. The study also provided capital investment estimates based on standard costs.

4.5.42. This initiative is pivotal in ensuring that NPCL's infrastructure is robust and future-ready to meet the growing electricity demand efficiently. To support this endeavor, the Petitioner has incurred expenses amounting to Rs. 0.33 Cr. in FY 2023-24 and Rs. 0.28 Cr. in FY 2024-25 to conduct the said study. Thus, we respectfully request the Commission to approve the inclusion of these additional costs under O&M expenses, recognizing their essential role in strengthening the Petitioner's long-term planning and operational efficiency

4.5.43. Accordingly, the expenses specifically incurred on account of aforesaid implementation which are beyond the control of the Petitioner is tabulated below:

TABLE 4-67: ADDITIONAL EXPENSES INCURRED ON ACCOUNT OF SOP IMPLEMENTATION (RS. CR.)

S. No.	Particulars	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
1	Consumer Services							
a	Call Centre Operations	0.27	0.90	0.90	1.11	1.39	1.40	1.40
b	WhatsApp Services	-	-	-	-	0.05	0.16	0.05
c	SMS Charges	0.04	0.06	0.14	0.12	0.16	0.22	0.22
d	Breakdown Expenses	4.33	5.22	6.74	6.76	7.90	10.54	12.37
	Sub Total (1=a+b+c+d)	4.64	6.18	7.78	7.99	9.50	12.32	14.05
2	Inflation %				2.96%	2.42%	5.32%	7.90%
3	Expenses (Base Year FY 20) (3=1*2)				8.01	8.20	8.64	9.32
4	Variance (3-1)				(0.02)	1.30	4.48	4.72
	Other Compliances							
5	DT Meter Monitoring	-	-	-	-	0.31	0.63	1.40
6	Insurance- CYBER Security						0.13	0.36
7	Cyber Audit						0.04	0.17
8	Energy Audit						0.04	0.03
9	Technical Network Study							0.33
10	Total (sum of 5 to 9)					0.31	0.84	2.29
11	Grand Total (4+10)					1.61	8.64	7.01

- 4.5.44. Based on the above table, the Petitioner requests the Commission to approve the above additional expenses for FY 2023-24 specifically incurred on account of UPERC (Standard of Performance) Regulations, 2019 along with Electricity (Rights of Consumers) Rules, 2020, Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019, Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021, Directions of the Commission for 100% Feeder Metering/ Cyber Security related Regulations and Directions regarding Smart Metering/ DT Metering over and above the Normative O&M Expenses.
- 4.5.45. The Petitioner submitted that even if the inflation factor is applied to the base value i.e. FY 2019-20, then the amount for FY 2023-24 comes out to be Rs. 9.32 Cr. Thus, the Petitioner requests the Commission to consider at least the incremental impact of Rs. 4.72 Cr. incurred during FY 2023-24.
- 4.5.46. The Petitioner submitted that it has been complying with the provisions of UPERC (Standard of Performance) Regulations 2019 and has not received any tenable claim for compensation under the SOP Regulations, 2019 during FY 2023-24.
- 4.5.47. Further, the Petitioner has incurred expenses of Rs. 0.32 Cr. towards CGRF expenses during FY 2023-24. Since the Commission vide its Tariff Order dated October 10, 2024, directed the Petitioner to show SOP and CGRF expenses separately in the Audited Balance Sheet henceforth but Audited Balance Sheet are already finalized for FY 2023-24, the same will be incorporated from FY 2024-25 onwards. The Petitioner may submit the separate Auditor's Certificate for SOP and CGRF expenses incurred during FY 2023-24, if required by the Commission.
- 4.5.48. Thus, the Petitioner requests the Commission to consider the expenses incurred towards SOP, CGRF and other compliances during FY 2023-24. Further, as per the Audited Balance Sheet of the Petitioner, the actual O & M Expenses for FY 2023-24 are at Rs.178.34 Cr. including employee expenses capitalized. The actual O&M Expenses for FY 2023-24 is provided in Table-54 below along with the amount provisionally approved by the Commission in Tariff Order dated May 24, 2023.

Table 4-68 O & M EXPENSES (FY 2023-24) (RS. CR.)

Sl. No.	Particulars	Approved	Normative	Actuals
1	Repair & Maintenance Expenses	49.12	50.88	63.40
2	Employees Expenses including retiral benefits	34.60	36.92	77.52
3	Administrative & General Expenses	18.21	24.64	30.09
	O&M Expenses		112.44	171.01
4	Expenses incurred towards SOP implementation		4.72	4.72
5	Expenses incurred towards CGRF		0.32	0.32
6	Expenses incurred towards other compliances	-	2.29	2.29
7	Total O&M Expenses*	101.92	119.77	178.34
<i>*Total may not tally due to rounding offs</i>				

4.5.49. It may be observed from the above table that the O&M Expenses as determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 is highly insufficient, skewed and is not reflective of the actual expenses in accordance with the business parameters as there is huge gap between the actual O&M expenses and the amount approved by the Commission on normative basis in accordance with the Regulations 45 of MYT Regulations, 2019.

4.5.50. It is pertinent to mention here that above referred A&G Expenses includes Finance Charges of Rs. 1.76 Cr. comprising expenses related to Loan Processing Charges, Credit Rating Charges, Collection facilitation Charges, Other finance Charges.

4.5.51. Further, the Petitioner is actively working to secure additional power requirements through Medium Term and Long-Term Power Purchase Agreements (MTPPA/LTPPA). In accordance with the Model Bidding Guidelines prescribed by the Ministry of Power, Government of India, the Petitioner is required to provide revolving or non-revolving Letters of Credit (LC) or Standby Letters of Credit (SBLC) to power suppliers vendors as a payment security mechanism. To meet these obligations under the MTPPA/LTPPA, the Petitioner estimates an additional working capital requirement of approximately Rs. 450 Cr., over and above the existing working capital facilities of Rs. 240 Cr. This additional funding will support the procurement of additional MTPPA/LTPPA of approximately 400 MW of power through these agreements.

Increase in Minimum wages

4.5.52. All enterprises, associations, partnership, body corporates etc. are bound by the provisions of Minimum Wages Act 1948 and Govt. of Uttar Pradesh under the provisions of the Minimum Wages Act, 1948 revises minimum wages twice in a year (i.e. with effect from April and October). The comparatively revised minimum wages of U.P. during FY 2023-24 were as provided in the Table below:

TABLE 4-69: MINIMUM WAGES IN STATE OF U.P.

Class of labour	As on 1st Apr'17	w.e.f. 1 st Apr'23	w.e.f. 1 st Oct'23	% increase
	A	B	C	D
Skilled	9,119	12,432	12,661	38.84%
Semi-skilled	8,141	11,098	11,303	38.84%
Unskilled	7,400	10,089	10,275	38.85%

4.5.53. From the above, it may be seen that the wages w.e.f. October 01, 2023, were higher by 39% as compared to wages prevailing on April 01, 2017 (i.e. mean financial year considered for determination of norms). Thus, the wages applicable for full FY 2023-24 have been significantly higher as compared to the norms.

4.5.54. The Petitioner's license area is situated in the National Capital Region (i.e. NCR) and the cost of living in this area is equivalent to the cost of living in National Capital Territory (i.e. Delhi). Thus, the impact of changes in minimum wages and other labour welfare schemes are echoed in NCR region as well. Accordingly, the changes in the minimum wage rate of NCT Delhi also affect the cost at which labour is available in Delhi-NCR. The minimum wages during FY 2023-24 in NCT-Delhi were higher by 68%-73% as compared to State of UP as shown in Table:

TABLE 4-70: COMPARATIVE OF MINIMUM WAGES IN STATE OF U.P. AND NCT-DELHI WAGES IN RUPEES

Period	Particulars	Ref.	Skilled	Semi-skilled	Unskilled
Apr-23 to Sep-23	NCT-Delhi	a	20,903	18,993	17,234
	State of U.P.	b	12,432	11,098	10,089
	Variation	c=a-b	8,471	7,895	7,145
	Variation (%)	d=c/b	68%	71%	71%
Oct-23 to Mar-24	NCT-Delhi	e	21,215	19,279	17,494
	State of U.P.	f	12,005	10,717	9,743
	Variation	g=e-f	8,352	7,782	7,049
	Variation (%)	h=g/f	70%	73%	72%

4.5.55. The Petitioner submitted that the minimum wages have a direct and substantial impact on most of the components of O & M expenses e.g. Breakdown gang, security charges, job costing of various repair assignments. Further, as lower cadre staff are governed by the provisions of the Minimum Wages Act-1948, an increase in minimum wages also leads to consequent cascading effect on the remuneration of entire staff including senior level employees as well. As the Commission is aware that all enterprises, associations, partnerships, body corporates, companies etc. are bound by the provisions of the Minimum Wages Act 1948 and the Petitioner has no option but to comply with the same. Therefore, the impact of the changes in minimum wages is beyond the control of the Petitioner and cannot be subsumed within normative employee cost.

4.5.56. The Petitioner submitted that it is very difficult for a private organization to quantify the impact of wage revision in its overall O&M Expenses. However, these revisions increase the overall cost where manpower cost is involved much more than the increase in CPI being allowed through normative Employee Cost. From the above, the Commission may please appreciate that the amount of escalation allowed by the Commission is not taking into account the revisions in wages and the same should be considered also at the time of approval of employee cost.

4.5.57. Although the MYT Regulation, 2019 provides for escalation of normative Employee Cost on the basis of Consumer Price Index (i.e. CPI), however, the resultant escalation is quite insufficient and more important is that the increase in minimum wages are not covered in CPI. Hence, the impact of increase in minimum wages do not get compensated through incremental CPI.

4.5.58. The Commission may please observe that the Regulation 46 of MYT Regulation, 2019 provides admissibility of Bad and Doubtful Debts as a legitimate business expense with the ceiling limit of 2% of the revenue receivables in the Tariff. However, the Petitioner has been able to contain the same to 0.38% during the FY 2023-24. This has resulted in huge saving in the Bad and Doubtful Debts which will ultimately pass on to the Consumers. The saving is depicted in the following Table.

TABLE 4-71: SAVINGS IN PROVISION FOR BAD DEBTS (FY 2023-24)

Sl. No.	Particulars	UOM	Reference	Actuals
1	Revenue billed for the year	Rs. Cr.	a	2,320.97
2	Actual Provision for Bad & Doubtful debts	Rs. Cr.	b	123.48

Sl. No.	Particulars	UOM	Reference	Actuals
3	Provision as % of Revenue billed	%	c= b/a	2,444.45
4	Normative Provision for Bad & Doubtful Debt @2%	Rs. Cr.	d=a x 2%	9.36
5	Saving in provision for Bad & Doubtful debts	Rs. Cr.	e=d-b	0.38%

4.5.59. From the above table, the Commission may please appreciate that the Petitioner is able to limit Bad & Doubtful Debts at 0.40% against 2% on account of the fact that the Petitioner has deployed additional manpower for recovery of dues from the consumers, prompt billing, aggressive actions against theft, timely action against the defaulters etc. In case, the Petitioner opts to reduce its manpower to align actual employee cost with the normative employee cost as per MYT Regulations, 2019, it may lead to higher bad debts which will ultimately burden the diligent Consumers. Therefore, the Petitioner should be allowed to recover its employee cost at actuals.

Other Drivers affecting the O & M Expenses:

4.5.60. The Commission, in its various Orders, has time and again acknowledged the performance standards of the Petitioner and also in its Order date January 29, 2019 observed that the Petitioner is the best performing utility in U.P. having regard to observation of the Commission, the Petitioner has been striving hard to control and optimize its O & M Expense primarily keeping the consumers interest in view.

4.5.61. As explained above, regarding the distribution losses, due to weak and inefficient manpower with local administration, the law-and-order situation is very poor in the Greater Noida area with frequent and violent incidence occurring frequently. The administration or police personnel seldom finds time for attending complaints of pilferages/manhandling of the equipment's like transformer, cable etc. of the Petitioner. This in turn alleviate the expenditure on frequent breakdown and repair, resulting into more Repair and Maintenance expenses.

4.5.62. The Model Regulations provides for benchmarking the O & M Expenses of any Distribution Utility with its peers in the same State or outside State. Commission in its Tariff Order dated October 14, 2010, has mentioned that:

“22 (j) In relative analysis, performance parameters of other Distribution Licensees within the same state or in other states, shall be considered by the Commission to estimate norms.”

4.5.63. The above discussion significantly points out that it is no more feasible for the Petitioner to sustain the previous low-cost operation without compromising with service and

safety standards. Therefore, the denial of justified expenses allowance to the Petitioner would jeopardize the operational efficiency achieved by the Petitioner over past 29 years. There is an urgent need for imminent allocation of higher O&M Cost to enable the Petitioner to maintain and improve upon the service standards and prepare itself for growing requirement of the consumers servicing.

4.5.64. Also, the Petitioner submitted all these expenses have been duly audited by Statutory Auditors and approved by the Board of Directors of the Petitioner. These expenses are allowed in full not only in the Companies Act, 2013 but also in the Income Tax Act, 1961. Hence, these expenses are genuinely and appropriately incurred towards the operations of the Petitioner, and therefore, should be allowed in full.

4.5.65. The Petitioner would like to bring the Commission's attention to Benchmarking study conducted by M/s Feedback Infra which also confirms that the Petitioner is operating with a very low O&M cost. The relevant extract of their observation is reproduced here-in-below:

TABLE 4-72: O&M COST PER UNIT OF SALE (RS. /KWH)

	FY 2013-14	FY 2014-15	FY 2015-16
Private utilities			
NPCL	0.31	0.30	0.33
BRPL	0.50	0.48	0.52
BYPL	0.67	0.65	0.72
TPDDL	0.58	0.58	0.59
TPL (Surat)	0.29	0.32	0.32
CESC	0.81	0.94	0.99
State utilities			
NMDC	1.16	1.19	1.21
DVVNL	0.37	0.45	0.35
MVVNL	0.53	0.60	0.49
PVVNL	0.26	0.30	0.27
PuVVNL	0.53	0.51	0.51
KESCO	0.70	0.64	0.64
UHBVNL	0.81	0.49	0.76
JVVNL	0.35	0.37	0.40
PGVCL	0.28	0.23	0.31
BESCOM	0.42	0.44	0.48
WBDESCL	0.55	0.70	0.74
MSEDCL	0.68	0.74	0.77
NBPDCL	0.59	0.65	0.57
MePDCL	0.78	1.10	1.35

	FY 2013-14	FY 2014-15	FY 2015-16
TSECL	1.15	0.91	-

“O&M cost The reasonable cost of O&M works out to be in the range of INR 0.45 per unit to INR 0.55 per unit where most of the utilities are lying.

It is evident that NPCL has been managing O&M at the very low cost; however, with heavy stress on this front for NPCL in order to maintain quality supply, services and AT&C losses, NPCL may need to spend more in order to improve the services and supply. ”

4.5.66. Since, the above figures pertain to FY 2013-14 to FY 2015-16, the comparative analysis of O&M Expenses per unit of energy sold by the Petitioner with other Distribution Utilities of U.P. as well Discoms of other States including Kesco which is similar in operational size of the Petitioner is shown in Table below:

TABLE 4-73: COMPARISON OF APPROVED O & M COST PER KWH SOLD (RS./KWH)

Discom	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23
MAHARASHTRA							
MSEDCL	0.67	0.72	0.68	0.73	0.68	0.63	0.67
R-Infra – D/AEML-D	1.29	1.15	1.25	1.25	1.26	1.28	1.37
BEST	1.19	1.09	1.09	1.26	1.22	1.24	1.40
KARNATAKA							
BESCOM	0.51	0.57	0.58	0.66	0.70	0.87	0.84
HESCOM	0.69	0.79	0.73	0.89	0.95	1.16	1.16
MESCOM	0.85	1.02	0.92	1.18	1.26	1.40	1.42
GESCOM	0.64	0.89	0.68	0.93	0.98	1.15	1.27
CESCOM	0.74	0.95	0.77	1.05	1.11	1.30	1.30
WEST BENGAL							
CESC	1.01	1.01	1.08	1.12	1.45	1.43	1.38
HARYANA							
UHVNL	NA	0.90	NA	0.87	NA	0.82	0.82
DHVNL	NA	0.64	NA	0.72	NA	0.70	0.70
ODISHA							
NESCO	NA	NA	0.88	0.90	1.03	1.26	1.26
WESCO	NA	NA	1.23	0.79	0.77	0.96	0.96
SOUTHCO	NA	NA	1.45	1.49	1.54	1.73	1.73
CESCO/CESU	NA	NA	1.02	1.12	1.16	1.49	1.49
DELHI							
BYPL	0.74	0.86	1.05	0.96	1.26	1.21	NA
BRPL	0.56	0.66	0.76	0.77	1.04	0.97	NA
NDPL	0.65	0.82	0.82	0.71	0.94	0.89	NA
NDMC	1.41	1.37	1.40	1.52	2.17	2.09	NA
Uttar Pradesh							
DVVNL	0.31	0.38	0.43	0.50	0.39	0.62	0.38

Discom	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23
MVVNL	0.41	0.56	0.63	0.53	0.49	0.63	0.45
PVVNL	0.24	0.26	0.31	0.40	0.36	0.49	0.37
PuVVNL	0.40	0.49	0.58	0.63	0.61	0.80	0.76
KESCO	0.56	0.54	0.53	0.92	0.71	0.77	0.78
NPCL (Claimed)	0.44	0.52	0.52	0.55	0.52	0.59	0.55
NPCL (approved)	0.34	0.40	0.39	0.37	0.35	0.30	0.29

**Based on latest available Trued-Up/APR figures*

4.5.67. From the above, it may be concluded that the O&M expenses of the Petitioner are one of the lowest across the country.

4.5.68. Thus, with considerable growth in the area and aging of assets, it has become imperative for the Petitioner to take additional and timely efforts to meet the upcoming demand growth and to maintain a reliable and efficient power supply in the area. The Petitioner has already taken various initiative in this regard which has also been acknowledged by the consultant viz. IMaCS. Therefore, it is submitted that O&M expenses may please be allowed in full as per Audited Balance Sheet for FY 2023-24.

4.5.69. Needless to mention here that all the expenses the Petitioner is incurring today is mainly to keep pace with the intense growth potential of the area. The Petitioner is trying its best to maintain its system, processes, network etc. to match the future demand and growth in mind and service the consumers on demand as and when they arrive. Thus, in the aforesaid per unit comparison in the above Table, though the current O&M cost is already lower, but it will come down further in per unit terms as the demand of the area increases. In-fact, at present, despite being competitive in O & M cost, the volume of the Petitioner is much lesser as compared to other Discoms in the comparison. Hence, the Commission is requested to kindly take a holistic view in the matter and approve the reasonable and genuine costs of the Petitioner on actual basis.

4.5.70. In view of the above it is submitted that the O&M expenses approved by the Commission in its Tariff Order dated May 24, 2023, on normative basis in accordance with the Regulations-45 of MYT Regulations, 2019 is grossly insufficient as compared to actual expenses incurred by the Petitioner. Therefore, it is humbly requested that the Commission may approve the O & M expenses for FY 2023-24 as actually incurred by the Petitioner owing to various factors like minimum wages, High IT & automation expenses, increase in volumes, consumers numbers, office infrastructure etc.

Capitalization of Employee Cost:

- 4.5.71. The Petitioner has capitalized an amount of Rs. 11.58 Cr. out of the total employee cost of Rs. 77.52 Cr. incurred during FY 2023-24, as per past practice duly approved by the Commission. In brief, for the purpose of capitalization of employee costs, the Petitioner at the time of execution of project, records actual man hours spent by each engineer/ executive into the system / SAP Software. These hours are then matched with the cost per hour of that employee by the software itself and actual employee cost so incurred, is capitalized along with the specific project. It is pertinent to mention that the entire process of its project/financial accounting is through SAP, and there is least manual intervention in computation of expenses to be capitalized.
- 4.5.72. These man-hours and cost are duly verified by the Statutory Auditors of the Petitioner in detail and is approved by the Board of Directors of the Petitioner subsequently.
- 4.5.73. On the basis of the aforesaid policy, approved and followed consistently over the years, the Petitioner submits to the Commission to kindly approve the capitalization of employee cost at Rs. 11.58 Cr. during FY 2023-24.
- 4.5.74. The Petitioner submitted that such disallowance in O&M expenses will adversely impact continued sustainability of the Petitioner to provide efficient service to the Consumers, more so when the Regulations do not provide for any sharing of losses and lower Return on Equity (RoE) allowed by the Commission.
- 4.5.75. In view of the above, the Petitioner requests the Commission to kindly approve the net actual O & M expenses at Rs. 166.76 Cr incurred by the Petitioner during FY 2023-24 as summarized in Table below:

TABLE 4-74 O&M EXPENSES (FY 2023-24)- (RS. CR.)

S. No.	Particulars	Approved	Actuals
1	Repair & Maintenance Expenses	49.12	63.40
2	Employees Expenses including retiral benefits	34.60	77.52
3	Administrative & General Expenses	18.21	30.09
4	Total O&M Expenses	101.92	171.01
5	Exp. for SOP & Other Compliances	-	7.34
6	Employee Cost Capitalised	(12.00)	(11.58)
7	Net O&M Expenses	89.92	166.76

Commission's Analysis

4.5.76. The Petitioner has separately claimed the expense of INR 4.72 Cr towards SOP implementation, INR 0.32 Cr towards CGRF and INR 2.29 Cr towards other compliances. The Commission sought the details in which account head of Audited Balance Sheet the same have been accounted for.

4.5.77. In its reply, the Petitioner provided a detailed breakdown of the expenses claimed in the Petition, amounting to Rs. 4.72 crore for SOP implementation, Rs. 0.32 crore for Consumer Grievance Redressal Forum (CGRF), and Rs. 2.29 crore for other regulatory compliances.

TABLE 4-75 ADDITIONAL EXPENSES INCURRED ON ACCOUNT OF SOP IMPLEMENTATION

S. No.	Particulars	FY-24	Account Head in Balance Sheet
1	Consumer Services		
a	Call Centre Operations	1.4	Repairs and maintenance - transmission and distribution system under Note-33
b	WhatsApp Services	0.05	
c	SMS Charges	0.22	
d	Breakdown Expenses	12.37	
	Sub Total (1=a+b+c+d)	14.05	
2	Inflation %	7.90%	
3	Expenses (Base Year FY 20) (3=1*2)	9.32	
4	Variance (3-1)	4.72	
	Other Compliances		
5	DT Meter Monitoring	1.40	Repairs and maintenance - transmission and distribution system under Note-33
6	Insurance- CYBER Security	0.36	Insurance under Note-33
7	Cyber Audit	0.17	Legal and professional charges under Note-33
8	Energy Audit	0.03	
9	Technical Network Study	0.33	Miscellaneous expenses Note-33
10	Total (sum of 5 to 9)	2.29	
11	Total (4+10)	7.01	
12	CGRF Expenses	0.32	Miscellaneous expenses Note-33
13	Total (11+12)	7.33	

4.5.78. Considering the submissions made by the Petitioner in the Tariff Petition as well as the additional submission made on the deficiencies raised by the Commission, the prudence check for the O&M expenses has been done by the Commission.

4.5.79. The Commission has determined the normative expenses for each component of O&M expenses as per the MYT Regulations, 2019 only and cannot be compared with the

normative expenses determined based on MYT Regulations 2014 as the situation and responsibilities of the licensees have completely transformed. For example, as per the Rights of Consumers Rules, 2020, the distribution licensees are required to provide new connections through prepaid or smart prepaid meters only. With the increase in installation of prepaid meters, as mandated under Rights of Consumers Rules, 2020, the employee expenses would reduce as billing, collection, connection and reconnection related operations would not require substantial manpower.

4.5.80. The Petitioner has also requested to allow additional expenses for implementation of SOP and CGRF regulations. As per the submission made by the Petitioner, such additional cost is incurred in relation to feeder metering and cyber security.

4.5.81. In regard to the submissions made by the Petitioner for O&M expenses for compliance related to feeder metering and cyber security, the Commission is of the view that such initiatives are not regular and generally are required to be done once at the time of installation/capitalization. These activities are inherent part of distribution business which has to be continuously done by the Petitioner irrespective of the requirements of the Regulations framed by the Commission. The Petitioner has taken similar initiative in the past as well when the referred regulations were not in place. Moreover, the Petitioner has made investment on SCADA and similar technology which does not require cost associated with DT meter monitoring to be claimed separately. Thus, requirements such as feeder metering and cyber security are not new for the Petitioner.

4.5.82. The Petitioner has also raised concern in regard to increase in expenses due to requirement of load forecast study, transmission system plan and distribution system plan as per the MoU with CEA for consultancy services. These activities are at the core of the distribution business which the Petitioner ought to have performed on regular basis. Moreover, expenses such as audit fee & studies are part of A&G expenses. These expenses are included in norms and therefore cannot be allowed separately.

4.5.83. The Petitioner has referred to various studies depicting O&M cost per unit for different Discom across the Country. The Commission finds that it would be inappropriate to take into consideration these studies for the purpose of O&M expenses to be approved. Firstly, the report by M/S Feedback Infra provides O&M cost per unit for the period from FY 2013-14 to FY 2015-16. This data has become obsolete considering the developments that have taken place. The Petitioner has also submitted a comparison of approved O&M

cost for different Discom across the Country. Based on the submission it is found that in case of Discom in the State of Maharashtra there has not been much growth whereas considerable increase is there in some cases. In case of Uttar Pradesh itself, as submitted by the Petitioner, the approved per unit O&M cost has doubled while similar growth is not there for other Discoms. It is clear that O&M cost per unit is not an appropriate metric as O&M cost not only depends upon sales but also on other factors. Therefore, merely based on the comparison such O&M cost cannot be allowed.

4.5.84. The Commission has examined the Petitioner's submission regarding inadvertent arithmetical errors that have affected the base value of trued-up employee expenses for control period covered under MYT Regulations, 2019. It is noted that the normative employee expenses for FY 2023-24 are derived from the normative values of preceding years, with each year's value building upon the previous one—starting from FY 2020-21 to FY 2022-23. Accordingly, any revision in employee expenses in the current Order would have a cascading impact on the true-up values across all years covered under the UPERC MYT Regulations, 2019. Moreover, the Petitioner has already challenged all relevant Tariff Orders on similar grounds, including issues related to the impact of Service Tax and GST. As the earlier true up orders are pending before the Hon'ble APTEL and the above issue has been challenged by the Petitioner in those orders therefore the Commission finds that it would not be appropriate to address this issue in the current Petition.

4.5.85. Further, the Regulation 45.3 of MYT Regulations, 2019, stipulates that the Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be considered as a part of A&G expenses. Accordingly, the finance charges have been considered as a part of the A&G expenses.

4.5.86. The Commission notes that the UPERC MYT Regulations, 2019 does not specify a methodology for calculating the quantum of Delayed Payment Surcharge (DPS) or its associated financing costs. However, recognizing the legitimate need for financing DPS, the Commission may allow these costs if the Petitioner can substantiate actual expenditure through verifiable documentation. In instances where the Petitioner has utilized equity to finance DPS, it is observed that any equity exceeding 30% has already been treated as normative debt, with interest duly accounted for. Therefore, the

Licensee has already received a return on the financing cost. Furthermore, the issue is currently sub judice before the Hon'ble APTEL in Appeal No. 98 of 2021 (Tariff Order for FY 2020-21). Regarding the Petitioner's request to include additional O&M expenses—such as those incurred for compliance with Commission directives, Service Tax, GST impact, and DPS financing cost—it is noted that these components were previously claimed separately in earlier tariff filings and were disallowed by the Commission. Since these claims have already been rejected, and the financing cost of DPS and GST impact have not been accepted, they have not been considered in the determination of O&M expense norms for FY 2023-24.

4.5.87. As per the provisions of the Act, all electricity consumption is to be metered, and its tariff is to be determined by the Commission. All captive consumption of the Distribution Licensee is to be metered & billed as per the applicable consumer category provided in the Rate Schedule.

4.5.88. Regarding the Petitioner's claim to allow additional O&M towards the captive consumption of electricity units, as the Commission has already finalised the base values of O&M for the control period & hence it would not like to go into the merit of the matter at this stage and proceedings. Hence, the claim of the Petitioner is not allowed.

4.5.89. The inflation indices considered by the Commission for FY 2023-24 are shown in the Table below:

Table 4-76 CPI & WPI INFLATION INDICES CONSIDERED BY THE COMMISSION FOR FY 2023-24

Particulars	Wholesale Price Index*			Consumer Price Index**		
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2021-22	FY 2022-23	FY 2023-24
April	132.00	152.30	151.10	120.10	127.70	134.20
May	132.90	155.00	149.40	120.60	129.00	134.70
June	133.70	155.40	148.90	121.70	129.20	136.40
July	135.00	154.00	152.10	122.80	129.90	139.70
Aug	136.20	153.20	152.50	123.00	130.20	139.20
Sep	137.40	151.90	151.80	123.30	131.30	137.50
Oct	140.70	152.90	152.50	124.90	132.50	138.40
Nov	143.70	152.50	153.10	125.70	132.50	139.10
Dec	143.30	150.50	151.80	125.40	132.30	138.80
Jan	143.80	150.70	151.20	125.10	132.80	138.90
Feb	145.30	150.90	151.20	125.00	132.70	139.20
March	148.90	151.00	151.40	126.00	133.30	138.90
Average	139.41	152.53	151.42	123.63	131.12	137.92

Particulars	Wholesale Price Index*			Consumer Price Index**		
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2021-22	FY 2022-23	FY 2023-24
Calculation of Inflation		9.41%	-0.73%		6.05%	5.19%

* https://eaindustry.nic.in/indx_download_1112/monthly_index_202507.xls

** [Centre Index](#) / Official website of Labour Bureau, Ministry of Labour and Employment, Government of India

4.5.90. Further, Normative O&M expenses for FY 2023-24 are escalated with the escalation factor considering CPI and WPI of the corresponding year. Accordingly, the Commission has computed the Normative O&M expenses for FY 2023-24 as depicted in the Table below:

TABLE 4-77 NORMATIVE O&M EXPENSES CALCULATION (RS. CRORE)

Sr. No.	Particulars	FY 2022-23	CPI and WPI for FY 2023-24		FY 2023-24
		Normative			Normative
			WPI	CPI	
1	Employee Expenses	32.87		5.19%	34.57
2	R & M Expenses	47.29	-0.73%		46.95
3	A&G Expenses	17.53	-0.73%		17.40
4	Gross O&M Expenses (1+2+3)	97.69			98.92
5	Expenses Capitalised	6.52			-
6	Net O&M Expenses (4-5)	91.17			98.92

4.5.91. Further, Regulation-8.2(i) of MYT Regulations, 2019 specifies that the O&M expenses are Controllable Factors and Regulation 10 of MYT Regulations, 2019 specifies the treatment for Gains and Losses on account of Controllable Factors.

4.5.92. The Audited figure in the Audited Balance Sheet, wherein the Licensee has claimed that these include the expenses incurred on the account of SOP implementation and other compliances as the Commission has allowed R&M which is inclusive of (SOP, CGRF etc. implementation) and hence this value is considered as its audited values. It is expected that the Petitioner will implement SOP and CGRF Regulations within the Norms being approved by the Commission. Further, the audited figures are inclusive of such expenses, hence, the Petitioner is directed to show these expenses towards SOP, etc. separately in Audited Balance Sheet.

4.5.93. Accordingly, the Commission has approved the O&M expenses by considering the lower of the normative or actual value for each component (such as employee expenses, R&M expenses and A&G expenses) as shown in the Table below:

Table 4-78 O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2023-24

S. No.	Particulars	Approved in TO dated 24.05.2023	Audited	Claimed in True Up	Normative (computed)	Approved upon True Up
1	Employee Expenses	34.60	77.52	77.52	34.57	34.57
2	Administrative & General Expenses	18.21	30.09	30.09	17.40	17.40
3	Repair & Maintenance Expenses	49.12	63.40	63.40	46.95	46.95
4	Gross O&M Expenses	101.93	171.01	171.01	98.92	98.92
5	Less: Employee Expenses capitalized	(12.00)	(11.58)	(11.58)	(11.58)	(11.58)
6	Expenses for SOP, CGRF & Other Compliances	-	-	7.34	-	-
7	Net O&M Expenses	89.92	159.43	166.77	87.34	87.34

4.6. CAPITAL EXPENDITURE

Petitioner's Submission

4.6.1. The Petitioner submitted that as per the Audited Balance Sheet for FY 2023-24, the actual capital expenditure incurred by the Petitioner is Rs. 162.06 Cr. vis-a-vis Rs. 268.61 Cr approved by the Commission vide its Tariff Order for FY 2023-24 dated May 24, 2023, as given in the Table below: -

TABLE 4-79 CAPITAL EXPENDITURE (FY 2023-24)- (RS. CR.)

Particulars	Ref.	Approved	Actual
Total Additions to Assets	A	268.61	162.06
Assets Retired	b	8.6	9.08
Less: Retired Assets funded from Consumer Contribution	c	-	4.01
Net Assets Retired	d=b-c	8.6	5.07
Net Capex	e=a-d	260.01	156.99
Consumer Contribution	f	59.42	86.29
Net Capex	g=e-f	200.59	70.70

4.6.2. Further the Petitioner in line with Regulation 44.2 of the MYT Regulations, 2019 provides major head wise details of capital expenditure of value exceeding Rs. 10 Cr. and the capital expenditure of value not exceeding Rs. 10 Cr. as follows

TABLE 4-80 CAPITAL EXPENDITURE PROJECTS OF VALUE EXCEEDING RS. 10 CRORE FY (2023-24)- RS. CR.

Sl. No.	Nature of Works	Approved	Actual
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	8.10
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida (Cluster-02)	36.80	9.06
Total		87.33	17.16

TABLE 4-81 CAPITAL EXPENDITURE OF PROJECTS OF VALUE NOT EXCEEDING RS. 10 CR. (FY 2023-24)- (RS. CR.)

Sl. No.	Nature of Works	Approved	Actual
1	New Connections, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering	181.28	79.62
2	Substations, Transformers, 33kV, 11 kV & LT Network		49.91
3	Process System Automation		3.30
4	IT Projects		6.86
5	Civil Works & Office Infrastructure Facility		2.18
6	Tools & Testing Equipment		0.55
7	Vehicles		2.22
8	Lease Hold Land		0.27
9	Sub-Total		144.90

4.6.3. The Petitioner submitted that it has incurred the above capital expenditure solely for the purpose of developing its Distribution Network and supporting facilities to meet its service obligation as defined in Code no. 4.1 and 4.2 of UP Electricity Supply Code, 2005 and also to meet growth in demand of electricity from its existing and future consumers.

4.6.4. The component wise details of Capital Expenditure is provided as follows:

Capital Expenditure Projects of value exceeding Rs. 10 Crore

Power Evacuation from new / upcoming 220 kV & 132 kV Grid Substations being constructed at Greater Noida during FY 2023-24 & FY 2024-25

4.6.5. The Petitioner submitted that in its ARR filing of FY 2023-24 submitted the details of the Power Evacuation from new / upcoming 220 kV & 132 kV Substations being constructed by UPPTCL at Greater Noida during FY 2023-24 & FY 2024-25 through petition no. 1919 of 2022 dated November 30, 2022 and requested that it will file the separate petition for the same for prior approval of the Commission under section 44.2 of the UPERC MYT Regulation, 2019.

4.6.6. Accordingly, the Petitioner had filed the petition for the approval of the aforesaid scheme through petition no. 1950 of 2023 dated 6th January 06, 2023, before the Commission. The Commission vide its Order dated June 19, 2023, has approved the cost of the scheme as follows.

TABLE 4-82 APPROVED CAPITAL EXPENDITURE FOR FY 2023-24 & FY 2024-25 ABOVE RS 10 CR

S. No.	Particulars	Amount in Rs. Cr.	
		FY 2023-24	FY 2024-25
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	10.38
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida (Cluster-02).	36.80	32.01
	TOTAL	87.33	42.38

4.6.7. The Petitioner submitted that it had proposed acquiring three land parcels for substation construction, with cost estimates based on GNIDA's prevailing rates at the time of petition submission. However, by the time the Commission's approval was obtained and the Petitioner approached GNIDA for allotment, the land rates had been revised. Consequently, the land was acquired by the Petitioner in FY 2023-24 at the updated rates, resulting in a cost variation of Rs. 7.08 crore solely due to the increase in land prices as notified by GNIDA. The approved cost for the same and actual amount incurred by the Petitioner for the land are as follows

TABLE 4-83 ACQUIRED LAND DETAILS FOR POWER EVACUATION SCHEME

Cluster	Sl. No.	Land Details	Area in Sq. Mtr.	Approved Rate in Rs. Per Sq. Mtr.	Approved Amount in Rs. Cr.	Actual Rate in Rs. Per Sq. Mtr.	Actual Amount in Rs. Cr.
Cluster -01	1	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at Sector 4 , Greater Noida West	2,057	19,756	4.06	28,902	5.95
	2	Construction of 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at	-	-	-	-	0.22*

Cluster	Sl. No.	Land Details	Area in Sq. Mtr.	Approved Rate in Rs. Per Sq. Mtr.	Approved Amount in Rs. Cr.	Actual Rate in Rs. Per Sq. Mtr.	Actual Amount in Rs. Cr.
		Sector-1, Greater Noida					
		Subtotal (a)			4.06		6.17
Cluster -02	3	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at Sector Ecotech-8, Greater Noida	1,500	13,616	2.04	30,194	4.53
	4	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at Sector Ecotech-10, Greater Noida	1,500	13,616	2.04	30,194	4.53
		Subtotal (b)			4.08		9.06
TOTAL (a+b)					8.15		15.23
<i>*This additional cost incurred on account of Statutory charges such as Stamp Duty, Registration Fees, and other miscellaneous charges.</i>							

4.6.8. The Petitioner submitted that Civil construction of the three proposed 33/11kV substations (Sector-01, Sector-04, and Ecotech-10) began after September 2023, following Commission approval in June 2023. With an estimated project duration of 9–10 months per substation, completion is expected in FY 2024-25. Delays were caused by factors such as NGT’s construction ban during GRAP, land possession disputes, and shifting of 11kV lines by PVVNL. As a result, all planned substations for FY 2023-24 and FY 2024-25 are now anticipated to be completed in FY 2024-25.

4.6.9. The Petitioner submitted that it has carried out the laying of 33 kV 3CX400 sq.mm XLPE underground cable for providing the incoming 33 kV feed to 33/11kV Substation at ESS-2, Greater Noida. Total 5.2 km of 33kV cable was laid along with installation of 4 nos. of 33kV Isolators and 33kV feeder meters. These feeders were completed & put to use in the FY 2023-24.

4.6.10. Additionally, the Petitioner submitted that the balanced electrical & substation construction work will only commence once the civil construction is completed. Therefore, the substations planned to be constructed in FY 2023-24 will only be commissioned in FY 2024-25. Further, the Petitioner also floated the tender for the rest of the proposed substations and estimating that all substations under the aforesaid scheme will be commissioned by the end of FY 2024-25.

4.6.11. The Petitioner submitted the approved & capitalized in FY 2023-24 & the balance which got carried forward in FY 2024-25.

TABLE 4-84 APPROVED CAPITAL EXPENDITURE SCHEME FOR FY 2023-24 (RS. CR.)

Cluster	S. No.	Particulars	Approved for FY 2023-24	Capitalised in FY 2023-24	Carried forward to FY 2024-25
Cluster -01	1	Civil Works	9.51	0.00	9.51
	2	Electrical works	23.59	0.00	23.59
	3	Land	4.06	6.17	-
	4	Smart Substations, Automation & Security	0.55	0.00	0.55
	5	33 kV Feeder Evacuation	10.38	1.93	8.45
	6	11kV Network Development	2.43	0.00	2.43
	Subtotal (a)		50.53	8.10	44.53
Cluster -02	1	Civil Works	6.76	0.00	6.76
	2	Electrical works	15.81	0.00	15.81
	3	Land	4.08	9.06	-
	4	Smart Substations, Automation & Security	0.37	0.00	0.37
	5	33 kV Feeder Evacuation	8.17	0.00	8.17
	6	11kV Network Development	1.62	0.00	1.62
	Subtotal (b)		36.80	9.06	32.73
TOTAL (a+b)			87.33	17.16	77.26

Capital Expenditure Projects of value not exceeding Rs. 10 Crore

4.6.12. The Petitioner submitted the summary of number of Projects of value not exceeding Rs. 10 Crore executed during FY 2023-24, minimum and maximum amount of one project and the total amount against a single major head of Capex i.e. total of number of projects executed during FY 2023-24 in the following tables:

TABLE 4-85 CAPITAL EXPENDITURE (FY 2023-24) (RS. CR.)

Sl. No.	Particulars	No. of Projects	Minimum Cost of one Project (Rs.)	Maximum Cost of one Project (Rs.)	Amount (Rs. Cr.)
1	New Connections, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering	128	1,566	5,46,09,724	79.62
2	Substations, Transformers, 33kV, 11 kV & LT Network	32	1,44,675	4,55,08,229	49.91
3	Process System Automation	33	9,558	51,40,583	3.30
4	IT Projects	19	1,02,424	1,41,84,770	6.86
5	Civil Works & Office Infrastructure Facility	18	20,296	75,06,800	2.18
6	Tools & Testing Equipment	4	1,96,352	37,29,968	0.55
7	Vehicles	-	-	-	2.22
8	Lease Hold Land	-	-	-	0.27
TOTAL					144.90

4.6.13. The Petitioner submitted that it had undertaken various projects, distinguishing them by location, execution teams, type of project type, completion timeframe, etc.. For projects which are of a routine nature, the Petitioner structures the projects on a quarterly basis to ensure efficient control and budget allocation. This approach enables the Petitioner to supervise and monitor projects closely, allowing for timely preventative or corrective actions as part of regular business operations and allocate the budget for next quarter based on previous quarter cost.

4.6.14. The details of the above Capital Expenditure of Rs. 144.90 Cr. (Rs. 58.61 Cr. net of consumer contribution) incurred during FY 2023-24 are given below

A. NEW CONNECTIONS, TRANSITION OF AGEING/TECHNOLOGICAL OBSOLETE/DAMAGED ASSETS & METERING

4.6.15. The Petitioner submitted that it has incurred an amount aggregating to Rs. 79.62 Cr. on 128 different / independent projects which were undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on New Connections, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering.

TABLE 4-86 PROJECT WISE SUMMARY FOR NEW CONNECTION, TRANSITION OF AGEING/ TECHNOLOGICAL OBSOLETE/DAMAGED ASSETS & METERING

S. No.	Project No.	Project Description	Amount in Rs.
New Connection			
1	AUTMNETMTR22M9	Net Metering	13,006
2	AUTMNETMTR23M1	Net Metering FY2023-24_M1	2,17,555
3	AUTMNETMTR23M2	Net Metering FY2023-24_M2	4,50,644

S. No.	Project No.	Project Description	Amount in Rs.
4	AUTMNETMETER23M3	Net Metering FY2023-24_M3	5,40,909
5	AUTMNETMTR23M4	Installation of Net Meters	10,36,818
6	MPSCACEDIFY23	Comm. Infra for AMI at Ace Divino	72,86,629
7	MPSCACEDIP2FY23	Comm. Infra for AMI at ACE Divino PH2	50,43,275
8	MPSCAGAP2FY23	Comm. Infra for AMI at AIMS Green Avenue	15,99,626
9	MPSCAMRCPFY23	Comm. Infra for AMI at Amrapali Centurian	51,98,120
10	MPSCAMRCV2FY23	Comm. Infra for AMI at Amrapali CntO2ph2	35,49,526
11	MPSCAMRCVFY23	Comm. Infra for AMI at Amrapali CentO2	38,41,957
12	MPSCAMRDVVFY23	Comm. Infra for AMI at Dream Valley Villas	39,60,072
13	MPSCAMRGHFY23	Comm. Infra for AMI at Amrapali Golf Hom	1,65,54,906
14	MPSCAMRLPFY23	Comm. Infra for AMI at Amrapali Leisure	1,32,60,734
15	MPSCAMRLVY23	Comm. Infra for AMI at Amrapali Leisure	61,55,203
16	MPSCAMRMAAFY23	Comm. Infra for AMI at Maple Apex Alphabet	22,21,322
17	MPSCAMROTTY23	Multipoint at Amarpali Leisure Valley	1,22,720
18	MPSCAMRSCKFY23	Comm. Infra for AMI at Amrpali SMCKINGwoo	1,28,45,701
19	MPSCARIABFY23	Comm. Infra for AMI at Arihant Abode	28,88,777
20	MPSCCAPATFY23	Comm. Infra for AMI at Capital Athena	33,62,840
21	MPSCENTIFFY23	Comm. Infra for AMI at Enticement Ph-2	23,53,104
22	MPSCGALROFY23	Comm. Infra for AMI-Galaxyroyale-commrcl	70,173
23	MPSCLASOCFY23	Comm. Infra at La Solara Commercial#	84,404
24	MPSCLASOLFY23	Comm. Infra for AMI at La Solara Ph-2	12,75,429
25	MPSCMAHMN2FY23	Comm. Infra for AMI at Mahagun Mantra-2,	29,73,598
26	MPSCMIGVILFY23	Comm. Infra for AMI at Migsun Vilasa	22,12,880
27	MPSCMIGWYFY23	Comm. Infra for AMI at Migsun Wynn Ph2	80,30,793
28	MPSCMIWYNFY23	Comm. Infra for AMI at Migsun WynnSUN-6	16,19,835
29	MPSCCOMMAGFY22P2	Comm. Infra for AMI at Aims P2	20,25,455
30	MPSCCOMPUGFY23	Comm. Infra for AMI at Omaxe Putting Gre	21,12,552
31	MPSCPANGRFY23	Comm. Infra for AMI-Pansheel Gree-Clb hs	2,78,258
32	MPSCSAGAVFY23	Comm. Infra for AM ISamridhi Grand Avcommer	70,173
33	MPSCSKAMVYFY23	Comm. Infra for AMI at SKA Metro Ville P-2	45,96,139
34	ITFY22AMI	Impl. of Advanced Metering Infra	16,45,279
35	ITFY23AMI	Impl. of Advanced Metering Infra 2023-24	2,46,30,839
36	NEWTXR23Q1	New Transformer for New Svc Apr-Jun-23	82,59,810
37	NEWTXR23Q2	New Transformer for New Svc Jul-Sep-23	1,71,38,942
38	NEWTXR23Q3	New Transformer for New Svc Oct-Dec-23	93,87,748
39	NEWTXR23Q4	New Transformer for New Svc Jan-Mar-24	1,41,59,198
40	NS11KV22Q4LA	11KV Load Augment Svc	39,99,043
41	NS11KV22Q4NC	New 11KV Service	50,99,146
42	NS11KV23Q1NC	New 11KV Service Connection Apr-Jun-23	1,10,15,950
43	NS11KV23Q1LA	11KV Svc Load Augmentation Apr-Jun-23	36,24,522
44	NS11KV23Q2LA	11KV Svc Load Augmentation Jul-Sep-23	49,71,626
45	NS11KV23Q3LA	11KV Svc Load Augmentation Oct-Dec-23	26,86,118
46	NS11KV23Q4LA	11KV Svc Load Augmentation Jan-Mar-24	81,79,371

S. No.	Project No.	Project Description	Amount in Rs.
47	NS11KV23Q2NC	New 11KV Service Connection Jul-Sep-23	1,22,98,935
48	NS11KV23Q3NC	New 11KV Service Connection Oct-Dec-23	57,73,173
49	NS11KV23Q4NC	New 11KV Service Connection Jan-Mar-24	92,52,477
50	NS33KV22Q4NC	New 33KV Service	5,53,156
51	NS33KV23Q1LA	Load Augment. of 33KV Svc Apr-Jun-23	20,55,867
52	NS33KV23Q2LA	Load Augment. of 33KV Svc Jul-Sep-23	1,88,563
53	NS33KV23Q1NC	New 33KV Service Connection Apr-Jun-23	73,63,221
54	NS33KV23Q2NC	New 33KV Service Connection Jul-Sep-23	5,46,09,724
55	NS33KV23Q3NC	New 33KV Service Connection Oct-Dec-23	1,16,28,620
56	NS33KV23Q4NC	New 33KV Service Connection Jan-Mar-24.	3,53,09,837
57	NSLMV22Q4LA	LMV6 Load Augment Svc	2,83,297
58	NSLMV22Q4NC	New LMV6 Connection	14,08,662
59	NSLMV23Q1NC	New LMV6 Connection April to June-2023	1,44,86,965
60	NSLMV23Q2NC	New LMV6 Connection July to Sep-2023	1,64,59,620
61	NSLMV23Q3NC	New LMV6 Connection Oct to Dec-2023	1,48,26,247
62	NSLMV23Q4NC	New LMV6 Connection Jan-Mar-2024	74,56,161
63	NSLMV23Q1LA	LMV Service Load Augmentation Apr-Jun-23	52,37,162
64	NSLMV23Q1LR	LMV Service Load Reduction Apr-Jun-23	19,965
65	NSLMV23Q2LA	LMV Service Load Augmentation Jul-Sep-23	68,41,416
66	NSLMV23Q3LA	LMV Service Load Augmentation Oct-Dec-23	48,80,107
67	NSLMV23Q3LR	LMV Service Load Reduction Oct-Dec-23	19,779
68	NSLMV23Q4LA	LMV Service Load Augmentation Jan-Mar-24	25,10,603
69	NSLMV23Q4LR	LMV Service Load Reduction Jan-Mar-24.	28,482
70	NSLMVM22Q4	Multipoint Svc of Society	33,23,939
71	NSLMVM23Q1	New Society with Radius Meter Apr-Jun-23	1,40,76,254
72	NSLMVM23Q2	New Society with Radius Meter Jul-Sep-23	1,37,98,354
73	NSLMVM23Q3	New Society with Radius Meter Oct-Dec-23	1,27,77,946
74	NSLMVM23Q4	New Society with Radius Meter Jan-Mar-24	37,13,959
75	NSLMVM23Q1	New Society with Secure Meter Apr-Jun-23	1,07,98,344
76	NSLMVM23Q2	New Society with Secure Meter Jul-Sep-23	98,76,403
77	NSLMVM23Q3	New Society with Secure Meter Oct-Dec-23	57,72,185
78	NSLMVM23Q4	New Society with Secure Meter Jan-Mar-24	34,37,137
79	NSLMVSP22Q4	Single to Multipoint Svc	36,51,660
80	NSLMVSP23Q1	Conv SP to MP Radius Meter Apr-Jun-23	1,52,16,053
81	NSLMVSP23Q2	Conv SP to MP Radius Meter Jul-Sep-23	1,08,588
82	NSLMVSP23Q4	Conv SP to MP Radius Meter Jan-Mar-24	21,241
83	NSLMVSP23Q1	Conv SP to MP Secure Meter Apr-Jun-23	4,92,871
84	NSLMVSP23Q2	Conv SP to MP Secure Meter Jul-Sep-23	1,25,270
85	NSLMVSP23Q3	Conv SP to MP Secure Meter Oct-Dec-23	3,39,065
86	NSLMVSP23Q4	Conv SP to MP Secure Meter Jan-Mar-24	33,75,772
87	RUUNMTMTR22	Conversion Unmetered to Metered	2,62,247
88	STRTLIGHTMET23	Street Light Metering FY 2023-24	20,79,065
89	VILMTR22Q4LA	Load Augm of Village Svc	24,571
90	VILMTR22Q4NC	New Connection of Village	23,24,363
91	VILMTR23Q1LA	Load Augment. of Village Svc Apr-Jun-23	16,67,699

S. No.	Project No.	Project Description	Amount in Rs.
92	VILMTR23Q2LA	Load Augment. of Village Svc Jul-Sep-23	21,09,553
93	VILMTR23Q3LA	Load Augment. of Village Svc Oct-Dec--23	14,58,751
94	VILMTR23Q4LA	Load Augment. of Village Svc Jan-Mar-24	13,53,589
95	VILMTR23Q1NC	Network & New Svc of Village Apr-Jun-23	2,22,87,331
96	VILMTR23Q2NC	Network & New Svc of Village Jul-Sep-23	3,44,36,185
97	VILMTR23Q3NC	Network & New Svc of Village Oct-Dec-23	3,76,25,856
98	VILMTR23Q4NC	Network & New Svc of Village Jan-Mar-24	1,81,05,149
99	33 KV Bay by UPPTCL at RC Green	33 KV Bay by UPPTCL at RC Green	39,30,000
100	33 KV Bay by UPPTCL at Sector 123	33 KV Bay by UPPTCL at Sector 123	3,90,98,002
Transition of Ageing/Technological Obsolete/Damaged Assets			
101	AUTMREPMETER22Q1	Change of Meter Equip	51,842
102	AUTMREPMETER22Q2	Change of Meter Equip	1,566
103	AUTMREPMTR23M1	Change of meters and Acc.23M1	37,88,401
104	AUTMREPMTR23M2	Change of meters and Acc.23M2	73,31,269
105	AUTMREPMTR23M3	Change of meters and Acc.23M	85,93,872
106	AUTMREPMTR23M4	Change of meters and Acc.23M4	31,35,957
107	AUTMREPMTR23M5	Change of meters and Acc.23M5	20,60,563
108	REPNETASSET23	Upgradation of Network Asset FY23-24	90,57,953
Metering			
109	AMDTMS22P2	Impl. of DT Metering	28,23,015
110	AUTMBLELIC23M1	Mobile App Licence for Ble Meters	19,71,426
111	AUTMGRPMTR23M1	Grp Meter Panel Installation with Fenc	28,42,324
112	AUTMGRPMTR23M2	Group Meter Panel installation with fencing	53,45,876
113	AUTMREPMTR22M9	Upgradation of Meter EquipM9	20,15,555
114	AUTMSMTMTR23M1	Upgradation of DRDR meters & asso. Equip.	9,38,356
115	AUTMSMTMTR23M2	Upgradation of DRDR meters & asso. Equip.	16,77,581
116	AUTMSMTMTR23M3	Upgradation of DRDR meters & asso. Equip.	5,61,258
117	AUTMSMTMTR23M4	Upgradation of DRDR meters & asso. Equip.	1,53,460
118	AUTMUPGMTR22M8	Upgradation of Meters M8	3,98,146
119	AUTMUPGMTR22M9	Upgradation of Meters M9	23,67,189
120	AUTMUPGMTR23M1	Upgradation of meter & other item FY23M1	54,16,780
121	AUTMUPGMTR23M2	Upgradation of meter & other item FY23M2	31,47,046
122	AUTMUPGMTR23M3	Upgradation of meter & other item FY23M3	74,44,691
123	AUTMUPGMTR23M4	Upgradation of meter & other item FY23M4	48,94,394
124	AUTMUPGMTR23M5	Upgradation of meter & other item FY23M5	1,68,891
125	AUTMUPGRADEMETER 22	Upgradation of Meters	18,566
126	AUTMDTMS23Q1	Implementation of DT Metering23Q1	21,54,787
127	AUTMDTMS23Q2	Implementation of DT Metering23Q2	38,07,193
128	AUTMDTMS23Q3	Implementation of DT Metering23Q3	2,25,965

S. No.	Project No.	Project Description	Amount in Rs.
TOTAL			79,62,04,082

B. SUBSTATIONS, TRANSFORMERS, 33KV, 11 KV & LT NETWORKS

4.6.16. The Petitioner submitted that it has incurred an amount aggregating to Rs. 49.91 Cr. on 32 different/ independent projects which were undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on Substations, Transformers, 33kv, 11 kv & LT Network.

TABLE 4-87 PROJECT WISE SUMMARY FOR SUBSTATIONS, TRANSFORMERS & NETWORKS

S. No.	Project No.	Project Description	Amount in Rs.
33/11kV Substation			
1	PR22EPIPAUGESS	Augmentation Of 33/11KV EPIP Substation	2,51,74,488
2	PR22LUKSARESS	Augmentation Of 33/11KV Luksar Jail S/Stn	2,97,51,532
3	PR23AUGSIGMA4ESS	Augmentation of 33/11KV Sigma-4 S/Stn.	21,40,876
4	PR23BATRELUKSAR	Insta of Battery & charger Luksar Sub-St	8,58,292
5	PR23OMEGA2ESSAUG	Augment of 33/11KV Omega 2 S/Stn	75,36,559
33KV Network			
6	33KVNET22Q4	Const. of EHT Network	8,90,940
7	33KVNET23Q1	Construction of EHT Network April-Jun-23	27,88,433
8	33KVNET23Q2	Construction of EHT Network July-Sep-23	10,02,014
9	33KVNET23Q3	Construction of EHT Network Oct-Dec-23	17,60,245
10	PR2333KVNETZN1	Conversion 33KV OH to UG Network Zone-1	1,91,83,139
11	PR2333KVNETZN2	Const. of 33KV OH & UG Network Zone-2	2,73,21,559
11kV Network			
12	11KVNET22Q4	Const. of HT Network	1,44,675
13	11KVNET23Q1	Construction of HT Network April-Jun-23	2,53,14,243
14	11KVNET23Q2	Construction of HT Network July-Sep-23	2,75,70,655
15	11KVNET23Q3	Construction of HT Network Oct-Dec-23	2,28,06,695
16	11KVNET23Q4	Construction of HT Network Jan-Mar-24	2,08,51,185
17	NETTXR23Q1	New Transformer for Network Apr-Jun-23	48,06,481
18	NETTXR23Q2	New Transformer for Network Jul-Sep-23	2,13,35,156
19	NETTXR23Q3	New Transformer for Network Oct-Dec-23	1,47,80,937
20	NETTXR23Q4	New Transformer for Network Jan-Mar-24	4,20,10,857
21	PR2311KVNETEPIP	Evacuation of 11KV Network EPIP Sub/Stn	1,30,33,643
22	PR2311KVNETLUKJ	Evacuation of 11KV Network Luksar Jail	1,44,20,711
LT Network			
23	LTNET22Q4	Const. of LT Network	8,57,503
24	LTNET23Q1	Construction of LT Network April-Jun-23	1,68,20,626
25	LTNET23Q2	Construction of LT Network Jul-Sep-23	2,12,83,579
26	LTNET23Q3	Construction of LT Network Oct-Dec-23	1,94,45,111
27	LTNET23Q4	Construction of LT Network Jan-Mar-24	1,62,32,021
28	NETREVLCC23Q1	Network Revamping LT Service Apr-Jun-23	1,40,21,401

S. No.	Project No.	Project Description	Amount in Rs.
29	NETREVMLCC23Q2	Network Revamping LT Service Jul-Sep-23	2,19,56,594
30	NETREVMLCC23Q3	Network Revamping LT Service Oct-Dec-23	4,55,08,229
31	NETREVMLCC23Q4	Network Revamping LT Service Jan-Mar-24	1,10,32,919
Network Safety			
32	NETWORKSAFETY21	Fencing of Network Asset FY 2023-24	64,52,914
TOTAL			49,90,94,213

C. PROCESS / SYSTEM AUTOMATION

4.6.17. The Petitioner has incurred an amount aggregating to Rs. 3.30 Cr. on 33 different / independent projects being undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on Process / System Automation.

TABLE 4-88 PROJECT WISE SUMMARY FOR PROCESS SYSTEM AUTOMATION

S. No.	Project No.	Project Description	Amount in Rs.
1	AUTGVTS23	Vehicle Tracking System FY 23-24	3,11,006
2	AUTSBATDFY23	Biometric Attendance System	9,95,594
3	AUTSBMS01FY23	BMS Components for KP-4	1,02,169
4	AUTSCCTV23Q4	CCTV Upgradation work 23Q4	2,73,335
5	AUTSCECDFY23	Instln of Waste Disposal System	6,92,738
6	AUTSCEDCMFY23	Supply and Installation of DE Composter	4,83,872
7	AUTSCEWFMFY23	Water flow Meter	7,65,167
8	AUTSCOM22SEC3	FIBRE OPTICS WORK SEC3	2,76,939
9	AUTSCOM23Q1	FIBRE OPTICS WORK 23Q1 (others)	3,15,812
10	AUTSCOM23Q2	FIBRE OPTICS WORK 23Q2	27,05,573
11	AUTSCOM23Q3	FIBRE OPTICS WORK 23Q3	18,62,560
12	AUTSCOM23Q4	FIBRE OPTICS WORK-Q4	51,40,583
13	AUTSCOM23SPLQ1	FIBRE OPTICS WORK 23Q1	2,18,876
14	AUTSCOM23SPLQ2	FIBRE OPTICS WORK 23Q2 (splicing)	2,43,158
15	AUTSCOM23SPLQ3	FIBRE OPTICS WORK 23Q3 (splicing)	3,31,545
16	AUTSCOMCGEWHO23	FIBRE OPTICS WORK 23CGEWHO	3,90,109
17	AUTSDLMS23Q1	Laying of LAN for data acquisition work23	99,006
18	AUTSDLMS23Q2	Laying of LAN cable for data acquisition work23Q2	13,16,204
19	AUTSDLMS23Q3	Laying of LAN cable for data acquisition work23Q3	16,72,009
20	AUTSDLMS23Q4	Laying of LAN for data acquisition work23Q4 – DLMS	10,03,613
21	AUTSEMSFY23	Implementation of Energy Management Syst	14,69,006
22	AUTSFANA23Q3	Laying of cable for RMU data acquisition work	4,04,671
23	AUTSFANA23Q4	Laying of cable for RMU data acquisition work	23,56,267
24	AUTSFASFY22	Implementation of Fire Alarm System	28,59,268
25	AUTSFASFY22–19	Installation of Cat6 control cable	22,900
26	AUTSHONDAFY23	33kV Switching station Honda Siel	4,28,693

S. No.	Project No.	Project Description	Amount in Rs.
27	AUTSHTRE23Q4	Laying of LAN cable for data acquisition work-HT Consumer	9,558
28	AUTSPQMFY23	Implementation of Power Quality Meters	30,14,935
29	AUTSQL22	Upgradation of SQL, NF and OS in SCADA	16,19,310
30	AUTSSAS23Q4	Laying of LAN cable for data acquisition work	6,94,690
31	AUTSSLDC22	NPCL Data at SLDCs	4,31,986
32	AUTSUPG23Q1	Upgradation of SAS & DLMS FY23Q1	3,64,915
33	AUTSUPRBHAS23	Upgradation of RBH Attendance system	74,930
TOTAL			3,29,50,997

D. IT PROJECTS

4.6.18. The Petitioner submitted that it has incurred an amount aggregating to Rs. 6.86 Cr. on 19 different / independent projects being undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on IT Projects. The project wise details of the capital expenditure incurred under the Head “IT Projects” are given in the Table below.

TABLE 4-89 PROJECT WISE SUMMARY FOR PROCESS SYSTEM AUTOMATION

S. No.	Project No.	Project Description	Amount in Rs.
1	ITFY22ESA	Enhancement of SAP Application	15,12,366
2	ITFY22MEDC	License of Manage Engine	4,70,536
3	ITFY22VC	Implement of Video Conference Setup	8,10,359
4	ITFY23AVD	Purchase of Video Conf System	7,42,442
5	ITFY23BLE	Implementation of Battery Life Enhancer	34,98,228
6	ITFY23CVEB	Add. of Commvault End Point Backup Lic	5,85,138
7	ITFY23DABI	Implementation of Analytics BI Platform	15,50,689
8	ITFY23ESA	Enhancement of SAP Application FY2023-24	1,06,91,045
9	ITFY23HCI	Implementation of HCI	1,41,84,770
10	ITFY23MSA	Purchase of Microsoft Licenses	62,48,613
11	ITFY23NTRO	Purchase of Nitro Software	1,02,424
12	ITFY23OFNW	Purchase of Network Switches for Offices	29,42,000
13	ITFY23OMDB	Purchase of Oracle DB with Linux OS	50,40,267
14	ITFY23OMIM	Implementation of Bespoke OMS	33,74,280
15	ITFY23PCPA	Purch of Comptrs, Perip, Accesso FY23-24	1,16,40,272
16	ITFY23SSNW	Imple. of Sub-Station Network	29,44,572
17	ITFY23VPN	Implementation of VPN	5,00,000
18	ITFY23WCSP	Implementation of Website CSP	1,86,636
19	Misc.	Misc.	15,74,070
TOTAL			6,85,98,708

E. CIVIL WORKS AND OFFICE INFRASTRUCTURE FACILITY

4.6.19. The Petitioner submitted that it has incurred an amount aggregating to Rs. 2.18 Cr. on 18 different/ independent projects being undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on Civil Works and Office Infrastructure. The project wise summarized Table is given below

TABLE 4-90 PROJECT WISE SUMMARY FOR CIVIL WORK SUBSTATION & OFFICE

S. No.	Project No.	Project Description	Amount in Rs.
1	PR21BWTZ2	Const. of 33/11KV Boundary Wall Techz-2 S	59,000
2	PR21CIVILECOEXT1	Const. of Civil Work 33/11KV Eco EX1 S/S	47,200
3	PR21CIVILECOT3	Const. of Civil Work 33/11KV Ecot-3 S/St	94,400
4	PR22CIVLEPIP	Const. of CRB & Switchyard at EPIP S/Stn.	75,06,800
5	PR23CIVLCGRF	Upgrad of Civil Structure CGRF Office	11,60,301
6	PR23CIVLUKJ	Civil Work Battery Room Luksar Jail S/s	2,35,727
7	PR23CREDENKP1	Credenza cum Curio cabinet at KP-1	1,26,884
8	PR23DBRDKP4	Display Board at KP-4 Office	23,280
9	PR23FAN	Installation of Ceiling & Exhaust Fan	1,07,125
10	PR23GLSIGNBDKP4	NPCL Acrylic Glowing Letter at KP-4	40,908
11	PR23MISFIRKP4	Furniture for KP4 Control Room	20,296
12	PR23SAFETYTRACNT	Const. of Safety Training Centre P5	28,09,861
13	PR23SIGNBOARD	Signage Board for NPCL Office Building	11,34,564
14	PR23SUBBORLKJ	Sumersible Boring at 33/11KV Luksar Jail	79,353
15	PRCIVPCCFLSUJ23	Const. of Outdoor PCC Floor Surajp Store	10,23,422
16	PRCIVSCRAPYSTC23	Civil work Materials Storage Yard Site-C	25,55,244
17	Office Equipment	Office Equipment	40,89,657
18	Furniture & Fixtures	Furniture & Fixtures	7,07,440
TOTAL			2,18,21,461

F. TOOLS AND TESTING EQUIPMENT

4.6.20. The Petitioner submitted that it has incurred an amount aggregating to Rs. 0.55 Cr. on 4 different/ independent projects being undertaken in different time periods during FY 2023-24 and at different locations across Greater Noida on Tools and Testing Equipment. The project wise summarized Table given below

TABLE 4-91 PROJECT WISE SUMMARY FOR TOOLS & TESTING EQUIPMENT

S. No.	Project No.	Project Description	Amount in Rs.
1	AUTMTOOLSMT23M1	Metering Tools & Testing Equipment M1	37,29,968
2	AUTMTOOLSMT23M2	Metering Tools & Testing Equipment M2	10,58,841
3	Other Misc.	Other Misc.	4,66,690
4	TESTEQUIPT23T	Transformer & Other Testing Equipment	1,96,352
TOTAL			54,51,851

G. VEHICLES

4.6.21. The Petitioner has submitted that it is required to provide vehicles to its officers/ staff for various official work including visiting Substations, transporting heavy materials etc., shift-based duties in call center, control room etc. and inter office movement to provide 24X7 reliable power supply in its licensed area and many other office related assignments including attending meetings/ court proceedings/ inspection of materials / vendor-verifications etc. in NCR and nearby States. The provision of vehicles not only ensures efficient and prompt services in an economic manner but is also necessary to ensure the safety of its employees working even in the odd hours / nighttime.

4.6.22. In addition to above the CEA, through its various Regulations has established minimum standards for erection of distribution network by distribution companies. Further, the Commission in its UPERC (Standard of Performance) Regulations, 2019 have made the performance parameters more stringent and has considerably reduced timelines to resolve Consumer Complaints.

4.6.23. The Petitioner has submitted that the vehicles are purchased after a detailed evaluation of requirements and in accordance with the Company's policy. This evaluation considers the need for replacing old and inefficient vehicles as well as addressing new requirements to service the rapidly increasing load and consumer base of the Company in the most economical and efficient manner. Also, the Company bears only the cost of vehicle as provided in the “NPCL Vehicle Policy 2023” and the amount over and above such eligibility amount is borne by the Employee and not capitalized in the books of account. The cost bifurcation along with employee contribution are provided in Table given below:

TABLE 4-92 COST BREAK-UP OF VEHICLES PURCHASED IN FY 2023-24 (IN RS.)

Asset No.	Asset Description	Ex. Showroom	Registration	Insurance & Others	Total Vehicle Cost	Employee Contribution	Total Amount Capitalised
30000143	Mahindra Bolero B4 BS-VI (UP16DW5939)	9,27,703	78,841	34,221	10,40,765	Not Applicable as these are Petitioner's Vehicles for operational use	10,40,765
30000144	Mahindra Bolero B4 BS-VI (UP16DW5940)	9,27,703	78,841	34,221	10,40,765		10,40,765
30000151	Maruti Ecco Flexi Car (CNG) (UP16MT6391)	6,17,000	26,000	43,903	6,86,903		6,86,903
30000153	Tata Nexon EV (UP16EE9291)	14,19,000	2,500	98,296	15,19,796		15,19,796

Asset No.	Asset Description	Ex. Showroom	Registration	Insurance & Others	Total Vehicle Cost	Employee Contribution	Total Amount Capitalised
30000138	KIA Seltos HTX MT (UP16DR0975)	-	-	-	-	2,25,168	-2,25,168 [#]
30000147	Skoda Slavia Ambition Plus 1.0(P)(UP16DY2915)	12,49,000	1,27,500	30,355	14,06,855	2,80,470	11,26,385
30000148	KIA Carens Premium 1.5iMT Diesel (UP16DY3514)	12,64,900	1,28,590	34,380	14,27,870	2,98,925	11,28,945
30000149	Skoda Slavia Ambition Plus 1.0 (P) (UP16DY2922)	12,49,000	1,27,500	30,355	14,06,855	2,80,470	11,26,385
30000150	Kia Carens Premium G 1.5MT Prestige (UP16DY8432)	11,74,900	1,18,090	32,857	13,25,847	1,97,519	11,28,328
30000154	Mahindra Scorpio-N DMT UP16DZ0110	16,30,036	1,67,519	81,900	18,79,455	3,80,598	14,98,857
30000157	Maruti Invicto Hybrid Zeta+ (UP16EC2338)	24,82,000	2,53,300	67,875	28,03,175	5,44,988	22,58,187
30000158	Maruti Suzuki XL6 Alpha AT(P) (UP16EC7616)	14,06,000	1,43,700	38,217	15,87,917	1,19,677	14,68,240
30000161	Mahindra Scorpio-N Z6 MT (UP16EC6427)	16,30,199	1,63,620	80,893	18,74,712	3,79,604	14,95,108
30000162	Kia Seltos HTX IVT 1.5(P) (UP16EC9820)	16,57,900	1,68,090	38,133	18,64,123	4,04,505	14,59,618
30000163	Toyota Hyryder S MT (P) (UP16EB3765)	12,61,000	1,28,750	36,550	14,26,300	2,94,944	11,31,356
30000164	Toyota Hyryder S MT (P) (UP16EB7918)	12,61,000	1,28,750	36,550	14,26,300	2,94,944	11,31,356
30000165	Honda City V MT Petrol (UP16ED5332)	12,27,900	1,29,490	41,915	13,99,305	3,02,581	10,96,724
30000166	Kia Carens iMT Prestige Plus (UP16EE3801)	14,84,900	1,51,721	36,490	16,73,111	2,08,274	14,64,837

[#] Rs. 16,68,829 was capitalized in FY 2022-23 was inclusive of Rs. 2,25,168 (Employee Contribution) which was paid in May'23 by the Employee. The same has been now reduced from the asset value in FY 2023-24.

4.6.24. The Petitioner has submitted it has incurred the aforesaid amount aggregating to Rs. 2.22 Cr. on 21 different vehicles during FY 2023-24. Further, the details regarding the purpose for which vehicles were purchased in FY 2023-24 are provided in the Table given below:

TABLE 4-93 PURPOSE OF VEHICLE PURCHASED IN FY 2023-24

Asset No.	Asset Description	Purpose of purchase	Remarks
30000143	Mahindra Bolero B4 BS-VI (UP16DW5939)	These vehicles have been purchased for the use of various operation activities such as new connection, surveillance, fault rectification etc.	For Day-to-Day Operations
30000144	Mahindra Bolero B4 BS-VI (UP16DW5940)		
30000151	Maruti Ecco Flexi Car (UP16MT6391)		

Asset No.	Asset Description	Purpose of purchase	Remarks
30000153	Tata Nexon EV (UP16EE9291)	These Electric Vehicles has been purchased to promote green initiative and convert its operations fleet into environmentally friendly fleet. The vehicles are being used for the movement of its engineers / the support staff for attending various complaints and operational related work.	
30000155	Ather Brand Scooty 450X HR Pack EV (UP16EC6448)		
30000156	Ather Brand Scooty 450X HR Pack EV (UP16EC6449)		
30000159	Revolt RV-400 (EV) (UP16EB4028)		
30000160	Revolt RV-400 (EV) (UP16EB4031)		
30000147	Skoda Slavia Ambition Plus 1.0(P) (UP16DY2915)	The vehicle is provided to the officials of the company for the purpose of facilitating their movement from office to field/ sites, within offices, for attending various hearings, legal conferences, official meetings, trainings, seminars etc. at Delhi NCR and other locations for official commutation purposes. These vehicles are being purchased and maintained by the Company during their useful life strictly for Company's official work.	Provided to Sr. Manager Operation under "NPCL Vehicle Policy 2023"
30000148	KIA Carens Premium 1.5iMT Diesel (UP16DY3514)		Provided to Sr. Manager Automation under "NPCL Vehicle Policy 2023"
30000149	Skoda Slavia Ambition Plus 1.0 (P) (UP16DY2922)		Provided to Sr. Manager Operation under "NPCL Vehicle Policy 2023"
30000150	Kia Carens Premium G 1.5MT Prestige (UP16DY8432)		Provided to Sr. Manager Operation under "NPCL Vehicle Policy 2023"
30000154	Mahindra Scorpio-N DMT (UP16DZ0110)		Provided to DGM Admin under "NPCL Vehicle Policy 2023"
30000157	Maruti Invicto Hybrid Zeta+ (UP16EC2338)		Provided to VP Finance under "NPCL Vehicle Policy 2023"
30000158	Maruti Suzuki XL6 Alpha AT(P) (UP16EC7616)		Provided to DGM Finance under "NPCL Vehicle Policy 2023"
30000161	Mahindra Scorpio-N Z6 MT (UP16EC6427)		Provided to DGM Automation under "NPCL Vehicle Policy 2023"
30000162	Kia Seltos HTX IVT 1.5(P) (UP16EC9820)		Provided to DGM Operation under "NPCL Vehicle Policy 2023"
30000163	Toyota Hyryder S MT (P) (UP16EB3765)		Provided to Sr. Manager Operation under "NPCL Vehicle Policy 2023"
30000164	Toyota Hyryder S MT (P) (UP16EB7918)		Provided to Sr. Manager Legal under "NPCL Vehicle Policy 2023"

Asset No.	Asset Description	Purpose of purchase	Remarks
30000165	Honda City V MT Petrol (UP16ED5332)		Provided to Sr. Manager IT under “NPCL Vehicle Policy 2023”
30000166	Kia Carens iMT Prestige Plus (UP16EE3801)		Provided to DGM IT under “NPCL Vehicle Policy 2023”

H. LEASE HOLD LAND (REGISTRATION CHARGES, STAMP DUTY ETC.):

4.6.25. The Petitioner submitted that it has incurred some additional amount on account of Statutory charges such as Stamp Duty, Registration Fees, and other miscellaneous charges for Sector-16B & Ecotech-3 Phase-1 and the same has been now added to the same asset in FY 2023-24.

I. ASSETS TAKEN OVER FROM GNIDA/OTHER AGENCIES

4.6.26. GNIDA, DMIC, UPSIDC, EPIP, Private Developers etc. are the local development bodies responsible for the development and upkeep of residential and infrastructure properties in Greater Noida area. These bodies develop the basic electrical network in the newly developed sectors and every year such basic electric LT network developed by these bodies is handed over to the Petitioner for facilitation of distribution of power to the consumers of Greater Noida and operation and maintenance thereof without transferring the ownership of the same. Hence, for the purpose of accounting, upkeep and insurance, the Petitioner considers these assets at the value declared by such agencies which is accordingly considered for the purpose of determination of tariff. Since the ownership of these assets is not transferred to the Petitioner and GNIDA & Other bodies only provide the possession of these assets for the purpose of distribution of electricity without transferring the ownership, they are not considered in addition to fixed assets. Hence, there is no impact on computation of ROE, interest on Term Loans and depreciation with respect to these assets. The total amount of asset handed over by GNIDA & other bodies in FY 2023-24 is Rs. 24.19 Cr.

4.6.27. The details of assets taken over from GNIDA and Others during FY 2023-24 are provided in Table below

TABLE 4-94 ASSETS HANDED OVER BY GNIDA & OTHERS (FY 2023-24)

Asset Description	Amount (Rs. Cr.)
Busbar Panel	0.53
High Tension Panel Board	1.35
High-Tension Conductors & Devices	0.16
High-Tension Earthing with GI Earth Pipe	0.31
High-Tension Ring Main Unit	0.25
High-Tension Tower, Poles, Fixtures & Devices	1.69
High-Tension Underground Cable & Ducts	5.32
Low Tension Panel Board	0.52
Low-Tension Feeder Pillars	3.39
Low-Tension Underground Cable & Ducts	9.12
Meter Panel Board	0.17
Transformer	1.39
TOTAL	24.19

4.6.28. Further the Petitioner submitted that as per Regulation 20.1 of the MYT Regulations, 2019, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after deduction of consumer contribution from total capital expenditure. During FY 2023-24, the Petitioner received Consumer Contribution of Rs. 86.29 Cr. against the total Capital Expenditure of Rs. 162.06 Cr.

4.6.29. Since as per MYT Regulation, 2019, for the purpose of determination of Debt and Equity the Capital Expenditure for the year is reduced by the amount of Consumer Contribution received during the year and hence the Debt and Equity is allowed to the Discom only on the value of Net Capital Expenditure (i.e. Total Capital Expenditure less Consumer Contribution).

4.6.30. Accordingly the Petitioner submitted that Since as per MYT Regulation, 2019, for the purpose of determination of Debt and Equity the Capital Expenditure for the year is reduced by the amount of Consumer Contribution received during the year and hence the Debt and Equity is allowed to the Discom only on the value of Net Capital Expenditure (i.e. Total Capital Expenditure less Consumer Contribution).

TABLE 4-95 DETAILS OF RETIRED ASSET IN FY 2023-24 (IN RS.)

Asset Category	Useful Life	Asset retired (nos.)	GFA value of Retired Assets	Accumulated Dep on retired asset	% of Dep
Computers	Completed	1	1,47,937	1,33,144	90%
	Remaining	1	82,222	50,538	61%
Distribution Network	Completed	276	1,43,85,539	1,29,21,145	90%
	Remaining	78	1,92,83,789	1,16,01,031	60%

Asset Category	Useful Life	Asset retired (nos.)	GFA value of Retired Assets	Accumulated Dep on retired asset	% of Dep
Others	Completed	711	49,18,269	44,53,265	90%
	Remaining	41	1,18,99,997	63,05,871	53%
TOTAL	Completed	988	1,94,51,745	1,75,07,553	90%
	Remaining	120	3,12,66,008	1,79,57,440	57%
Grand Total		1,108	5,07,17,753	3,54,64,993	70%

4.6.31. Accordingly, the net Capital Expenditure for FY 2023-24 was Rs. 75.77 Cr. (i.e. Rs. 162.06 Cr minus Rs. 86.29 Cr.) and against this net Capital Expenditure, the net value of Retired Asset were Rs. 5.07 Cr. (i.e. Rs. 9.08 Cr minus Rs. 4.01 Cr.)

4.6.32. The Petitioner submitted that in FY 2022-23, it had purchased land in Sector P5, Builders Area, for Rs. 2.28 Cr. to construct an outdoor safety training yard aimed at enhancing workplace safety and quality. This expenditure was claimed in Petition No. 2039/2023 but was disallowed by the Commission on the grounds that the land was not put to use during that financial year.

4.6.33. The Petitioner has now requested the Commission to reconsider this disallowance in light of the fact that the training yard construction was completed in FY 2023-24.. The Petitioner submitted that since the said issue is sub-judice under various appeals before the Hon'ble APTEL filed by the Petitioner for earlier period tariff orders and the construction of outdoor safety training yard is completed in FY 2023-24; the Petitioner is requesting the Commission to allow the CAPEX towards Land which was earlier disallowed in the FY 2022-23 subject to the final decision of APTEL. The said claim is submitted without prejudice to the Petitioner's rights and contentions in the pending Appeal before the Hon'ble APTEL, where the Petitioner has challenged the Commission's approach regarding the timing of land capitalization.

4.6.34. Accordingly, the Petitioner hereby requested the Commission to allow the abovementioned land cost along with the IDC ('Interest During Construction') under Regulation 18.1 (a) of the UPERC MYT Regulations, 2019 for the period between the purchase of land and capitalization of land as shown in Table below:

TABLE 4-96 COMPUTATION OF IDC FOR FY 2023-24

Land Purchase date	Land Put to use date as per the Commission	FY	Opening value (Rs.)	Closing Value (Rs.)	Average Value (Rs.)	Rate of Interest (%)	IDC (Rs.)
08-07-2022	31-12-2023	22-23	-	2,28,00,880	1,14,00,440	9.91% (Interest rate as approved for normative term loan)	11,29,784
		23-24	2,28,00,880	-	1,14,00,440		11,29,784
		Total					22,59,567

4.6.35. Thus, the Capital Expenditure incurred by the Petitioner after above adjustment and net of consumer contribution and retirement of assets for FY 2023-24 was Rs. 73.20 Cr as given in the Table below

TABLE 4-97 CAPITAL EXPENDITURE (FY 2023-24)- RS. CR.

Particulars	Ref.	Approved	Actual
Total Additions to Assets	a	268.61	162.06
Assets Retired	b	8.60	9.08
Retired Assets funded from Consumer Contribution	c	-	4.01
Net Assets Retired	d=b-c	8.60	5.07
Net Capex addition	e=a-d	260.01	156.99
Consumer Contribution	f	59.42	86.29
Capex towards Land disallowed in earlier year but put to use in FY 2023-24	g	-	2.28
IDC on above CAPEX	h	-	0.23
Net Capex	i=e-f+g+h	200.59	73.20
Debt - 70%	j=i*70%	140.41	51.24
Equity- 30%	k=i*30%	60.18	21.96

4.6.36. As detailed above, the Petitioner requested the Commission to approve the capital expenditure of Rs. 162.06 Cr and net capital expenditure of Rs. 73.20 Cr. for FY 2023-24 as well as funding thereof as submitted above.

Commission's Analysis

4.6.37. The Commission observed that the capital expenditure reported under Serial Nos. 6 to 33 (for Common Infrastructure under AMI), Serial Nos. 53 to 56 (for New 33kV Service Connections) and Serial Nos. 95 to 98 (Network and New SVC for villages) in Table No. 5-87 of this Order exceeds Rs. 10 crore in each case. The Commission directed the

Petitioner to clarify whether these expenditures were conceptualized as single consolidated projects or as multiple independent projects. If treated as multiple projects, the Petitioner must justify the rationale for not combining them into a single project and explain why prior approval from the Commission was not obtained for their implementation.

