



**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2244 of 2025

Filed by

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

In the matter of

MYT Petition for determination of Tariff for The Period- FY 2024-25 to 2028-29
for Obra HPS, Khara HPS, Rihand HPS, Matatila HPS, Upper Ganga Canal SHP,
Belka SHP, Babail SHP, Sheetla SHP Hydro Power Stations of UP Rajya Vidyut
Utpadan Nigam Limited

Dated: 29/09/2026



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Petition No. 2244/2025
BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

(Date of Order: 29.09.2026)

Present:

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Dr. Sanjay Kumar Singh, Member

**IN THE MATTER
OF:**

MYT Petition for determination of Tariff for The Period- FY
2024-25 to 2028-29 for Obra HPS, Khara HPS, Rihand
HPS, Matatila HPS, Upper Ganga Canal SHP, Belka SHP,
Babail SHP, Sheetla SHP Hydro Power Stations of UP
Rajya Vidyut Utpadan Nigam Limited.

AND

IN THE MATTER OF

UP Rajya Vidyut Utpadan Nigam Limited