4.6.38. In response to query the Petitioner in reply dated February 14, 2025, submitted that capital expenditure under Serial Nos. 6 to 33 of Table No. 5-87 of this Order, related to communication infrastructure for Advanced Metering Infrastructure (AMI) across various housing societies. This expenditure supports the transition from single point to multi-point connections as mandated by the amended Electricity Supply Code, 2005. The cost is divided into meter cost, communication infrastructure, and IT licensing, incurred for converting 3,170 existing connections and providing 13,295 new connections. Infrastructure development is carried out individually for each society, based on specific site conditions, readiness, and requests from builders/RWAs. Due to varying timelines, infrastructure constraints, and administrative complexity, grouping all societies under a single project is not feasible. Builders operate through separate SPVs, and the Petitioner treats each project independently to ensure systematic execution and accountability.

4.6.39. Further, the Petitioner submitted that capital expenditure under Serial Nos. 53 to 56 of Table No. 5-87 of this Order, related to new 33kV service connections. As a Distribution Licensee, the Petitioner is obligated under Section 43 of the Electricity Act, 2003 to provide timely electricity connections upon receiving applications and payments. Each connection is based on individual consumer demand, with varying site conditions and BOQs, making it impractical to seek prior approval for each case. Most costs are recovered from consumers and deducted from GFA, hence no impact on ARR/tariff. Connections were executed independently across a large geographical area (~400 sq. km), by different teams and at different times. To ensure efficient planning and compliance with Clause 44.2 of UPERC MYT Regulations, 2019, the Petitioner consolidates such works into quarterly projects, rather than treating them as a single annual project. Quarterly capitalization avoids delays in cost recognition and aligns with the least-cost planning approach mandated by the Commission.

- 4.6.40. Further, the Petitioner submitted that capital expenditure under Serial Nos. 95 to 98 of Table No. 5-87 of this Order, related to Network and New SVC for villages. The Petitioner submitted that, as a Distribution Licensee, incurred capital expenditure for providing new electricity connections in village areas, covering activities like laying service cables, installing meters, and erecting transformers. These works were carried out in compliance with Section 43 of the Electricity Act, 2003, which mandates timely service to consumers upon application and payment. Projects were executed independently based on consumer demand and consolidated quarterly for efficiency, as per UPERC MYT Regulations, 2019. Clause 44.2 of the Regulations requires prior approval for quarterly capital projects exceeding Rs. 10 crore, which the Petitioner adheres to. The quarterly approach allows timely capitalization and avoids delays that would occur with annual consolidation.
- 4.6.41. The total CAPEX claimed (Rs. 144.90 Cr) is within the approved limit of Rs. 181.28 Cr, with Rs. 79.62 Cr under metering and new connections, primarily funded through consumer contributions. The Petitioner submitted that these projects were not conceptualized as a single project, and the quarterly approach ensures regulatory compliance, operational efficiency, and timely execution. This explanation is provided without prejudice to the Petitioner's position that the CAPEX has already received prior approval in the ARR Order dated 24.05.2023.
- 4.6.42. The Commission observed that the petitioner has shown the calculation of interest during construction period of (IDC) for the FY 2023-24 as Rs. 0.23 Cr. Further, the petitioner has not taken any term loan during the FY23-24. The Commission directed the Petitioner to demonstrate that the said IDC has been actually incurred and also submit that for which project the concerned land has been used.
- 4.6.43. The Petitioner vide reply dated February 14, 2025, submitted that it has purchased land at Sector P5, Builders Area during FY 2022–23 for Rs. 2.28 crore, covering land cost, registration charges, stamp duty, and lease rent (as per GNIDA rates). The purpose was to construct an outdoor safety training yard for skill development and training supervisors/engineers to enhance workplace safety and quality. The expenditure was initially claimed in Petition No. 2039/2023 (True-Up for FY 2022–23) but was disallowed by the Commission in its Order dated October 10, 2024, citing that the land was not put to use during that year. In FY 2023–24, the training yard was constructed and capitalized

and therefore it has been claimed. The Petitioner has requested the Commission to reconsider the disallowance and allow the land cost along with Interest During Construction (IDC) under Regulation 18.1(a) of the UPERC MYT Regulations, 2019. Although no term loan was taken, the Petitioner used its own funds, which carry an opportunity cost (e.g., potential interest or dividends). As per Clause 19 of the UPERC MYT Regulations, 2019, IDC on normative loans may be computed using the 1-year SBI MCLR as of April 1 of the relevant financial year. The Petitioner asserts that since the asset was put to use in FY 2023–24, the investment qualifies for capitalization under the applicable regulations.

4.6.44. Further the Commission during Technical validation Session held on May 9, 2025, directed the Petitioner to submit the details of smart meter related capex in FY 2023-24. The Petitioner vide letter dated May 30, 2025, submitted that it has implemented the DRDR -based metering system, including RF-based communication infrastructure, HES mobile app etc., in various societies. These DRDR prepaid meters have all the features of smart meters. The details of CAPEX for the installation of DRDR prepaid meter in FY 2023-24 are given below:

Particulars	CAPEX details of DRDR Prepaid Meter proposed in FY 2023-24	
	Amount (In Rs. Crore)	Quantity (In No.)
Total	5.91	13,845

4.6.45. Apart from this the CAPEX for HES, Communication Infra, etc. is capitalized separately. It is further submitted that the Cost of these meters are majorly covered by Consumer Contribution. The aforesaid expenditure does not include one-time expenses towards the cost of communication infrastructure, head-end system and other related peripherals. Further, regarding OPEX, the Petitioner humbly submits that currently the DRDR Prepaid Meters are under warranty and OPEX on the same will start to incur only after the expiration of the warranty period of 5 years. Further as provided in revised ARR Petition/ Information dated April 30, 2025, the Petitioner plans to implement the AMI Scheme in line with regulatory directives by replacing existing meters with smart meters—prepaid for most consumers and post-paid for LTCT/HT. A fresh RFP will be issued, followed by submission of a detailed DPR. The rollout will be done in two phases

starting with 5% meters in FY 2025-26, with full-scale implementation in FY 2026-27 to FY 2027-28.

4.6.46. Furthermore, the Commission, through its third deficiency note dated July 3, 2025, sought a detailed justification from the Petitioner regarding the capitalization of Rs. 17.16 Crore.

4.6.47. The Petitioner in its reply submitted that the cost of land acquired for substation construction be allowed for capitalization, notwithstanding Regulation 27 of the UPERC MYT Regulations, 2019, which permits CAPEX capitalization only after the asset is put to use. Land, being a non-depreciable and essential fixed asset, is critical for the execution of the approved scheme and forms the foundation for substation construction. The Petitioner acquired possession of the land parcels in FY 2023–24, following which construction commenced and was completed in FY 2024–25. However, due to delays in statutory approvals, land possession formalities, the NGT’s ban on construction and demolition waste during GRAP, and the shifting of 11kV lines by PVVNL, construction activities were deferred to FY 2024–25. The substations were commissioned in FY 2024–25. In view of the land’s essential role and its timely procurement, the Petitioner seeks approval for capitalization of the land cost in FY 2023–24.

4.6.48. The Petitioner has further submitted that it executed and capitalized the laying of 5.2 km of 33kV 3C x 400 sq. mm XLPE underground cable, along with the installation of four 33kV isolators and 33kV feeder meters during FY 2023–24. This infrastructure forms part of the approved scheme, which also includes the construction of new 33/11kV substations under Cluster-1 and Cluster-2. However, the underground cable network executed and capitalized in FY 2023–24 is connected to existing 33/11kV substations located at KP-5 ESS-2, Jalpura, and Udyog Kendra in Greater Noida, which are already operational and supplying electricity to end consumers. These substations were previously connected only to the Grid Substations at 220kV RC Green and 132kV Surajpur. The newly laid infrastructure was energized and put to beneficial use within FY 2023–24, thereby enhancing network redundancy, improving load reliability, and augmenting the power evacuation capacity of the existing distribution system. Accordingly, the Petitioner seeks approval for capitalization of Rs. 1.92 Crore in FY 2023–24.

4.6.49. The Commission, as per the provisions specified under the Regulation 18, 19 & 44 of MYT Regulations, 2019 has approved the Capital Expenditure for FY 2023-24 as per below:

Project cost over Rs. 10 Crore

4.6.50. In its tariff Order dated May 24, 2023, the Commission had approved Rs. 268.61 Cr. of CAPEX out of which Rs. 87.33 Crore was for project above Rs. 10 Cr. and Rs. 181.28 Cr. was for Project less than 10 Cr. In the True Up of FY 2023-24, the Petitioner has claimed capitalization Rs. 164.57 Cr.

4.6.51. Further, the Commission observes that for power evacuation works related to new/upcoming 220 kV and 132 kV Grid Substations in Greater Noida, the Petitioner has claimed capitalization of Rs. 17.16 crore against the approved cost of Rs. 87.33 crore. A component-wise breakup submitted by the Petitioner is provided below:

TABLE 4-98 APPROVED CAPITAL EXPENDITURE SCHEME FOR FY 2023-24 (RS. CR.)

Cluster	S. No.	Particulars	Approved for FY 2023-24	Capitalised in FY 2023-24	Carried forward to FY 2024-25
Cluster -01	1	Civil Works	9.51	0.00	9.51
	2	Electrical works	23.59	0.00	23.59
	3	Land	4.06	6.17	-
	4	Smart Substations, Automation & Security	0.55	0.00	0.55
	5	33 kV Feeder Evacuation	10.38	1.93	8.45
	6	11kV Network Development	2.43	0.00	2.43
	Subtotal (a)		50.53	8.10	44.53
Cluster -02	1	Civil Works	6.76	0.00	6.76
	2	Electrical works	15.81	0.00	15.81
	3	Land	4.08	9.06	-
	4	Smart Substations, Automation & Security	0.37	0.00	0.37
	5	33 kV Feeder Evacuation	8.17	0.00	8.17
	6	11kV Network Development	1.62	0.00	1.62
	Subtotal (b)		36.80	9.06	32.73
TOTAL (a+b)			87.33	17.16	77.26

4.6.52. As presented in the above table, the Petitioner has claimed a total capitalization of Rs. 17.16 Crore in FY 2023–24, comprising Rs. 15.23 Crore towards land acquisition and Rs. 1.93 Crore towards 33kV feeder evacuation infrastructure. Out of the total approved CAPEX of Rs. 87.33 Crore, Rs. 77.26 Crore—representing 88.46% of the sanctioned amount—is still under execution.

4.6.53. In its Project Progress Report, the Petitioner has submitted that under the proposed 33kV network development for power evacuation from the 220kV Jalpura substation, 17 km out of the planned 25 km of cable has been laid, and five 33kV feeders were energized on April 5, 2024. Similarly, for the 33kV network development from the 220kV KP-5 substation, 5.7 km out of the proposed 8 km of cable has been laid, and six out of twelve 33kV feeders were energized on May 25, 2024.

4.6.54. The Commission is of the view that the overall project is scheduled for commissioning in FY 2024–25 and the partial capitalization of Rs. 17.16 Crore that has been claimed in is to be capitalized in FY 2024-25. Therefore, the capitalization of Rs.17.16 cannot be allowed in True Up order of FY 2023-24. The capitalization shall be reviewed and allowed upon completion and commissioning of the entire project, subject to prudence check.

Project cost less than Rs. 10 Crore

4.6.55. Regulation 44.2 of MYT Regulation 2019 specifies as under

“The Capital Investment plan shall be a least cost plan for undertaking investments. However, all capital expenditure projects of value exceeding Rs. Ten Crore and must have prior approval of the Commission quarterly basis and will be subject prudence check. “

4.6.56. For capital expenditure projects of value not exceeding Rs. 10 Crore the Commission observes that the Petitioner has claimed CAPEX of Rs. 144.64 Crore against the approved value of Rs. 181.28 Crore. The details of the scheme included in capital expenditure projects of value not exceeding Rs. 10 Crore are as follows

- *New Connections, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering*
- *Substations, Transformers, 33kV, 11 kV & LT Network*
- *Process System Automation*
- *IT Projects*
- *Civil Works & Office Infrastructure Facility*
- *Tools & Testing Equipment*
- *Vehicles*
- *Lease Hold Land*

4.6.57. The Commission observes that in FY 23-24 against actual capital expenditure of Rs. 79.62 Cr towards New Connection, Transition of Ageing/Technological Obsolete/Damaged

Assets & Metering etc. the Petitioner recovered Service Charge amounting to Rs. 86.29 Cr from consumers applying for new connection/ load augmentation as per the Cost Data Book.

4.6.58. In the current True-Up Petition for FY 2023–24, the Petitioner has again requested the Commission to allow the Capitalization of Rs. 2.28 Crore along with IDC of Rs. 0.23 Crore towards land acquisition at Sector P5 Builder Area, citing that the land has now been put to use with the completion of the safety training yard.

4.6.59. With respect to the land cost of Rs. 2.28 Crore and the associated Interest During Construction (IDC) of Rs. 0.23 Crore claimed by the Petitioner for land acquisition at Sector P5 Builder Area, the Commission is of the view that since the land has been commissioned and put to use in FY 2023–24, the Commission allows the capitalization of the land cost amounting to Rs. 2.28 Crore. Further, the matter is currently sub judice, with appeals pending before the Hon’ble Appellate Tribunal for Electricity (APTEL). Therefore, allowing IDC may not be appropriate as adjustments may be required based on the decision of Hon’ble APTEL. Accordingly, the IDC claim of Rs. 0.23 Crore is not allowed.

4.6.60. Further, with regard to the Petitioner’s claim of Rs. 2.22 crore towards the capitalization of vehicles in FY 2022–23, It has been observed that the Petitioner provides vehicles to its employees as per the NPCL Vehicle Policy 2023 and the amount over and above such eligibility amount is borne by the employees and not capitalized in the books of account. Hence, the Commission approves the capitalization of Rs. 2.22 crore towards vehicles for FY 2023–24.

4.6.61. Further, the Commission observes that the additional amount of Rs. 0.27 crore claimed by the Petitioner under miscellaneous charges for Sector-16B and Ecotech-3 Phase 1 pertains to the scheme for the construction of five new 33/11 kV substations aimed at meeting the additional load growth in Greater Noida. This scheme was approved for FY 2024–25 in the Commission’s Tariff Order dated October 10, 2024. In view of the fact that the project is scheduled for Commissioning in FY 2024–25 & the land is not put to use during the FY 2023-24, the Commission does not find it appropriate to approve the CAPEX related to lease land cost in the True-Up for FY 2023–24.

TABLE 4-99 CAPEX APPROVED FOR FY 2023-24 IN RS. CRORE

Sl. No	Nature of Works	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	8.10	0.00
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida (Cluster-02).	36.8	9.06	0.00
Sub Total		87.33	17.16	0.00
1	New Connections, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering	181.28	79.62	79.62
2	Substations, Transformers, 33kV, 11 kV & LT Network		49.91	49.91
3	Process System Automation		3.30	3.30
4	IT Projects		6.86	6.86
5	Civil Works & Office Infrastructure Facility		2.18	2.18
6	Tools & Testing Equipment		0.55	0.55
7	Vehicles		2.22	2.22
8	Lease Hold Land		0.27	0.00
9	Sub-Total		144.90	144.63
Total Additions to Assets		268.61	162.06	144.63

Financing of Capital Investment

4.6.62. The Commission has approved capital investment and financing in the True Up of FY 2023-24 considering the provisions of MYT Regulations, 2019, wherein capitalization (GFA addition during the year based on 'Put to Use' philosophy) and its funding has been considered.

4.6.63. The Commission observes that out of the total capitalization during FY 2023-24; some portion has been financed through consumer contributions received during FY 2023-24 and the balance has been funded through debt and equity. Further for Retired Assets funded from Consumer Contribution, the Commission has considered the submission of the Petitioner and therefore has not considered the amount against Retired Assets funded from Consumer Contribution in the net deletion.

4.6.64. Accordingly, the Commission has considered capitalization net of consumer contributions received during the year. Considering the debt-equity ratio of 70:30, 70% of the capitalization is approved to be funded through debt and 30% through equity.

4.6.65. The portion of capitalisation financed through consumer contributions has been deducted from the depreciation. Interest on loans & RoE thereon also should not be charged to the consumers. The Commission has also verified the same from the Audited Balance Sheet of the Petitioners. Accordingly, the debt and equity approved by the Commission is in table below:

TABLE 4-100 NET IMPACT OF DISALLOWANCE CONSIDERED IN GFA FOR FY 2023-24 (RS. CR.)

Sl. No.	Particulars	Ref.	Approved
A	Total Additions to Assets	A	144.63
B	Assets Retired	B	9.08
C	Retired Assets funded from Consumer Contribution	C	4.01
D	Net Assets Retired	D=B-C	3.81*
E	Net Capex addition	E=(A-D)	140.82
F	Consumer Contribution	F	86.29
G	Capex towards Land disallowed in earlier year but put to use in FY 2023-24	G	2.28
H	IDC on above CAPEX	H	0.00
I	Net Capitalisation	I=E-F+G-H	56.81
J	Debt - 70%	70%*I	39.77
K	Equity- 30%	30%*I	17.04

* Net off gross block of vehicle of Rs. 1.26 Cr. retired/disposed during the Year.

4.7. GROSS FIXED ASSET AND DEPRECIATION

Petitioner's Submission

4.7.1. The Petitioner has submitted that in accordance with the Capital Expenditure as described above, the GFA is computed as given in below Table:

TABLE 4-101: GROSS FIXED ASSETS (FY 2023-24) (RS. CR.)

Sl. No.	Description	Approved	Actuals		
			GFA till 01.04.2020	GFA added after 01.04.2020	Closing GFA FY 2023-24
1	Opening Balance	1,580.14	1,659.79 [#]	433.18	2,092.97
2	Addition during the Year	171.22	-	162.06	162.06
3	Retirement during the Year	7.75	8.75	0.33	9.08
4	Closing Balance	1,743.60	1,651.04	594.91	2,245.95

Note: Excluding assets taken over from GNIDA & DMIC etc.

[#] As per Petitioner's True-up Petitions / submissions

- 4.7.2. As directed, the Petitioner has provided detailed Fixed Asset Register for FY 2023-24 comprising details of Assets created till 31.03.2020 and Assets created from 01.04.2020 onwards with Petition.
- 4.7.3. Further the Petitioner has submitted that the above GFA does not include the assets handed over by other agencies such as GNIDA, UPSIDC, DMIC and other state agencies for distribution of electricity to its consumers and maintenance thereof.
- 4.7.4. Further, the Petitioner has submitted that the Commission vide its Tariff Order dated December 04, 2020, had directed the Petitioner to maintain separate individual asset wise FAR for assets capitalised after April 01, 2020, so that the Gross Block and Depreciation may be computed separately from the Gross Block before April 01, 2020. In this regard, it is submitted that the Petitioner maintains its Fixed Asset Register in renowned SAP –ERP system. The Depreciation is computed by the SAP-ERP system strictly as per the rates and method defined in UPERC Multi Year Tariff Regulations, 2019 up to the maximum limit of 90% except for small items having value up to Rs. 5,000/- which are depreciated @ 100%. The SAP-ERP generates the FAR comprising the Gross Block, Date of Acquisition, Rate of Depreciation, Addition to Gross Block, Assets Retired, Depreciation for the year, Accumulated Depreciation etc. The Petitioner prepares its Accounting Statement on the basis of such system generated FAR only. The depreciation so arrived at, is being sample checked manually for accuracy. Thus, the Depreciation is computed by the SAP-ERP on the basis of defined parameters which meets the direction of the Commission for separate computation of Depreciation on Gross Block.
- 4.7.5. Accordingly, based on above, the summary of Depreciation is given in Table-87 below:

TABLE 4-102: DEPRECIATION (FY 2023-24) (RS. CR.)

Sl. No.	Description	Ref	Approved	Actuals
1	Depreciation on Gross Block till 01.04.2021	a	69.87	56.61
2	Depreciation on Gross Block after 01.04.2021	b		29.05
3	Gross Depreciation for the Year	c=a+b	69.87	85.66
4	Less: Depreciation on Consumer Contribution	d	17.36	19.33
5	Total	e=c-d	52.50	66.33

- 4.7.6. The Petitioner has submitted that it has considered the depreciation as per the rates prescribed in Annexure-A of the MYT Tariff Regulation, 2019 on SLM method for finalization of its Audited Balance Sheet for FY 2023-24. The above-mentioned

depreciation of Rs. 85.66 Cr. may not tally with the depreciation amount as shown in Audited Balance Sheet for FY 2023-24 as the same has been computed as per the methodology followed by the Commission in its Tariff Order dated July 20, 2022, with GFA bases as per the Petitioner's submissions for Truing up.

- 4.7.7. It is submitted that the Commission in its Tariff Order dated 20th July, 2022, while determining the depreciation for Truing-up of FY 2020-21 has considered Written Down Value of Fixed Assets as on 31.03.2020 (i.e. Closing WDV of FY 2019-20) as the Opening Gross Fixed Assets as on 01.04.2020 (i.e. Opening GFA of FY 2020-21).
- 4.7.8. Thus, in this process, for the purpose of computation of depreciation for FY 2020-21 onwards, the Commission has replaced the Original Gross Value of Fixed Assets as on April 01, 2020, with Written Down Value of Fixed Assets as on April 01, 2020. Therefore, when any asset retires out of the block of Fixed Assets existing as on April 01, 2020, the retirement value of such asset needs to be considered equivalent to Written Down Value of the same asset as on April 01, 2020 instead of Gross Value of the asset for the purpose of computation of Depreciation in line with the methodology followed by the Commission in its Tariff Order dated July 20, 2022.
- 4.7.9. Therefore, while computing the Depreciation for FY 2023-24, the Petitioner has considered gross value for those fixed assets retired during FY 2023-24 equivalent to the written down value of such assets as on April 01, 2020, instead of their original gross value as summarized in Table below: -

TABLE 4-103: SUMMARY OF RETIREMENT VALUE CONSIDERED FOR COMPUTING DEPRECIATION (RS. CR.)

Particulars	Original Gross Value	Considered for Depreciation Computation
Assets Retired out of block of assets capitalised till FY 2019-20	8.75	3.59
Assets Retired out of block of assets capitalised from FY 2021-22 onwards	0.33	0.33
Total	9.08	3.92
<i>Total may not tally due to rounding off</i>		

- 4.7.10. Accordingly, the Petitioner has requested the Commission to approve the depreciation expenses as computed above for FY 2023-24.
- 4.7.11. Further, it is submitted that in MYT Tariff Regulations, 2014, the calculation of Depreciation was based on the Written Down Value (WDV) method, whereas as per MYT

Regulations, 2019, the depreciation is determined based on the Straight-Line Method (SLM). Thus, the Commission in its MYT Regulations, 2019, has changed the methodology for calculating depreciation from Written Down Value (WDV) method to Straight Line Method (SLM). Also, in MYT Tariff Regulations, 2006, the calculation of Depreciation was based on the SLM method. Due to such deviation in the methodology of computation of Depreciation, the distribution assets are not fully depreciated to 90% over their useful life. However, the Commission computes depreciation based on GFA without considering the impact of additional depreciation resulting from the change in methodology from SLM to WDV to SLM used for calculating depreciation. Accordingly, the Petitioner has requested the Commission to allow the impact of additional depreciation of Rs. 3.48 Cr. for FY 2023-24.

Commission's Analysis

4.7.12. The Commission observes that the Petitioner has not considered closing GFA approved by the Commission in True-Up for FY 2022-23 in Tariff Order dated October 10, 2024. The Commission has approved the GFA for FY 2023-24 as discussed in the Capital Expenditure section for truing-up and the same is shown below:

Table 4-104 GROSS FIXED ASSETS AS APPROVED BY THE COMMISSION FOR TRUEUP FOR FY 2023-24 (RS. CR.)

Particulars	Approved in TO dated 24.05.2023	Claimed	Approved
Opening GFA	1,636.93	2,092.97	1,630.07
Addition to GFA	198.58	162.06	144.63
Add: Capex towards Land disallowed in earlier year but put to use in FY 2023-24			2.28
Decapitalization	8.60	9.08	7.82*
Closing GFA	1,896.94	2,245.95	1,769.16

* Net off gross block of vehicle of Rs. 1.26 Cr. retired/disposed during the Year

4.7.13. The Commission has calculated the Depreciation for FY 2023-24 as per the provisions stipulated under Regulation 21 of the MYT Regulations, 2019.

4.7.14. The Petitioner has submitted gross depreciation separately for Part-A & Part-B and combined them later to derive the gross depreciation for FY 2023-24. The Petitioner has not considered the opening Gross Block for Part-A & Part-B as per the closing gross block approved in True-Up of ARR for FY 2022-23 in Tariff Order dated October 10, 2024. Thus, the Commission, for the purpose of calculating the depreciation, has considered the

opening Gross block for Part-A & Part-B as the approved closing Gross Block for FY 2022-23 in the Tariff Order dated October 10, 2024.

4.7.15. The Commission through its Tariff Order dated July 20, 2022, while determining the depreciation for Truing-up of FY 2020-21 has considered WDV of Fixed Assets as on 31.03.2020 (i.e. Closing WDV of FY 2019-20) as the Opening Gross Fixed Assets as on 01.04.2020 (i.e. Opening GFA of FY 2020-21).

4.7.16. Thus, for the purpose of computation of depreciation for FY 2020-21 onwards, the Commission has replaced the Original Gross Value of Fixed Assets as on April 01, 2020, with WDV of Fixed Assets as on April 01, 2020. Therefore, when any asset retires out of the block of Fixed Assets existing as on April 01, 2020, the retirement value of such asset needs to be considered equivalent to WDV of the same asset as on April 01, 2020, instead of Gross Value of the asset for the purpose of computation of Depreciation in line with the methodology followed by the Commission in its Tariff Order dated July 20, 2022.

4.7.17. With regard to the disposal/retired of assets the Commission has taken WDV as on 01.04.2020 of retired/ disposed assets in part A & Part-B as per the submission given by the Petitioner in the Fixed Assets Register for FY 2023-24 and other submissions. Therefore, the detailed calculation of depreciation for FY 2023-24 is shown in the Tables below:

TABLE 4-105 GROSS ALLOWABLE DEPRECIATION FOR FY 2023-24 FOR ASSETS UPTO MARCH 31, 2020 (Rs. Cr.) (PART-A)

S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction on Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land	42.60	0	-	0	42.60	42.60	3.34%	1.29
2	Buildings	150.81	0	-	0	150.81	150.81	3.34%	5.04
3	Plant & Machinery	34.10	0	-	0	34.10	34.10	5.28%	1.80
4	Lines & Cables	489.23	0	1.96	0	487.27	488.25	5.28%	25.78
5	Vehicles	0.00	0	0	0	0	0	9.50%	0
6	Furniture & Fixtures	15.83	0	-	0	15.83	15.83	6.33%	1.00
7	Office Equipment	8.09	0	-	0	8.09	8.09	6.33%	0.51
8	Metering Equipment	30.50	0	1.10	0	29.40	29.95	5.28%	1.58
9	Communication Equipment	9.22	0	0.02	0	9.20	9.21	5.28%	0.49
10	Intangible Assets	21.95	0	-	0	21.95	21.95	15.00%	3.29
11	Assets taken over & pending final valuation	0.74	0	-	0	0.74	0.74	15.00%	0.11



S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction on Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
12	Solar Power Generation Equipment	0.17	0	-	0	0.17	0.17	5.28%	0.01
13	Total Fixed Assets	803.24	0.00	3.08	0.00	800.16	801.45		40.88
14	Non depreciable assets (Land & Land Rights)	3.92	0	-	0	3.92	3.92		
15	Depreciable assets	799.32	0			796.24	797.78	5.10%	40.90

TABLE 4-106 GROSS ALLOWABLE DEPRECIATION FOR FY 2023-24 FOR ASSETS AFTER MARCH 31, 2020 (RS. CR.) (PART-B)

S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction on Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land	0.00	2.28	-	-	2.28	1.14	3.34%	0.04
2	Buildings	17.88	2.27	-	-	20.14	19.01	3.34%	0.63
3	Plant & Machinery	18.12	-	-	-	18.12	18.12	5.28%	0.96
4	Lines & Cables	257.53	91.71	0.00	-	349.23	303.38	5.28%	16.02
5	Vehicles	1.23	2.22	0	-	3.45	2.34	9.50%	0.22
6	Furniture & Fixtures	0.50	0.10	-	-	0.59	0.54	6.33%	0.03
7	Office Equipment	3.12	4.33	-	-	7.44	5.28	6.33%	0.33
8	Metering Equipment	49.04	24.57	0.19	-	73.42	61.23	5.28%	3.23
9	Communication Equipment	13.06	13.48	-	-	26.54	19.80	5.28%	1.05
10	Intangible Assets	17.61	5.98	-	-	23.59	20.60	15.00%	3.09
11	Assets taken over & pending final valuation	0.00	-	-	-	-	0.00	15.00%	-
12	Solar Power Generation Equipment	0.00	-	-	-	-	0.00	5.28%	-
13	Total Fixed Assets	378.07	146.92	0.19	-	524.80	451.43		25.61
14	Non depreciable assets (Land & Land Rights)	0.00				-	0.00		-
15	Depreciable assets	378.07	146.92	0.19		524.79	451.43		25.61

TABLE 4-107 NET APPROVED DEPRECIATION FOR FY 2023-24 (RS. CR.)

Sl. No.	Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
1	Depreciation on Gross Block till 01.04.2020	69.87	56.61	40.90
2	Depreciation on Gross Block after 01.04.2020 till 31.03.2025		29.05	25.61

Sl. No.	Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
3	Depreciation on Gross Block after 01.04.2025	-	-	-
4	Gross Depreciation for the Year	69.87	85.66	66.51
5	Less: Depreciation on Consumer Contribution	17.36	19.33	20.40*
6	Net Depreciation	52.50	66.33	46.11

* Taken from Fixed Asset Register

4.7.18. The Petitioner has sought approval for an additional depreciation impact of Rs. 3.48 Crore for FY 2023–24, citing a change in the depreciation methodology—from the Written Down Value (WDV) method under the MYT Tariff Regulations, 2014, to the Straight-Line Method (SLM) under the MYT Regulations, 2019. While the change of depreciation methodology across regulatory periods is acknowledged, it is important to emphasize that such changes are made in accordance with the prevailing regulatory framework and are uniformly applicable to all licensees.

4.7.19. The Commission has consistently applied depreciation based on Gross Fixed Assets (GFA) as per the methodology prescribed in the applicable MYT Regulations. The transition from WDV to SLM does not warrant retrospective adjustments or additional depreciation unless explicitly provided for in the regulations. The depreciation schedules annexed to the MYT Regulations, 2019, are structured to ensure that assets are depreciated up to 90% of their value over their useful life. For assets capitalized prior to April 1, 2020, the Petitioner will continue to receive depreciation until 90% of the asset value is recovered. It is also noted that the Petitioner has raised this claim for additional depreciation for the first time in the True-Up for FY 2023–24, despite the change in methodology having been implemented at the beginning of the control period in FY 2020–21.

4.7.20. In view of the above, the Commission does not find merit in the Petitioner’s request for additional depreciation on account of the change in methodology and, therefore, does not allow the claim of Rs. 3.48 Crore for FY 2023–24.

4.8. INTEREST ON LONG TERM LOANS

Petitioner’s Submission

- 4.8.1. The Commission in its Tariff Order dated May 24, 2023, had approved the interest on term loan at Rs. 45.81 Cr. based on additional debt requirement of Rs. 140.41 Cr. for FY 2023-24.
- 4.8.2. The Petitioner has submitted that since it has filed appeals against the Tariff Orders dated December 04, 2020, August 26, 2021, July 20, 2022, and May 24, 2023, before the Hon'ble APTEL, the Petitioner has considered the opening balances of Debt/Loan and Equity as per its True-up Petitions / submission for determination of Interest on Term Loan for FY 2023-24.
- 4.8.3. The Petitioner has considered the closing balance of normative loan up to March 31, 2023, net of cumulative repayment as also submitted in Petition no. 2039 of 2023 (True Up for FY 2022-23) amounting to Rs. 519.64 Cr. has been considered as the opening balance of normative loan as on April 01, 2023. Since, the Petitioner does not have any actual Term Loan outstanding during FY 2023-24, in accordance with above regulation, the last available weighted average rate of interest for the term loan has been considered for determination of normative interest on the term loans for FY 2023-24.
- 4.8.4. Accordingly, the Petitioner has requested the Commission to approve the total normative interest on Term Loan of Rs. 50.67 Cr. for True-up of FY 2023-24.

TABLE 4-108: COMPUTATION OF INTEREST ON TERM LOAN FOR FY 2023-24 (RS. CR.)

Sl. No.	Loan Computation	Ref.	Approved	Actuals
1	Net Normative loan – Opening as on 01.04.2023	a	418.35	519.64
2	Increase/Decrease due to ACE during the Year	b	140.41	49.49
3	Repayments of Normative Loan during the year	c	52.50	66.33
4	Net Normative loan – Closing as on 31.03.2024	d=a+b-c	506.26	502.80
5	Average Normative Loan*	e=(a+d)/2	462.30	511.22
6	Weighted average Rate of Interest on actual Loans	F	9.91%	9.91%
7	Interest on Normative loan	g=e x f	45.81	50.67

Commission's Analysis

- 4.8.5. The Commission has considered debt-equity ratio for the assets capitalized as 70:30 in line with Regulation 23 of the MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of

equity shall be limited to 30% and the balance shall be treated as normative loan for the purpose of determination of tariff.

- 4.8.6. The closing balance of normative loans of FY 2022-23 as approved by the Commission in the Tariff Order dated October 10, 2024, has been considered as opening normative loan as on April 1, 2022. Further, 70% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution) has been considered as normative loan addition during the year.
- 4.8.7. Further, the allowable depreciation for the year has been considered for normative loan repayment. Since there is no actual loan, the interest rate allowed is considered as allowed by the Commission in True-Up of ARR for FY 2023-24.
- 4.8.8. In accordance with the second proviso to Regulation 20.2 of the MYT Regulations, 2019, the Commission observe that in cases of asset retirement, replacement, or decapitalisation, the debt component is to be reduced to the extent of the outstanding debt. For FY 2023-24, assets amounting to Rs. 3.81 Crore (70% comes Rs.2.66 Crore, loan addition in earlier years) were retired, against which Rs. 2.71 crore of accumulated depreciation had already been claimed. As a result, the net impact on the asset retired/decapitalized is effectively nil. The interest on long term loan approved by the Commission is shown in table below:

TABLE 4-109 INTEREST ON LONG TERM LOAN FOR FY 2023-24 (RS. CR.)

Particulars	Ref	Tariff Order for FY 2023-24 dated 24.05.2023	Claimed in True Up	Approved Upon Truing Up
Opening Balance of Normative Loan	A	418.35	519.64	397.07
Net Increase/Decrease due to ACE during the Year (70% of Net GFA Addition after deducting Consumer contribution and asset deletion)	B	140.41	49.49	39.77*
Repayment of Normative loan during the year	C	52.50	66.33	46.11
Closing Balance of Normative Loan	D=A+B-C	506.26	502.80	390.72
Average Balance of Normative Loan	E=(A+D)/2	462.31	511.22	393.90
Weighted average Rate of Interest on actual Loans (%)	F	9.91%	9.91%	9.91%
Interest on long term loan	G=E*F	45.81	50.67	39.04

* Asset retired/decapitalized not adjusted as the accumulated depreciation is more than the 70% of retired assets.

INTEREST ON WORKING CAPITAL

Petitioner's Submission

- 4.9.1. The Petitioner has submitted that Regulation 25.2 of the MYT Regulations, 2019 provides the methodology for the determination of Working Capital for the Control Period.
- 4.9.2. It is further submitted that the U.P. Electricity Supply Code, 2005 mandates that electricity bills must be issued within 7 days of the billing cycle, with a 15-day payment window and an additional 15-day grace period before disconnection for non-payment. This results in a total payment recovery cycle of approximately 67 days. However, the MYT Regulations, 2019 only consider 45 days of receivables for working capital calculations, whereas the 2014 regulations allowed 60 days. The Petitioner has also submitted that this reduction is inadequate and misaligned with the actual billing and payment cycle defined in the Supply Code.
- 4.9.3. It is further submitted that apart from above, the Commission in its Tariff Order dated October 10, 2024, has also not considered the Electricity Duty as part of the Receivables thereby reducing amount of Working Capital leading to disallowance of interest on working capital.
- 4.9.4. As per provision of Section of 4A of U. P. Electricity (Duty) Act, 1952 the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along-with the other charges for electricity. Therefore, the same is integral part of the revenue and hence, the receivables of the Petitioner. Accordingly, disallowance of working capital interest by not considering Electricity Duty as part of Receivables is against the commercial principles, the provisions of The Electricity (Duty) Act, 1952 as well as Commission's own earlier practice
- 4.9.5. The Petitioner has considered the SBI MCLR (1 Year) as 8.57% plus 2.50% for computation of rate of interest on working capital for FY 2023-24 which comes out to 11.07%. The relevant extracts of SBI MCLR historical rates for FY 2023-24.
- 4.9.6. Accordingly, the Petitioner has requested the Commission to approve the interest on working capital for FY 2023-24 as given in Table below:

TABLE 4-110: INTEREST ON WORKING CAPITAL FOR FY 2023-24 (RS. CR.)

Sl. No.	Particulars	Ref	Approved	Actuals
a	O&M expenses for 1 month	a	7.49	13.90
b	One-and-a-half-month equivalent of expected revenue from distribution tariff	b	301.65	305.56
c	Maintenance spares @ 40% of the R&M Expense for 2 Months	c	3.27	4.66
d	Gross Total	d=a+b+c	312.42	324.11
	Security Deposits from Consumers			
e	Opening Balance	e	322.56	324.88
f	Received during the year (Net of Refunds)	f	31.87	18.04
g	Closing Balance	g=e+f	354.43	342.92
h	Average Security Deposit	h=(e+g)/2		333.90
i	Security Deposit with UPPCL	i	11.28	11.28
j	Net Security Deposits from Consumers	j=h-i	327.21	322.62
k	Net Working Capital	k=d-j	(14.79)	1.49
l	Applicable Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	10.20%	11.07%
m	Interest on Total Working Capital	m=k*l	0.00	0.16

4.9.7. The Petitioner has submitted that as per the practice followed by the Commission in Tariff Order dated August 26, 2021, the security deposit of Rs. 11.28 Cr. passed on to UPPCL till FY 2005-06 in accordance with past arrangement, has been deducted from the total Security Deposit available with the Petitioner while computing working capital requirement as the same are not available at the disposal of the Petitioner for meeting its working capital requirements.

Commission's Analysis

4.9.8. The Commission, as per the provisions specified under Regulation 25.2 of MYT Regulations, 2019, calculated the working capital to approve the interest of working capital for FY 2023-24. The aforesaid regulation stipulates that the revenue for one and half months shall be considered for assessing the working capital and such revenue shall exclude Electricity duty whereas the Petitioner has requested the Commission to consider the Electricity Duty as part of Receivable for determination of Interest on Working Capital for True-up of ARR for FY 2023-24. Since it is not provided in the Regulation to include electricity duty in the revenue to determine working capital, the same cannot be allowed. Further, the Electricity duty is the domain of GoUP and is not

a part of ARR or Revenue Requirement for the Petitioner in the regulatory accounts and Regulations 25.2 specifically excludes ED from Revenue. Therefore, the Commission considered the revenue for FY 2023-24 net of Electricity Duty for the purpose of computation of interest on working capital.

4.9.9. The submission made by the Petitioner regarding the recovery cycle is not correct as the total period of 67 days has been arrived that by considering that the energy is supplied for 30 days followed by 7 days for raising the bills. This would mean that for the electricity supplied on the last day of the month as well 30 days has been considered whereas the bill for electricity supplied on 30th day is actually raised after 7 days only. Since the bills for the electricity supplied on the first day is raised after 37 days and for the energy supplied on 30th day is raised after 7 days, average period is considered which is around 16 days. The Petitioner has considered a period of 15 days for bill payment and 15 days for disconnection. This also appears to be incorrect as this would mean that all the consumers are making payment just one day before disconnection. Rather, there are many consumers who have claimed rebate on payment before due date and a large number of consumers are being supplied electricity in prepayment mode. Therefore, the period of 45 days as provided in the Regulation is sufficient for determining the working capital requirement and there is no merit in the submission made by the Petitioner.

4.9.10. The Commission has considered the SBI MCLR (1 Year) plus 250 basis points i.e., 10.49% (MCLR Historical Data - Interest Rates) as the interest rate. For determining working capital requirement, the Commission, in accordance with Regulation 25.2 of MYT Regulations 2019, has considered one-month equivalent of approved O&M expenses, maintenance spares equivalent to 40% of R&M expenses for two months, one-and-a-half-month equivalent of approved revenue (excl. Electricity Duty) minus net consumer security deposit available with the Petitioner.

4.9.11. The Commission approves Working Capital and Interest on Working Capital for FY 2023-24 as given in the Table below:

TABLE 4-111 INTEREST ON WORKING CAPITAL AS APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Approved in TO dated 24.05.2023	Claimed	Approved
One month's O&M Expenses	7.49	13.90	7.28
One-and-a-half-month equivalent of expected revenue from distribution tariff	301.65	305.56	290.61
Maintenance spares @ 40% of the R&M Expense for 2 Months	3.27	4.66	3.13
Gross Total	312.42	324.11	301.02
Security Deposits from Consumers			
Opening Balance	322.56	324.88	324.88
Received during the year (Net of Refunds)	31.87	18.04	18.04
Closing Balance	354.43	342.92	342.92
Average Security Deposit	338.50	333.90	333.90
Security Deposit with UPPCL	11.28	11.28	11.28
Net Security Deposits from Consumers	327.22	322.62	322.62
Net Working Capital	(14.80)	1.49	(21.60)
Rate of Interest for Working Capital (SBI MCLR (1Year) + 200 basis point)	10.20%	11.07%	10.49%
Interest on Total Working Capital	0	0.16	0

4.9. INTEREST ON CONSUMER SECURITY DEPOSITS

Petitioner's Submission

4.10.1. The Regulation 25.2(c) of the MYT Regulation, 2019 provides that the Distribution Licensee shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Commission. The Commission vide its Tariff Order dated 25th May' 2023 had approved the Interest on Security Deposit @ 4.25% p.a. i.e. RBI's Bank Rate prevailing on April 01, 2023. Actual interest on consumer security deposit for FY 2023-24 on the basis of each individual customer's outstanding security deposit on a daily balance basis and the tenure for which the same was outstanding works out to Rs. 24.21 Cr as summarized in Table below:

TABLE 4-112 INTEREST ON CONSUMER SECURITY DEPOSIT FOR FY 2023-24 (RS. Cr.)

Month	Opening	Net Additions	Closing	RoI (%)	Interest Paid
Apr-23	324.88	7.76	332.64	6.75%	1.88
May-23	332.64	12.54	345.18	6.75%	1.94
Jun-23	345.18	2.09	347.28	6.75%	1.98
Jul-23	347.28	3.26	350.54	6.75%	2.00
Aug-23	350.54	1.75	352.30	6.75%	2.01
Sep-23	352.30	4.13	356.42	6.75%	2.03

Oct-23	356.42	1.42	357.84	6.75%	2.05
Nov-23	357.84	3.92	361.76	6.75%	2.06
Dec-23	361.76	-0.16	361.60	6.75%	2.07
Jan-24	361.60	0.48	362.08	6.75%	2.07
Feb-24	362.08	0.53	362.61	6.75%	2.08
Mar-24	362.61	-19.69	342.92	6.75%	2.02
Total	324.88	18.04	342.92	6.75%	24.21
Approved in T.O. dated 24th May, 2023	322.56	31.87	354.43	4.25%	14.39

4.10.2. The Petitioner has submitted that the interest on consumer security deposit is computed on outstanding balance of each individual customer for the period during which their security deposit was available with the Petitioner and such computation is done in the ERP System of the Petitioner (viz. SAP) automatically. Hence, the computation of interest on the basis of average Consumer Security Deposit might not tally with the amount of interest on Security deposit actually paid. Further, the aforesaid interest on security deposit has been duly audited by the Statutory Auditors of the Petitioner. Therefore, the Commission is requested to consider interest on security deposit in full actually paid to consumers which amounts to Rs. 24.21 Cr for FY 2023-24.

4.10.3. The summary of total interest and finance charges claimed by the Petitioner is given in the Table below:

TABLE 4-113: TOTAL INTEREST CHARGES FOR FY 2023-24 (RS. Cr.)

Sl. No.	Description	Approved	Actuals
1	Interest on Long term loans	45.81	50.67
2	Interest on working capital facilities	0.00	0.16
3	Interest on security deposit	14.39	24.21
	Total Interest & Finance Charges	60.20	75.05

Commission's Analysis

4.10.4. In accordance with the MYT Regulations, 2019, and based on the submissions provided by the Petitioner, the Commission has approved the interest on consumer security deposits. The applicable interest rate is aligned with the Reserve Bank of India's bank rate as on April 01, 2023. The approved amount of interest on consumer security deposits is summarized below:

TABLE 4-114 INTEREST ON CONSUMER SECURITY DEPOSIT APPROVED BY THE COMMISSION FOR FY 2023-24 (Rs. Cr.)

Particulars	Approved in TO dated 24.05.2023	Claimed	Approved
Interest payable on Consumer Security Deposit	22.85	24.21	24.21

4.10.5. The summary of Interest Charges Trued-Up by the Commission for FY 2023-24 is given in the Table below:

TABLE 4-115 TOTAL INTEREST & FINANCE CHARGES APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Approved in TO dated 24.05.2023	Claimed	Approved
Interest on Long term loans	45.81	50.67	39.04
Interest on short term loans/working capital	0	0.16	0
Interest on security deposit	22.85	24.21	24.21
Total Interest & Finance charges	68.66	75.05	63.25

4.10. RETURN ON EQUITY

Petitioner's Submission

4.11.1. The Petitioner has submitted that, in accordance with Regulations 20.1 and 20.2 of the MYT Regulations 2019, it has treated 30% of capitalized assets (excluding de-capitalization and consumer contributions) as normative equity for FY 2020-21 to FY 2022-23, as reflected in its True-Up Petitions. Since FY 2020-21 marks the beginning of the Control Period (FY 2020-21 to FY 2024-25), the closing debt and equity of FY 2019-20 are considered as opening balances for FY 2020-21. Appeals have been filed against Tariff Orders before APTEL, and the Petitioner has considered its True-Up submissions to determine return on equity for FY 2023-24. The closing normative equity as of March 31, 2023, amounting to Rs. 513.87 crore (as per Petition No. 2039 of 2023), is taken as the opening balance for FY 2023-24, on which 15% return is allowed under Regulation 22 of the MYT Regulations, 2019.

4.11.2. The summary of Return on Equity for FY 2023-24 based on above referred Opening Equity and equity portion of Assets Capitalised during FY 2023-24 is given in the Table herein as under: -

TABLE 4-116: COMPUTATION OF RETURN ON EQUITY FOR FY 2023-24 (RS. CR.)

Sl. No.	Particulars	Ref.	Approved	Actuals
1	Regulatory Equity Base at the beginning of the year	a	384.38	513.87
2	Asset Capitalized during the year net of retirement and consumer contribution	b	200.60	70.70
3	Equity portion of Assets Capitalised during the year	c	60.18	21.21
4	Regulatory Equity Base at the end of the year	d=a+c	444.56	535.08
5	Average Equity during the year		414.47	524.47
6	Return on Opening Regulatory Equity Base @ 15%	e=a*15%	57.66	77.08
7	Return on Addition to Equity Base during the year @15%	f=c*15%/2	4.51	1.59
8	Total Return on Equity	g=e+f	62.17	78.67

4.11.3. The Petitioner has requested to approve the above Return on Equity of Rs. 78.67 Cr for FY 2023-24.

Commission's Analysis

4.11.4. The closing balance of equity of FY 2022-23 as approved by the Commission in the Tariff Order dated October 10, 2024, has been considered as opening equity for FY 2023-24 (as on April 1, 2022). Further, 30% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution) has been considered as equity addition during the year.

4.11.5. The Commission has considered the debt-equity ratio for the assets capitalized as 70:30 in line with MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for the determination of tariff. Further, 30% of net asset capitalized (after considering deduction / de-capitalization and consumer contribution) has been considered as equity addition during FY 2023-24.

4.11.6. Regulation 22 of MYT Regulations, 2019 provides for RoE @15% for the Distribution Utilities. The Commission has considered the rate of Return on Equity as per the provisions of the above-mentioned Regulation. Accordingly, the RoE claimed by the Petitioner and approved by the Commission for FY 2023-24 is shown below:

Table 4-117 RETURN ON EQUITY FOR FY 2023-24 APPROVED BY THE COMMISSION (Rs. Cr.)

Sl. No.	Particulars	Approved in TO dated 24.05.2023	Claimed	Approved
1	Equity (Opening Balance)	384.38	513.87	374.87*
2	Net additions during the year	60.18	21.21	17.04
3	Equity (Closing Balance)	444.56	535.08	391.91
4	Average Equity	414.47	524.47	383.39
5	Rate of Return on Equity	15.00%	15.00%	15.00%
6	Return on Equity	62.17	78.67	57.51

*Closing balance approved for FY 2022-23 considered as opening balance of FY 2023-24

4.11. INCOME TAX

Petitioner's Submission

4.12.1. The Petitioner has submitted that Regulation 26 of MYT Regulations, 2019 provides for determination of Income Tax to be considered in ARR for the Control period. The Petitioner has submitted that the Central Government on September 20, 2019, introduced the "Taxation Laws (Amendment) Act, 2019" wherein a new Corporate Tax Rate of 25.17% including Surcharge and Cess has been introduced under newly inserted Section 115BAA. However, the new rate U/s 115 BAA can be availed only by foregoing some specified exemption/deduction/allowance otherwise available in the Income Tax Act, 1961.

4.12.2. The Petitioner has adopted the new tax rate and accordingly has paid Income Tax for FY 2023-24 at the rate of 25.17% as against normal tax rate of 34.94%. Accordingly, the Petitioner has computed the Income Tax expense for FY 2023-24 by grossing up aggregate of tax expense i.e., tax on Return on equity at the current tax rate as shown below:

TABLE 4-118 INCOME TAX FOR FY 2023-24 (RS. CR.)

Sl. No.	Nature of Tax	Ref.	Approved	Actuals
1	Return on Equity	a	62.17	78.67
2	Income Tax Rate	b	25.17%	25.17%
3	Total Tax Expense*	c=a x b/(1-b)	20.91	26.46

*Total may not tally due to rounding offs

Commission's Analysis

4.12.3. The Commission has computed the normative Income tax based on the Return on Equity approved for FY 2023-24 which comes out to be the lowest in comparison to the Income Tax shown in the Audited Balance Sheet, the Challans, and as per Petitioner's submission. Accordingly, the Commission approves the income tax for FY 2023-24 based on the approved Return on Equity in this Petition as shown below:

Table 4-119 INCOME TAX AS APPROVED BY THE COMMISSION FOR FY 2023-24 (Rs. Cr.)

Particulars	Ref	Approved in TO dated 24.05.2023	As per Audited Balance Sheet	As per Challans submitted	Claimed in True Up	Approved upon True Up
Return on Equity	a	62.17			78.67	57.51
Income Tax Rate	b	25.17%			25.17%	25.17%
Total Tax Expense	$c=a*b/(1-b)$	20.91	26.22	23.10	26.46	19.34

4.12. OTHER MISCELLANEOUS ITEMS

Petitioner's Submission

(a) Loss on Retirement/ Impairment of Asset

4.13.1. The Petitioner has submitted that it has incurred actual loss on sale / retirement of these Fixed Assets during FY 2023-24 amounting to Rs. 1.04 Cr. The Petitioner further submitted that The Commission has been approving such expenses on actual basis in its earlier Tariff Orders. The Petitioner has also referred to Tariff Order dated September 03, 2019. The relevant extract is as below: -

"3.22.2 The Commission is of the view that due to fast obsolescence and normal wear and tear, some of the assets may be required to be scrapped before their useful life. Hence, the loss on sale of assets incurred due to disposal of such scrap assets is genuine and legitimate business expenditure and therefore, the Commission approves miscellaneous expenditure at Rs. 0.83 Crore as per the audited Accounts of the Petitioner for FY 2017-18."

4.13.2. It is further submitted that in Tariff Order dated December 04, 2020, while truing up loss on Sale of Fixed Assets for FY 2018-19, the Commission disallowed the loss on sale of fixed asset.

4.13.3. The Petitioner has submitted that the loss on sale of retired fixed assets is a legitimate business expense and not an additional burden on consumers. Using a lifecycle example, it is shown that assets are funded through a 70:30 debt-equity ratio, and while depreciation and scrap sales recover most of the asset value, a portion of equity often remains unrecovered. This unrecovered amount is claimed as a loss in the ARR. The Petitioner has argued that early retirement of assets—due to technological upgrades, breakdowns, increased load, regulatory compliance, or safety concerns—prevents full recovery of asset value, especially for items with little or no resale value. Additionally, the Commission’s past methodology allowed continued servicing of debt and equity for retired assets, but from FY 2020-21 onwards, this has changed, leading to financial loss. Therefore, the Petitioner has requested approval of Rs. 1.72 crore as loss on sale of retired assets for FY 2023-24, emphasizing that denial of this claim would hinder reinvestment and infrastructure development, ultimately affecting service quality and consumer interests. The details of retired assets submitted by the Petitioner are as below:

TABLE 4-120 DETAILS OF RETIRED ASSET IN FY 2023-24 (IN RS.)

Asset Category	Useful Life	Asset retired (nos.)	GFA value of Retired Assets	Accumulated Dep on retired asset	% of Dep
Computers	Completed	1	1,47,937	1,33,144	90%
	Remaining	1	82,222	50,538	61%
Distribution Network	Completed	276	1,43,85,539	1,29,21,145	90%
	Remaining	78	1,92,83,789	1,16,01,031	60%
Others	Completed	711	49,18,269	44,53,265	90%
	Remaining	41	1,18,99,997	63,05,871	53%
TOTAL	Completed	988	1,94,51,745	1,75,07,553	90%
	Remaining	120	3,12,66,008	1,79,57,440	57%
Grand Total		1,108	5,07,17,753	3,54,64,993	70%

Commission’s Analysis

4.13.4. The Commission observes that the Petitioner has claimed Rs 1.72 Cr. towards loss on sale of Fixed Assets under Miscellaneous Expenses. The Commission is of the view that as per the provision of MYT Regulations 90% of the asset value is to be covered through depreciation, whereas the remaining 10% will be scrap value to be recovered through the sale of the assets. Further, the Commission emphasises that the depreciation rate is

defined in the MYT Regulations, 2019 to recover 90% of the asset value only when the asset is put to use for its useful life. In case the asset is removed from the system before its useful life due to any reason and not put to use, the Commission is of the view that the consumer is not liable to pay for the same. Thus, any loss or gain on the part of the sale of assets for the assets that are removed from the system before serving the useful life is on the part of the Petitioner. Accordingly, the Commission is not approving any loss on retirement/impairment of assets for FY 2023-24.

(b) Goods and Service Tax on ancillary services

Petitioner's Submission

4.13.5. The Petitioner has submitted that the expenses incurred for compliance of Rules and Regulation mentioned in Regulation 44 (d) in MYT distribution Regulation 2019 constitutes "change in Law" event as defined in Regulation 2(9) of MYT Distribution Regulation. Accordingly, any addition/deletion or enactment of statutory levy is beyond the Control of the Petitioner and is required to abide by the Petition. CBEC vide Circular No. 34/8/2018-GST dated March 01, 2018, has clarified that the services like Application fee for releasing connection of electricity, Rental Charges against metering equipment, Charges for duplicate bills, testing fee for meter/transformer, capacitors etc., Labour charges from customer for shifting of service lines when provided by DISCOMS to consumer are taxable. Consequently, Directorate General of GST Intelligence (DGGSTI), New Delhi issued a summon u/s 70 of CGST Act on May 29, 2018, requesting the Petitioner to produce information on the amounts collected by the Petitioner from July 01, 2017 to April 30, 2018 towards abovementioned five services or any other charges collected from the customers over and above the electricity charges for the period.

4.13.6. The Petitioner has submitted that, in response to a summon from the Directorate General of GST Intelligence (DGGSTI), filed a detailed reply and subsequently challenged the CBEC Circular and the summon by filing a writ petition before the Hon'ble Allahabad High Court on July 24, 2018. While this matter remains pending, the Petitioner also filed an intervention petition on November 13, 2019, in a related case before the Hon'ble Supreme Court involving Torrent Power Ltd., where the Department has appealed against a favourable judgment by the Hon'ble Gujarat High Court. As a precautionary measure, the Petitioner began levying GST on the concerned services from October

2018. However, any liability for the period prior to this remains uncertain and unquantified and thus has not been claimed in the ARR for FY 2023-24 but will be claimed on an actual basis once the legal proceedings are concluded.

Commission's Analysis

4.13.7. The Commission observes that as the matter is pending final adjudication, the amount payable cannot be ascertained at this stage, and the Petitioner has not claimed the same in this ARR Petition. The Commission shall review the same at a later stage.

4.13. PROVISION FOR BAD AND DOUBTFUL DEBTS

Petitioner's Submission

4.14.1. The Petitioner has submitted that the expenses for Provision for Bad and doubtful debts actually incurred are as mentioned below:

TABLE 4-121: PROVISION FOR BAD & DOUBTFUL DEBTS (FY 2023-24) (RS. CR.)

S. No.	Description	Approved	Actuals
1	Opening Receivables	2,413.23	97.70
2	Revenue billed for the year		2,444.45
3	Collection for the year		2,445.44
4	Closing Receivable		96.70
5	Provision for Bad & Doubtful debts	21.75	9.36
6	Provision as % of Revenue billed	0.90%	0.38%

4.14.2. The Petitioner has submitted that the aforesaid bad debts have been determined in accordance with its policy for the provision and write-off of receivables. The Petitioner has further stated that the dues from consumers which are long outstanding but could not be disconnected because of political or other reasons. These debtors are older than two-three years and recovery thereof has become costlier and uneconomical. Further, a prolonged litigation process for the purpose of recovery culminates in very high legal costs and a colossal waste of precious time of its officials which otherwise could be used for productive purposes. Thus, after reviewing each and every debtor on a case-to-case basis, these debtors are also provided for based on their chances of recovery, cost-benefit etc.

4.14.3. The Petitioner has highlighted that electricity distribution is the most challenging and risk-prone segment of the power sector, as it involves purchasing electricity from limited

sources through secured payments like Letters of Credit or Bank Guarantees, while selling it on credit to a vast and diverse consumer base. This exposes the distribution Petitioner to significant risks of bad debts and recovery issues, which are further aggravated by socio-political, economic, and law-and-order conditions, making the conversion of electricity into cash particularly difficult for the licensee.

4.14.4. In view of the above, any recovery around 97-98% of sales should undoubtedly be considered as efficient collection and, therefore, the remaining 2-3% should be provided as bad and doubtful debts. The provision for Bad Debts considered by the Petitioner is still lower.

4.14.5. The Petitioner has submitted that the amount of Rs. 9.36 Cr. provided as bad debts in FY 2023-24 is well within the norms of 2% specified in Regulation 46.1 of the MYT Regulations, 2019.

4.14.6. The Petitioner has submitted that the Commission, while approving the provision for Doubtful Debt for FY 2021-22 vide its Tariff Order dated August 26, 2022, excluded the amount of bad debts with respect to electricity duty. In this respect, it is relevant here to refer to Section 4A of the U. P. Electricity (Duty) Act, 1952 as provided here under:

“4-A. Reimbursement of electricity duty from consumers

.....

*(2) **For the purpose of recovering the amount of electricity duty from the consumer, the licensee** or the appointed authority, as the case may be, may without prejudice to any other mode of recovery, **exercise the power** conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910), **as if the duty were a charge** or **sum due in respect of energy supplied to such consumer.***

.....”

4.14.7. It may be observed from the above provisions of Section 4A, that the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner. Accordingly, the Commission in the past has been allowing the same as a part of the revenue receivables. In view of the above, the Petitioner has considered the bad debts of Rs. 9.36 Cr. for FY 2023-24 including Rs. 0.47 Cr. towards electricity duty in full which is only 0.38% of the revenue for True-up of ARR for FY 2023-24.

Commission's Analysis

4.14.8. The Regulation 46.1 of the MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables. The Petitioner has submitted that it has been providing Bad Debts in its books of accounts in accordance with the aforesaid policy and so far, has been able to contain the same below the norms of 2% of Revenue as per the MYT Regulations, 2014 and MYT Regulations, 2019.

The Commission observes that the Licensee has claimed an amount of Rs. 9.36 Cr. towards bad debts including bad debts on Electricity Duty of Rs. 0.47 Cr. The Commission is of the view that since Electricity Duty is not considered a component of the Aggregate Revenue Requirement (ARR), any bad debt attributable to Electricity Duty should likewise be excluded from ARR. Accordingly, the Commission has approved the bad debt after deducting the portion related to Electricity Duty, which amounts to 0.38% of the total, based on actuals. This approved amount is within the normative limit of 2% of revenue as stipulated under the UPERC MYT Regulations, 2019.

Table 4-122 BAD AND DOUBTFUL DEBTS APPROVED BY THE COMMISSION FOR FY 2023-24 (Rs. Cr.)

Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
Revenue billed during the year	2413.23	2445.44	2,324.86
Provision as % revenue billed claimed	0.90%	0.38%	0.38%
Provision of bad and doubtful debt	21.75	9.36	9.36
Less: Electricity Duty			0.47
Net-Provision of Bad & doubtful debt	21.75	9.36	8.89

4.14. NON-TARIFF INCOME

Petitioner's Submission

4.15.1. The Regulation 47 of MYT Regulations, 2019 provides for consideration Non-tariff Income in ARR. Accordingly, Non-Tariff Income comprising income from delayed payment surcharge and other miscellaneous receipts incidental to the business of electricity supply during FY 2023-24 is summarized below:

TABLE 4-123: NON-TARIFF INCOME AS PER AUDITED BALANCE SHEET FOR FY 2023-24 (RS. CR.)

Sl. No.	Description	Rs. Cr.	Remarks
1	Processing Charges	0.86	Note-27 of Audited Balance Sheet

Sl. No.	Description	Rs. Cr.	Remarks
2	Disconnection and reconnection fees	0.98	Note-27 of Audited Balance Sheet
3	Meter Testing Charges	0.97	Note-27 of Audited Balance Sheet
4	On non-current investments	0.11	Note-28 of Audited Balance Sheet
5	Treasury Income	47.26	Note-28 of Audited Balance Sheet
5.1	Interest on Bank deposits	44.72	
5.2	Gain on sale of Short-Term investment	2.37	
5.3	Interest on non-current investment	0.17	
6	Others including Interest on refund of TDS demand paid	0.54	Note-28 of Audited Balance Sheet
7	Dividend Income	0.02	Note-28 of Audited Balance Sheet
8	Liquidated damages recovery	7.06	Note-28 of Audited Balance Sheet
8.1	Liquidated damages recovery- related to Power Purchase*	6.69	
8.2	Liquidated damages recovery- others	0.37	
9	Supervision charges	0.04	Note-28 of Audited Balance Sheet
10	Miscellaneous Income	0.51	Note-28 of Audited Balance Sheet
10.1	Cash Discount Others	0.38	
10.2	Profit on Sale of Scrapped Assets	0.07	
10.3	Cheque Return Charges	0.07	
11	Delayed Payment Surcharge	5.77	Note-28 of Audited Balance Sheet
12	Income from Telecom Service Provider	0.06	Note-28 of Audited Balance Sheet
13	Total Non-Tariff Income as per Audited Balance Sheet (Sum of 1 to 12)	64.18	
	Less:		
14	Less: Treasury Income	47.26	
15	Less: Interest on refund of TDS demand paid	0.07	
16	Less: Interest on new connection charges paid on EMI/instalment basis	0.46	
17	Less: Income from Telecom	0.02	
18	Non-Tariff Income (18=13-14-15-16-17)	16.36	
19	Open Access and wheeling charges	2.41	Note-27 of Audited Balance Sheet
20	Non-Tariff Income including Open Access (20=18+19)	18.78	

#Total may not tally due to rounding offs

*Includes damages of Rs. 1.48 Cr. (Table – 29)

4.15.2. The Petitioner has submitted that the Commission in its Tariff Order dated October 10, 2024, while truing up the ARR for FY 2022-23 has included Treasury Income (i.e. Income from Investment) as part of non-tariff income whereas the Regulation 47 of MYT Regulation 2019 provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not

be included in Non-Tariff Income. However, the Commission has considered such treasury income as Non-Tariff Income which is contrary to the proviso of Regulation 47 of MYT Regulations, 2019. Further, the Commission has been allowing carrying cost @9% on the approved Revenue Surplus to the Petitioner while simultaneously, not allowing the interest earned on treasury income, resulting in the double loss to the Petitioner.

4.15.3. Accordingly, the Petitioner has requested the Commission to not consider this income of Rs. 47.26 Cr. (Rs. 44.72 Cr. + Rs. 2.37 Cr.+ 0.17 Cr.) as Non-Tariff Income in True-up for FY 2023-24.

4.15.4. The Petitioner has clarified that the interest income of Rs. 0.07 crore received on the refund of TDS demand paid under protest relates to a Balance Sheet item and was never included in any True-Up ARR or claimed as income tax under Regulation 26 of the MYT Regulations, 2019. Since the original TDS payment was not treated as a tariff-related expense, the interest earned on its refund should not be considered Non-Tariff Income. In view of above, it is kindly requested that the Commission may please exclude the income earned from investing internal accruals and interest earned from refund of TDS for FY 2023-24.

4.15.5. Apart from the above, the Petitioner has further mentioned that other income also excluded interest of Rs. 0.07 Cr received on refund of TDS Demand paid under protest. These TDS demands, being Balance Sheet items (as against P&L items), were never claimed as part of True-up ARR. Therefore, the Petitioner requested the Commission to not consider this in the True-Up ARR for FY 2023-24.

4.15.6. The Petitioner has submitted that the new connection charges paid on EMI/instalment basis are fully utilised as consumer contribution by the Petitioner and hence, the Petitioner has not received any Return on Equity (RoE) on this amount. Thus, the Petitioner has requested the Commission to reduce such interest from Non-Tariff Income during FY 2023-24 as it arises from investments that are part of the consumer contribution and does not have any impact on Return on Equity from such investments.

4.15.7. The Petitioner has recorded the amount against rental of its distribution assets to telecom operators and the same has also been captured in the Audited Balance Sheet of the FY 2023-24. Accordingly, only 70% of the revenue received under these activities

has been considered under NTI and 30% of the revenue received has been retained by the Petitioner.

4.15.8. Thus, The Non-Tariff income excludes income from treasury operations, interest on refund of TDS Demand paid under protest and Interest on new connection charges paid on EMI/instalment basis which amounts to Rs. 47.26 Cr., Rs. 0.07 Cr. and Rs. 0.46 Cr. respectively as this Income is generated upon the funds accrued through internal resources over earlier years. Further, the Non-Tariff income also excludes rental income Rs. 0.02 Cr. earned from services provided to telecom operators after adjustment of the 70% revenue from renting of distribution assets. In view of the above, the Petitioner has requested the Commission to consider Non-Tariff Income for FY 2023-24 of Rs. 16.36 Cr. and revenue from open access as Rs. 2.41 Cr. as claimed by the Petitioner.

Commission's Analysis

4.15.9. The Commission observes that the Petitioner claimed Non-Tariff Income of Rs. 16.36 Cr. instead of Rs. 64.18 Cr. as provided in Note: 28 (Other Income) & Note: 27 (Revenue from Operations) of the Audited Balance Sheet of FY 2023-24.

4.15.10. The Commission directed the Petitioner to demonstrate that interest earned pertains to investments made from the Return on Equity corresponding to the regulated business of the Distribution segment.

4.15.11. In reply to the above-mentioned query, the Petitioner has submitted that after from 2018-19 onwards after becoming debt free, the available shareholder funds increased, enabling additional investment of the following amounts during the period of FY 2018-19 to FY 2023-24 to generate income:

- Return on Equity of Rs. 419 Crore
- Interest on Normative loan Rs. 302 Crore
- Interest on working capital Rs. 16 Crore
- Depreciation Rs. 351 Crore

4.15.12. The Petitioner has submitted year-wise details of the above funds generated by the Petitioner during the period from FY 2018-19 to FY 2023-24 as provided in the table below:

Particulars [#]	Formula	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Cumulative from FY19 till FY24
Return on Equity	A	59	66	68	72	76	79	419
Normative Debt	B	46	49	53	52	52	51	302
IoWC	C	6	9	-	-	1	0	16
Depreciation	D	57	60	50	56	62	66	351
Shareholder's Funds	E=A+B+C+D	168	184	170	180	191	196	1,089

4.15.13. The Petitioner has submitted that it has further reinvested the above free cash flow every year, earning additional returns totalling to Rs. 91 Crore from FY 2018-19 to FY 2022-23 which added to the further funds available as stated above.

4.15.14. A summary of the computation of interest income for FY 2023-24, considering the available Shareholders Funds, Reinvested Return, Expenditures (i.e., capital expenditure and dividend) and Regulatory Surplus, is provided in the table below:

Particulars	Formula	Cumulative from FY19 till FY24	Rate of Interest %	Interest Income Rs. Cr
Return on Equity	A	419		
Normative Debt	B	302		
IoWC	C	16		
Depreciation	D	351		
Regulated Fund	E=A+B+C+D	1,089		
Reinvested return	F	91		
Less: Capitalization	G	618		
Less: Dividend	H	211		
Shareholder's Funds	I=E-F-G+H	352	6.84%	24.07
Regulatory Surplus as per Books	J	284	6.84%	19.42
Total Interest Income	K=I+J	636	6.84%	43.49

4.15.15. Further, with regard to the Petitioner's claim for interest on new connection charges paid through EMI/instalments, the Commission has directed the Petitioner to submit details of connections provided on EMI along with the interest income for FY 2023-24. In response, the Petitioner submitted that it earned Rs. 15,18,284 as interest for connections provided before 31.03.2023, and Rs. 31,28,884 for connections provided during FY 2023-24.

4.15.16. It has been observed that the Petitioner is charging total component cost for providing a new connection, including GST, is Rs. 17,700 (Rs. 5,400 for meter charges + Rs.9,600 for other charges + 18% GST). However, as per the Cost Data Book, if a consumer opts

to pay for prepaid meters (Single Phase/Three Phase) in instalments, the licensee shall recover the cost of pre-paid meter in 12 equal instalments with carry-over charges at 12.50%. Accordingly, the Commission approves the pro rata interest of Rs. 16,72,980 on meter charges recovered through EMI/instalment.

4.15.17. Further, the Shareholders fund available during FY 2023-24 and Regulatory Surplus would generate additional income of Rs.2.5 Crore. Accordingly, the Petitioner has requested the Commission exclude the amount of Rs. 45.99 crore, representing interest earned from shareholder funds, from the Non-Tariff Income.

4.15.18. The Commission is of the view that the Petitioner has only one business i.e. distribution of electricity in Greater Noida, hence all income in the Balance Sheet comes under the ambit of the True-Up. Further, in case, the Appellant has some other business the same would have been covered as per relevant provision / Regulation of other business.

4.15.19. Furthermore, the Proviso of Regulation 47.2 of UPERC MYT Distribution Regulation 2019 specifically mention that interest earned on the investment made out of Return on Equity corresponding to the regulated business of the Distribution business shall not be included in Non-Tariff Income. Further, the above claim of the Petitioner pertains to period from FY 2018-19 to FY 2023-24. The Petitioner has also preferred an appeal in Hon'ble APTEL in the above matter. Therefore, the Commission decides to address the above as per the decision of Hon'ble APTEL.

4.15.20. Regulation 47 of MYT Regulations, 2019 details the components to be considered as a part of Non-Tariff Income. After reviewing the Audited Balance Sheet and further prudence check, the Commission has approved the Non-Tariff Income for FY 2023-24 as per Audited Balance Sheet. The same is as shown below:

TABLE 4-124 DETAILS OF NON-TARIFF INCOME AS PER AUDITED BALANCE SHEET FOR FY 2023-24

Sl. No.	Description	Rs. Cr.	Remarks
1	Processing Charges	0.86	Note-27 of Audited Balance Sheet
2	Disconnection and reconnection fees	0.98	Note-27 of Audited Balance Sheet
3	Meter Testing Charges	0.97	Note-27 of Audited Balance Sheet
4	On non-current investments	0.11	Note-28 of Audited Balance Sheet
5	Treasury Income	47.26	Note-28 of Audited Balance Sheet
5.1	Interest on Bank deposits	44.72	
5.2	Gain on sale of Short-Term investment	2.37	

Sl. No.	Description	Rs. Cr.	Remarks
5.3	Interest on non-current investment	0.17	
6	Others including Interest on refund of TDS demand paid	0.54	Note-28 of Audited Balance Sheet
7	Dividend Income	0.02	Note-28 of Audited Balance Sheet
8	Liquidated damages recovery	7.06	Note-28 of Audited Balance Sheet
8.1	Liquidated damages recovery- related to Power Purchase	6.69	
8.2	Liquidated damages recovery- others	0.37	
9	Supervision charges	0.04	Note-28 of Audited Balance Sheet
10	Miscellaneous Income	0.51	Note-28 of Audited Balance Sheet
10.1	Cash Discount Others	0.38	
10.2	Profit on Sale of Scrapped Assets	0.07	
10.3	Cheque Return Charges	0.07	
11	Delayed Payment Surcharge	5.77	Note-28 of Audited Balance Sheet
12	Income from Telecom Service Provider	0.06	Note-28 of Audited Balance Sheet
13	Total Non-Tariff Income as per Audited Balance Sheet Sum of 1 to 12)	64.18	
	Less:		
14	Less: Treasury Income	0	
15	Less: Interest on refund of TDS demand paid	0	
16	Less: Interest on new connection charges paid on EMI/instalment basis	0.17	
17	Less: Income from Telecom	0.02	
18	Non-Tariff Income (18=13-14-15-16-17)	63.99	

4.15.21. After reviewing the Audited Balance Sheet and further prudence check, the Commission has approved the Non-Tariff Income for FY 2023-24 as per Audited Balance Sheet. The same is as shown below:

Table 4-125: NET NON-TARIFF INCOME FOR FY 2023-24 APPROVED BY THE COMMISSION (Rs. Cr.)

Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
Non-Tariff Income including open access charges	36.9	18.78	63.99

4.15. REVENUE FROM SALE OF POWER

Petitioner's Submission

4.16.1. The Petitioner has submitted that during FY 2023-24, consumers were billed on the basis of Tariff Schedule approved in the prevailing Tariff Order dated July 20, 2022 from April 1, 2023 to June 5, 2023, and as per the revised Tariff Schedule approved vide Tariff Order

dated 24th May, 2023 for the remaining period from June 6, 2023 till March 31, 2024. Based on aforesaid prevailing tariffs, the actual category-wise sales, revenue and average realization for FY 2023-24 duly audited and presented in audited balance sheet are given in Table

TABLE 4-126: CATEGORY-WISE ENERGY SALES & REVENUE (FY 2023-24)

S. No.	Category	Sales	Revenue	ABR
		(MU's)	(Rs. Cr.)	(Rs./kWh)
1	LMV-1: Domestic Light, Fan & Power	982.87	598.29	6.09
2	LMV-2: Non-Domestic Light, Fan & Power	76.64	73.29	9.56
3	LMV-3: Public Lamps	27.84	23.76	8.54
4	LMV-4: Institutions	17.74	13.66	7.70
5	LMV-5: Private Tube Wells	10.68	3.03	2.83
6	LMV 6: Small and Medium Power	130.31	110.31	8.47
7	LMV-7: Public Water Works	32.69	33.28	10.18
8	LMV-9: Temporary Supply	58.32	67.03	11.49
9	LMV-11: Electric Vehicle Charging	0.03	0.02	6.65
10	HV-1: Non-Industrial Bulk Power	370.23	347.61	9.39
11	HV-2: Large and Heavy Power	1,423.06	1,050.68	7.38
Total		3,130.40	2,320.97	7.41

Commission's Analysis

4.16.2. As discussed in above para from 5.2.26 to 5.2.28 the Commission approved revenue from the sale of power as per the Petitioner audited balance sheet for FY 2023-24 the detail is provided is provided in the Table below:

Table 4-127 REVENUE AS APPROVED BY THE COMMISSION FOR FY 2023-24

Particulars	Sales	Revenue	ABR
	(MU)	Rs. Cr.	Rs. / kWh
(LMV1) Domestic Light, Fan & Power	984	598.95	6.09
(LMV2) Non- Domestic Light, Fan & Power	76.64	73.3	9.56
(LMV3) Public Lamps	27.84	23.81	8.55
(LMV4) Light, Fan & Power for Institutions	17.74	13.68	7.71
(LMV5) Small Power - Private Tube wells	10.68	2.93	2.74
(LMV6) Small and Medium Power	130.31	110.33	8.47
(LMV 7&8) Public Water Works	32.69	33.28	10.18
(LMV9) Temporary Supply	58.32	67.02	11.49
(LMV11) Electric Vehicle Charging	0.03	0.02	6.67
(HV1) Non-Industrial Bulk Load	372	349.24	9.39

Particulars	Sales	Revenue	ABR
	(MU)	Rs. Cr.	Rs. / kWh
(HV2) Large & Heavy Power	1426	1052.3	7.38
Total	3136.25	2324.86	7.41

4.16.3. Regarding Captive consumption the Commission observes that the Petitioner has claimed captive consumption as part of energy sales towards the LMV 4(B) category and the revenue corresponding to such sales has been considered NIL for FY 2021-22. The Commission observes that the self / captive consumption in the case of State Discoms is billed under the LMV-4(A)/ HV-1 category according to Connected Load. The same approach is also applied to NPCL.

4.16.4. The Petitioner has claimed additional O&M regarding the payment of the captive consumption of electricity bills; however, the Commission has already finalised the base values of O&M for the control period & hence it would not like to go into the merit of the matter at this stage and proceedings. Further, an Appeal filed by the Petitioner is pending before the Hon'ble APTEL in this matter. However, the deemed revenue is not being considered in this Tariff Order. The final treatment will be done as per the Orders passed by Hon'ble APTEL in the above-said Appeal.

4.16. CARRYING COST OF REGULATORY ASSET

Petitioner's Submission

5.17.1. The Petitioner has submitted the carrying cost of Regulatory Asset /Liability till FY 2023-24 as per the Regulation 28.5 of MYT Regulations, 2019 as given in the Table below:

TABLE 4-128 CARRYING COST FOR FY 2023-24 (RS. CR.)

Sl. No.	Particulars	Ref.	Approved	Actuals
1	Regulatory Assets at the beginning of Year - Gap / (Surplus)	a	(1,161.62)	(85.15)
2	Addition of Regulatory Assets during the year - Gap / (Surplus)	b	(46.21)	44.36
3	Closing Regulatory Assets (before Carrying cost for the year)	c=a+b	(1,207.83)	(40.79)
4	Average Regulatory Asset	d=(a+c)/2	(1,184.73)	(62.97)
5	Applicable Interest Rate	e	10.20%	5.06%
6	Carrying Cost of Regulatory Asset - Gap / (Surplus)	f=d x e	(120.84)	(3.19)

5.17.2. The above computation is based on the following premises: -

- i) Carrying cost has been computed at RBI Base Rate of 6.75% (5.06% net of tax) as on April 01, 2023, as the Petitioner has no option but to invest such Regulatory surplus amount in Fixed Deposit of Scheduled Banks.
- ii) As directed by the Hon'ble Tribunal, the surplus amount of Rs. 19.64 Cr. for FY 2006-07 approved by the Commission, being not available with the Petitioner, has not been adjusted in determination of cumulative deficit.

Commission's Analysis

5.17.3. The Petitioner is required to submit the details of Rs. 19.64 Cr. so that appropriate treatment can be done. The carrying cost on Regulatory Asset is discussed separately in the chapter on Revenue Gap.

4.17. TRUE-UP ARR AND REVENUE GAP

Petitioner's Submission

4.18.1. Based on above mentioned Revenue, Expenditure and Return on Equity, the Aggregate Revenue Requirement for FY 2023-24 as computed on the basis of the MYT Regulations, 2019 and the Commission's Tariff Orders is given in Table below: -

TABLE 4-129 SUMMARY OF ARR FOR FY 2023-24 (RS. CR.)

S. No.	Particulars	Approved	Actuals
1	Power Purchase Expenses for the Year	1816.45	1,753.73
2	Transmission Charges	280.02	197.36
3	Net Employee cost (Incl. Retiral Benefits)	22.60	65.93
4	A&G expenses	18.21	30.09
5	R&M expenses	49.12	63.40
6	Additional O&M - SOP Compliance, CGRF, DT Metering, Energy Audit etc.	-	7.34
7	Interest Charges	60.20	75.05
8	Depreciation	52.50	66.33
9	Taxes (Income Tax & MAT)	20.91	26.46
10	Provision for Bad & Doubtful Debts	21.75	9.36
11	Loss on sale of Retired Assets	-	1.72

S. No.	Particulars	Approved	Actuals
12	Efficiency Gains on Loss Reduction	-	3.44
13	Contingency Reserve	-	5.23
14	Return on Equity	62.17	78.67
15	Annual Revenue Requirement (sum of 1 to 14)	2,403.92	2,384.11
16	Less: Revenue from Existing Tariff	2,413.23	2,320.97
17	Less: Revenue from Open Access Charges	-	2.41
18	Less: Non-Tariff Income	36.90	16.36
19	Revenue Gap / (Surplus)	(46.21)	44.36

Commission's Analysis

4.18.2. With regard to the Contingency reserve claimed by the Petitioner, the Commission has been disallowing the contribution to contingency reserve in the past Tariff Orders as the same would put an additional burden on the consumers. Also, the Petitioner has not contributed any money to the reserve. Therefore, continuing the same approach, the Commission for FY 2023-24 has not approved any fund for contingency reserve.

4.18.3. Based on the above approvals, the summary of ARR and Revenue Gap / (Surplus) for the Petitioner for FY 2023-24 is summarized in the paragraphs below.

Table 4-130 SUMMARY OF ARR APPROVED BY COMMISSION FOR FY 2023-24 (Rs. Cr.)

S. No.	Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
1	Power Purchase Expenses for the Year	1816.45	1,753.73	1,751.23
2	Transmission Charges	280.02	197.36	197.36
3	Net Employee cost (Incl. Retiral Benefits)	22.6	65.93	22.99
4	A&G expenses	18.21	30.09	17.40
5	R&M expenses	49.12	63.4	46.95
6	Additional O&M - SOP Compliance, CGRF, DT Metering, Energy Audit etc.	-	7.34	-
7	Interest Charges	60.2	75.05	63.25
8	Depreciation	52.5	66.33	46.11
9	Taxes (Income Tax & MAT)	20.91	26.46	19.34
10	Provision for Bad & Doubtful Debts	21.75	9.36	8.89
11	Loss on sale of Retired Assets	-	1.72	-
12	Efficiency Gains on Loss Reduction	-	3.44	-
13	Contingency Reserve	-	5.23	-

S. No.	Particulars	Approved in TO dated 24.05.2023	Claimed in True Up	Approved upon True Up
14	Return on Equity	62.17	78.67	57.51
15	Annual Revenue Requirement (sum of 1 to 14)	2,403.92	2,384.11	2,231.02
16	Less: Revenue from Existing Tariff	2,413.23	2,320.97	2,324.86
17	Less: Revenue from Open Access Charges	-	2.41	2.41
18	Less: Non-Tariff Income	36.9	16.36	63.99
19	Net Annual Revenue Requirement	2,367.02	2,365.34	2,164.62
20	Revenue Gap / (Surplus)	(46.21)	44.36	(160.24)

4.18.4. Analysis of a few parameters is depicted below:

Table 4-131 SUMMARY OF ARR APPROVED BY THE COMMISSION FOR FY 2023-24

Particulars	Ref.	FY 2022-23	FY 2023-24	% Change
Power at NPCL Periphery (MU)	A	3,107.61	3,389.47	9.1%
Total Sales (MU)	B	2,870.43	3,135.91	9.2%
Revenue from Tariff (Rs. Cr.)	C	2,207.78	2,324.86	5.3%
Net ARR (Rs. Cr.)	D	2,270.32	2,164.63	-4.7%
Power Purchase (Rs. Cr.)	E	2,055.04	1,948.59	-5.2%
Transmission Charges (Rs. Cr.)	F	166.86	197.36	18.3%
APPC (Rs. / kWh)	$G=(E-F)/A$	6.08	5.17	-15.0%
APPC including Transmission charges	$H=E/A$	6.61	5.75	-13.1%
ABR (Rs. / kWh)	$I=C/B$	7.69	7.41	-3.6%
ACoS (Rs. / kWh)	$J=D/B$	7.91	6.90	-12.7%

5. ANNUAL PERFORMNACE REVIEW OF FY 2024-25

5.1. INTRODUCTION

5.1.1. In this Chapter the Commission has carried out the Annual Performance Review for FY 2024-25 in line with the provisions of the MYT Regulations, 2019. Regulation 7 of the MYT Regulations, 2019 specifies that under the MYT framework, the performance of the Licensee shall be subject to APR accordingly.

5.1.2. The Commission, in this Order has not carried out the detailed analysis of various components of the APR for FY 2024-25. The Commission has compared each component of APR as claimed by the Petitioner with that approved in the Tariff Order for FY 2024-25. The Commission will carry out the detailed prudence check of various components of ARR for FY 2024-25 while carrying out the truing up for FY 2024-25.

5.2. BILLING DETERMINANTS

Petitioner Submission

5.2.1. The Petitioner has estimated the billing determinants for FY 2024-25 as given below in the Table below:

TABLE 5-1 BILLING DETERMINANTS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (APR)

Category	No. of consumers (No.)	Connected Load (MW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	1,69,804	829.61	1,238.50
LMV-2: Non-Domestic Light & Fan & Power	5,956	56.95	93.33
LMV-3: Public Lamps	1438	10.15	25.52
LMV-4: Institutions	541	8.18	20.70
LMV-5: Private Tube Wells	993	5.26	12.17
LMV 6: Small and Medium Power	3,816	99.96	148.09
LMV-7: Public Water Works	330	16.10	36.18
LMV-9: Temporary Supply	1358	21.37	59.51
LMV-11: Electric Vehicle Charging	12	0.51	0.14
HV-1: Non-Industrial Bulk Power	316	184.20	408.32
HV-2: Large and Heavy Power	1,153	568.26	1,607.70
Total	1,85,717	1,800.55	3,650.15

5.2.2. The Petitioner has submitted the details of estimated no. of consumers, connected load and sales for FY 2024-25 based on the actual numbers till Sep'2024 and recomputing the billing determinants from Oct'2024 to Mar'2025. The Petitioner

further submitted that while making the revised submission for ARR for FY 2025-26, the provisional accounts for FY 2024-25 were available. Since there was small difference in the billing determinants in the provisional accounts and the billing determinants estimated by the Company for FY 2024-25 based on the actual numbers till Sep'2024 and estimation from Oct'2024 to Mar'2025, the figures for FY 2024-25 were not revised.

Commission's Analysis

5.2.3. The Commission has made a comparison of the billing determinants submitted by the Petitioner in True-Up for FY 2023-24 with the billing determinants submitted for FY 2024-25 and the same is as shown in the Tables below:

TABLE 5-2 REVISED (ACTUAL) CATEGORY-WISE NO. OF CONSUMERS FOR FY 2024-25 SUBMITTED BY THE PETITIONER (NOS.)

Category	Claimed in True Up for FY 2023-24	Claimed in APR of FY 2024-25	% increase/Decrease
LMV-1: Domestic Light, Fan & Power	1,47,935	1,69,804	14.78%
LMV-2: Non-Domestic Light & Fan & Power	5,050	5,956	17.94%
LMV-3: Public Lamps	921	1438	56.13%
LMV-4: Institutions	527	541	2.66%
LMV-5: Private Tube Wells	971	993	2.27%
LMV 6: Small and Medium Power	3,708	3,816	2.91%
LMV-7: Public Water Works	315	330	4.76%
LMV-9: Temporary Supply	1,123	1358	20.93%
LMV-11: Electric Vehicle Charging	7	12	71.43%
HV-1: Non-Industrial Bulk Power	289	316	9.34%
HV-2: Large and Heavy Power	1,068	1,153	7.96%
Total	1,61,914	1,85,717	14.70%

TABLE 5-3 ACTUAL CATEGORY WISE CONNECTED LOAD (MW) SUBMITTED BY THE PETITIONER FOR FY 2024-25

Category	Connected Load for FY 2023-24	Connected Load for FY 2024-25	% increase/Decrease
LMV-1: Domestic Light, Fan & Power	747.30	829.61	11.02%
LMV-2: Non-Domestic Light & Fan & Power	49.18	56.95	15.80%
LMV-3: Public Lamps	9.65	10.15	5.12%
LMV-4: Institutions	7.78	8.18	5.15%
LMV-5: Private Tube Wells	5.06	5.26	3.87%
LMV 6: Small and Medium Power	94.68	99.96	5.58%
LMV-7: Public Water Works	15.71	16.10	2.45%
LMV-9: Temporary Supply	20.56	21.37	3.94%
LMV-11: Electric Vehicle Charging	0.35	0.51	45.40%
HV-1: Non-Industrial Bulk Power	169.75	184.20	8.52%
HV-2: Large and Heavy Power	538.59	568.26	5.51%

Category	Connected Load for FY 2023-24	Connected Load for FY 2024-25	% increase/Decrease
Total	1,658.61	1,800.55	8.56%

TABLE 5-4 REVISED (ACTUAL) ENERGY SALES SUBMITTED BY THE PETITIONER FOR FY 2023-24 (MU)

Category	Submitted for FY 2023-24	Submitted for FY 2024-25	% increase/Decrease
LMV-1: Domestic Light, Fan & Power	982.87	1,238.50	26.01%
LMV-2: Non-Domestic Light & Fan & Power	76.64	93.33	21.78%
LMV-3: Public Lamps	27.84	25.52	-8.33%
LMV-4: Institutions	17.74	20.7	16.69%
LMV-5: Private Tube Wells	10.68	12.17	13.95%
LMV 6: Small and Medium Power	130.31	148.09	13.64%
LMV-7: Public Water Works	32.69	36.18	10.68%
LMV-9: Temporary Supply	58.32	59.51	2.04%
LMV-11: Electric Vehicle Charging	0.03	0.14	366.67%
HV-1: Non-Industrial Bulk Power	370.23	408.32	10.29%
HV-2: Large and Heavy Power	1,423.06	1,607.70	12.97%
Total	3,130.41	3,650.15	16.60%

5.2.4. The Commission observes that from FY 2023-24 to FY 2024-25, there is significant variation in the billing determinants signifying growth in the area of the Petitioner.

5.2.5. The Commission has made a comparison of the billing determinants approved by the Commission in Tariff Order dated October 10th, 2024 with the billing determinants submitted for FY 2024-25 and the same is as shown in the Tables below:

5.2.6. The Commission observes that the billing determinants estimated by the Petitioner for FY 2024-25 is close to the Billing Determinants approved by the Commission in its tariff order dated 10th Oct 2024 for FY 2024-25. From the above Tables, the Commission observes that the Energy Sales for all categories have increased except for LMV-3. The top 3 categories in which energy sales have increased are LMV-11, LMV-1 and LMV-2.

5.2.7. Further analysis of billing determinants for FY 2024-25 would be carried out during the True-Up proceedings subject to prudence check by the Commission.

5.3. ENERGY BALANCE AND DISTRIBUTION LOSSES

Petitioner's Submission

5.3.1. The Petitioner has submitted that the Commission vide its Business Plan Order dated November 26, 2020, and Tariff Order dated October 10, 2024, had approved the distribution loss for FY 2024-25 as 7.57%.

5.3.2. The Petitioner further submitted that, in FY 2023-24, it has achieved the Distribution Losses of 7.49% which is lower than the losses approved by the Commission. However, reducing losses below 7.49% becomes highly difficult due to technical constraints and inherent factors such as the age of infrastructure, consumer mix and geographical diversity, which limit the potential for further reductions without impacting overall network stability and performance. Considering the actual Distribution Losses for FY 2023-24, various obstacles / hurdles being faced by the Petitioner and based on the various initiatives undertaken for loss reduction, the Petitioner has estimated Distribution Losses of 7.49% for FY 2024-25 against the approved losses of 7.57%. Accordingly, the Energy Balance has been submitted by the Petitioner in table below:

Table 5-5 ENERGY SALES SUBMITTED BY THE PETITIONER FOR FY 2023-24

Particulars	U.o.M.	Approved	Estimated
Proposed Energy Sales	MU	3,704.10	3,650.15
Distribution Loss	%	7.57%	7.49%
Distribution Loss	MU	303.36	295.66
Energy Requirement at NPCL	MU	4,007.46	3,945.81
Energy Available/Delivered at NPCL Bus	MU	-20.29	-59.40
Net Energy requirement at NPCL Bus	MU	4,027.75	4,005.20
Intra State Losses	%	3.18%	3.18%
Energy Requirement at STU/UP Periphery	MU	4,160.04	4,136.75
Energy from sources connected at STU Bus	MU	141.28	103.51
Net Energy Requirement at STU Bus	MU	4,018.76	4,033.24
Inter-State Losses	%	3.77%	3.51%
Energy Requirement at CTU Bus	MU	4,176.20	4,180.14
Total Energy Requirement	MU	4,297.19	4,224.26

Commission's Analysis

5.3.3. The Commission observes that the energy balance submitted by the petitioner show marginal reduction in energy requirement in comparison to the approval of the Commission in Tariff Order dated October 10, 2024. This reduction in attributed to the

low level of sales as well as lower level of distribution losses achieved by the Petitioner. It is pertinent to highlight that although the distribution loss level achieved in FY 2023-24 has been considered for FY 2024-25 as well, it is expected that the distribution losses will improve further considering the capex being done by the petitioner towards improving the performance of the distribution system. This will lead to further reduction in energy requirement. Further analysis of Energy Balance and Distribution Loss for FY 2024-25 would be carried out during True-Up proceedings subject to prudence check by the Commission.

5.4. POWER PROCUREMENT QUANTUM AND COST

Petitioner's Submission

5.4.1. The Petitioner submitted that considering the Energy Balance, the Petitioner has estimated the power purchase requirement for FY 2024-25 at 3,945.81 MU at aggregate cost of INR 2,414.59 Cr. Apart from this, additional Power Purchase of Rs. 134.20 Cr related to Additional Coal, Incentive, Change in Law and carrying cost has also been claimed. The brief of the submissions on different sources is provided in the below sections:

Power Procurement from LTPPA

5.4.2. The PPA with M/s Dhariwal Infrastructure Ltd. (DIL) was approved by the Commission vide its order dated April 20, 2016. During FY 2024-25, the drawl under the aforesaid LTPPA is estimated at 1274.04 MU which is equivalent to normative availability of 85% specified in Regulation 26 of the Generation Tariff Regulations, 2019 of UPERC.

5.4.3. The Petitioner has submitted that the Commission vide Tariff Order dated September 21, 2022, approved the tariff for the LTPPA for the control period FY 2019-20 to FY 2023-24 as shown in the Table below:

Table 5-6 LTPPA TARIFF IN ORDER DATED 21.09.2022 (Rs./unit)

Financial Year	Fixed Cost	Energy Cost	Total
FY 2019-20	1.891	2.471	4.362
FY 2020-21	1.854	2.471	4.325
FY 2021-22	1.813	2.471	4.284
FY 2022-23	1.772	2.471	4.243
FY 2023-24	1.727	2.471	4.198
<i>* Excluding charges for Additional Coal and Change in Law</i>			

5.4.4. The Petitioner has estimated the cost of power procured from DIL which is provided in the Table for approval of the Commission.

S. No	Description	UoM	Approved in T.O dated 10.10.2024	Estimated FY 2024-25
1	Contracted Quantum at ex-DIL	MW	171	171
2	No of Days	Nos.	365	365
3	Hours	Nos.	24	24
4	Normative Availability	%	-	0.85
5	Units at Normative Availability	MU	-	1273.27
6	Forecasted Availability	%	85%	85%
7	Estimated Utilisation	%	-	100%
8	Units at Ex-Bus (Forecast Schedule)	MU	1274.05	1274.04
9	Inter-State Losses	%	3.77%	
10	Units at UP Periphery	MU	1226.02	1229.59
11	Intra-State Losses	%	3.18%	3.18%
12	Units at NPCL	MU	1187.03	1190.49
13	Fixed Cost	Rs. Cr.	220.03	203.42
14	Variable Cost	Rs. Cr.	314.82	311.26
15	Inter-State Trans. Charges	Rs. Cr.		-
16	Intra-State Trans. Charges	Rs. Cr.		
17	Total Cost[#]	Rs. Cr.	534.85	514.68
18	Per Unit Cost @ NPCL Bus	Rs./kWh	4.51	4.32
[#] Total may not tally due to rounding offs				

5.4.5. Apart from the above, the Petitioner has made several submissions for claiming amount in relation to purchase of additional coal and change in law that has already been approved by the Commission in past. The petitioner has also submitted the details of pending Petitions related to Change in Law. Further, the Petitioner has also submitted details of incentives as per the provisions of PPA with DIL.

Medium Term Power Purchase Agreements

5.4.6. The Petitioner has submitted that in preceding years, based on the load profile, the Petitioner tied up following Medium Term Power through Competitive Bidding held on DEEP Portal in accordance with the Guidelines of Central Government as summarized in the Table below:

Table 5-7 DETAILS OF MEDIUM TERM PPAs FY2024-25

Source	Capacity	Period	Composite Tariff at NR (Rs. /kWh)	Approval of Agreement for Procurement of Power
TPTCL (JITPL)	100 MW	01.04.23 to 31.03.26	4.05	06.03.2023
JITPL	95 MW	01.04.2024 to 31.03.2029	5.19	09.01.2024
<i>*Note: The Tariff is Base Tariff. Tariff comprises Cost of fixed and variable charges.</i>				

5.4.7. The Petitioner has also referred to various provisions in the APP such as payment of transmission charges and losses in actual, incentives & damages, escalation in Base Fixed Charges and Base Variable Charges on the basis of WPI movement etc. Accordingly, the Petitioner submitted the summary of estimated power procurement from medium term sources in Table below:

Table 5-8 SUMMARY OF MEDIUM-TERM POWER FOR FY 2024-25

Seller	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Intra-State Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
TPTCL- JITPL	694.92	153.09	156.10	*	309.19	4.45
JITPL	660.04	189.53	183.02	*	372.55	5.64
Total	1354.964	342.63	339.12	0.00	681.74	5.03
<i>* With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. CTU charges have been considered separately. Similarly, the STU charges are also considered separately</i>						

Short Term Power Purchase Agreements

5.4.8. The Petitioner submitted that for meeting the rising demand of the consumers, the Petitioner procured power from the power exchange/DEEP portal. The Petitioner has estimated the cost of power to be procured from Power Exchange / DEEP Portal on the basis of average prices discovered at IEX as provided in the Table below:

Table 5-9 RATE OF POWER PURCHASE

Type	Hrs	Average Rate	
		Apr'24 to Sep'24	Oct'24 to Nov'24 & Dec'23 to Mar'24 (assumed for Oct'24 to Mar'25)
Peak	19-24 hrs	8.674	4.735
Night	00-04 hrs	5.958	3.143
Off peak	08-19 hrs	3.007	4.614
RTC	00-24 hrs	4.873	4.326

5.4.9. The Petitioner submitted that the overall procurement of power from short-term sources during FY 2024-25 is estimated at 1,052.07 MU at an average cost of Rs. 6.43 per unit which is given in the Table below:

Description	Units	Rs./kWh	Amount
Power Exchange (Apr-Sep'24)	806.74	6.87	554.56
Competitive Bidding (DEEP)/Power Exchange (Oct-24 to Mar'25)	245.33	4.95	121.55
Total	1,052.07	6.43	676.11

Power Procurement from Renewable Sources:

5.4.10. The Petitioner has submitted that during FY 2024-25, it has estimated to procure 412.82 MU power from long-term and short-term renewable sources including solar power from several sellers such as GNIDA, M/s Tata Power, M/s APPCPL and M/s Adani Energy and wind power from PTC India Limited. Further, the Petitioner also estimated to purchase 221.80 MUs renewable power at Rs. 5.86 per kWh landed at NPCL bus (excluding transmission charges) from Power Exchanges for meeting its RPO, considering the prevailing market rates.

5.4.11. The Petitioner summarized the overall estimates to procure 412.82 MU renewable power as summarized in the Table below:

Table 5-10 RENEWABLE POWER (FY 2024-25)

Description	Actual	Estimated	Total		
	Apr'24-Sep'24	Oct'24-Mar'25	FY 2024-25		
	Units	Units	Units	Rate/kWh	Amount
Wind Power (PTC)	20.13	13.34	33.47	3.66	12.23
Solar Power (Adani Solar ECOL)	26.52	25.44	51.96	3.15	16.36
Solar Power (Tata Power)	22.82	25.44	48.26	3.15	15.21
Solar Power (GNIDA)	0.49	0.65	1.14	7.00	0.80
Solar Power (APPCPL)	0.18	0.29	0.48	5.45	0.26
Solar Power (TPTCL - TP Saurya)	14.93	40.78	55.71	4.26	23.72
Subtotal	85.07	105.95	191.02	3.59	68.58
Power Exchange	110.30	111.49	221.80	5.86	130.08
Total	195.37	217.45	412.82	4.81	198.67

5.4.12. It is further submitted that the Petitioner has not considered any power from Net Metering in the current APR petition and the same will be considered at the time of True-up based on actuals.

5.4.13. The Petitioner has submitted that based on above referred procurement of renewable power, the status of RPO computed in accordance with RPO Regulations as at the end of FY 2024-25 is as provided in the Table below:

Table 5-11 RPO STATUS (MU) (FY 2024-25)

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year for meeting past backlog through REC	Obligation met during the year*	Balance Obligation Carried Forward
	a	b	c	d	d=a+b-c-d
Solar	31.28	196.59	-	261.83	(65.23)
Non-Solar	90.71	275.23		187.59	87.64
Hydro Power	61.22	117.96		5.46	112.49
Total#	183.21	589.78	183.21	454.88	134.89
* Including gross generation under net-metering arrangements # Total may not tally due to rounding offs					

Renewable Energy Certificate (REC)

5.4.14. The Commission vide its Tariff order dated October 10, 2024, has directed the Petitioner to fulfil the RPO backlogs from the purchase of RE power or RECs. Based on the Commission's directions, the Petitioner has calculated the RPO backlogs till FY 2023-24 and its cost implications thereof for purchase of RECs from PXs, as the details are tabulated in Table below.

TABLE 5-12 REC PURCHASE COST

Particulars	UOM	Rates
RPO (Shortfall) (as per UPERC)- Till FY 22-23	MUs	48.32
RPO (Shortfall) (as per the Petitioner) during FY 23-24	MUs	134.89
Total Shortfall - Till FY 23-24	MUs	183.21
REC Rate including Power Exchange Trading Margin and GST	Rs./Unit	0.63
REC Purchase Cost	Cr	11.51

5.4.15. Further, based on the directions of the Commission, the Petitioner has procured 153 MUs of REC for Rs 2.61 Crores from Power Exchanges and balance will also be procured in coming months.

Sale of Power for Load Management and UI/DSM

5.4.16. The Petitioner has submitted that it is highly uncertain or in-fact not feasible to exactly estimate the day-ahead power requirement as the demand is highly volatile, uncertain

and dependent on a number of factors which are beyond the control of the Petitioner e.g., volatile weather conditions, long intermittent holidays on account of various festivals, Govt. holidays etc. There can be certain time-blocks wherein the power tied-up may remain unutilised and thus, need to be sold on Power Exchanges. Therefore, the Petitioner has estimated to sale of 56.16 MUs of energy towards load management. The Petitioner has estimated -8.38 MU to be settled DSM mechanism as per the prevailing regulations.

5.4.17. Further, the Petitioner has submitted that the estimated Sale under surplus Power has been considered in the range of 2.50% of the projected demand of the Petitioner in line with the directions of the Commission. Further, the net Under-drawl through DSM for (8.38) MU is approximately 0.21% of the power purchase quantum.

5.4.18. The Petitioner has submitted that from the above, it can be stated that the power procurement cost from DSM is well within the overall limit of 10% of power purchase cost and is just 0.60 % of overall power purchase cost.

General Network Access Charges

5.4.19. The Petitioner has submitted that as per the Regulation 18.1 (a) of the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) notified by CERC on 7th June 2022, the state of UP has been granted the GNA of 10,165 MW by the CERC. Further, as per Regulation 18.1(e), the segregation of GNA among the intrastate entities was the responsibility of the respective SLDCs. Accordingly, the Petitioner has been granted the Deemed GNA of 351 MW.

5.4.20. The Petitioner has submitted that the Deemed GNA granted to the Company was based on the Demand of FY 2018-19 to FY 2020-21. Subsequently, in order to service the expected increase in power demand of consumers, the Petitioner applied for additional GNA of 100 MW in line with the GNA Regulations, 2022. CTUIL vide letter dated 16th July, 2024 granted Additional GNA of 100 MW to the Petitioner w.e.f. 30th July, 2024. The same was also intimated to the UPSLDC.

TABLE 5-13 CAPACITY FOR GNA AND T-GNA CHARGES (FY 2024-25)

Sl. No.	Period	Description	ISTS Charges	Remarks
1	Apr'24 to Sep'24	GNA of 351 MW	111.88	As billed by CTUIL

Sl. No.	Period	Description	ISTS Charges	Remarks
2	Oct'24 to Mar'25	GNA of 451 MW	105.67	GNA Charges @ 451 MW irrespective of actual utilisation
		STOA above 451 MW	0.00	T-GNA Charges as per Application
	FY 2024-25		217.55	

5.4.21. Accordingly, based on above discussion, the summary of estimated Power Purchase Cost for FY 2024-25 as claimed in APR vis-à-vis approved by the Commission vide Tariff Order dated October 10, 2024, is given in Table.

TABLE 5-14 TOTAL POWER PURCHASE COST (FY 2024-25)

Sl. No.	Item	Approved T.O 10th October, 2024			Estimated		
		MU's	Rs. / kWh	Amount Rs. Cr.	MU's	Rs. / kWh	Amount Rs. Cr.
2	Long Term -Genco (DIL)	1,187.03	4.74	562.45	1,190.49	4.32	514.68
3	DIL Supplementary Invoices	-	-	-	-	-	13.17
4	Medium Term	1,352.80	5.17	700.15	1,354.96	5.03	681.74
5	Power Exchange/ ST	871.92	6.30	549.58	1,052.07	6.43	676.11
6	Renewable Energy	617.44	5.90	364.29	412.82	4.81	198.67
7	UI and Sale of Power	-21.73	3.74	-7.14	(64.54)	0.04	(0.25)
8	GNA and TGNA Charges	-	-	221.75	-	-	217.55
9	UPPTCL Transmission Charges	-	-	-	-	-	101.18
10	UPSLDC ARR & Application charges	-	-	-	-	-	0.23
11	REC Purchase	-	-	-	-	-	11.51
12	Power Purchase Cost for FY 2024-25	4,007.46	5.97	2,391.07	3,945.81	6.12	2,414.59
Additional Claims							
14	Incentive as per Approved PPA	-	-	-	-	-	6.64
15	Additional Coal for FY 2022-23 (Claim @ 90% being paid)	-	-	-	-	-	73.25
16	Change in Law for FY 2022-23	-	-	-	-	-	5.25
17	Carrying Cost on above (14 to 16)	-	-	-	-	-	14.30
18	Recovery for excess payment of Additional Coal FY23	-	-	-	-	-	(0.21)
19	Additional Coal (FY 2023-24)	-	-	-	-	-	19.96
20	Reimbursement of O&M expenses (FY 19 to FY 24)	-	-	-	-	-	8.20
21	Change in Law (FY 2023-24)	-	-	-	-	-	4.98
22	Carrying Cost on above (19 to 21)	-	-	-	-	-	1.83
23	Total Additional Claims	-	-	-	-	-	134.20
24	Total PPC for FY 2024-25 including additional claims	4,007.46	5.97	2,391.07	3,945.81	6.46	2,548.79



Sl. No.	Item	Approved T.O 10th October, 2024	Estimated
<i>*Total may not tally due to rounding offs</i>			

5.4.22. The Petitioner has submitted that the total Power Purchase Cost considered for APR FY 2024-25 is Rs. 2,548.79 Cr which includes Inter-State and Intra-State Transmission charges of Rs. 101.18 Cr and GNA & TGNA Charges of Rs. 217.55 Cr.

Commission Analysis's

5.4.23. The Commission observes that power purchase portfolio of the Petitioner is quite diverse and there are several aspects that must be taken into consideration including and not limited to approvals of PPA granted by Commission, appropriate utilization of available capacity, cost of power and other related matters. The Commission decides to carry out the detailed analysis of Power purchase expenses for FY 2023-24 at the time of Truing-Up, subject to prudence check by the Commission.

5.5. OPERATION AND MAINTENANCE EXPENSES (O&M EXPENSES)

Petitioner's Submission

5.5.1. The Petitioner has made detailed submissions on Operation and Maintenance (O&M) expenses in the True-Up for FY 2023-24. The concerns raised by the Petitioner in True-Up for FY 2023-24 are relevant in for FY 2024-25 as well. Particularly, the submission has been made on the computation of O&M expenses for base year of the Control Period. Of the Control Period. The Petitioner has submitted the approved, normative and estimated O&M Expenses for FY 2024-25 in below Table:

TABLE 5-15 O & M EXPENSES (FY 2024-25) (RS. CR.)

Sl. No.	Particulars	Approved in T.O 10.10.2024	Normative	Estimated
1	Repair & Maintenance Expenses	54.72	54.56	72.58
2	Employees Expenses	36.56	38.93	92.18
3	Administrative & General Expenses	20.28	26.42	37.42
4	O&M Expense	111.55	119.91	202.18
5	Additional R&M for SOP Compliance etc.	-	9.18	9.18
6	Total O&M Expenses	111.55	129.09	211.36
<i>Note: Total may not tally due to rounding offs</i>				

- 5.5.2. It is submitted that if the Commission decides to include the Captive Consumption both Revenue (Rs.) and Sales (MU) as part of sales, then corresponding expenses in the A&G should also be allowed as the base A&G expenses does not include expenses on account of Captive Consumption due to the reason that the Commission had first time decided to include the same in Revenue of FY 2020-21.
- 5.5.3. The Petitioner has submitted that the normative O&M expenses as per MYT Regulations, 2014 for FY 2019-20 were Rs. 106.18 Cr. whereas normative O&M expenses as per MYT Regulations, 2019 for the same FY 2019-20 is Rs. 92.64 Cr., this gap will increase in subsequent years, therefore O&M Expenses as determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 is highly insufficient, as compared to MYT Regulations, 2014.
- 5.5.4. The Petitioner further submitted that the Commission has been pioneering in implementation of various new regulations in the State of Uttar Pradesh. Further, the Ministry of Power has also issued several rules and regulations which are to be followed by it.
- Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulations, 2019
 - Electricity (Rights of Consumers) Rules, 2020
 - Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019
 - Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021
 - Directions of Commission for 100% Feeder Metering
 - Cyber Security related Regulations and Directions
- 5.5.5. The Petitioner has submitted that in order to comply with the above-mentioned Regulations and Guidelines, the Petitioner is required to purchase new hardware, software and tools and also required to recruit additional competent manpower leading to additional expenses O&M Expenses.
- 5.5.6. The Petitioner has submitted that it would require to create infrastructure for compliance of the above regulations therefore DT and Feeder metering project is being proposed to facilitate compliance of the Directions of the Commission, Ministry of Power and Bureau of Energy Efficiency. The overall project comprises of installation

and commissioning Energy Meters, LTCTs, Meter Boxes, associated communication devices along with HES application, Software Applications, IT Hardware, Data exchange and integration to fulfil the reporting requirements.

- 5.5.7. The Petitioner has further submitted that the above-referred installation and commissioning of DT meters, Feeders and HES and Software will also entail annual maintenance cost thereof. It also needs to appoint Energy Manager, Financial Manager, IT Manager, Third Party Certified Accredited Energy Auditor etc. which will also have additional employee cost and consequently it will have to incur additional administrative cost on regular basis.
- 5.5.8. The Petitioner also submitted that in order to comply with the above new / amended Regulations, it required to recruit additional competent manpower leading to additional expenses on employee cost, A&G expenses and R&M Expenses. Therefore, such additional O&M expenses required to be incurred to comply with the above Regulations promulgated subsequent to the MYT Regulations 2019, need to be allowed as additional O&M expenses over and above the normative O&M expenses determined under MYT Regulations 2019.
- 5.5.9. The Petitioner also submitted that expenses incurred for compliance of above rules and regulation are constituted as “Change in Law” event as defined in Regulation 2(9) of MYT Regulations, 2019.
- 5.5.10. The Petitioner submitted that the Commission vide its Tariff Order dated May 24, 2023, for the U.P. State DISCOMs had also allowed additional R&M expenses equivalent to 50% of Normative R&M expenses to comply with SOP regulations in addition to the Normative O&M expense.
- 5.5.11. The Petitioner submitted that it has considered the impact of such additional O&M expenses @ 50% of the R&M Expenditure for the purpose of compliance of the new/amended Regulations and Directions as described above and requested Commission to approve additional expenses equivalent to 50% of the normative R&M Expenses over and above the Normative O&M Expenses as being allowed to UPPCL’s Discoms.
- 5.5.12. The Petitioner also submitted that the Commission vide Tariff Order dated Oct 10, 2024, has approved the O&M expenses at Rs. 111.55 Cr. for FY 2024-25 against which it has estimated O&M Expenses for FY 2024-25 at Rs. 211.36 Cr. which includes the

additional expenditure incurred by the Petitioner for compliance of above referred additional Regulatory / SOP compliances.

TABLE 5-16 O & M EXPENSES (FY 2024-25) (RS. CR.)

Sl. No.	Particulars	Approved	Normative	Estimated
1	Repair & Maintenance Expenses	54.72	54.56	72.58
2	Employees Expenses	36.56	38.93	92.18
3	Administrative & General Expenses	20.28	26.42	37.42
	Total O&M Expenses	115.55	119.91	202.18
4	Expenses towards SOP implementation	-	6.26	6.26
5	Expenses towards CGRF	-	0.37	0.37
6	Expenses towards other compliances	-	2.27	2.27
7	Technical Study		0.28	0.28
8	Total O&M Expenses including additional expenditure	115.55	129.09	211.36
<i>Total may not tally due to rounding offs</i>				

5.5.13. The Petitioner has submitted that the above shown A&G Expenses of Rs. 37.42 Cr. includes Finance Charges of Rs. 5.29 Cr. in line with Regulation 45 of MYT Regulations, 2019.

5.5.14. The Petitioner also submitted that the O&M Expenses as determined on the basis of norms provided in Regulation-45 of MYT Regulations, 2019 is highly insufficient, skewed and is not reflective of the actual expenses in accordance with the business parameters as there is huge gap between the estimated O&M expenses and the amount approved by the Commission on normative basis in accordance with the Regulation 45 of MYT Regulations, 2019.

5.5.15. The Petitioner also submitted that the above referred A&G Expenses includes Finance Charges of Rs.3.18 Cr.

5.5.16. The Petitioner has submitted that since the O&M expenses determined on normative basis in accordance with the Regulations 45 of MYT Regulations, 2019, are grossly insufficient as compared to likely expenses estimated by it and requested to consider O&M expenses for FY 2024-25 as estimated by it which are commensurate with its size of the business and also necessary to run operations efficiently owing to various factors which are beyond its control.

Capitalization of Employee Cost

5.5.17. The Petitioner has estimated to capitalize an amount of Rs. 18.00 Cr. out of the total employee cost of Rs. 92.18 Cr. estimated to be incurred during FY 2024-25, as per past practice duly approved by the Commission.

5.5.18. The Petitioner has requested the Commission to approve the capitalization of employee cost at Rs. 18.00 Cr. during FY 2024-25.

5.5.19. The Petitioner has requested Commission to approve the net O&M expenses at Rs. 193.36 Cr. for FY 2024-25 estimated by subject to truing up in future as provided in the Table below:

TABLE 5-17 O&M EXPENSES FOR FY 2024-25 (RS. CR.)

Sl. No.	Particulars	Approved in T.O 10.10.2024	Normative	Estimated
1	Repair & Maintenance Expenses	54.72	54.56	72.58
2	Employees Expenses	36.56	38.93	92.18
3	Administrative & General Expenses	20.28	26.42	37.42
4	Additional R&M for SOP Compliance etc.	-	9.18	9.18
5	Total O&M Expenses	111.55	129.09	211.36
6	Employee Cost Capitalised	(18.00)	(18.00)	(18.00)
7	Net O&M Expenses	93.55	111.09	193.36

Commission's Analysis

5.5.20. The Commission has dealt with the concerns of the Petitioner with respect to determination of norm for the base year and has accordingly approved the O&M expenses for True-Up for FY 2023-24.

5.5.21. With regard to the Petitioner's claim towards additional expenses for compliance of newly promulgated Regulations over and above the normative expenses as being allowed to UPPCL's Discoms also, the Commission is of the view that there is no comparison in the operations of the 5 State Discoms & the Petitioner. The State Discoms cover almost the full state & have a vast network with high losses & also a non-favourable consumer mix as compared to the Petitioner. Taking the same into consideration the Commission does not approve the claim of the Petitioner in regard to allowing the additional cost (O&M), as done for State Discoms.

5.5.22. With regard to Employee expenses, A&G expenses and R&M expenses, the Commission has provisionally computed normative value considering the normative employee expenses, A&G expenses and R&M expenses as computed for True-Up and inflation index as per the provisions of MYT Regulations, 2019.

Table 5-18 O&M EXPENSES COMPUTED BY THE COMMISSION FOR FY 2024-25

Particulars	Approved in TO	Claimed	Computed by Commission
Employee Expenses	36.56	92.18	35.74
Administrative & General Expenses	20.28	37.42	17.80
Repair & Maintenance	54.72	72.58	48.01
Gross O&M Expenses	111.55	202.18	101.55
Less: Employee expenses capitalized	(18.00)	(18.00)	(18.00)
Add: Additional R&M for SOP Compliance		9.18	-
Net O&M Expenses	93.55	193.36	83.55

5.5.23. Further, the analysis of actual O&M expenses for FY 2024-25 will be carried out at the time of True-Up proceedings based on actual data & Annual Audited Balance Sheet of the Petitioner.

5.6. CAPITAL EXPENDITURE

Petitioner's Submission

5.6.1. The Petitioner has submitted that considering the various existing and upcoming Government & Private projects in and around Greater Noida and based on the Demand Estimates for FY 2024-25, the Petitioner had submitted a total capital expenditure for Rs. 422.39 Cr. vide Petition no. 2039 of 2023.

5.6.2. The Petitioner has further submitted that the Commission, vide Order dated October 10, 2024, has given the approval of Rs. 416.50 Cr for overall capital expenditure of FY 2024-25.

5.6.3. Based on the current developments, land availability and present status of project execution, the Petitioner has submitted its revised Capital Expenditure Plan for FY 2024-25 of Rs. 360.93 Cr. (excluding assets handed over by GNIDA & Other and Capital Contribution).

- i. The Petitioner has submitted that for power evacuation from new / upcoming 220 kV & 132 kV Grid Substations being constructed at Greater Noida, the

Commission vide its Order dated June 19, 2023 in Petition No. 1950 of 2023, had approved the cost of the scheme as follows in the Table below:

TABLE 5-19 ALREADY APPROVED CAPITAL EXPENDITURE FOR FY 2023-24 & FY 2024-25 ABOVE RS 10 CR

Sl. No.	Particulars	Amount in Rs. Cr.	
		FY 2023-24	FY 2024-25
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	10.38
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida (Cluster-02).	36.8	32.01
	TOTAL	87.33	42.38

- ii. As per the submission, in True-Up for FY 2023-24, out of Rs. 87.33 Cr approved by the Commission for FY 2024-25, the Petitioner capitalized Rs. 15.23 Cr (against original estimated and approved cost of Rs. 8.15 Cr.) to acquire 3 Nos. of Land and Rs. 1.93 Cr (against original estimated and approved of 10.38 Cr) for some part of 33 kV network construction. The remaining approved CAPEX amounting to Rs. 77.26 Cr (Rs. 87.33 Cr – Rs. 8.15 Cr – Rs. 1.93 Cr) has been carried-forward and will be capitalized in FY 2024-25.
- iii. In addition to above, CAPEX of Rs. 77.26 Cr, the Company will also capitalize CAPEX amounting to Rs. 42.38 Cr as approved by the Commission for FY 2024-25 vide the aforesaid order dated June 19, 2023.

5.6.4. The Petitioner has also submitted that a petition no. 1927 of 2022 was filed for capex approval of the project "Creating Cyber Resilience". The Commission, vide Order dated August 21, 2024, approved the cost of the scheme as follows in Table below:

TABLE 5-20 APPROVED CAPEX COST FOR CREATING CYBER RESILIENCE

Sl. No.	Description	Amount in Rs. Cr.
1	Purchase, installation and implementation of SIEM (including Engaging Consultant for conducting audit for identifying cyber controls and implementation thereof under ISO 27019)	6.00
2	Purchase of Hardware for SIEM	2.25
3	Purchase, installation and implementation of NBA Solution	2.50
4	Implementation & configuration of Unified IT-OT SOC	0.50
5	Purchase, installation and implementation of MDM	0.50
6	Purchase, installation and implementation of EDR / XDR	0.50

Sl. No.	Description	Amount in Rs. Cr.
7	Purchase, installation and implementation of PIM/PAM	0.90
8	Purchase, installation and implementation of OT Security Tool [Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)]	2.00
9	Purchase, installation and implementation of IT-OT Firewall [Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)]	2.50
Total CAPEX Cost inclusive of taxes in Rs. Cr.		17.65

- Further petitioner made submissions that as per the Order of the Commission received on dt 21 Aug 2024, IT-OT firewall will be implemented in FY2024-25 and SIEM, IT-OT SOC, MDM, EDR/XDR, PIM/PAM, OT Security Tool will be implemented in FY 2025-26 and implementation of NBA solution will be in FY 2026-27.
- Accordingly, the Petitioner requests the Commission to consider the CAPEX of Rs. 2.50 Cr. out of Rs. 17.65 Cr. as approved in the above-mentioned petition for FY 2024-25.

5.6.5. Apart from the two projects mentioned above, the Petitioner has submitted details of Capital Expenditure Projects of value not exceeding Rs. 10 Crore as shown in table below:

Capital Expenditure Project	Total Value
New Connection, Transition of Ageing/Technological Obsolete/Damaged Assets & Metering	Rs. 107.03 Cr.
Distribution System Scheme (Substations, Transformers, 33kV, 11 kV & LT Network)	Rs. 61.88 Cr.
Process System Automation	Rs. 9.23 Cr.
IT Projects	Rs. 14.74 Cr.
Civil Works & Office Infrastructure Facility	Rs. 11.61 Cr.
Tools & Testing Equipment	Rs. 3.37 Cr.
Vehicles	Rs. 3.52 Cr.
Demand Side Management & Sustainability	Rs. 1.90 Cr.
Leasehold Land	Rs. 7.50 Cr.

- 5.6.6. As per Regulation 20.1 of the MYT Regulations, 2019, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after deduction of consumer contribution from total capital expenditure. During FY 2024-25, the Company has estimated to received Consumer Contribution of Rs. 73.05 Cr. against the total Capital Expenditure of Rs. 360.93 Cr.
- 5.6.7. The Petitioner has estimated that assets having gross value of Rs. 15.00 Cr. would retire out of which Rs. 5.90 Cr. is estimated to be assets funded from consumer contribution.
- 5.6.8. Accordingly, the net Capital Expenditure for FY 2024-25 is estimated to be Rs. 287.88 Cr. (i.e. Rs. 360.93 Cr *minus* Rs. 73.05 Cr.) and against this net Capital Expenditure, the net value of Retired Asset would be Rs. 9.10 Cr.

TABLE 5-21 CAPITAL EXPENDITURE (FY 2024-25) (RS. CR.)

Particulars	Approved	Actual
Total Additions to Assets	416.50	360.93
Assets Retired	15.00	15.00
Less: Retired Assets funded from Consumer Contribution	5.90	5.90
Net Assets Retired	9.10	9.10
Net Capex	407.40	351.83
Consumer Contribution	66.00	73.05
Net Capex	341.40	278.78
Debt - 70%	238.98	195.15
Equity- 30%	102.42	83.64

Commission's Analysis

- 5.6.9. The Commission observes that the Net Capital expenditure estimated by the Petitioner for FY 2024-25 is Rs. 278.78 Cr. as against Rs. 341.04 Cr. approved by the Commission in its Order dated October 10, 2024.
- 5.6.10. The Petitioner is required to provide the complete details on the capital expenditure projects less than Rs. 10 Cr. including the technical and financial details, DPRs and the details of competitive bidding undertaken and other documents as may be required.
- 5.6.11. Further analysis of Capital Investment for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet.

5.7. INTEREST & FINANCE CHARGE

- 5.7.1. Interest and Finance Charges comprise the following cost elements:

- Interest on Long Term Loans

- Interest on Working Capital
- Interest on Security Deposits

5.8. INTEREST ON LONG TERM LOAN

Petitioner's Submission

- 5.8.1. The Petitioner has submitted that in its ARR petition no. 2039/2023 against total capital expenditure of Rs. 422.39 Cr. the Commission approved Rs. 416.50 Cr in its Tariff Order dated October 10, 2024. Accordingly, the Commission approved the interest on term loan at Rs. 55.92 Cr based on approved debt requirement of Rs. 238.98 Cr for FY 2024-25.
- 5.8.2. The Petitioner further submitted that the closing balances of Debt and Equity for each financial year shall be considered as the opening balances for the subsequent year i.e., the closing Debt and Equity for FY 2020-21 will serve as the opening balances for FY 2021-22, and so on. However, since the Petitioner has filed appeals before the Hon'ble APTEL. The Petitioner has considered the Debt and Equity figures as per its True-up Petition/submission for the purpose of determining Interest on Term Loan for FY 2024-25.
- 5.8.3. Accordingly, the Petitioner has submitted that based on the capital expenditures claimed for FY 2020-21 to FY 2023-24 and applying the stipulated debt-equity ratio of 70:30, the opening normative net debt for FY 2024-25 has been computed to be Rs. 561.83 crore.

TABLE 5-22 COMPUTATION OF INTEREST ON TERM LOAN (RS CR.)

S. No	Loan Computation	Ref.	Approved	Estimated
1	Net Normative loan – Opening	a	445.58	502.80
2	Increase/Decrease due to ACE during the Year	b	238.98	195.15
3	Repayments of Normative Loan during the year	c	62.21	76.01
4	Net Normative loan – Closing	d=a+b-c	622.35	621.95
5	Average Normative Loan*	e=(a+d)/2	533.97	562.37
6	Weighted average Rate of Interest on actual Loans	F	9.91%	9.91%
7	Interest on Normative loan	g=e x f	52.92	55.74

- 5.8.4. The repayment of Normative Term Loan has been considered as equivalent to depreciation being computed in accordance with Regulation 23 of the MYT Regulation, 2019.

5.8.5. Further the Petitioner submitted that since the Company do not have any actual Term Loan outstanding during FY 2024-25, therefore in accordance with above regulation, the last available weighted average rate of interest for the term loan has been considered for determination of normative interest on the term loan for FY 2024-25.

Commission's Analysis

5.8.6. The Commission observes that the Petitioner has considered the weighted average interest rate as approved by the Commission in the Tariff Order for FY 2024-25 dated October 10, 2024.

5.8.7. The Commission has outlined the detailed methodology adopted for computing the opening loan balance during the True-up of FY 2023-24. Accordingly, the opening loan balance for FY 2024-25 has been taken as the closing normative loan balance of FY 2023-24, as approved in this Order. The normative loan addition during FY 2024-25 has been considered as 70% of the net GFA addition, excluding consumer contributions, to arrive at the closing loan balance for FY 2024-25. The interest rate of 9.91%, as approved during the True-up of FY 2023-24, has been applied. Furthermore, the allowable net depreciation for the year has been considered for normative loan repayment. Accordingly, the interest on long term loan provisionally considered by the Commission for FY 2024-25 is shown in the Table below:

TABLE 5-23 INTEREST ON LONG TERM LOAN COMPUTED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Approved in Tariff Order dated October 10, 2024	Claimed	Computed by Commission
Opening Loan	445.58	502.80	390.72
Loan Additions (70% of Capitalisation)	238.98	195.15	195.15
Less: Repayments (Depreciation allowable for the year)	62.21	76.01	56.77
Closing Loan Balance	622.35	621.95	529.11
Average Balance of Normative Loan	533.97	562.37	459.91
Rate of Interest	9.91%	9.91%	9.91%
Interest on long term loans	52.92	55.74	45.58

5.8.8. The Commission has considered normative closing loan balance of APR year FY 2024-25 derived above as opening loan balance for FY 2025-26.

5.8.9. Further, the detailed analysis of the Interest on Long Term Loans for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner.

5.9. INTEREST ON WORKING CAPITAL

Petitioner's Submission

5.9.1. The Petitioner has submitted that the as per the U.P. Electricity Supply Code, 2005 (as amended), the power supply bill for a month (30/31 days) need to be raised within next 7 days with 15 days period (due date) for payment of the same. Thereafter, the Distribution Licensee wait for another 15 days period before disconnecting supply of power in case of non-payment (disconnection date). Thus, it would take almost 67 days for a Distribution Licensee to recover payment of its electricity bills, assuming all the consumers pay their bills in-time. However, the MYT Regulations, 2019 considers debtors equivalent to 45 days only while the in MYT Regulations, 2014, debtors equivalent to two months of the expected revenue were considered as a part of the working capital requirement. Therefore, the reduction of receivables from two months to one and half months is not justified and in fact is contrary to the provisions of U.P. Electricity Supply Code, 2005.

5.9.2. The Petitioner has submitted that the Commission in its Tariff Order dated Oct 10, 2024, has also not considered the Electricity Duty as part of the Receivables thereby reducing amount of Working Capital leading to disallowance of interest on working capital based on Regulation 25.2 of the MYT Regulations, 2019.

5.9.3. Accordingly, the computation of Interest on Working Capital for FY 2024-25 submitted by the Petitioner is shown in the Table below:

TABLE 5-24 INTEREST ON WORKING CAPITAL (FY 2024-25) (RS. CR.)

Particulars	Ref	Approved	Estimated
One month's O&M Expenses	a	7.80	16.11
One-and-a-half-month equivalent of expected revenue from distribution tariff	b	340.71	351.21
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	3.65	5.39
Gross Total	d=a+b+c	352.15	372.72
Security Deposits from Consumers			
Opening Balance	e	345.19	342.92
Received during the year (Net of	f	19.03	9.31

Particulars	Ref	Approved	Estimated
Refunds)			
Closing Balance	$g=e+f$	364.22	352.23
Average Security Deposit	$h=(e+g)/2$	354.70	347.58
Security Deposit with UPPCL	l	11.28	11.28
Net Security Deposits from Consumers	$j=h-i$	343.42	336.30
Net Working Capital	$k=d-j$	8.73	36.42
Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	11.05%	11.07%
Interest on Total Working Capital	$m=k*l$	0.96	4.03

5.9.4. The Petitioner has submitted that as per the practice followed by the Commission in its various Tariff Orders of the Petitioner, latest being dated October 10, 2024, the security deposit of Rs. 11.28 Cr passed on to UPPCL till FY 2005-06 in accordance with past arrangement, has been deducted from the total Security Deposit available with the Petitioner while computing working capital requirement as the same are not available at the disposal of the Petitioner for meeting its working capital requirements.

5.9.5. The Petitioner has submitted that the above Table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of Commission and Hon'ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional power by UPPCL which is pending before the Hon'ble Supreme Court of India.

Commission's Analysis

5.9.6. The Commission has computed the Interest on working capital as per the below Table:

TABLE 5-25 INTEREST ON WORKING CAPITAL COMPUTED BY THE COMMISSION FOR FY 2024-25 (RS. CR.)

Particulars	FY 2024-25		
	Approved	Claimed	Computed by Commission
One month's O&M Expenses	7.80	16.11	6.96
One-and-a-half-month equivalent of expected revenue from distribution tariff	340.71	351.21	351.21
Maintenance spares @ 40% of the R&M Expense for 2 Months	3.65	5.39	3.20
Gross Total	352.15	372.72	361.37
Security Deposits from Consumers			
Opening Balance	345.19	342.92	342.92
Received during the year (Net of Refunds)	19.03	9.31	9.31
Closing Balance	364.22	352.23	352.23
Average Security Deposit	354.70	347.58	347.58
Security Deposit with UPPCL	11.28	11.28	11.28

Particulars	FY 2024-25		
	Approved	Claimed	Computed by Commission
Net Security Deposits from Consumers	343.42	336.30	336.30
Net Working Capital	8.73	36.42	25.08
Rate of Interest for Working Capital (SBI MCLR (1Year) + 200 basis point)	11.05%	11.07%	11.45%
Interest on Total Working Capital	0.96	4.03	2.87

5.9.7. In the above table, the revenue of 45 days has been considered as provided in Regulation 25.2 of MYT Regulations, 2019. The Petitioner has made certain submission in relation to billing cycle which appear to be incorrect. However, the analysis of the Interest on Working Capital for FY 2024-25 would be carried out during True-Up proceedings based on actual data and the Annual Audited Balance Sheet of the Petitioner. The Petitioner is also required to make detailed submission on the matter that is pending before the Hon'ble Supreme Court and show how it is relevant in this matter.

5.10. INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

5.10.1. The Petitioner has submitted that Regulation 25.2 (c) of the MYT Regulations, 2019 provides that the licensee shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Commission. The Commission vide its Tariff Order dated Oct 10, 2024, has approved the Interest on Security Deposit @ 6.75% p.a. Accordingly, based on the RBI's Bank Rate prevailing on April 01, 2024, i.e., 6.75% p.a. as also approved by the Commission, the interest payable on security deposit from consumers during FY 2024-25 is given below:

TABLE 5-26 INTEREST ON SECURITY DEPOSIT (2024-25) (RS. CR.)

Particulars	Ref.	Approved	Estimated
Opening Balance of Security Deposit	a	345.19	342.92
Addition During the year	b	19.03	9.31
Closing Balance for Security Deposit	c=a+b	364.22	352.23
Average Balance for Security Deposit	d=(a+c)/2	354.71	347.58
Rate of Interest	e	6.75%	6.75%
Interest payable on Security Deposit	f = d x e	23.94	23.46

Commission's Analysis

5.10.2. The Commission observes that the Petitioner has considered the RBI's Bank Rate of 6.75% per annum, for the computation of rate of interest payable on security deposit from consumers during FY 2024-25.

5.10.3. Further, the analysis of the interest on Security Deposit for FY 2024-25 would be carried out during True-Up proceedings based on the annual audited balance sheet of the Petitioner.

5.11. TOTAL INTEREST COST

Petitioner's Submission

5.11.1. As discussed above, the details of total interest and finance charges estimated for FY 2024-25 are given in the Table below:

TABLE 5-27 TOTAL INTEREST (FY 2024-25) (RS. CR.)

Sl. No.	Description	Approved	Estimated
1	Interest on Long term loans	52.92	55.74
2	Interest on working capital facilities	0.96	4.03
3	Interest on security deposit	23.94	23.46
4	Total Interest & Fin. Charges	77.82	83.24

Commission's Analysis

5.11.2. The Commission observes that the total Interest and finance cost for FY 2024-25 is higher than that approved by the Commission vide Tariff Order dated October 10, 2024, for FY 2024-25. However, since these figures will get modified based on the actual amount as per the audited balance sheet, the approval for interest amount will be provided at the time of True-Up only.

5.12. GROSS FIXED ASSETS (GFA) AND DEPRECIATION

Petitioner's Submission

5.12.1. The Petitioner has submitted that the computation of GFA for FY 2024-25 is shown in the Table below

TABLE 5-28 GROSS FIXED ASSETS FY 2024-25 (RS. CR.)

Sl. No.	Particulars		GFA till 01.04.20	GFA added after 01.04.2020	Closing GFA FY 2024-25
1	Opening Balance	1,817.95	1,651.04	594.91	2,245.95
2	Addition during the Year	416.50	0	360.94	360.94
3	Retirement during the Year	15.00	15.00	0	15.00
4	Closing Balance	2,219.45	1,636.04	955.85	2,591.88
* Excluding assets taken over from GNIDA, UPSIDC & Otherwise					

5.12.2. The Petitioner has submitted that the above additions to the GFA does not include the assets handed over by other agencies GNID, UPSIDC, DIMC etc. for distribution of electricity to its consumers and maintenance thereof.

5.12.3. The Petitioner has submitted that it has maintained its Fixed Asset Register based on which the Audited Financial Statement are prepared. The Depreciation is computed by the SAP-ERP on the basis of defined parameters which meets the direction of the Commission for separate computation of Depreciation on Gross Block.

5.12.4. The Petitioner has submitted that the Commission in Tariff Order dated Oct 10, 2024, while approving the ARR for FY 2024-25 has computed the Depreciation on the basis of average of Gross Block as against individual assets, therefore, the Petitioner has claimed the Depreciation as per the methodology followed by the Commission.

5.12.5. The summary of Depreciation as submitted by the Petitioner for FY 2023-24 is shown the Table below:

TABLE 5-29 DEPRECIATION FY 2024-25 (RS. CR.)

Sl. No.	Description	Approved	Estimated
1	Depreciation on Gross Block till 01.04.2020	40.00	56.13
2	Depreciation on Gross Block after 01.04.2020	43.56	43.10
3	Gross Depreciation for the Year	83.55	99.24
4	Less: Depreciation on Consumer Contribution	21.34	23.23
5	Net Depreciation	62.21	76.01

Commission's Analysis

5.12.6. The Commission observes that the closing balance of GFA as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated October 10, 2024, for FY 2024-25.

5.12.7. The Commission has considered the opening GFA for FY 2024-25 equal to closing GFA of FY 2023-24 as approved in the True-Up of FY 2023-24. Moreover, considering the approach taken in the True-Up of this Order, the Commission has provisionally considered GFA addition for the year for FY 2024-25 as submitted by the Petitioner. Furthermore, closing value of GFA for FY 2024-25 has been considered as opening GFA for FY 2025-26.

Table 5-30 GFA COMPUTED BY COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Approved	Claimed	Computed
Opening GFA	1,817.95	2,245.95	1,766.88
Addition to GFA	416.50	360.94	360.94
Decapitalization	15.00	15.00	15.00
Closing GFA	2,219.45	2,591.89	2,112.82

TABLE 5-31 DEPRECIATION COMPUTED BY COMMISSION FOR FY 2024-25 (RS. CR.)

Particulars	Approved	Projected (APR)	Computed
Depreciation on Gross Block till 01.04.2020	40.00	56.13	40.42
Depreciation on Gross Block after 01.04.2020 till 31.03.2025	43.56	43.1	39.58
Depreciation on Gross Block after 01.04.2025	-	-	-
Gross Depreciation for the Year	83.56	99.24	80.00
Less: Depreciation on Consumer Contribution	21.34	23.23	23.23
Net Depreciation	62.22	76.01	56.77

5.12.8. Further, analysis of the depreciation for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner.

5.13. PROVISION FOR WRITE-OFF OF BAD AND DOUBTFUL DEBTS

Petitioner's Submission

5.13.1. The Petitioner has submitted that the estimated sales, collection efficiency as projected in Business Plan and in view of the debtor's profile, prudent analysis, impending political scenario affecting the collections drives and ageing analysis of receivables for FY 2024-25 and past periods the Petitioner has estimated the Provision for Write-off of Bad and Doubtful Debts for FY 2024-25.

5.13.2. The estimate of the bad debts in accordance with the policy of the Petitioner for FY 2024-25 is as provided in Table Below:

TABLE 5-32 PROVISION FOR BAD & DOUBTFUL DEBTS (FY 2024-25) (RS. CR.)

Sl. No.	Description	Approved	Estimated
1	Revenue billed for the year	2,725.66	2,667.77
2	Add: Electricity Duty @ 4.75%	0.00	141.93
3	Gross Revenue billed for the year	2,725.66	2,809.69
4	Provision for Bad & Doubtful debts	10.30	56.19
5	Provision as % of Revenue billed	0.38%	2.00%

5.13.3. The Petitioner has submitted that the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is integral part of the revenue and the receivables of the Petitioner.

Accordingly, above provision for Bad & Doubtful Debts has been considered including the Electricity Duty component.

5.13.4. Since the Petitioner's estimated provision for Write-off of Bad and Doubtful Debts is within the norm as provided in MYT Regulations, 2019, the Commission is requested to approve and consider the same for determination of ARR for FY 2024-25.

Commission's Analysis

5.13.5. The Commission observes that the Provision for Bad & Doubtful Debts as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated October 10, 2024, for FY 2024-25 as the Petitioner has claimed the limit of 2% provided in the Regulations. The Commission had considered the actual value of bad & doubtful debt since it is lower than the limit of 2%. The same approach shall be taken by the Commission at the time of True-Up.

5.13.6. The analysis of Provision of bad debts for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner.

5.14. OTHER MISCELLANEOUS ITEMS

Loss on Retirement/Impairment of Assets

Petitioner's Submission

5.14.1. The Petitioner has estimated to incur loss on sale / retirement of Fixed Assets during FY 2024-25 at Rs. 2.78 Cr.

5.14.2. The Petitioner has submitted that while MYT Regulations, 2019 provides 10% salvage value for all assets to be recovered through sale of retired assets, it is pertinent to mention that some assets such as IT and communication systems, underground cables, office equipment, furniture and fixtures etc. does not have any resale value. Even in case of meters and its accessories, server equipment etc. the Petitioner has to incur cost for lifting of the scrap. As a result, the 10% salvage value of such assets are not fully recovered which implies that 100% value of such assets is not fully recovered despite the fact that the Petitioner follows the transparent process to sale such assets at best rate available through M-junction bidding (Government Portal). The Commission may observe that 10% salvage value is not fully recovered due to sale of such assets as specified in MYT Regulations, 2019 leading to no full recovery of 100% value of such assets thereby leading to substantial loss to the Petitioner.

Commission's Analysis

5.14.3. The Commission observes that the Petitioner for FY 2024-25 has claimed Rs. 2.78 Cr. as a loss on sale of Fixed Assets. The Commission has not approved any miscellaneous expense for FY 2024-25 vide Tariff Order dated October 10, 2024. Further, analysis of Miscellaneous expenses for FY 2024-25 would be carried out during True-Up proceedings based on actual data, Annual Audited Balance Sheet of the Petitioner and data submitted by the Petitioner as per the requirement and directions of Commission.

5.15. INCOME TAX

Petitioner's Submission

5.15.1. The Petitioner has submitted that Regulation 26 of MYT Regulations, 2019 provides for determination of Income Tax to be considered in ARR for Control period FY 2020-21 to FY 2024-25.

5.15.2. It is further submitted that, on September 20, 2019, the Central Government introduced "Taxation Laws (Amendment) Act, 2019" wherein a new Corporate Tax Rate

at 25.17% including surcharge and cess has been introduced under newly inserted Section 115BAA. However, the new rate U/s 115 BAA can be availed only by foregoing some specified exemption/deduction/allowance otherwise available in the Income Tax Act, 1961. The Petitioner has also submitted the extract of the Amendment Act.

5.15.3. Considering the lower tax rate available under the Income Tax Act, the Petitioner keeping the interest of the Consumers in mind, has adopted the new tax rate and accordingly has paid Income Tax for FY 2024-25 at the rate of 25.17% as against normal tax rate of 34.94%. Considering the above Regulations, the Petitioner has computed the income tax liability for FY 2024-25 as shown in the table below:

TABLE 5-33 INCOME TAX (FY 2024-25) (RS. CR.)

Sl. No.	Nature of Tax	Reference	Approved	Estimated
1	Return on Equity	a	70.19	86.53
2	Income Tax Rate	b	25.17%	25.17%
3	Total TAX Expense	C=axb/(1-b)	23.61	29.10

Commission's Analysis

5.15.4. The Commission observes that the Total Tax Expense as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated October 10, 2024, for FY 2024-25. Further analysis of Income Tax for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner. The provisions of the taxation and the amendments that have been made by the Government shall be taken into consideration.

5.16. CONTINGENCY RESERVE

Petitioner's Submission

5.16.1. The Petitioner submitted that Regulation 27 of the MYT Regulations, 2019 provides for and governs the appropriation of Contingency Reserve.

5.16.2. The Petitioner submitted that contingency reserve is created to meet the eventualities in the nature of major calamities, act of God etc. and thereby, causing huge loss to the network. In any case, the amount so allocated, can be used with prior permission of the Commission only. Therefore, the Petitioner has considered creation of contingency reserve at lower limit of 0.25% of Opening Gross Fixed Asset as per the MYT Regulations, 2019 as shown in Table below:

TABLE 5-34 CONTINGENCY RESERVE (FY 2024-25) (RS. CR.)

Sl. No.	Particulars	Estimated
1	Opening GFA (at original value)	2,245.95
2	% of Opening GFA	0.25%
3	Contribution to Contingency Reserve	5.61

Commission's Analysis

5.16.3. The Commission has noted the same. Further analysis of Contingency Reserve for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheets of the Petitioner.

5.17. RETURN ON EQUITY

Petitioner's Submission

5.17.1. The Petitioner has submitted that as described in submissions on True-up for FY 2023-24 and based on Regulation 20.2 of the MYT Regulation, the Debt and Equity as at end of FY 2023-24 has been considered as Opening Debt and Equity for FY 2024-25. However, as the Commission is aware that the Company has filed appeals against the Tariff Orders dated December 4, 2020, August 26, 2021, July 20, 2022, and May 24, 2023, before the Hon'ble APTEL, it has considered the opening balances of Debt and Equity as per its True-up Petition / submission for determination of Return on Equity for FY 2024-25.

5.17.2. Accordingly, the Petitioner, on the basis of Capital Expenditures for FY 2019-20 to FY 2023-24, has claimed, the opening normative net Equity for FY 2024-25 works out to Rs. 535.08 Cr.

The summary of Return on Equity for FY 2024-25 based on above referred Opening Equity and equity portion of Assets Capitalised during FY 2024-25 of Rs. 83.64 Cr is given in Table below:

TABLE 5-35 COMPUTATION OF RETURN ON EQUITY (FY 2024-25) (RS. CR.)

Sl. No.	Particulars	Ref.	Approved	Estimated
1	Regulatory Equity Base at the beginning of the year	a	416.74	535.08
2	Asset Capitalized during the year net of Consumer Contribution and Retirement	b	341.40	278.79

3	Equity portion of Assets Capitalised during the year	c	102.42	83.64
4	Regulatory Equity Base at the end of the year	d=a+c	519.16	618.71
5	Return on Opening Regulatory Equity Base @ 15%	e=ax15%	62.51	80.26
6	Return on Addition to Equity Base during the year @15%	f=cx15%/2	7.68	6.27
7	Total Return on Equity	g=e+f	70.19	86.53

Commission's Analysis

5.17.3. The Commission observes that the computation on Return on Equity as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated October 10, 2024, for FY 2024-25.

5.17.4. The Commission has discussed the detailed approach taken for the computation of opening equity considered for FY 2023-24. The opening equity balance for FY 2024-25 is considered as the closing equity balance of FY 2023-24 as approved by the Commission in this Order. The equity addition during the FY 2024-25 is considered as 30% of net GFA addition (after considering deduction / decapitalization and Consumer Contribution in GFA) to derive the closing base of equity for FY 2024-25.

TABLE 5-36 ROE COMPUTED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Approved in TO dated 24.05.2023	ARR Petition	Computed by Commission
Equity (Opening Balance)	416.74	535.08	391.91
Net additions during the year	102.42	83.64	77.37
Equity (Closing Balance)	519.16	618.71	469.28
Average Equity	467.95	576.90	430.60
Rate of Return on Equity	15.00%	15.00%	15.00%
Return on Equity	70.19	86.53	64.59

5.17.5. The provisionally derived closing equity base of FY 2024-25 is considered as opening equity for FY 2025-26.

5.17.6. The values of APR will form the basis of the determination of ARR. The Commission has not done a prudence check of the submission made for APR, however, for determination of Return on Equity, the closing loan value approved in True-up and the equity addition during the year has been provisionally considered, detailed computation is shown in the subsequent Chapter.

5.17.7. Further, analysis of Return on Equity for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner.

5.18. NON-TARIFF INCOME

Petitioner's Submission

5.18.1. The Petitioner submitted that the non-tariff income includes income from statutory investments, miscellaneous receipts from consumers, delayed payment surcharge and various other non-tariff incomes generated by the Petitioner from other businesses. The details of such income estimated for FY 2024-25 are given in the Table below:

Table 5-37 NON-TARIFF INCOME AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. CR.)

Sl. No.	Particulars	Approved in T.O 24.05.2023	Claimed
1	Income from investments;	53.01	0.13
2	Income from delayed payment surcharge, supervision charges, etc.;		7.01
3	Miscellaneous receipts; and		0.92
4	Income from Telecom Service Providers % of Gross Revenue		0.04
5	Any other Non-Tariff Income:		0.50
	Total	53.01	8.60

5.18.2. Furthermore, the Petitioner has requested the Commission to not consider treasury income as Non-Tariff Income in APR for FY 2024-25. The Petitioner has submitted that it has never claimed any TDS amount as income in terms of Regulation 26 of MYT Regulations, 2019. Therefore, the interest earned on such TDS demand refunded cannot be considered as non-tariff income.

5.18.3. As per the Commission's directives the Petitioner has commenced the process of converting single point connection to multi point connection. The Petitioner submitted that the new connection charges paid on EMI/instalment basis are fully utilized as consumer contribution by the Petitioner and hence, the Petitioner has not received any Return on Equity (RoE) on this amount. Accordingly, the Petitioner requested the Commission to reduce such interest from Non-Tariff Income during FY 2023-24 as it

arises from investments that are part of the consumer contribution and does not have any impact on Return on Equity from such investments.

5.18.4. Accordingly, based on the above consideration and the actual Non-Tariff Income till FY 2023-24 incidental to business of electricity supply, the Company has estimated Rs. 8.60 Cr of Non-Tariff Income for FY 2024-25.

Commission's Analysis

5.18.5. The Commission observes that the total Non-Tariff Income as submitted by the Petitioner is lower than that approved by the Commission vide Tariff Order dated October 10, 2024. The Petitioner has made certain submissions in relation to treasury income which is shown separately in the balance sheet. As per the proviso in Regulation 47.2, the interest earned from investments made out of Return on Equity corresponding to the regulated business of the Distribution Licensee shall not be included in Non-Tariff Income. The Commission has been considering such income as non-tariff income as the the Petitioner has failed to demonstrate how the interest earned from investments made out of Return on Equity. The Commission shall allow the submission made by the Petitioner subject to prudence check at the time of True-Up. The Petitioner has also submitted that interest earned from consumers in multi storied buildings on account of new connection charges which were paid in instalments. The Petitioner has not provided any details on the number of multi storied buildings that have been converted from single point to multi point. Further, it also needs to be submitted how many meters were installed. The Petitioner will be required to make detailed submission so as to justify why such interest should not be considered as interest income.

5.18.6. Further, analysis of Non-Tariff Income for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheet of the Petitioner.

5.19. CARRYING COST OF REGULATORY ASSET

Petitioner's Submission

5.19.1. Regulation 28.5 of MYT Regulations, 2019 provides for allowance of carrying cost on regulatory assets. The relevant extract of the Regulation 28.5 is reproduced below for reference:

“ 28.5 Carrying cost for the gap / surplus of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.”

5.19.2. Based on the above Regulation, the carrying cost of Regulatory Asset/Liability till FY 2024-25 is given in the Table below: -

TABLE 5-38 CARRYING COST (FY 2024-25) (RS. CR.)

Sl. No	Particulars	Ref.	Approved	Estimated
1	Regulatory Assets/(Surplus) at the beginning of Year	a	(1,082.18)	(43.98)
2	Addition to Regulatory Assets during the year	b	(49.92)	401.68
3	Closing Regulatory Assets (before Carrying cost for the year)	c=a+b	(1,132.10)	357.69
4	Average Regulatory Asset	d=(a+c)/2	(1,107.14)	156.86
5	Applicable Interest Rate for Working Capital Finance	e	11.05%	11.07%
6	Carrying Cost of Regulatory Asset	f=e*d	(122.34)	17.36

5.19.3. Further, the Petitioner submitted that as directed by the Hon’ble Appellate Tribunal for Electricity (APTEL), the surplus amount of Rs. 19.64 Cr. for FY 2006-07 approved by the Commission, being not available with the Company, has not been adjusted in determination of cumulative deficit. On the basis of the above, the Commission is requested to kindly approve carrying cost of Regulatory Asset/(Liability) for FY 2024-25 at Rs. 17.36 Cr.

Commission’s Analysis

5.19.4. The analysis of Revenue Gap and corresponding carrying cost for FY 2024-25 would be carried out during True-Up proceedings based on actual data and Annual Audited Balance Sheets of the Petitioner.

5.20. APR SUMMARY AND REVENUE GAP/ SURPLUS

Petitioner’s Submission

5.20.1. The Petitioner has submitted the Aggregate Revenue Requirement for FY 2024-25 based on the submission made above as given in the Table below:

TABLE 5-39 SUMMARY OF APR (FY 2024-25) (RS. CR.)

Sl. No.	Particulars	Approved	Estimate
1a	Power Purchase Expenses for the Year	2,076.85	2,095.63
1b	Arrears of Power Purchase	-	134.20
2	Transmission Charges	314.22	318.96
3	Net Employee cost (Incl. Retiral Benefits)	18.56	74.18
4	A&G expenses	20.28	37.42
5	R&M expenses	54.72	72.58
6	Addl. O&M - SOP Compliance, CGRF, DT Metering, Energy Audit, Technical Study etc.	-	9.18
7	Interest Charges	77.82	83.24
8	Depreciation	62.21	76.01
9	Taxes (Income Tax & MAT)	23.61	29.10
10	Provision for Bad & Doubtful Debts	10.30	56.19
11	Loss on Sale of Fixed Asset	-	2.78
12	Revenue from Loss Reduction	-	2.22
13	Contingency Reserve	-	5.61
14	Return on Equity	70.19	86.53
15	Annual Revenue Requirement	2,728.76	3,083.84
16	Less: Revenue from Existing Tariff	2,725.67	2,667.77
17	Less: Revenue from Open Excess Charges		5.80
18	Less: Non-Tariff Income	53.01	8.60
19	Revenue Gap / (Surplus)	(49.92)	401.68
20	Revenue Gap/ (Surplus) from Prev. Year	(1,082.18)	(43.98)
21	Carrying Cost of Regulatory Asset	(122.34)	17.36
22	Total Revenue Gap /(Surplus) carried forward	(1,254.44)	375.05

Commission's Analysis

5.20.2. The Commission observes that as per the submission made by the Petitioner for APR for FY 2024-25, the Annual Revenue Requirement is higher than that approved by the Commission vide Tariff Order dated October 10, 2024. This has resulted in Gap of Rs. 375.05 Cr. in comparison to surplus of Rs. 1,254.44 Cr. approved by the Commission. Further, the analysis of the Aggregate Revenue Requirement (ARR) for FY 2023-24 would be carried out during True-Up proceedings based on actual data and the Annual Audited Balance Sheet of the Petitioner.

6. AGGREGATE REVENUE REQUIREMENT OF FY 2025-26

6.1. INTRODUCTION

- 6.1.1. The Commission, in earlier Chapters of this Order, has undertaken Truing-Up for FY 2023-24 based on the Audited Balance Sheet and APR for FY 2024-25. The Petitioner has submitted that as per the timeline specified in Regulation 4.1 of the MYT Regulations, 2019, the Distribution Licensee was required to submit Petition for True-up for FY 2023-24, APR for FY 2024-25, and ARR for FY 2025-26 by November 30, 2023. The Petitioner has filed the Petition for determination of True-Up for FY 2023-24, APR for FY 2024-25, and ARR & Tariff for FY 2025-26 on November 28, 2024.
- 6.1.2. Furthermore, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 (hereinafter referred to as “MYT Regulations 2025”) on March 26, 2025. The MYT Regulations 2025 is applicable for the control period from April 01, 2025, to March 31, 2030, unless extended by the Commission. Accordingly, revised submission made by the Petitioner in the formats prescribed by the Commission vide letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025.
- 6.1.3. In this Chapter, the Commission has undertaken a detailed examination of each component of the Aggregate Revenue Requirement (ARR) for FY 2024–25, as submitted by the Petitioner through its letter dated April 30, 2025, as per the provisions of MYT Regulations 2025. Regulation 8 of the MYT Regulations, 2025, provides for the filing of the Aggregate Revenue Requirement (ARR). Furthermore, the components of the ARR have been specified in Regulation 29 of the MYT Regulations, 2025.
- 6.1.4. The Commission approves the ARR, taking into consideration the submissions made by the Petitioner for each component of ARR which is discussed in subsequent sections in this chapter.

6.2. NUMBER OF CONSUMERS, CONNECTED LOAD AND SALES

Petitioner’s Submission

- 6.2.1. The Petitioner has submitted that as on March 31, 2025, for FY 2024-25, there are 1,85,717 consumers, including Single point multi-rise housing societies having load of 1,800 MW and energy consumption of 3,650 MUs.

6.2.2. Accordingly, the Petitioner has calculated category-wise growth in terms of Energy Consumption/Sales (MUs), Connected Load (MW) and Number of Consumers in the last seven years is provided in the Tables below:

TABLE 6-1 ACTUAL/AUDITED SALES (MUS)

Tariff Category	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	7 Year CAGR
Non-Industrial Bulk Load (HV1)	151	175	218	243	165	216	318	370	13.79%
Large & Heavy Power (HV2)	817	877	921	990	986	1,150	1,347	1,423	8.28%
Domestic Light, Fan & Power (LMV1)	300	367	452	586	617	694	884	983	18.51%
Non- Domestic Light, Fan & Power (LMV2)	30	33	34	38	34	41	60	77	14.50%
Public Lamps (LMV3)	36	34	36	33	31	37	29	28	-3.39%
Light, Fan & Power for Institutions (LMV4)	12	13	14	15	10	12	17	18	5.65%
Small Power - Private Tubewells (LMV5)	32	32	26	22	19	15	12	11	-14.50%
Small and Medium Power (LMV6)	62	69	81	87	82	101	118	130	11.32%
Public Water Works (LMV7) & (LMV8)	15	20	20	21	23	25	30	33	11.38%
Temporary Supply (LMV9)	47	47	49	46	44	46	57	58	3.12%
Electric Vehicle Charging (LMV11)	-	-	-	-	-	-	0	0	NA
Total Sales (MUs)	1,500	1,668	1,850	2,081	2,012	2,338	2,870	3,130	11.11%

TABLE 6-2 ACTUAL/AUDITED LOAD (MW)

Tariff Category	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	7 Year CAGR
Non-Industrial Bulk Load (HV1)	80	86	100	119	116	120	146	170	11.41%
Large & Heavy Power (HV2)	288	299	336	400	424	449	497	539	9.37%
Domestic Light, Fan & Power (LMV1)	257	304	355	402	449	510	620	747	16.44%
Non- Domestic Light, Fan & Power (LMV2)	20	22	24	27	28	33	40	49	13.71%
Public Lamps (LMV3)	12	13	10	11	11	12	11	10	-3.14%
Light, Fan & Power for Institutions (LMV4)	5	6	7	7	7	7	7	8	5.34%



Tariff Category	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	7 Year CAGR
Small Power - Private Tubewells (LMV5)	6	6	6	6	6	5	5	5	-1.33%
Small and Medium Power (LMV6)	53	59	67	72	77	83	88	95	8.74%
Public Water Works (LMV7) & (LMV8)	7	7	7	8	8	12	15	16	12.40%
Temporary Supply (LMV9)	31	31	22	22	20	19	20	21	-5.61%
Electric Vehicle Charging (LMV11)	-	-	-	-	-	-	0	0	NA
Total Load (MW)	758	832	935	1,073	1,146	1,250	1,449	1,659	11.83%

TABLE 6-3 ACTUAL/AUDITED NUMBER OF CONSUMERS (NO.)

Tariff Category	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	7 Year CAGR
Non-Industrial Bulk Load (HV1)	138	149	178	202	218	225	259	289	11.14%
Large & Heavy Power (HV2)	566	638	721	802	858	898	972	1068	9.49%
Domestic Light, Fan & Power (LMV1)	67,245	73,017	81,390	87,479	95,855	1,06,390	1,22,861	1,47,935	11.92%
Non- Domestic Light, Fan & Power (LMV2)	2,830	2,798	2,922	3,066	3,336	3,649	4,238	5,050	8.62%
Public Lamps (LMV3)	20	20	206	295	342	412	421	921	72.82%
Light, Fan & Power for Institutions (LMV4)	468	633	675	470	520	526	527	527	1.71%
Small Power - Private Tube wells (LMV5)	1165	1182	1191	1221	1249	1053	1025	971	-2.57%
Small and Medium Power (LMV6)	2,338	2,602	2,933	3,157	3,324	3,494	3,601	3,708	6.81%
Public Water Works (LMV7) & (LMV8)	208	221	208	226	254	269	302	315	6.11%
Temporary Supply (LMV9)	940	971	810	764	751	837	1006	1123	2.57%
Electric Vehicle Charging (LMV11)	0	0	0	0	0	0	2	7	NA
Total No. of Consumers	75,918	82,231	91,234	97,682	1,06,707	1,17,753	1,35,214	1,61,914	11.43%

6.2.3. The Petitioner has submitted that the Greater Noida area, the Licensed area of the Petitioner, has experienced an overall Compound Annual Growth Rate (CAGR) of ~11%-12% over the past 7 years, in respect of Consumers, Consumption/Sales and Connected Load.

6.2.4. Further the Petitioner has submitted that it has engaged the Central Electricity Authority (CEA) to conduct a long-term electricity demand assessment to project future energy requirements and peak demand. The CEA provided a report viz “Load Forecasting and Network Requirement Report” based on actual data up to December 2022. A summary of the energy consumption/sales projections from CEA’s report for FY 2024-25 and FY 2025-26 are provided in Table given below, for reference.

TABLE 6-4 : ENERGY CONSUMPTION (MUS) PROJECTIONS BY CEA

Particulars	2024-25	2025-26
1. Domestic	677.65	790.38
2. Commercial	287.17	336.00
3. Public lighting	30.63	31.60
4. Public Water Works	40.11	46.05
5. Irrigation	8.55	8.15
6. LT Industries	148.27	163.54
7. HT Industries	757.07	862.51
8. Others	56.12	59.94
9. 33kV and above consumers	1,755.26	2,001.71
Total Energy Consumption	3,760.83	4,299.88

6.2.5. In compliance with the Commission’s directive dated April 15, 2025, the Petitioner has reviewed the Aggregate Performance Review (APR) data for FY 2024–25 against provisional/unaudited figures. The comparison revealed only minor deviations in billing determinants-sales declined by 1.3% (46 MU), load increased by 3.9% (70 MW), and consumer count rose by 0.8% (1,437 consumers). Given these marginal variations, the Petitioner has not revised the projected billing determinants for FY 2025–26. Instead, sales projections have been computed using category-wise CAGR applied to the previously estimated figures submitted in the Tariff Petition dated November 28, 2024.

6.2.6. The Petitioner has adopted the following methodology for the computation of Billing Determinants of ARR for FY 2025-26:

- **Sales:** For the projection of sales of FY 2025-26, the Petitioner has considered the Compound Annual Growth Rate (CAGR) of sales over the seven-year period from FY 2016-17 to FY 2023-24. However, to ensure realistic sales projections, the Petitioner has applied different CAGR calculations for specific consumer

categories. In the case of Non-Industrial Bulk Load (HV1) category, considering the impact of migration of consumers to open access, a six-year CAGR has been considered. Similarly, in the case of Domestic Light, Fan & Power (LMV1) category, a five-year CAGR has been considered taking into consideration the rooftop solar installations and evolving consumption pattern. In the case of Public Lamps (LMV3) category, a historical decline in sales due to LED adoption was witnessed however, a rate of 5.61% has been considered anticipating new installation in Greater Noida. These growth rates provide a more rational basis for forecasting future demand within each category.

- **Connected Load:** For the projection of Connected Load of FY 2025-26, the Petitioner has considered the CAGR of connected load over the seven-year period from FY 2016-17 to FY 2023-24. However, to ensure realistic Load projections, the Petitioner has applied different CAGR calculations for specific consumer categories. In case of Temporary Supply (LMV9) category, although seven-year CAGR is -5.61%, a three-year CAGR has been considered anticipating increased demand from upcoming infrastructure projects. Similarly in case of Public Lamps (LMV3) category, load has reduced from 12 MW to 9.65 MW which is attributed to LED transition, a growth rate of 5.86% has been considered factoring in future urban development. These growth rates provide a more rational basis for forecasting future demand within each category.
- **Number of Consumers:** The Petitioner has estimated the Number of Consumers for the Control Period using the CAGR of consumers over the seven-year period from FY 2016-17 to FY 2023-24. However, to ensure realistic consumer projections, the Petitioner has applied different CAGR calculations for specific consumer categories. In the case of Public Lamps (LMV3) category, a moderated rate of 5.82% CAGR is projected. Additionally, for the Domestic Light, Fan & Power (LMV-1) category, the Petitioner has considered not only the seven-year CAGR (11.92%) but also the impact of new multipoint connections and the conversion of single-point to multipoint connections across 36 societies, assuming 542 connections per society. These growth rates provide a more rational basis for forecasting future demand within each category.

6.2.7. Additionally, for 'Electric Vehicle Charging (LMV11)', where historical data for the last seven years is unavailable, the Petitioner has considered ~27 new Electric Vehicle Charging Stations connections for FY 2025-26. Accordingly, the Petitioner has projected figures for Sales & Connected Load for ARR 2025-26.

6.2.8. The details of CAGR for each of the categories / sub-categories is provided in the Table below:

TABLE 6-5: CAGR CONSIDERED FOR THE PROJECTIONS OF BILLING DETERMINANTS FOR FY 2025-26

Tariff Category	Sales		Connected Load		Number of Consumers	
	7 Year CAGR	CAGR considered	7 Year CAGR	CAGR considered	7 Year CAGR	CAGR considered
Non-Industrial Bulk Load (HV1)	13.79%	13.42% (6 Year)	11.41%	11.41%	11.14%	11.14%
Large & Heavy Power (HV2)	8.28%	8.28%	9.37%	9.37%	9.49%	9.49%
Domestic Light, Fan & Power (LMV1)	18.51%	16.82% (5 Year)	16.44%	16.44%	11.92%	11.92% (In addition to CAGR, 36 societies considered, new/conversion from single to multipoint)
Non- Domestic Light, Fan & Power (LMV2)	14.50%	14.50%	13.71%	13.71%	8.62%	8.62%
Public Lamps (LMV3)	-3.39%	5.61% (Normalize)	-3.14%	5.86% (Normalize)	72.82%	5.82% (Normalize)
Light, Fan & Power for Institutions (LMV4)	5.65%	5.65%	5.34%	5.34%	1.71%	1.71%
Small Power - Private Tube wells (LMV5)	-14.50%	-14.50%	-1.33%	-1.33%	-2.57%	-2.57%
Small and Medium Power (LMV6)	11.32%	11.32%	8.74%	8.74%	6.81%	6.81%
Public Water Works (LMV7) & (LMV8)	11.38%	11.38%	12.40%	12.40%	6.11%	6.11%
Temporary Supply (LMV9)	3.12%	3.12%	-5.61%	1.39% (Normalize)	2.57%	2.57%
Electric Vehicle Charging (LMV11)	NA	12.20% (Considering ~27 new connections)	NA	13.94% (In accordance to increase in no. of connections)	NA	15.77% (In accordance to increase in no. of connections)

6.2.9. The above CAGR has been applied on the estimated figures of FY 2024-25 for the projections of Sales, Connected Load and No. of Consumers of FY 2025-26. The summary of Billing Determinants estimates for FY 2025-26 is summarized Below:

TABLE 6-6: BILLING DETERMINANTS PROJECTED FOR ARR FY 2025-26

S. No	Consumer Category	Sales (MU)	Connected Load (MW)	Consumers (No.)
1	Non-Industrial Bulk Load (HV1)	463.13	206.35	353
2	Large & Heavy Power (HV2)	1,740.83	623.83	1263
3	Domestic Light, Fan & Power (LMV1)	1,446.76	976.46	2,09,970
4	Non- Domestic Light, Fan & Power (LMV2)	106.86	65.27	6490
5	Public Lamps (LMV3)	26.95	10.76	1522
6	Light, Fan & Power for Institutions (LMV4)	21.86*	8.62	546
7	Small Power - Private Tube wells (LMV5)	10.40	5.20	981
8	Small and Medium Power (LMV6)	164.85	109.06	4084
9	Public Water Works (LMV7) & (LMV8)	40.30	18.21	354
10	Temporary Supply (LMV9)	61.37	21.66	1394
11	Electric Vehicle Charging (LMV11)	0.33	0.97	39
	Total	4,083.65	2,046.39	2,26,996

*Includes captive consumption of 3.78 MUs

6.2.10. The Petitioner has submitted that the Sales projected for FY 2025-26 is close to the Sales considered by Central Electricity Authority (CEA) in its report titled “Report on Electricity Demand Forecast of Greater Noida” issued in March 2024.

6.2.11. In light of the above the Petitioner has requested the Commission for approval of the proposed billing determinants (Sales, Connected Load and Number of Consumers) for ARR of FY 2025-26.

6.2.12. Further, based on the above projected Billing Determinants, the projected Revenue and average realization for FY 2025-26 are given in Table below.

TABLE 6-7: ESTIMATED ENERGY SALES & REVENUE FOR FY 2025-26

Sl. No.	Category	Sales	Revenue	ABR
		(MUs)	(Rs. Cr.)	(Rs/kWh)
1	HV-1: Non-Industrial Bulk Power	463.13	424.48	9.17
2	HV-2: Large and Heavy Power	1,740.83	1,260.45	7.24
3	LMV-1: Domestic Light, Fan & Power	1,446.76	889.40	6.15
4	LMV-2: Non-Domestic Light & Fan & Power	106.86	103.12	9.65
5	LMV-3: Public Lamps	26.95	23.03	8.54
6	LMV-4: Institutions	21.86	21.19*	9.69
7	LMV-5: Private Tube Wells	10.40	2.84	2.73

Sl. No.	Category	Sales	Revenue	ABR
		(MUs)	(Rs. Cr.)	(Rs/kWh)
8	LMV 6: Small and Medium Power	164.85	134.62	8.17
9	LMV-7: Public Water Works	40.30	37.10	9.21
10	LMV-9: Temporary Supply	61.37	65.51	10.68
11	LMV-11: Electric Vehicle Charging	0.33	0.22	6.53
12	Total	4,083.65	2,961.96	7.25

* An amount of Rs. 4.33 Cr has been included towards captive consumption by the Petitioner against 3.78 MUs already considered in Sales

6.2.13. The Petitioner has submitted that the aforesaid revenue has been computed based on the Rate Schedule approved in the Tariff Order dated October 10, 2024, applicable from October 26, 2024, after deducting 10% Regulatory Discount.

6.2.14. Further, it is submitted that the LMV-1 category includes the number of Lifeline consumers at LT network and consumers under Saubhagya Scheme. These are small consumers in terms of load, which qualify under LMV-1 Tariff category. The consumer details under Lifeline and SAUBHAGYA scheme, is given herein below: -

TABLE 6-8: CONSUMER DETAILS OF LIFELINE AND SAUBHAGYA SCHEME FOR FY 2025-26

Particulars	No. of Consumers	Connected load/ Contracted demand	Total Energy Sales
	(in Nos.)	(in KW)	(in MU)
Consumers under Saubhagya Scheme			
Rural	4310	7375	9.84
Urban	1586	3000	6.40
Lifeline Consumers			
Rural	2412	2412	0.97
Urban	2412	2412	0.91

6.2.15. Further, the Government of Uttar Pradesh (GoUP), through letter no. 43/24-1-2024-49P/2014 dated March 06, 2024, has announced a subsidy on electricity bills for all private tube-well consumers across distribution licenses in Uttar Pradesh, effective from April 01, 2023. Accordingly, the Petitioner, vide its letter no. NPCL/MD/2025/03/002 dated March 21, 2025, requested to remit subsidy for FY 2025-26 amounting to Rs. 0.76 crore. However, as of the present date, the Petitioner is yet to receive the subsidy.

6.2.16. In response to persistent requests from private tube-well consumers, farmers, and Kisan Unions regarding the timely implementation of the promised subsidy, the

Petitioner has taken proactive steps. Eligible consumers were informed about a shift to quarterly billing, with subsidy credits being applied from October 2024 onwards. However, for the estimation of the Revenue of FY 2025-26; the Petitioner has not considered any subsidy amount and the same will be considered once the Petitioner receives as per the Provisions of Electricity Act 2003 from the GoUP.

6.2.17. The Petitioner has submitted that it serves a diverse mix of consumers including villages, urban sectors, industries, and institutions. It is responsible for maintaining a robust distribution network and minimizing T&D losses. To combat electricity theft, the Petitioner operates a dedicated Loss Control Cell (LCC) comprising techno-commercial experts who conduct load analysis and vigilance raids. Theft cases are assessed in accordance with the Electricity Act 2003 and the U.P. Electricity Supply Code, 2005 and are accounted for as per Ind AS-115 under the Companies Act, 2013.

Commission's Analysis

6.2.18. In Regulation 13.2 and 30 of the UPERC MYT Regulation 2025 the detailed methodology for calculation of Load and Sales forecast respectively for the Tariff Period of FY 2025-26 to FY 2029-30 has been provided.

13.1 The Distribution Licensee shall be responsible for the assessment and forecasting of demand (MW) and energy (MWh) within its licensed area of supply to its consumers for multiple horizons (short/ medium/ long) as per the applicable law.

13.2 The load forecast shall be determined for each category/ sub-category for which the Commission has determined or the Distribution Licensee has proposed to determine the retail Tariff.

30. Sales Forecast

30.1 The Distribution Licensee shall submit a forecast of the expected sales along with number of hours of supply to each Tariff category / sub-category and to each Tariff slab within such Tariff category / sub-category, to the Commission for approval as stipulated in these Regulations:

30.2 Unless provided otherwise by the Commission, sales forecast shall be based on the past trends in each of the slabs of consumer categories. The Compounded Annual Growth Rate (CAGR) of past seven years of sales within each of the slabs of a consumer

category as per the audited books of account, or if not available, then provisional accounts, will be considered:

Provided that the Distribution Licensee shall submit relevant details regarding category-wise sales separately for each Distribution Franchisee area within its Licence area, as well as the aggregated category-wise sales in its Licence area.

30.3 The sales forecast shall be consistent with the load forecast prepared as part of the power procurement plan under Part B of these Regulations and shall be based on past data and reasonable assumptions regarding the future.

6.2.19. The Commission finds that the Petitioner has made reasonable assumptions for estimation of billing determinants. Accordingly, the Commission approve the no. of consumer, Load and sales of the Petitioner for the FY 2025-26 as claimed by the Petitioner as shown in the Table below:

Table 6-9 APPROVED BILLING DETERMINANTS FOR FY 2025-26

Sl. No.	Category	Sales (MU)	Connected Load (MW)	Consumers (No.)
1	HV-1: Non-Industrial Bulk Power	463.13	206.35	353
2	HV-2: Large and Heavy Power	1,740.83	623.83	1263
3	LMV-1: Domestic Light, Fan & Power	1,446.76	976.46	2,09,970
4	LMV-2: Non-Domestic Light & Fan & Power	106.86	65.27	6490
5	LMV-3: Public Lamps	26.95	10.76	1522
6	LMV-4: Institutions	21.86*	8.62	546
7	LMV-5: Private Tube Wells	10.40	5.20	981
8	LMV 6: Small and Medium Power	164.85	109.06	4084
9	LMV-7: Public Water Works	40.30	18.21	354
10	LMV-9: Temporary Supply	61.37	21.66	1394
11	LMV-11: Electric Vehicle Charging	0.33	0.97	39
12	Total	4,083.65	2,046.39	2,26,996

*Includes captive consumption of 3.78 MUs

6.2.20. The Commission observes that the Petitioner has not projected any unmetered consumer in FY categories of LMV-I and LMV-5. The Commission also observes that the Petitioner has included captive consumption under energy sales for the LMV-4(B) category, and the corresponding revenue has been accounted for LMV-4 category.

6.2.21. The prudence check of the Billing Determinants shall be done by the Commission at the time of True Up.

6.3. DISTRIBUTION LOSS TRAJECTORY

Petitioner's Submission

- 6.3.1. The Petitioner, in line with the UPERC MYT Regulation 2025, has submitted the Distribution and AT&C loss trajectory for the control period FY 2025–26 to FY 2029–30. The Commission, in its Tariff Order dated October 10, 2024, had approved Distribution Loss targets of 7.63% for FY 2023–24 and 7.57% for FY 2024–25. The Petitioner has achieved a lower actual loss of 7.49% for FY 2023–24 and has re-estimated FY 2024–25 losses at 7.48% based on provisional data.
- 6.3.2. The Petitioner has submitted that it is the only hybrid distribution serving both urban consumers and over 100 villages, while maintaining single-digit T&D losses. However, further reduction below the current level of 7.48% is increasingly challenging due to technical limitations and inherent factors such as aging infrastructure, diverse consumer mix, and geographical spread, which constrain additional improvements without affecting network stability.
- 6.3.3. The Petitioner has highlight various obstacles / hurdles it is facing in achieving the Regulatory approved T & D losses as outlined below:
- i. **Pending Application for New Connection due to non-approval of GNIDA/ restrictions to release connection in Doob area:**
- 6.3.4. The Petitioner has submitted that several builders, colonizers, and individuals are developing freehold land in urban and village areas within GNIDA's notified jurisdiction, though the land is not acquired by GNIDA. These developers, having valid ownership through registered sale deeds, approach the Petitioner for electricity connections. Applicants submit completed forms along with ownership proof, confirming legal possession of the property.
- 6.3.5. However, GNIDA vide its various communications directed the Petitioner to ensure obtaining the approval of GNIDA (NOC) prior to erecting any line / granting electricity connection in the Urban / Village Area / New Colonies of Greater Noida in order to avoid future interruptions in future development activities.
- 6.3.6. As per clause 4.4 of the UP Electricity Supply Code 2005, an NOC or approval from the local authority, if mandated by law is required. As a result, the Petitioner is compelled to comply with GNIDA's directions, leading to challenges such as delays in connection

approvals and operational difficulties. However, the Petitioner has faced the issues of rampant theft of electricity from their distribution network through illegal wires and damage to the existing electrical system creating issues of safety and security of the network.

6.3.7. Further, the Petitioner has submitted that the Hon'ble Supreme Court vide its Order dated December 17, 2024, has also stated that in the larger public interest, all the necessary service connections, such as, Electricity, water supply, sewerage connection, etc., shall be given by the service provider / Board to the buildings only after the production of the completion/occupation certificate. The relevant extract of the said Order is reproduced as under:

"21. Therefore, in the larger public interest, we are inclined to issue the following directions, in addition to the directives issued by this Court in Re: Directions in the matter of demolition of structures (supra):

(iv) All the necessary service connections, such as, Electricity, water supply, sewerage connection, etc., shall be given by the service provider / Board to the buildings only after the production of the completion/occupation certificate.

....."

6.3.8. Based on the above constraints, there are around 109 applications currently pending or rejected for applications related to new electricity connections of unauthorized multistoried buildings, colonies, doob area etc. If the connected load applied in these applications are considered, it accounts to almost ~3.6 MW and 26 MU of electricity consumption.

6.3.9. Thus, such pending/rejection of electricity connection is leading to significant losses by ~0.7%-0.9% in overall losses considered growth of 20% on annual basis, as shown in herein below:

TABLE 6-10 : PROPORTION OF LOSSES DUE TO PENDING/REJECTED ELECTRICITY CONNECTION IN DISTRIBUTION LOSS TRAJECTORY

S. No.	Total Loss (in MUs)	Reference	FY 26	FY 27	FY 28	FY 29	FY 30
1	Energy Requirement	1	4,412	4,942	5,545	6,229	7,007
2	Energy Sales	2	4,084	4,576	5,134	5,769	6,491
3	Total Losses	3-1-2	329	367	410	460	516
4	Distribution Loss Trajectory	4=3/1	7.45%	7.42%	7.40%	7.38%	7.37%

S. No.	Total Loss (in MUs)	Reference	FY 26	FY 27	FY 28	FY 29	FY 30
5	Pending/Rejected connections*	5	32	38	45	54	65
6	Proportion of losses due to pending/rejected electricity connection in Distribution Loss Trajectory	6=5/1	0.73%	0.77%	0.81%	0.87%	0.93%

*Considering 20% growth on annual basis and FY 2024-25 as base year having 26 MU

6.3.10. Thus, as depicted from the above table, the pending/rejected electricity connection will increase in the future leading to the major contributor in Distribution Loss trajectory for the control period.

ii. Impact of 4%/5% losses due multi-point connections as per Electricity Supply Code:

6.3.11. The Petitioner has submitted that, as per the 13th Amendment to the Electricity Supply Code, 2005, the meter installed at the incoming supply point of a multi-storey building is treated as the reference meter. A permissible energy loss of up to 4% (for supplies up to 11 kV) and 5% (for supplies up to 33 kV) is allowed, accounting for transformation and LT line losses. Previously, under single-point connections, the Petitioner's responsibility ended at the supply point. However, with the shift to multi-point connections, the Petitioner now bears losses within the internal infrastructure of the society, including the distribution transformer and internal LT network, up to the permissible limits. Due to the increasing number of such conversions (with a 19% year-on-year growth), these losses now contribute approximately 9 MU annually, translating to 0.2%–0.3% of total LT-level losses.

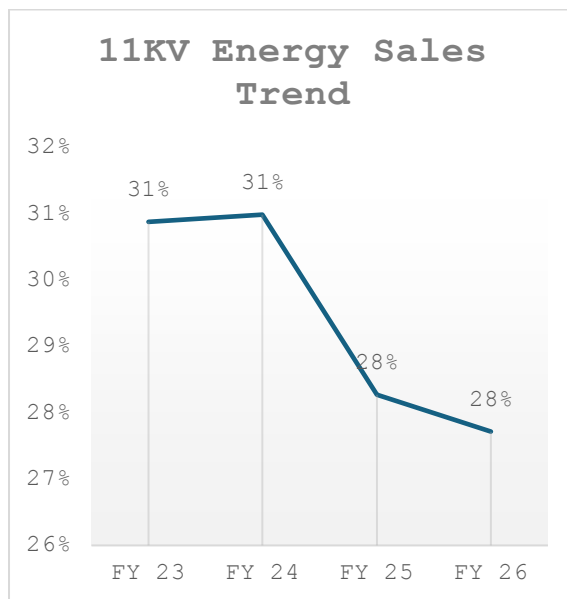
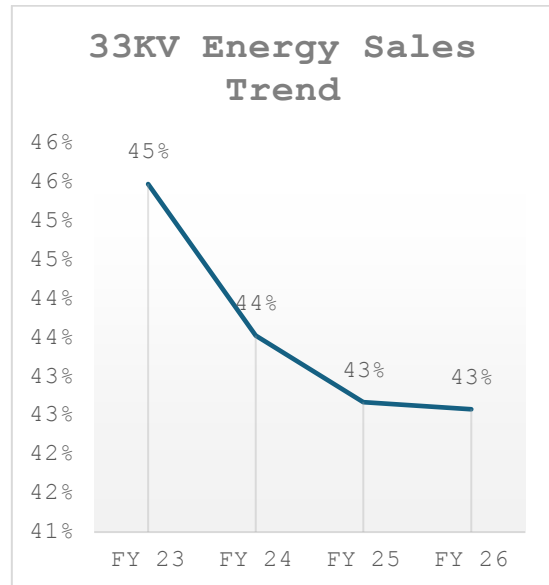
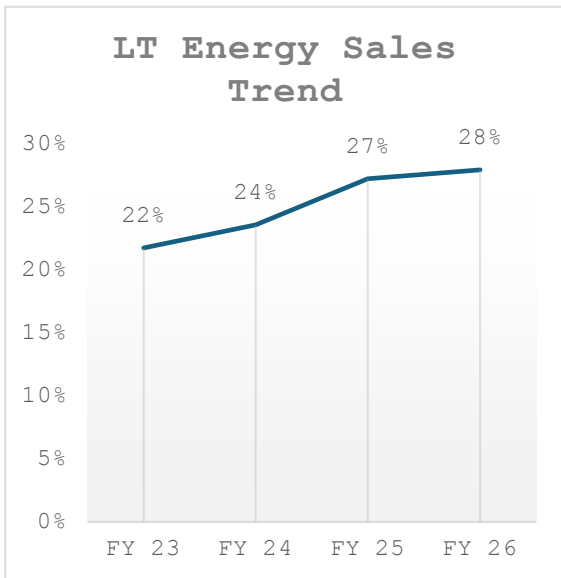
TABLE 6-11: LOSSES DUE TO CONVERSION FROM SINGLE POINT TO MULTIPOINT

S. No.	Particulars	Reference	2025-26	2026-27	2027-28	2028-29	2029-30
1	Growth in Multi Point Consumption	1	195	233	277	329	392
2	33 KV Contribution @75%	2=1*75%	147	174	208	247	294
3	11 KV Contribution @25%	3=2*25%	49	58	69	82	98
4	33 KV Loss @ 5%	4=2*5%	7	9	10	12	15
5	11 KV Loss @ 4%	5=3*5%	2	2	3	3	4
6	Total losses (MU) due to multi point	6=4+5	9	11	13	16	19
7	Total Losses	7	329	366	407	455	509
8	Energy Requirement	8	4,412	4,942	5,545	6,229	7,007

S. No.	Particulars	Reference	2025-26	2026-27	2027-28	2028-29	2029-30
9	Proportion of losses due to conversion of single to multi point conversion in Distribution Loss Trajectory	9=6/8	0.21%	0.22%	0.24%	0.25%	0.27%

iii. Paradigm shift in Low Tension (LT) sales growth:

6.3.12. The Petitioner has submitted that there is a comparatively higher increase in energy sales at Low Tension (LT) voltage level from FY 2022-23 to FY 2025-26, leading to decrease in HT:LT ratio of energy sales as given below:



6.3.13. Low Tension (LT) distribution networks primarily serve low end domestic and commercial consumers and typically involve longer feeder lengths per unit of energy supplied. Due to the lower voltage and higher current characteristics, these networks experience elevated technical losses. While a comparatively higher share of energy being supplied at the LT voltage level, the technical losses at LT voltage level also increase correspondingly, thereby posing a challenge in achieving an immediate reduction in overall T&D loss levels, the same is shown in table herein below:

TABLE 6-12: ENERGY SALES AND LOSS TRAJECTORY FOR THE CONTROL PERIOD CONSIDERING ACTUAL GROWTH IN SALES

S. No.	Particulars	Reference	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
A	Energy Consumption									
1	At 132 KV level		53	58	64	70	75	82	88	96
2	At 33 KV level		1,305	1,363	1,558	1,739	1,944	2,175	2,437	2,734
3	At 11 KV level		886	970	1,032	1,132	1,242	1,365	1,501	1,652
4	At LT level		625	740	996	1,143	1,314	1,512	1,742	2,009
	Total (A)		2,870	3,130	3,650	4,084	4,576	5,134	5,769	6,491
B	Assuming same proportion of Sales									
1	At 132 KV level		2%	2%	2%	2%	2%	2%	2%	1%
2	At 33 KV level		45%	44%	43%	43%	42%	42%	42%	42%
3	At 11 KV level		31%	31%	28%	28%	27%	27%	26%	25%
4	At LT level		22%	24%	27%	28%	29%	29%	30%	31%
	Total (B)		100%	100%	100%	100%	100%	100%	100%	100%
C	Assuming Standard T&D losses at various levels									
1	At 132 KV level		0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %
2	At 33 KV level		1.00 %	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
3	At 11 KV level		5.50 %	5.50 %	5.50 %	5.50 %	5.50 %	5.50 %	5.50 %	5.50 %
4	At LT level		15.00 %	15.00 %	15.00 %	15.00 %	15.00 %	15.00 %	15.00 %	15.00 %
D	Energy Requirement assuming above standard losses									
1	At 132 KV level	$D1=A1/(1-C1)$	53	58	64	70	75	82	88	96
2	At 33 KV level	$D2=A2/(1-C2)$	1,319	1,376	1,573	1,756	1,963	2,197	2,462	2,762
3	At 11 KV level	$D3=A3/(1-C3)$	938	1,026	1,092	1,198	1,315	1,444	1,588	1,748
4	At LT level	$D4=A4/(1-C4)$	736	871	1,172	1,345	1,546	1,779	2,050	2,364
	Total (D)		3,046	3,331	3,902	4,369	4,900	5,503	6,188	6,969



AGGREGATE REVENUE REQUIREMENT OF FY 2025-26

S. No.	Particulars	Reference	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
E	Computed Losses based on above standard T&D losses									
1	At 132 KV level	$E1=C1*D1$	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.05
2	At 33 KV level	$E2=C2*D2$	13	14	16	18	20	22	25	28
3	At 11 KV level	$E3=C3*D3$	52	56	60	66	72	79	87	96
4	At LT level	$E4=C4*D4$	110	131	176	202	232	267	307	355
	Total (E)		175	201	252	285	324	368	420	478

6.3.14. The Petitioner has submitted that there has been an increase in energy sales at Low Tension (LT) level from 22% (FY 22-23) to 28% in FY 25-26 and ~49% till FY 29-30 resulting in an increase in losses at LT level assuming the standard Distribution losses at various voltage levels.

6.3.15. If the constant growth at various voltage levels is considered for all the financial years as per actual growth in FY 2022-23, the energy sales and correspondingly, losses at various voltage level are shown in table below:

TABLE 6-13: ENERGY SALES AND LOSS TRAJECTORY FOR THE CONTROL PERIOD CONSIDERING CONSTANT GROWTH IN SALES

S. No.	Voltage wise energy consumption	Reference	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
A	Energy Consumption									
1	At 132 KV level		53	58	64	70	75	82	88	96
2	At 33 KV level		1,305	1,363	1,558	1,739	1,944	2,175	2,437	2,734
3	At 11 KV level		886	970	1,032	1,132	1,242	1,365	1,501	1,652
4	At LT level		625	740	996	1,143	1,314	1,512	1,742	2,009
	Total		2,870	3,130	3,650	4,084	4,576	5,134	5,769	6,491
B	Assuming same proportion of Energy Sales									
1	At 132 KV level		2%	2%	2%	2%	2%	2%	2%	2%
2	At 33 KV level		45%	45%	45%	45%	45%	45%	45%	45%
3	At 11 KV level		31%	31%	31%	31%	31%	31%	31%	31%
4	At LT level		22%	22%	22%	22%	22%	22%	22%	22%
	Total		100%	100%	100%	100%	100%	100%	100%	100%
C	Energy Sales proportion considering above percentage									
1	At 132 KV level	$C1=A1*B1$	53	58	67	76	85	95	107	120
2	At 33 KV level	$C2=A2*B2$	1,305	1,424	1,660	1,857	2,081	2,335	2,624	2,952
3	At 11 KV level	$C3=A3*B3$	886	967	1,127	1,261	1,413	1,586	1,782	2,004
4	At LT level	$C4=A4*B4$	625	682	795	890	997	1,119	1,257	1,414
	Total		2,870	3,130	3,650	4,084	4,576	5,134	5,769	6,491



AGGREGATE REVENUE REQUIREMENT OF FY 2025-26

S. No.	Voltage wise energy consumption	Reference	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
D	Energy Requirement assuming above standard losses									
1	At 132 KV level	$D1=C1/(1-B1)$	53	58	68	76	85	95	107	120
2	At 33 KV level	$D2=C2/(1-B2)$	1,319	1,438	1,677	1,876	2,102	2,359	2,650	2,982
3	At 11 KV level	$D3=C3/(1-B3)$	938	1,023	1,193	1,334	1,495	1,678	1,885	2,121
4	At LT level	$D4=C4/(1-B4)$	736	802	936	1,047	1,173	1,316	1,479	1,664
	Total		3,046	3,321	3,873	4,333	4,855	5,448	6,121	6,887
E	Assuming Standard T&D losses at various levels									
1	At 132 KV level		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
2	At 33 KV level		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
3	At 11 KV level		5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
4	At LT level		15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
F	Computed Losses based on above standard T&D losses									
1	At 132 KV level	$F1=D1*E1$	0.03	0.03	0.03	0.04	0.04	0.05	0.05	0.06
2	At 33 KV level	$F2=D2*E2$	13	14	17	19	21	24	27	30
3	At 11 KV level	$F3=D3*E3$	52	56	66	73	82	92	104	117
4	At LT level	$F4=D4*E4$	110	120	140	157	176	197	222	250
	Total (F)		175	191	223	249	279	313	352	396
G	Computed Losses based on normal energy sale growth in previous table									
1	At 132 KV level	Row E of Table above	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.05
2	At 33 KV level		13	14	16	18	20	22	25	28
3	At 11 KV level		52	56	60	66	72	79	87	96
4	At LT level		110	131	176	202	232	267	307	355
	Total (G)		175	201	252	285	324	368	420	478
H	Variation in losses									
1	At 132 KV level	$H1=G1-F1$	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
2	At 33 KV level	$H2=G2-F2$	0	(1)	(1)	(1)	(1)	(2)	(2)	(2)
3	At 11 KV level	$H3=G3-F3$	0	0	(6)	(8)	(10)	(13)	(16)	(21)
4	At LT level	$H4=G4-F4$	0	10	35	45	56	69	86	105
	Total (H)		0	10	29	36	45	55	67	82

6.3.16. From the above table, it is observed that the impact in LT losses varies from 45 MU to 105 MU on account of the increase in LT sales. This variation presents a significant increase in losses at LT level with the increase in energy sales at LT level for the control period.

6.3.17. Further the Petitioner has submitted that with the increase in LT energy sales trend along with the its obligation to comply with the statutory and regulatory requirement to bear the losses due to pending/rejection of application and impact of 4%-5% losses due to single to multi point conversion, the Petitioner faces considerable challenge to achieve an immediate reduction in the overall Distribution losses for the control period.

iv. Committee Report on reduction in AT&C losses:

6.3.18. The Petitioner has referred to the recommendations of the Committee chaired by Shri P. Abraham on the Restructuring of the Accelerated Power Development and Reforms Programme (APDRP), which linked fund disbursement to AT&C loss reduction targets. The targets were set progressively—4% reduction until losses reach 40%, 3% until 30%, 2% until 20%, and 1% below 20%. Given that the Petitioner has already achieved a low distribution loss level of 7.48% for FY 2024–25, further reductions will be increasingly difficult due to the already minimized base.

Other Key Factors:

6.3.19. The Petitioner has submitted that the absence of a Special Electricity Court for swift resolution of theft cases has emboldened consumers to engage in electricity theft without fear of legal consequences. In villages with congested and unplanned construction, the distribution network often runs close to consumer premises, making it vulnerable to tampering. Consumers damage cables or distribution boxes and illegally tap electricity, often during odd hours. Inspection teams face resistance while collecting evidence, especially from private premises. Despite implementing various initiatives to curb commercial losses, the Petitioner has noted that while some measures have shown positive results, others have failed due to external factors beyond the control of the distribution licensee. Some of these issues significantly giving rise to pilferage are as follows-

- a. Local Authority restraining the Petitioner from providing electricity connection in unplanned and un-authorized colonies leading to unauthorized tapping of energy. The menace has been quite high in Doob area of Greater Noida which is witnessing rapid build-up of colonies considering with growing urbanization and all-round development.

- b. Greater Noida being a developing city with many vacant residential premises, has attracted unauthorized occupants in urban areas who also indulge in hooking and tapping of electricity.
- c. In villages and unauthorised colonies, due to lack of planned development and no authority for approving “Naksha”, at many places, the electrical network is being exploited to such a level where even the electrical poles / transformers are being covered within the boundary / four wall of the houses leading to theft/ pilferage. Due to widespread land acquisition in Greater Noida, allocation of certain percentage of land to farmers and development of private colonies and allocation, the above practice is quite frequent and widespread in Greater Noida Area.

Effective measures to control T&D Losses:

6.3.20. The Petitioner has submitted that the following are the pre-requisites for effectively controlling T & D Losses: -

a) On the part of the Licensee:

- I. Robust Distribution Network.
- II. Identification of theft prone areas.
- III. Educating / spreading awareness / information about social, environmental, safety and legal consequences of power theft
- IV. Periodical Loss control Drives
- V. Registering FIRs / Court Cases

b) Active support of Village Pradhans, RWAs & Local leaders (Society): While the Petitioner is diligently performing its duties for loss control as stated above, however, for variety of reasons, societal support is often found missing and many times, rather working contrary i.e. involving in theft by themselves, putting undue pressure / threats on the officials of the Petitioner to just let-off such wrong doers or blatantly helping them.

c) Speedy action by Police and Special Court: In this regard, it is pertinent to mention that as on 31.03.2025, 13,805 complaints and 1,111 FIRs (Total Cases 14,916 Cases) pending for adjudication before the Hon’ble Special Court for Electricity, Gautam Budh Nagar. Also, 6,032 FIRs are pending for investigation by the Police apparently due to highly overburdened insufficient police staff.

Due to the above, the loss control drives being conducted by the Petitioner did not yield the desired results.

- d) **Police Support During Mass Drive:** There are some villages where the theft of electricity is rampant due to deliberately damaging our electricity network. During the drive in these areas, our team faces strong resistance and unsafe working conditions. To ensure safe and secure mass drives, there is an essential requirement for robust police support for the team.

6.3.21. The Petitioner has submitted that if any one of the above pre-requisites is not working appropriately, whatever amount of effort it makes, it would not yield the desired results.

6.3.22. Hence, considering the actual Distribution Loss for FY 2023-24 is considered as base year i.e. 7.49%, the Commission is requested to kindly consider the ground realities and approve the following year wise Distribution losses as provided in TABLE 6-14 given below for the Control Period FY 2025-26 to FY 2029-30:

TABLE 6-14: DISTRIBUTION LOSS TRAJECTORY FY 2024-25 TO FY 2029-30

S. No.	Particulars	FY24	FY25	FY26	FY27	FY28	FY29	FY30
		Actual	Estimated	Projected				
1	Approved by the Commission	7.63%	7.57%	NA				
2	Distribution Loss target for NPCL	7.49%	7.48%	7.45%	7.42%	7.40%	7.38%	7.37%
3	% of reduction			0.40%	0.40%	0.27%	0.27%	0.14%
4	Reduction in absolute terms			0.03%	0.03%	0.02%	0.02%	0.01%

6.3.23. Based on the proposed Distribution Loss trajectory for FY 2025-26 to FY 2029-30, the corresponding AT&C Loss Trajectory is provided in the Table given below:

TABLE 6-15: AT&C LOSS TRAJECTORY FOR FY 2025-26 TO FY 2029-30

S. No.	Particulars	FY26	FY27	FY28	FY29	FY30
1	Distribution Losses Target	7.45%	7.42%	7.40%	7.38%	7.37%
2	Collection Efficiency	99.5%	99.5%	99.5%	99.5%	99.5%
3	AT&C Loss target	7.91%	7.88%	7.86%	7.84%	7.83%

Commission's Analysis

6.3.24. Regulation 31 of the MYT Regulations 2025 outlines the methodology for determining Distribution Loss Trajectory, as detailed below:

“31.1 The Distribution Licensee shall submit the AT&C loss trajectory and corresponding distribution loss trajectory for the entire Control Period along with the ARR Petition for the first year of the Control Period, after taking into account any agreement between the State Government and the Central Government under any national scheme or programme, wherever applicable. Provided that based on the prudence check of the trajectory submitted by the Distribution Licensee, the Commission may stipulate the yearly distribution loss trajectory in the Tariff Order of the Distribution Licensee for the first year of the Control Period.

Provided also that the yearly Distribution loss trajectory for the control period shall not be changed/modified, other than under exceptional circumstances approved by the Commission.

31.2 The power purchase requirement of the Distribution Licensee at the Transmission-Distribution interface point, shall be computed by grossing up the sales with the distribution losses approved by the Commission:

Provided that the Distribution Licensee while computing the overall Distribution loss shall also take into account the losses for each Distribution Franchisee area within its Licenced area and submit the same separately.

Provided further that the Distribution Licensee in its True-Up Petition shall submit a detailed justification, in case the Distribution Loss exceeds the approved level for the year.”

6.3.25. The Commission first examines the performance of the Petitioner during the previous control period. The details submitted by the Petitioner in the Tariff Petitions, along with the distribution loss trajectory as approved by the Commission, are as follows:

TABLE 6-16 DISTRIBUTION LOSS TRAJECTORY FOR THE CONTROL PERIOD FY 2020-21 TO FY 2024-25

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Approved	7.92%	7.8%	7.70%	7.63%	7.57%
Actual	8.39%	7.95%	7.63%	7.48%	7.45%

6.3.26. The Commission has further analyzed the voltage-wise losses as presented in the energy audit reports submitted by the Petitioner for the period from FY 2021-22 to FY 2023-24.

TABLE 6-17 VOLTAGE WISE LOSSES AS PER ENERGY AUDIT REPORT FOR FY 2023-24

	FY 2021-22	FY 2022-23	FY 2023-24
>33kV	NA	0.28%	0.09%
33kV	2.31%	2.15%	2.09%
11kV	12.67%	12.11%	11.57%

6.3.27. Further, the Petitioner has been submitting the voltage level wise distribution losses, as shown below:

TABLE 6-18 VOLTAGE WISE DISTRIBUTION LOSSES AS SUBMITTED BY THE PETITIONER

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
>33kV	NA	NA	0.28%	0.09%
33kV	2.44%	2.31%	2.15%	2.09%
11kV	6.05%	5.94%	5.66%	5.47%
LT	21.04%	20.58%	19.89%	18.52%

6.3.28. As evident from the above table, the Petitioner has achieved a reduction in distribution losses across all voltage levels. However, it is also observed that losses at the LT level remain significantly high, with limited improvement during the period. Based on the data presented above, the percentage reduction in distribution losses has been determined as follows

TABLE 6-19 PERCENTAGE REDUCTION IN DISTRIBUTION LOSSES

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Annual reduction (CAGR)
33kV		5.33%	6.93%	2.79%	4.98%
11kV		1.82%	4.71%	3.36%	3.27%
LT		2.19%	3.35%	6.89%	4.12%

6.3.29. As evident from the above table, there has been a consistent reduction in losses across all voltage levels. It is pertinent to note that the annual reduction in losses at the 33

kV level is significantly higher in comparison to other voltage levels. Typically, achieving loss reduction at higher voltage levels is more challenging than at lower levels; nevertheless, the Petitioner has demonstrated commendable performance at 33 kV.

6.3.30. Conversely, there has been limited improvement in reducing losses at the LT level. In its Tariff Order dated October 10, 2024, the Commission had observed that losses in the LT system remain appreciably high and must be reduced to acceptable levels on priority. Accordingly, the Commission had directed the Petitioner to initiate immediate action and ensure substantial improvement in this regard.

6.3.31. The Petitioner has submitted that, since the said directions were issued only in the recent Tariff Order dated October 10, 2024, and the present Petition has been filed in November 2024, it has not been feasible to undertake major corrective measures within this short timeframe. However, in order to address these challenges and to systematically identify the root causes of distribution losses at various voltage levels, the Company proposes to engage an external agency to carry out a comprehensive study and reconciliation of losses.

6.3.32. The Commission observes that, notwithstanding the Petitioner's submission that major works have not been undertaken, the reduction in losses at the LT level during FY 2023-24 stands at 6.89%, as against 2.19% and 3.35% achieved in the preceding two years. This demonstrates that there exists considerable scope for further reduction of losses at the LT level.

6.3.33. The Commission has also taken into consideration the *Technical Loss Study & Capital Expenditure Planning Report* submitted by the Petitioner in the Tariff Petition for FY 2020-21. As per the said Report, an analysis was carried out to assess the technical losses at various voltage levels within the Petitioner's license area. A summary of the reported losses is presented below:

TABLE 6-20 TECHNICAL LOSSES AT DIFFERENT VOLTAGE IN THE PETITIONER LICENSE AREA

Description	MU	% Reference to Import	% Reference to Voltage
A Import at 220 kV	597.54		
Total Losses at 220kV	6.42	1.07%	1.07%
B Energy Available for 33kV Network from 220 kV Network	591.12		
Additional Import at 33 kV Network	468.60		
Total Losses at 33kV	15.88	1.49%	1.50%
Total Energy Billed to 33kV Consumers	515.04	48.31%	
C Total Energy Available for 33/11kV Substation	528.80		
Total Losses at 33/11kV Txx	3.76	0.35%	0.71%
D Total Energy Available for 11kV Network	525.04		
Total summated 11kV Outgoing energy	523.64		
Consumption at 33/11kV Substations	1.40	0.13%	0.27%
Total Losses at 11kV	6.67	0.63%	1.27%
Total Energy Billed to 11kV Consumers	231.03	21.67%	
E Total Energy Available for DT	285.94		
Total No Load Losses at DT	5.62	0.53%	1.97%
Total Load Losses at DT and associated LT network	21.67	2.03%	7.58%
Total DT Losses	27.29	2.56%	9.55%
F Energy Available for LT Sales	258.64		
Total Losses in Service Cables	0.189	0.018%	0.073%
Total LT Sales	234.56	22.00%	
Total Technical Losses	61.61	5.78%	5.78%

6.3.34. The above table clearly indicates that in FY 2012-13, the year for which the study was conducted, the technical losses at the DT and associated LT network were only 9.55%. In contrast, as per the submissions made by the Petitioner, the LT level losses for FY 2024-25 stand at 18%. Even if it is assumed that the technical losses of 9.55% in FY 2012-13 have remained unchanged, the balance losses of approximately 9% are attributable to billing inefficiencies, including theft. Such a high level of billing inefficiency is excessive and cannot be considered acceptable.

6.3.35. The Commission now proceeds to examine the other submissions made by the Petitioner. According to the Petitioner, four major factors are contributing to the losses at the LT level, namely: (i) pending applications for new connections due to non-approval of GNIDA, (ii) impact of 4%–5% losses on account of multi-point connections as per the Electricity Supply Code, (iii) pending connections in Doob-Area, and (iv) shift in Low Tension (LT) sales growth. Each of these factors is discussed individually in the following sections.

Impact of Pending Application for New Connection due to non-approval of GNIDA

6.3.36. As per the provisions of the Supply Code, approval/permission/NOC from the local authority is mandatory. Accordingly, the Company is in compliance with the Supply Code in not providing electricity connections to consumers who have not obtained the requisite NOC from GNIDA. However, as per the submissions, due to the pendency or rejection of such new connections, the Company is facing rampant electricity theft from its distribution network through illegal wiring, resulting in damage to the existing electrical system and creating serious safety and security concerns.

6.3.37. The Commission finds it incomprehensible that theft of electricity is being carried out by an entire colony or a large number of people in a given area. It is also a matter of concern that a distribution licensee which has been accorded an A+ rating and has undertaken significant capital expenditure towards modernization, is citing such reasons as justification for its inability to contain theft within its license area.

6.3.38. The Commission observes that the issue of unauthorised access to the distribution system is inherent to the business of electricity distribution. While the factors contributing to theft may vary across different DISCOMs operating in the State, the overarching objective remains the same—namely, to contain and eliminate activities leading to theft. It is incumbent upon the distribution licensee to identify and effectively address the specific areas contributing to theft, rather than seeking to legitimise such practices.

Impact of 4%/5% losses due to multi-point connections

6.3.39. The supply of electricity to multi-storied buildings with multipoint connections can be categorized into two cases: (i) new buildings being provided connections on a multipoint basis, and (ii) existing buildings being converted from single-point to multipoint connections. The Commission has dealt with both these scenarios separately in the following sections.

6.3.40. **New Multi-storied Buildings:** The Commission is of the view that, for supply at 33 kV, the Petitioner is required to bear losses of up to 5% only, as any losses beyond this level are to be recovered directly from the consumers in multi-storied buildings. This effectively caps the Petitioner's losses at 5%. Based on the voltage-wise loss data

submitted by the Petitioner, the system losses at 33 kV and above are reported as 0.09%. Accordingly, the maximum losses for the Petitioner would be 5.09%.

6.3.41. The Commission notes that the Petitioner, by additionally claiming system losses over and above the prescribed limit, is attempting to derive an undue benefit. The Commission therefore reiterates that the Petitioner's losses for multipoint connections shall stand capped at a maximum of 5%. Consequently, the increase in the number of domestic consumers availing multipoint connections does not have any adverse impact on the Petitioner.

6.3.42. **Old Multi-storied Buildings (Conversion from Single-point to Multipoint Connections):** With respect to the concerns raised by the Petitioner regarding an increase in losses on account of conversion of multi-storied buildings from single-point to multipoint connections, the Commission notes the submission made by the Petitioner in the Suo Motu Proceedings, as recorded in the Order dated 06.05.2024, which is reproduced below:

Particulars	Nos.
Number of multi-storied buildings having single point connection	134
Opted for Single Point	88
Balance	46
Conversion Completed	17
Court Case / Completion Issue / Project under NCLT etc.	8
Project/Electrical Network Incomplete	18
Conversion in PipeLine	2
Pending for conversion	1

6.3.43. The above table clearly indicates that the majority of multi-storied buildings (88 out of 134) have opted to retain single-point connections. Accordingly, for these 88 buildings, there is no impact on the Petitioner. Out of the remaining 46 buildings, 17 have already been converted, while 8 buildings could not be converted due to reasons such as pending court cases, incomplete project status, or proceedings under NCLT, making the likelihood of their conversion very remote. Further, 18 buildings could not be converted owing to incomplete electrical networks. In view of the foregoing, the

Commission observes that the Petitioner's exposure to losses on account of conversion from single-point to multipoint connections is minimal.

6.3.44. Considering its observations in relation to the two cases of multi-storied buildings, the Commission is of the view that the growth in consumption of multi-storied buildings with multipoint connections does not have any significant adverse impact. On the contrary, the Petitioner is comparatively better placed than other DISCOMs, as losses on account of domestic consumers in new multi-storied buildings are effectively capped at around 5%, whereas for other DISCOMs, the growth in domestic consumers is predominantly in rural areas or independent houses in urban areas, where the associated losses are typically much higher.

Increase in share of LT level sales

6.3.45. The Petitioner has further submitted that the increasing share of consumers at the LT level poses a higher risk of losses at this voltage level. The Commission is of the view that the Petitioner must adopt the latest technological solutions to effectively curb such losses. For instance, provisioning all new connections through smart prepaid meters would substantially reduce billing inefficiencies. Moreover, the Electricity (Rights of Consumers) Rules, 2020 expressly mandate that all new connections are to be released through prepaid or smart prepaid meters. In light of the above, the Commission finds that the Petitioner has not been able to establish a valid case on this issue.

6.3.46. The Commission is of the view that there exists significant scope for reducing losses at the LT level. As discussed earlier, the CAGR of reduction in LT losses was 4.12%, primarily on account of the improved performance in FY 2023-24 (6.89%) over FY 2022-23, while only marginal progress was recorded in the preceding two years. This clearly demonstrates that further reduction in LT losses is achievable.

6.3.47. Accordingly, the Commission sets a target CAGR of 6.13% for LT loss reduction, by directing that losses at the LT level be reduced from 18.45% in FY 2024-25 to 13.45% in FY 2029-30. This translates to an annual loss reduction of 1% per year at LT level. The Commission does not stipulate any further reduction at other voltage levels but directs that the performance already achieved at those levels shall be maintained.

6.3.48. Thus, considering the losses at all voltage levels other than LT as proposed by the Petitioner, and directing that the LT losses be reduced from 18.45% in FY 2024-25 to 13.45% during the Control Period, the Commission approves the following distribution loss reduction trajectory for the Petitioner, as detailed in the table below:

TABLE 6-21 Distribution Loss Trajectory Approved by the Commission for the Control Period of FY 2025-26 to FY 2029-30

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Approved	7.23%	6.97%	6.70%	6.43%	6.16%

6.4. ENERGY BALANCE FOR FY 2025-26

Petitioner's Submission

6.4.1. The Petitioner has submitted the energy balance as shown below:

TABLE 6-22 ENERGY BALANCE (FY 2025-26)

Particulars	U.o.M.	Ref.	Projected
Proposed Energy Sales	MU	A	4,083.65
Distribution Loss	%	B	7.45%
Distribution Loss	MU	$c=a*(1/(1-b))$	328.72
Energy Requirement at NPCL	MU	$d=a+c$	4,412.37
Energy Available / Delivered at NPCL Bus	MU	E	(22.16)
Net Energy requirement at NPCL Bus	MU	$f=d-e$	4,434.53
Intra State Losses	%	G	3.18%
Energy Requirement at STU/UP Periphery	MU	$h=f/(1-g)$	4,580.18
Energy from sources connected at STU Bus	MU	I	108.60
Net Energy Requirement at STU Bus	MU	$j=h-i$	4,471.57
Inter-State Losses	%	K	3.84%
Energy Requirement at CTU Bus	MU	$l=j/(1-k)$	4,650.27
Total Energy Requirement	MU	$m=e+i+l$	4,736.72

Commission's Analysis

6.4.2. The Commission has deliberated on the Distribution Loss Trajectory of the Petitioner for the Control Period FY 2025-26 to FY 2029-30 and approved the Distribution Loss Trajectory for the Petitioner in the above section. Accordingly, the Commission approves the energy balance as shown below:

Table 6-23 APPROVED ENERGY BALANCE AND DISTRIBUTION LOSS FOR FY 2025-26

S. No.	Particulars	Units	Ref.	Projected by Petitioner	Approved by the Commission
A	Energy Sales	MU	a	4,083.65	4,083.65
B	Distribution Loss	%	b	7.45%	7.23%
	Distribution Loss	MU	$c=a*(1/(1-b))$	328.72	318.26
C	Energy Requirement at NPCL	MU	$d=a+c$	4,412.37	4,401.91
	Energy Available/Delivered at NPCL Bus	MU	e	-22.16	-
D	Net Energy requirement at NPCL Bus	MU	$f=d-e$	4,434.53	4,401.91
E	Intra State Losses	%	g	3.18%	3.18%
	Energy Requirement at STU/UP Periphery	MU	$h=f/(1-g)$	4,580.18	4,546.49
	Energy from sources connected at STU Bus	MU	i	108.60	108.60
E	Net Energy Requirement at STU Bus	MU	$j=h-i$	4,471.57	4,437.88
F	Inter-State Losses	%	k	3.84%	3.72%
	Energy Requirement at CTU Bus	MU	$l=j/(1-k)$	4,650.27	4,609.35
G	Total Energy Requirement	MU	$m=e+i+l$	4,736.72	4,717.95

6.5. POWER PROCUREMENT

Petitioner's Submission

- 6.5.1. The Petitioner has submitted that it has prepared its power procurement plan for FY 2025-26 in line with the Demand Estimates as given above and taking into consideration its present and proposed Long-Term/ Medium-Term contracts for base load and procurement through Short-Term contracts for meeting requirement over base load/ exigencies etc. to optimize the power purchase cost.
- 6.5.2. Accordingly, the Petitioner has planned to procure Power through mix of sources such as Long-Term, Medium-Term, Short-Term, Power Exchanges and Renewable Sources etc. to meet its Demand as well as RPO Obligations.
- 6.5.3. Further, the Petitioner has submitted that it had engaged the Central Electricity Authority (CEA) to carry out the Long-Term electricity demand estimation to project the energy requirements and peak demand for electricity of the Petitioner. Based on the Demand Estimates provided by the CEA, the Petitioner expects its peak demand during FY 2025-26 to FY 2033-34 as provided in the Table given below:

TABLE 6-24 PROJECTED PEAK ELECTRICITY DEMAND

FY	Estimated Total Energy Consumption - MUs	Estimated Total Energy Requirement -MU's @ NPCL Periphery	Peak Load – MW
2025-26	4,300	4,647	864
2026-27	4,821	5,209	973
2027-28	5,389	5,820	1,093
2028-29	6,033	6,508	1,228
2029-30	6,706	7,228	1,371
2030-31	7,394	7,961	1,517
2031-32	8,067	8,684	1,663
2032-33	8,781	9,441	1,817
2033-34	9,512	10,223	1,978

6.5.4. Based on the Demand estimates for the Period FY 2025-26 the month wise demand during the FY 2025-26 is as follows:

TABLE 6-25 ESTIMATED AVERAGE LOAD (MW)

Month	FY 2025-26	
	RTC	Peak
Apr-25	464	658
May-25	547	796
Jun-25	641	827
Jul-25	630	803
Aug-25	673	814
Sep-25	646	795
Oct-25	486	695
Nov-25	332	548
Dec-25	340	523
Jan-26	411	683
Feb-26	376	604
Mar-26	378	563

6.5.5. The Petitioner has submitted that the instantaneous peak demand (maximum peak) is estimated to be approximately 19% higher than the average peak requirement based on current trend.

6.5.6. The Petitioner has submitted that it has planned to meet its energy requirement for FY 2025-26 from the following sources: -

a. Power Procurement from LTPPA

6.5.7. The Long-Term Power Purchase Agreement for 187 MW with M/s Dhariwal Infrastructure Ltd. (Genco) was approved by the Commission vide its order dated April 20, 2016. During FY 2024-25, the drawl under the aforesaid LTPPA is estimated at 1,273.27 MUs at Ex-Genco Bus which is equivalent to normative availability i.e., 85% NAPAF prescribed in the Generation Tariff Regulations of the Commission.

6.5.8. The Petitioner has submitted that UPERC (Terms & Conditions of Generation Tariff) Regulation, 2019 is applicable till FY 2023-24 only. The Commission vide its Suo-Moto Order in 01/SM/2024 dated March 11, 2024, has directed that the current tariff of all the existing projects for FY 2023-24 as determined by the Commission under the Generation Tariff Regulations 2019 shall continue to operate with effect from April 01, 2024, on provisional basis, till further Order. However, recently, on April 09, 2025, the Commission has published the UPERC (Terms and Conditions of Generation tariff) Regulation, 2024, which stipulates to file petition for this Control Period within 90 days from the date of Regulation.

6.5.9. The Petitioner has further submitted that for the purpose of estimating power purchase cost for the Control Period, it has requested M/s DIL to provide the projected tariff for the Control Period of FY 2025-26 to FY 2029-30. Accordingly, DIL vide its email dated April 15, 2024, provided the projected ex-bus Generation tariff as per UPERC Generation Tariff Regulations, 2019 as under:

- Fixed Charges of Rs. 1.727/ kWh approved for FY 2023-24 in DIL MYT Order (Petition No. 1531 of 2019)
- Variable Charges of Rs. 2.902/ kWh for FY 2023-24, computed following UPERC Tariff Regulations, 2019 and recently submitted before the Commission by DIL in its True-up Petition.

6.5.10. The above rates exclude impacts on account of Change in Law and/ or Additional Coal claims, if any.

6.5.11. The Petitioner has submitted that it has computed the cost of power for FY 2025-26 on the basis of Fixed cost and variable cost tariff approved for FY 2023-24 by the Commission vide its order dated September 21, 2022, in Petition No. 1531 of 2019, where Fixed Cost is determined at Rs. 1.727 per unit & Variable Cost is determined at Rs. 2.471 per unit. Any change in cost based on the order of the Commission, will be claimed based on actuals at the time of True-Up of FY 2025-26. Accordingly, the summary of power procured from Genco is provided in Table below:

TABLE 6-26 LONG TERM POWER (FY 2025-26)

S. No	Description	UoM	Estimated
1	Contracted Quantum at ex-Genco	MW	171
2	No of Days	Nos.	365
3	Hours	Nos.	24
4	Normative Availability	%	85.00%
5	Forecasted Availability	%	85.00%
6	Estimated Utilisation	%	100%
7	Units at Normative Availability	MU	1,273.27
8	Units at Ex-Bus (Forecast Schedule)	MU	1,273.27
9	Inter-State Losses	%	3.52%
10	Units at UP Periphery	MU	1,228.44
11	Intra-State Losses	%	3.18%
12	Units at NPCL	MU	1,189.37
13	Fixed Cost @ Rs 1.727/kWh	Rs. Cr.	219.89
14	Variable Cost @ Rs 2.471/kWh	Rs. kWh	314.62
15	Inter-State Trans. Charges*	Rs. Cr.	-
16	Intra-State Trans. Charges*	Rs. Cr.	-
17	Total Cost	Rs. Cr.	534.52
18	Landed Rates	Rs. kWh	4.49
*With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately. Similarly, the STU charges are also considered separately.			

6.5.12. Apart from above, Clause 38 of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2024 also provide for payment of incentive to Genco for energy made available and utilised by the Discom over 85% normative availability. Thus, based on

the above, the Petitioner has computed the Fixed Cost at the normative availability of 85%.

6.5.13. The Petitioner has submitted that since the tariff is at ex-bus of the generator hence, it has considered the Inter-state injection losses, Intra-state transmission charges and losses as applicable over and above the tariff for the purpose of estimation of power purchase cost for FY 2025-26 subject to true-up in subsequent years.

6.5.14. Apart from above, the claim towards Additional Coal and Change in Law has not been included in the power purchase costs projected for FY 2025-26 and the same would be claimed subsequently at the time of truing-up based on receipt of Bills from Genco.

6.5.15. In addition to above, the Petitioner has submitted that following petitions are also pending before the Commission for disposal:

- **Petition No. 1651/2020** for approval of capital expenditure on account of installation of FGD system as 'Change in Law' event
- **Petition No. 1830/2022** for seeking approval of capital expenditure on account of installation of DE-NOx system as 'Change in Law' event
- **Petition No. 2108/ 2024** for Truing-Up of the “Change in Law” claims of FY 2023-24
- **Petition No. 2116/ 2024** for Prudence Check and use of Additional Coal in FY 2023-24
- **Petition No. 2130/2024** for seeking an approval of the estimated additional Capital Expenditure to be incurred on account of installation of the De - NOx system for Unit 2 necessitated by a 'Change in Law' event.

6.5.16. Any impact on the power purchase cost pursuant to the orders of the Commission in the above petitions would be consequently claimed by the Petitioner in the ARR / APR/ Truing-up petitions as the case may be.

6.5.17. The Petitioner has submitted that any impact of newly promulgated MYT Regulations and impact(s) due to Additional Coal and Change in Law in pursuance of earlier Orders, to be claimed by the Petitioner from the APPC at the time of True-Up.

b. Medium Term Power Purchase Sources

6.5.18. The Petitioner has submitted that during FY 2022-23, based on the load profile, it had tied up following Medium Term Power through Competitive Bidding held on Deep

Portal in accordance with the Competitive Bidding Guidelines framed by the Central Government under Section 63 of the Act as shown in below Table:

TABLE 6-27 MEDIUM TERM PPAS

Supplier/ Trader	Quoted quantum (MW)	Period	Quoted Tariff (Rs/kWh)	PPA Approval/ Tariff Adoption Date
TPTCL (JITPL, Odisha)	100	01.04.2023 to 31.03.2026	4.05	06.03.2023
JITPL, Odisha	95	01.04.2024 to 31.03.2029	5.19	09.01.2024
Maa Durga, Odisha	25	01.04.2025 to 31.03.2028	5.49	27.03.2025
Manikaran Power Limited (MPL) (BLA Power, Madhya Pradesh)	25	01.04.2025 to 31.03.2028	5.49	27.03.2025
MPL (Sai Lilagar, Chhattisgarh)	25	01.04.2025 to 31.03.2028	5.41	02.04.2025
DIL, Maharashtra	25	01.04.2025 to 31.03.2028	5.41	02.04.2025
<i>Note: Tariff comprises Cost of Fixed & Variable Charges.</i> <i>The Copy of the approval orders is provided in Annexure-A of Petition filed on 28.11.2024.</i>				

6.5.19. The tariff discovered through bidding as mentioned in the above Table 5.21 is at NR periphery. The above discovered tariffs along with the PPAs were duly approved by the Commission. The above tariff is excluding transmission charges and losses of inter-state & intra-state transmission system and would be payable at actuals.

6.5.20. Accordingly, based on terms of PPAs, the Petitioner has estimated to procure 2,197 MU power from above sources at a cost as summarised in the Tables below-

TABLE 6-28 MEDIUM TERM POWER FY 2025-26 (TPTCL-JITPL)

S. No	Description	UoM	M/S TPTCL (Source- JITPL, Odisha)
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	100
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%

S. No	Description	UoM	M/S TPTCL (Source- JITPL, Odisha)
	Contracted Period	Month	Apr-Mar
5	Units at Ex-Bus	MU	744.60
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	718.38
8	Intra-State Losses	%	3.18%
9	Units at NPCL	MU	695.54
10	Quoted Tariff	Rs. kWh	4.05
11	Fixed Cost with Escalation*	Rs. kWh	2.07
12	Energy Cost with Escalation*	Rs. kWh	2.13
13	Fixed Cost	Rs. Cr.	154.21
14	Energy Cost	Rs. Cr.	158.86
15	Inter-State Trans. Charges**	Rs. Cr.	-
16	Intra-State Trans. Charges**	Rs. Cr.	-
17	Total Cost	Rs. Cr.	313.08
18	Landed Rate	Rs. kWh	4.50
*Escalation considered as per clause 11 & 12 of PPA as approved by Commission. **With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately. Similarly, the STU charges are also considered separately.			

TABLE 6-29: MEDIUM TERM POWER FY 2025-26 (JITPL)

S. No	Description	UoM	M/S JITPL (Source- JITPL, Odisha)
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	95
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	707.37
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	682.46
8	Intra-State Losses	%	3.18%
9	Units at NPCL	MU	660.76
10	Quoted Tariff	Rs. kWh	5.19
11	Fixed Cost with Escalation*	Rs. kWh	2.602
12	Energy Cost with Escalation*	Rs. kWh	2.604
13	Fixed Cost	Rs. Cr.	184.04
14	Energy Cost	Rs. Cr.	184.22

S. No	Description	UoM	M/S JITPL (Source- JITPL, Odisha)
15	Inter-State Trans. Charges**	Rs. Cr.	
16	Intra-State Trans. Charges**	Rs. Cr.	
17	Total Cost	Rs. Cr.	368.26
18	Landed Rate	Rs. kWh	5.57
<i>*Escalation considered as per clause 11 & 12 of PPA as approved by Commission.</i> <i>**With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately considered separately. Similarly, the STU charges are also considered separately.</i>			

TABLE 6-30: MEDIUM TERM POWER FY 2025-26 (NEW THERMAL - MAA DURGA)

S. No	Description	UoM	Maa Durga, Odisha
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	25
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	186.15
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	179.60
8	Intra-State Losses	%	3.18%
9	Units at NPCL	MU	173.88
10	Quoted Tariff	Rs. kWh	5.49
11	Fixed Cost with Escalation*	Rs. kWh	2.745
12	Energy Cost with Escalation*	Rs. kWh	2.745
13	Fixed Cost	Rs. Cr.	51.10
14	Energy Cost	Rs. Cr.	51.10
15	Inter-State Trans. Charges**	Rs. Cr.	
16	Intra-State Trans. Charges**	Rs. Cr.	
17	Total Cost	Rs. Cr.	102.20
18	Landed Rate	Rs. kWh	5.88
<i>*Escalation considered as per clause 11 & 12 of PPA as approved by Commission.</i> <i>**With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately considered separately. Similarly, the STU charges are also considered separately.</i>			

TABLE 6-31: MEDIUM TERM POWER FY 2025-26 (NEW THERMAL – BLA POWER)

S. No	Description	UoM	BLA Power, Madhya Pradesh
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	25
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	186.15
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	179.60
8	Intra-State Losses	%	3.18%
9	Units at NPCL	MU	173.88
10	Quoted Tariff	Rs. kWh	5.49
11	Fixed Cost with Escalation*	Rs. kWh	2.745
12	Energy Cost with Escalation*	Rs. kWh	2.745
13	Fixed Cost	Rs. Cr.	51.10
14	Energy Cost	Rs. Cr.	51.10
15	Inter-State Trans. Charges**	Rs. Cr.	
16	Intra-State Trans. Charges**	Rs. Cr.	
17	Total Cost	Rs. Cr.	102.20
18	Landed Rate	Rs. kWh	5.88
*Escalation considered as per clause 11 & 12 of PPA as approved by Commission. **With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately. Similarly, the STU charges are also considered separately.			

TABLE 6-32: MEDIUM TERM POWER FY 2025-26 (NEW THERMAL – SAI LILAGAR)

S. No	Description	UoM	Sai Lilagar, Chhattisgarh
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	25
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	186.15
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	179.60
8	Intra-State Losses	%	3.18%

S. No	Description	UoM	Sai Lilagar, Chhattisgarh
9	Units at NPCL	MU	173.88
10	Quoted Tariff	Rs. kWh	5.41
11	Fixed Cost with Escalation*	Rs. kWh	2.705
12	Energy Cost with Escalation*	Rs. kWh	2.705
13	Fixed Cost	Rs. Cr.	50.35
14	Energy Cost	Rs. Cr.	50.35
15	Inter-State Trans. Charges**	Rs. Cr.	
16	Intra-State Trans. Charges**	Rs. Cr.	
17	Total Cost	Rs. Cr.	100.71
18	Landed Rate	Rs. kWh	5.79

*Escalation considered as per clause 11 & 12 of PPA as approved by Commission.
 **With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have been considered separately considered separately.
 Similarly, the STU charges are also considered separately.

TABLE 6-33: MEDIUM TERM POWER FY 2025-26 (NEW THERMAL – DIL)

S. No	Description	UoM	DIL, Maharashtra
	Contracted Period	Month	Apr-Mar
1	Contracted Quantum	MW	25
2	Hours	-	24
3	No of Days	-	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	186.15
6	Inter-State Losses	%	3.52%
7	Units at UP Periphery	MU	179.60
8	Intra-State Losses	%	3.18%
9	Units at NPCL	MU	173.88
10	Quoted Tariff	Rs. kWh	5.41
11	Fixed Cost with Escalation*	Rs. kWh	2.705
12	Energy Cost with Escalation*	Rs. kWh	2.705
13	Fixed Cost	Rs. Cr.	50.35
14	Energy Cost	Rs. Cr.	50.35
15	Inter-State Trans. Charges**	Rs. Cr.	
16	Intra-State Trans. Charges**	Rs. Cr.	
17	Total Cost	Rs. Cr.	100.71
18	Landed Rate	Rs. kWh	5.79

*Escalation considered as per clause 11 & 12 of PPA as approved by Commission.
 **With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/T-GNA granted. Accordingly, ISTS charges have

S. No	Description	UoM	DIL, Maharashtra
	been considered separately	considered	separately.
	Similarly, the STU charges are also considered separately.		

6.5.21. The Petitioner has submitted that as per the provisions of PPA, the claim for Incentive and Damages related to availability are adjusted after close of the accounting year, therefore, the Petitioner at present has not considered the Incentive/ Damage in ARR for FY 2025-26 and would be considering the same in Truing up petition for FY 2025-26.

6.5.22. Accordingly, based on above rates the Petitioner has estimated the tentative cost of the power proposed to be procured from medium term PPA other than GNA Charges is provided below in Table:

TABLE 6-34: ACTUAL MEDIUM-TERM POWER (FY 2025-26)

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Intra State Transmission Charges (Rs. Cr.) *	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs/kWh)
TPTCL (JITPL, Odisha)	695.54	154.21	158.86	0.00	313.08	4.50
JITPL, Odisha	660.76	184.04	184.22	0.00	368.26	5.57
Maa Durga, Odisha	173.88	51.10	51.10	0.00	102.20	5.88
MPL (BLA Power, Madhya Pradesh)	173.88	51.10	51.10	0.00	102.20	5.88
MPL (Sai Lilagar, Chhattisgarh)	173.88	50.35	50.35	0.00	100.71	5.79
DIL, Maharashtra	173.88	50.35	50.35	0.00	100.71	5.79
Total	2,051.84	541.16	545.99	0.00	1,087.14	5.30
* With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/ T-GNA granted. Similarly, the STU charges are also considered separately.						

c. Short Term Power Purchase Sources

6.5.23. The Petitioner has also considered some Short-Term Arrangements for FY 2025-26. The Petitioner had conducted the competitive bidding for procurement of up to 125 MW

power on Short-Term basis for meeting its load requirements from 01.05.2025 to 30.09.2025. The Commission vide its Order dated April 02, 2025, has approved the PPAs & adopted the discovered tariff as detailed below Table:

TABLE 6-35: SHORT-TERM PPAS APPROVED BY THE COMMISSION

Supplier/ Trader	Quoted quantum (MW)	Period	Quoted Tariff (Rs/kWh)	PPA Approval/ Tariff Adoption Date
AEL (Adani Power, Chhattisgarh)	Up to 98 MW	01.06.2025 to 30.09.2025	5.25 to 5.40	10.01.2025
Instinct Infra (JPL, Raigarh)	40 MW	01.05.2025 to 31.05.2025	5.58	10.01.2025
MPL (BLA, Madhya Pradesh)	25 MW	01.07.2025 to 31.07.2025	5.18	10.01.2025
MPL (DB Power, Chhattisgarh)	5 MW	01.05.2025 to 31.05.2025	5.64	10.01.2025
MPL (MSPL, Raipur)	10 MW	01.05.2025 to 30.09.2025	5.14 to 5.54	10.01.2025
MPL (Thanush, Karnataka)	7 MW	01.06.2025 to 30.09.2025	5.14 to 5.26	10.01.2025
PTC (CSPL, Chhattisgarh)	Up to 10 MW	01.05.2025 to 30.09.2025	5.14 to 5.54	10.01.2025
<i>With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/ T-GNA granted. Similarly, the STU charges are also considered separately.</i>				

6.5.24. Further, the Petitioner has estimated to procure balance 357.74 MU power at Rs. 5.34/ kWh at NR periphery i.e., Rs. 5.72/ kWh at NPCL periphery (excluding Transmission Charges) from Power Exchanges. The above rate has been assumed considering the rates discovered on Power Exchanges in FY 2024-25. The estimated cost of the aforesaid Short-Term power has been summarised in below Table:

TABLE 6-36: PROPOSED SHORT-TERM POWER (FY 2025-26)

Supplier	Units at NPCL (MU)	Energy Charges (Rs. Cr.)	Transmission Charges (Rs. Cr.) *	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus excl. Trans. Charges (Rs. / kWh)
Inter State Power - from Trader / Generator/ Exchanges	357.74	204.60	0	204.60	5.72
AEL (Adani Power, Chhattisgarh)	160.54	91.29	0	91.29	5.69
Instinct Infra (JPL, Raigarh)	27.80	16.61	0	16.61	5.97
MPL (BLA, Madhya Pradesh)	17.37	9.63	0	9.63	5.55
MPL (DB Power, Chhattisgarh)	3.47	2.10	0	2.10	6.04
MPL (MSPL, Raipur)	34.30	19.35	0	19.35	5.64
MPL (Thanush, Karnataka)	14.44	8.02	0	8.02	5.56
PTC (CSPL, Chhattisgarh)	30.20	17.07	0	17.07	5.65
Total	645.71	368.61	0.00	368.61	5.71
* With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/ T-GNA granted. Similarly, the STU charges are also considered separately.					

d. Banking of Power

6.5.25. The Petitioner has requested the Commission to allow the power banking as & when required with other Utilities through traders, through direct basis and through OTC platforms duly approved by Hon'ble CERC, as per the Clause 15.1 of the UPERC (MYT for Distribution) Regulations, 2025.

e. Power Procurement from Renewable Sources

6.5.26. The Petitioner has executed following Renewable PPAs to meet Solar & Non-Solar RPO along with the HPO:

- 33.16 MU @Rs. 3.78 per kWh procured from Long Term Power Purchase Agreement for 10 MW Wind power with PTC India Limited signed on June 27, 2017, duly approved by the Commission vide its Order Dated January 05, 2018.
- 0.59 MU@ Rs. 5.49 / kWh from PPA with APPCPL approved by the Commission while approving the Business Plan vide its MYT Order dated November 30, 2017
- 44.94 MU @Rs 3.18/ kWh from Long Term Power Purchase Agreement for 25 MW solar power with Tata power approved by the Commission vide its Order dated September 18, 2019
- 60.21 MU@Rs 3.18/kwh from Long Term Power Purchase Agreement for 25 MW solar power with Adani Solar approved by the Commission vide its Order dated September 18, 2019

6.5.27. The Petitioner has also granted several connections under the net- metering policy approved by the by the Commission in its Roof-top Solar PV Regulation 2015. The Petitioner would receive energy from such net metering consumers during FY 2025-26 but the same cannot be ascertained at present, therefore, the Petitioner will consider the same at the time of True-up in its power purchase quantum for FY 2025-26.

6.5.28. The Petitioner has submitted that it has conducted the competitive bidding for procurement of up to 50 MW Renewable power on Short-Term basis for meeting its load requirements from May, 01, 2025, to November 30, 2025. The Commission vide its Order dated April 03, 2025, had approved the PPAs & adopted the discovered tariff. Also, ISTS charges shall be levied for the Solar, Wind, Hydro PSP & BESS projects commissioned after June 30, 2025, gradually, with 25% applicability from July 01, 2025 to June 30, 2026, 50% applicability from July 01, 2026 to June 30, 2027, 75% applicability from July 01, 2027, to June 30, 2028, and 100% applicability of ISTS charges from July 01, 2028, onwards. The details of PPAs are as below in Table:

TABLE 6-37: SHORT-TERM RE PPAS APPROVED BY THE COMMISSION

Supplier/ Trader	Quoted quantum (MW)	Period	Quoted Tariff (Rs/kWh)	PPA Approval/ Tariff Adoption Date
PTC (Khalez Khola, Sikkim)	5 MW	01.05.2025 to 30.09.2025	5.59	11.02.2025
PTC (Lower Lagyap, Sikkim)	Up to 19 MW	01.05.2025 to 30.09.2025	5.59	11.02.2025

Supplier/ Trader	Quoted quantum (MW)	Period	Quoted Tariff (Rs/kWh)	PPA Approval/ Tariff Adoption Date
PTC (Meyong Chu, Sikkim)	Up to 6 MW	01.05.2025 to 30.09.2025	5.59	11.02.2025
PTC (Rabaom Chu, Sikkim)	Up to 11 MW	01.05.2025 to 30.09.2025	5.59	11.02.2025
PTC (GoHP-NJHPS, HP)	Up to 50 MW	01.07.2025 to 30.09.2025	5.48 to 5.70	11.02.2025
With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/ T-GNA granted. Similarly, the STU charges are also considered separately.				

6.5.29. The Petitioner has proposed to Purchase Renewable Power of 374.94 MUs from Power Exchanges @ Rs 4.56/ kWh at NPCL periphery considering the rates discovered on Power Exchanges in FY 2024-25 with additional Rs. 0.23/ kWh premium as the average REC Exchange rates discovered on IEX for FY 2024-25.

6.5.30. Based on above, the power procurement plan for FY 2025-26 from RE sources is given in the Table as below: -

TABLE 6-38 : RENEWABLE POWER (FY 2025-26)

Description	Projected			
	Units (MU) @ Regional Periphery	Units (MU) @ NPCL Periphery	Contract Rate/ kWh	Amount (Rs. Cr.) *
Renewable Power (LT Wind Power)	35.50	33.16	3.53	12.53
Renewable Power (Solar Power)- Adani Energy	62.19	60.21	3.08	19.15
Renewable Power (Solar Power)-Tata Power	46.41	44.94	3.08	14.30
Renewable Power (GNIDA LT Solar Power)	0.00	0.00	0.00	0.00
Renewable Power (APPCPL LT Solar)	0.59	0.59	5.49	0.32
PTC (Khalez Khola, Sikkim)	10.92	10.20	5.59	6.10
PTC (Lower Lagyap, Sikkim)	34.80	32.51	5.59	19.45
PTC (Meyong Chu, Sikkim)	12.36	11.55	5.59	6.91
PTC (Rabaom Chu, Sikkim)	19.56	18.27	5.59	10.93
PTC (GoHP-NJHPS, Himachal Pradesh)	80.88	75.55	5.50	44.46
Sub-Total	303.21	286.97	-	134.17
Power Exchange	401.39	374.94	4.26	171.00

Description	Projected			
	Units (MU) @ Regional Periphery	Units (MU) @ NPCL Periphery	Contract Rate/ kWh	Amount (Rs. Cr.) *
Total	704.60	661.91	4.33	305.17
**With the implementation of GNA regime, the CTU transmission charges have been disassociated with the generation and now being billed as per GNA/ T-GNA granted. Similarly, the STU charges are also considered separately.				

6.5.31. Further, the Petitioner has submitted that it purchased RECs to address the RPO backlog as computed by the Commission in Tariff Order dated October 10, 2024. Based on above referred procurement of renewable power, the status of RPO computed in accordance with RPO Regulations as at end of FY 2025-26 is as provided in Table below:

TABLE 6-39: RPO STATUS (FY 2025-26) (MU'S)

RE Power	Opening Unfulfilled Obligation from FY 2024-25 Shortfall (+ ve)/ Surplus (- ve) (MUs)	Obligation for the year (FY 2025-26)	Obligation met during the year (FY 2025-26) *	Balance Obligation Shortfall (+ ve)/ Surplus (- ve) (MUs)
	A	B	C	D = A + B - C
Solar	- 65.24	220.62	220.62	- 65.24
Non-Solar	87.64	308.87	308.87	87.64
Hydro Power	112.50	132.37	132.37	112.50
Total	134.89	661.86	661.86	134.89
* Including gross generation under net-metering arrangements.				

6.5.32. The details of computation in the format prescribed by the Commission for aforesaid RPO Status is provided in the Commission's Analysis Section.

6.5.33. It is further submitted that the Commission vide its Tariff order dated October 10, 2024, had directed the Petitioner to fulfil the RPO backlogs from the purchase of RE power or RECs. Based on the Commission's directions, the Petitioner shall endeavor to meet the RPO backlogs (if any) through purchase from RE sources/ RE certificates and will submit the details to this Commission during the time of Truing-Up.

f. Sale of Power for Load Management & UI/ DSM

6.5.34. The Petitioner has submitted that it is highly uncertain or in-fact not feasible to exactly estimate the day-ahead power requirement as the demand is highly volatile, uncertain and dependent on a number of factors which are beyond the control of the Petitioner e.g. volatile weather conditions, long intermittent holidays on account of various festivals, Govt. holidays etc. There can be certain time blocks wherein the power tied-up may remain unutilized and thus need to be sold on Power Exchanges. Therefore, the Petitioner has estimated sales of 113.78 MUs of energy towards load management.

6.5.35. Further, given the uncertainty in demand (due to change in weather pattern) and possible changes in generation of plants due to forced outages or restoration during real time, the day ahead schedules may see certain changes by way of surplus or deficit. Hence real time power surplus has been estimated 22.76 MU to be settled as per the DSM mechanism as per the prevailing regulations.

6.5.36. The estimated Sale of surplus Power has been considered in the range of 2.50% of the projected demand of the Petitioner in line with the directions of this Commission vide order dated 11.03.2024. Further, the Under-drawl through DSM for 22.7 MU is approximately 0.50% of the power purchase quantum. It is requested to approve the cost of power settled under DSM mechanism.

g. General Network Access Charges, Intra-State Transmission Charges of UPPTCL & SLDC Charges

6.5.37. The Petitioner has submitted that Central Electricity Regulatory Commission (CERC) notified the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) on June 07, 2022. In accordance to this Regulation, the state of UP has been granted the GNA of 10,165 MW. Further, the segregation of GNA among the intrastate entities was the responsibility of the respective SLDCs. Accordingly, the Petitioner has been granted the Deemed GNA of 351 MW.

6.5.38. The Petitioner has submitted that the Deemed GNA granted was based on the Demand of FY 2018-19 to FY 2020-21. Subsequently, in order to service the expected increase in power demand of consumers, it has applied for additional GNA of 100 MW in line with the GNA Regulations, 2022. CTUIL vide letter dated July 16, 2024, granted

Additional GNA of 100 MW to the Petitioner w.e.f. July 30, 2024. The same was also intimated to the UPSLDC. Subsequently, UPPTCL vide letter 4301/Dir (O)/GNA dated September 09, 2024, directed the Petitioner to provide the requirements of additional GNA for FY 2025-26 onwards. The Petitioner vide letter dated 23.09.2024, requested UPPTCL to grant for additional GNA of 50 MW w.e.f. Apr-2025 onwards. With above, the total GNA of NPCL (deemed + additional) now stands at 501 MW w.e.f. April 01, 2025, onwards.

6.5.39. Further, for scheduling of short-term Open Access applications, the RLDC application fee of Rs. 5,000 & UP SLDC Operating fees of Rs. 1,000 per day has also been considered. The total cost considered for Application fees and operating charges is Rs 0.22 Crores.

6.5.40. The Petitioner has submitted the transmission Charges and SLDC charges for FY 2025-26 as detailed below:

TABLE 6-40: TRANSMISSIONS & APPLICATION FEE COST SUBMITTED BY THE PETITIONER

Particulars	U.o.M.	FY 25-26
Base Cost *	Rs/MW/Month	3,80,159
Total Energy Scheduled @ ISTS PP ISTS	Mus	4,757.08
GNA Quantum	MW	501.00
Energy under GNA capacity	Mus	4,388.76
GNA Charges	Rs/kWh	0.52
	Rs. Cr.	228.55
T-GNA Charges	Rs/kWh	0.57
	Rs. Cr.	21.10
Total	Rs. Cr.	249.65
Table 32 (b): UPPTCL Charges		
UPPTCL Charges	Rs/kWh	0.2326
	Rs. Cr.	101.41
UPSLDC Charges as per approved ARR	Rs/MW/Month	536.81
	Rs. Cr.	0.32
Application Charges	Rs. Cr.	0.22
Total	Rs. Cr.	101.95

**Base cost of Oct-2024 bill is considered for computation of Transmission Charges.*

6.5.41. The Petitioner has requested to approve the power purchase plan for the purpose of determination of ARR for FY 2025-26 summarised in Table below:

TABLE 6-41 TOTAL POWER PURCHASE COST (FY 2025-26)

S. No.	Source of Power Purchase	MU's	Rs./ kWh	Amount
				Rs. Cr.
A	Long Term Power from DIL	1,189.37	4.49	534.52
B	Total-Power Procured from Medium Term	2,051.84	5.30	1,087.14
B.1	Medium Term [JITPL (TPTCL)]	695.54	4.50	313.08
B.2	Medium Term Power (JITPL)	660.76	5.57	368.26
B.3	Medium Term Power (Maa Durga)	173.88	5.88	102.20
B.4	Medium Term Power [BLA Power (MPL)]	173.88	5.88	102.20
B.5	Medium Term Power [Sai Lilagar (MPL)]	173.88	5.79	100.71
B.6	Medium Term Power (Dhariwal Infrs. Limited)	173.88	5.79	100.71
C	Total-Power Procured from Short Term Open Access	645.71	5.71	368.61
C.1	Inter State Power - from Trader / Generator/ Exchanges	357.74	5.72	204.60
C.2	AEL (Adani Power, Chhattisgarh)	160.54	5.69	91.29
C.3	Instinct Infra (JPL, Raigarh)	27.80	5.97	16.61
C.4	MPL (BLA, Madhya Pradesh)	17.37	5.55	9.63
C.5	MPL (DB Power, Chhattisgarh)	3.47	6.04	2.10
C.6	MPL (MSPL, Raipur)	34.30	5.64	19.35
C.7	MPL (Thanush, Karnataka)	14.44	5.56	8.02
C. 8	PTC (CSPL, Chhattisgarh)	30.20	5.65	17.07
D	Total-Banking Power	0.00	0.00	0.00
D.1	Forward Banking	0.00	0.00	0.00
D.2	Return Banking	0.00	0.00	0.00
E	Power Procured from Renewable Sources	661.91	4.61	305.17
E.1	Renewable Power (LT Wind Power)	33.16	3.78	12.53
E.2	Renewable Power (Solar Power)- Adani Energy	60.21	3.18	19.15
E.3	Renewable Power (Solar Power)-Tata Power	44.94	3.18	14.30
E.4	Renewable Power (GNIDA LT Solar Power)	0.00	0.00	0.00
E.5	Renewable Power (APPCPL LT Solar)	0.59	5.49	0.32
E.6	PTC (Khalez Khola, Sikkim)	10.20	5.98	6.10
E.7	PTC (Lower Lagyap, Sikkim)	32.51	5.98	19.45
E.8	PTC (Meyong Chu, Sikkim)	11.55	5.98	6.91
E.9	PTC (Rabaom Chu, Sikkim)	18.27	5.98	10.93
E. 10	PTC (GoHP-NJHPS, Himachal Pradesh)	75.55	5.89	44.46
E. 11	Renewable Energy (GTAM)	374.94	4.56	171.00

S. No.	Source of Power Purchase	MU's	Rs./ kWh	Amount
				Rs. Cr.
	Total-Power Procured from Hydro Power Obligation	0.00	0.00	0.00
F	Sub Total-Import to NPCL	4,548.83	5.05	2,295.45
G	Adjustment-Sale @ IEX	(113.72)	4.72	(53.73)
H	Sale of Power / Unscheduled Interchange	(22.74)	1.00	(2.27)
I	GNA & TGNA Charges			249.65
J	UPPTCL Charges			101.41
K	UPSLDC Charges & Application Charges			0.54
	Grand Total	4,412.37	5.87	2,591.45

Commission's Analysis

6.5.42. The Commission has approved the Power Purchase Cost as discussed below:

Power Purchase from Long-Term Source

6.5.43. The Commission vide Order dated September 21, 2022 (MYT Petition No. 1531 of 2019 of DIL), has approved the generation tariff of Dhariwal Infrastructures Limited (DIL) for FY 2019-20 to FY 2023-24.

6.5.44. The Commission finds it appropriate to consider the normative auxiliary consumption and rates of Fixed Charges (Ex-Bus) and Energy Charges (Ex-Bus) for FY 2023-24 as determined by the Commission in the aforesaid Order. Any variation in these values shall be considered at the time of true up of FY 2025-26. The Power Purchase Cost approved by the Commission is as shown below:

TABLE 6-42 POWER PURCHASE FROM LONG TERM SOURCE APPROVED BY THE COMMISSION FOR FY 2025-26

Name of the Plant	Units Available (MU)	ISTS Loss	At State Periphery (MU)	Intrastat e loss	NPCL Peripher y (MU)	Fixed Charge (Rs. Crore)	Energy Charge (Rs. Crore)	Total	Lande d cost of Power (Rs. Crore)
Long Term Power from DIL	1,273.27	3.72%	1,225.90	3.18%	1,186.92	219.89	314.62	534.52	4.50

Power Purchase from Medium Term Sources

6.5.45. The Commission has approved power procurement under Medium-Term arrangements as provided in the table below:

TABLE 6-43 MEDIUM TERM POWER PURCHASE SOURCE APPROVED BY THE COMMISSION

Particulars	Quantum	Period	Tariff (Rs/kWh)*	Date of Commission's Order
TPTCL (JITPL)	100	01.04.2023 to 31.03.2026	4.05	06.03.2023
JITPL	95	01.04.2024 to 31.03.2029	5.19	09.01.2024
Maa Durga Power Ltd	25	01.04.2025 to 31.03.2028	5.49	27.03.2025
MPL-BLA Power	25	01.04.2025 to 31.03.2028	5.49	27.03.2025
MPL-Sai Lilagar	25	01.04.2025 to 31.03.2028	5.41	02.04.2025
DIL	25	01.04.2025 to 31.03.2028	5.41	02.04.2025

*Tariff comprises Cost of Fixed & Variable Charges

6.5.46. Further the Transmission charges and losses up to the delivery point i.e. CTU periphery is to be borne by the bidder and the transmission charges and losses beyond delivery point i.e. applicable General Network Access charges (GNA)/ Temporary General Network Access (T-GNA) charges and losses and Transmission charges and Losses of STU (UPPTCL) are payable by the Petitioner from the Delivery Point till NPCL bus on actuals.

6.5.47. Accordingly, the Power Purchase cost approved by the Commission is provided in the below table and subject to the Truing Up:

TABLE 6-44 POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2025-26

Particulars	NPCL Share	PLF	Fixed charge	Variable charge	Units Available	ISTS Loss*	At State Periphery	Intrastate loss	NPCL Periphery	Fixed Charge	Energy Charge	Total	Cost of Power at Discom Periphery
	MW	%	Rs. / Unit	Rs. / Unit	MU	%	MU	%	MU	Rs. Crore	Rs. Crore	Rs. Crore	Rs. / Unit
TPTCL (JITPL)	100	85%	2.07	2.13	744.60	3.72%	716.90	3.18%	694.10	158.86	313.08	4.51	4.51
JITPL	95	85%	2.60	2.60	707.37	3.72%	681.06	3.18%	659.40	184.22	368.26	5.58	5.58
Maa Durga Power Ltd	25	85%	2.75	2.75	186.15	3.72%	179.23	3.18%	173.53	51.10	102.20	5.89	5.89
MPL-BLA Power	25	85%	2.75	2.75	186.15	3.72%	179.23	3.18%	173.53	51.10	102.20	5.89	5.89
MPL-Sai Lilagar	25	85%	2.71	2.71	186.15	3.72%	179.23	3.18%	173.53	50.35	100.71	5.80	5.80
DIL	25	85%	2.71	2.71	186.15	3.72%	179.23	3.18%	173.53	50.35	100.71	5.80	5.80

*Interstate loss is loss as per claimed by the Petitioner

Power Purchase from Renewable Sources

6.5.48. The Commission has considered the submissions made by the Petitioner and approves the Power Purchase from Renewable sources as shown in below Table:

Table 6-45 APPROVED RENEWABLE ENERGY PURCHASE FOR FY 2025-26

Name of the Plant	NPCL Share	Units Available	ISTS Losses	State Periphery	Intrastate Losses	NPCL Periphery	Energy Charge	Landed cost of Power
	MW	MU	%			MU	Rs. Crore	Rs./Unit
PTC (LT Wind Power)	10.00	35.50	3.72%	34.18	3.18%	33.09	12.53	12.53
Adani Energy	25.00	62.19	0.00%	62.19	3.18%	60.21	19.15	19.15
Tata Power	25.00	46.41	0.00%	46.41	3.18%	44.94	14.30	14.30
PTC (Lower lagyap, Sikkim)	34.80	3.72%	33.51	3.18%	32.44	34.80	19.45	19.45
PTC (Khalez Khola, Sikkim)	10.92	3.72%	10.51	3.18%	10.18	10.92	6.10	6.10
PTC (Meyong Chu, Sikkim)	12.36	3.72%	11.90	3.18%	11.52	12.36	6.91	6.91
PTC (Rabaom Chu, Sikkim)	19.56	3.72%	18.83	3.18%	18.23	19.56	10.93	10.93
PTC (GoHP-NJHPS, Himachal Pradesh)	80.88	3.72%	77.87	3.18%	75.39	80.88	19.45	19.45
Power Exchange		402.22	3.72%	387.25	3.18%	374.94	171.36	4.57

Renewable Purchase obligation

6.5.49. As per UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019 dated August 16, 2019, the RPO Trajectory for FY 2023-24 shall be continued beyond FY 2023-24 until revised by the Commission. The Commission has therefore considered the RPO trajectory of FY 2023-24 for FY 2025-26 as shown in the Table below:

TABLE 6-46 RENEWABLE PURCHASE OBLIGATION APPROVED BY THE COMMISSION FOR FY 2025-26

S. No	Particular	Projected	Approved
1	Gross Energy Consumption (Sales) (Excluding Inter-State sales)	4083.65	4083.65
2	Distribution Loss (%)	7.45%	7.23%
3	Energy Consumption at Discom Periphery	4412.37	4401.90
4	Hydro Purchase at Distribution Periphery (MU)	0	0
5	Net Power Sale for RPO computation	4412.37	4401.90
6	Total Obligation for the year (%)		
6.1	Solar (%)	5.00%	5.00%
6.2	Non-Solar (%)	7.00%	7.00%
6.3	HPO Obligation for the year (%)	3.00%	3.00%
7	Total Obligation for year		
7.1	Solar (MU)	220.62	220.10
7.2	Non-Solar (MU)	308.87	308.13
7.3	HPO Obligation for the year (MU)	132.37	132.06
7.4	Total Obligation for the year (MU)	661.86	660.29
8	Total RPO Fulfilled during the year		
8.1	Solar Purchase at Distribution Periphery (MU)	220.62	220.62
8.2	Non-Solar Purchase at Distribution Periphery (MU)	308.87	308.87



S. No	Particular	Projected	Approved
8.2	HPO (MU)	132.37	132.37
8.4	Total RPO fulfilled	661.86	661.86
9	Balance Obligation to be fulfilled for the year	0.00	-1.57
9.1	Solar (MU)	0.00	-0.52
9.2	Non-Solar (MU)	0.00	-0.73
9.3	HPO Obligation for the year (MU)	0.00	-0.31
14	Opening Obligation to be fulfilled for the year	134.87	190.54
15	REC Purchase	0	0
16	Closing Obligation to be fulfilled for the year	134.87	188.97

TABLE 6-47 STATUS OF RPO TO BE MET DURING FY 2025-26

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year	Balance Obligation Carried Forward
	a	b	c	d= a+b-c
Solar	12.99	220.10	220.62	12.47
Non Solar	185.49	308.13	308.87	184.76
Hydro Power	175.25	132.06	132.37	174.93
Total	373.73	660.29	661.86	372.16

6.5.50. The Commission has noted that the Petitioner, in its APR Petition, submitted procurement of 183.21 MU equivalent Renewable Energy Certificates (RECs) towards fulfilment of its RPO target for FY 2024-25. However, since the detailed breakup of RECs is currently unavailable, the Commission shall review and adjust the RPO status for FY 2025-26 based on the actual data submitted at that time of True-Up of FY 2024-25

Power Purchase from Short Term Sources

6.5.51. The Commission has determined the energy units from short-term power procurement based on a normative availability of 100.00% for the sources that have been submitted and approves the Power Purchase cost as shown below:

TABLE 6-48 SHORT TERM POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2025-26

Name of the Plant	PPA Duration	NPCL Share	PLF	Tariff	Units Available	ISTS Loss	At State Periphery	Intrast ate loss	NPCL Periphery	Energy Charge	Landed cost of Power
Instinct Infra	May-25	40.00	100%	5.58	29.76	3.72%	28.65	3.18%	27.74	16.61	5.99



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Name of the Plant	PPA Duration	NPCL Share	PLF	Tariff	Units Available	ISTS Loss	At State Periphery	Intrastate loss	NPCL Periphery	Energy Charge	Landed cost of Power
(JPL, Raigarh)											
MPL (DB Power, Chhattisgarh)	May-25	5.00	100%	5.64	3.72	3.72%	3.58	3.18%	3.47	2.10	6.05
MPL (MSPL, Raipur)	May-25	10.00	100%	5.54	7.44	3.72%	7.16	3.18%	6.94	4.12	5.94
PTC (CSPL, Chhattisgarh)	May-25	10.00	100%	5.54	7.44	3.72%	7.16	3.18%	6.94	4.12	5.94
MPL (Thanshu Ishpat)	Jun-25	7.00	100%	5.26	5.04	3.72%	4.85	3.18%	4.70	2.65	5.64
MPL (MSPL, Raipur)	Jun-25	10.00	100%	5.26	7.20	3.72%	6.93	3.18%	6.71	3.79	5.64
PTC (CSPL, Chhattisgarh)	Jun-25	10.00	100%	5.26	7.20	3.72%	6.93	3.18%	6.71	3.79	5.64
AEL (Adani Power Ltd)	Jun-25	98.00	100%	5.40	70.56	3.72%	67.94	3.18%	65.77	38.10	5.79
PTC (CSPL, Chhattisgarh)	Jul-25	10.00	100%	5.17	7.44	3.72%	7.16	3.18%	6.94	3.85	5.55
MPL (Thanshu Ishpat)	Jul-25	7.00	100%	5.17	5.21	3.72%	5.01	3.18%	4.85	2.69	5.55
MPL (MSPL, Raipur)	Jul-25	10.00	100%	5.17	7.44	3.72%	7.16	3.18%	6.94	3.85	5.55
MPL (BLA Power)	Jul-25	25.00	100%	5.18	18.60	3.72%	17.91	3.18%	17.34	9.63	5.56
AEL (Adani Power Ltd)	Jul-25	48.00	100%	5.25	35.71	3.72%	34.38	3.18%	33.29	18.75	5.63
PTC (CSPL, Chhattisgarh)	Aug-25	7.00	100%	5.24	5.21	3.72%	5.01	3.18%	4.85	2.73	5.62
MPL (MSPL, Raipur)	Aug-25	10.00	100%	5.24	7.44	3.72%	7.16	3.18%	6.94	3.90	5.62
AEL (Adani Power Ltd)	Aug-25	63.00	100%	5.25	46.87	3.72%	45.13	3.18%	43.69	24.61	5.63
PTC (CSPL,	Sep-25	7.00	100%	5.14	5.04	3.72%	4.85	3.18%	4.70	2.59	5.51



Name of the Plant	PPA Duration	NPCL Share	PLF	Tariff	Units Available	ISTS Loss	At State Periphery	Intrast ate loss	NPCL Periphery	Energy Charge	Landed cost of Power
Chhattisgarh)											
MPL (Thanshu Ishpat)	Sep-25	7.00	100%	5.14	5.04	3.72%	4.85	3.18%	4.70	2.59	5.51
MPL (MSPL, Raipur)	Sep-25	10.00	100%	5.14	7.20	3.72%	6.93	3.18%	6.71	3.70	5.51
AEL (Adani Power Ltd)	Sep-25	26.00	100%	5.25	18.72	3.72%	18.02	3.18%	17.45	9.83	5.63

**Interstate loss is loss as claimed by the Petitioner*

6.5.52. Further, the Commission approves procurement of 225.50 MU of short-term power from the power exchange at a rate of Rs. 4.31/kWh, equal to Weighted MCP price for FY 2024-25 at IEX Day Ahead Market, to meet the balance unfulfilled electricity demand. This approval is subject to truing-up based on actual consumption and cost incurred.

Sale of Power for Load Management and UI/DSM

6.5.53. The Commission observes that the Petitioner for FY 2025-26 has estimated to sale of 113.78 MU power towards load management and 22.76 MU to manage real-time power surplus.

6.5.54. The Commission is of the view that these figures are indicative and subject to operational dynamics. The actual quantum of DSM transactions may vary due to real-time grid conditions, demand-supply fluctuations, and regulatory interventions. Therefore, the final settlement of DSM-related energy and associated revenues should be considered during the True-Up of FY 2025-26, based on actual data and system operator records, ensuring accurate reflection of DSM performance and compliance. Hence the Commission is not allowing the estimated sale towards load management under DSM/UI mechanism.

General Network Access Charges, Intra-State Transmission Charges of UPPTCL & SLDC Charges

6.5.55. The Commission approves GNA & TGNA Charges as shown in Table below subject to truing-up based on actuals during the true-up process:



TABLE 6-49 GNA AND TGNA CHARGES APPROVED BY THE COMMISSION FOR FY 2025-26

Particulars	U.o.M.	FY 25-26
Base Cost *	Rs/MW/Month	3,80,159
Total Energy Scheduled @ ISTS PP ISTS	Mus	4,757.08
GNA Quantum	MW	501.00
Energy under GNA capacity	Mus	4,388.76
GNA Charges	Rs/kWh	0.52
	Rs. Cr.	228.55
T-GNA Charges	Rs/kWh	0.57
	Rs. Cr.	21.10
Total	Rs. Cr.	249.65

*Base cost of Oct-2024 bill is considered for computation of Transmission Charges.

6.5.56. Regarding intrastate transmission and SLDC charges, the Commission has approved these costs based on the tariffs specified in the respective Tariff Orders of UPPTCL and UPSLDC for NPCL for the financial year 2025–26.

6.5.57. Accordingly, the power purchase quantum/cost projected by the Petitioner and that approved by the Commission for FY 2025-26 are as shown in the Table below:

TABLE 6-50 APPROVED POWER PURCHASE FOR FY 2025-26

S. No.	Source of Power Purchase	Claimed			Approved		
		MU's	Rs./ kWh	Amount (Rs. Cr.)	MU's	Rs./ kWh	Amount (Rs. Cr.)
A	Long Term Power from DIL	1,273.27	4.20	534.52	1,273.27	4.20	534.52
B	Total-Power Procured from Medium Term	2,196.57	4.95	1,087.14	2,196.57	4.95	1,087.14
B.1	Medium Term [JITPL (TPTCL)]	744.6	4.20	313.076	744.60	4.20	313.08
B.2	Medium Term Power (JITPL)	707.37	5.21	368.26	707.37	5.21	368.26
B.3	Medium Term Power (Maa Durga)	186.15	5.49	102.196	186.15	5.49	102.20
B.4	Medium Term Power [BLA Power (MPL)]	186.15	5.49	102.196	186.15	5.49	102.20
B.5	Medium Term Power [Sai Lilagar (MPL)]	186.15	5.41	100.707	186.15	5.41	100.71
B.6	Medium Term Power (Dhariwal Infrs. Limited)	186.15	5.41	100.707	186.15	5.41	100.71
C	Total-Power Procured from Short Term Open Access	691.25	5.33	368.61	543.28	4.88	265.33
C.1	Inter State Power - from Trader / Generator/ Exchanges	382.81	5.34	204.54	235.00	4.31	101.34
C.2	AEL (Adani Power Ltd)	171.86	5.31	91.29	171.86	5.31	91.29
C.3	Instinct Infra (JPL, Raigarh)	29.76	5.58	16.61	29.76	5.58	16.61
C.4	MPL (BLA Power)	18.60	5.18	9.63	18.60	5.18	9.63
C.5	MPL (DB Power, Chhattisgarh)	3.72	5.64	2.10	3.72	5.64	2.10
C.6	MPL (MSPL, Raipur)	36.72	5.27	19.35	36.72	5.27	19.35
C.7	MPL (Thanshu Ishpat)	15.46	5.19	8.02	15.29	5.19	7.93
C.8	PTC (CSPL, Chhattisgarh)	32.33	5.28	17.07	32.33	5.28	17.07
D	Power Procured from Renewable Sources	704.60	4.33	305.17	704.84	4.33	305.20
D.1	Renewable Power (LT Wind Power)	35.50	3.53	12.53	35.50	3.53	12.53



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S. No.	Source of Power Purchase	Claimed			Approved		
		MU's	Rs./ kWh	Amount (Rs. Cr.)	MU's	Rs./ kWh	Amount (Rs. Cr.)
D.2	Renewable Power (Solar Power)- Adani Energy	62.19	3.08	19.15	62.19	3.08	19.15
D.3	Renewable Power (Solar Power)-Tata Power	46.41	3.08	14.30	46.41	3.08	14.30
D.4	Renewable Power (GNIDA LT Solar Power)	0.00	0.00	0.00	0.00	0.00	-
D.5	Renewable Power (APPCPL LT Solar)	0.59	5.49	0.32	0.00	0.00	-
D.6	PTC (Khalez Khola, Sikkim)	10.92	5.59	6.10	10.92	5.59	6.10
D.7	PTC (Lower Lagyap, Sikkim)	34.80	5.59	19.45	34.80	5.59	19.45
D.8	PTC (Meyong Chu, Sikkim)	12.36	5.59	6.91	12.36	5.59	6.91
D.9	PTC (Rabaom Chu, Sikkim)	19.56	5.59	10.93	19.56	5.59	10.93
D. 10	PTC (GoHP-NJHPS, Himachal Pradesh)	80.88	5.50	44.46	80.88	5.50	44.46
D. 11	Renewable Energy (GTAM)	401.39	4.26	171.00	402.22	4.26	171.36
E	Sub Total-Import to NPCL	4,865.68	4.72	2,295.45	4,717.95	4.65	2,192.19
F	Adjustment-Sale @ IEX	-106.228	5.06	-53.73	0	0	0
G	Sale of Power / Unscheduled Interchange	-22.7442	1.00	-2.27	0	0	0
H	GNA & TGNA Charges			249.65		0.53	249.65
I	UPPTCL Charges			101.41		0.40	192.31
J	Rebate under Solar Policy						2.47
K	UPSLDC Charges & Application Charges			0.54			0.54
	Grand Total	4,736.71	5.47	2,591.05	4,717.95	5.58	2,632.22

6.5.58. The Average Power Purchase Cost (APPC) from different sources, excluding Transmission Charges as shown below:

Table 6-51 APPROVED AVERAGE POWER PURCHASE COST FOR FY 2025-26

Sources	APPC Ex Bus (Rs. /kWh)
Non-RE (incl. Large Hydro, DSM, Exchange)	4.70
RE (Excl. Large Hydro)	4.33
RE Solar	3.08
RE Non-Solar	4.56
All Sources	4.65

6.5.59. The Commission will carry out the detailed analysis of actual power purchase, inter & intra transmission loss, and transmission charges at the time of truing up of FY 2025-26.

6.6. O&M EXPENSES

Petitioner's Submission

6.6.1. The petitioner has submitted that Regulation 33 of the MYT Regulations 2025 deals with the O&M Expenses. The submissions made by the Petitioner for each component of O&M expenses vis-à-vis Employee Expenses, Repair and Maintenance (R&M) Expenses and Administrative and General (A&G) Expenses are as below:

Employee Expenses

- 6.6.2. Based on the methodology as provided in Regulation 33 of the MYT Regulations, 2025, the Employee Expenses have been derived on the basis of the average values in the Audited Balance Sheet for the last five (5) Financial Years. Since the Audited Balance Sheet are not available for FY 2024-25, Audited Balance Sheet available for the last five (5) Financial Years i.e. FY20 to FY24 have been considered.
- 6.6.3. Further, the average Audited Employee Expenses over the past five years is to be considered for the middle year i.e. FY 2021-22. This average is then escalated Year-on-Year using the Consumer Price Index (CPI) up to the base year i.e. FY 2024-25.
- 6.6.4. The Petitioner has further submitted that, in order to arrive at the Normative Employee Expenses for FY 2025-26, CPI escalation and Growth Factor (G_n) as prescribed, has been applied. Firstly, for CPI escalation, the three-year average CPI growth rate was calculated based on the YoY variations from FY2022-23 to FY 2024-25. The average growth of 5.48% has been considered for escalating the normative Employee Expenses, as per the methodology prescribed in the UPERC MYT Regulations 2025. Secondly, for growth factor, the petitioner has submitted that it has adopted the same methodology as outlined in the reports by Central Electricity Authority (CEA) and Forum of Regulators (FOR).
- 6.6.5. The average Consumer Price Index (CPI) for each financial year along with the Year-on-Year (YoY) variation is presented in below Table:

TABLE 6-52 CONSUMER PRICE INDEX AS SUBMITTED BY THE PETITIONER

Consumer Price Index	FY22	FY23	FY24	FY25	3 Year Avg.
Average CPI for the FY	356.06	377.62	397.20	NA	
YoY Variation		6.05%	5.19%	5.19%	5.48%

6.6.6. The growth factor has been determined by considering average of Normative Employee Expenses based on Employee Expenses per Unit Sale and normative Employee Expenses based on No. of Consumers.

6.6.7. The Normative Employee Expenses determined based on per unit sale is as below:

TABLE 6-53 DETAILS OF EMPLOYEE EXPENSE PER UNIT SALE

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Avg. of 5 years
Employee Expense (Rs. Cr)	56	56	68	73	78	66
Sales (MUs)	2,081	2,012	2,338	2,870	3,130	2,486
Emp Exp per Sales (Rs./unit)	0.27	0.28	0.29	0.26	0.25	0.27
ACoS claimed (Rs./unit)	8.55	7.82	8.11	8.12	7.41	8.00
EE/Sales % of ACoS	3.20%	3.58%	3.60%	3.14%	3.34%	3.37%

6.6.8. The petitioner submitted that the value of ratio of Employee Expense to Sales, as well as Employee Expense as a percentage of ACoS, are below the acceptable range as recommended by the Forum of Regulators in its report.

6.6.9. The petitioner further mentioned that as per the applicable norms, the average ratio of Employee Expenses to Sales over the last five audited years (FY 2019-20 to FY 2023-24) has been considered, with FY 2021-22 taken as the representative (middle) year. This ratio is then escalated using the year-on-year Consumer Price Index (CPI) percentage increase up to the base year FY 2024-25. The Employee Expenses to Sales ratio for FY 2024-25—determined as per the methodology detailed above, is further escalated using the average CPI for the past three years, in line with the norms. The escalated ratio is then multiplied by the projected sales for FY 2025-26 to arrive at the Normative Employee Expenses for the said year. The detailed computation is as detailed below:

TABLE 6-54 COMPUTATION OF NORMATIVE EMPLOYEE EXPENSES FOR FY 2025-26

Employee Expenses	Avg. of last 5 years audited EE/Sales (Middle Year)			Base Year	Normative
Particulars	FY22	FY23	FY24	FY25	FY26
Employee Expenses/ Sales (Rs./kWh)	0.27	0.29	0.30	0.32	0.33
CPI YoY % Change		6.05%	5.19%	5.19%	5.48%

Employee Expenses	Avg. of last 5 years audited EE/Sales (Middle Year)			Base Year	Normative
Sales (MU)					4,083.65
Normative EE based on Regulations (Rs. Crore)					136.25

6.6.10. Further the Petitioner has mentioned the Central Electricity Authority (CEA) report, Guidelines for Benchmarking of Operation & Maintenance (O&M) Norms for Distribution Utilities dated 30.01.2025, determining the O&M norms for distribution licensee. In line with the methodology recommended by the CEA in its report as detailed above, the petitioner has computed the normative Employee Expenses for FY 2025-26 by factoring in both the inflationary impact through the Consumer Price Index (CPI) and the Growth Factor (Gn) as change in number of Consumers. The detailed computation is provided below:

TABLE 6-55: EMPLOYEE EXPENSE PER 1000 CONSUMER

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Avg. of 5 years
Employee Expense (Rs. Cr)	56	56	68	73	78	66
No. of Consumers	97,682	1,06,707	1,17,753	1,35,214	1,61,914	1,23,854
Emp Exp per 1000 Consumers (Rs. Cr.)	0.58	0.53	0.58	0.54	0.48	0.54

6.6.11. The petitioner mentioned that as per the applicable norms, the average ratio of Employee Expenses to Consumers over the last five audited years (FY 2019-20 to FY 2023-24) has been considered, with FY 2021-22 taken as the representative (middle) year. This ratio is then escalated using the year-on-year Consumer Price Index (CPI) percentage increase up to the base year FY 2024-25.

6.6.12. Further, the petitioner mentioned that it has computed the Normative Employee Expenses for FY 2025-26, by escalating the Employee Expenses to Consumers ratio for FY 2024-25 using the average CPI for the past three years, in line with the norms. The escalated ratio is then multiplied by the projected Consumers for FY 2025-26 to arrive at the Normative Employee Expenses for the said year. The detailed computation is presented below:

TABLE 6-56: COMPUTATION OF NORMATIVE EMPLOYEE EXPENSES

Employee Expenses	Avg. of last 5 years audited EE/Sales (Middle Year)			Base Year	Normative
Particulars	FY22	FY23	FY24	FY25	FY26
Employee Expenses/ 1000 Consumers	0.54	0.57	0.60	0.64	0.67
CPI YoY % Change		6.05%	5.19%	5.19%	5.48%
Consumers (No.)					2,26,996
Normative EE based on Regulations (Rs. Crore)					152.26

6.6.13. In continuation to the above, the petitioner has submitted that since the Employee expenses is largely dependent on Growth in Sales as well as No. of Consumers, it has considered a 50:50 ratio to arrive at a more realistic Growth rate. Accordingly, it is submitted that the normative Employee Expense comes out to be Rs 144.26 Crore $[136.25+152.26)/2]$.

Administrative and General Expenses

6.6.14. The petitioner has submitted that the computation of Administrative & General (A&G) Expenses has been carried out in accordance with the guidelines prescribed under the UPERC MYT Regulations, 2025. As per these guidelines, the A&G Expenses are to be calculated based on the average of the values from the audited balance sheet for the last five financial years ending 31st March 2025. However, since the audited figures for the financial year 2024-25 are currently unavailable, the petitioner has considered the audited values of the preceding five financial years from FY 2019-20 to FY 2023-24 for the purpose of this computation.

6.6.15. Further, the Petitioner has referred to Regulation 23 of the UPERC MYT Regulations, 2025 as per which the Banking and Finance charges shall be allowed in ARR as per the approval given by the Commission for the latest True-Up year. Therefore, the petitioner has excluded finance charges from the audited years i.e. FY20 TO FY24, while computing the normative A&G Expenses for FY2025-26.

6.6.16. Further the Petitioner has referred to the Regulation 33.8 of the UPERC MYT Regulations, 2025 as per which the expenses towards Captive Consumption shall be determined based on the Rate provided in the Rate Schedule and energy consumption recorded in the accounts and shall be considered as part of A & G expenses subject to

prudence check by the Commission. Therefore, the petitioner has included the revenue from captive consumption as a part of audited years i.e. FY20 to FY24, while computing the normative A&G Expense for FY2025-26. Accordingly, the A&G expenses including captive and excluding finance charges for the last five (5) Financial Years i.e. FY2019-20 to FY 2023-24 as below:

TABLE 6-57: A&G EXPENSES (RS. CRORE) FY20 TO FY24

Particulars	FY20	FY21	FY22	FY23	FY24	Average
Audited A&G Expenses	16.43	14.60	15.67	29.86	30.95	
Finance Charges	1.58	1.23	1.12	1.46	1.76	
A&G excluding Finance Charges	14.85	13.37	14.54	28.40	29.19	
Captive Consumption	3.06	2.54	2.94	3.03	3.02	
A&G excluding FC and Including Captive	17.91	15.91	17.48	31.43	32.21	22.99

6.6.17. In addition to the above, the petitioner has submitted that the average audited A&G Expenses including Captive consumption and excluding finance charges over the past five years is to be considered for the middle year i.e. FY 2021-22. This average is then escalated year-on-year using the Wholesale Price Index (WPI) up to the base year i.e. FY 2024-25, in order to arrive at the Normative A&G Expenses for FY 2025-26. The details of Wholesale Price Index (WPI) for each financial year along with the year-on-year (YoY) variation as below:

Table 6-58 Wholesale Price Index (WPI)

Wholesale Price Index	FY22	FY23	FY24	FY25	3 Year Avg.
Average WPI for the FY	139.41	152.53	151.42	154.83	
YoY Variation	13.00%	9.41%	-0.73%	2.25%	3.64%

6.6.18. The computation of A&G Expense as submitted by the petitioner is detailed below:

TABLE 6-59 NORMATIVE A&G EXPENSE FOR FY 2025-26

A&G Expenses	Avg. of last 5 years audited A&G (Middle Year)			Base Year	Normative
Particulars	FY22	FY23	FY24	FY25	FY26
A&G Expenses	22.99	25.15	24.97	25.53	26.46*
WPI YoY % Change		9.41%	-0.73%	2.25%	3.64%
Normative A&G Expenses based on Regulations (Rs. Crore)					26.46

6.6.19. The petitioner has further submitted that, in accordance with the UPERC MYT Regulations, 2025, the normative Captive Expense for the Financial Year FY 2025-26 is calculated to be Rs. 3.26 Cr. However, considering the significant growth in the number of consumers, substations, and overall capacity, the Petitioner has estimated the Captive Expense for FY 2025-26 to be Rs. 4.33 Cr.

6.6.20. In addition, the petitioner has submitted the details of growth in consumers, employees and sub-stations as below:

Growth in Consumers, Employees and S/stn							
Particulars	Audited					APR	Avg. Growth
	FY20	FY21	FY22	FY23	FY24	FY25	
No. of Consumers	97,682	1,06,707	1,17,753	1,35,214	1,61,914	1,85,717	
YoY Variation		9.24%	10.35%	14.83%	19.75%	14.70%	16.43%
No. of Employees	467	470	490	524	549	629	
YoY Variation		0.64%	4.26%	6.94%	4.77%	14.57%	8.76%
Substation Capacity (MVA)	2,311	2,433	2,487	2,572	2,651	2,815	
YoY Variation		5.27%	2.25%	3.41%	3.08%	6.17%	4.22%
No. of Substation	6,797	6,974	7,108	7,242	7,635	8,047	
YoY Variation		2.60%	1.92%	1.89%	5.43%	5.40%	4.24%

6.6.21. In continuation of the details furnished above, the Petitioner has submitted that the substantial increase in the number of consumers from FY2023 to FY2025 has resulted in a corresponding rise in demand. To effectively meet this growing demand, addition of new infrastructure is essential, which will lead to an increase in captive consumption.

6.6.22. The petitioner has submitted that Regulation 33.9 provides for escalation of the previous year's A&G expenses by the average Wholesale Price Index (WPI) inflation and also allows for adjustment through a "Provision" component. It provides that the "Provision" includes the cost for initiatives that involve conversion of Capital Expenditure (CAPEX) projects into TOTEX (Total Expenditure) or Operational Expenditure (OPEX) mode, initiatives undertaken to ensure compliance with directives issued by the Commission, or any other expense that may be specifically allowed by the Commission based on the proposal of the licensee.

6.6.23. Further, in accordance with the regulatory provisions, the petitioner has submitted that A&G expenses related to the following items may be incurred:

- AMC for DRDR Meters. OPEX portion of AMI project.
- New AMCs for the Operation Assets/Computer Hardware/Software.
- Asset Monetization Policy as per Regulation 35.3 of MYT Regulation 2025.

6.6.24. The Petitioner has further submitted that the A&G expenses on above items will require to be part of Provision under A&G expenses and shall be claimed at the time of Truing-up, based on actual expenditure incurred and subject to the directions and approval of the Commission.

Repair & Maintenance Expenses

6.6.25. The petitioner has submitted that, as per Regulations, the R&M Expense shall be computed based on the opening GFA as approved by the Commission. However, the petitioner has considered the opening/closing GFA as claimed in its True-Up petition for the purpose of calculating the normative R&M Expense. The details of the GFA considered are as below:

TABLE 6-60 GROSS FIXED ASSETS FOR FY 20 TO FY 26 (RS. CR.)

Claimed	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Opening GFA	1,479	1,680	1,777	1,966	2,093	2,246	2,592
Addition during the Year	209	100	199	134	162	361	540
Retirement during the Year	8	3	10	7	9	15	15
Closing GFA	1,680	1,777	1,966	2,093	2,246	2,592	3,117

6.6.26. The Petitioner has submitted that it has considered closing Gross Fixed Assets (GFA) as of March 31, 2020 (Part A), amounting to Rs. 1,680.20 Crore, and accordingly, the R&M Expense at 5% of GFA is Rs. 84.01 Crore. For the period from April 01, 2020, to March 31, 2025 (Part B), the Petitioner has considered GFA of Rs. 911.68 Crore, resulting in an R&M Expense at 5% of GFA amounting to Rs. 45.58 Crore. Further, for the R&M Expense for the asset capitalize after March 31, 2025, the Petitioner has claimed Nil (0) R&M expenses.

6.6.27. Further the Petitioner has submitted that R&M Expense for the assets handed over by the GNIDA and Other Authorities shall also be allowed. The details of assets added by GNIDA and handed over to the Petitioner during the past 5 years are given below:

Addition of GNIDA Assets (Rs. Cr.)					
FY20	FY21	FY22	FY23	FY24	Average
17	135	4	7	24	37

6.6.28. Accordingly, considering the norms of the UPERC MYT Regulations, 2025, the petitioner has claimed the normative R&M Expense for FY2025-26 as shown below:

TABLE 6-61: NORMATIVE R&M FOR FY 2025-26 (RS. CR.)

S. No.	Particulars	Projected
1	GFA up to 31.03.2020 (Part A)	1680.20
2	Norms for R&M (5% of GFA) (A)	84.01
3	GFA from 01.04.2020 to 31.03.2025) (Part B)	911.68
4	Norms for R&M (5% of GFA) (B)	45.58
5	GFA as on 01.04.2025 (Part C)	0
6	Norms for R&M (3% of GFA) (C)	0
Total R&M (A+B+C)		129.59

6.6.29. Based on the details furnished above, the petitioner has claimed total normative O&M Expense as detailed in table below:

TABLE 6-62 O&M EXPENSES AS CLAIMED BY THE PETITIONER (RS. CR.)

S. No.	Particulars	FY 2025-26
1	Employee Expenses	144.26
2	A&G Expenses	26.46
3	R&M Expenses	129.59
Total normative O&M Expenses		300.31

6.6.30. The petitioner has submitted that it has estimated to capitalize an amount of Rs. 30.34 Cr out of the total employee cost of Rs. 144.26 Cr estimated to be incurred during FY 2025-26, as per past practices. In view of above, the petitioner has requested to approve the net O&M Expense for FY2025-26 as detailed below:

TABLE 6-63 O&M EXPENSES (FY 2025-26) (RS. CR.)

Sl. No.	Particulars	FY26 Projected
1	Employees Expenses	144.26
2	Repair & Maintenance Expenses	129.59
3	Administrative & General Expenses	26.46
4	Total O&M Expenses	300.31

Sl. No.	Particulars	FY26 Projected
5	Employee Cost Capitalized	(30.34)
6	Net O&M Expenses	269.97

Commission's Analysis

6.6.31. Regulation 33 of the MYT Regulations, 2025 outlines the methodology for determining Operation and Maintenance (O&M) Expenses, as detailed below.

“33.1 The Operation and Maintenance (O&M) expenses for the Distribution Licensee shall be computed for three components i.e. (i) Employee Expenses, (ii) Repair and Maintenance (R&M) Expenses, and (iii) Administrative and General (A&G) Expenses.

33.2 The norms for each component of O&M Expenses shall be determined as per these Regulations. Thereafter O&M Expenses for each year of the Control Period shall be computed based on the formula shown below:

$$O\&M_n = EMP_n + R\&M_n + A\&G_n$$

Where:

$O\&M_n$ – O&M Expenses for nth year

EMP_n – Employee Expenses for nth year

$R\&M_n$ – R&M Expenses for nth year

$A\&G_n$ – A&G Expenses for nth year

33.3 At the time of Truing-Up, gains or losses for each component of Operation and Maintenance Expenses shall be shared as per Regulation 11.

33.4 The impact of pay revision, change in pension scheme etc., shall be allowed by the Commission over and above the normative Expenses of the respective component after prudence check. However, one time expenses such as payment of Arears due to impact of pay revision, change in pension scheme etc., shall not be considered for the determination of norm of the respective component.

33.5 In case data required for establishing the norms is not available, the Distribution Licensee shall propose O&M norms with justifications. The Commission shall approve the norms for the Licensee after prudence check which shall be applicable for the remaining Control Period.”

Employee Cost

“33.6 The Employee Cost shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) Financial Years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) years will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be recomputed.

The average of such Employee Cost shall be considered as Employee Cost for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering the CPI of respective years, for subsequent years up to FY 2024-25.

Provided that the impact of one-time expenses such as Arrears due to impact of pay revision, change in pension scheme etc. shall be removed from the base Employee Cost. Employee cost shall be computed as per the following formula:

$$EMP_n = EMP_{n-1} \times (1 + \text{CPI inflation}) \times (1 + G_n)$$

Where:

EMP_n : Employee expense for the n th year;

EMP_{n-1} : Employee expense for the $(n-1)$ th year;

For the purpose of ARR, CPI inflation is the average of Consumer Price Index (CPI) for Industrial Workers (All India) as per the Labour Bureau, Government of India for immediately preceding three Financial Years.

For the purpose of True-Up, CPI inflation is the actual point to point inflation for the concerned Financial Year.

G_n is a growth factor for the n th year and it may be greater than or less than zero based on the actual performance. Value of G_n shall be determined by the Commission in the Tariff Order for meeting the additional manpower requirement based on the Licensees' filing, benchmarking and any other factor that the Commission feels appropriate.”

Repair and Maintenance Expense

“33.7 The normative Repair and Maintenance expense shall be allowed in the ARR/ True-up by the Commission as the sum of the following

a) For the assets capitalised on or before 31.03.2025 @ 5% of the opening GFA as approved by the Commission.

b) For the assets capitalised after 31.03.2025 @ 3% of the opening GFA as approved by the Commission.

Provided that the normative R&M determined as per the above stipulation shall be inclusive of any impact of change in the applicable taxes or duties.

Administrative and General (A&G) Expense

33.8 The A&G Expenses shall be derived on the basis of the average of the values in the Audited Accounts for the last five (5) Financial Years ending March 31, 2025 subject to prudence check by the Commission. However, if Audited Accounts are not available for FY 2024-25, Audited Accounts available for the last five (5) Financial Years of previous Control Period (01.04.2020 to 31.03.2025) will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be recomputed.

The average of such A&G Expenses shall be considered as A&G Expenses for the middle year and shall be escalated year on year with the escalation factor considering the WPI of respective years, for subsequent years up to FY 2024-25.

Provided that the expenses towards Captive Consumption shall be determined based on the Rate provided in the Rate Schedule and energy consumption recorded in the accounts and shall be considered as part of A&G expenses subject to prudence check by the Commission.

Provided further that norms for Captive Consumption may be stipulated by the Commission through an Order or otherwise.

33.9 A&G expense shall be computed as per the following formula escalated by the Wholesale Price Index (WPI) and adjusted by the provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

$$\mathbf{A\&G_n = A\&G_{n-1} (1 + WPI\ inflation) + Provision}$$

Where:

A&G_n: A&G expense for the *n*th year;

A&G_{n-1}: A&G expense for the (n-1)th year;

For the purpose of ARR, WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years as per the Office of Economic Advisor of Government of India:

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned Financial Year.

Provision: Cost for initiatives which entail conversion of Capex projects into Totex or Opex mode or are undertaken to ensure the compliance of any directives of the Commission or any other Expense as may be allowed by the Commission on the proposal of Distribution Licensee.”

6.6.32. The Commission has gone through the submissions that have been made by the petitioner. The Commission has dealt with the submissions on each of the components of O&M expenses separately and as per the provisions of the Regulation 33 of MYT Regulation 2025.

Employee Expenses

6.6.33. As per the Regulations, the mid-year value determined as the average of the last five-year audited figure has to be determined and escalated based on CPI. The Commission observes that rather than submitting the normative value for FY 2025-26 as per Regulations, the Petitioner has submitted the value of employee expenses determined based on different metrics. The Commission observes that the audited employee expenses for FY 2019–20 to FY 2023–24 ranged from Rs. 56.44 crore to Rs. 77.23 Crore. However, the petitioner has projected employee expenses of Rs. 144.26 crore for FY 2025–26. Thus, in two years the Petitioner has claimed an increase of 87%. The Commission directed the Petitioner to provide detailed justification for this substantial increase in employee expenses including growth factor considered.

6.6.34. In its reply the Petitioner has submitted another alternative scenario for the Growth Factor (G_n) for the computation of Normative Employee Expenses wherein the average ratio of Employee Expenses to Number of Employees over the last five audited years (FY 2019-20 to FY 2023-24) has been considered, with FY 2021-22 taken as the representative (middle) year. This ratio is then escalated using the year-on-year Consumer Price Index (CPI) and no. of employees as Growth factor (G_n) percentage increase up to the base year FY 2024-25.

6.6.35. To compute the Normative Employee Expenses for FY 2025-26, the Employee Expenses to No. of Employees ratio for FY 2024-25, determined as per the methodology above, is further escalated using the average CPI for the past three years, in line with the norms. The escalated ratio is then multiplied by the projected number of Employees (i.e. 700 in FY 2025-26) for FY 2025-26 to arrive at the Normative Employee Expenses for the said year.

TABLE 6-64 RATIO OF NO. EMPLOYEES AND EMPLOYEE EXPENSES DETERMINED BY THE PETITIONER FOR THE PERIOD OF FY 2019-20 AND FY 2023-24

S. No.	Particulars	Audited Expenses					Average of last 5 years as Middle Year (FY 2021-22)
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
1	Employee Expenses (EE) Rs. Crore	56.86	56.29	68.26	73.27	77.52	
2	No of Employees	467	470	490	524	549	
3	EE/ No of Employees (Ratio)	1.22	1.20	1.39	1.40	1.41	1.32

TABLE 6-65 TABLE: COMPUTATION OF NORMATIVE EMPLOYEE EXPENSES FOR FY 2025-26

Employee Expenses	Avg. of last 5 years audited EE/No. of Employee (Middle Year)			Base Year	Normative
Particulars	FY22	FY23	FY24	FY25	FY26
Employee Expenses/ No. of Employees (Ratio)	1.32	1.40	1.48	1.55	1.64
CPI YoY % Change		6.05%	5.19%	5.19%	5.48%
No. of Employees				639	700
Normative EE based on Regulations (Rs. Crore)					114.68

6.6.36. The Petitioner has submitted that it has computed the employee expenses for FY 2025-26 as Rs. 114.68 Crore on the basis of 700 employees. The year wise details of number of Employees and Expenses is given below:

Particulars	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
	Audited					Actual	Projected
No. of employees#	467	470	490	524	549	639	700
Gross Employee Expense (Rs. Cr.)	57	56	68	73	77	95	115

6.6.37. The Petitioner has submitted that there are several factors that have contributed to the rise in number of employees and the corresponding cost of employees which are as below:

- **Increase in Number of Employees:** To support the approved capital expenditure of Rs. 407.40 crore for FY 2024–25, the Petitioner recruited 90 new employees, of which 71 were appointed in the Distribution Operations & Technical Department. This increase in manpower is essential to ensure timely execution of capital works, especially given the significant rise in CAPEX from Rs. 162 crore in FY 2023–24 to Rs. 302 crore in FY 2024–25. The additional staff will support project planning, procurement, execution, and monitoring.
- **Increase in Employee Expenses:** The increase in gross employee costs is mainly due to higher capitalization linked to expanded capital expenditure activities (e.g., network upgrades, infrastructure improvements) and additional manpower for CGRF and shift-based operations. In FY 2024–25, gross employee expenses rose by Rs. 18 Crore, but net expenses (impacting ARR) increased by only Rs. 12 Crore. In FY 2025–26, gross employee expenses are projected to rise by Rs. 20 Crore, while net expenses are expected to increase by just Rs. 5 Crore.
- **Employee Capitalization vs Projected CAPEX** For the first time in its operational history, the Company has undertaken a major capital expenditure program. Capex in FY 2024–25 is Rs. 302 crores (nearly double the Rs. 152 crores in FY 2023–24), requiring increased manpower for execution. This led to total employee expenses of Rs. 95 crores in FY 2024–25, with a portion capitalized due to project-related activities. Capex proposed for FY 2025–26: Rs. 496 crores, which will further necessitate additional manpower and increase employee cost capitalization. Employee cost capitalization in FY 2024–25 is around 5%–7% of total capex, consistent with historical trends.
- **Improved productivity of employees:** The Petitioner submitted that it has seen a significant rise in the number of consumers over the years, necessitating the recruitment of skilled manpower to meet growing service demands. However, the consumer-to-employee ratio has steadily increased, indicating that each employee is managing more consumers. This reflects enhanced workforce efficiency, driven by process optimization, digital initiatives, and better resource utilization. Further, the

Petitioner has seen a significant rise in the number of consumers over the years, necessitating the recruitment of skilled manpower to meet growing service demands. However, the consumer-to-employee ratio has steadily increased, indicating that each employee is managing more consumers. This reflects enhanced workforce efficiency, driven by process optimization, digital initiatives, and better resource utilization.

6.6.38. The Commission addresses the submissions made by the Petitioner. There are three metrics that have been submitted by the Petitioner for estimating the normative expenses viz-a-viz sales, number of consumers and the actual expenses. Firstly, Employee expenses for an electricity distribution company cannot be directly linked to sales as volume of electricity sold, which is a function of customer demand. The demand is influenced by a number of external factors such as seasonal weather changes (e.g., higher demand for air conditioning in summer), economic conditions, and energy efficiency trends. Moreover, the industrial consumers, who are having bulk requirement, have significant share in the total sales of the company. Thus, the increase in sales doesn't always necessitate hiring more employees.

6.6.39. The Commission observes that the workforce is required to serve the consumers for providing connection, billing, disconnection and reconnection. As per the Rights of Consumers Rules, the Discoms are required to provide all new connections through prepaid or smart prepaid meters. Thus, most of the activities, for which employees were required, have been replaced by smart meters. Thus, linking the employee expenses with number of consumers may not be appropriate.

6.6.40. The Petitioner has submitted the employee expenses with the number of employees. For establishing the relation, the Petitioner has considered the actual expenses as provided in the audited balance sheet. The Commission is of the view that the mechanism of determining norm also considers the audited figures. Thus, the mechanism for norm that is provided in Regulations needs to be applied rather than adopting other mechanism in convoluted manner which overcomplicates the determination of norms.

6.6.41. The Commission deliberates the number of employees and employee expenses in the last five years. Firstly, considering the number of employees that has been submitted, the Commission finds that from FY 2019-20 to FY 2023-24 the number of employees

has increased from 467 to 549 which is an addition of around 20 employees every year. However, in FY 2024-25 the number of employees increased to 639. Thus, there is substantial growth in the number of employees in FY 2024-25. The increase is primarily in technical employees. This substantial rise in number of employees is sufficient to meet the future capex that is expected to be incurred. Further, in regard to employee expenses, the Commission finds that the employee expenses have increased from 56.44 Cr. in FY 2019-20 to 57.04 Cr. in FY 2020-21. This is followed by a significant rise in employee expenses in 2021-22 to Rs. 68.3 Cr. which is around 10% increase. This increase of employee expenses in FY 2021-22 has resulted in an irregular rise in employee expenses. Thus, such volatility and fluctuations need to be addressed while projecting the Employee Expenses for FY 2025-26. As per the Regulations, the average of last five years is considered as the mid-year value. This approach addresses the concern of volatility.

6.6.42. The Commission has considered the month wise CPI to arrive at the inflation rate for the year. The inflation based on CPI for the last three years is shown below:

TABLE 6-66 MONTH-WISE CPI & WPI CONSIDERED BY THE COMMISSION

Particular	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
April	329.0	345.9	367.8	386.5	401.5
May	330.0	347.3	371.5	387.9	402.9
June	332.0	350.5	372.1	392.8	407.2
July	336.0	353.7	374.1	402.3	411.0
August	338.0	354.2	375.0	400.9	410.7
September	340.1	355.1	378.1	396.0	412.7
October	344.2	359.7	381.6	398.6	416.2
November	345.3	362.0	381.6	400.6	416.2
December	342.1	361.2	381.0	399.7	
January	340.4	360.3	382.5	400.0	
February	342.7	360.0	382.2	400.9	
March	344.4	362.9	383.9	400.0	
Total	338.7	356.1	377.6	397.2	409.8

* CPI Source - <https://labourbureau.gov.in/all-india-general-index-1>

CPI INFLATION INDEX FOR FY 2025-26 CONSIDERED BY THE COMMISSION

Particular	Consumer Price Index (CPI)	Annual Escalation rate (%)	Average CPI Escalation of the last 3 years.
FY 2020-21	338.7	5.02%	
FY 2021-22	356.1	5.13%	

Particular	Consumer Price Index (CPI)	Annual Escalation rate (%)	Average CPI Escalation of the last 3 years.
FY 2022-23	377.6	6.05%	
FY 2023-24	397.2	5.19%	
FY 2024-25	409.8	3.17%	4.80%*

* Average of FY 2022-23 to FY 2024-25.

6.6.43. It is observed that the average CPI for the last three years is 4.80%. However, even if the employee expenses were increased by 7% (2.13% higher than average CPI increase) from FY 2019-20 onwards, the employee expenses for FY 2023-24 would have been Rs. 73.98 Cr. whereas the actual employee expenses for FY 2023-24 are Rs. 77.23 Cr. Thus, the Commission finds no merit in the submission made by the Petitioner. The small variations, if any, would be addressed by the sharing provided in MYT Regulations 2025.

6.6.44. In view of the above observations, the Commission decides to approve the employee expenses as provided in Regulation 33.6 of the MYT Regulation 2025. The current MYT Regulation has already provided significant relief to distribution licensees by stipulating determination of Base Year value keeping in view the Actual Audited values rather than Trued Up values as provided earlier. Accordingly, the average audited account FY of employee expenses from FY 2019-20 to FY 2023-24 have been considered. This average employee cost for the middle year, i.e. FY 2021-22, has been escalated annually using the Consumer Price Index to estimate employee costs for FY 2024-25. Further the average Consumer Price Index of immediately preceding three financial years i.e. from FY 2022-23 to FY 2024-25 has been considered for determining the employee expenses for FY 2025-26.

6.6.45. Regarding the Gn (Growth) factor, the Commission does not find any justification for providing any growth factor at this stage. The normative employee expenses approved by the Commission are shown in Table below:

Table 6-67 NORMATIVE EMPLOYEE COST COMPUTED BY THE COMMISSION FOR FY2025-26 (Rs. Cr.)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Avg.	FY 2024-25	FY 2025-26
Employee Expenses	56.44	57.04	68.30	72.85	77.23	66.37		
CPI				6.05%	5.19%		3.17%	4.80%

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Avg.	FY 2024-25	FY 2025-26
Normative Employee expenses			66.37	70.39	74.04		76.39	80.05

Administrative and General Expenses

6.6.46. The Commission directed the Petitioner to submit the details of smart meter related Capex in the Year FY 2025-26. The Petitioner has submitted the details of Capex estimated/projected for the installation of DRDR Prepaid meter in FY 2025-26 given below:

TABLE 6-68 CAPEX DETAILS OF DRDR PREPAID METERS & SMART METER PROPOSED IN FY 2025-26

Particulars	Amount (In Rs. Crore)	Quantity (In No.)
DRDR prepaid Meters	14.83	30,301
Smart Meter under proposed AMI	4.02	7,250
Total	18.85	37,551

6.6.47. The Petitioner has further submitted that the aforesaid expenditure does not include expenses towards the cost of communication infrastructure, head-end system and other related peripherals. Further, with respect to OPEX, the Petitioner submitted that the Smart Meters are under warranty up to FY 2024-25, and accordingly, no OPEX is incurred during this period. The operational expenditure related to Smart Meters will begin only after the expiry of the five-year warranty, i.e., from FY 2025-26 onwards.

6.6.48. Regulation 33.8 of the MYT Regulation 2025 provides the arrangement for determining normative Administrative & General (A&G) Expenses. The Commission has considered the month wise WPI to arrive at the inflation rate for FY 2025-26. The inflation based on WPI for last three years is shown below:

TABLE 6-69 MONTH-WISE WPI CONSIDERED BY THE COMMISSION

Particular	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
April	119.20	132.00	152.30	151.10	152.90
May	117.50	132.90	155.00	149.40	153.50
June	119.30	133.70	155.40	148.90	154.00
July	121.00	135.00	154.00	152.10	155.30
August	122.00	136.20	153.20	152.50	154.40
September	122.90	137.40	151.90	151.80	154.70

Particular	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
October	123.60	140.70	152.90	152.50	156.70
November	125.10	143.70	152.50	153.10	156.40
December	125.40	143.30	150.50	151.80	155.40
January	126.50	143.80	150.70	151.20	154.70
February	128.10	145.30	150.90	151.20	
March	129.90	148.90	151.00	151.40	
Total	123.4	139.4	152.5	151.4	154.8

* WPI Source - https://eaindustry.nic.in/download_data_1112.asp

WPI INFLATION INDEX FOR FY 2025-26 CONSIDERED BY THE COMMISSION

Particular	Wholesale Price Index (WPI)	Annual Escalation (%)	Average WPI Escalation of the last 3 years.
FY 2020-21	123.4	1.29%	
FY 2021-22	139.4	13.00%	
FY 2022-23	152.5	9.41%	
FY 2023-24	151.4	-0.73%	
FY 2024-25	154.8	2.23%	3.64%*

* Average of FY 2022-23 to FY 2024-25.

6.6.49. Further, this average A&G expenses for the middle year, i.e. FY 2021-22 have been escalated annually using the Wholesale Price Index to estimate employee costs for FY 2024-25. Further the average Wholesale Price Index of immediately preceding three financial years has been considered for A&G expenses of FY 2025-26.

Table 6-70 NORMATIVE A&G EXPENSES COMPUTED BY THE COMMISSION FOR FY2025-26 (Rs. Cr.)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Avg.	FY 2024-25	FY 2025-26
A&G Expenses	17.91	15.91	17.48	31.43	32.21	22.99		
WPI Rate				9.41%	-0.73%		2.23%	3.64%
			22.99	25.15	24.97		25.52	26.45

6.6.50. The average of audited account values of A&G expenses from the FY 2019-20 to FY 2023-24 have been considered. This average A&G expense for the middle year, i.e. FY 2021-22, has been escalated annually using the Consumer Price Index to estimate employee costs for FY 2024-25. Further the average Consumer Price Index of immediately preceding three financial years i.e. from FY 2022-23 to FY 2024-25 has been considered for determining the employee expenses for FY 2025-26.

6.6.51. In regard to the submission made by the Petitioner regarding captive consumption, the Commission observes that the Petitioner has not submitted the details of computation of expenses of captive consumption. The Commission allows the submission made by the Petitioner. The Commission directs the Petitioner to submit the complete details of the claim towards captive expense to be considered in A&G expense failing which the same shall not be allowed.

6.6.52. In regard to submission made by the Petitioner for creation of Provision for expenses related to AMC for DRDR meters, AMCs for assets such as computer hardware/software and asset monetization policy, the Commission observes that the petitioner has neither made any submission on the expenses it proposes to incur nor has provided any information on the initiatives it proposes to undertake. The Commission is of the view that unless an estimate with reasonable assumptions is provided, the Commission cannot allow such expenses. By merely mentioning that the provision may be claimed at the time of True-Up, in-principal approval cannot be granted.

Repair and Maintenance Expense

6.6.53. The Regulation 33.7 of MYT Regulation 2025 provides that Repair & Maintenance expenses for assets capitalized on or before 31.03.2025 shall be 5% and for assets capitalized after 31.03.2025 shall be 3% of the opening GFA approved by the Commission. The GFA on or before 31.03.2025 comprises of Part A and Part B. The closing value for FY 2024-25, as discussed in APR, has been considered by the Commission.

6.6.54. The Commission observes that the Petitioners has not claimed R&M on asset handover by GNIDA.

6.6.55. Accordingly, the R&M cost approved by the Commission for FY 2025-26 is provided in Table below:

TABLE 6-71 R&M EXPENSES APPROVED BY THE COMMISSION (RS. CRORE)

Particulars		Approved
Opening GFA of FY 2025-26 for Assets up to March 31, 2020	A	781.24
Opening GFA of FY 2025-26 for Assets Added after April 01, 2020, to March 31, 2025	B	895.41
Opening GFA for Asset Capitalised after April 01, 2025,	C	0

Particulars		Approved
R&M for Fy 2025-26	$D=A*5\%+B*5\%+C*3\%$	83.83

6.6.56. The Commission has considered employee expenses capitalized in line with the Petitioner submission. Accordingly, the Operation and Maintenance Expenses approved by the Commission for FY 2025-26 are as provided in the Table below:

Table 6-72 NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. Cr.)

	Particulars	ARR	Approved
1	Employee Expenses	144.26	80.05
2	Administrative & General Expenses	26.46	26.45
3	Repair & Maintenance Expenses	129.59	83.83
4	Gross O&M Expenses	300.31	190.34
5	Less: Employee Expenses capitalized	-30.34	-30.34
6	Net O&M Expenses	269.97	160.00

6.7. CAPITAL EXPENDITURE

Petitioner Submission

6.7.1. The Petitioner has submitted that it has considered various existing and upcoming Government & Private projects in and around Greater Noida and based on the Demand Estimates for FY 2025-26, the petitioner has submitted its Capital Expenditure Plan for FY 2025-26 at Rs. 432.23 Cr (excluding assets handed over by GNIDA/Others and Capital Contribution), the same is tabulated as under

TABLE 6-73 NET CAPITAL EXPENDITURE PLAN FOR FY 2025-26

S. No.	Project Name	Amount (Rs. Cr.)	Consumer Contribution (Rs. Cr.)
A	New Connections including New Transformer for new Connections	42.23	23.80
B	Conversion of Single point to Multipoint and New Multipoint Connection	55.70	44.44
C	Upgradation/ overhauling of old equipment's	12.59	1.63
D	New Substations in FY 2025-26	77.03	-
E	Capacity enhancement of Substations & Other Misc Work	23.61	-
F	Revamping of Handed over Substation	1.22	-
G	Development of new 33kV Network	13.07	-



S. No.	Project Name	Amount (Rs. Cr.)	Consumer Contribution (Rs. Cr.)
H	Development of new 11kV Network	43.99	-
I	Development of new LT Network	23.56	-
J	Upgradation/augmentation of the lines/cables in 33kV Network	11.42	-
K	Upgradation/augmentation of the lines/cables in 11kV Network	28.98	-
L	Upgradation/augmentation of the lines/cables in LT Network	22.12	-
M	Safety related Network Work	9.20	-
N	New/ capacity enhancement of distribution transformers	21.80	-
O	Metering Projects including AMI	17.54	5.16
P	SCADA, GIS and Communication equipment	7.59	-
Q	Misc. Civil Works & Other Office Facilities	1.00	-
R	RMU Workshop	8.95	-
S	Office Facility including HV/LV Metering Lab	6.81	-
T	Information Technology & Automation Project	27.28	-
U	Tools & Testing Equipment	1.50	-
V	Vehicles	3.79	-
W	Demand Side Management & Sustainability	4.88	-
X	Land and Boundary Wall	11.08	-
Y	Handover Assets from GNIDA & Other Authorities	12.00	-
Z	Total Capital Expenditure	488.91	75.02
AA	Add: Salary Capitalisation	30.34	-
AB	Gross Capital Expenditure	519.25	75.02
AC	Less: Consumer Contribution	75.02	
AD	Less: Handover Assets from GNIDA & Other Authorities	12.00	
AE	Net Capital Expenditure	432.23	

6.7.2. The Petitioner has submitted the Project wise Capital Investment Plan as below:

A. New Services Connection / Load Augmentation

6.7.3. The Petitioner has submitted that in FY 2025-26, around 12,000 new connections from newly developed colonies and villages, along with bulk industrial and commercial projects in sectors like Ecotech-8, 10, 11, and IITGNL. Notable applicants include Tegna, Haldiram, Fair Export, and Saya South X Mall, with loads exceeding 5 MW.

6.7.4. The Petitioner has submitted that it recovers service charges from consumers, which are deducted from the total capital expenditure when calculating financial parameters like loan interest, depreciation, and return on equity. Since the expenditure is statutory

and demand-driven, the petitioner asserts that a Detailed Project Report (DPR) is not required. The estimated capital expenditure for these new connections is Rs. 42.23 Cr.

B. Conversion of Single point to Multipoint and New Multipoint Connection

6.7.5. The Petitioner has submitted that as per the 13th amendment to the Electricity Supply Code 2005, all existing multi-storied housing societies with single-point bulk power supply must be converted to multi-point connections, with individual meters installed by the DISCOM. Further, New housing projects must also be designed for multi-point supply. The Petitioner has submitted that they are planning to convert 14,000 existing connections and provide 16,000 new individual connections, including those in Amrapali stalled projects. The associated costs are categorized under meter installation, communication infrastructure, and IT licensing. Since this initiative is statutory and demand-driven, the Petitioner asserts that a Detailed Project Report (DPR) is not required. The estimated capital expenditure for this conversion and new connections is Rs. 55.70 crore.

C. Upgradation/overhauling of old equipment

6.7.6. The Petitioner has submitted that the existing Electrical distribution network in the Licensed area is required to be upgraded by changing the network elements from time to time in order to maintain the reliability and safety of electric supply. Accordingly, the total estimated cost to be incurred under this project will be Rs. 12.59 Crore for FY 2025-26.

D. New Substations in FY 2025-26

6.7.7. The Petitioner submitted that, in its ARR filing for FY 2024-25 (Petition No. 2039 of 2023 dated 29th November 2023), the construction of five new 33/11 kV substations in Greater Noida was proposed for meeting additional load growth. Subsequently, the Petitioner filed a separate petition (No. 2089 of 2024 dated 14th May 2024) for the same project. The Commission, vide order dated 25th April 2025, approved the proposed construction and associated costs for the five new 33/11 substations. The details of the cost of the scheme are as follows:

TABLE 6-74 APPROVED CAPEX COST FOR 5 NEW 33/11 KV SUBSTATION

Particulars	Amount (Rs. Cr.)
Civil Works	12.25
Electrical works	28.11
Smart Substations, Automation & Security	1.76
33 kV Network Development	10.45
11kV Network Development	3.77
Total Cost in Rs. Cr* (Inclusive of Taxes)	56.35

6.7.8. The Petitioner has submitted that it has planned to construct new 33/11 kV Substations in Greater Noida city at two locations to meet the power demand of existing and potential consumers in FY 2025-26. The locations are strategically planned to cater the ever-increasing demand in the specific areas which are fast developing so that all the future loads can be catered. The estimated cost of above-mentioned project amounting Rs. 20.68 Cr. Accordingly, the total estimated cost to be incurred for the above-mentioned substations will be Rs. 77.03 Cr. for FY 2025-26.

E. Capacity Enhancement of Substations and other Miscellaneous works

6.7.9. The Petitioner has submitted that in addition to the construction of new 33/11kV Substations in various sectors of Greater Noida in FY 2025-26, the Petitioner also intends to augment and upgrade the existing 33/11kV Power Transformers, to further prevent and curb the overloading and create redundancy at 33/11kV Power Transformers. The details are as follows

- Capacity augmentation of existing 33 kV Switching cum Substation with 2 no. of 16 MVA Power Transformer at Ecotech-6
- Capacity augmentation of existing 33 kV Substation with 2 no. of 16 MVA Power Transformer at Site-B
- Installation of 11 kV Indoor AIS Panel in 33 kV Substation for Capacity Augmentation/ Panel extension
- Civil Work for Capacity augmentation of existing 33 kV Substation with 1 no. of 12.5 MVA Power Transformer and 33 kV & 11 kV AIS Switchboard
- Capacity augmentation of existing 33 kV Substation with 1 no. of 12.5 MVA Power Transformer and 33 kV & 11 kV AIS Switchboard at Ecotech-3 Phase-2

- Capacity augmentation of existing 33 kV Substation with 1 no. of 12.5 MVA Power Transformer and 33 kV & 11 kV AIS Switchboard at Ecotech-11
- Capacity augmentation of existing 33 kV Substation with 1 no. of 12.5 MVA Power Transformer and 33 kV & 11 kV AIS Switchboard at Ecotech-1 Ext-1
- Laying 11kv cables for New Feeder Evacuation along with isolator & chair structure and 11kV RMU installation.

6.7.10. Accordingly, the total estimated cost to be incurred under this project will be Rs. 23.61 Crore for FY 2025-26.

F. Revamping of Handed over Substation

6.7.11. The Petitioner submitted that there is a requirement of revamping of 11 kV indoor AIS panels of GNIDA handed over 33 kV substations. Accordingly, the total estimated cost to be incurred for this project will be Rs. 1.22 Crore for FY 2025-26.

G. Development of new 33kV Network

6.7.12. The Petitioner submitted that development and commissioning of new EHV Grid Substations in Greater Noida are taking place due to the fact that Greater Noida area is developing and evolving quickly with lot of infrastructural and development projects in progress. For reliable and continuous power supply development of new 33kV network is of utmost importance. Thus, the Petitioner has undertaken the project to develop & evacuate numerous 33kV feeders from Grid Substation in FY 2025-26.

6.7.13. The Detailed Project Report (DPR) of developing new 33 KV network including the justification for the proposed investments and its benefits is enclosed as Annexure-DPR-5. Accordingly, the total estimated cost to be incurred for this project will be Rs. 13.07 Crore for FY 2025-26.

H. Development of new 11kV Network

6.7.14. The Petitioner submitted that to address growing power demands in urban, industrial, and rural areas, new 33/11 kV substations and augmentation of PTRs are being planned across key load centres for FY 2025-26. Further, the Petitioner has planned to extend the 11kV feeders along with new feeders from existing substation. The extension/construction of 11 kV feeders will be carried out using 11 kV 3CX300 sq. mm

XLPE cables. This addition will alleviate the load on existing feeders and provide an alternative power source during breakdowns in adjacent 11 kV networks. Accordingly, the total estimated cost to be incurred for this project will be Rs. 43.99 Crore for FY 2025-26.

I. Development of new LT Network

6.7.15. The Petitioner submitted that many urban distribution networks, initially developed by GNIDA about 20 years ago, are now susceptible to frequent breakdowns and struggle to meet rising load demands. To address this, there is need of laying out new LT cable, along with the installation of 280 feeder pillars, enabling additional LT mains and ring main arrangements to balance loading, improve voltage profiles and minimize downtime. Accordingly, Accordingly, the total estimated cost to be incurred for this project will be Rs. 23.56 Crore for FY 2025-26.

J. Upgradation/Augmentation of the lines/cables in 33kV Network

6.7.16. The Petitioner submitted that to address frequent power outages caused by 33kV overhead (O/H) lines passing through increasingly vegetated areas in Greater Noida, the Petitioner plans to upgrade its network. In densely green zones, it will replace existing O/H lines with 33kV underground cables (3CX400 sq. mm XLPE) to improve reliability and reduce tripping incidents, especially during storms. In moderately vegetated areas where underground cabling is less feasible, the Petitioner will replace bare ACSR Panther conductors with covered conductors to minimize interruptions and enhance network stability. These upgrades aim to ensure safer and more reliable power distribution amid urban development and environmental constraints. Accordingly, the total estimated cost to be incurred for this project will be Rs. 11.42 Crore for FY 2025-26.

K. Upgradation/Augmentation of the lines/cables in 11kV Network

6.7.17. The Petitioner submitted that frequent power supply interruptions are caused by aging 11kV overhead lines, installed over 15 years ago using ACSR Weasel/Rabbit conductors, which have deteriorated and are inadequate for current load demands. To enhance reliability, the Petitioner proposes replacing these with 11kV underground XLPE 3C 300 sq.mm cables, offering better insulation, higher ampacity, and reduced

fault rates. For rural feeders with limited redundancy, 49 km of overhead line strengthening is planned to use ACSR DOG or HT ABC conductors, depending on terrain. These upgrades aim to improve voltage stability, reduce outages, and extend asset life, creating a more resilient and future-ready distribution network. Accordingly, the total estimated cost to be incurred for this project will be Rs. 28.98 Crore for FY 2025-26.

L. Upgradation/augmentation of the lines/cables in LT Network

6.7.18. The Petitioner submitted that frequent supply interruptions and voltage fluctuations in the existing LT network are due to aging infrastructure, exposed conductors, and congested routing through narrow urban lanes. Many LT overhead lines, laid years ago with bare or unarmoured conductors, have deteriorated due to environmental and mechanical stress.

6.7.19. To strengthen the LT distribution system, the Petitioner has proposed:

- Upgrading old LT conductors with XLPE insulated 4C x 95 sq.mm armoured cables, laid underground or through structured ducts, to improve insulation, durability, and reduce external disturbances.
- Installing pole-mounted LT distribution boxes to rationalize load points, reduce service interruptions, and enable organized load bifurcation with MCB/MCCB protection.
- Shifting consumer meters into sealed enclosures within these boxes to enhance safety and simplify maintenance.

6.7.20. These measures aim to reduce faults, stabilize voltage, and ensure safe, long-term operation aligned with modern distribution standards. Accordingly, the total estimated cost to be incurred for this project will be Rs. 22.12 Crore for FY 2025-26.

M. Safety related Network Work

6.7.21. Overloaded and exposed electrical assets like transformers and isolators in high-density areas pose serious safety risks, including fire, electrocution, and equipment failure. To mitigate these hazards, the Petitioner has proposed installing protective fencing and NIFPES (fire suppression systems) for transformers, ensuring compliance with CEA safety regulations.

6.7.22. These measures are essential for securing vulnerable installations, preventing unauthorized access, and enhancing public safety. They also help preserve asset life, reduce downtime, and support a safer, more reliable power distribution network in urban areas. Accordingly, the total estimated cost to be incurred for this project will be Rs. 9.20 Crore for FY 2025-26.

N. New/ capacity enhancement of distribution transformers

6.7.23. Existing distribution transformers are overloaded, causing tripping, voltage drops, overheating, and reduced equipment life. To address this, the Petitioner proposes capacity augmentation by installing new transformers to optimize load distribution and maintain voltage levels as per IS standards.

6.7.24. Additionally, deploying new source transformers will help shorten LT line lengths, improving power quality. These upgrades are essential for regulatory compliance, enhancing supply reliability, and accommodating future load growth in the distribution network. Accordingly, the total estimated cost to be incurred for this project will be Rs. 21.80 Crore for FY 2025-26.

O. Metering Projects including AMI

6.7.25. The Petitioner has proposed a Capital Investment Plan for Advanced Metering Infrastructure (AMI) in line with directives from the Ministry of Power and guidelines from CEA, BEE, and the Commission. The plan involves replacing all existing meters (excluding smart prepaid meters) with smart meters, ensuring all new installations are also smart. While most smart meters will be prepaid, LTCT and HT meters will be configured as postpaid.

6.7.26. An initial petition (No. 2065 of 2024) seeking in-principal approval was filed but later withdrawn for reconsideration. The Petitioner now plans to issue a Request for Proposal (RfP), based on which a Detailed Project Report (DPR) will be prepared and submitted for approval.

6.7.27. The implementation will be carried out in two phases:

- Phase-1 (FY 2025-26): Covers ~5% of the meter population, including new connections, and focuses on system stabilization through supporting IT and billing infrastructure.

- Phase-2 (FY 2026-27 to FY 2027-28): Full-scale rollout to the remaining population, based on Phase-1 outcomes.

6.7.28. For FY 2025-26, cost estimation is based on the latest budgetary quotes received for meter supply.

TABLE 6-75 PROPOSED CAPITAL EXPENDITURE FOR AMI IN FY 2025-26

S. No.	Particulars	UOM	Qty	Rate (Rs.)	Amount (Rs. Cr.)
1	3P4W HT Smart Meters	Nos.	50	15,923	0.08
2	3P4W LTCT Smart Meters	Nos.	200	16,873	0.34
3	3P4W Whole Current Smart Meter	Nos.	2,000	6,252	1.25
4	1P2W Whole Current Smart Meter	Nos.	5,000	4,698	2.35
	TOTAL				4.02

6.7.29. The Petitioner also intends to undertake following activities under Other Metering Project required for statutory compliances/ accurate energy accounting practices, provided as under:

- Change/upgradation of Meter
- Change/upgradation of Instrument Transformer
- Metering for Regulatory Compliance Requirement including DT Metering and 33 KV import feeder metering
- New Initiative in Metering

6.7.30. Accordingly, the total estimated cost to be incurred for Other Metering Project will be Rs. 13.53 Crore for FY 2025-26 and total estimated cost to be incurred under Metering Projects including AMI will be Rs. 17.54 Crore for FY 2025-26.

P. SCADA, GIS and Communication equipment

6.7.31. The Petitioner submitted that following activities shall be undertaken under this scheme

- **Smart Substations & SCADA/DMS Enhancements:** Deployment of 5 additional HT Power Quality meters, Remote monitoring of 10 consumer switching stations via SCADA, Real-time data integration from new import feeders to SLDC/ALDC using broadband gateways

- **Smart Grid Lab & BMS Facility:** The existing SCADA lab has been upgraded to a Smart Grid Lab for training and testing in areas like AMR, net metering, and microgrid.
- **GIS & Associated Technologies:** Vehicle Tracking System (VTS) for fleet management, Micro-category drones with thermal sensors for hotspot detection, Upgradation of Geo-Spatial Analysis and Data Analytics software and Electric Office (EO), Procurement of a weather station for real-time environmental monitoring, Establishment of a Virtual Reality (VR) training lab for immersive employee training, Deployment of Handheld Inspection (HHI) devices for field data collection, Development of a Digital Twin of substations using GIS data for real-time asset monitoring.
- **Communication Infrastructure:** Strengthening of the OFC Network with 30 km of new Fiber to connect pocket substations and RMUs.
- **RMU Automation:** Automation of 240 RMUs using communicable FRTUs and Fault Passage Indicators (FPIs), Continued use of GPRS-based FRTUs for real-time monitoring, fault detection, and remote control to improve supply reliability and reduce downtime.
- **Smart grid integration:** The Petitioner plans to integrate real-time generation data from renewable sources (above 50 kW capacity) at 120 sites to improve load planning. Multiple IoT pilot projects are planned to monitor LT switchgears, distribution transformers, and feeder pillars. Technology adoption will depend on pilot success.
- **Legacy System Upgradation:** In compliance with NCIIPC directives, the Petitioner is reviewing and upgrading legacy systems such as RTUs, FRTUs, routers, CCTVs, and network switches that are end-of-life or unsupported by OEMs.

6.7.32. Accordingly, the total estimated cost to be incurred under this project will be Rs. 7.59 Crore for FY 2025-26.

Q. Misc. Civil Works & Other Office facilities

6.7.33. The Petitioner submitted that it has made provision for some civil work which shall be done at existing 33/11kV Substations and other Office facilities, for operational and

business requirements in FY 2025-26 and a lumpsum budget of Rs. 1 Cr. has been allocated in FY 25-26 which as follows:

TABLE 6-76 DETAILS OF MISC. CIVIL WORKS & OTHER OFFICE FACILITIES

Particulars	UOM	Qty	Amount in Rs. Cr.
Miscellaneous Civil works	LS	1	0.50
Other Office facilities	LS	1	0.50
TOTAL			1.00

R. RMU Workshop

6.7.34. The Petitioner submitted that it currently operates around 600 units of 11kV RMUs in its network. Due to delays and high lead times in sending faulty RMUs to OEMs for even minor repairs, the Petitioner proposes to establish an in-house RMU workshop. This facility will include capabilities for RMU testing, tank repair via arc welding and fabrication, SF₆ gas handling, painting, and a spare parts store, enabling faster turnaround and improved maintenance efficiency. Accordingly, the total estimated cost to be incurred under this project will be Rs. 8.95 Crore for FY 2025-26.

S. Office Facility including HV/LV Metering Lab

6.7.35. The Petitioner submitted that due to the growing consumer base and increasing operational demands, the Petitioner faces challenges in metering activities as related personnel are currently spread across multiple locations. This affects coordination, decision-making, and service efficiency. To address this, the Petitioner proposes establishing a centralized metering facility that will house all metering teams and support functions such as testing, calibration, maintenance, and customer grievance handling. This consolidation aims to enhance synergy, improve response times, and streamline operations. Accordingly, the total estimated cost to be incurred under this project will be Rs. 6.81 Crore for FY 2025-26.

T. Information Technology & Automation Project

6.7.36. **Creating Cyber Resilience:** The Petitioner submitted that the Commission vide its order dated August 21, 2024, approved the cost of the scheme for creating Cyber Resilience as follows:

TABLE 6-77 APPROVED CAPEX COST FOR CREATING CYBER RESILIENCE

Sl. No.	Description	Amount in Rs. Cr.
1	Purchase, installation and implementation of SIEM (including Engaging Consultant for conducting audit for identifying cyber controls and implementation thereof under ISO 27019)	6.00
2	Purchase of Hardware for SIEM	2.25
3	Purchase, installation and implementation of NBA Solution	2.50
4	Implementation & configuration of Unified IT-OT SOC	0.50
5	Purchase, installation and implementation of MDM	0.50
6	Purchase, installation and implementation of EDR / XDR	0.50
7	Purchase, installation and implementation of PIM/PAM	0.90
8	Purchase, installation and implementation of OT Security Tool [Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)]	2.00
9	Purchase, installation and implementation of IT-OT Firewall [Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)]	2.50
Total CAPEX Cost inclusive of taxes in Rs. Cr.		17.65

6.7.37. Since the order of the Commission received on August 21, 2024, a phase implementation approach has been determined to be the most strategy for the timely and efficient deployment of all components. The Petitioner submitted that it has implemented EDR/XDR in FY 2024-25. The implementation of hardware for SIEM, MDM, PIM/PAM, OT Security Tool & IT-OT Firewall will be in FY 2025-26, Installation of SIEM & unified IT-OT SOC will be in FY 2026-27 and implementation of NBA solution will be in FY 2027-28.

6.7.38. Accordingly, the Petitioner requested the Commission to consider the CAPEX of Rs. 8.15 Cr. out of Rs. 17.65 Cr. as approved in the abovementioned petition for FY 2025-26.

6.7.39. **Information Technology & Automation Project:** The Petitioner submitted that it has prepared a comprehensive capital expenditure plan aimed at bolstering/strengthening its technological capabilities and enhancing operational efficiencies in FY 2025-26. The estimated capital expenditure for these projects with total cost of Rs. 19.13 Cr.

6.7.40. Accordingly, the total estimated cost to be incurred under this project will be Rs. 27.28 Cr. for FY 2025-26.

U. Tools and Testing Equipment

6.7.41. The Petitioner submitted that the total estimated cost to be incurred under this project will be Rs. 1.50 Crore for FY 2025-26.

V. Vehicles

6.7.42. The Petitioner submitted that it is required to provide vehicles to its officers/ staff for various official work including visiting Substations, transporting heavy materials etc., shift-based duties in call centre, control room etc. and inter office movement to provide 24X7 reliable power supply in its licensed area and many other office related assignments including attending meetings/ court proceedings/ inspection of materials / vendor-verifications etc. in NCR and nearby States. Accordingly, the Petitioner has projected to incur an amount of Rs. 3.79 Cr. for purchase of vehicles during FY 2025-26.

W. Demand Side Management & Sustainability

6.7.43. The Petitioner submitted that it has taken initiatives to meet the demand of consumers by arranging additional power & building network as per demand. However, at the same time the Petitioner also appreciates DSM techniques to conserve the precious energy & environment. In FY 2025-26, the Petitioner has planned to take new initiatives for Demand Side Management & Sustainability such as establishment of Electric Charging infrastructure, ESG Data Management Software and Integration, Energy Efficiency Program, Water Conservation Projects etc.

6.7.44. Accordingly, the Petitioner has projected to incur the CAPEX towards Demand Side Management and Sustainability aggregating to Rs. 4.88 Cr. which will be undertaken during FY 2025-26

X. Land and Boundary Wall

6.7.45. The Petitioner submitted that it has intends to purchase the 2 nos. of new ESS plot in FY 2025-26, which will incur cost of the land, registration charges, stamp duty fee, one-time Lease Rent (as per current approved rates of GNIDA/UPSIDA) etc. The Petitioner will also be planning to construct the Boundary walls for the new ESS plots allotted by GNIDA/UPSIDA as it is crucial to safeguard them from encroachment and misuse in

future. The Petitioner has projected to incur the CAPEX amount towards land aggregating to Rs. 11.08 Cr. Further the same will not be capitalized & will be carried forward to next year as CWIP.

Y. Handover Assets from GNIDA & Other Authorities

6.7.46. The Petitioner submitted that GNIDA, DMIC, UPSIDC, EPIP etc. are the local development authorities responsible for the development and upkeep of Greater Noida area. Every year the basic electric LT network developed by such agencies is handed over to the Petitioner for facilitation of distribution of power to the consumers of Greater Noida and proper maintenance thereof without transferring the ownership of the same. Hence, for the purpose of accounting, upkeep and insurance, the Petitioner considers these assets at the value declared by such agencies which is accordingly considered for the purpose of determination of tariff. Since the ownership of these assets is not transferred to the Petitioner, they are not considered in capitalization. Hence, there will be no impact on computation of ROE, interest on Term Loans and depreciation with respect to these assets. The value of asset handed over by GNIDA and Others has been taken as Rs. 12 Crore based on past 3-year average and the actual value will be submitted along with the true-up petition.

6.7.47. The Petitioner submitted that it has computed the Capital Investment Plan along with IDC (Interest During Construction') under Regulation 18.1 (a) of the UPERC MYT Regulations, 2025 and hence, requested the Commission to allow the above-mentioned CAPEX cost along with the IDC for FY 2025-26. The Petitioner submitted that it had proposed capitalisation of the lands along with IDC as submitted in DPRs, is without prejudice to the ongoing Appeal against the Tariff Order dated August 26, 2021, numbered as APL No. 343 of 2021. The aforesaid capitalisation shall be subject to the final outcome of the APL No. 343 of 2021.

6.7.48. In addition to above, the Petitioner states that due to external factors—such as changes in OEM policies, industry practices, and regulatory directions—certain expenditures previously treated as Capital Expenditure (CAPEX) are now being reclassified as Operational Expenditure (OPEX). This shift, driven by subscription-based and service-oriented models, is beyond the Licensee's control. Consequently, OPEX

and Operation & Maintenance (O&M) expenses are expected to rise. The Petitioner will seek approval from the Commission for such additional OPEX as needed.

6.7.49. The Petitioner submitted that as per Regulation 19.2 of MYT Regulation 2025, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after deduction of consumer contribution from total capital expenditure. During FY 2025-26, the Petitioner has estimated to receive Consumer Contribution of Rs. 75.02 Cr. against the total Capital Expenditure of Rs. 519.25 Cr.

6.7.50. The Petitioner submitted that it has estimated that assets with a gross book value of Rs. 15.00 crore are expected to be retired. Of this, Rs. 8.09 crore represents the accumulated depreciation associated with these assets.

7.6.1. The Petitioner submitted that the net Capital Expenditure for FY 2025-26 is estimated to be Rs. 432.23 Cr. (i.e. Rs. 519.25 Cr minus Rs. 75.02 Cr. minus 12 Cr.) and against this net Capital Expenditure, the net value of Retired Asset would be Rs. 6.91 Cr. (i.e. Rs. 15.00 Cr minus Rs. 8.09 Cr.) as given in the table below:

TABLE 6-78 CAPITAL EXPENDITURE (FY 2025-26) (RS. CR.)

Particulars	Ref.	Actual
Total Capex	A	519.25
Less: Consumer Contribution	B	75.02
Less: Handover Assets from GNIDA & Other Authorities	C	12.00
Total CAPEX in FY 2025-26	D=A-B-C	432.23
Less: Cl. CWIP	E	11.03
Total Capitalization in FY 2025-26	F=D-E	421.15
Debt @ 70%	G=F*70%	294.81
Equity@30%	H=F*30%	126.35

Commission's Analysis

6.7.51. Regulation 18 and 32 of the MYT Regulations 2025 outlines the methodology for determining Depreciation, as detailed below.

"18. Capital Expenditure/ Cost and Capital Structure

18.1 *Capital cost for a capital investment Project shall include:*

(a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, as admitted by the Commission after prudence check;

Provided that Interest during construction (IDC) shall be computed considering the actual loan and normative loan after taking into account the prudent phasing of funds up to actual COD:

Provided also that IDC on a normative loan corresponding to excess equity over 30% of funds deployed shall be allowed only in cases where the actual infusion of equity on a pari-passu basis is more than 30% of total funds deployed and shall be computed on a quarterly basis.

Provided further that in case IDC on normative loan is to be allowed prior to the infusion of actual loan, rate of interest for computing such IDC shall be equal to 1-year SBI MCLR as prevailing on 1st April of the respective year.

Provided further that IDC on normative loan, post infusion of actual loan shall be computed based on Weightage Average Rate of Interest (WAROI) for that respective quarter.

Provided further that the IDC on normative loan shall be allowed only when it can be demonstrated by the Licensee that the capital cost arrived after IDC on normative loan is to the benefit of consumers.

- (b) capitalised initial spares subject to the ceiling rates stipulated in these Regulations;*
- (c) expenses incurred by the licensee on obtaining right of way, as admitted by the Commission after prudence check;*
- (d) Incidental expenditure during construction including apportioned expenditure on relevant components of O&M:*
- (e) any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation, as admitted by the Commission after prudence check:*

Provided that any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation shall be adjusted only against the debt component of the capital cost:

Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use shall be excluded from the capital cost:

Provided also that the Licensee shall submit documentary evidence in support of its claim of assets being put to use;

18.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff.

18.3 The actual capital expenditure on a project as on COD for the original scope of work based on the audited accounts of the Licensee or Project, as the case may be, shall be considered subject to prudence check by the Commission.

18.4 Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the capital investment plan prepared by the Licensee and approved by the Commission.

18.5 The capital cost may include initial spares capitalised as a percentage of the Plant and Machinery cost, subject to the following ceiling norms:

(a) Distribution System

(i)	Distribution Line:	1.0%
(ii)	Distribution Sub-station:	4.0%
(iii)	Communication System:	3.5%
(iv)	Battery Energy Storage System:	1.0%

18.6 The impact of revaluation of assets shall be permitted provided it does not result in increase in Tariff of the Licensee:

Provided that any benefit from such revaluation shall be passed on to the consumers of Distribution Licensees, at the time of ARR / Tariff determination or Truing-Up, as the case may be.

18.7 Any expenditure on Replacement, Renovation and Modernisation or extension of life of old fixed assets, as applicable to Licensees, shall be considered after writing off the net value of such replaced assets from the original capital cost, and shall be computed as follows:

Net Value of Replaced Assets = OCRA – AD;

Where;

OCRA: Original Capital Cost of Replaced Assets:

AD: Accumulated depreciation pertaining to the Replaced Assets

Provided that in case the original capital cost of the replaced asset is not available for any reason, it shall be considered by the Commission on a case to case basis:

Provided further that the amount of insurance proceeds received, if any, towards damage to any asset requiring its replacement shall be first adjusted towards outstanding actual or normative loan; and the balance amount, if any, shall be utilised to reduce the capital cost of such replaced asset, and any further balance amount shall be considered as Non-Tariff Income.”

.....

32. Capital investment plan

“32.1 The Distribution Licensee shall submit in its ARR Petition, a detailed Capital Investment Plan for all capital expenditure project(s) that it plans to undertake during the ensuing year, for consideration and prudence check of the Commission.

32.2 *For the purpose of these Regulations, a capital expenditure project shall mean any non-recurring capital expenditure programme for the acquisition, construction or improvement of a permanent facility.*

32.3 *The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information such as number of sub-stations, transformation capacity in MVA, details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost / benefit analysis and other aspects that may have a bearing on the Tariff.*

32.4 *The Capital Investment Plan shall include financing plan and physical targets for meeting the requirement of growth in the number of consumers, strengthening and augmentation of its distribution network, meeting the requirement of load growth, reduction in distribution losses, improvement in the quality of supply, reliability, metering, reduction in congestion, etc.*

32.5 *The Distribution Licensee shall submit separate details of Capital Investment Plan for Distribution Franchisee(s) area within its Licence area.*

32.6 *Capital Investment works of a similar or related nature should be clubbed and considered as a project. The scope of investments included in each project, for being considered for approval of the Commission shall include, but not limited to, any one or a combination of the following:*

- i. New sub-stations proposed at different locations within the Licence area must be clubbed together and presented as a Project for New sub-stations including related incoming and outgoing feeders,*
- ii. Capacity enhancement of transformers/ sub stations at different voltage level clubbed together including the related incoming and outgoing feeders,*
- iii. New/ capacity enhancement of Distribution transformers,*
- iv. Project for development of new distribution lines and 11kV & 33kV network within the Licence area,*
- v. Project for replacement / augmentation of the lines/ cables including conversion of overhead lines to underground lines,*
- vi. Project for bifurcation of feeders,*
- vii. Project to prevent the theft of electricity including but not limited to conversion of bare conductors with AB Cables,*
- viii. Information Technology Projects*
- ix. SCADA and Communication equipment,*
- x. Metering Project - Consumer Metering Projects or Metering of feeders, distribution transformers, substations, AMI,*
- xi. Project for replacement/ overhauling of old equipment,*
- xii. Major Civil Works – Offices/ guest house/ Call Centres,*
- xiii. Capital investments required for the conversion of single point to multi point connections,*
- xiv. An independent identifiable project approved under a State/ Central Government policy/ scheme funded partially/ fully under the policy/ scheme.*

32.7 *All capital expenditure projects exceeding the value of Rs. Fifteen Crore for Licensees operating in three or more revenue districts, Rs. Seven Crore Fifty Lakhs for Licensees operating in less than three revenue districts, or any alternate threshold stipulated by the Commission through an Order or otherwise, which could not be included in the Capital Investment Plan at the time of submission of ARR Petition but are required to be undertaken immediately to cater to an emergency or to implement a State Government or Central Government funded scheme, may be undertaken by the Distribution Licensee. However, approval of the Commission for such projects*

undertaken in each quarter should be sought within one month of the closure of that quarter.

Provided that in case approval is not taken for the capital expenditure for projects exceeding the above thresholds, the Commission may disallow up to 25% of such capital expenditure for that year.

32.8 *During the True-Up, the final approval to the entire capital expenditure shall be granted considering the variation between approved and completed cost with justification for significant variations, particularly on the higher side.”*

6.7.52. The Commission scrutinized the submissions made by the Petitioner and vide its Technical Validation Session with the Petitioner to submit the details of 132 kV and above assets to be capitalized in the year FY 2025-26. The Petitioner in its reply submitted that it has not proposed any capitalization at 132 kV and above during FY 2025-26.

6.7.53. Further the Commission directed the Petitioner to submit the details of smart meter related Capex in the Year FY 2025-26. The Petitioner submitted the details of Capex estimated/projected for the installation of DRDR Prepaid meter in FY 2025-26 given below:

TABLE 6-79 CAPEX DETAILS OF DRDR PREPAID METERS & SMART METER PROPOSED IN FY 2025-26

Particulars	Amount (In Rs. Crore)	Quantity (In No.)
DRDR prepaid Meters	14.83	30,301
Smart Meter under proposed AMI	4.02	7,250
Total	18.85	37,551

6.7.54. The Petitioner further submitted that the aforesaid expenditure does not include expenses towards the cost of communication infrastructure, head-end system and other related peripherals.

6.7.55. The Commission observed that the Capex of Rs. 56.35 against the Construction of 5 nos. of New 33/11 KV Substation to meet the Additional Load Growth in Greater Noida' has been approved vide order dated April 25, 2025, in Petition No. 2089 of 2024. The detail of the cost of the said scheme is as follows

Particulars	Amount (Rs. Cr.)
Civil Works	12.25
Electrical works	28.11
Smart Substations, Automation & Security	1.76
33 kV Network Development	10.45
11kV Network Development	3.77
Total Cost in Rs. Cr (Inclusive of Taxes)	56.35

6.7.56. Furthermore, the Petitioner has submitted a request for approval of Rs. 20.68 Cr. for construction of substation on the following location:

- Construction of 33/11kV Substation with AIS Switchboard at Sector-3 Pocket-C;
- Construction of 33/11kV Substation with AIS Switchboard at Sector Phi-3

6.7.57. Detailed Project report of the proposed substation has been provided by the Petitioner. The Petitioner submitted that it would utilize the land(s) already available with him for the construction of 2 proposed substations. Details of utilization of the already purchased & capitalized lands for proposed substation are summarized as follows:

a) Construction of 33/11kV Substation at Sector-03 Pocket C , Greater Noida West (1X16 MVA): The Substation will be constructed on the existing land of 11/.433 kV Pocket Substation at Sector03 pocket C which was handed-over by the authority.

b) Construction of 33/11kV Substation at Sector Phi-3, Greater Noida (1X16 MVA)
The Substation will be constructed on the land acquired by the Petitioner in Sector-Phi-3 in FY 2007-08 of 837 Sq. Mtr. for Rs. 0.21 Cr. The same was capitalised in FY 2007-08; but the Commission in its Tariff order dated Aug 26, 2021, disallowed the same from FY 2019-20, mentioning that the land is not put to use. The Petitioner now have planned a 33/11 kV Substation as mentioned above and claiming the WDV value as on 31-Mar- 2019 along with IDC of Rs. 0.31 Cr. Considering the current rate of the land benefit to the consumer will be Rs. 1.68 Crore.

6.7.58. With regard to the Petitioner's claim of Rs. 4.02 Crore towards AMI metering in FY 2025-26 the Petitioner has informed that it had filed Petition No. 2065 of 2024 before the Commission for seeking in principle approval and and/or guidance for

implementation “Advance Metering Infrastructure (AMI) Scheme’ for installing and maintaining the smart meters in the greater Noida area. Which was later on withdrawn. The Petitioner has also informed that it will file a fresh Petition for the approval of said project in the month of November/December 2025. Therefore, based on the submission of the Petitioner, the Commission does not find it appropriate to approve the CAPEX and capitalization for the Advance Metering Infrastructure (AMI) Scheme’ of Rs. 4.02 Crore claimed by the Petitioner at this stage.

6.7.59. With regard to the Petitioner claim of Rs. 8.15 Crore towards creating cyber resilience the Commission has approved the capital expenditure of Rs. 17.65 crore vide order dated August 21, 2024, for Petition No. 1927 of 2022. Out of this, the Petitioner has claimed Rs 8.15 crore for FY 2025–26. However, since the project was sanctioned as a single comprehensive scheme, the Petitioner has not clearly demonstrated how the implementation will be in phased manner. Hence the Commission finds it appropriate to disallow the claim of the Petitioner at this stage and the same will be considered by the Commission as and when the complete project will be capitalized.

6.7.60. With respect to the Petitioner’s submission regarding Capital Expenditure (Capex) items that are being reclassified as Operational Expenditure (Opex) due to external factors, the Commission shall evaluate and treat such expenses in accordance with the provisions outlined under Regulation 33.9 of the MYT Regulations, 2025 and subject to the details, justifications as to how it have become Capex to Opex and submission of relevant documents.

6.7.61. The Petitioner has projected to incur Rs. 3.78 Cr. against vehicle cost. The detailed breakup is provided in the Table below:

TABLE 6-80 VEHICLE DETAILS AS PROVIDED BY THE PETITIONER

Vehicle Proposed for Operations						
S. No.	Vehicle Details	Designation	Count	Rate	Capt. Date	Total Amount
1	Bolero/ Nexon	Operations/ LCC/ Admin/ Projects	7	10,00,000		70,00,000
Replacement of Vehicles as per Company's Policy						
S. No.	Asset No.	Designation	Count	Rate	Capt. Date	Total Amount
1	30000102	SVP	1	26,00,000	26-Oct-19	29,64,000

2	30000103	VP	1	20,00,000	06-Oct-19	22,80,000
3	30000104	GM	1	16,00,000	25-Oct-19	18,24,000
4	30000107	GM	1	16,00,000	30-Dec-19	18,24,000
5	30000105	DGM	1	13,00,000	20-Nov-19	14,82,000
6	30000106	DGM	1	13,00,000	01-Jan-20	14,82,000
Vehicles for New Employees/ Promotes as per Company's Policy						
S. No.	Vehicle Details	Designation	Count	Rate	Capt. Date	Total Amount*
1	-	GM	2	16,00,000	-	36,48,000
2	-	DGM	5	13,00,000	-	74,10,000
3	-	SM	7	10,00,000	-	79,80,000
Total			27			3,78,94,000

S. No.	Particulars	Qty	Avg Cost	Amount
1	Vehicle for Operational Purpose	7	10,00,000	70,00,000
2	Replacement of Vehicles as per the Company's Policy	6	19,76,000	1,18,56,000
3	New Vehicles for employee as per the Company's Policy	14	13,59,857	1,90,38,000
	Total	27		3, 78,94,000

6.7.62. The Commission allows the capitalization towards vehicles for FY 2025-26 subject to the truing up exercise based on actuals.

6.7.63. The Petitioner has projected a capital expenditure of Rs. 11.08 crore towards land acquisition during FY 2025-26, which has not been capitalized in the said year. Accordingly, the Commission has considered this expenditure under Capital Work-in-Progress (CWIP), subject to review during the truing-up exercise.

6.7.64. The Petitioner has claimed Interest During Construction (IDC) of Rs. 0.12 Cr and Rs. 1.20 Cr for land utilized in the construction of a 33/11 kV substation at Sector Phi-3, Greater Noida (1X16 MVA), and for the establishment of an RMU workshop, respectively. The land at Sector Phi-3, measuring 837 sq. meters, was acquired by the Petitioner in FY 2007–08 for the purpose of constructing the substation. Although the Petitioner had proposed capitalization of this land in FY 2007–08, the Commission, in its Tariff Order dated August 26, 2021, disallowed the capitalization from FY 2019–20

onward, citing that the land had not been put to use. The Petitioner has now commenced utilization of the land and is claiming IDC of Rs. 0.12 Cr for the period FY 2019–20 to FY 2025–26. It is further submitted that the matter of capitalization remains subject to the final outcome of Appeal No. 343 of 2021, filed against the aforementioned Tariff Order.

6.7.65. Additionally, the Petitioner has proposed to utilize a portion of land acquired in the BZP area in FY 2014–15, measuring 16,807 sq. meters, for the construction of the RMU workshop. Although this land was capitalized in FY 2014–15, the Commission, in its Tariff Order dated August 26, 2021, disallowed the capitalization from FY 2019–20 onward, stating that the land had not been put to use. The Petitioner is now claiming IDC of Rs. 1.20 Cr for the period FY 2019–20 to FY 2025–26, based on the current utilization of the land for the proposed workshop. It is further submitted that the matter of capitalization remains subject to the final outcome of Appeal No. 343 of 2021, filed against the aforementioned Tariff Order.

6.7.66. The Commission is of the view that, since the project is proposed to be undertaken in FY 2025–26, allowing IDC on the associated land from FY 2019–20 is not justified as the treatment may have to be done in light of the Order of Hon’ble APTEL in appeals made by the Petitioner. Hence IDC on land is disallowed by the Commission.

6.7.67. The Commission has allowed Consumer Contributions, Employee Expenses Capitalization and deletion of assets as submitted by the Petitioner. Accordingly, the Commission approves capitalization for FY 2025-26 as shown in the Table below:

TABLE 6-81 CAPITALIZATION APPROVED BY THE COMMISSION FOR FY 2025-26 (RS. CR.)

Particulars	Ref.	ARR	Approved
Total Capex	A	519.25	519.25
<i>Less: Metering Project including AMI</i>			4.02
<i>Less: Creating Cyber Resilience</i>			8.15
<i>Less: IDC on land</i>			1.32
<i>Less: Consumer Contribution</i>	B	75.02	75.02
<i>Less: Handover Assets from GNIDA & Other Authorities</i>	C	12.00	12.00
Total CAPEX in FY 2025-26	D=A-B-C	432.23	418.74
<i>Less: Cl. CWIP</i>	E	11.08	11.08
Total Capitalization in FY 2025-26	F=D-E	421.15	407.66
Debt Addition	G=F*70%	292.67	279.31

Particulars	Ref.	ARR	Approved
Equity Addition	H=F*30%	121.85	117.80

6.8. GROSS FIXED ASSET (GFA) AND DEPRECIATION

Petitioner's Submission

6.8.1. The Petitioner submitted that in accordance with the distribution network plan and Capital Expenditure, the computation of GFA for FY 2025-26 is given in Table below:

TABLE 6-82 GROSS FIXED ASSETS (FY 2025-26) (RS. CR.)

Sl. No.	Description	Estimated		
		GFA till 01.04.2020	GFA added during 01.04.2020 to 31.03.2025	GFA added after 31.03.2025
1	Opening Balance	1,680.20	1,680.20	2,591.88
2	Addition during the Year	-	956.25	496.17
3	Retirement during the Year	-	44.58	15.00
4	Closing Balance	1,680.20	2,591.88	3,073.05

6.8.2. The Petitioner has submitted that the above GFA does not include the assets handed over by other agencies such as GNIDA, UPSIDC, DMIC etc. for the distribution of electricity to its consumers and maintenance thereof.

6.8.3. The Petitioner further submitted that in compliance to the directions of the Commission in Order dated December 4, 2020, to maintain a separate asset wise Fixed Asset Register (FAR) for assets capitalized after April 1, 2020, the Petitioner uses the SAP-ERP system to maintain its FAR, where each asset is recorded with details such as acquisition date, depreciation rate, method, and extent as per MYT Regulations 2014 and 2019. Depreciation is automatically computed by SAP-ERP based on these parameters, capped at 90%, and the system generates comprehensive FAR reports. The Petitioner's audited financial statements are prepared using this system generated FAR, with manual sample checks ensuring accuracy, thereby fulfilling the Commission's directive for separate depreciation computation.

6.8.4. Further, the Petitioner has submitted that MYT Regulations, 2025 has provided the depreciation rate separately for the assets capitalized on or before March 31, 2025,

and after March 31, 2025, viz Annexure A - Depreciation Schedule for Existing Assets Capitalized on or before March 31, 2025, and Annexure B - Depreciation Schedule for Existing Assets capitalized After March 31, 2025. Accordingly, the Petitioner has segregated the GFA details into three parts:

- Assets capitalized till 31.03.2020
- Assets capitalized between 01.04.2020 to 31.03.2025 and
- Assets capitalized after 31.03.2025

6.8.5. Accordingly, the amount considered for Depreciation for determination of ARR for FY 2025-26 is provided in Table below: -

TABLE 6-83 DEPRECIATION (FY 2025-26) (RS. CR.)

Sl. No.	Particulars	Reference	Projected
1	Depreciation on Gross Block till 01.04.2020	a	56.67
2	Depreciation on Gross Block after 01.04.2020 till 31.03.2025	b	55.49
	Depreciation on Gross Block after 01.04.2025	C	12.30
3	Gross Depreciation for the Year	d=a+b+c	124.46
4	Less: Depreciation on Consumer Contribution	e	29.77
5	Net Depreciation	f-d-e	94.69

6.8.6. Further the Petitioner has submitted that in MYT Tariff Regulations, 2014, the calculation of Depreciation was based on the Written Down Value (WDV) method. The Commission in its MYT Regulations, 2019 and 2025, has changed the methodology for calculating depreciation from the Written Down Value (WDV) method to the Straight-Line Method (SLM). Also, in MYT Tariff Regulations, 2006, the calculation of Depreciation was based on the SLM method. Due to such changes in the methodology of computation of Depreciation, the distribution assets are not fully depreciated to 90% over their useful life.

Commission's Analysis

6.8.7. Regulation 20 of the MYT Regulations 2025 outlines the methodology for determining Depreciation, as detailed below:

***"20.1** The Licensee shall be permitted to recover Depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:*

(a) The approved original cost of the fixed assets shall be the value base for the calculation of Depreciation:

Provided that Depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation shall be allowed annually based on the Straight-Line Method at the rates stipulated in Annexure-A for existing assets and at the rates stipulated in Annexure-B for the assets capitalised during the Control Period.

Provided that the Licensee shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance Useful Life of the asset including the Extended Life, as per the submission of the Licensee and approved by the Commission.

(c) The salvage value of the asset shall be considered at 10% of the allowable capital cost and Depreciation shall be allowed up to a maximum of 90% of the allowable capital cost of the asset:

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded from the capital cost while computing Depreciation:

Provided further that Depreciation shall be chargeable from the first year of commercial operation.

Provided also that the salvage value of IT equipment, software and underground cable shall be considered as nil and 100% value of the assets shall be considered depreciable.

(d) Depreciation shall not be allowed on assets funded by Consumer Contribution, Deposit works, Capital Subsidies and Grants.

20.2 In case of existing assets, for the purpose of computation of depreciation, the opening value of GFA shall be taken as the closing value as on March 31, 2025 as approved by the Commission in its Tariff Order.

20.3 In case of projected commercial operation of the assets for part a of the year, depreciation shall be computed based on the average of opening and closing value of assets.

20.4 Depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on the Accounting Statements and documentary evidence of assets capitalised by the Petitioner, subject to prudence check by the Commission.”

6.8.8. The Commission observes that from FY 2020-21 onwards, the Petitioner maintains two separate Gross Blocks (one for assets up to March 31, 2020 (Part-A) and a second for assets after April 01, 2020 (Part B) for the purpose of depreciation computation. Since the Regulation now allows separate of Depreciation for the asset capitalized during the control period. Accordingly, the Petitioner needs to maintain one more gross block for assets after April 01, 2025.

6.8.9. Further for the purpose of the Depreciation calculation the provisionally derived closing GFA base of FY 2024-25 is considered as opening equity for FY 2025-26. Further, GFA addition during FY 2025-26 is considered net GFA addition approved by the Commission after the deduction of de-capitalization assets and Consumer Contributions in GFA. The Depreciation approved by the Commission is as shown in Tables below:

TABLE 6-84 GROSS APPROVED DEPRECIATION FOR FY 2025-26 FOR ASSETS UPTO MARCH 31, 2020 (RS. CR.) (PART- A)

S. N o.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Depreciation Rate	Consumer Contribution	Net Allowable Depreciation
1	Land	42.60	-	-	42.60	3.34%	-	1.29
2	Buildings	150.81	-	-	150.81	3.34%	0.02	5.02
3	Plant & Machinery	34.10	-	-	34.10	5.28%	-	1.80
4	Lines & Cables	476.82	-	10.45	466.37	5.28%	6.70	18.20
5	Vehicles	-	-	-	-	9.50%	-	-
6	Furniture & Fixtures	15.83	-	-	15.83	6.33%	-	1.00
7	Office equipment	6.59	-	1.50	5.09	6.33%	-	0.37
8	Metering Equipment	26.35	-	3.05	23.30	5.28%	2.51	-1.20
9	Communication Equipment	9.20	-	-	9.20	5.28%	-	0.49
10	Intangible Assets	21.95	-	-	21.95	15.00%	-	3.29
11	Assets taken over & pending final valuation	0.74	-	-	0.74	15.00%	-	0.11
12	Solar Power Generation Equipment	0.17	-	-	0.17	5.28%	-	0.01
14	Less: Non-Depreciable Assets	3.92			3.92			
13	Total Fixed Assets	781.24	-	15.00	766.24		9.23	30.38



Table 6-85 GROSS APPROVED DEPRECIATION FOR FY 2025-26 FOR ASSETS ADDED AFTER APRIL 01, 2020, TO MARCH 31, 2025 (RS. CR.) (PART - B)

S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Depreciation Rate	Consumer Contribution	Net Allowable Depreciation
1	Land	17.78	-	-	17.78	3.34%	-	0.59
2	Buildings	54.27	-	-	54.27	3.34%	-	1.81
3	Plant & Machinery	18.12	-	-	18.12	5.28%	0.00	0.96
4	Lines & Cables	633.47	-	-	633.47	5.28%	13.16	20.29
5	Vehicles	3.45	-	-	3.45	9.50%	-	0.33
6	Furniture & Fixtures	0.59	-	-	0.59	6.33%	-	0.04
7	Office equipment	23.47	-	-	23.47	6.33%	-	1.49
8	Metering Equipment	73.42	-	-	73.42	5.28%	5.16	0
9	Communication Equipment	37.24	-	-	37.24	5.28%	0.63	1.33
10	Intangible Assets	31.70	-	-	31.70	15.00%	-	4.76
11	Assets taken over & pending final valuation	-	-	-	-	15.00%	-	-
12	Solar Power Generation equipment	1.90	-	-	1.90	5.28%	-	0.10
13	Total Fixed Assets	895.41	-	-	895.41		18.96	31.69

Table 6-86 GROSS APPROVED DEPRECIATION FOR FY 2025-26 FOR ASSETS ADDED AFTER APRIL 01, 2025 (RS. CR.) (PART - C)

S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction in Grants	Average GFA	Depreciation Rate	Consumer Contribution	Net Allowable Depreciation
1	Land	-	2.05	-	-	1.03	3.34%	-	0.03
2	Buildings	-	31.87	-	-	15.93	3.34%	-	0.53
3	Plant & Machinery	-	-	-	-	-	4.22%	-	-
4	Lines & Cables	-	404.24	-	-	202.12	4.22%	1.58	6.95
5	Vehicles	-	3.79	-	-	1.89	9.00%	-	0.17
6	Furniture & Fixtures	-	-	-	-	-	6.33%	-	-
7	Office equipment	-	0.50	-	-	0.25	6.33%	-	0.02
8	Metering Equipment	-	13.52	-	-	6.76	9.00%	-	0.61
9	Communication Equipment	-	7.59	-	-	3.79	4.22%	-	0.16
10	Intangible Assets	-	19.13	-	-	9.56	15.00%	-	1.43
11	Assets taken over & pending final valuation	-	-	-	-	-	15.00%	-	-
12	Solar Power Generation equipment	-	-	-	-	-	4.22%	-	-
10	Total Fixed Assets	-	482.68			241.34		1.58	9.90

Table 6-87 NET APPROVED DEPRECIATION FY 2025-26 (RS. CR.)

Sl. No.	Particulars	Claimed	Approved
1	Depreciation on Gross Block till 01.04.2020	56.67	39.61

Sl. No.	Particulars	Claimed	Approved
2	Depreciation on Gross Block after 01.04.2020 till 31.03.2025	55.49	49.36
	Depreciation on Gross Block after 01.04.2025	12.3	11.49
3	Gross Depreciation for the Year	124.46	100.46
4	Less: Depreciation on Consumer Contribution	29.77	29.77
5	Net Depreciation	94.69	70.69

6.8.10. The Petitioner has directed to consider an additional depreciation impact for FY 2025–26, citing a change in the depreciation methodology—from the Written Down Value (WDV) method under the MYT Tariff Regulations, 2014, to the Straight-Line Method (SLM) under the MYT Regulations, 2019.

6.8.11. The Commission is of the view that depreciation is determined as per the methodology provided in the applicable MYT Regulations. The transition from WDV to SLM does not require retrospective adjustments or additional depreciation unless explicitly provided for in the regulations. The depreciation schedules provided in the MYT Regulations are structured to ensure that assets are depreciated up to 90% of their value over their useful life. For assets capitalized prior to April 1, 2020, the Petitioner will continue to receive depreciation until 90% of the asset value is recovered. In view of the above, the Commission does not find merit in the submission made by the Petitioner.

6.9. INTEREST CHARGES

Petitioner's Submission

6.9.1. The petitioner has submitted the details of following cost components under Interest and Finance Charges:

- Interest on Long Term Loans
- Interest on Working Capital
- Interest on Security Deposits
- Banking and Finance Charges

6.10. INTEREST ON LONG TERM LOANS

Petitioner's Submission

6.10.1. The petitioner has submitted that for the determination of interest on long term loan, it has considered the debt and equity for FY2025-26 as per MYT Regulation 2025. The opening normative net debt for FY 2025-26 works out to be Rs. 621.95 Cr. The petitioner has considered reduction of Normative Loan due to retirement or replacement of assets to the extent of the outstanding loan component of the original cost at Rs. 2.41 Cr. Further, the petitioner submitted that it has estimated net Capex of Rs. 421.15 Cr during FY 2025-26. Accordingly, the Petitioner has submitted the interest on Term Loan for FY 2025-26 as below:

TABLE 6-88 COMPUTATION OF INTEREST ON TERM LOAN (RS CR.)

S. No	Loan Computation	Ref.	Projected FY 2025-26
1	Net loan – Opening	A	621.95
	Less: Reduction of Normative Loan due to retirement or replacement of assets	B	2.41
2	Addition of Normative Loan due to capitalization during the year	C	294.81
3	Repayments of Normative Loan during the year	D	94.69
4	Net loan – Closing	E=A-B+C-D	819.65
5	Average Loan	F=(A+E)/2	720.80
6	Weighted Average SBI MCLR (1 Year) for the concerned year plus 100 basis points	G	9.88%
7	Interest on loan	H=F x G	71.23

Commission's Analysis

6.10.2. Regulation 22 of the MYT Regulations 2025 outlines the methodology for determining Interest on Long-Term Loan, as detailed below:

“22.1 The long-term loans arrived at in the manner indicated in these Regulations on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

Provided that in case of retirement or replacement or deletion/ adjustments of the assets in the Balance Sheet, the loan capital approved as mentioned above

shall be reduced to the extent of the outstanding loan component of the original cost of such assets based on documentary evidence.

22.2 The closing normative long-term loan outstanding as on 31 March, 2025, shall be taken as the opening normative long-term loan outstanding for the Financial Year 2025-26.

22.3 The repayment of long-term loans for each year shall be deemed to be equal to the Depreciation allowed for that year.

22.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.

22.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that if there is no actual long-term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long-term loan shall be the weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 100 basis points.

22.6 *At the time of Truing-Up, the weighted average rate of interest of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:*

Provided that if there is no actual long-term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long-term loan shall be the weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 100 basis points.

22.7 The interest on long-term loan shall be computed on the normative average long-term loan of the year by applying the weighted average rate of interest:

Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalization approved by the Commission for the year.”

6.10.3. Regulations 19.2 and 22 of MYT Regulations, 2025 provides and governs the treatment of Interest on Long Term Loan. The detail of said Regulation is already reproduced above in Petitioner submission section.

6.10.4. The Commission has provisionally derived closing normative loan for FY 2024-25 in APR and has considered the same as the opening equity for FY 2025-26. Loan additions during FY 2025-26 are computed as 70% of the net GFA addition, after deducting the value of de-capitalized assets (to the extent of outstanding debt) and consumer contributions.

6.10.5. As per Regulation 22 of the MYT Regulations, 2025, the rate of interest on normative long-term loans shall be based on the weighted average SBI MCLR (1-Year) prevailing during the relevant financial year, plus 100 basis points. Accordingly, the Commission approves interest on term loan for FY 2025-26 as shown in the table below:

TABLE 6-89 SBI MCLR CALCULATION (SOURCE : MCLR HISTORICAL DATA - INTEREST RATES)

Date	No. of Days	MCLR Rate	Weight Avg. MCLR
31-03-2025	17	9	
15-03-2025	28	9	
15-02-2025	31	9	
15-01-2025	31	9	
15-12-2024	30	9	
15-11-2024	31	8.95	
15-10-2024	30	8.95	
15-09-2024	31	8.95	
15-08-2024	31	8.85	
15-07-2024	30	8.75	
15-06-2024	31	8.65	
15-05-2024	30	8.65	
15-04-2024	14	8.65	
01-04-2024		8.65	8.88

TABLE 6-90 INTEREST ON LONG TERM LOAN FOR FY 2025-26 APPROVED BY THE COMMISSION (RS. CR.)

Loan Computation	Claimed	Approved
Opening Balance of Normative Loan	621.95	459.91
Net Increase/Decrease due to ACE during the Year (70% of Net GFA Addition after deducting Consumer contribution and asset deletion)	292.67	279.31
Less: Repayment of Normative loan during the year	94.69	70.69
Closing Balance of Normative Loan	819.65	668.54

Loan Computation	Claimed	Approved
Average Balance of Normative Loan	720.8	564.22
Weighted average Rate of Interest on actual Loans (%)	9.88%	9.88%
Interest on long term loan	63.68	55.78

6.11. INTEREST ON WORKING CAPITAL

Petitioner's Submission

6.11.1. The petitioner has referred to Regulation 25 of the UPERC MYT Regulations, 2025 for the computation of Interest on Working Capital. The petitioner has submitted the Interest on Working Capital for FY2025-26 as below:

TABLE 6-91 INTEREST ON WORKING CAPITAL (FY 2025-26) (RS. CR.)

Particulars	Ref	Projected FY 2025-26
One month's O&M Expenses	a	22.50
One-and-a-half-month equivalent of expected revenue from distribution tariff	b	370.21
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	6.32
Gross Total	d=a+b+c	399.03
Security Deposits from Consumers		
Opening Balance	e	352.23
Received during the year (Net of Refunds)	f	15.83
Closing Balance	g=e+f	368.06
Average Security Deposit	h=(e+g)/2	360.14
Security Deposit with UPPCL	i	11.28
Net Security Deposits from Consumers	j=h-i	348.86
Net Working Capital	k=d-j	50.17
Rate of Interest for Working Capital (SBI MCLR (1Year) + 200 basis point)	l	10.88%
Interest on Total Working Capital	m=k*l	5.46

6.11.2. The Petitioner has submitted that As per the practice followed by the Commission, the security deposit of Rs. 11.28 Cr passed on to UPPCL till FY 2005-06 in accordance with past arrangement, has been deducted from the total Security Deposit available with the Petitioner while computing working capital requirement as the same are not available at the disposal of the Petitioner for meeting its working capital requirements.

6.11.3. The petitioner has mentioned that the above table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of the Commission and Hon'ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional power by UPPCL, which is pending before the Hon'ble Supreme Court of India.

Commission's Analysis

6.11.4. Regulation 25 of the MYT Regulations 2025 outlines the methodology for determining Interest on Working Capital, as detailed below:

"25.1 The working capital requirement of the Distribution Business shall cover:

- (i) Operation and maintenance expenses for one month;*
- (ii) Maintenance spares at 40% of the R&M expenses for two months; and*
- (iii) One and half month equivalent of the expected revenue from the sale of electricity at the Tariff approved by the Commission for the ensuing year, including revenue from wheeling, cross-subsidy surcharge and additional surcharge, if any, but excluding Electricity Duty;*

minus

- (iv) Amount held as security deposits from the Distribution System Users;*

Provided that if the working capital, determined based on the above formula, is positive, it shall be reduced by the amount of revenue surplus (if any) as of 31st March of the previous year so approved by the Commission.

Provided that for the purpose of Truing-Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-Up;

25.2 Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) as on date on which Petition for determination of Tariff is filed plus 200 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 200 basis points."

6.11.5. The Commission approves the Interest on Working capital by considering various components of working capital provided in Regulation 22 of MYT Regulation 2025. Further, in accordance with Regulation 22 of MYT Regulation 2025, the rate of interest on working capital shall be simple interest and equal to the SBI MCLR (1 year) as on date on which Petition for determination is filed plus 200 basis points. Since the Petitioner has filed the revised Petition on April 30, 2025, hence for the purpose of ARR determination exercise the Commission has considered the April 30, 2025, for determining the rate of interest on working capital. The link for the SBI MCLR is <https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>. Accordingly, the Commission approves the interest on working capital as shown below:

TABLE 6-92 INTEREST ON WORKING CAPITAL APPROVED BY THE COMMISSION FOR FY 2025-26 (RS. CR.)

Particulars	Ref	Claimed	Approved
One month's O&M Expenses	a	22.50	13.33
One-and-a-half-month equivalent of expected revenue from distribution tariff	b	370.21	370.25
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	6.32	5.59
Gross Total	d=a+b+c	399.03	389.17
Security Deposits from Consumers			
Opening Balance	e	352.23	352.23
Received during the year (Net of Refunds)	f	15.83	15.83
Closing Balance	g=e+f	368.06	368.06
Average Security Deposit	h=(e+g)/2	360.14	360.15
Less: Security Deposit with UPPCL	i	11.28	11.28
Net Security Deposits from Consumers	j=h-i	348.86	348.87
Total Working Capital	k	50.17	40.30
Less: Surplus at the beginning of the year	l		-1,234.69
Net Working Capital	M=l-k	50.17	-1,194.39
Rate of Interest for Working Capital (SBI MCLR (1Year) + 200 basis point)	i	10.88%	10.95%
Interest on Total Working Capital	m=k*I	5.46	-

6.12. INTEREST ON CONSUMER SECURITY DEPOSITS

Petitioner's Submission

6.12.1. The petitioner has submitted that based on the RBI's Bank Rate prevailing on the 1st of April 2025 i.e. 6.50% p.a., the interest payable on security deposit from consumers for FY 2025-26 has been claimed.

Commission's Analysis

6.12.2. Regulation 25.3 of the MYT Regulations 2025 outlines the methodology for determining Interest on Consumer Security Deposit, as detailed below:

"25.3 Interest paid on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments/ addendums and the new Regulations made after the repeal of the same shall be allowed.

Provided that if, at the time of True-Up, it is determined that the interest paid on the Security Deposit is less than the interest payable as per the prescribed norms, the Working Capital shall be reduced by the amount of such shortfall."

6.12.3. The opening balances of security deposits for FY 2025-26 have been considered as per the closing figures of FY 2024-25 and additions during the year FY 2025-26 are considered the same as projected by the Petitioner, subject to prudence check at the time of truing up.

6.12.4. As per Regulation 4.20 (i) of the U.P Electricity Supply Code, 2005, the Commission has considered the Rate of Interest as 6.50% (RBI Bank Rate as on April 01, 2025) ([Ratios and Rates \(April 11, 2025\) - RBI](#)) for the computation of Interest on Security Deposit. Accordingly, The Commission approves the Interest on Consumer Security Deposit for FY 2025-26 as shown in the Table below:

Table 6-93 INTEREST ON SECURITY DEPOSIT APPROVED FOR FY 2025-26 (Rs. Cr.)

Particulars	Claimed	Approved
Opening Balance of Security Deposit	352.23	352.23
Addition During the year	15.83	15.83
Closing Balance for Security Deposit	368.06	368.06
Average Balance for Security Deposit	360.14	360.15
Rate of Interest	6.50%	6.50%
Interest payable on Consumer Security Deposit	23.41	23.41

6.13. BANKING AND FINANCE CHARGES

Petitioner's Submission

6.13.1. The petitioner has submitted the details of certain charges that are included in Banking and Finance Charges. This includes Loan Processing Charges, Credit Rating Charges, Collection Facilitation Charges and Other Finance Charges. Accordingly, the petitioner has claimed Banking and Finance Charges as shown in Table below:

TABLE 6-94 BANKING AND FINANCE CHARGE (FY 2025-26)

Particulars	Amount (In Rs .Cr)
Renewal of Working Capital Limit	3.84
Term Loan Sanction	2.36
Collection Charges	1.75
Grand Total	7.95

Commission's Analysis

6.13.2. Regulation 23 of the MYT Regulations 2025 outlines the methodology for determining Banking and Finance Charges, as detailed below:

"The Banking & Finance charges shall be allowed as per actuals in Truing-Up, subject to prudence check by the Commission.

Provided that the Banking and Finance charges shall be allowed in ARR as per the approval given by the Commission for the latest True-Up year."

6.13.3. The Commission observe that as per Regulation 23 of the MYT Distribution Regulations, 2025, the Banking and Finance charges shall be allowed in ARR as per the approval given by the Commission for the latest True-Up year. In the True Up for FY 2023-24, the Banking and Finance Charges were not approved separately and were part of A&G expenses. However, the Commission approves banking and finance charges of Rs. 1.76 Cr. based on the audited balance sheet of FY 2023–24.

6.14. SUMMARY OF INTEREST CHARGES

6.14.1. Based on the above, the summary of Interest Charges approved by the Commission for FY 2025-26 is given in the Table below:

TABLE 6-95 INTEREST CHARGES APPROVED BY THE COMMISSION FOR FY 2025-26 (RS. CR.)

Sl. No.	Description	Claimed	Approved
1	Interest on Long term loans	71.23	55.78

Sl. No.	Description	Claimed	Approved
2	Interest on working capital facilities	5.46	-
3	Interest on security deposit	23.41	23.41
4	Banking and Finance charges	7.95	1.76
5	Total Interest & Fin. Charges	108.05	80.95

6.15. RETURN ON EQUITY

Petitioner's Submission

6.15.1. The Regulation 21 of MYT Regulations, 2025 provides for Return on Equity considering the assets put to use (capitalized). The Petitioner has submitted that the opening debt and Equity for FY 2025-26 shall be determined based on equity and debt amount in previous years. However, the Petitioner has filed appeals against the Tariff Orders dated December 04, 2020, August 26, 2021, July 20, 2022, May 24, 2023, and October 10, 2024, before the Hon'ble APTEL. Therefore, it has considered the opening balances of Debt and Equity as per its True-up Petition / submission for determination of Return on Equity for FY 2025-26. Accordingly, on the basis of Capital Expenditures for FY 2020-21 to FY 2024-25 as claimed by the Petitioner as well as stipulated debt equity of 70:30, the opening normative net Equity for FY 2025-26 works out to Rs. 618.71 Cr. The Return on Equity claimed by the Petitioner for FY 2025-26 is provided below:

TABLE 6-96 RETURN ON EQUITY (FY 2025-26) (RS. CR.)

Sl. No.	Particulars	Reference	Projected
1	Equity (Opening Balance)	a	618.71
2	Less: Reduction in equity due to retirement or replacement of assets	b	4.50
3	Net additions during the year	c	126.35
4	Equity (Closing Balance)	d=a-b+c	740.56
5	Average Equity	e=(a+d)/2	679.64
5	Rate of Return on Equity	f	15.00%
7	Return on Equity	g=e * f	101.95

Commission's Analysis

6.15.2. Regulation 21 of the MYT Regulations 2025 outlines the methodology for determining Return on Equity, as detailed below.

"21.1 Return on equity shall be computed in Rs. terms on equity base as determined in accordance with Regulation 19 at the rate of 15% post-tax per annum (hereinafter referred to as 'Base Rate'):

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost.”

6.15.3. According to Regulation 19.1 of MYT Regulation 2025, Closing balance of Equity as on March 31, 2025, approved by the Commission shall be taken as the opening Equity for Financial Year 2025-26. The provisionally derived closing equity base of FY 2024-25 in APR is considered as opening equity for FY 2025-26. Further, equity addition during FY 2025-26 is considered as 30% of net GFA addition approved by the Commission after the deduction of de-capitalization assets and Consumer Contributions in GFA.

6.15.4. As per Regulation 21 of the MYT Regulation 2025 rate of Return on Equity shall be 15%. Accordingly, the Commission approves Return on Equity for FY 2025-26 as provided in the below Table:

Table 6-97 ROE APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Reference	ARR Petition	Approved
1	Equity (Opening Balance)	a	618.71	469.28
2	Less: Reduction in equity due to retirement or replacement of assets	b	4.50	4.50*
3	Net additions during the year	c	126.35	117.80
4	Equity (Closing Balance)	d=a-b+c	740.56	587.08
5	Average Equity	e=(a+d)/2	679.64	528.18
5	Rate of Return on Equity	f	15.00%	15.00%
7	Return on Equity	g=e * f	101.95	79.23

* 30% of Rs. 15.00 Cr. for Asset retired or replaced during FY 2025-26 as per Petitioner Submission

6.16. INCOME TAX

Petitioner's Submission

6.16.1. The Petitioner has submitted that Regulation 26 of MYT Regulations, 2025 provides for the determination of Income Tax to be considered in ARR for the Control period FY 2025-26 to FY 2029-30. Accordingly, the Petitioner has computed the Income Tax expense for FY 2025-26 as provided in the Table below:

TABLE 6-98 INCOME TAX (FY 2025-26) (RS. CR.)

Sl. No.	Nature of Tax	Reference	Projected
1	Return on Equity	a	101.95
2	Income Tax Rate	b	25.17%

Sl. No.	Nature of Tax	Reference	Projected
3	Total Tax Expense	$c=a * b/(1-b)$	34.29

Commission's Analysis

6.16.2. Regulation 26 of the MYT Regulations 2025 outlines the methodology for determining Return on Equity, as detailed below:

"26.1 The rate of return on equity as allowed by the Commission under Regulation 21 of these Regulations shall be grossed up with the effective tax rate (hereinafter referred to as 't') of the respective financial year. The effective tax rate shall be calculated at the beginning of every Financial Year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that

Financial Year to the concerned Distribution Licensee by excluding the income of other business and the corresponding tax thereon.

Provided that tax on any income other than that through its Licensed Business shall not be pass through and it shall be payable by the Licensee itself.

Provided that in case a Distribution Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess;

Provided further that in case a Distribution Licensee has opted for Section 115BAA, the effective tax rate shall be the tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

26.2 The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

26.3 The Distribution Licensee shall true up the effective tax rate for every Financial Year based on the actual tax paid together with any additional tax demand, including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the Tariff period covered under these Regulations on actual gross income of any Financial Year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid by the Distribution Licensee.

Provided that in case a Distribution Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, the Distribution Licensee shall true up the grossed

up rate of return on equity at the end of every Financial Year with the applicable MAT rate including surcharge and cess.

Provided that in case a Distribution Licensee is paying tax under Section 115BAA, the Distribution Licensee shall true up the grossed up rate of return on equity at the end of every Financial Year with the tax rate including surcharge and cess as specified under Section 115BAA.

Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing-up, shall be recovered or refunded, on a year to year basis.”

6.16.3. The Commission observes that the Petitioner has claimed RoE as per MYT Regulations 2025 however, while approving income tax, the RoE determined by the Commission has been considered. The Commission approves income tax expense as shown in the table below:

Table 6-99 INCOME TAX APPROVED BY THE COMMISSION FOR FY 2025-26 (Rs. Cr.)

Sl. No.	Nature of Tax	Reference	claimed	Approved
1	Return on Equity	a	101.95	79.23
2	Income Tax Rate	b	25.17%	25.17%
3	Total Tax Expense	c=a * b/(1-b)	34.29	26.65

6.17. PROVISION FOR WRITE-OFF OF BAD AND DOUBTFUL DEBTS

Petitioner's Submission

6.17.1. The Petitioner has submitted that Regulation 34 of MYT Regulations, 2025 provides for the Provision for Write-off of Bad and Doubtful Debts. The Petitioner has claimed the Bad and doubtful debts of **Rs. 11.94 Cr.** as claimed in True up of FY 2023-24.

6.17.2. Further the Petitioner has submitted that it has identified certain long-outstanding consumers over two to three years old—that remain unpaid due to political or other constraints preventing disconnection. These debts are now considered uneconomical to recover, as the cost of recovery, including prolonged litigation and legal expenses, outweighs the potential benefit. Therefore, after a detailed case-by-case review considering recovery likelihood and cost-benefit analysis, these debts are being provided for in the audited accounts. Additionally, the Petitioner has submitted that electricity is sold on credit to a vast and diverse consumer base, including industrial,

rural, and unmetered consumers. This exposes distribution companies to significant risks of bad debts. The difficulty in recovering dues is further intensified by socio-political and economic conditions, law and order issues, and power shortages, making the distribution company the most vulnerable in the electricity value chain. Accordingly, the Petitioner has requested the Commission to approve provision for write-off bad and doubtful debts estimated as 2% of the revenue for FY 2025-26.

Commission's Analysis

6.17.3. Regulation 34 of the MYT Regulations 2025 outlines the methodology for determining Provision for write-off of Bad and Doubtful Debts, as detailed below:

“34.1 For any particular year, the Commission may allow a provision for write-off of bad and doubtful debts up to the extent of 2% of revenue from the sale of electricity as reflected in the audited accounts of the Distribution Licensee for that year or for the actual write-off of bad debts, whichever is less:

Provided that Electricity Duty shall not be included in the write-off of bad debt:

Provided further that such provision allowed by the Commission for any year shall not exceed the actual provision for write-off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that year:

Provided that the Commission, in its ARR / Tariff Order, may provisionally approve the provision for write-off of bad and doubtful debts based on the provision for write-off of bad and doubtful debts approved by the Commission for the True-Up year:

Provided further that if subsequent to the write-off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.”

6.17.4. The Commission observes that the Petitioner has requested to approve provision for write-off of bad and doubtful debts as 2% of revenue rather than Rs. 11.40 Cr. As claimed by it in True-Up for Fy 2023-24. Regulation 34 of the MYT Regulations 2025 provides that the Commission may provisionally approve the provision for write-off of bad and doubtful debts based on the provision for write-off of bad and doubtful debts approved by the Commission for the True-Up year. The Commission finds that the provision for the write-off of bad debt approved in True Up of FY 2023-24 is 0.38%. The same has been approved considering the revenue approved by the Commission.

Accordingly, the Commission approves the provision for write-off of bad and doubtful debts as shown in the table below:

TABLE 6-100 BAD AND DOUBTFUL DEBT APPROVED BY THE COMMISSION

Particulars	Claimed	Approved
Revenue billed during the year		2961.96
Provision as % revenue billed claimed		0.38%
Provision of bad and doubtful debt	11.94	11.32

6.17.5. Further, the Commission will carry out the Truing-Up of bad debts subject to actual writing off of the bad debts during the year, as per the Audited Accounts.

6.18. NON -TARIFF INCOME

Petitioner's Submission

6.18.1. The Petitioner submitted that Regulation 35 of MYT Regulations, 2025, provides for consideration Non-Tariff Income in ARR. The petitioner has submitted the non-tariff income and has made specific submissions in relation to certain items as discussed below:

i. Income from Investment

6.18.2. The Petitioner has submitted that the Commission in its Tariff Order dated October 10, 2024, while truing up the ARR for FY 2022-23 has included Income from Investments as part of non-tariff income. The Commission has been allowing carrying cost @11.05% on the approved Revenue Surplus to the Petitioner while simultaneously not allowing the interest earned in Income from Investments, resulting in double loss to the Petitioner. The income earned from the interest on fixed deposits or mutual funds should be excluded from Non-Tariff Income. Therefore, the Petitioner requested the Commission not to consider Income from Investments as Non-Tariff Income in ARR of FY 2025-26.

ii. Levy of Financing of Receivables beyond due dated for which Delayed Payment Surcharge (DPS)

6.18.3. The Petitioner has submitted that the income from delayed payment surcharge will be considered after reducing the income from delayed payment surcharge for 6 months at rate of interest on working capital, which is as follows:

TABLE 6-101 COST OF BORROWING OF DPS FOR FY 2025-26 (RS. CR.)

Sl. No.	Particulars	Actuals
1	Delayed Payment Surcharge Received	7.11
2	DPS grossed up at 1.50% per month	18%
3	Amount after grossing up of DPS	15
4	Applicable Interest Rate for Working Capital Finance (at Weighted average SBI - PLR)	10.88%
5	Income from delayed payment surcharge	5.50

iii. Interest earned from refund of Income Tax /Balance with Govt. Authorities:

6.18.4. Further the Petitioner has submitted that the other income also excludes interest received on refund of “Balance with Govt. Authorities” w.r.t. TDS Demand paid under protest. These TDS demands, being a Balance Sheet item (as against P&L items), were never claimed as part of True-up. Therefore, the said item cannot be considered as Non-Tariff Income. In other words, the Petitioner has never claimed any TDS amount as income tax in terms of Regulation 26 of MYT Regulations, 2019, therefore, the interest earned on such TDS demand refunded cannot be considered as Non-Tariff Income. Accordingly, the Petitioner has requested the Commission to exclude the income earned from investing internal accruals and interest earned from refund of TDS (If any) for FY 2025-26.

iv. Interest earned from new connection charges paid on instalment basis in single to multi-point connection:

6.18.5. The Petitioner has submitted that it has commenced the process of converting single-point connections to multi-point connections. Eligible consumers are required to pay the service connection charges and the cost of meters to the Petitioner, as stipulated under Clause 4.9 Part (B)(i) of the 13th Amendment of the Supply Code 2005. Such charges are also paid on EMI/instalment basis by the consumer as per the direction given by the Commission. Due to this, the Petitioner has received some interest on such charges paid by the eligible consumer.

6.18.6. The Petitioner has further submitted that the charges recovered for new connections on an EMI/instalment basis are entirely treated as consumer contributions and are not included in the equity base for the purpose of calculating Return on Equity (RoE). Consequently, the interest earned on these amounts does not originate from investments made using shareholders’ funds, but from consumer-contributed funds,

which are ring-fenced and do not entitle the licensee to any return. In alignment with the intent of Regulation 35.2(c) of the MYT Regulations, 2025, the Petitioner has requested the Commission to exclude the interest earned on such consumer-contributed amounts from the Non-Tariff Income for FY 2024-25, as this income does not represent any operational or financial benefit to the Petitioner and bears no relevance to the determination of RoE.

v. Revenue from Open Access:

6.18.7. The Petitioner has levied Wheeling Charges and Cross Subsidy Surcharge to Open Access Consumers as per the Tariff Schedule approved by the Commission vide its Tariff Order dated October 10, 2024. Accordingly, the income projected to be recovered as Open Access Charges during FY 2025-26 should be considered as Non-Tariff Income for offsetting the revenue Gap/ (Surplus) for the year.

vi. Non-Tariff Income from Telecommunication Business

6.18.8. The Petitioner has recorded the amount against renting of its distribution assets to telecom operators and the same has been captured in the Audited Accounts of FY 2023-24. Accordingly, for FY 2025-26, the Petitioner has considered the same income from “Other Business” in Non-Tariff Income for FY 2025-26, is shown in Table below:

TABLE 6-102 INCOME PROJECTED UNDER RENTING OF DISTRIBUTION ASSETS IN FY 2025-26 (RS. CR.)

S. No.	Particulars	FY 2025-26
1	Revenue Realized under Renting of distribution assets to telecom operators	0.06
2	Revenue under these activities considered under NTI (70%)	0.04
3	Revenue under these activities retained by the Petitioner (30%)	0.02

6.18.9. Based on the above, the Petitioner requests the Commission to consider only 70% of the revenue realized i.e. Rs. 0.04 Cr. under the renting of Distribution assets to telecom operations as Non-Tariff Income.

6.18.10. Accordingly, based on the above consideration and the actual Non-Tariff Income till FY 2023-24 incidental to the business of electricity supply, the Petitioner has projected Rs. 8.77 Cr of Non-Tariff Income for FY 2025-26 and summarized in in below Table:

TABLE 6-103 NON-TARIFF INCOME PROJECTED FOR FY 2025-26 (RS. CR.)

Sl. No.	Description	Non-Tariff Income Rs. Cr.
1	Income from investments	0.13
2	Income from delayed payment surcharge, supervision charges, etc.	5.50
3	Miscellaneous receipts	0.99
4	Income from Telecom Service Providers @70% of Gross Revenue	0.04
5	Any other Non-Tariff Income	0.50
6	Non-Tariff Income	7.16

Commission's Analysis

6.18.11. Regulation 35 of the MYT Regulations 2025 outlines the methodology for determining Non-Tariff Income, as detailed below:

***“35.1** The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for the retail supply and Wheeling Charges of the Distribution Business:*

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

35.2 The Non-Tariff Income shall include:

- (a) Income from rent of land or buildings;*
- (b) Income from sale of scrap;*
- (c) Income from investments;*

Provided that income arising from investment of shareholder's funds, if any, shall not be included in Non-Tariff Income subject to prudence check of requisite detailed information submitted by the Licensee before the Commission.

- d) Interest income on advances to suppliers/contractors;*
- e) Interest income on loans / advances to employees;*
- f) Income from rental from staff quarters;*
- g) Income from rental from contractors;*
- h) Income from hire charges from contractors and others;*

- i) Income from delayed payment surcharge minus cost of borrowing for 6 months to be computed on delayed payment surcharge at the rate of Interest on Working Capital;*
- j) Income from supervision charges;*
- k) Income from recovery against theft and/or pilferage of electricity;*
- l) Income from advertisements;*
- m) Income from sale of tender documents;*
- n) Excess found on physical verification;*
- o) Prior Period Income;*
- p) Miscellaneous receipts; and*
- q) Any other Non-Tariff Income:*

35.3 The Non-Tariff Income under item (l) above (income from advertisements) shall be shared between the Distribution Licensee and the consumers in the ratio of 30% and 70% respectively:

Provided that the Licensee shall undertake asset monetisation study within six months from the date of notification of these Regulations.”

6.18.12. The Commission observes that the non-tariff income submitted by the Petitioner under different components mentioned in the Regulations has been clubbed. Further, separate submission has been made for a few components of Non-Tariff Income. Firstly, in regard to income from investment, the Petitioner has not submitted the details on the amount of investments. There is no submission to ascertain the amount being claimed as interest from investment. The Petitioner has made submission for Financing of Receivables beyond due dated for which Delayed Payment Surcharge (DPS). The Commission is of the view that assuming that delayed Payment Surcharge will be recovered will not be appropriate. Moreover, treatment of financing for DPS, as outlined in the Regulation, shall be done at the time of true-up, For Interest earned from refund of Income Tax /Balance with Govt. Authorities the Petitioner has not submitted the details of associated amount. Similarly, for Interest earned from new connection charges paid on instalment basis in single to multi-point connection, details such as number of connections provided, the amount of EMI, interest earned etc. have not been submitted.

6.18.13. The Commission observes that the prudence check is required not only for the Non-Tariff Income as per Regulations but also for the individual items which have been separately submitted by the Petitioner. Therefore, the Commission approves the Non-Tariff Income for FY 2025-26, the same as approved by the Commission in the true up of FY 2023-24 in this Order as shown in the Table below:

Table 6-104 NON-TARIFF INCOME APPROVED FOR FY 2025-26 (RS. CR.)

Sl. No.	Description	Claimed by the Petitioner	Approved by the Commission
1	Income from investments	0.13	
2	Income from delayed payment surcharge, supervision charges, etc.	5.50	
3	Miscellaneous receipts	0.99	
4	Income from Telecom Service Providers @70% of Gross Revenue	0.04	
5	Any other Non-Tariff Income	0.50	
6	Non-Tariff Income (excluding open access charges)	7.16	63.99

6.19. SUMMARY OF ARR FOR FY 2025-26

6.19.1. Based on the above-approved values, the summary of ARR approved by the Commission for FY 2025-26 is shown in the Table below:

TABLE 6-105 SUMMARY OF ARR APPROVED BY THE COMMISSION FOR FY 2025-26 (RS. CR.)

Sl. No.	Particulars	Claimed	Approved
1	Power Purchase Expenses for the Year	2,239.45	2,192.18
2	Transmission Charges	351.6	440.03
3	Net Employee cost (Incl. Retiral Benefits)	113.92	49.71
4	A&G expenses	26.46	26.45
5	R&M expenses	129.59	83.83
6	Total O&M Cost	269.97	160.00
7	Interest on Long Term Loan	71.23	55.78
8	Interest on Working Capital	5.46	-
9	Interest on Security Deposit	23.41	23.41
10	Banking & Finance Charges	7.95	1.76
11	Interest Charges	108.05	80.95
12	Depreciation	94.69	70.69
13	Taxes (Income Tax & MAT)	34.29	26.65
14	Provision for Bad & Doubtful Debts	11.94	11.32
15	Return on Equity	101.95	79.23
16	Aggregate Revenue Requirement	3,211.94	3,061.05
17	Less: Revenue from Open Access Charges	9.13	9.13
18	Less: Non-Tariff Income	7.16	63.99

Sl. No.	Particulars	Claimed	Approved
19	Net Aggregate Revenue Requirement	3,195.65	2,987.93
20	Less: Revenue from Existing/ Proposed Tariff	2,961.96	2,961.96
21	Revenue (Surplus) / Gap	234	25.97

6.19.2. Analysis of a few parameters is depicted below:

TABLE 6-106 SUMMARY OF FY 2025-26 (RS. CR.)

Particulars	Ref.	Units	FY 2025-26
Total Sales	A	MU	4,083.65
Revenue from tariff	B	Rs. Cr.	2,961.96
Distribution Loss	C	%	7.23%
Total Power Purchase (NPCL-Periphery)	D	MU	4,401.91
Total Power Purchase (Ex-Bus)	E	MU	4,717.95
Total Power Purchase Cost (Inter & Intrastate Transmission Charges)	F	Rs. Cr.	2,632.22
Transmission Charges	G	Rs. Cr.	440.03
Aggregate Revenue Requirement	H	Rs. Cr.	2,987.93
APPC	$I=(F-G)/D$	Rs. /kWh	4.98
APPC including Transmission (Inter & Intra) at Ex-Bus	$J=F/D$	Rs. /kWh	5.98
ABR	$I=B/A$	Rs. /kWh	7.25
ACoS	$J=H/A$	Rs. /kWh	7.32

7. OPEN ACCESS CHARGES

7.1. OPEN ACCESS TRANSMISSION CHARGES

- 7.2.1. The Commission, in the Tariff Order for FY 2025-26 of UPPTCL, has determined the Transmission Charges payable by Open Access customers for the use of UPPTCL transmission network for the transmission of electricity.

7.2. OPEN ACCESS WHEELING CHARGES

Petitioner's Submission

- 7.2.1. The Petitioner has submitted that it has been maintaining its cost accounts and records as prescribed by the Companies (Cost Records and Audit) Amendment Rules, 2014 {Amendment by G.S.R. 695(E) and called Companies (Cost Records and Audit) Amendment Rule, 2016} issued by Government of India. The cost accounts and records so prepared have been verified and audited by a qualified Cost Accountant in accordance with provisions of Section 148 of the Companies Act, 2013 and duly approved by the Board of Directors of the Company.
- 7.2.2. The methodology adopted in the preparation of cost records is comparable with the methodology suggested under Regulation 39 of MYT Regulations, 2019, barring some differences in the nomenclature/terminology for segregating the cost as elaborated below:
- As per the MYT Distribution Tariff Regulation, 2019, demand costs are the cost of fixed nature, related to capacity creation which includes interest on borrowed capital, depreciation on assets etc. On the similar lines, the Company, in its Cost Records, is allocating such costs of fixed nature under the head "Distribution cost also known as "Wheeling Cost". These costs are further allocated to their respective consumer category who are demarcated based on their respective voltage at which they are being served e.g. the Depreciation charged at each voltage level has been allocated on the basis of capex actually incurred with respect to each voltage. Similarly, all related costs with respect to creation/ building of capacity like Interest on Term Loan, RoE etc. are being allocated on the same basis.
 - "Customer" in the MYT Regulation, 2019 includes operating expenses associated with meter reading, billing and accounting, all these costs are covered under the head

named as “Cost of Supply” being termed as “Retailing” in the cost records prepared by the Petitioner. Further, the allocation of cost is being done based on the voltage wise categorization of consumers, hence, costs such as advertisement, billing expenses etc. has been segregated voltage wise on the basis of number of consumers.

- “Energy” is concerned with the quantum of electricity consumption of consumers, such as fuel cost, interest on working capital, etc., this again forms a part of “Cost of Supply” also known as “Retailing”. Further, these costs like Interest on working capital including processing fees for working capital facilities are being allocated based on their respective consumption in the respective voltage category in the records.

7.2.3. The aforesaid methodology has been explained in detail in the Audited Cost records for FY 2023-24. Based on the above, the Petitioner has done the cost allocation as under:

TABLE 7-1 COST ALLOCATION SUBMITTED BY THE PETITIONER

Particulars	Wheeling Cost	Retailing Cost	Total
R&M Expenses	71%	29%	100%
Employees Expenses	48%	52%	100%
A&G Expenses	55%	45%	100%
Debits, Write-offs and any other items	0%	100%	100%
Depreciation	86%	14%	100%
Interest	100%	0%	100%
Carrying Cost of Regulatory Asset	92%	8%	100%
Taxes	87%	13%	100%
Return on Equity	87%	13%	100%
Total Cost of Service	74%	26%	100%

7.2.4. The allocation of ARR for FY 2025-26 into Wheeling and Retail Supply based on the methodology provided in Regulation 28 of MYT Regulation 2025 is provided here-in-below in Table-

Table 7-2 WHEELING AND RETAIL SUPPLY ARR SUBMITTED BY THE PETITIONER FOR FY 2025-26

Particulars	Wheeling Cost (Rs./Kwh)				Retailing Cost (Rs./Kwh)				Total
	33 KV	11 KV	LT	Total – A	33 KV	11 KV	LT	Total – B	A + B
Sales (MU)					1,844.74	1,268.45	970.46	4,083.65	4,083.65
O&M Expenses	0.18	0.66	0.82	0.48	0.00	0.02	0.74	0.18	0.66
Debits, Write-offs and any other items	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.03	0.03

Particulars	Wheeling Cost (Rs./Kwh)				Retailing Cost (Rs./Kwh)				Total
	33 KV	11 KV	LT	Total – A	33 KV	11 KV	LT	Total – B	
Depreciation	0.22	0.21	0.16	0.20	0.00	0.00	0.09	0.02	0.23
Total Cost of Distribution / Sales	0.40	0.87	0.98	0.68	0.00	0.02	0.95	0.23	0.92
Interest	0.02	0.02	0.89	0.22	0.02	0.03	0.04	0.02	0.25
Carrying Cost of Reg. Asset	0.13	0.12	0.09	0.12	0.00	0.00	0.05	0.01	0.13
Taxes	0.08	0.08	0.06	0.08	0.00	0.00	0.03	0.01	0.08
Reasonable Return & Cont. Res.	0.24	0.23	0.18	0.22	0.00	0.01	0.09	0.02	0.25
Cost of Service	0.87	1.32	2.20	1.32	0.03	0.06	1.16	0.31	1.63

7.2.5. The Cost of Service estimated and submitted by the Petitioner for FY 2025-26 is as shown in the Table below:

TABLE 7-3: COST OF SERVICE (FY 2025-26)

Allocation of Energy	U.o.M	33 KV	11 KV	LT	Total/Average
Energy purchase	MU	1,861.70	1,322.09	1,165.72	4,349.50
Energy sales	MU	1,844.74	1,268.45	970.46	4,083.65
VARIABLE COSTS					
Energy Cost	Rs./kWh	5.98	6.11	7.34	6.34
FIXED COSTS					
Wheeling	Rs./kWh	0.87	1.32	2.20	1.32
Retail	Rs./kWh	0.03	0.06	1.16	0.31
TOTAL	Rs./kWh	0.89	1.38	3.36	1.63
SUMMARY					
Cost of service	Rs./kWh	6.87	7.49	10.70	7.98

7.2.6. Further, The Petitioner has submitted that in FY 2023-24 the Commission's direction on nonpayment of wheeling charge for open access customers who are availing supply directly through the State transmission network is against the provision of the Electricity Act 2003. The Petitioner in its justification referred to Section 42 (2) and Section 62(1) (C) of the Act along with Section 2(15), (16), (19), (72) and (73) of Electricity Act 2003 and Rule 4 of the Electricity Rule, 2005. Furthermore, the Petitioner has also referred

judgement of the dated December 14, 2012, in Appeal No. 30 of 2012 titled as “Orissa Power Transmission Corporation Limited Vs. Orissa Electricity Regulatory Commission & Ors.”.

7.2.7. The petitioner also submitted that a consumer can only be supplied power by distribution license through its distribution system or by a generating company/captive power generator through a dedicated transmission line. Further the Petitioner submitted that State Transmission Utility/Transmission Licenses cannot engage in the business of distribution & supply of electricity and all consumers all consumers including open access consumers are the consumers of the Distribution Licensee of his area of supply and accordingly irrespective of its voltage. Accordingly, the Petitioner has requested to remove the direction/observation that wheeling charges shall not be payable if the Open Access consumer is availing supply directly through the State transmission network.

Commission’ Analysis

7.2.8. The Commission has considered the cost allocation between Wheeling and Retail as per Clause 28.1 of the MYT Regulation 2025 reproduce below for reference:

“28.1 Every Distribution Licensee shall maintain separate accounting records for the Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately for:

(a) Distribution Wires Business (Wheeling);

(b) Retail Supply Business:

Provided that in case complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the ARR of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with the following Allocation Matrix:

Particulars	Distribution Wire Business (%)	Retail Supply Business (%)
<i>Power Purchase Expenses</i>	0%	100.00%
<i>Inter State Transmission Charges</i>	0%	100.00%
<i>Intra State Transmission charges</i>	0%	100.00%
<i>Employee cost</i>	60%	40.00%

Particulars	Distribution Wire Business (%)	Retail Supply Business (%)
A&G Expenses	40%	60.00%
R&M Expenses	90%	10.00%
Interest & Finance charges		100.00%
a) Interest of Long-term loan	90%	10.00%
b) Other Interest charges	10%	90.00%
Depreciation	90%	10.00%
Provision of Bad and Doubtful debt	0%	100.00%
Return on Equity	90%	10.00%
Income tax	90%	10.00%
Non-tariff Income	10%	90.00%

Provided that the Commission may, through Suo-Motu Order or otherwise, modify the Allocation Matrix or determine the allocation of any additional component:

Provided further that the Allocation Matrix shall be applied for all or any of the heads of expenditure and revenue, where actual accounting separation has not been done between the Distribution Wires Business and Retail Supply Business:

Provided also that the Commission may require the Distribution Licensee to file separate Petitions for the determination of Tariff for the Distribution Wires Business and Retail Supply Business.

7.2.9. Accordingly, the Commission has approved the wheeling and retail supply ARR for FY 2025-26 as shown in the Table below:

**TABLE 7-4 WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2025-26
(RS. CR)**

Particulars	Distribution Wire Business	Retail Supply Business	Distribution Wire Business	Retail Supply Business
Power Purchase Expenses	0%	100.00%	0.00	2,192.18
Inter State Transmission Charges	0%	100.00%	0.00	249.65
Intra State Transmission charges	0%	100.00%	0.00	190.38
Employee cost	60%	40.00%	29.83	19.89

Particulars	Distribution Wire Business	Retail Supply Business	Distribution Wire Business	Retail Supply Business
A&G Expenses	40%	60.00%	10.58	15.87
R&M Expenses	90%	10.00%	75.45	8.38
Interest & Finance charges		100.00%	0.00	0.00
<i>Interest of Long-term loan</i>	90%	10.00%	50.20	5.58
<i>Other Interest charges</i>	10%	90.00%	2.52	22.65
Depreciation	90%	10.00%	63.62	7.07
Provision of Bad and Doubtful debt	0%	100.00%	0.00	11.32
Return on Equity	90%	10.00%	71.30	7.92
Income tax	90%	10.00%	23.98	2.66
Non-tariff Income	10%	90.00%	-7.31	-65.81
			320.17	2,667.76

7.2.10. Based on the above, the wheeling charge for FY 2025-26 has been worked out by the Commission as shown in the Table below:

TABLE 7-5 WHEELING CHARGE APPROVED BY THE COMMISSION FOR FY 2025-26

Particulars	Units	Approved
Wheeling Tariff	Rs. Cr.	320.17
Energy Handled (Retail Sales) (B)	MU	4,083.64
Average Wheeling Charges	Rs./kWh	0.78

7.2.11. Further as per clause 39.2 proviso of MYT Regulation 2025, open access consumers who are already paying demand charge need not to pay any wheeling charges to the Petitioner. Relevant extract of the MYT Regulation 2025 is reproduced below:

“Provided that those embedded Open Access Customers who are already liable for payment of Demand Charges will not be required to pay any wheeling charges to the Distribution Licensee.”

7.2.12. The petitioner’s claim that all consumers, including Open Access consumers, must be considered consumers of the local Distribution Licensee is inconsistent with the

Electricity Act, 2003 and the regulatory framework for Open Access. Specifically, Section 42(2) of the Act allows consumers to procure electricity from sources other than the local licensee, and those connected at EHV levels may receive supply directly through the State Transmission Utility (STU) network without using the distribution system.

7.2.13. Transmission Licensees, while not permitted to distribute electricity, facilitate transmission from generators to consumers, including Open Access consumers. Therefore, use of the transmission network does not establish a distribution relationship with the local licensee. Wheeling charges are applicable only when the distribution system is used. If an Open Access consumer is directly connected to the transmission network, levying wheeling charges is unjustified. The Commission's direction to exempt such consumers from wheeling charges aligns with the principle of cost causation and prevents undue financial burden.

7.2.14. Moreover, the definition of "consumer" under the Act does not mandate association with a Distribution Licensee when supply is through Open Access and bypasses the distribution system. Voltage level alone does not determine consumer classification; the nature of network usage—transmission vs. distribution—is the key factor. Accordingly, the Commission's directive shall remain applicable for FY 2025–26.

7.2.15. In addition to payment of wheeling charges, the open-access customers also have to bear the wheeling losses in kind.

7.3. CROSS SUBSIDY SURCHARGE

Petitioner's Submission

7.3.1. The Petitioner submitted that it has calculated the Cross Subsidy Charge as per the methodology specified in MYT Regulations 2025:

Sl. No	Categories	Avg. Rate	Wh. Cost	Carrying Cost	Wt. Avg Pur. Cost	System Loss	Total Cost	Cross Subsidy Surcharge
		(T)	(D)	(R)	(C)	(L)	[C /(1- L / 100) + D+R]	(S)=(T)-[C (1+ L / 100) + D+R]
----- 132 kV -----								
1	Large & Heavy Power (HV-2)*	7.51	-	-	5.87	0.09%	5.88	1.63
----- 33 kV -----								
2	Non Industrial Bulk Load (HV-1) [#]							2.62
3	Large & Heavy Power (HV-2)	7.60	0.73	0.13	5.87	0.88%	6.79	0.81
----- 11 kV -----								
4	Non Industrial Bulk Load (HV-1)	10.19	1.20	0.12	5.87	5.47%	7.54	2.66
5	Large & Heavy Power (HV-2)	8.36	1.20	0.12	5.87	5.47%	7.54	0.82
----- LT-----								
6	Domestic Light, Fan & Power (LMV-1)	6.84	2.11	0.09	5.87	18.28%	9.39	-
7	Non - Domestic Light, Fan & Power (LMV-2)	10.72	2.11	0.09	5.87	18.28%	9.39	1.33
8	Public Lamps (LMV-3)	9.49	2.11	0.09	5.87	18.28%	9.39	0.11
9	Light ,Fan & Power for Institutions (LMV-4)	8.57	2.11	0.09	5.87	18.28%	9.39	-
10	Small Power for Private Tubewell (LMV-5)	3.01	2.11	0.09	5.87	18.28%	9.39	-
11	Small and Medium Power (LMV-6)	9.08	2.11	0.09	5.87	18.28%	9.39	-
12	Public Water Works (LMV-7)	10.23	2.11	0.09	5.87	18.28%	9.39	0.84
13	Temporary Supply (LMV-9)	11.68	2.11	0.09	5.87	18.28%	9.39	2.30
14	Electric Vehicle Charging (LMV-11)	7.24	2.11	0.09	5.87	18.28%	9.39	-

The CSS between 33 kV and 11 kV for HV-2 category is 49.69% at 33 kV and 50.31% at 11 kV considering the same proportion the amount of CSS at 11 kV is Rs. 2.66/kWh and correspondingly the amount of CSS for HV-1 at 33 kV will be Rs. 2.62/kWh (i.e. 49.69% of the CSS at 33 kV). Accordingly, it is kindly requested to please approve the CSS of Rs. 2.62/kWh for HV-1 at 33 kV.

7.3.2. The petitioner has submitted that the methodology adopted by the Commission for determining the Cross Subsidy Surcharge (CSS) in its Tariff Orders dated May 24, 2023, and October 10, 2024, is flawed. Specifically, the Commission approved CSS as the lower of either the petitioner's claimed value or the computed value, and later as the lower of the approved CSS for FY 2023–24 and the computed CSS for FY 2024–25. The petitioner argues this approach violates Section 42 of the Electricity Act, 2003, which requires CSS to be determined using current year figures, and unfairly benefits Open Access consumers, leading to a distorted pricing structure. Additionally, the methodology contradicts the Hon'ble APTEL's findings in Appeal No. 178 of 2011. Therefore, the petitioner has requested that the Commission approve CSS strictly based on current year data, in accordance with Section 42 of the Electricity Act, the Revised Tariff Policy, 2016, and Regulation 28 of the UPERC MYT Regulations, 2025.

Commission's Analysis

7.3.3. In relation to Cross-Subsidy Surcharge (CSS), Appeal No's 311 of 2016, 325 of 2018 and 60 of 2021 were filed by M/s. Rimjhim Ispat Ltd. against the Tariff Orders for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The Hon'ble APTEL has decided on the matter and, by its judgement dated 09.09.2025, recorded certain observations and

directions. The Commission summarizes below the salient observations and directions contained in that judgment.

7.3.4. Paragraph 20 of the Judgment records that the grounds of challenge included:

- I. adoption of a fixed system loss factor (L) without actual voltage-wise technical data
- II. inclusion of Regulatory Surcharge within the average billing rate (T) for CSS computation; and
- III. the consequent impact on tariff design, ARR allocation, and consumer cost of supply.

Considering all these grounds together, Hon'ble APTEL observed that the Commission must ensure that voltage-wise losses are determined on the basis of duly verified metering and energy audit data, and that voltage-wise ARR, cost of supply and sales data are published along with the tariff proposals.

7.3.5. Hon'ble APTEL in its Order also stated that the methodology adopted by UPERC for the calculation of wheeling charges and CSS was not strictly correct where actual voltage-wise data and technical validation were lacking. At the same time recognizing the practical realities and transitional status of system metering upgrades, full voltage-wise data availability, energy audit discipline and IT enabled accounting, APTEL held that the Commission's adoption of normative data as an interim measure is permissible provided there is (a) a clear commitment to improve data availability and cost allocation, and (b) demonstrable progress towards the same. APTEL directed the Commission to finalize and disclose, urgently, a comprehensive plan to achieve effective voltage-wise loss measurement and ARR segregation, so that future wheeling charges and CSS are determined on a robust data-driven basis. Pending such revision and computation, APTEL directed that the Commission should refrain from imposing or demanding CSS on the Appellant and similarly placed consumers where CSS is calculated on non-transparent or arbitrary bases. Any amounts already paid toward CSS were held to be subject to adjustment following re-computation.

7.3.6. The Commission finds it appropriate to address these observations and directions of Hon'ble APTEL in the present Tariff Order. On the specific point that voltage-wise losses must be determined from duly verified metering and energy audit data, the Commission notes that the Petitioners have submitted the voltage-wise details of actual losses and the Commission has adopted them for the purpose of CSS determination. Detailed

computation has been set out in this Tariff Order. In addition, the Petitioner's submission was also made publicly available on their websites, and stakeholders were provided adequate opportunity to submit their comments.

7.3.7. With regard to re-computation of CSS for the affected years, it is to be noted the Commission's approach when examined across successive Tariff Orders, demonstrates a progression from coarser to more granular treatment: in Tariff Order for FY 2016-17 and FY 2017-18, the CSS was approved considering two broad categories i.e. HV consumers above 11 KV voltage level and HV consumers at 11 KV voltage level. The losses and wheeling charges have been included in determining the total cost of supply in the formula for determining CSS of these two categories. However, this data infirmity has been rectified from Tariff Order of FY 2020-21 i.e. the first Tariff Order issued under the MYT Regulations 2019. Hence, from Tariff Order of FY 2020-21, the Commission has been determining voltage wise cost of supply by considering voltage wise losses as well as wheeling charges. This is sufficient to demonstrate that the present approach taken by the Commission is in line with the Order of Hon'ble APTEL. Thus, as far as the determination of CSS is concerned, there has been no inconsistency in the approach taken by the Commission in tariff orders issued under MYT Regulations 2019 viz a viz the approach in the APTEL order. It is for this reason that the approach taken by the Commission in the tariff orders issued under MYT Regulations 2019 has not been challenged before Hon'ble APTEL.

7.3.8. Regarding the directions of Hon'ble APTEL to *"ensure future wheeling charges and CSS are determined on a robust data-driven basis"* and *"to show clear commitment and demonstrable progress to improve data availability and cost allocation"* is concerned, the Commission recalls the array of earlier directions issued to the Petitioners as summarized below:

- I. To conduct Cost of Service studies to align the costs and charges and submit the category/ voltage wise cost-of service details (In Tariff order for FY 2016-17)
- II. To evolve principles for prudent segregation of ARR between wheeling and retail supply function.
- III. To ensure 100% feeder metering and DT metering within one year, to develop capability for reliable data collection. (in FY 2020-21)

- IV. To submit the voltage wise (440V, 11kV, 33kV, 66kV, 132 kV) Energy Sales and Losses.
- V. To prepare and submit energy audit report and the cost audit report in accordance with Companies (Cost Records and Audit) Rules 2014.

The above directions of the Commission, given in different Tariff Orders over the years, clearly demonstrate that Commission has been consistently exhorting the licensees to move towards allocation on cost at different voltage levels based on actual data rather than unrealistic assumptions. Further, the Commission has directed virtual feeder segregation in this Tariff Order to exploit the benefits of ITOT enabled meters. The MYT Regulations 2025 (which were published after a comprehensive public consultation), provides an allocation matrix which separates ARR retail and wheeling functions. These measures collectively demonstrate that the Commission is already moving towards a coherent, data-driven methodology for determining wheeling charges and CSS. However, it cannot be denied that there are certain practical constraints in getting 100 % accurate and authentic data, in absence of complete DT & feeder metering.

- 7.3.9. Hon'ble APTEL has directed the Commission to refrain from imposing or demanding CSS on the Appellant and similarly placed consumers when such CSS is calculated on non-transparent or arbitrary bases. Further, any amount already paid towards CSS has to be adjusted after re-computation. The Commission acknowledges this direction but also notes that its actions must be consistent with its statutory obligations under the Electricity Act, 2003. Section 42(2) of the Electricity Act, 2003, expressly contemplates the levy of Cross-Subsidy Surcharge (CSS) in cases where consumers opt for supply through open access. CSS is therefore a statutory levy intended to compensate the distribution licensee for the loss of cross-subsidy that would otherwise have been contributed by such consumers. The absence of a determined CSS would effectively create a legal and regulatory vacuum, rendering the implementation of open access non-compliant with the provisions of the Electricity Act, 2003. Therefore, the Commission is of the considered view that unless the CSS is determined and made applicable, the provision of open access would not be in conformity with the statutory framework, and in such circumstances, continuation of open access would have to be withheld—an outcome that is neither desirable nor consistent with the legislative intent of promoting competition, efficiency, and consumer choice.

7.3.10. Accordingly, the Commission deems it necessary to determine the Cross-Subsidy Surcharge in a near to accurate method to ensure compliance of the provisions of Electricity Act, 2003 thereby facilitating the continued availability of open access in the State. Simultaneously, the Commission will ensure that CSS is computed on the basis of transparent, verifiable data and that adjustments required by a future re-computation are made in accordance with Hon'ble APTEL's directions.

7.3.11. Regarding redetermining CSS and adjustment for the affected years, viz. FY 2016-17, FY 2017-18 and FY 2018-19, the Commission again directs the Petitioners to conduct comprehensive voltage-wise loss and cost studies and submit reports to the Commission for compliance with the directions of Hon'ble APTEL and to ensure that CSS is determined more accurately in future.

7.3.12. Coming back to the present order, the Commission has computed the CSS based on the provisions of Regulation 37 of the MYT Regulations, 2025. The Formula to compute the CSS is given below:

“.....

$$S = T - [C / (1 - L / 100) + D + R]$$

Where:

S is the Cross Subsidy 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 per unit carrying cost of regulatory assets:....:

7.3.13. As per the prescribed formula, the aggregate of transmission, distribution, and wheeling charges applicable at the relevant voltage level must be determined for calculating the component 'D'. Accordingly, solely for the purpose of computing 'D', the Commission

has derived the Distribution Charges (DC), Transmission Charges (TC), and Wheeling Charges (PC) as follows.

TABLE 7-6 DISTRIBUTION / RETAIL SUPPLY CHARGES FOR COMPUTATION OF 'D' FOR FY 2025-26 (DC)

Particulars	Units	Approved
Supply ARR	Rs. Cr.	2,667.76
Power Purchase and Transmission cost	Rs. Cr.	2,632.21
Supply ARR excluding Power Purchase	Rs. Cr.	35.54
Retail sale	MU	4,083.64
Average Supply/Distribution charge (DC) ((D/E) *10)	Rs./kWh	0.09

TABLE 7-7 INTRA-STATE TRANSMISSION CHARGES FOR COMPUTATION OF 'D' FOR FY 2025-26 (TC)

Particulars	Units	Approved
Transmission Cost (A)	Rs. Cr.	189.84
Energy Handled (Retail Sales) (B)	MU	4,083.64
Average Transmission Charge (TC) ((A/B) * 10)	Rs./kWh	0.46

TABLE 7-8 INTER-STATE TRANSMISSION CHARGES FOR COMPUTATION OF 'D' FOR FY 2025-26 (PC)

Particulars	Units	Approved
Transmission Cost (A)	Rs. Cr.	249.65
Energy Handled (Retail Sales) (B)	MU	4,083.64
Average Transmission Charge (PC) ((A/B) * 10)	Rs./kWh	0.61

TABLE 7-9 INTER-STATE TRANSMISSION CHARGES FOR COMPUTATION OF 'D' FOR FY 2025-26 (WC)

Particulars	Units	Approved
Wheeling Tariff	Rs. Cr.	320.17
Energy Handled (Retail Sales) (B)	MU	4,083.64
Average Wheeling Charges (WC)	Rs./kWh	0.78

7.3.14. The Commission is of the view that while 'PC' representing Inter-State Transmission Charges, 'TC' representing Intra-State Transmission Charges and 'DC' representing primarily the Discoms' establishment expenses, shall be applicable to all open access consumers, irrespective of their voltage level, the 'WC' component representing the

Wheeling Charges of the Distribution Licensees' network shall be applicable only on the open access consumers connected at a voltage level maintained by the Distribution Licensees, i.e. up to 33 kV. Accordingly, the 'D' component of the CSS formula mentioned in Regulation 37 of MYT Regulations, 2025, for different voltage levels is shown in the Table below:

TABLE 7-10 AVERAGE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL FOR FY 2025-26 (D = PC + TC + DC + WC)

Particulars	Units		Approved
HV Categories above 132 kV	Rs. /kWh	(PC+TC+DC)	1.16
HV Categories above 66 KV and up to 132 kV (132 kV)			
HV Categories at 66 KV (66 kV)			
HV Categories above 11 kV and up to 33 kV		(PC+TC+DC+WC)	1.95
HV at 11 kV			

7.3.15. Further, the formula provides for the computation of 'L', where 'L' is the aggregate of transmission, distribution and commercial loss, expressed as a percentage applicable to the relevant voltage level. The Commission has considered the voltage-wise losses as submitted by the Petitioner for the computation of CSS as shown in the Table below:

TABLE 7-11 VOLTAGE-WISE LOSSES APPROVED BY THE COMMISSION FOR COMPUTATION OF CSS FOR FY 2025-26

Particulars	Loss Levels
Inter State Transmission Losses	3.72%
Intra State Transmission Losses	3.18%
Loss above 33 kV level	0.09%
Loss at 33 kV level	0.88%
Loss at 11 kV level	5.47%
Loss below 11kV level	7.23%

7.3.16. The Commission is of the view that while Inter-State Transmission Loss (3.72%) and Intra-State Transmission Loss (3.18%) shall be applicable to all the open access consumers, Distribution Losses considered at different voltage levels shall apply based on the voltage level at which the open access consumer is connected. For example, for

open access consumers connected at below 11 kV, 7.23% distribution loss shall apply; for open access consumers connected at 11 kV, 5.47% distribution loss shall apply; for open access consumers connected at 33 kV, 0.88% distribution loss shall apply; and for all remaining open access consumers, i.e. above 33 kV voltage level, 0.09% distribution loss will apply. The Commission approves the above losses for the billing purposes of open access consumers.

7.3.17. As per the formula provided in the MYT Regulations, 2025 the details of the Cost of Supply for the category of consumers at various voltage levels are given below:

Table 7-12 VOLTAGE WISE COST OF SUPPLY WORKED OUT FOR COMPUTATION OF CSS FOR FY 2025-26 (Rs. /kWh)

Particulars	D= PC+TC+D C+ WC	Wt. Avg. Power Purchase (Rs. /kWh)			Transmission and Distribution Loss			Regulatory Surcharge	Total Cost of Supply (Rs. /kWh)
		Fixed Cost	Variable cost	Total	L1	L2	L3	R	
HV Categories above 132 kV	1.16	1.61	3.03	4.65	3.72%	3.18%	0.09%	0	6.15
HV Categories above 66 KV and up to 132 kV	1.16	1.61	3.03	4.65	3.72%	3.18%	0.09%	0	6.15
HV Categories above 33 KV (66 kV)	1.16	1.61	3.03	4.65	3.72%	3.18%	0.09%	0	6.15
HV Categories above 11 kV and up to 33 kV	1.95	1.61	3.03	4.65	3.72%	3.18%	0.88%	0	6.98
HV at 11 kV	1.95	1.61	3.03	4.65	3.72%	3.18%	5.47%	0	7.22
LV Categories below 11 KV	1.95	1.61	3.03	4.65	3.72%	3.18%	7.23%	0	7.32
<i>The HV category of has been segregated for the purpose applying separate Distribution Loss (L3) and computing separate Cost of Supply for these two voltage levels as per Commission's approach.</i> <i>Note: L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level, and R = 0, as there is no Regulatory Surcharge at present.</i>									

7.3.18. Accordingly, CSS computed by the Commission is shown in the table below:

TABLE 7-13 CSS COMPUTED BY THE COMMISSION FOR FY 2025-26 (RS. /KWH)

Categories	Average Billing Rate (ABR)	T = ABR + R (i.e., Regulatory Surcharge)	Cost of Supply (C)	Cross Subsidy Surcharge "CSS" (Computed) D= (T-C)	Cross Subsidy Surcharge "CSS" (with a cap of 20% of the cost of supply of T) Y= Min (A*0.2, D)
Supply below 11 kV*					1.46
HV1 Supply at 11 kV	10.82	10.82	7.22	3.60	1.44
HV1 Supply above 11 kV	9.81	9.81	6.98	2.83	1.40
HV2 Supply at 11 kV	8.35	8.35	7.22	1.13	1.13
HV2 Supply at 11 kV up to 66 kV	7.59	7.59	6.56	1.02	1.02
HV2 Supply at 66 kV up to 132 kV	7.50	7.50	6.15	1.35	1.23
HV2 Supply at 132 kV#	7.50	7.50	6.15	1.35	1.23

*The CSS for supply below 11kV has been kept as ceiling of Rs. 1.46/ kWh (20% of ACOS)

#The Billing Determinants have not been provided by the Licensee, hence the value of CSS for this category has been taken as computed for HV-2 (Supply above 66 kV and up to 132 kV).

Cost of Supply computed by considering average of the Cost of Supply at 66 kV and above 11 kV Note: R = 0, as there is no Regulatory Surcharge at present

7.3.19. Furthermore, with regard to the Petitioner's submission on CSS methodology adopted by the Commission, the Commission is of the view that Section 42(2) of Electricity Act 2003 empowers the State Commission to determine CSS with due regard to cross subsidies and operational constraints. It does not mandate exclusive reliance on current year's figures. The Commission has computed the consumer category-wise CSS for the consumers of Discoms, based on the voltage-wise losses approved for the computation of CSS. The Commission observes that in some consumer categories, the CSS computed by the Commission is higher than the CSS approved by the Commission in the Tariff Order dated October 10, 2024. As the Commission is mandated, under the Act, to reduce the level of cross subsidy gradually, therefore, to balance the interest of consumers, and also in its continuous endeavour to promote open access, the Commission has decided to approve the CSS at lower of the CSS computed in this Tariff Order and approved by the Commission in Tariff Order dated October 10, 2024 as shown in the Table below:

TABLE 7-14 CSS APPROVED BY THE COMMISSION FOR FY 2025-26 (Rs. /kWh)

Category	CSS Approved by the Commission for FY 2024-25 in T.O dated October 10, 2024	Claimed by the Petitioner	CSS computed by the Commission in this T.O. (with a cap of 20% of T)	Approved
	A	B	C	D (Lower of A & C)
Supply below 11 kV	-	-	1.46	1.46
HV1 Supply at 11 kV	1.33	2.66	1.44	1.33
HV1 Supply above 11 kV	1.86	2.62	1.40	1.40
HV2 Supply at 11 kV	0.57	0.82	1.13	0.57
HV2 Supply at 11 kV up to 66 kV	0.59	0.81	1.02	0.59
HV2 Supply at 66 kV up to 132 kV	0.36	1.63	1.23	0.36
HV2 Supply at 132 kV#	0.36	1.63	1.23	0.36

7.4. ADDITIONAL CHARGES

Petitioner's Submission

- 7.4.1. The Commission had notified the Open Access Regulations 2019 which provides the criteria and requirements for consumers opting for Open Access. Subsequent to the notification of the above Open Access Regulations, 2019, the Petitioner is observing continuous rise in the consumers seeking Open Access in the licensed area.
- 7.4.2. The power purchased under Open Access becomes even more lucrative when a consumer opts for renewable power as a source of supply due to various incentives. For instance, if a consumer opts to purchase solar power, the following incentives are provided by the Commission and the State Government:
- 50% exemption on wheeling charges/transmission charges on intra-state Open Access.
 - Exemption of electricity duty for 10 years for purchase of solar power from the project setup within the State
- 7.4.3. Further, apart from the above exemptions, the consumers who have been opting for Group Captive route of Open Access are even getting waiver from payment of cross-subsidy surcharge as well. Also, all new industrial units producing electricity from captive power plants for self-use are exempted from payment of electricity duty for 10 years.
- 7.4.4. The Petitioner submitted that it expects a migration of consumers to Open Access within its licensed area. At the end of FY 2023-24, there are 21 OA consumers with a contract demand of 34.72 MW and a consumption of approximately 58 MU. By the end of FY

2024-25, it expects an increase in the number of OA consumers from 21 to 35, with a contract demand of 74.12 MW and a consumption of approximately 96 MU.

- 7.4.5. Further, the Petitioner submitted that the emerging trend indicates a significant shift of consumers towards Open Access. If this pace of migration continues, it may lead to stranded capacity for the Petitioner in the near future. Accordingly, the Petitioner seeks the permission to file an application for the approval of an additional surcharge at an appropriate time, separate from the Tariff Petition, as and when the situation necessitates.

Commission's Analysis

- 7.4.6. The Commission observe that the Petitioner has not provided a detailed computation for the proposed Additional Surcharge. In the absence of such supporting data and justification, the Commission hereby approves the Additional Surcharge as zero. However, the Petitioner may submit the requisite details and a formal justification through a separate Petition for determination and approval of the Additional Surcharge, which will be considered in accordance with the applicable regulatory framework. It is pertinent to mention that similar directions have been issued to the Petitioner in previous orders as well.

8. TARIFF PHILOSOPHY

8.1. INTRODUCTION

- 8.1.1. The Commission, while determining retail tariffs across the State of UP, has been guided by the Electricity Act, 2003, The Electricity Rules 2005 (and its amendments), Electricity (Rights of Consumers) Rules 2020 including its amendments and the National Tariff Policy. Consistently, the Commission has emphasized on adoption of measures that promote economy, efficiency, effective performance and improved quality of supply. In the present order as well, these principles have been applied, duly considering the prevailing ground realities.
- 8.1.2. Linking retail Tariffs to average cost of supply and gradual elimination of cross-subsidies within a defined time frame are important features of the Electricity Act, 2003 and the Tariff Policy. In this context, the Commission has been approving tariff for different consumer categories in the State in a manner that balances and safeguards the interest of all the stakeholders. This Chapter outlines the Commission's philosophy and approach to Tariff design, taking into consideration the Tariff proposal submitted by the stakeholders as well as the comments received during the public hearings.

Petitioner's Submission

- 8.1.3. The Petitioner has not submitted any tariff Proposal for FY 2025-26. However, a request has been made to consider reduction in Regulatory discount based on the Revenue Gap position for FY 2025-26.

Commission's View

Regulatory Transition under MYT Regulations, 2025

- 8.1.4. With the notification of the Multi-Year Tariff (MYT) Regulations, 2025, the Commission has introduced a new framework that will govern tariff determination for distribution licensees during the forthcoming control period. These Regulations supersede the MYT Regulations, 2019 and mark a significant regulatory transition, as several key provisions relating to O&M expenses, depreciation and sharing of losses have been realigned to better reflect prevailing sectoral realities. Given their direct impact on the Aggregate Revenue Requirement (ARR), these changes are critical in shaping the overall tariff design and proposals.

- 8.1.5. O&M expenses which comprises of Employee expenses, A&G Expenses and R&M expenses continue to be determined through a historical, data-driven approach rather than benchmarking against consumer or network parameters. Under the MYT Regulations 2019, norms for O&M expenses were based on the trued-up values for last five years. In MYT Regulations, 2025, however, the Commission readjusted the base value of O&M expenses and provided for norms for Employee cost and A&G expenses considering the average of the values in the Audited Accounts for the last five (5) financial years ending March 31, 2025, to arrive at the employee cost and A&G expenses for the middle year i.e. FY 2022-23 based on which base year value i.e. value for 2024-25 is arrived at.
- 8.1.6. In respect of Repair and Maintenance (R&M) expenses, the Commission has fixed the applicable percentages at 5% of the approved gross fixed asset balance for assets capitalised up to March 31, 2025, and 3% for assets capitalised thereafter. This framework ensures that the growth in assets load, and consumer base is duly factored in, while keeping the norms reflective of the actual range of R&M costs currently being incurred by the Petitioners.
- 8.1.7. Further, the MYT Regulations, 2025 introduce a growth factor in Employee Costs to account for additional manpower requirements, as well as a specific provision under A&G Expenses to support new initiatives. These include conversion of capital expenditure projects into TOTEX/OPEX mode and compliance-driven measures in line with the directives of the Commission.
- 8.1.8. The Commission has also introduced a mechanism of sharing of gains & losses with respect to both O&M expenses and distribution loss, thereby aligning incentives and performances. Additionally, the depreciation rates on certain asset classes have been revised to align with the useful life of such assets.

Realignment of Distribution Losses

- 8.1.9. In the control period covered by MYT Regulation 2019 the Commission has approved the distribution loss trajectory. The actual distribution losses and the trajectory approved by the Commission from FY 2020-21 to FY 2024-25 is shown below:

Table 8-1 DISTRIBUTION LOSS TRAJECTORY APPROVED BY THE COMMISSION vs. ACTUAL FOR THE CONTROL PERIOD FROM FY 20-21 to FY 24-25

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Approved	7.92%	7.8%	7.70%	7.63%	7.57%
Actual	8.39%	7.95%	7.63%	7.48%	7.45%

8.1.10. The Commission observes that the Petitioner has been able to achieve lower distribution losses in FY 2024-25 than the distribution losses approved by the Commission. The Commission has also analysed the voltage wise losses submitted by the Petitioner in the last Control Period. In Tariff order dated October 10, 2024, the Commission had directed the Petitioner:

“It has been observed that energy loss at ‘LT System’ is appreciably high (21.04% for FY 2020-21, 20.58% for FY 2021-22 and 19.89% for FY 2022-23) and needs to be drastically brought down at acceptable levels. Despite the capex being so high such high losses are not acceptable. The Petitioner is directed to work immediately on the same and show drastic improvement in the next filing.”

8.1.11. The Commission observes that the Petitioner has achieved the reduction in distribution losses across all the voltage levels however losses at LT level remains significantly high with limited improvement during the control Period FY 2020-21 to FY 2024-25. As discussed in detail in Chapter 7, there is scope in reduction in losses at LT which would lead to reduction in overall losses. Accordingly, the Distribution loss trajectory has been approved by the Commission. The implications of this distribution loss trajectory for the Control Period from FY 2025-26 to FY 2029-30, together with the other regulatory changes, will have a significant bearing on the ARR during the control period.

Broad Analysis and Commission’s view on Tariff

8.1.12. The Commission observes that no Tariff proposal has been submitted by the Petitioner. However, in the past the Commission has been taking the approach to keep the same Tariff/ Rate Schedule for the Petitioner as that for other State Discoms.

8.1.13. The Petitioner has a very small Licensed area, and the adjoining area is served by the PVVNL. The disparity in Electricity Tariff in Petitioner’s license area and the

adjoining area covered by State License might create disorder. It is for this reason; the Commission has been approving Rate Schedule of the Petitioner same as that of State Discoms. The Commission also introduced regulatory discount in FY 2022-23, in order to ensure that as and when the changes in ARR-Revenue Gap occur the same is passed on to the consumers. The Commission has approved Rate schedule for the state discoms for FY 2025-26 and in line with the approach taken in the past, the Commission approves the same Rate Schedule for the Petitioner as well. Taking into consideration the surplus, all the Consumers of the NPCL shall continue to be entitled to a regulatory discount of 10% (Ten Percent) on the 'Rate' i.e. on Fixed/ Demand Charge and Energy Charge, excluding Electricity Duty etc. and the same will be shown clearly in their bills. Further decisions regarding adjustment of regulatory discount shall be taken based on the True-Up done in the subsequent years or any further Orders of the Commission.

8.1.14. The applicability, character and point of supply and other terms & conditions of different consumer categories have been defined in the Rate Schedule given in **ANNEXURE 12.1**. In case of any inconformity, the Rate Schedule shall prevail over the details given in the various sections of this chapter

8.2. GREEN INITIATIVES

Petitioner's Submission

- 8.2.1. The Petitioner has submitted that the Commission vide its Tariff Order dated October 10, 2024, has approved a Green Energy Tariff @ Rs. 0.36 per kWh for the consumers as against Rs. 0.20 per kWh as requested by the Petitioner.
- 8.2.2. The Petitioner has further submitted that it has been approaching all the eligible consumers to opt for the Green Tariff since the notification of previous Tariff Orders dated May 24, 2023, and October 10, 2024. However, the response from the consumers is not encouraging, mainly due to the payment of higher additional Green Tariff @ Rs. 0.36 per kWh over and above the normal tariff for obtaining Green Power whereas Green Tariff in States like Rajasthan (Rs. 0.21/ kWh), Madhya Pradesh (Rs. 0.29/ kWh) Odisha (Rs. 0.25/ kWh) and Uttarakhand (Rs. 0.28/ kWh) is lower.

8.2.3. Thus, many consumers have opted to procure Green Power from outside the State rather than opting for Green Power as the Commission's regulations are incentivizing consumers to opt for Green Power. The Petitioner has submitted that, as a consequence of the above, till date, only 4 consumers have opted for the Green Energy Tariff.

8.2.4. The Petitioner has also mentioned that there are several incentives provided by the Government in terms of 50% exemption on wheeling charges/transmission charges on intra-state Open Access and Exemption of electricity duty for 10 years for purchase of solar power from the project setup within the State. Further, apart from the above exemptions, the consumers who have been opting for the Group Captive route of Open Access are even getting waivers from payment of cross-subsidy surcharge as well. Also, all new industrial units producing electricity from captive power plants for self-use are exempted from payment of electricity duty for 10 years.

Commission's Analysis

8.2.5. As regard to the issue of reducing the Green Energy Tariff, the Commission has approved a Green Energy Tariff of Rs. 0.34 per unit for HV consumers and Rs. 0.17 per unit for LV categories consumers for State Discoms, the same shall also be applicable for NPCL along with other terms & conditions as discussed in the ARR / Tariff for FY 2025-26 of the State Discoms. The Regulatory discount of 10% shall not be applicable on Green Tariff.

8.3. CONSUMER ORIENTED INITIATIVES

8.3.1. This is the second consecutive year in which the Commission has sought to address certain concerns raised by consumers during the public hearing process. In the Tariff Order dated October 10, 2024, the Commission had already taken steps to resolve key issues, including revision of sanctioned load in cases of exceeding contract demand, abolition of charges for disconnection and reconnection of smart meters, and provision of three-phase connections to consumers with a contracted load of 3 kW and above. In the present year as well, the Commission has identified certain issues which, apart from being convenient to implement, are also expected to contribute significantly towards enhancing consumer satisfaction.

8.3.2. **Prepaid Billing** –The Commission directs the Petitioner to issue bills for consumers having prepaid/ Smart Prepaid meters. Final monthly bills will be calculated by

Distribution Licensee as per applicable tariff schedule for respective category of consumer of prevalent tariff order and as per relevant provision of Supply Code/other applicable Regulations. All the underlying principles for calculations of energy charge, fixed charge, additional billing due to audit, electricity duty, incentives, or rebate, FPPAS, eligible government subsidy, power factor penalties etc., as applicable in case of post payment billing system shall also be applicable in case of prepayment billing system.

8.3.3. Upon calculation of final bill at the month end, reconciliation and adjustment shall be done. If Final Monthly Bill Amount at the month end is less than 'total amount deducted as per provisional daily billing', the differential shall be credited to consumer's account within one day from the date of generation of Final Monthly Bill. If Final Monthly Bill Amount at the month end is more than 'total amount deducted as per provisional daily billing', the difference shall be debited to the consumer's account after generation of Final Monthly Bill, which shall be adjustable from next recharge.

8.3.4. **No Disconnection of prepaid meters on exceeding contracted demand** – The Commission, in Order dt May 11, 2015 in Petition No-1015/2015 had, inter alia, directed as follows:

"For Pre-paid consumers there should not be any penalty for exceeding the contracted demand, instead if the consumer exceeds its contracted demand his supply will be automatically cut off, which can be immediately resumed after removing the excess load by the consumer and resetting the meter by a simple push button. However, in case a consumer is desirous of enhancing his load, the existing applicable procedures shall apply."

8.3.5. Thus, the Consumers having pre-paid connections were disconnected on exceeding the contract demand. However, considering the difficulties faced by pre-paid consumers, the Commission directs that the prepaid consumers are treated akin to the consumers with postpaid connection. This would imply that there shall be no disconnection on exceeding the contract demand. Rather, the general principles shall apply, and penalty shall be imposed as per the provisions of the Rate Schedule, which will be deducted from the balance available.

8.3.6. **TDS Deduction on interest on security deposit-** The Commission notes the submission of industrial consumers that TDS certificates are not being provided in respect of tax

deducted on interest paid on security deposits with the Petitioner. As a result, such consumers are not able to get the benefit of tax deducted by the Petitioners. The Commission directs the Petitioner to collect and update PAN details of all consumers wherever TDS is to be deducted, as per the provisions of the Income Tax Act, on interest to be paid on Security Deposit. The Commission also directs the petitioners to deposit the tax deducted and issue TDS certificates to such consumers at the time of payment of interest on Security Deposit. The consumer should be able to download the certificate by logging into his online account.

- 8.3.7. **Power Factor** – As per the rate schedule, billing for industrial consumers is linked to kVAh (instead of only kWh) with power factor incentives/penalties. Consumers with low PF are penalized whereas Consumers maintaining high PF (close to unity) are incentivized. However, if PF value is not shown on the bill, consumers cannot verify whether the utility's application of incentives/penalties is correct or not. Further, depiction of PF value in the bill may encourage him to take corrective measures so as to improve his power factor and evade penalty on this account. This concern has been raised during the public hearings. To address this, the Commission directs the Petitioners to mention power factors in the bills of consumers where kVAh billing is being done.
- 8.3.8. **Declaration of off Season for seasonal tariff consumers-** As per the rate schedule, any prospective consumer desirous of availing the benefit of seasonal industry is required to specifically declare the season at the time of submission of declaration and/or execution of agreement, clearly indicating the period of operation at the time of submission of application for new connection. In the absence of such declaration at the time of execution of the agreement, the consumer may, if eligible for seasonal tariff, submit a declaration of the off-season which shall be applicable from the next billing cycle of the date of declaration provided by the consumer. The consumers will not be required to submit declaration of off-season every year.
- 8.3.9. **Rate for FPPAS and Interest on Security Deposit on bills** – The Petitioners are required to provide details of FPPAS being levied including the rate of FPPAS that has been charged. Similarly, the rate of interest on security deposit should also be provided in the bills in which the interest payment has been made.

8.4. ISSUES OF MULTI STORIED BUILDINGS

8.4.1. The Commission is developing a framework concept paper to holistically address different concerns the concerns raised by the consumers in multi-storeyed buildings, both on single point and on multi-point supply subsequent to implementation of 13th Amendment in Supply Code as well as in townships on single point connection. The Concept paper will be issued shortly after issuance of Tariff order. The concept paper endeavours to resolve as many issues as possible barring the extension of facility of net metering benefits in multi-storied buildings, as this will be taken care of immediately in aftermath of issuance of group net metering and virtual net metering Regulations by this Commission. These Regulations are likely to be issued shortly. However, the Concept paper will deal with virtually all remaining issues, but it will involve a paradigm shift in the roles and responsibilities of various stakeholders involved in providing supply to the consumers of multi-storied buildings and townships and an attempt is being made to use technology in order to optimize the cost. The Commission considers it prudent that the discussion paper is floated for discussion among the stakeholders and would be given a final shape after providing an opportunity of hearing to various stakeholders so that the solution remains pragmatic keeping in view the ground realities while ensuring that a strict regulatory oversight is there on various players so that the consumers at large are not fleeced by the unscrupulous developers/builders/RWAs and that the consumers do not fall hostage to the situational seize. However, three issues for which no detailed consultation is required and where either the licensee or the consumers are facing pressing difficulties or where serious omissions of Commission's directions have come to the notice of Commission, are being dealt through this tariff order, in order to avoid any further delay in compliance of these issues.

A. Use of Temporary Electrical Connections in Occupied Multi Storey Buildings-

- i. The Commission notes a trend across multiple multi-storey buildings in Uttar Pradesh wherein builders/developers obtain temporary connections for construction and hand over possession to homebuyers without Licensee-sanctioned permanent supply. The temporary and limited nature of such supply bypasses installation of approved metering and safety systems, delays compliance with multipoint connection norms, and ultimately

shifts the burden of creating adequate electricity distribution infrastructure onto owners/occupiers.

- ii. Owners/occupiers, often unaware of technical and regulatory implications, are exposed to safety risks, unreliable supply, fire hazards and may be deprived of benefits available under multipoint frameworks. These practices also result in non-compliance with applicable safety guidelines and the CEA Safety Regulations, 2010. As occupancy increases and load rises, developers continue to evade their obligation to install adequate electrical infrastructure as required under the norms. Consequently, owners/occupiers in these colonies are left vulnerable due to developer non-compliance.
- iii. The Commission finds that this practice constitutes a gross violation of established norms under the Electricity Act, 2003, the UPERC Electricity Supply Code, 2005 and the spirit of consumer welfare consistently upheld by the Commission. The use of temporary connections beyond their sanctioned scope is a violation of the intent of planned and safe urban electricity infrastructure.
- iv. The Commission takes serious cognizance of these malpractices and reiterates that electricity is a public good, and its safe, equitable and lawful distribution is a statutory obligation of both Licensees and builders/developers. Accordingly, the Commission directs that Licensees shall, within **60 days** of this Order, conduct a survey of all multi-storied buildings/townships receiving supply on temporary connections, identify whether any flats/properties have been occupied under such connections, and submit a detailed report to the Commission. Such connections identified in the survey shall be converted to permanent multipoint connection and shall not continue beyond 90 days from identification.
- v. No residential supply shall henceforth be permitted on temporary connections. Builders shall be directed to transition to permanent supply before offering possession, and violations shall invite disconnection of supply after a notice period of **15 days**. In cases where there is inadequacy of electricity distribution infrastructure then the treatment in such cases will be taken up through concept paper being issued in this regard

- vi. Any Licensee found permitting continued supply to occupied units on temporary connections beyond **90 days** of this Order shall be subject to regulatory penalties. The Commission shall review the performance of Licensees in enforcing this Order on a periodic basis.

B. Migration from Keypad/Token-Based Prepaid Meters to Online Prepaid Metering in Multi-Point Supply for Multi-Storied Buildings-

- i. The Commission has received complaints from consumers of certain multi-storied buildings where, after implementation of multi-point supply, the Licensee installed keypad/token-based (“offline”) prepaid meters. These meters require residents to obtain recharge codes and manually key lengthy tokens into the meter for each top-up. This practice is cumbersome, non-transparent, and inconsistent with the Commission’s intent of online, web/app-rechargeable prepaid metering envisaged under the approved multi-point architecture (dual-source, dual-register) and reiterated in the Commission’s Order dated 05.08.2020.
- ii. The Commission notes that Licensees have since adopted advanced online prepaid systems (web/app recharge). However, a subset of consumers continues to be served through older keypad/token meters, resulting in non-uniform consumer experience and persistent grievances. Such installations do not conform to the prepaid metering framework for multi-point connections in multi-storied buildings.
- iii. The Commission also notes that where prepaid meters operate in an offline mode and are not integrated with the Licensee’s software platform for real-time consumption monitoring and for allocation/disbursal of energy from the reference meter, compliance with the 13th Amendment—including accurate Virtual Common Area Metering (VCAM) computations and T&D loss accounting for the defined settlement window—cannot be established. Such deployment is expressly non-compliant and constitutes a violation of the Commission’s orders under the 13th Amendment.
- iv. Prepaid metering in multi-point supply shall empower consumers with seamless digital recharge and near real-time visibility of balance and usage. Manual token entry at the meter does not meet these objectives and is therefore non-compliant for multi-point

deployments. Consumers supplied with keypad/token meters under multi-point shall not be placed at a disadvantage vis-à-vis similarly placed consumers who have access to the online system.

- v. Accordingly, with immediate effect, no Licensee shall procure or install keypad/token-based prepaid meters for multi-point supply in multi-storied buildings. All future prepaid metering under multi-point shall conform to the Commission-approved dual-source, dual-register online prepaid architecture.

The technical architecture and framework approved by the Commission shall be strictly adhered to. For the avoidance of doubt, the multi-point solution was approved after due diligence and on the recommendation of the Committee constituted by the Chairman, UPERC and the Chairman, RERA; the Committee's findings and subsequent deliberations were recorded in the Commission's Order dated 17.05.2019 and were thereafter incorporated in the Commission's Suo Motu 13th Amendment Order dated 05.08.2020, which remains in force. No modification or deviation from the approved technical architecture or framework shall be undertaken without the prior written approval of the Commission; any departure shall be treated as non-compliance with this Order and dealt with in accordance with the applicable laws and the Supply Code.

- vi. Each Licensee shall upgrade or replace existing keypad/token-based prepaid meters installed under multi-point supply with an online prepaid metering system conforming to the Commission-approved architecture, without imposing any additional cost on affected consumers. In urban multi-storied buildings, migration shall be completed within 90 days of this Order. Where building-wise logistics necessitate phasing, the Licensee shall ensure 100% migration within 120 days and shall notify a building-wise schedule to residents.
- vii. During the transition, existing keypad/token meters shall remain serviceable until the scheduled replacement date, and no consumer shall be denied the ability to recharge. The Licensee shall provide advance intimation of the replacement schedule and shall ensure no supply interruption beyond the minimum time required for meter changeover. Post-migration, any residual token balances shall be carried forward to the online account without loss to the consumer.

- viii. Within 60 days of this Order, each Licensee shall submit to the Commission an inventory of buildings/consumers on keypad/token meters together with a building-wise migration plan and dates. Thereafter, fortnightly progress reports shall be filed until migration is complete. The Licensee shall also identify and rectify any field practices that are contrary to the Commission-approved architecture.
- ix. This Order is limited to prepaid meters installed under multi-point connections in multi-storied buildings released post the 13th Amendment; it does not apply to prepaid meter installations in other contexts.

C. Enforcement Direction regarding Single Point Connection sanctioned prior to 13th Amendment-

The Commission reiterates and enforces its stand recorded in the Order dated 05.08.2020 (13th Amendment) as under:

“In the multi-storey buildings where a single-point connection has been sanctioned prior to the 13th amendment but load is yet to be released or where occupancy is yet to come or phased manner development is being done but the developer/builder has taken Single point connection, Licensee shall ensure while releasing electrical connection that the metering infrastructure and the metering system is multi-point compliant, and as and when residents opt for multi-point connection, individual connection should be given after charging meter cost and connection charges from the prospective consumers.”

Compliance on this issue is mandatory and any omission in this regard shall be viewed seriously, if such an omission is reported to the Commission.

9. REVENUE GAP

9.1. REVENUE FROM THE SALE OF POWER AT APPROVED TARIFF

Petitioner's Submission

9.1.1. The Petitioner submitted the revised category-wise projected sales, revenue and average realization for FY 2025-26 based on the rates approved vide Tariff Order dated October 10, 2025, as given in the Table below:

TABLE 9-1 ESTIMATED ENERGY SALES & REVENUE FOR FY 2025-26

Sl. No.	Category	Sales	Revenue	ABR
		(MUs)	(Rs. Cr.)	(Rs/kWh)
1	HV-1: Non-Industrial Bulk Power	463.13	424.48	9.17
2	HV-2: Large and Heavy Power	1,740.83	1,260.45	7.24
3	LMV-1: Domestic Light, Fan & Power	1,446.76	889.40	6.15
4	LMV-2: Non-Domestic Light & Fan & Power	106.86	103.12	9.65
5	LMV-3: Public Lamps	26.95	23.03	8.54
6	LMV-4: Institutions	21.86	21.19	9.69
7	LMV-5: Private Tube Wells	10.40	2.84	2.73
8	LMV 6: Small and Medium Power	164.85	134.62	8.17
9	LMV-7: Public Water Works	40.30	37.10	9.21
10	LMV-9: Temporary Supply	61.37	65.51	10.68
11	LMV-11: Electric Vehicle Charging	0.33	0.22	6.53
12	Total	4,083.65	2,961.96	7.25

9.1.2. Regulation 27.3 of MYT Regulations, 2025 provides for allowance of carrying cost on regulatory assets. The relevant extract of the Regulation 2025 is reproduced below:

“27.3 Carrying cost for the ARR gap of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.

27.4 The revenue surplus of the Distribution Licensee shall be first adjusted towards working capital requirement for the year and balance revenue surplus amount, if any, shall be eligible for carrying cost as per weighted average of bank rate published by RBI net of income tax for the relevant year.

Provided that the Distribution Licensee shall invest the revenue surplus in risk free securities such as RBI bonds, Government Securities or fixed deposit receipts of Scheduled banks only.”

9.1.3. The Petitioner submitted the projected status of accumulated regulatory assets as given in the Table below:

TABLE 9-2 AMORTIZATION OF REGULATORY ASSET (RS. CR.)

Sl. No.	Particulars	Ref.	FY 2025-26
1	Opening Regulatory Asset	a	375.05
2	Less: Revenue Gap at the existing tariff for the year before carrying cost	b	234.00
3	Unamortized Opening Regulatory Asset	c=a+b	609.05
4	Carrying cost of Regulatory Asset	d	53.55
5	Closing Regulatory Asset at the existing tariff	e=c+d	662.59

9.1.4. The Petitioner has submitted that as on April 01, 2025, the opening balance of Regulatory Gap has been projected at Rs. 375.05 Cr. which is estimated to increase to Rs. 662.59 Cr. as on March 31, 2026, based on the revenue at the Retail Tariff and Regulatory Discount of 10% on Energy Charge & Fixed Charge approved by the Hon'ble Commission vide its Tariff Order dated October 10, 2024.

9.1.5. Further the Petitioner has submitted that it has filed multiple Appeal against the Tariff Order issued by the Commission between 2021 to 2024 before Hon'ble APTEL which are pending adjudication. Accordingly, this Petition has been prepared without considering the impact of the aforesaid Orders of the Commission.

Commission's Analysis

9.1.6. Taking into consideration the ARR & revenue at existing Tariff for FY 2025-26, the estimated Gap / (Surplus) for FY 2025-26 is as given in the Table below:

TABLE 9-3 REVENUE GAP/(SURPLUS) AT EXISTING TARIFF

Particular	Approved
Net Aggregate Revenue Requirement	2,987.93
Revenue at (Tariff Excluding Subsidy)	2,961.96
GoUP Subsidy	0.00
Gap/ (Surplus)	25.97

9.1.7. In the Chapter 8 - "Tariff Philosophy", the Commission has discussed in details various aspects that have been taken into consideration in designing the Tariff. The category/sub-category-wise Rates and Regulatory Discount have been provided in the Rate Schedule. Accordingly, the Commission has computed the Revenue based on approved

Billing Determinants for FY 2025-26 by considering revenue at existing Tariff as well as the Regulatory Discount. The following Tables summarize the revenue approved by the Commission for FY 2025-26 at existing Tariff Rates:

TABLE 9-4 APPROVED REVENUE (CONSIDERING EXISTING TARIFF)

Category of Consumer	Revenue (Rs. Crore)	ABR (Rs./kWh)
(LMV 1) Domestic Light, Fan & Power	889.40	6.15
(LMV 2) Non- Domestic Light, Fan & Power	103.12	9.65
(LMV 3) Public Lamps	23.03	8.54
(LMV 4) Light, Fan & Power for Institutions	21.19	9.69
(LMV 5) Small Power - Private Tube wells	2.84	2.73
(LMV 6) Small and Medium Power	134.62	8.17
(LMV 7 & 8) Public Water Works	37.10	9.21
(LMV 9) Temporary Supply	65.51	10.67
(LMV 11) Electric Vehicle Charging	0.22	6.52
(HV 1) Non-Industrial Bulk Load	424.48	9.17
(HV 2) Large & Heavy Power	1260.45	7.24
ABR	2,961.96	7.25

9.1.8. Further, the computations of ARR and revenue for FY 2025-26 in the Tariff Order are estimated figures only and may vary, hence the projected Gap / (Surplus) will also undergo change. The Commission will analyze these in the True Up proceedings. The Approved Gap/ Surplus position for FY 2025-26 is as below:

Table 9-5 REVENUE GAP/(SURPLUS) AT Existing TARIFF FOR FY 2025-26

Particular	Approved
Net Aggregate Revenue Requirement	2,987.93
Estimated Revenue at Existing Tariff, net of 10% Regulatory Discount (Rs Cr)	2,961.96
GoUP Subsidy	0.00
Gap/ (Surplus)	25.97

9.1.9. The Cumulative Gap/Surplus position is given below:



Particulars	Formulae	True-up (FY 2023-24)			APR (FY 2024-25)			ARR (FY 2025-26)	
		Approved in Tariff Order dated 20.07.2022	Claimed	Approved	Approved in Tariff Order dated 10.10.2024	Claimed	Approved	Claimed	Approved
ARR	A	2,367.02	2,365.34	2,164.63	2,675.75	3,069.44	3,069.44	3,211.94	2,987.93
Revenue (inclusive of 10% regulatory discount)	B	2,413.23	2,320.97	2,324.86	2,725.47	2,667.77	2,667.77	2,961.96	2,961.96
Opening Gap/(Surplus) (i.e., closing of last year)	C	(1,161.62)	(85.15)	(1,198.82)	(1,082.18)	(43.97)	(1,500.63)	375.07	(1,242.59)
Regulatory Assets after WC adjustment	D								(1,202.28)
Gap/(Surplus) during the year	E=A-B	(46.21)	44.37	(160.23)	(49.72)	401.67	401.67	234.00	25.97
Closing Gap/(Surplus)	F=C+D	(1,207.83)	(40.78)	(1,359.05)	(1,131.90)	357.70	(1,098.96)	609.07	(1,176.31)
Carrying cost rate (%) @ IWC	G	10.20%	5.06%	11.07%	11.05%	11.07%	11.05%	11.07%	6.50%
Carrying cost	H=(D*G/2+E*G)	(120.84)	(3.19)	(141.58)	(122.33)	17.37	(143.63)	54.47	(77.30)
Cumulative Gap/ (Surplus)	I=D+E+H	(1,328.67)	(43.97)	(1,500.63)	(1,254.23)	375.07	(1,242.59)	663.54	(1,293.92)
Power purchase Provisions	J	247.27	-	-	-	-	-	-	-
Cumulative Gap/ (Surplus) with provision	K=I+J	(1,081.41)	(43.97)	(1,500.63)	(1,254.23)	375.07	(1,242.59)	663.54	(1,293.92)

9.1.10. Further, the following Tariff Orders have been challenged in the Hon'ble APTEL whose proceedings are ongoing. The final judgements may have a significant impact on the Tariff of the consumers. The list of ongoing proceedings is as under:

TABLE 9-6: CASES PENDING BEFORE HON'BLE APTEL (MATTER RELATED TO TARIFF ORDERS AND REGULATIONS) AS SUBMITTED BY THE PETITIONER

Sl. No.	Case No.	UPERC Case Reference	Cause Title	Description
1.	Appeal No. 98/2021	1541/2019 Order dated 04.12.2020	NPCL Vs. UPERC	NPCL Appeal against the Tariff Order (ARR of FY 2020-21, APR of FY 2019-20 and True-up of FY 2018-19)
2.	Appeal No. 343/2021	1684/2021 Order dated 26.08.2021	NPCL Vs. UPERC	NPCL Appeal against the Tariff Order (ARR of FY 2021-22, APR of FY 2020-21 and True-up of FY 2019-20)
3.	Appeal No. 398/2022	1797/2021 Order dated 20.07.2022	NPCL Vs. UPERC	NPCL Appeal against the Tariff Order (ARR of FY 2022-23, APR of FY 2021-22 and True-up of FY 2020-21)
4.	Appeal No. 676/2023	1919/2022 Order dated 24.05.2023	NPCL Vs. UPERC	NPCL Appeal against the Tariff Order (ARR of FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22)

Sl. No.	Case No.	UPERC Case Reference	Cause Title	Description
5.	Appeal No. 58/2025	2039/2023 Order dated 10.10.2024	NPCL Vs. UPERC	NPCL Appeal against the Tariff Order (ARR of FY 2024-25, APR of FY 2023-24 and True-up of FY 2022-23)

9.1.11. The Computation of ARR and Revenue for FY 2025-26 in the Order are estimated figures and may vary, so the projected gap/surplus will also change correspondingly. The Commission will analyse these points in future Tariff or True Up proceedings.

9.2. AVERAGE COST OF SUPPLY

Commission's Analysis

9.2.1. The Commission in the Table below, summarises the revenue realization of the Petitioner for FY 2025-26 by considering the Average Billing Rate (ABR) and Average Cost of Supply (ACoS). This results in a revenue gap position for the Petitioner for FY 2025-26.

TABLE 9-7 SUMMARY OF AVERAGE BILLING RATE APPROVED BY COMMISSION FOR FY 2025-26

Category of Consumer	ABR @ Approved Tariff (Rs. /kWh)	Cross Subsidy Levels (Percentage Variation of Approved ABR from ACoS) (%)
(LMV 1) Domestic Light, Fan & Power	6.15	-15.98%
(LMV 2) Non- Domestic Light, Fan & Power	9.65	31.89%
(LMV 3) Public Lamps	8.54	16.78%
(LMV 4) Light, Fan & Power for Institutions	9.69	32.49%
(LMV 5) Small Power - Private Tube wells	2.73	-62.68%
(LMV 6) Small and Medium Power	8.17	11.61%
(LMV 7 & 8) Public Water Works	9.21	25.83%
(LMV 9) Temporary Supply	10.67	45.89%
(LMV 11) Electric Vehicle Charging	6.52	-10.95%
(HV 1) Non-Industrial Bulk Load	9.17	25.26%
(HV 2) Large & Heavy Power	7.24	-1.04%
ABR	7.25	-0.87%
ACoS	7.32	
ACoS-ABR	0.07	

9.2.2. The Commission observes that while the Petitioners have submitted the annual sales figures, Regulation 16 of MYT Regulation, 2025 mandates submission of monthly sales

data for computation of FPPAS. Accordingly, the Commission, has approved the monthly sales (in MUs) based on the monthly power purchase units submitted by the Petitioners, and the ratio of annual sales to annual power purchase units. The approved month-wise sales figures, to be considered for FPPAS, are shown in the table below:

TABLE 9-8 APPROVED MONTHLY SALES FIGURES FOR FY 2025-26

Month (FY 2025-26)	Approved Sales (MUs)
April	307.57
May	346.77
June	386.91
July	417.00
August	409.99
September	410.77
October	350.35
November	257.43
December	275.65
January	321.54
February	295.21
March	304.46
Total	4,083.64

9.2.3. The above sales shall be considered for calculation of FPPAS as per the Regulations.

10.DIRECTIVES

10.1. STATUS OF COMPLIANCE OF DIRECTIVES FOR 2024-25

10.1.1. Section 61 of the Electricity Act, 2003 provides that the Commission shall be guided by the factors which would encourage competition, efficiency, good performance, optimum investment and economic use of resources, in specifying the terms and conditions of determination of tariff. Therefore, the Commission had been issuing directives to attain these objectives and to monitor the performance within the legal framework and also to create an enabling environment for the licensee wherein it may render efficient services to the consumers. The availability of a comprehensive and robust management information system is essential for effective regulation. The Commission is unable to appreciate tardiness in this matter as it was within the licensees influence to streamline and identify parameters that would enable its management to have a comprehensive grip of field information. Clearly, tangible gains from this exercise are still a long way off. The utilities must appreciate that a standard information provision mechanism is essential for running the organization on commercial consideration, and urgent steps are necessary to address this gap. Some of these directives have been complied and some have gone a begging. The Commission realizes that many of the directives are ongoing in nature, but it would be necessary at this stage to assess the extent to which NPCL have complied with the directives.

10.1.2. The Commission had given certain directives to the Petitioners for FY 2024-25 in its Tariff Order dated October 10, 2024. The status of compliance of these directives by the Petitioners is as shown in the Table below:

S. No.	Directives	Status of Compliance / Petitioner's Reply	Commission's Remarks
DIRECTIVES COMPLIANCE FOR FY 2024-25			
1.	It has been observed that energy loss at 'LT System' is appreciably high (21.04% for FY 2020-21, 20.58% for FY 2021-22 and 19.89% for FY 2022-23) and needs to be drastically	The Petitioner has submitted that the LT Losses level stood at 18.41% in FY 2023-24, compared to 19.89% in FY 2022-23. While continues to make concerted efforts to reduce	The Commission has deliberated on this issue at length while finalizing the distribution loss trajectory taking into consideration the loss reduction at LT level. The treatment

	brought down at acceptable levels. Despite the capex being so high such high losses are not acceptable. The Petitioner is directed to work immediately on the same and show drastic improvement in the next filing.	losses across various levels, there are several factors such as pending application for new connections, impact of 4%/5% losses in multi-storied buildings and pending cases in special court that contribute to higher LT losses which are beyond the Company's control.	shall be done as per the MYT Regulation, 2025.
2.	100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies. The metering for all consumers should be completed by 31.03.2025.	The Petitioner has submitted that as of September 2024, it has achieved 99.5% consumer metering, with only 0.5% of consumers—primarily in rural areas—remaining unmetered. These unmetered consumers account for just 0.11% of total energy (MUs) and 0.04% of revenue. The Company is making the best efforts to meter all remaining connections by the end of FY 2024-25. However, challenges such as resistance from consumers, locked premises, and instances of meter damage have hindered progress. The Petitioner also referred to BEE Regulations, 2021, which specifies the target of metering of consumers.	The Petitioner has not shown any unmetered consumer in billing determinants of FY 2025-26. However, as per the submissions made by the Petitioner there are still 670 unmetered consumers in its distribution area as on March 31, 2025. The Petitioner is again directed to ensure that the metering of such consumers is done before the next filing.
3.	The Commission directs the Petitioner to ensure 100% DT metering by 31.03.2025.	In compliance with the Commission's directions, the Petitioner is making consistent efforts to ensure the timely completion of DT metering and remains committed to achieving this goal.	While the Petitioner has stated that efforts are ongoing and remains committed to the goal, the fact remains that the directive has not been fully implemented within the prescribed period. The Commission has referred to the submission made in the MYT format and the energy

			audit report submitted by the Petitioner. As per the Energy Audit Report for FY 2023-24 submitted by the Petitioner there are 409 Feeders, and 6,381 Distribution Transformers in its distribution area. However, as per the MYT format there are 7,531 DT transformers. Further as per this report 100% feeder metering is achieved by the Petitioner whereas 78% of DT metering has been done as on March 31, 2024. Despite the Commission's clear directive to achieve 100% DT metering by 31.03.2025, the target has not yet been met, indicating non-compliance with the stipulated timeline. Continued efforts, though commendable, do not substitute for compliance. Therefore, the current status reflects a deviation from the Commission's order, and appropriate corrective actions must be taken to ensure full adherence without further delay.
4.	It is observed that the Petitioner has shown Security Deposit as 'NIL' for some consumers. It is directed that the Petitioner shall take a suitable security deposit as per the provisions of U.P Electricity Supply Code 2005 from each consumer.	Noted for Compliance. The Petitioner submitted that it is in the process of raising Additional Security Deposits (ASD) for consumers without existing security deposits and will be issuing letters to inform them about the ASD and payment procedure. It further	It has been observed that the Petitioner has not complied with the directive. The Petitioner is again strictly directed to collect the suitable security deposit as per the provisions of UP Electricity Supply Code 2005 from such consumers

		stated that the collection of security deposits is being carried out in compliance with the U.P. Supply Code, 2005 and its subsequent amendments.	and submit the details of such consumers in the next Tariff Fillings.
5.	The Commission directs the Petitioner to strictly follow UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 in future, with respect to the treatment of carried forward units under net metering as electricity credit and not as sale (power purchase from the consumer). Further, balance units carried forward at the end of the financial year should be treated as per the above Regulations.	Being complied. The Petitioner has submitted that it has considered the treatment as directed by the Commission in accordance with UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019, in its Instant Petition of True-up FY 2023-24. The detailed methodology adopted by the Company is based on Commissions' direction.	The Commission finds that the Petitioner has been treating the carried forward units as purchase and a reverse entry is made in the accounts for sale of power when the carried forward units are withdrawn. This is clear departure from the net metering Regulation of the Commission. The Petitioner is directed to strictly comply with Net Metering Regulation and ensure that carried forward units are not treated as purchase and similarly the withdrawal is not considered as sale.
COMPLIANCE STATUS OF STANDING DIRECTIONS			
1.	The Commission directs the Petitioner to not purchase power under High Price Day Ahead Market (HP- DAM) in the integrated Day Ahead Market (I-DAM) segment.	Being Complied The Petitioner has submitted that no power has been procured, nor is there any proposal to procure, through HP-DAM for the period from FY 2023-24 to FY 2025-26.	The Commission reiterates that power purchase from HP-DAM requires prior approval and expects strict compliance.
2.	The Commission directs the Petitioner to show SOP and CGRF expenses separately in the Audited Accounts.	Noted for compliance. The Petitioner submitted that, as the Audited Accounts for FY 2023-24 are already finalized, the segregation of SoP and CGRF expenses as directed by the Commission in its Tariff Order dated	The Compliance should be ensured as per submissions made.



		October 10, 2024, will be implemented from FY 2024-25 onwards. Necessary adjustments will be made to ensure accurate and transparent reporting. If required by the Commission, a separate Auditor's Certificate for SoP and CGRF expenses for FY 2023-24 may also be submitted.	
3.	The Commission directs the Petitioner to submit the Trial Balance along with heads matching with the Audited Accounts.	Being complied. The Trial Balance for FY 2023-24, duly aligned with the heads matching those in the Audited Accounts, is being submitted in the instant Petition.	In the true up of FY 2023-24 the Petitioner has submitted the Trial Balance however it is very difficult to match with the audited accounts. Hence, the Petitioner is directed to submit the trial balance with Opening transaction during the Year and Closing with proper grouping/heads matching with audited accounts for FY 2024-25
4.	The Commission directs the Petitioner to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132kV) - Energy Sales and Losses. Also, it is mandatory to submit the Energy Audit Report and the Cost Audit Report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) along with the ARR / Tariff filing each year.	The Petitioner submitted that it has been regularly providing the Cost Audit Report along with the True-Up Petition, including voltage-wise sales and T&D losses. For FY 2023-24, these details are included in the MYT Tariff Formats, and the Energy Audit Report has been submitted by a BEE Accredited Energy Auditor, as per the 2021 Regulations. The voltage-wise losses in Form-P1 are based on energy available for sale at respective voltage levels and align with the Energy Audit Report, whereas losses in Form-40A are	The Commission observes that the Petitioner has complied with the Direction. However, the Petitioner is required to submit the voltage wise energy sales and losses, energy audit report along with cost audit report in each tariff filing.

		based on overall energy available at the Discom level, hence the losses shown in both the forms may not tally each other.	
5.	The Commission directs the Petitioner to submit the detailed Fixed Asset Register (FAR) in Excel with all the details of the asset's opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioner, assets created out of grants and assets created out of consumer contribution.	The Fixed Asset Register (FAR) for FY 2023-24 including all the details (Asset opening, addition, deduction, closing, depreciation, cumulative depreciation) as provided in the Commission directive.	The Commission observes that the Petitioner has complied with the Direction. However, the Petitioner is required to submit Fixed Asset Register in each tariff filing. It has to be ensured that Part A, Part B and Part C are shown separately.
6.	The Petitioner is directed to procure all power through a tariff-based competitive bidding process or power exchange, or Portals authorized by MoP, Gol and obtain approval of the Commission. The Petitioner may procure short-term power within approved ARR limits through power exchange without prior approval of the Commission. Regarding the cost of the power, if the same approval is in approved limits of increase in sales approved by the Commission, Petitioner need not take prior approval of the Commission. However, if Petitioner need to purchase the power beyond the approved limits, then the	Being Complied The Petitioner has submitted that, it has been procuring all its Power Purchase from approved sources, and the compliance has been duly submitted in subsequent petitions.	The Commission observes that the Petitioner has been complying with the Directions.

	Petitioner is required to take prior approval of the Commission irrespective of sources of power purchase.		
7.	The Commission directs the Petitioner that all procurements made by the Petitioner should be through Competitive Bidding only. The Petitioner shall submit all the NIT and tender documents for the purchase of value greater than Rs. 25 lakhs for the year for Plant & Machinery/ Distribution Infrastructure/IT equipment with the list of participants in each tender along with the Tariff Petition.	Noted for compliance. The Petitioner submitted that, in compliance with the Tariff Order dated October 10, 2024, it is finalizing its Procurement Manual and is gradually initiating open competitive bidding for major items. It has requested a transitory period from October 2024 to March 2025 for full implementation, with complete adherence to the competitive bidding process starting from April 1, 2025. Additionally, the Petitioner seeks approval for the additional costs incurred for advertising tender notices for procurements above Rs. 25 lakhs, as these are essential for ensuring transparency and wider participation in line with the Commission's directive.	The Commission is of the view that the Petitioner ought to have a procurement manual in place rather than relaxation at this stage. The Petitioner needs to explain and provide complete details of open competitive bidding that was done for FY 2024-25. Regarding approval for advertising expenses, the Commission is of the view that such expenses are part of A&G expenses which shall be allowed as per Regulations.
8.	The Commission directs the Petitioner to provide the details of all the pending cases filed by the Petitioner against the Commission in various forums along with the status of the same with the ARR / Tariff filing each year.	The details of all cases filed by the Petitioner against the orders of the Commission pending in various forums along with the status of the same is provided with Petition Formats.	The Commission observes that the Petitioner has complied with the directions. Concerning the pending cases filed by the Petitioner against the Commission in various courts and total financial values of the issues raised in such appeals., a total of 13 cases are pending out of which 1 case is pending with the Hon'ble



			Supreme Court of India, 1 with the Hon'ble Allahabad High Court (Lucknow Bench) and the rest 11 cases are pending with Hon'ble Appellate Tribunal for Electricity, New Delhi
9.	The Commission directs the Petitioner to submit DSM account details separately from the power purchase along with each ARR/ Tariff filing.	The details related to DSM has been provided in True-Up Petition of FY 2023-24.	The submission has been made only after the deficiency has been raised. The Petitioner is again directed to comply with this directive in the next ARR/Tariff Filing.
10.	The Commission directs the Petitioner to provide the details of land capitalized during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalized. Also, provide the list of unutilized land capitalized along with the ARR / Tariff filing each year.	The Petitioner submitted that it has acquired 3 land parcels amounting to Rs. ~15 Cr for the construction of the proposed substations in FY 2023-24, details as provided in True-up Petition for FY 2023-24. Further, the Company has incurred some additional amounts on account of Statutory charges such as Stamp Duty, Registration Fees and other miscellaneous charges for Sector 16B, Ecotech-3 Phase 1 and Sector-1 lands and the same has been now added to the same asset in FY 2023-24. The details of CAPEX towards land is provided with the Petition. Further, the lease deed for each land capitalized and detail of unutilized land in FY 2023-24 is provided in Petition.	The Commission observes that the Petitioner has complied with the Directions.
11.	The Commission directs the Petitioner to provide the list of Open Access consumers (Long Term, Short	Complied	The Commission observes that the Petitioner has complied with the directions.

	Term, Medium Term) along with their consumption & CSS paid by them and consumer category, along with the ARR / Tariff filing each year.		The Petitioner has provided the details Long Term & Short Term for FY 2023-24, FY 2024-25 & FY 2025-26. As per the submission the No. of OA consumers have increased from 21 in FY 2023-24 to 35 in FY 2025-26, whereas the OA consumption has increased from 51.19 MU to 142.08 MU.
12.	The Commission directs the Petitioner to submit the month-wise actual category/sub-category/slab-wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year along with each ARR/ Tariff filing.	Complied The month-wise category/sub-category-wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year have been provided for FY 2023-24.	The Commission observes that the Petitioner has complied with the directions.
13.	The Commission directs the Petitioner to submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year along with the ARR / Tariff filing each year.	Complied	The Commission observes that the Petitioner has complied with the directions.
14.	The Commission directs the Petitioner to ensure that actual Power Purchase Quantum & Cost and with a detailed break-up of each source, inter-state transmission losses & charges, and intra-state transmission losses & charges are made part of the Audited Accounts.	Being Complied.	Noted. The Commission observes that Ministry of Power, GoI, has notified the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024. The Commission directs the petitioners to prepare their accounting statements by including the disclosures required by the above rules.

15.	The Commission directs the Petitioner to ensure that the actual category/sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & category-wise actual Revenue are made part of the Audited Accounts.	Being Complied.	Noted. The Commission observes that Ministry of Power, GoI, has notified the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024. The Commission directs the petitioners to prepare their accounting statements by including the disclosures required by the above rules.
16.	The Commission directs the Petitioner to submit the PPA's, Commission's approval (wherever required) and bills of each source from which power is procured, along with the ARR / Tariff filing each year.	Being complied	The Commission observes that the Petitioner has submitted the detail of PPA as required. Accordingly, the suitable treatment has been done by the Commission.
17.	The Commission directs the Petitioner to submit an hourly load profile for the full financial year along with the corresponding N2 region hourly demand curves along with the hourly prices in the exchange. Further, after analyzing the above the Petitioner is to submit a report on the existing ToD time slabs along with the ARR / Tariff filing each year.	The Petitioner submitted that at present no such data is being published by NRPC/NRLDC on its website. Accordingly, in view of directions of the UPERC, the petitioner vide letter dated 04.11.2024 had requested NRPC to provide the load data for N2 region. NRPC vide e-mail dated 18.11.2024 submitted the sheet containing the hourly load data of N2 region. Based on the data provided by NRPC, the company has prepared the quarterly load curves along with the hourly exchange prices. Further, it is submitted that the new TOD Structure & Rates has just been	The Commission expects the Petitioners to strictly adhere and ensure compliance with this directive in the next ARR/Tariff Filing.

		introduced by the Commission vide its Tariff Order dated 10th Oct, 2024 and as per direction of the Commission approved TOD structure and rates shall be implemented within three months from the date of issuance of this Order, hence the report on ToD slabs and its impact cannot be analyzed as on date. The petitioner will assess the impact and proposals of ToD thereof in subsequent tariff petitions.	
18.	The Commission directs the Petitioner to follow the RPO trajectory set by the Commission from time to time. The Petitioner is directed to clear the backlog of RPO compliance as soon as possible through purchase from RE sources/ RE certificates or as directed by the Commission.	Being complied. The status of RPO compliance has been provided in the respective chapters of True-up, APR and ARR Petitions. The Petitioner shall endeavor to clear the RPO backlog by procurement of power from RE Sources/REC and will inform the Commission accordingly. Further, based on the direction of the Commission the Petitioner has procured RE Certificate in FY 2024-25 to clear RPO backlog till FY 2023-24.	The Commission observe that the direction has been partially complied by the Petitioner. The Petitioner is directed to clear the backlog of RPO compliance as soon as possible by purchasing from RE sources or through the purchase of RE Certificates.
19.	The Commission directs the Petitioner that a pre-paid meter/ smart meter be installed for all new connections or replacement of meters.	It is submitted that the Petitioner is installing smart prepaid/prepaid meters in residential complexes for: a) Conversion of single-point to multi-point connections, b) New connections in societies, and	The Commission has taken note of the submission made by the Petitioner. The Commission directs the Petitioner to install pre-paid meter/smart meter installed for all new connections or replacement of meters wherever technically

	c) Replacement of existing prepaid or smart prepaid meters with similar types. It is further submitted that technical solution of Smart/prepaid meters are not capable of disconnecting or reconnecting the supply remotely through meter itself for CT operated meters. However, current smart/prepaid meters, especially for CT-operated connections (≥ 25 kW), lack remote disconnection/reconnection capability. Therefore, such consumers are provided with AMR-enabled meters, achieving over 99% efficiency. Consumers with loads ≥ 5 kW are provided with Bluetooth-enabled (BLE) meters, which ensure over 98.5% reading efficiency monthly. The Petitioner has further submitted that smart prepaid solution deployed is suitable for cluster consumer base only as these are running on common infrastructure. Piecemeal installations of smart meters would not yield the desired results and initial infrastructure cost is substantially high. At the same time due to sparse installation of smart/prepaid meter the petitioner would not be able to take full benefit of it.	feasible. Further, the Petitioner has claimed Rs. 4.02 Crore towards capitalization for the Advance Metering Infrastructure (AMI) however, the Commission has not approved the same at this stage.

		The Petitioner has further referred the Ministry of Power's notification dated August 17, 2021, regarding smart meters in prepayment mode. The Petitioner further submitted that RFP for implementation of AMI will be issued, based on which a Detailed Project Report (DPR) will be prepared and submitted to the Commission for approval.	
20.	The Commission directs the Petitioner to provide complete details of energy managed through net metering on a monthly basis including energy banked/adjusted and the amount/energy settled at the end of the financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with the ARR / Tariff filing each year.	Complied	The Commission observes that the Petitioner has complied with the directions.
21.	The Commission directs the Petitioner to do proper accounting with regard to MU and rates of captive/ internal consumption of electricity by the Petitioner and capture the same in the Audited Accounts under a separate head. The Petitioner is also directed to submit complete details viz MU consumed; tariff and revenue booked along with every ARR / Tariff filing.	The Petitioner has submitted that with regard to the treatment of own consumption it has filed an appeal before the Hon'ble APTEL, which is currently sub-judice. In the True Up Petition, Petitioner has claimed the captive consumption units in sales only and taken revenue towards the same as Nil.	It is observed that the Petitioner has partially complied with the direction of the Commission as units consumed are being booked in sales, but corresponding revenue is not included in the total revenue in audited accounts. The Petitioner has to ensure that accounting is done, and revenue is booked as per the rate schedule.

OTHER DIRECTIVES

1.	It is further directed that the Petitioner should seek NOC from consumers only when required as per GNIDA Regulations/Orders. The Petitioner can consider providing limited access of its online portal to GNIDA so that they can access pending NOCs and upload their approval/ disapproval on the same to facilitate reconciliation, improve transparency & accountability. Also, the Petitioner and GNIDA should conduct periodic meetings to monitor the pending NOCs.	Noted for compliance. The Petitioner has already started discussions with GNIDA to comply with the direction of the Commission. Further, the Company is in the process for preparing BRD for development of the portal.	With reference to the Petitioner submission, it is directed to submit the status of compliance in the next tariff filing.
2.	The Commission directs Petitioner that in future Tariff filings, the details of Scheme/Project-wise physical and financial progress should also be submitted along with the Capital Investment Plan for the audited year.	Being Complied. As directed by the Commission, the Petitioner is already submitting the project progress reports for the approved projects.	The Commission directs the Petitioner to submit all the details as per MYT Regulations 2025 along with Tariff Petition.
3.	In compliance with the directions of the Commission, initiatives have been taken by the Petitioner, however, it is worth to note that the Licensee should have a business plan regarding enhancing its income from broadband and 5G usage of the assets of the Licensee. Therefore, the Petitioner is directed to submit a business plan on the above for the approval of the Commission.	In view of the Commission's direction, the Petitioner has submitted that it has executed a rental agreement with M/s Indian Cable Net Company Limited. Through this collaboration NPCL is getting Rs 5,000 monthly rental per location excluding GST, from Apr'23 onwards and with this the Petitioner will get the revenue of Rs 6,00,000 in FY 2024-25 and will continue to get the same in FY 2025-26 also. In addition to this, the Company is	The Petitioners have not submitted the Business Plan till now. Regulation 35.3 of MYT Regulations 2025 provides for asset monetization as mentioned below: <i>"35.3 The Non-Tariff Income under item (I) above (income from advertisements) shall be shared between the Distribution Licensee and the consumers in the ratio of 30% and 70% respectively: Provided that the Licensee shall undertake asset</i>

		exploring further potential opportunities which will be submitted to the Commission for approval as and when required.	<i>monetization study within six months from the date of notification of these Regulations.”</i> The Petitioner is directed to submit the asset monetization study report along with the next tariff filing.
4.	It was observed during the scrutiny of the submission that certain values were not linked. The Petitioner is directed to ensure that such issues are addressed at the time of filing itself.	Being complied. The Petitioner submitted that information which is primary in nature and does not have any supporting computation, has been entered/ punched in the sheets / RTFs directly, while the rest of the information is either computed or linked with the primary information in the soft copy of the True-up Tariff Format (RTF) in MS Excel workable file provided in MYT Formats.	Partially Complied . However, it was observed during the scrutiny of the submission that certain values were not linked. The Petitioner is directed to ensure that such issues are addressed at the time of filing itself.
5.	From the number of grievances received during the quarter, it is apparent that wider publicity is required about the existence and jurisdiction of CGRFs. The Petitioner is required to take appropriate steps to make them effective tools for the redressal of public grievances.	The Petitioner submitted that it has made significant efforts to publicize the existence and jurisdiction of CGRFs. A clear and comprehensive 'Complaint Management: Three-Tier Grievance Redressal Structure' is prominently featured on consumer bills. This includes all essential details such as contact numbers, addresses and email addresses, ensuring that consumers are fully informed and able to	The Commission notes that a total of only 8 grievances were received by CGRF during FY 2024-25, with an opening pendency of 14 grievances as against these 21 grievances were disposed of. Total no. of sittings of CGRF in FY 2024-25 were 43. The Commission reiterates that a lot needs to be done to make CGRF effective.

		access the grievance redressal mechanism with ease. • Complete and detailed information related to the CGRFs is updated on the Company's official website. This includes the status of the CGRF, details of disposal by CGRF, the format for submitting complaints, CGRF Regulations, and relevant notices. The website serves as a central hub for consumers to access all necessary information about the redressal process. • The operationalization of the CGRFs was properly publicized in both English and Hindi newspapers dated 30.09.2023, ensuring wider reach.	

10.2. DIRECTIVES FOR FY 2025-26

DIRECTIVE RELATED TO TARIFF FILING

- 10.2.1. The Commission directs the Petitioners to submit the month-wise actual category / sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the true-up year along with the future filings.
- 10.2.2. The Commission directs the Petitioner to show SOP and CGRF expenses separately in the Audited Accounts as directed above each year.
- 10.2.3. The Commission directs the Petitioners to do benchmarking study for consumption norms for unmetered consumers and submit the report within 3 months.

- 10.2.4. The Commission directs the Petitioners to undertake comprehensive research study of Voltage-wise losses in their network. The research study shall also provide technical losses and non-technical losses in their respective DISCOM areas. The Commission directs the Petitioners to submit the consolidated voltage wise (440 V, 11 kV, 33 kV, 66 kV, 132 kV) - Energy Sales and Losses. Also, it is mandatory to submit energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules, 2014) along with the ARR / Tariff filing each year.
- 10.2.5. The Commission directs the petitioners to conduct benchmarking studies of each component of O&M expenses, distribution losses and interest expenses to determine the desired performance standard and submit the report to the Commission.
- 10.2.6. The Commission directs the Petitioners to submit the detailed Fixed Asset Register (FAR) in excel with all the details of the assets opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioners, assets created out of Grants and assets created out of consumer contribution. The FAR needs to show the GFA of Part A, Part B and Part C separately.
- 10.2.7. The Commission directs the Petitioners to undertake a comprehensive load research study based on the data for at least last three financial years, taking into consideration the aspects mentioned in the MoP's Electricity (Rights of Consumers) Amendment Rules, 2023, and submit a complete ToD rationalization proposal to the Commission, along with its revenue impact also. Further, the Petitioners, while undertaking this study, should also take into consideration the aspects mentioned in the MoP's Electricity (Rights of Consumers) Amendment Rules, 2023.
- 10.2.8. The Commission directs the Petitioner to provide the details of all the pending cases filed by the Petitioner against the Commission in various forums along with the status of the same with the ARR / Tariff filing each year.
- 10.2.9. The Commission directs the Petitioners to file all details of the revenue / tariff income earned under 'Green Energy Tariff' along with each ARR / Tariff filings with a list of

consumers opting for it. Also, the Petitioners are directed to ensure that the total consumption of these consumers must be met by renewable energy sources.

- 10.2.10. The Commission directs the Petitioner to provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption & CSS paid by them and consumer category, along with the ARR / Tariff filing each year.
- 10.2.11. The Commission directs the Petitioners to submit the amount of interest on security deposit which was required to be given and how much interest has been actually disbursed.
- 10.2.12. The Commission directs the Petitioners to ensure that all the Tariff and additional formats are filled with proper formulas and links.
- 10.2.13. The Commission directs the Petitioner to do proper accounting with regard to MU and rates of captive/ internal consumption of electricity by the Petitioner and capture the same in the Audited Accounts under a separate head. The Petitioner is also directed to submit the complete details viz MU consumed; tariff and revenue booked along with every ARR / Tariff filing.
- 10.2.14. The Commission directs the Petitioners to complete the metering of all unmetered consumers under their license area on a priority basis. The petitioners are also directed that until the complete metering is achieved, the energy accounting of unmetered consumers must be carried out strictly in accordance with the consumption norms prescribed by the Commission.
- 10.2.15. The Commission directs the Petitioners to procure material and works through Competitive Bidding only. The details of tenders, including the list of participants in each tender, having value greater than Rs. 40 lakhs need to be provided along with the Tariff Petition.
- 10.2.16. The Commission directs the Petitioner to submit details of connections provided on EMI along with the interest income in each tariff filing.

DIRECTIVES RELATED TO POWER PROCUREMENT

- 10.2.17. The Commission directs the Petitioners to prepare and submit a time-bound roadmap for implementing long-term, medium-term and short-term demand forecasting in line with CEA guidelines on the matter.
- 10.2.18. The Commission directs the Petitioners not to purchase power from High Price Day Ahead Market (HP-DAM) without prior approval of the Commission.
- 10.2.19. The Commission directs the Petitioners to procure all power through tariff-based competitive bidding process or power exchange, or Portals authorized by MoP, GoI and obtain approval of the Commission.
- 10.2.20. The Commission directs the Petitioners to provide complete details of energy managed through net metering on a monthly basis including energy banked / adjusted and the amount / energy settled at the end of financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with ARR / Tariff fillings.
- 10.2.21. The Commission directs the Petitioner to submit DSM account details separately from the power purchase. As UPSLDC prepares weekly DSM accounts, the Petitioners are directed to submit the same along with combined accounts in a single excel sheet in the next ARR/Tariff filing.
- 10.2.22. The Commission directs the Petitioners to compile and submit the signed PPAs into a single folder, categorically organized as LTA, MTOA, STOA and bills of each source. In addition, the Petitioners are directed to submit an Excel sheet containing details of all PPAs in a consolidated format, including tariff details and the respective expiry dates.
- 10.2.23. The Commission directs the Petitioners to comply with RPO targets set by the Commission through the purchase of power from Renewable Energy sources or Certificates and make a comprehensive and detailed submission in their next tariff filings along with a clear plan for achieving RPO compliance, including liquidation of backlogs.
- 10.2.24. The Central Electricity Regulatory Commission (CERC) has recently allowed trading in financial derivatives of electricity. This market is currently at a nascent stage, and it will take some time to get enough liquidity in this market. The Commission directs the Petitioners to participate in the Futures Market on a Pilot Basis. NPCL may

purchase up to 15 MW subjects to a maximum of 100 MUs in a year from the futures market. Any Gain or Loss arising from this pilot shall be shared as per Regulation-11 of the MYT Regulations 2025. The Petitioners shall maintain detailed account of the transactions done in the Futures Market.

DIRECTIVES RELATED TO MULTI STORIED BUILDINGS

10.2.25. The Commission directs the Petitioners that the 13th amendment of UP Electricity Supply Code 2005 and its follow up Orders shall be complied with for conversion of existing single point to multi point connection and issuing connection on multi point in new residential multi storied building. This shall strictly follow the technical architecture and framework as defined in the 13th Amendment and subsequent Orders of the Commission in this regard.

10.2.26. The Commission directs the Petitioners that residential occupancy on temporary connections is prohibited. The Licensee shall identify all such cases within 60 days of this Order and ensure cessation of domestic supply on temporary connections to eliminate safety risks, unreliable supply and fire hazards; and secure transition to permanent supply in accordance with the 13th Amendment. Such domestic connections identified in the survey shall be converted to multipoint connection and shall not continue beyond 90 days from identification. Continued domestic use of temporary connections beyond 90 days shall invite regulatory action against the Licensee.

10.2.27. For single-point connections sanctioned prior to August 05, 2020, the Licensee shall, at the time of release of electrical connection/load enhancement, ensure that the metering infrastructure deployed under single point supply arrangement is multi-point compliant in accordance with the details provided in this Order.

10.2.28. The Commission strictly directs the Petitioners that keypad/token prepaid meters shall not be procured or installed for multi-point supply in multi-storied buildings; existing installations shall be migrated to Commission's approved multi-point metering architecture and framework as per the 13th Amendment. Within 60 days of this Order, each Licensee shall submit to the commission an inventory of buildings/consumers on keypad/token meters together with a building-wise

migration plan and dates. The Licensee shall complete the migration within 120 days of this Order.

OTHER STANDING DIRECTIVES

- 10.2.29. The Commission directs the Petitioners to explore the opportunities related to virtual feeder segregation and submit report on its viability and plan within three months.
- 10.2.30. The Commission directs the Petitioners to comply with the Regulations and undertake asset monetization study, which will be useful in identifying areas for increasing non-tariff income.
- 10.2.31. The Commission directs the Petitioners to conduct comprehensive voltage-wise loss and cost studies and submit the report.
- 10.2.32. The Commission directs the Petitioners to file quarterly progress report before the Commission on SoP implementation as per UPERC (Standards of Performance) Regulations, 2019. The Commission also directs the Petitioners to furnish detailed data pertaining to the complaints received and the number of complaints resolved, irrespective of whether any compensation has been awarded in such cases. The said information shall be submitted under distinct categories, including but not limited to, new connections, billing-related grievances, disconnection issues, and other relevant service areas.
- 10.2.33. The Commission directs the Petitioners to reimburse charges for SMS service, if recovered from any consumer, and submit the compliance report.
- 10.2.34. With regard to DSM initiatives, the Commission directs the Petitioners to submit a plan considering the best practices being adopted by the distribution licenses across the country.
- 10.2.35. The Commission directs the petitioners to nominate a nodal officer in each circle and zone, who should remain in touch with high value industrial/commercial consumers at least on a monthly basis to understand their difficulties and their concerns.
- 10.2.36. The Commission directs the Petitioner to ensure 100% DT metering by 31.03.2026.
- 10.2.37. The Commission directs the Petitioner that pre-paid meter/ smart meter to be installed for all new connections or replacement of meters.

- 10.2.38. The Commission directs the Petitioners to submit the Trial Balance for FY 2024-25 along with opening transaction during the year and closing with proper grouping / heads matching with the Audited Accounts.
- 10.2.39. The Commission directs the Petitioners to print weblink, on the back of bills, where consumers can file complaints with CGRF under CGRF Regulations and for claiming compensation under SOP Regulations. The Commission also directs the Petitioners to provide the contact details where the consumers can contact the Petitioners for CGRF and SOP related issues.
- 10.2.40. The Commission directs the Petitioner to provide the details of land capitalized during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalized. Also, provide the list of un-utilized land capitalized along with the ARR / Tariff filing each year.
- 10.2.41. It is observed that the Petitioner still has consumers with NIL security deposit. The Commission directs the Petitioner that it shall take a suitable security deposit as per the provisions of U.P Electricity Supply Code 2005 from each consumer.
- 10.2.42. The Commission directs the Petitioners to develop a mechanism to assess the satisfaction level of consumers in resolution of their complaints. Such a mechanism must emphasize on encouraging consumers to share the experience and providing feedback regarding complaint tackling time and responsiveness of the local distribution system. The mechanism should also have a rating provision so that the consumers can suitably rate the services of the licensee. The Petitioners are directed to develop a mechanism in this regard and submit the same before the Commission within 3 months.
- 10.2.43. The Commission directs the Petitioners not to disconnect the prepaid consumers on exceeding the contract demand. In case the demand exceeds, the general provisions shall apply, and penalty shall be imposed as per the provisions of the Rate Schedule, which will be deducted from the balance available.
- 10.2.44. The Commission directs the Petitioner to collect and update PAN details of all consumers wherever TDS is to be deducted, as per the provisions of the Income Tax Act, on interest to be paid on Security Deposit. The Commission also directs the petitioners to deposit the tax deducted and issue TDS certificates to such consumers

at the time of payment of interest on Security Deposit. The consumer should be able to download the certificate by logging into his online account.

10.2.45. The Commission directs the Petitioners to mention power factors in the bills of consumers whose billing is being done on kVAh basis.

10.2.46. The Commission directs the Petitioners to provide details of FPPAS being levied including the rate of FPPAS that has been charged. Similarly, the rate of interest on security deposits should also be provided in the bills on which the interest payment has been made.

10.2.47. The Petitioners shall submit the Tariff Petitions in one hard copy and all soft copies in a pen-drive.

10.2.48. The Commission directs the Petitioner to submit a compliance report on each consumer complaint received during the public hearings within a month.

11.APPLICABILITY OF ORDER

11.1.1. The Licensee, in accordance with Regulation 5.7 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2025, shall publish the Tariff approved by the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply and shall put up the approved Tariff on its internet website. The Petitioner is also required to submit copies of the newspapers and screen shots of the website within 7 days of publication.

11.1.2. The Tariff so published shall be in force seven days after the date of such publication of the Tariffs and unless amended or revoked, shall continue to be in force till the issuance of the next Tariff Order. The Commission may issue clarification /corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

Sanjay
Kumar Singh

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Sanjay Kumar Singh
Date: 2025.11.22
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(Sanjay Kumar Singh)

Member

ARVIND
KUMAR

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KUMAR
Date: 2025.11.22
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(Arvind Kumar)

Chairman

Place: Lucknow

Date: November 22, 2025

12.ANNEXURES

12.1. ANNEXURE-I: RATE SCHEDULE FOR FY 2025-26

(APPLICABLE FOR NPCL)

A. GENERAL PROVISIONS:

These provisions shall apply to all categories unless specified otherwise and are integral part of the Rate Schedule.

1. NEW CONNECTIONS:

All new connections shall be given in kW, kVA, or BHP as agreed to be supplied by the Licensee. Further, if the contracted load (kW / kVA) of already existing consumer is in fractions then the same shall be treated as next higher kW / kVA load. If the contracted load is in kW and is being converted into kVA, the conversion factor of 0.90 will be used ($kVA = kW / 0.90$) for tariff application purposes and the same shall be rounded off up to two decimal places.

2. READING OF METERS:

As per applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. BILLING WHEN METER IS NOT MADE ACCESSIBLE:

A penalty of Rs. 50.00 / kW unless revised by the Commission through an Order shall be levied for the purposes of Clause 6.2 (c) of the applicable UP Electricity Supply Code, 2005 and its amendments.

4. BILLING IN CASE OF DEFECTIVE METERS:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

5. kVAh TARIFF:

‘kVAh based tariffs’ shall be applicable on all consumers having contracted load of 10 kW / 13.4 BHP and above, under different categories with TVM / TOD / Demand recording meters (as appropriate).

The rates prescribed in different categories in terms of kW and kWh will be

converted into appropriate kVA and kVAh by multiplying Fixed / Demand Charges and Energy Charges by an average power factor of 0.90. Similarly, the Fixed / Demand Charges expressed in BHP can be converted into respective kVA rates in accordance with formula given below:

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in BHP} / 0.746) * 0.90$$

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in kW} * 0.90)$$

$$\text{Energy Charges in kVAh} = (\text{Energy Charges in kWh} * 0.90)$$

The converted rates (i.e. Energy charge in Rs. / kVAh and Fixed / Demand charges in Rs. / kVA) will be rounded up to two decimal places.

Further, for converting energy slabs of different categories specified in kWh to kVAh, average power factor of 0.90 will be used as a converting factor for converting each energy slab (specified in kWh) into energy slabs (in kVAh). The converted energy slabs (in kVAh) will be rounded to next higher kVAh.

Note 1: In case of kVAh billing only kVAh reading will be used for billing purpose.

Note 2: If the average power factor of a consumer in a billing cycle is leading and is within the range of 0.95 - 1.00, then for tariff application purposes such leading power factor shall be treated as unity. The bills of such consumers shall be prepared on kwh basis. However, if the leading power factor is below 0.95 (lead) then the consumer shall be billed as per the kVAh reading indicated by the meter. However, the aforesaid provision of treating power factor below 0.95 (lead) as the commensurate lagging power factor, for the purposes of billing, shall not be applicable on HV-3 category and shall be treated as unity. Hence, for HV-3, “lag only” logic of the meter should be used which blocks leading kVAh.

Note 3: If a consumer with a contracted load of 3 kW or above, opts for three phase connection, the Licensee should provide three phase connection to such consumer. The cost of such connection shall be borne by the consumer as per the cost data book approved by the Commission.

6. BILLABLE LOAD / DEMAND:

For all consumers having TVM / TOD / Demand recording meters installed, the billable load / demand during a month shall be the actual maximum load / demand as recorded by the meter (can be in parts of kW or kVA) or 75% of the contracted load / demand (kW or kVA), whichever is higher.

In case the Licensee's meter reader does not note the actual maximum load / demand for any month, then the Licensee will raise the bill at 75% of the contracted load for that month, even if such reading is taken subsequently.

In cases where the consumer approaches the Licensee with a meter reading but does not provide the proof of actual maximum load / demand displayed on his meter, then in such case the Licensee will raise the bill at 100% of the contracted load.

Further in case a consumer feels that his maximum load / demand reading has been wrongly/ incorrectly noted, the consumer may approach the licensee with a photo of the actual maximum load / demand reading displayed on his meter of the concerned month. The Licensee shall accept the same for the purpose of computation of billable demand, however if the Licensee wishes to, it can get the same verified within 5 days.

7. SURCHARGE / PENALTY:

(i) DELAYED PAYMENT:

If a consumer, having postpaid connections, fails to pay his electricity bill by the due date specified therein, a late payment surcharge shall be levied at 1.25% on the dues (excluding late payment surcharge) per month; up-to first three months of delay and subsequently at 2.00% on the dues (excluding late payment surcharge) per month of delay. Late payment surcharge shall be calculated proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill excluding delayed payment surcharge. Imposition of this surcharge is without prejudice to the right of the Licensee to disconnect the supply or take any other measure

permissible under the law.

(ii) CHARGES FOR EXCEEDING CONTRACTED DEMAND:

- a) If the maximum load / demand in any month of a domestic consumer having TVM / TOD / Demand recording meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 100% of the normal rate apart from the normal fixed / demand charge as per the maximum load / demand recorded by the meter.
- b) If the maximum load / demand in any month, for the consumers of other category (except a) above having TVM / TOD / Demand recording meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 200% of the normal rate apart from the normal fixed / demand charges (not minimum charge/ minimum amount/ bill payable) as per the maximum load / demand recorded by the meter.
- c) As provided in the MoP's Electricity (Rights of Consumers) Rules, 2020 the revision of the sanctioned load, if any, based on the actual recorded maximum demand shall be as under:
 - i. In case of increase in recorded maximum demand, the lowest of the monthly maximum demand, where the recorded maximum demand has exceeded the sanctioned load limit, at least three times during a financial year, shall be considered as the revised sanctioned load for the consumer from the first billing cycle in the next financial year. The consumer should be intimated of such revision along with the complete details of the basis on which sanctioned load has been increased. The Licensee shall recover additional security deposits and other charges from such consumers as per increased sanctioned load as provided in the UP-Electricity Supply Code, 2005 and its amendments/ Cost Data Book.
 - ii. In case of reduction of maximum demand, the revision of sanctioned load shall be done in accordance with the UP-Electricity Supply Code, 2005 and its amendments.
- d) Any surcharge / penalty shall be over and above the minimum charge if

the consumption bill of the consumer is being prepared on the basis of minimum charge.

- e) Provided where no TVM / TOD / Demand recording meter is installed, the excess load / demand charge shall be levied as per the UP-Electricity Supply Code, 2005 and its amendments.

8. POWER FACTOR SURCHARGE:

- i. Power factor surcharge shall not be levied where consumer is being billed on kVAh consumption basis.
- ii. It shall be obligatory for all consumers to maintain an average power factor of 0.90 or more during any billing period. No new connections of motive power loads / inductive loads above 3 kW, other than under LMV-1 and LMV-2 category, and / or of welding transformers above 1 kVA shall be given, unless shunt capacitors having I.S.I. specifications of appropriate ratings are installed, as described in - 'LIST OF POWER FACTOR APPARATUS' of annexed to this Rate Schedule.
- iii. In respect of the consumers being billed on kWh consumption basis with or without TVM / TOD / Demand recording meters, excluding consumers under LMV-1 category up to contracted load of 10 kW and LMV-2 category up to contracted load of 5 kW, if on inspection it is found that capacitors of appropriate rating are missing or in-operational and Licensee can prove that the absence of capacitor is bringing down the power factor of the consumer below the obligatory norm of 0.90; then a surcharge of 15% on the 'RATE' shall be levied on such consumers. The Licensee may also initiate action under the relevant provisions of the Electricity Act, 2003, as amended from time to time.

Notwithstanding anything contained above, the Licensee also has a right to disconnect the power supply, if the power factor falls below 0.75.

Wherever, the meter is capable of capturing power factor, the same shall be depicted in the bills of the consumer.

Power factor surcharge shall, however, not be levied during the period of

disconnection on account of any reason whatsoever.

9. ROUNDING OFF:

All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be rounded down to previous rupee and 50 paisa upwards shall be rounded up to next rupee. The difference due to such rounding shall be adjusted in subsequent bills.

10. OPTION OF MIGRATION TO HV-1 & HV-2 CATEGORY:

The consumer under LMV-2 and LMV-4 with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-1 category and LMV-6 consumers with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-2 category. Furthermore, the consumers shall have an option of migrating back to the original category on payment of charges prescribed in Cost Data Book for change in voltage level.

11. PRE-PAID METERS:

- (i) Any consumer having prepaid meters shall also be entitled to a discount of 2.00 % on the 'RATE' as defined in the Tariff Order.
- (ii) The token charges for code generation for prepaid meters shall be Rs. 10.00/- per token or as decided by the Commission from time to time.
- (iii) The Licensee shall provide monthly bills to all prepaid consumers similar to the bills being provided to the postpaid consumers.

12. CONSUMERS NOT COVERED UNDER ANY RATE SCHEDULE OR EXPRESSLY EXCLUDED FROM ANY CATEGORY:

For LMV consumers not covered under any rate schedule or expressly excluded from any LMV rate schedule will be categorized under LMV-2. Similarly, any HV consumer not covered under any rate schedule or expressly excluded from any HV rate schedule will be categorized under HV-1.

13. A consumer under metered category may undertake any extension work, in the same premises, on his existing connection without taking any temporary connection

as long as his demand does not exceed his contracted demand, and the consumer shall be billed in accordance with the tariff applicable to that category of consumer.

14. REBATE ON PAYMENT ON OR BEFORE DUE DATE:

A rebate at the rate of 1.00 % on the 'RATE' shall be given in case the payment is made on or before the due date. However, a rebate at the rate of 5.00% on the 'RATE' shall be given to LMV-5 (Rural) (i.e. PTW Rural Category Agricultural Consumers) category of electricity consumers in case the payment is made on or before the due date. The consumers having any arrears in the bill shall not be entitled for this rebate. The consumers who have made advance deposit against their future monthly energy bills shall also be eligible for the above rebate applicable on the 'RATE'.

15. SCHEME FOR ADVANCE DEPOSIT FOR FUTURE MONTHLY ENERGY BILLS:

If a consumer, having postpaid connection, intends to make advance deposit against his future monthly energy bills, the Licensee shall accept such payment, and this amount shall be adjusted only towards his future monthly energy bills. On such advance deposit the consumers shall be paid interest, at the interest rate applicable on security deposit, for the period during which advance exists for each month on reducing balance method and amount so accrued shall be adjusted in the electricity bills which shall be shown separately in the bill of each month. Further, quarterly report regarding the same must be submitted to the Commission.

16. FACILITATION CHARGE FOR ONLINE PAYMENT:

- (i) No transaction charge shall be collected from the consumers making their payment through internet banking.
- (ii) The Licensees shall bear the transaction charges for transactions up to Rs. 4,000.00 for payment of bill through internet using Credit Card / Debit Card.

17. MINIMUM CHARGE:

Minimum charge is the charge in accordance with the tariff in force from time to

time and come into effect only when sum of Fixed / Demand Charges and Energy Charges are less than a certain prescribed amount i.e. Minimum Charges. For each month, consumer will pay an amount that is higher of the following:

- Fixed / Demand Charges (if any) plus Energy Charge on the basis of actual consumption for the month and additional charges such as Electricity Duty, Regulatory Surcharges, Fuel Surcharges and any other charges as specified by the Commission from time to time.
- Monthly minimum charge as specified by the Commission and computed at the contracted load and additional charges such as Electricity Duty, Regulatory Surcharges, Fuel Surcharges, and any other charges as specified by the Commission from time to time.

18. INTEREST ON DUES PAYABLE TO CONSUMER BY THE LICENSEE:

If a consumer becomes eligible for any dues from the Licensee which may arise out of any reason including rectification / adjustment / settlement of bill(s), then such consumer will also be entitled to get interest at rate applicable for interest on security deposits on all the dues payable by the Licensee to the consumer. The Licensee shall compute the interest amount for the period during which such pending amounts exists and adjust such interest towards the future monthly bills of consumers. After adjustment of the interest amount in a particular month, the balance amount, will be carried forward to next month for adjustment with interest on balance amount. The details of such interest amount and adjustment made during the month shall be shown separately in the bill. Further, separate accounting of interest paid must be maintained by the Licensees.

19. DEFINITION OF RURAL SCHEDULE:

Rural Schedule means supply schedule as defined and notified by State Load Despatch Centre (SLDC), Lucknow from time to time.

20. GREEN ENERGY TARIFF:

- a) The Commission approves the Green Energy Tariff of Rs. 0.34 per Unit for HV

category consumers and Rs. 0.17 per Unit for LV category consumers.

- b) This Tariff will be applicable for all the opting consumers. This Tariff will be in addition to the regular Tariff as approved by the Commission.
- c) 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.
- d) Any requisition for green energy shall be for a minimum period of one year from the date of opting of green energy.
- e) Further, the Licensees will display the same separately in the bill as well as in the receipt of such consumers who opted for Green Energy Tariff, in addition to the Fixed / Demand Charges and Energy Charges. They will also keep a separate account for this tariff and separate item in their annual financial statements and provide the full details to the Commission every year along with the tariff filings.
- f) The regulatory discount of 10% shall not be applicable on Green Tariff.

REGULATORY DISCOUNT

- 21.** All the Consumers shall be entitled to a regulatory discount of 10% (Ten Percentage) on the 'Rate' i.e. on Fixed / Demand Charge and Energy Charge excluding Electricity Duty etc. and the same will be shown clearly in their bills.
- 22.** The Commission has removed the Tariff schedule for unmetered categories. If any unmetered consumers are remaining the tariff rate of Tariff order for FY 2023-24 shall be applicable.

B. RETAIL TARIFFS FOR FINANCIAL YEAR 2025-26**RATE SCHEDULE LMV – 1****DOMESTIC LIGHT, FAN & POWER****1. APPLICABILITY:**

This schedule shall apply to:

- a) Premises for residential / domestic purpose, Accommodation for Paying Guests for Domestic purpose (Excluding Guest Houses), Janata Service Connections, Kutir Jyoti Connections, Jhuggi / Hutments, Places of Worship (e.g. Temples, Mosques, Gurudwaras, Churches) and Electric Crematoria, Shelter Homes, orphanages, old age homes, Institutions run for mentally retarded and forsaken children. Non-commercial places occupied by religious persons, of any religion, are also entitled in this category, for a maximum load up to 5 kW, subject to the condition that such non-commercial place shall have a valid registration/recognition from a charitable trust.
- b) Employees (including the cases of retired / voluntary retired or deemed retired) of Licensees / successor entities of erstwhile Uttar Pradesh State Electricity Board (UPSEB), who own electricity connection in their own name and opt for the same for their own use for light, fan, and power for domestic appliances, where the energy is being fed directly from Licensee mains. The Schedule shall also apply to spouse of employees served under Licensees / successor entities of erstwhile UPSEB.
- c) Mixed Loads
 - i. **50 kW and above**
 - a. Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with the condition that at least 70% of the total contracted load shall be exclusively for the purposes of domestic light, fan, and power. The above mixed load, within 70%, shall also include the load

required for lifts, water pumps and common lighting,

- b. Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).

ii. **Less than 50 kW**

Except for the case as specified in Regulation 3.3 (e) of UP Electricity Supply Code, 2005 as amended from time to time, if any portion of the load is utilized for conduct of business for non-domestic purposes, then the entire energy consumed shall be charged under the rate schedule of the category under which the use of non-domestic purpose falls.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule':

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Load of 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 3.00/ kWh

If the consumption in a financial year of a lifeline consumer on the basis of correct meter reading throughout the financial year (not including any kind of assessment bill) crosses 1,200 units; then the consumer shall be converted to 'Others' consumer under Rural Schedule— 3(a)(2) in the next financial year.

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Slab	Fixed Charge	Energy Charge
Metered	Up to 100 kWh / month	Rs. 90.00/ kW / month	Rs. 3.35 / kWh
	101 - 150 kWh / month		Rs. 3.85 / kWh
	151 – 300 kWh / month		Rs. 5.00 / kWh
	Above 300 kWh / month		Rs. 5.50 / kWh

(b) Supply at Single Point for bulk loads:

Description	Fixed Charge	Energy Charge
For Townships, Registered Societies, Residential Colonies, multi-storied residential complexes (including lifts, water pumps and common lighting within the premises) with loads 50 kW and above with the restriction that at least 70% of the total contracted load is meant exclusively for the domestic light, fan, and power purposes and for Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).	Rs. 110.00 / kW / Month	Rs. 7.00 / kWh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee.

The deemed franchisee shall have to prepare the reports provided as under:

- The deemed franchisee is required to provide to all its consumers, either through e-mail or WhatsApp or any other electronic means, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. The report for the period April-September should be made available by November end and the report for the period October-March should be made available by May end of the next financial year.
- The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the

consumers of the deemed franchisee within 3 months of the closure of that financial year, either through email or WhatsApp or any other electronic means.

For the Licensee to be able to monitor such compliance, the Licensee under whose area the deemed franchisee falls, shall develop an online system where the deemed franchisee shall be required to upload the reports provided in a) and b) above and same shall be available to all concerned. The system should become fully operational within six months from the date of issuance of this Order.

In case, the deemed franchisee fails to upload any of the reports on online portal as above within the prescribed period, it will be treated as a default, and a penalty shall be applicable as shown below:

Occurrence of default	Penalty
1 st default	Rs. 5,000/-
2 nd default	Rs. 10,000/-
3 rd default	Rs. 15,000/-

The penalty shall be payable to the Licensee and the same shall be treated as non-tariff income of the Licensee.

In case of three defaults within a two-year period from the occurrence of first default, including the first default, after the passage of this Order, it will be presumed that the developer/RWA is not willing to comply with the directions of the Commission. The facility of the single point connection in this eventuality will be withdrawn and the Licensee shall mandatorily convert it to multiple point connection. All the conditions as per the 13th Amendment of UP Electricity Supply Code and Orders of the Commission, applicable in this regard, shall be applicable.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of defaults in payments related to other charges except for the electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities, if shown separately. No disconnection can be effected by the Franchisee on account of non-payment of general maintenance charges unless it can be proven that the amount of electricity charge, shown separately in the miscellaneous charge, has not been paid by the resident.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – ‘Charges for Exceeding Contracted demand’ of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.

(c) OTHER METERED DOMESTIC CONSUMERS:

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Load of 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 3.00 / kWh

If the consumption in a financial year of a lifeline consumer on the basis of correct meter reading throughout the financial year (not including any kind of assessment bill) crosses 1,200 units; then the consumer shall be converted to ‘Others’ consumer under Other Metered Domestic Consumers— Schedule— 3(c)(2) in the next financial year.

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers).

Description	Consumption Range	Fixed Charge	Energy Charge
Metered	Up to 100 kWh / month	Rs. 110.00/ kW / month	Rs. 5.50 / kWh
	101 - 150 kWh / month		Rs. 5.50 / kWh
	151 – 300 kWh / month		Rs. 6.00 / kWh

Description	Consumption Range	Fixed Charge	Energy Charge
	Above 300 kWh / month		Rs. 6.50 / kWh

Note: For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer, then the consumer would not be liable to furnish maximum demand during the month, and his bill would not be held back for lack of data of maximum demand and would be prepared on 100% contracted demand.

RATE SCHEDULE LMV – 2

NON - DOMESTIC LIGHT, FAN AND POWER

1. APPLICABILITY:

This schedule shall apply to all consumers using electric energy for Light, Fan and Power loads for Non-Domestic purposes, like all type of Shops including Patri Shopkeepers, Hotels, Restaurants, Private Guest Houses, Private Transit Hostels, Private Students Hostels, Marriage Houses, Show-Rooms, Commercial / Trading Establishments, Cinema and Theatres, Banks, Cable T.V. Operators, Telephone Booths / PCO (STD / ISD), Fax Communication Centres, Photo Copiers, Cyber Café, Private Diagnostic Centres including X-Ray Plants, MRI Centres, CAT Scan Centres, Pathologies and Private Advertising / Sign Posts / Sign Boards, Commercial Institutions / Societies, Automobile Service Centres, Coaching Institutes, Private Museums and Power Looms with less than 5 kW load and for all companies registered under the Companies Act with loads less than 75 kW.

2. Character and Point of Supply:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule'

Description	Tariff Payable	
	Fixed Charge	Energy Charge
Metered	Rs. 110.00 / kW / month	Rs. 5.50 / kWh

- (b) In all other cases, including urban consumers and consumers getting supply through rural feeders but exempted from scheduled rostering / restrictions or through co-generating radial feeders in villages / towns.

Contracted Load	Fixed Charge	Consumption Range	Energy Charge
Up to 4 kW	Rs. 330.00 / kW / month	Up to 300 kWh / month	Rs. 7.50 / kWh
		Above 300 kWh / month	Rs. 8.40 / kWh
Above 4 kW	Rs. 450.00 / kW / month	Up to 1000 kWh / month	Rs. 7.50 / kWh
		Above 1000 kWh / month	Rs. 8.75 / kWh

* Minimum charge payable by a consumer under the category “(b) In all other cases” shall be Rs. 600.00 / kW / month (From April to September) and Rs. 475.00 / kW / month (From October to March).

Note: For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer, then the consumer would not be liable to furnish maximum demand during the month, and his bill would not be held back for lack of data on maximum demand.

4. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.

RATE SCHEDULE LMV - 3

PUBLIC LAMPS

1. APPLICABILITY:

This schedule shall apply to Public Lamps including Street Lighting System, Road Traffic Control Signals, Lighting of Public Parks, etc. The street lighting in Harijan Bastis and Rural Areas are also covered by this rate schedule.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Un-metered Supply:

Description	Gram Panchayat	Nagar Palika and Nagar Panchayat	Nagar Nigam
To be billed on the basis of total connected load calculated as the summation of individual points.	Rs. 2100.00 / kW or part thereof per month	Rs. 3200.00 / kW or part thereof per month	Rs. 4200.00 / kW or part thereof per month

(b) Metered Supply:

Description	Gram Panchayat		Nagar Palika and Nagar Panchayat		Nagar Nigam	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
Metered	Rs. 200.00 / kW / month	Rs. 7.50 / kWh	Rs. 250.00 / kW / month	Rs. 8.00 / kWh	Rs. 250.00 / kW / month	Rs. 8.50 / kWh

4. For 'Maintenance Charges', 'Provision of Lamps' and 'Verification of Load' Point refer to 'PUBLIC LAMPS' annexed to this Rate Schedule.

RATE SCHEDULE LMV – 4**LIGHT, FAN & POWER FOR PUBLIC INSTITUTIONS AND PRIVATE INSTITUTIONS:****1. APPLICABILITY:**

Applicable for load less than 75 kW.

LMV- 4 (A) - PUBLIC INSTITUTIONS:

This schedule shall apply to:

- (a) Government Hospitals / Government Research Institutions / Offices of the Government Organizations other than companies registered under Companies Act.
- (b) Government & Government aided (i) Educational Institutions (ii) Hostels (iii) Libraries.
- (c) Religious and charitable trusts & Institutions having a valid registration under Section 12 AA & 80 G issued by the Income Tax department including hospitals, colleges and those providing services free of cost or at the charges / structure of charges not exceeding those in similar Government operated institutions.
- (d) Railway Establishments (excluding railway traction, industrial premises & Metro) such as Booking Centres, Railway Stations & Railway Research and Development Organization, Railway rest houses, Railway holiday homes, Railway inspection houses.
- (e) All India Radio and Doordarshan.
- (f) Guest houses of Government, Semi-Government, Public Sector Undertaking Organisations.
- (g) In house/ self-consumption of Government Distribution Licensees.

LMV-4 (B) - PRIVATE INSTITUTIONS:

This schedule shall apply to non-Government hospitals, nursing homes / dispensaries / clinics, private research institutes, and schools / colleges / educational institutes & charitable institutions / trusts and In house/ self-consumption of Distribution Licensees not covered under LMV-4 (A) above.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
(A) Public Institutions	Rs. 300.00 / kW / month	Rs. 8.25 / kWh
(B) Private Institutions	Rs. 350.00 / kW / month	Rs. 9.00 / kWh

RATE SCHEDULE LMV – 5

SMALL POWER FOR PRIVATE TUBE WELLS / PUMPING SETS FOR IRRIGATION PURPOSES

1. APPLICABILITY:

This schedule shall apply to all power consumers getting supply as per Rural / Urban Schedule for Private Tube-wells / Pumping Sets for irrigation purposes having a contracted load up to 25 BHP and for additional agricultural processes confined to Chaff-Cutter, Thresher, Cane Crusher and Rice Huller. This schedule shall also be applicable for separate PTW connection for registered Goshalas for load up to 5 BHP having separate light and fan connection with the condition that such Gaushala – Cow shed shall not be used for commercial purpose. All new connections under this category shall necessarily have the ISI marked energy efficient mono-bloc pump sets with capacitors of adequate rating to qualify for the supply. All existing pump sets shall be required to install capacitors of adequate rating.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(A) For consumers getting supply as per Rural Schedule:

(i) Un-metered Supply

Description	Fixed Charge	Energy Charge
Un-Metered	Rs. 170.00 / BHP / month	-

Consumer under this category will be allowed a maximum lighting load of 120 watts.

(ii) Metered Supply

	Fixed Charge	Minimum Charge Payable	Energy Charge
Metered	Rs. 70.00 / BHP / month	Rs. 160.00 / BHP / month	Rs. 2.00 / kWh

Note: Minimum amount payable by a consumer under the category “Rural Schedule (Metered Supply) shall be Rs. 160.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

(iii) Energy Efficient Pumps

Description	Fixed Charge	Minimum Charge Payable	Energy Charge
Metered	Rs. 70.00 / BHP / month	Rs. 140.00 / BHP / month	Rs. 1.65 / kWh

Note: Minimum amount payable by a consumer under the category “Rural Schedule (Energy Efficient Pumps) shall be Rs. 140.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

(B) For consumers getting supply as per Urban Schedule (Metered Supply) including consumers getting supply through rural feeders exempted from scheduled rostering or through co-generating radial feeders in villages and towns.

Description	Tariff Payable by Consumer		
	Fixed Charge	Minimum Charge Payable	Energy Charge
Metered	Rs. 130.00 / BHP / month	Rs. 215.00 / BHP / month	Rs. 6.00 / kWh

Note: Minimum amount payable by a consumer under the category “Urban Schedule (Metered Supply) shall be Rs. 215.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

RATE SCHEDULE LMV – 6

SMALL AND MEDIUM POWER

1. APPLICABILITY:

This schedule shall apply to all consumers of electrical energy having a contracted load less than 100 HP (75 kW) for industrial / processing or agro-industrial purposes, power loom (load of 5 kW and above) and Floriculture/Mushroom Farming units. This schedule shall also apply to pumping sets above 25 BHP.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Consumers getting supply other than Rural Schedule:

Fixed Charge	Energy Charge
BASE RATE	
Rs. 290.00 / kW / month	Rs. 7.30 / kWh

TOD Structure and Rates:

Summer Months (April to September)

Hours	% of Energy Charges
19:00 hrs – 02:00 hrs	(+) 15%
02:00 hrs – 07:00 hrs	0%
07:00 hrs – 16:00 hrs	(-) 15%
16:00 hrs – 19:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
22:00 hrs – 04:00 hrs	(-) 15%
04:00 hrs – 06:00 hrs	0
06:00 hrs – 10:00 hrs	(+) 15%

Hours	% of Energy Charges
10:00 hrs – 17:00 hrs	0
17:00 hrs – 19:00 hrs	(+) 15%
19:00 hrs – 22:00 hrs	0

(B) Consumers getting supply as per Rural Schedule:

The consumer under this category shall be entitled to a rebate of 7.5% on 'BASE RATE (Excluding the TOD rates as applicable to the hour of operation)' as given for 'Consumers getting supply other than Rural Schedule'. Further, no 'TOD RATE' shall be applicable for this category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill, kolhu and cold storage. The industries which operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

- The load of such industry is above 13.4 BHP (for motive power loads) & 10 kW (other loads) and have Tri-vector Meters / TOD meters installed at their premises, however for Kolhu consumers such load is of 10 HP or above.
- The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.
- Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.
- In the absence of such declaration at the time of execution of the agreement, the consumer may, if eligible for seasonal tariff, submit a declaration of the off-season which shall be applicable from the date of declaration provided by the consumer. The consumers will not be required to submit declaration of off-season every year.

- v) The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.

The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.

- vi) The consumer opting for seasonal benefit has a flexibility to declare his off-season maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off-season period, fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract normal billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will be charged at the normal billable demand for the entire off-season and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period.

5. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.

6. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, timekeeper's office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.

RATE SCHEDULE LMV – 7

PUBLIC WATER WORKS

1. APPLICABILITY:

This schedule shall apply to Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam, or other local bodies.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category.

(A) Consumers getting supply other than “Rural Schedule”:

Description	Fixed Charge	Energy Charge
Metered	Rs. 375.00 / kW / month	Rs. 8.50 / kWh

(B) Consumers getting supply as per “Rural Schedule”:

The consumer under this category shall be entitled to a rebate of 7.5% on ‘RATE’ as given for ‘Consumer getting supply other than Rural Schedule’.

RATE SCHEDULE LMV – 8**STATE TUBE WELLS / PANCHAYTI RAJ TUBE WELL & PUMPED CANALS****1. APPLICABILITY:**

- (i) This schedule shall apply to supply of power for all State Tube wells, including Tube wells operated by Panchayti Raj, World Bank Tube wells, Indo Dutch Tube wells, Pumped Canals, and Lift Irrigation schemes with contracted load less than 100 BHP (75 kW).
- (ii) Laghu Dal Nahar having load above 100 BHP (75 kW).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

For all such consumers LMV-7 rate schedule will be applicable.

- 4. For finding out net load during any quarter of the year for this category refer to 'STATE TUBE – WELLS' annexed to this Rate Schedule.

RATE SCHEDULE LMV – 9

TEMPORARY SUPPLY

1. APPLICABILITY:

A) Un-metered Supply for Illumination / Public Address / Temporary Shops in Melas:

This schedule shall apply to temporary supply of light, fan & power up to 20 KW, Public address system and illumination loads during functions, ceremonies and festivities and temporary shops, not exceeding three months and PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e., period between November to February in any year.

B) Metered Supply for all other purposes:

This schedule shall apply to all temporary supplies of light, fan, and power load for the purpose other than mentioned in (A) above.

This schedule shall also apply for power taken for construction purposes including civil work by all consumers and Govt. Departments.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE (SEPARATELY FOR EACH POINT OF SUPPLY):

Rate is the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

A. Un-metered:

Particulars	Tariff Payable by Consumer
(i) Fixed charges for illumination / public address / ceremonies for load up to 20 kW per connection plus Rs. 100 per kW per day for each additional kW.	Rs. 4750.00 / day
(ii) Fixed charges for temporary shops set-up during festivals / melas or otherwise and having load up to 2KW	Rs. 560.00 / day / shop

B. Metered*:

Description	Fixed Charge	Energy Charge
Individual Residential Consumers	Rs. 200.00 / kW / Month	Rs. 8.00 / kWh
	From 3 rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	
Others	Rs. 300.00 / kW / Month	Rs. 9.00 / kWh
	From 3 rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	

* Minimum bill payable by a consumer under the category "Metered" shall be Rs. 450.00 / kW / week.

4. Charge/Rate as specified, above shall be paid by the consumer in advance.

RATE SCHEDULE LMV - 11

ELECTRIC VEHICLE CHARGING

1. Consumers (LMV-1, LMV-2, LMV-4, LMV-6, LMV-9, HV-1, HV-2 and HV-3):

- Existing Connection: These consumer categories shall use their existing electricity connection to charge their EVs.
- Increased Load: If EV charging requires more power than the current sanctioned load, the consumer can apply to the Distribution Licensee for seeking increase in sanctioned load.

Note: It is advised that the consumer should take precaution to take adequate contracted load in order to meet the load of Charging of Electrical Vehicle. In case the contracted / connected load is breached then the consumer will be liable to pay penalty. Further, the other provisions of General Provisions of Rate Schedule and Electricity Supply Code will also come into effect in case consumers load breaches the contract demand.

2. EV Charging Stations for Common Usage in Multistoried Buildings (Single Point/Multi-Point):

The Development Authorities/ Private Builders/ Promoters/ Colonizers/ RWAs, who wish to install Electric Vehicle Charging station in the premises Multi storeys Building for common usage, will have to take a separate connection for EV Charging Station. The Tariff applicable for such Charging Station in the Multi Storied Building will be as follows:

Category	Demand Charge	Energy Charge
Multi storeys Buildings (LT)	-	Rs. 6.20 / kWh
Multi storeys Buildings (HT)	-	Rs. 5.90/ kWh

The applicant will be required to pay applicable connection charges.

3. Public Charging Stations and State Road Transport EV Charging Stations

The Tariff applicable for Public Charging Stations and State Road Transport EV Charging Stations will be as follows:

Category	Demand Charge	Energy Charge
EV Charging Station (LT)	-	Rs. 7.70 / kWh
EV Charging Station (HT)	-	Rs. 7.30 / kWh

The applicant will be required to pay applicable connection charges.

Penalty for exceeding contracted demand:

For computation of charges for exceeding contracted demand, a charge of Rs. 150.00 / kVA / month for LT and Rs. 250.00 / kVA / month for HT only for the excess demand will be considered and the Clause 7 (ii)(b) of General Provision will not be applicable here.

RATE SCHEDULE HV – 1**NON - INDUSTRIAL BULK LOADS****1. APPLICABILITY:**

This rate schedule shall apply to:

- (a) Commercial loads (as defined within the meaning of LMV-2) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.
- (b) Private institutions (as defined within the meaning of LMV-4 (b)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.
- (c) Non-domestic bulk power consumer (other than industrial loads covered under HV-2) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and feeding multiple individuals (owners / occupiers / tenants of some area within the larger premises of the bulk power consumer) through its own network and also responsible for maintaining distribution network.
- (d) Public institutions (as defined within the meaning of LMV-4 (a)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels. The institution / consumer seeking the supply at Single point for non-industrial bulk loads under this category shall be considered as a deemed franchisee of the Licensee.
- (e) Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and having less than 70% of the total contracted load exclusively for the purposes of domestic light, fan, and power. Figure of 70%, shall also include the load required for lifts, water pumps and common lighting.
- (f) For Offices / Buildings / Guesthouses of UPPCL / UPRVUNL / UPJVNL / UPPTCL / Distribution Licensees.
- (g) All IT and ITeS Units with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels, not covered under any policy notification of GoUP.
- (h) Self-consumption of Private Distribution Licensee shall be as per 3(a).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

- (a) **Commercial Loads / Private Institutions / Non - domestic bulk power consumer with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above:**

Contracted Load	Fixed Charge	Energy Charge
For supply at 11kV	Rs. 430.00 / kVA / month	Rs. 8.32 / kVAh
For supply above 11kV	Rs. 400.00 / kVA / month	Rs. 8.12 / kVAh

- (b) **Public Institutions, Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings including Residential Multi-Storied Buildings with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above voltage levels:**

Contracted Load	Fixed Charge	Energy Charge
For supply at 11kV	Rs. 380.00 / kVA / month	Rs. 7.70 / kVAh
For supply above 11kV	Rs. 360.00 / kVA / month	Rs. 7.50/ kVAh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee.

The deemed franchisee shall have to prepare the reports provided as under:

- a) The deemed franchisee is required to provide to all its consumers, either through e-mail or WhatsApp or any other electronic means, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. The report for the period April-September should be made available by November end and the

report for the period October-March should be made available by May end of the next financial year.

- b) The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year, either through email or WhatsApp or any other electronic means.

For the Licensee to be able to monitor such compliance, the Licensee under whose area the deemed franchisee falls, shall develop an online system where the deemed franchisee shall be required to upload the reports provided in a) and b) above and same shall be available to all concerned. The system should become fully operational within six months from the date of issuance of this Order.

In case, the deemed franchisee fails to upload any of the reports on online portal as above within the period prescribed, it will be treated as a default and a penalty shall be applicable as shown below:

Occurrence of default	Penalty
1 st default	Rs. 5,000/-
2 nd default	Rs. 10,000/-
3 rd default	Rs. 15,000/-

The penalty shall be payable to the Licensee and the same shall be treated as non-tariff income of the Licensee.

In case of three defaults within a two-year period from the occurrence of first default, including the first default, after the passage of this Order, it will be presumed that the developer/RWA is not willing to comply with the directions of the Commission. The facility of the single point connection in this eventuality will be withdrawn and the Licensee shall mandatorily convert it to multiple point connection. All the conditions as per the 13th Amendment of UP Electricity Supply Code and Orders of the Commission applicable in this regard, shall be applicable.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units

and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of defaults in payments related to other charges except for the electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities, if shown separately. No disconnection can be effected by the Franchisee on account of non-payment of general maintenance charges unless can be proven that the amount of electricity charge, shown separately in the miscellaneous charge, has not been paid by the resident.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – ‘Charges for Exceeding Contracted demand’ of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.

RATE SCHEDULE HV – 2

LARGE AND HEAVY POWER

1. APPLICABILITY:

This rate schedule shall apply to all consumers with contracted load of 75 kW (100 BHP) and above for industrial and / or processing purposes as well as to Arc / induction furnaces, rolling / re-rolling mills, mini-steel plants and Floriculture / Mushroom Farming units.

Supply to Induction and Arc furnaces shall be made available only after ensuring that the loads sanctioned are corresponding to the load requirement of tonnage of furnaces. The minimum load of one-ton furnace shall in no case be less than 400 kVA and all loads will be determined on this basis. No supply will be given on loads below this norm.

Such IT and ITeS Units as may be decided by GoUP through a policy notification, shall be covered under this category from the date of GoUP notification or date of applicability of Tariff Schedule of this Tariff Order, whichever is later.

For all HV-2 consumers, conditions of supply, apart from the rates, as agreed between the Licensee and the consumer shall continue to prevail as long as they are in line with the existing Regulations & Acts.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the demand and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Urban Schedule:

	For supply up to 11 kV	For supply above 11 kV and up to 66 kV	For supply above 66 kV and up to 132 kV	For supply above 132 kV
BASE RATE				
Demand Charges	Rs. 300.00 / kVA / month	Rs. 290.00 / kVA / month	Rs. 270.00 / kVA / month	Rs. 270.00 / kVA / month
Energy Charges	Rs. 7.10 / kVAh	Rs. 6.80 / kVAh	Rs. 6.40 / kVAh	Rs. 6.10 / kVAh

TOD Structure and Rates:

Summer Months (April to September)

Hours	% of Energy Charges
19:00 hrs – 02:00 hrs	(+) 15%
02:00 hrs – 07:00 hrs	0
07:00 hrs – 16:00 hrs	(-) 15%
16:00 hrs – 19:00 hrs	0

Winter Months (October to March)

Hours	% of Energy Charges
22:00 hrs – 04:00 hrs	(-)15%
04:00 hrs – 06:00 hrs	0
06:00 hrs – 10:00 hrs	(+) 15%
10:00 hrs – 17:00 hrs	0
17:00 hrs – 19:00 hrs	(+)15%
19:00 hrs – 22:00 hrs	0

(B) Rural Schedule:

This schedule shall be applicable only to consumers getting supply up to 11 kV as per 'Rural Schedule'. The consumer under this category shall be entitled to a rebate of 7.5% on 'BASE RATE' as given for 11 kV consumers under urban schedule. Further, no 'TOD RATE' shall be applicable for this category.

(C) Consumers already existing under HV-2 category with metering arrangement at low voltage:

Existing consumer under HV-2 with metering at 0.4 kV shall be required to pay as per schedule applicable to 11 kV consumers under HV-2 category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill and cold storage. The industries which

operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

- i. The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.
- ii. Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.
- iii. In the absence of such declaration at the time of execution of the agreement, the consumer may, if eligible for seasonal tariff, submit a declaration of the off-season which shall be applicable from the date of declaration provided by the consumer. The consumers will not be required to submit declaration of off-season every year.
- iv. The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.
- v. The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.
- vi. The consumer opting for seasonal benefit has a flexibility to declare his off seasonal maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off season fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract full billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will forfeit the benefit of seasonal rates for the

entire season and energy charges shall be calculated at the unit rate 50% higher than the applicable tariff during normal period.

5. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, timekeeper's office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.

RATE SCHEDULE HV – 3**A: RAILWAY TRACTION:****1. APPLICABILITY:**

This schedule shall apply to the Railways for Traction loads only.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, at, below and above 132 kV depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate is the demand and energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

Description	Charges
Demand Charge	Rs. 400.00 / kVA / month
Energy Charge	Rs. 8.50 / kVAh

Note: Minimum charge payable by a consumer under this category shall be Rs. 950.00 / kVA / month.

4. DETERMINATION OF THE DEMAND:

Demand measurement at a particular time will be made on basis of simultaneous maximum demands recorded in summation kilovolt-ampere meter installed at contiguous substation serviced by same grid transformer.

The maximum demand for any month shall be defined as the highest average load measured in Kilo Volt amperes during any fifteen consecutive minutes period of the month.

B: METRO RAIL CORPORATION AND REGIONAL RAPID TRANSIT SYSTEM:**1. APPLICABILITY:**

This schedule shall apply to the Metro Rail Corporation and Regional Rapid Transit System.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, at, below and above 132 kV depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate is the energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

Description	Charges
Demand Charges	Rs. 300.00 / kVA / month
Energy Charges	Rs. 7.30 / kVAh

Note: Minimum charge payable by a consumer under this category shall be Rs. 900.00 / kVA / month.

- Penalty @ Rs. 540.00 / kVA / month will be charged on excess demand if maximum demand exceeds contracted load.

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of delivery. The demand for any month shall be defined as the highest average load measured in Kilo Volt Amperes during any fifteen consecutive minutes period of the month.

RATE SCHEDULE HV – 4

LIFT IRRIGATION WORKS

1. APPLICABILITY:

This Rate Schedule shall apply to medium and large pumped canals with contracted load of 100 BHP (75kW) and above.

2. CHARACTER OF SERVICE & POINT OF SUPPLY:

As per applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate is the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Demand Charges:

Voltage Level	Charges
For supply at 11 kV	Rs. 350.00 / kVA / month
For supply above 11 kV up to 66 kV	Rs. 340.00 / kVA / month
For supply above 66 kV up to 132 kV	Rs. 330.00 / kVA / month

(b) Energy Charges:

Voltage Level	Charges
For supply at 11 kV	Rs. 8.50 / kVAh
For supply above 11 kV up to 66 kV	Rs. 8.40 / kVAh
For supply above 66 kV up to 132 kV	Rs. 8.25 / kVAh

(c) Minimum Charges:

Minimum charge payable by a consumer under this category shall be Rs. 1125.00 / kVA / month irrespective of supply voltage

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of supply. In the absence of suitable demand indicator, the demand as assessed by the

Licensee shall be final and binding. If, however, the number of circuits is more than one, demand and energy measurement will be done on the principle of current transformer summation metering.

C. PUBLIC LAMPS:**1. MAINTENANCE CHARGE:**

In addition to the “Rate of Charge” mentioned above, a sum of Rs. 10.00 per light point per month will be charged for operation and maintenance of streetlights. This Maintenance Charge will cover only labour charges, where all required materials are supplied by the local bodies. However, the local bodies will have an option to operate and maintain the public lamps themselves, and, in such case, no maintenance charge shall be recovered. This charge shall not apply to the consumers with metered supply.

2. PROVISION OF LAMPS:

Streets where distribution mains already exist, the Licensee will provide a separate single-phase, 2-wire system for the streetlights including light fitting and incandescent lamps of rating not exceeding 100 Watts each. In case the above maintenance charge is being levied, the labour involved in replacements or renewal of lamps shall be provided by the Licensee. However, all the required materials shall be provided by the local bodies. The cost of all other types of streetlight fittings shall be paid by the local bodies.

The cost involved in extension of streetlight mains (including cost of sub - stations, if any) in areas where distribution mains of the Licensee have not been laid, will be paid for by the local bodies.

3. VERIFICATION OF LOAD:

The number of light points including that of traffic signals together with their wattage will be verified jointly by the representatives of Licensee and Town Area / Municipal Board / Corporation at least once in a year. However, additions will be intimated by the Town Area / Municipal Board / Corporation on monthly basis. The Licensee will carry out the checking of such statements to satisfy themselves of the correctness of the same. The monthly bills shall be issued on the basis of verified number of points at the beginning of the year and additions, if any, during the months as intimated above. The difference, if any, detected during joint verification in the following year shall be reconciled and supplementary bills shall be issued.

Further, if the authorized representative of concerned local body does not participate in the work of verification of light points, a notice will be sent by concerned Executive Engineer in writing to such local bodies for deputing representative on specific date(s), failing which the verification of the light points shall be done by the concerned representative of Licensee which shall be final and binding upon such local body.

D. STATE TUBE-WELLS**NET LOAD:**

- (i) Net load hereinafter shall mean the total load connected during the quarter less the load of failed and abandoned tube-wells accounted for during that quarter.
- (ii) The connected load as on 31st March of the preceding year will be worked out on the basis of 'Net load' reported by the Executive Engineers of concerned Divisions after joint inspection and verification of the same by the concerned officers of the State Government / Panchayat, joint meter reading shall also be taken during the inspection on quarterly basis. The monthly bills for three months of the first quarter will be issued on the connected load worked out as such at the above rates. The same process shall be repeated for subsequent quarters.

E. SCHEDULE OF MISCELLANEOUS CHARGES

S. No.	NATURE OF CHARGES	UNIT	RATES (Rs.)
1.	Checking and Testing of Meters:		
	a. Single Phase Meters	Per Meter	50.00
	b. Three Phase Meters	Per Meter	50.00
	c. Recording Type Watt-hour Meters / Prepaid Meters / Smart Meters	Per Meter	175.00
	d. Maximum Demand Indicator	Per Meter	350.00
	e. Tri-vector Meters	Per Meter	1000.00
	f. Ammeters and Volt Meters	Per Meter	50.00
	g. Special Meters / Net Meters	Per Meter	400.00
	h. Initial Testing of Meters	Per Meter	NIL
2.	Disconnection and Reconnection of supply for any reason whatsoever (Disconnection & Reconnection to be separately treated as single job)		
	a. Consumer having load above 100 BHP/75kW	Per Job	1000.00
	b. Power consumers up to 100BHP/75kW	Per Job	500.00
	c. All other categories of consumers	Per Job	300.00
	d. Smart Meters consumers having load upto 5 kW	Per Job	NIL
	e. Smart Meters consumers having load above 5 kW	Per Job	NIL
	f. Pre-Paid Meters	Per Job	NIL
3.	Replacement of Meters:		
	a. By higher capacity Meter		
	b. Installation of Meter and its subsequent	Per Job	50.00

S. No.	NATURE OF CHARGES	UNIT	RATES (Rs.)
4.	removal in case of Temporary Connections	Per Job	75.00
	c. Changing of position of Meter Board at the consumer's request.	Per Job	100.00
	Service of Wireman:		
	a. Replacement of Fuse		
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	20.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per Job	25.00
5.		Per wireman /day of 6 Hrs.	60.00
	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc.)	Per Meter	100.00
	Checking of Capacitors (other than initial checking) on consumer's request:		
6.	a. At 400 V / 230 V	Per Job	100.00
	b. At 11 kV and above.	Per Job	200.00

F. LIST OF POWER FACTOR APPARATUS

FOR MOTORS:

S. No.	Rating of Individual Motor	KVAR Rating of Capacitor			
		750 RPM	1000 RPM	1500 RPM	3000 RPM
1.	Up to 3 HP	1	1	1	1
2.	5 HP	2	2	2	2
3.	7.5 HP	3	3	3	3
4.	10 HP	4	4	4	3
5.	15 HP	6	5	5	4
6.	20 HP	8	7	6	5
7.	25 HP	9	8	7	6
8.	30 HP	10	9	8	7
9.	40 HP	13	11	10	9
10.	50 HP	15	15	12	10
11.	60 HP	20	20	16	14
12.	75 HP	24	23	19	16
13.	100 HP	30	30	24	20
14.	125 HP	39	38	31	26
15.	150 HP	45	45	36	30
16.	200 HP	60	60	48	40

FOR WELDING TRANSFORMERS:

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
1.	1	1
2.	2	2
3.	3	3
4.	4	3
5.	5	4
6.	6	5
7.	7	6
8.	8	6
9.	9	7
10.	10	8
11.	11	9
12.	12	9
13.	13	10
14.	14	11
15.	15	12
16.	16	12
17.	17	13
18.	18	14
19.	19	15
20.	20	15
21.	21	16
22.	22	17
23.	23	18
24.	24	19
25.	25	19
26.	26	20
27.	27	21
28.	28	22
29.	29	22
30.	30	23
31.	31	24
32.	32	25
33.	33	25
34.	34	26
35.	35	27

12.2. ANNEXURE-II: CATEGORY/SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2025-26

CATEGORY / SUB-CATEGORY WISE AVERAGE BILLING RATE (ABR) FOR FY 2025-26

Sr. No.	Consumer Sub-Category	ABR (Rs./kWh)
1	Domestic (LMV-1)	
A	Rural Metered	5.06
B	Other Metered	6.35
C	Registered Societies	6.00
2	Non-Domestic Light Fan and Power (LMV-2)	
I	Rural Metered	5.52
II	Private Advertising	
III	Other Metered	9.71
3	Public Lamps (LMV-3)	
I	Metered	8.54
II	Un Metered	
4	Light Fan and Power for Public Institutions and Private Institutions (LMV-4)	
I	Public Institution	8.56
II	Private Institution	10.05
5	Private Tube Wells (LMV-5)	
I	Consumers getting supply as per "Rural Schedule"#	2.44
II	Consumers getting supply as per "Urban Schedule (Metered Supply)"	10.61
6	Small and Medium Power (LMV-6)	
I	Consumers getting supply as per "Rural Schedule"#	9.66
II	Consumers getting supply other than "Rural Schedule"	8.17
7	Public Water Works (LMV-7)	
I	Rural Schedule	0
II.	Other than Rural Schedule	9.21
9	Temporary Supply (LMV-9)	
I (a)	Metered (IRC)	10.33
I (b)	Metered (Others)	10.69
II.	Unmetered	0
10	Electric Vehicle Charging (LMV-11)	
I.	LMV11 (LMV-1b)	5.58
II.	LMV11 (HV-1b)	5.31
III.	LMV11 (PCS-LT)	7.33
IV.	LMV11 (PCS-HT)	6.78

Sr. No.	Consumer Sub-Category	ABR (Rs./kWh)
11	Non-Industrial Bulk Load (HV-1)	
I	Commercial Loads / Private Institutions / Non-Domestic Bulk Power with contracted Load 75 kW & above and getting supply at single point on 11 kV & above voltage level.	9.22
II	Public Institutions, Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings including Residential Multi-Storied Buildings with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above voltage levels	8.58
11	Large and Heavy Power (HV-2)	
I	Other than Rural Schedule	
a	For supply at 11kV	7.51
b	For supply above 11 kV - up to 66 kV	6.83
c	For supply above 66 kV - up to 132 kV	6.75
d	For supply above 132 kV	0.00
14	ABR Total	7.25

Note: ABR given in the above Table shall be used only for computation of Fuel Surcharge.
Rebate of 7.5% for 'Rural Scheduled Consumers'.

12.3. ANNEXURE-III (ADMITTANCE ORDER)



BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW

Petition No. 2168 /2024

IN THE MATTER OF:

Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Annual Revenue Requirement (ARR) for FY 2025-26 in the Petition No. 2168/2024 of Noida Power Company Limited (NPCL), Greater Noida.

ORDER

BACKGROUND:

The Electricity Act, 2003 under Section 64 stipulates the Licensee to file an application before the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

The Commission had notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') on September 23, 2019. The MYT Regulations, 2019 was applicable for the control period from April 01, 2020, to March 31, 2025, unless extended by the Commission.

As per the Regulation 4 of MYT Regulations, 2019, the distribution Licensees must file the Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR) / Tariff for each year of the Control Period (FY 2020-21 to FY 2024-25), complete in all respect, before the Commission on or before November 30 of each year.

The Commission vide letter no. UPERC/Secy/D(T)/2024 – 1108 dated 13 November 2024 had apprised the Distribution Licensees that the Commission is in the process of framing the Regulations for the next control period i.e. from FY 2025-26 to FY 2029-30. The relevant para of the letter is as below:

"It is clear that True Up petition for FY 2023-24 and APR for the FY 2024-25 will be determined under the UPERC (MYT for Distribution & Transmission) Regulations 2019 whereas the ARR/ Tariff for FY 2025-26 will have to be determined based on the principles contained in the MYT Regulations for the next control period i.e. FY 2025-26 to FY 2029-30.

by





Accordingly, the work on True Up and APR Petition can start right away subsequent to filing of Petition by the licensee(s) whereas, filling of APR/ Tariff Petition also will enable the Commission to perform rudimentary exercise on the data irrespective of principles of MYT Regulations of two control periods. Final determination of ARR/ Tariff Petition will be carried out after notification of MYT Regulations for next control period for which the Commission may seek additional information, if any, at a subsequent time. Accordingly, timely submission of Petition by the licensees will help the Commission in meeting the regulatory calendar, as far as possible. However, such a submission will not create any right in favour of the Licensees arising out of stipulations provided in UPERC (MYT for Distribution & Transmission) Regulations 2019."

Accordingly, the Commission had directed the Distribution Licensees to file the Tariff Petition for Truing-Up for FY 2023-24, Annual Performance Review (APR) for FY 2024-25 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2025-26 as per MYT Regulations, 2019.

Thereafter, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution) Regulations, 2025 (hereinafter referred to as 'MYT Regulations 2025') on March 26, 2025. The MYT Regulations 2025 is applicable for the control period from April 01, 2025, to March 31, 2030, unless extended by the Commission. Accordingly, the formats for the control period from 01.04.2025 to 31.03.2030 for filing of True up/ APR/ ARR were revised.

The Commission vide letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025, shared the formats with the Distribution Licensees for submitting information pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025, along with supporting documents and relevant submissions.

LICENSEE SUBMISSION:

The Noida Power Company Limited (hereinafter referred to as 'NPCL'/'Petitioner') filed their ARR Petition for determination of True-Up for FY 2023-24, APR for FY 2024-25 and ARR & Tariff for FY 2025-26 before the Commission on November 28, 2024.

NPCL, in compliance to the letter no. UPERC/Secy/D(Tariff)/2025-042 dated April 15, 2025, of the Commission, submitted the information pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025 in the prescribed formats vide letter dated April 30, 2025.

PRELIMINARY OBSERVATION:

The Commission had conducted a preliminary analysis of the above Petitions and certain deficiencies were observed, which were raised to the Petitioner vide letters/email dated January 24, 2025 and March 04, 2025, on the submissions made as part of petitions filed on November 28, 2024.





In preliminary analysis, deficiencies were sought, which were related to Billing Determinants, Distribution Loss, Energy Balance, reconciliation of Power purchase related matters (like Fixed Charges, Energy Charges, Transmission Charges, UI sales/ purchase etc.), RPO compliance, Operation and Maintenance Expense, CAPEX related to Smart Metering, Reconciliation of Revenue, rebates/ discounts included in the Revenue, Open Access Charges, Interest during construction period, Inter/Intra- state losses, SLDC application fees, NTI along with various other deficiencies.

LICENSEE RESPONSE:

The Petitioner submitted their response to the data deficiency in respect to True-Up of FY 2023-24, APR of FY 2024-25, ARR of FY 2025-26 vide following letters:

- a) Letter No. REG/24-25/U-39 dated February 14, 2025.
- b) Letter No. REG/24-25/U-44 dated March 17, 2025.

The online Technical Validation Session (TVS) on the ARR Petition of the Petitioner conducted on May 09, 2025, which was attended by the senior officials of the Commission and NPCL. During TVS, NPCL explained various issues raised in the deficiencies/TVS and some replies were submitted but reply on certain issues are still awaited. The queries related to information submitted pertaining to the ARR for FY 2025-26 as per MYT Regulations 2025 in the prescribed formats vide letter dated April 30, 2025 & subsequently, minutes of meeting (M.O.M.) comprising of pending data / information were issued.

COMMISSION'S OBSERVATIONS & DIRECTIONS:

The ARR Petition has been submitted by the Petitioner within the due date specified in the MYT Regulations, 2019 and letter no. UPERC/ Secy/D(T)/2024 – 1108 dated 13 November 2024. Further, the petitioner instead of making tariff proposal, has proposed to reconsider the continuation of/ reduction in the Regulatory Discount.

The Commission admits the ARR Petition of the Petitioner. The Commission further directs NPCL to submit the response on matters raised in TVS and previous pendency, if any. Also, the Petitioner has been directed that they shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission. In case of failure in compliance of such directions, the Commission shall dispose off the concerned matter as deemed fit by it based on the available information.

Regulation 5.5 of MYT Regulations 2025 specifies as under:

"The Petitioner shall within three working days of the issuance of the Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in its Licence area, outlining the True up/APR/ARR, proposed





Tariff and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:

Provided that the Petitioner shall also provide on its website the Petition filed before the Commission along with all regulatory filings, detailed computations, particulars and documents, in text-searchable format or in downloadable spreadsheet format in the manner stipulated by the Commission:

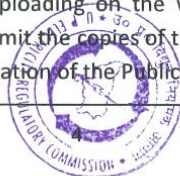
Provided also that the Distribution Licensee shall intimate its consumers about filing of such Petition, period of public consultation, date of Public Hearing etc. through appropriate notice on its website and newspapers:"

Accordingly, the Petitioner, within three working days from the issuance of this Admittance Order, shall publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence areas, outlining the True-Up, ARR, Gap/(Surplus), approved and actual Distribution losses for FY 2023-24 along with actual/proposed losses for FY 2024-25 and proposed losses for FY 2025-26, Power Purchase Cost, Average Cost of Supply, wheeling charges, cross subsidy surcharge for Open Access consumers and invite suggestions and objections within 21 days from the date of publication of the Public Notice(s) from the stakeholders and public at large.

The Public Notices should indicate that the stakeholders should regularly check the website of the Petitioner for further submissions made in respect to these proceedings.

The Petitioner shall also upload on its website the True up, APR & ARR petitions along with the updated APR and updated ARR formats filed before the Commission along with all regulatory filings, information, particulars, and related documents in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. While uploading the petitions, petitioner would also put a remark at the start and in bold that readers, while reading the ARR petition may overlook the submissions & format attached with original ARR petition rather they should refer revised submissions & format, which have been submitted before the Commission subsequent to filing of original ARR petition. The Petitioner shall also ensure that those files are broken into such size which can be easily downloaded. The Petitioner shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioner shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

The Petitioner shall inform the Commission, about the details of publication of the Public Notice in the newspapers and uploading on the website along with the links. The Petitioner are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

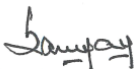




The Commission proposes to hold the Public Hearings in June 2025, the details of which will be provided subsequently on the Commission's website www.uperc.org.

The Petitioner shall take all necessary steps to ensure the necessary arrangements for smooth functioning of the public hearing in accordance with the guidelines / instructions issued in this regard by the Commission from time to time.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of these Petitions.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Date: ०१ May 2025

12.4. ANNEXURE -IV (PUBLIC HEARING NOTICE)

	U.P. Electricity Regulatory Commission Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010	
Ph : 0522-2720426, Fax : 0522-2720423, E-mail: secretary@uperc.org, www.uperc.org		
Ref: UPERC/D(Tariff)/2025-26/ 378		
Dated: 20 th June, 2025		
Public Notice		
The Distribution licensees, viz. Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL), Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL), Pashchimanchal Vidyut Vitran Nigam Ltd. (PVVNL), Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL), Kanpur Electricity Supply Company Ltd. (KESCO) and Noida Power Company Ltd (NPCL) have filed Petitions for determination of Aggregate Revenue Requirement (ARR) / Tariff for FY 2025-26, Annual Performance Review for FY 2024-25 and True-Up for FY 2023-24 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission).		
The Commission vide Orders dated May 09, 2025, has admitted the Petitions and has decided to hold "Public Hearings" for inviting suggestions and objections from the stakeholders and public at large. The "Public Hearings" will be conducted as per below details:		
Licensees Covered	Date & Time of Public Hearing	Place of Public Hearing
MVVNL	July 07, 2025 @11:00 AM (Monday)	Lucknow - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010
KESCO	July 09, 2025 @ 11.00 AM (Wednesday)	Kanpur - The Sportz Hub, F8HG+PCW, Palika Stadium Ln, Khalasi Line, Arya Nagar, Kanpur, Uttar Pradesh - 208002
PuVVNL	July 11, 2025 @11:00 AM (Friday)	Varanasi - Commissioner Office Auditorium, Opposite Vikas Bhavan, Hamrautia, Varanasi - 221002
DVVNL	July 15, 2025 @11:00 AM (Tuesday)	Agra - Rao Kishan Pal Singh Auditorium Campus R.B.S. College, Raja Balwant Singh Degree College, Madiya Katra Railway Crossing, Kandhari, Agra - 282002
NPCL	July 16, 2025 @ 11.00 AM (Wednesday)	Greater Noida - Auditorium 1, Gautam Budh University, Opposite Yamuna Expressway, Greater Noida, Uttar Pradesh - 201312
PVVNL	July 17, 2025 @11:00 AM (Thursday)	Meerut - Atal Sabhagar, Chaudhary Charan Singh University, Ramgarhi, Meerut, Uttar Pradesh 250001

The licensee has already published the summary of the Petitions in newspapers, inviting suggestions and objections. The stakeholders & Public at large should regularly check the websites of Commission i.e. www.uperc.org & concerned Licensee for updates / information and details about the venues/schedule of the 'Public Hearings'. All stakeholders and public at large are invited to attend the 'Public Hearings'.

All the Stakeholders who are participating in the Public Hearing shall also submit their written suggestions and objections in hard copies (one original + 5 sets of copies) along with verified affidavit (as prescribed) to the Secretary, UPERC within three (3) days of the Public Hearing. The submission should also be sent in PDF and Word / Excel format on the email id: office@uperc.org. It should be ensured that the Licensee name for whom the submission pertains to, is written in the subject line, otherwise it may not be taken into consideration.


Secretary

12.5. ANNEXURE-V (STATE ADVISORY COMMITTEE MINUTES OF MEETING)

	Uttar Pradesh Electricity Regulatory Commission Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org
शैलेन्द्र गौर सचिव	संख्या-यूपीईआरसी/निदेशक(टैरिफ)/2024-743 दिनांक: 16 अगस्त, 2024
सेवा में,	
01. अपर मुख्य सचिव, कृषि विभाग, उ०प्र० शासन, कृषि भवन, मदनमोहन मालवीय मार्ग, लखनऊ-226001 02. प्रमुख सचिव, ऊर्जा विभाग, उ०प्र० शासन, बापू भवन, विधान सभा मार्ग, लखनऊ-226001 03. प्रमुख सचिव, खाद्य एवं रसद विभाग, उ०प्र०, द्वितीय तल, जवाहर भवन, लखनऊ-226001 04. प्रमुख सचिव, सिंचाई विभाग, उ०प्र शासन, सिंचाई भवन कैण्ट रोड, उदयगंज, लखनऊ-226001 05. प्रमुख सचिव, शहरी विकास, उ०प्र० शासन, 104, महात्मागांधी मार्ग, लखनऊ-226001 06. प्रमुख सचिव, इन्फ्रास्ट्रक्चर एण्ड इण्डस्ट्रियल डेवलपमेंट, उ०प्र०, पिकप भवन ब्लाक-ए, चतुर्थ तल, लखनऊ-226010 07. प्रमुख सचिव, आईटी एवं इलेक्ट्रानिक्स, उत्तर प्रदेश शासन, सातवों तल, ब्लाक-सी, लोक भवन, सचिवालय, लखनऊ-226001 08. प्रबन्ध निदेशक, उ०प्र० पावर कारपोरेशन लि०, 14, अशोक मार्ग, शक्ति भवन, लखनऊ-226001 09. प्रबन्ध निदेशक, मध्यांचल विद्युत वितरण निगम लि०, 4-ए, गोखले मार्ग, लखनऊ-226001 10. प्रबन्ध निदेशक, उ०प्र० लखनऊ मेट्रो रेल कारपोरेशन लि०, प्रशासनिक भवन, नियर डा० भीम राव अम्बेदकर सामाजिक परिवर्तन स्थल, विपिन खण्ड, गोमती नगर, लखनऊ-226010 11. निदेशक, यूपी० नेडा, विभूति खण्ड, गोमती नगर, लखनऊ-226010 12. निदेशक, प्लानिंग एवं कामर्शियल, उ०प्र० पावर ट्रान्समिशन कारपोरेशन लि०, शक्ति भवन, 14-अशोक मार्ग, लखनऊ-226001 13. श्रीमती दीपा जयनानी, सीनियर कंसल्टेंट, फाइनेंसियल एक्सप्रेस, इन्वेस्ट यूपी०, ब्लाक-ए, पिकप भवन, लखनऊ-226010 14. श्री अवधेश कुमार वर्मा, अध्यक्ष, उ०प्र० राज्य विद्युत उपभोक्ता परिषद, ए-1391/7, इन्दिरा नगर, लखनऊ। 15. श्री रेजी कुमार पिल्लई, अध्यक्ष, इण्डियन स्मार्ट ग्रिड फोरम, सीबीआईपी बिल्डिंग माचला मार्ग चाणक्यपुरी, नई दिल्ली-110021। 16. अध्यक्ष एवं वरिष्ठ प्रतिनिधि, यूपी स्टेट काउंसिल, सी०आई०आई०, प्लाट-ए, विभूति खण्ड, गोमती नगर, लखनऊ-226010 17. शक्ति सस्टेनेबल इनर्जी फाउण्डेशन, दि कैपिटल कोर्ट, 104बी, चतुर्थ तल, मुनरिका फेज-III, नई दिल्ली-110067	



Uttar Pradesh Electricity Regulatory Commission

Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

18. निदेशक/हेड प्लांट, लैंको अनपरा पावर लि0, प्लांट नं0-137, फेज-III, उद्योग विहार, गुड़गोव-122016
19. डा0 भरतराज सिंह, डी0जी0, स्कूल आफ मैनेजमेंट साइंस, स्कई हाई प्लाजा, द्वितीय तल, 5-पार्क रोड, हजरतगंज, लखनऊ-226001

विषय: विद्युत नियामक आयोग द्वारा दिनांक 05 अगस्त, 2024 पूर्वाह्न 11:30 बजे आयोग के सभागार में आहूत की गयी राज्य सलाहकार समिति की बैठक का कार्यवृत्त।

महोदय,

कृपया आयोग द्वारा सभागार में आहूत की गयी राज्य सलाहकार समिति की बैठक दिनांक 05 अगस्त, 2024 के कार्यवृत्त की एक प्रति आपको संलग्न कर प्रेषित की जा रही है।

संलग्नक-यथोपरि।

भवदीय

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(शैलेन्द्र गौर)
सचिव।

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उ०प्र० विद्युत नियामक आयोग द्वारा दिनांक 05 अगस्त, 2024 पूर्वान्ह 11:30 बजे आयोग के सभागार में आहूत की गयी राज्य सलाहकार समिति की

बैठक का कार्यवृत्त

दिनांक 05-08-2023 को आयोग के सभागार में श्री अरविन्द कुमार (आईएस), अध्यक्ष, उ०प्र० विद्युत नियामक आयोग की अध्यक्षता में राज्य सलाहकार समिति की बैठक सम्पन्न हुई। बैठक में आयोग के सदस्य श्री संजय कुमार सिंह ने सहभागिता की। बैठक में उपस्थित राज्य सलाहकार समिति के सदस्यगण एवं अन्य का विवरण संलग्नक-1 में दर्शाया गया है।

सर्वप्रथम श्री शैलेन्द्र गौर, सचिव, उ०प्र० विद्युत नियामक आयोग ने आयोग के अध्यक्ष एवं सदस्य के अतिरिक्त बैठक में सहभाग करने वाले सदस्यों का सहभागिता के लिए स्वागत किया। राज्य सलाहकार समिति विद्युत नीतियों एवं प्रमुख विषयों के परिप्रेक्ष्य में अपने सुझाव प्रदान करती है। माननीय अध्यक्ष महोदय की अनुमति से आज की बैठक में प्रमुख एजेण्डा बिन्दुओं पर विचार-विमर्श किया गया, जिनका विवरण निम्नवत् है:-

एजेण्डा बिन्दु-1

प्रदेश की वितरण कम्पनियों द्वारा वित्तीय वर्ष 2024-25 हेतु प्रस्तुत ए०आर०आर०/टैरिफ याचिकाओं से सम्बन्धित।

एजेण्डा बिन्दु-2

नेट पोजीशन आफ गैप/सरप्लस: प्रदेश के वितरण अनुज्ञापिधारियों से सम्बन्धित।

एजेण्डा बिन्दु-3

रेगुलेटरी असेट्स: प्रदेश के वितरण अनुज्ञापिधारियों से सम्बन्धित।

एजेण्डा बिन्दु-4

मैसर्स एन०पी०सी०एल० की प्रस्तुत याचिका ए०आर०आर०/टैरिफ वित्तीय वर्ष 2024-25 से सम्बन्धित।

एजेण्डा बिन्दु-5

नोयडा पावर कम्पनी लि० के नेट पोजीशन आफ गैप/सरप्लस से सम्बन्धित।

एजेण्डा बिन्दु-6

उ०प्र० पावर ट्रान्समिशन कारपोरेशन लि० द्वारा प्रस्तुत याचिका ए०आर०आर०/टैरिफ वित्तीय वर्ष 2024-25 से सम्बन्धित।

एजेण्डा बिन्दु-7

उ०प्र० एस०एल०डी०सी० द्वारा प्रस्तुत याचिका ए०आर०आर०/टैरिफ वित्तीय वर्ष 2024-25 से सम्बन्धित।

माननीय अध्यक्ष द्वारा बैठक में सहभाग करने वाले राज्य सलाहकार समिति के सदस्यों का स्वागत करते हुए विस्तृत प्रस्तुतीकरण प्रस्तुत करने हेतु स्वीकृति प्रदान की गयी।

उपनिदेशक (टैरिफ इंजीनियरिंग) द्वारा अध्यक्ष महोदय की अनुमति से एजेण्डावाइज विस्तृत रूप से प्रस्तुतीकरण किया गया। आयोग द्वारा विभिन्न एजेण्डा बिन्दुओं पर राज्य सलाहकार समिति के सदस्यों से यह अनुरोध किया गया कि वे इन बिन्दुओं पर अपना मत व मार्गदर्शन प्रदान करें जिससे इन विषयों पर अधिक प्रभावी एवं व्यावहारिक निर्देश पारित हो सकें जो उपभोक्ता एवं अनुज्ञप्तिधारियों के हितों में संतुलन प्रदान कर सकें।

एजेण्डा बिन्दु-1, 2 एवं 3

प्रदेश की वितरण कम्पनियों द्वारा वित्तीय वर्ष 2024-25 हेतु प्रस्तुत ए0आर0आर0/टैरिफ याचिकाओं से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि वितरण उपभोक्ताओं का बिजली कम्पनियों पर सरप्लस धनराशि लगभग ₹0 33,122 करोड़ निकल रही है। एक तरफ बिजली कम्पनियाँ माननीय एपटेल में मुकदमा विचाराधीन होने की बात कहती हैं, वहीं दूसरी ओर विद्युत नियामक आयोग द्वारा खारिज पैरामीटर पर माननीय एपटेल में मुकदमा लगाकर आयोग से अनुमोदन कराने की मांग कर रही हैं, जो परस्पर विरोधाभासी है। इस प्रकार आयोग या तो एक साथ लगभग 40 प्रतिशत बिजली दरों में कमी करे या फिर अगले 5 वर्षों तक लगातार 8 प्रतिशत प्रत्येक वर्ष बिजली दरों में कमी करके विद्युत उपभोक्ताओं की धनराशि की भरपाई करे। साथ यह भी कहा गया कि यदि बिजली कम्पनियों को ऑकलित धनराशि ₹0 33,122 करोड़ में कोई आपत्ति है तो स्वयं आगणित कर बता दें कि कितना सरप्लस है। साथ ही यह भी कहा गया कि प्रकरण माननीय एपटेल ट्रैब्युनल में विचाराधीन है, फलस्वरूप वर्तमान में इस ए0आर0आर0 प्रस्ताव पर विचार नहीं किया जाना चाहिए।

श्री बी0आर0 सिंह द्वारा मत व्यक्त किया गया कि श्री अवधेश कुमार वर्मा द्वारा दिये गये आंकड़ों के अनुसार उपभोक्ताओं का टैरिफ सरप्लस एडजस्ट करने के बाद ही टैरिफ निर्धारित किया जाय। साथ ही कहा गया कि ग्रीन एनर्जी को बढ़ावा दिया जाना चाहिए क्योंकि सोलर की पावर परचेज कास्ट कम है।

श्री सुशील कुमार, प्रबन्ध निदेशक, लखनऊ मेट्रो ने कहा कि नेट मीटरिंग की सुविधा उच्च वोल्टेज में दी जानी चाहिए क्योंकि यह सुविधा नोयडा मेट्रो को दी जा रही है जबकि यहाँ पर नहीं मिल रही है। मेट्रो की बिजली दरें अन्य राज्यों की अपेक्षा बहुत ज्यादा हैं। एलएमआरसी को बीएसटी में 2प्रतिशत या 5प्रतिशत मार्जिन को जोड़कर टैरिफ निर्धारित किया जाना चाहिए। मेट्रो में 40 प्रतिशत खर्च विद्युत पर ही होता है जो अत्यधिक है। अतः इस प्रकार की नीति बनाई जाये कि मेट्रो पर विद्युत खर्च अन्य राज्यों के समकक्ष आये।

श्री राहुल सिंह, विशेष सचिव, आईटी एण्ड ई, द्वारा मत व्यक्त किया गया कि वर्तमान में लगभग 700 इलेक्ट्रिक बसें चल रही हैं जिनकी चार्जिंग के लिए एच0वी0-1 के अन्तर्गत टैरिफ लगाया जा रहा है

जबकि कैंप्टिव चार्जिंग को एलएमवी-11 श्रेणी में लाया जाना चाहिए। इस पर प्रबन्ध निदेशक, उ०प्र० पावर कारपोरेशन लि०, श्री पंकज कुमार द्वारा यह सुझाव दिया गया कि एलएमवी-11 में शामिल ई-व्हीकल्स की परिभाषा को स्पष्ट करने की आवश्यकता है। साथ ही मत व्यक्त किया गया कि नेट मीटरिंग की बजाय नेट बिलिंग को प्रोत्साहित किया जाये और टी०ओ०डी० को अन्य श्रेणियों पर भी लागू किया जा सकता है।

श्री रेजी कुमार पिल्लई, सदस्य, राज्य सलाहकार समिति द्वारा मत व्यक्त किया गया कि वितरण कम्पनियों द्वारा प्रस्तुत याचिका में एल०एम०वी०-11 के बिलिंग डिटरमेंट्स में त्रुटि प्रतीत होती है।

एजेण्डा बिन्दु-4

मैसर्स एन०पी०सी०एल० की प्रस्तुत ए०आर०आर०/टैरिफ वित्तीय वर्ष 2024-25 की याचिका से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि नोयडा पावर कम्पनी के मामले में जो वहाँ के विद्युत उपभोक्ताओं का सरप्लस निकल रहा है, उसके एवज में 10 प्रतिशत के रिबेट को बरकरार रखा जाय।

एजेण्डा बिन्दु-5

नोयडा पावर कम्पनी लि० की नेट पोजीशन आफ गैप/सरप्लस से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि मैसर्स एनपीसीएल का एबीआर 7.69 से घटकर 7.18 पर आ गया है, जो उचित नहीं प्रतीत होता है। मैसर्स एनपीसीएल द्वारा ट्रान्सफार्मर की कार्ट अधिक दर्शायी गयी है जबकि वही ट्रान्सफार्मर उ०प्र० पावर कारपोरेशन लि० कम दामों पर खरीद रहा है। साथ में यह भी कहा गया कि प्रदेश के अन्य जनपदों की अपेक्षा नोयडा के किसानों की बिजली दर ज्यादा है। यह भी कहा गया कि प्रदेश में विद्युत दुर्घटनायें अत्यंत महत्वपूर्ण पहलू है, विद्युत कम्पनियों में संविदा पर कर्मचारी कार्य कर रहे हैं, जिन पर समान कार्य-समान वेतन का सिद्धांत लागू होना चाहिए। इस वर्ष लगभग 1120 मृत्यु विद्युत दुर्घटना से हुई हैं, इस परिप्रेक्ष्य में माननीय आयोग से अनुरोध है कि टैरिफ में उचित दिशा निर्देश दिये जायें। इस पर प्रबन्ध निदेशक, उ०प्र० प्रदेश पावर कारपोरेशन लि० द्वारा आश्चर्य व्यक्त किया गया कि उ०प्र० पावर कारपोरेशन लि० के लिए एक भी जीवन अत्यंत महत्वपूर्ण है, इसके लिए बेहतर से बेहतर जो होगा, किया जायेगा।

श्री राहुल सिंह, विशेष सचिव, आई०टी०, उ०प्र० शासन द्वारा यह मत व्यक्त किया गया कि मैसर्स एन०पी०सी०एल० के प्रस्ताव के परिप्रेक्ष्य में डाटा सेंटर को एच०वी०-2 में शामिल किये जाने हेतु प्रकरण पर माननीय मंत्रिपरिषद का निर्णय प्राप्त करने के लिए सम्बन्धित विभागों से मंत्रणा की जा रही है। विचारण के उपरान्त माननीय मंत्रिपरिषद का निर्णय प्राप्त होने पर ही इस बिन्दु पर आगे कुछ टिप्पणी की जा सकेगी।

श्री अवधेश कुमार वर्मा द्वारा फिशरीज (मत्स्य-पालन) को कामर्शियल या एग्रीकल्चरल के रूप में माने जाने के मामले में मत व्यक्त किया गया छोटे फिशरीज के किसानों को एग्रीकल्चर श्रेणी में लाने पर माननीय आयोग द्वारा विचार किया जा सकता है। साथ ही कहा गया कि ग्रीन एनर्जी को बढ़ावा दिया जाना चाहिए।

श्री पंकज कुमार, प्रबन्ध निदेशक, उ०प्र० पावर कारपोरेशन लि० द्वारा मत व्यक्त किया गया कि मत्स्य पालन एक व्यावसायिक गतिविधि है, जिसे कृषि की श्रेणी में नहीं सम्मिलित किया जा सकता है।

एजेण्डा बिन्दु-6

उ०प्र० पावर ट्रान्समिशन कारपोरेशन लि० द्वारा प्रस्तुत एआरआर/टैरिफ वित्तीय वर्ष 2024-25 की याचिका से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि वर्तमान में यूपीपीटीसीएल द्वारा प्रस्तावित ट्रान्समिशन टैरिफ कम किया जाना चाहिए और यूपीपीटीसीएल को आने वाले समय में अपने सिस्टम को अपग्रेड करना चाहिए। साथ ही साथ यह भी मत व्यक्त किया गया कि यूपीपीटीसीएल द्वारा ओ० एण्ड एम० व्यय उच्च स्तर पर क्लेम किया गया है।

एजेण्डा बिन्दु-7

उ०प्र० एस०एल०डी०सी० द्वारा प्रस्तुत याचिका एआरआर/टैरिफ वित्तीय वर्ष 2024-25 से सम्बन्धित।

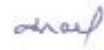
इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि यूपी०एस०एल०डी०सी० दिनांक 22 अगस्त, 2022 को अस्तित्व में आया है, जिसे स्वतंत्र ईकाई का स्वरूप दिया जाये और वह अपने सिस्टम को अपग्रेड करें।

माननीय अध्यक्ष ने कहा कि सभी सम्मानित सदस्यों द्वारा उपभोक्ताओं के हित में अनेक महत्वपूर्ण बिन्दु उठाये गये हैं। आयोग का प्रयास रहेगा कि राज्य सलाहकार समिति के सदस्यों के महत्वपूर्ण सुझावों को ध्यान में रखते हुए वित्तीय वर्ष 2024-25 के टैरिफ निर्धारण की प्रक्रिया को अन्तिम रूप दिया जाए।

अन्त में सचिव, उ०प्र० विद्युत नियामक आयोग द्वारा माननीय अध्यक्ष उ०प्र० विद्युत नियामक आयोग के अनुमोदन से बैठक में उपस्थित राज्य सलाहकार समिति के सदस्यगणों को धन्यवाद ज्ञापित करते हुए बैठक का समापन किया गया।

दिनांक: 16 अगस्त, 2024


(शैलेन्द्र गौर)
सचिव
उ०प्र० विद्युत नियामक आयोग।







संलग्नक-1

आयोग के सभागार में आयोजित राज्य सलाहकार समिति की बैठक दिनांक 05 अगस्त, 2024 में सहभाग करने वाले सदस्यगण का विवरण:

क्र.सं.	एस0ए0सी0 सदस्यगण	अधिकृत प्रतिनिधि	पदनाम
01	अपर मुख्य सचिव, ऊर्जा, उ0प्र0 शासन	श्री नुरेन्द्र भूषण, प्रमुख सचिव (ऊर्जा)	पदेन सदस्य, राज्य सलाहकार समिति (प्रमुख सचिव, ऊर्जा, उ0प्र0 शासन)
02	प्रबन्ध निदेशक, उ0प्र0 पावर कारपोरेशन लि0	श्री पंकज कुमार	पदेन सदस्य, राज्य सलाहकार समिति
03	प्रबन्ध निदेशक, मध्यांचल वि0वि0 निगम लि0	श्री भवानी सिंह	पदेन सदस्य, राज्य सलाहकार समिति
04	प्रमुख सचिव, सिंचाई, उ0प्र0 शासन	श्री टी0के0 शीबू, विशेष सचिव,	पदेन सदस्य, राज्य सलाहकार समिति
05	निदेशक, यू0पी0, नेडा	श्री अनुपम शुक्ला, निदेशक	पदेन सदस्य, राज्य सलाहकार समिति
06	प्रमुख सचिव, खादय एवं रसद, उ0प्र0 शासन	श्री उस्मान अली, एस0ई0 कृषि	पदेन सदस्य, राज्य सलाहकार समिति
07	प्रमुख सचिव, नगर विकास उ0प्र0 शासन	श्री अजय कुमार शुक्ला, सचिव, नगर विकास	पदेन सदस्य, राज्य सलाहकार समिति
08	निदेशक, उ0प्र0 पावर ट्रांसमिशन कारपोरेशन लि0	श्री सुशान्त कुमार दास, निदेशक (पी एण्ड सी)	पदेन सदस्य, राज्य सलाहकार समिति
09	प्रबन्ध निदेशक, यूपीएमआरसी	श्री सुशील कुमार प्रबन्धक निदेशक	पदेन सदस्य, राज्य सलाहकार समिति
10	श्री राहुल सिंह, विशेष सचिव (आईटी एण्ड ई)	श्री राहुल सिंह	—
11	प्रमुख सचिव, खादय एवं रसद, उ0प्र0 शासन	श्री देवी शंकर शुक्ला, संयुक्त सचिव	पदेन सदस्य, राज्य सलाहकार समिति
12	श्री रेजी कुमार पिल्लई, प्रेसीडेंट, आईएसजीएफ	—	सदस्य, राज्य सलाहकार समिति
13	श्री अवधेश कुमार वर्मा, अध्यक्ष, उ0प्र0राज्य विद्युत उपभोक्ता परिषद	—	सदस्य, राज्य सलाहकार समिति
14	सीआईआई	श्री फैज वारिस हेड, सीआईआई	सदस्य, राज्य सलाहकार समिति
15	श्री बी0आर0 सिंह, डायरेक्टर जनरल	—	सदस्य, राज्य सलाहकार समिति
16	शक्ति सस्टेनेबल इनर्जी फाउन्डेशन	मिस हंसिका धनखर	सदस्य, राज्य सलाहकार समिति

12.6. ANNEXURE-VI (PUBLIC HEARING ATTENDANCE)

(1)

"WISH TO SPEAK"					
PETITION No. 2168 of 2024 (TRUE-UP FY 2023-24, APR FY 2024-25 & ARR & TARIFF FY 2025-26)					
Noida Power Company Limited (NPCL)					
PUBLIC HEARING IN GREATER NOIDA (16.07.2025)					
S.NO	NAME	DESIGNATION	APPEARING ON BEHALF OF	MOBILE NO.	SIGNATURE
✓ 1.	Dr. Binoy Das		cheery County	9810173906	<i>Das</i>
✓ 2.	मनिषा चौधरी	मार्ग	मार्ग	9311614442	
✓ 3.	Manisha Chauhan			9560183072	<i>मनिषा चौधरी</i>
✓ 4.	Z Rehima	Chairman (Technology)	II A	987107290	<i>Rehima</i>
✓ 5.	अवधेश कुमार - अध्यक्ष		3090 (जय विप्लव 30) का		<i>अवधेश कुमार</i>
✓ 6.	Kamul Sahu	Dy manager	Sujpur Rms	955660240	<i>Sahu</i>
✓ 7.	Sahib Katariya	Co forage	Tech Zone	9810309986	
✓ 8.	Shivendra shashank	Co forage	Tech Zone	8877377700	
✓ 9.	Manjula Mishra.	M.D	Haryana Security Labels	9811324158	<i>My.</i>
✓ 10.	Susmita Ghatai	Chairman		9555625429	<i>Ghatai</i>
✓ 11.	OP Sharma	Vi-SARINI		9582291430	<i>OP Sharma</i>
✓ 12.	Monu mukhiya	Vi-SARINI		9873816088	<i>Monu mukhiya</i>
✓ 13.	Maresh Tjag	r	Elite Estate	98130395943	
✓ 14.	Samajit Roy	General Manager	ACE Group	9818049842	<i>Samajit Roy</i>

(2)

"WISH TO SPEAK"					
PETITION No. 2168 of 2024 (TRUE-UP FY 2023-24, APR FY 2024-25 & ARR & TARIFF FY 2025-26)					
Noida Power Company Limited (NPCL)					
PUBLIC HEARING IN GREATER NOIDA (16.07.2025)					
S.NO	NAME	DESIGNATION	APPEARING ON BEHALF OF	MOBILE NO.	SIGNATURE
✓ 15.	Devender Tiger	Adv. President RDA	Beta	9810219128	<i>Devender Tiger</i>
✓ 16.	Ajay		BISRAKH	991009200	<i>Ajay</i>
✓ 17.	Sanjay Dattaraj & Anil kumar	Director LUB. President	Karna. Ind Assoc.	9810262928	<i>Sanjay Dattaraj & Anil kumar</i>
✓ 18.	AJAY KUMAR OR VINOD MITTAL		Jaypee Green Greater Noida	9910015139	<i>AJAY KUMAR OR VINOD MITTAL</i>
✓ 19.	Vaikhav Singh		Nixolo Estate	9927017272	<i>Vaikhav Singh</i>
✓ 20.	MULENDRA K. SARKAR	CSRF Member	Section H-3	9910562777	<i>MULENDRA K. SARKAR</i>
✓ 21.	Sanjeev Sharma	President	Industrial Envt. Assoc.	9917071185	<i>Sanjeev Sharma</i>
✓ 22.	Maheesh Gupta	HR Head	Varrco Engineering Limited	9502220064	<i>Maheesh Gupta</i>
✓ 23.	Rajesh Singhania	Chairman		9458071132	<i>Rajesh Singhania</i>
✓ 24.	STEFAN RATH	Transaction Consultant		961010601	<i>STEFAN RATH</i>

"WISH TO SPEAK"					
PETITION No. 2168 of 2024 (TRUE-UP FY 2023-24, APR FY 2024-25 & ARR & TARIFF FY 2025-26)					
Noida Power Company Limited (NPCL)					
PUBLIC HEARING IN GREATER NOIDA (16.07.2025)					
S.NO	NAME	DESIGNATION	APPEARING ON BEHALF OF	MOBILE NO.	SIGNATURE
✓ 25	SHASHI SHARMA	होमर	HIM APARTMENT	981145147	✓
✓ 26	मोहम्मद दिनेश नागर	जुनेदपुर	Junedpur		
✓ 29	पुष्पा मेहता	जुनेदपुर	Junedpur	9719970616	✓
✓ 30	Mukesh karkar				
✓ 31	Pradeep Agarwal				
✓ 32	पुष्पा मेहता			9811708541	✓
✓ 33	P/c. Jiwari			971746622	✓

"WISH TO SPEAK"					
PETITION No. 2168 of 2024 (TRUE-UP FY 2023-24, APR FY 2024-25 & ARR & TARIFF FY 2025-26)					
Noida Power Company Limited (NPCL)					
PUBLIC HEARING IN GREATER NOIDA (16.07.2025)					
S.NO	NAME	DESIGNATION	APPEARING ON BEHALF OF	MOBILE NO.	SIGNATURE
✓ 24	Adv. Ajay Sharma		Surajpur	9911583680	✓
✓ 35	Sunil Shukla			8318551264	✓
✓ 36	SAPICQUE KHAN	DIRECTOR	Q-17, Side V	977757869	✓
✓ 37	ADVORATE GURPREET SINGH	JILA SACHIN	BUKASPUR	888208768	✓
✓ 38	Dr. Vikas Mehta	KISAN SABHA	LT NOIDA	999810006	✓
✓ 39	Alok Nagar	R.W.A	Delta-2	999090512	✓
✓ 40	Anil Sharma		Ecotech-3	9910008322	✓
✓ 41	Pankaj Kumar		P-4	995349366	✓
✓ 42	Adv. Satish Kanarsi		Kanarsi	9627021315	✓

"WISH TO SPEAK"					
PETITION No. 2168 of 2024 (TRUE-UP FY 2023-24, APR FY 2024-25 & ARR & TARIFF FY 2025-26)					
Noida Power Company Limited (NPCL)					
PUBLIC HEARING IN GREATER NOIDA (16.07.2025)					
S.NO	NAME	DESIGNATION	APPEARING ON BEHALF OF	MOBILE NO.	SIGNATURE
✓ 43	Ramesh Tolved.		Al Pine Sakheri		✓
✓ 44	Vinay Sharma		Individual	892027265	✓
✓ 45	Ankit Phale		P-3	9810608777	✓
✓ 46	Pankaj ojha		SHRI RADHA SKY GARDEN	9797018762	✓
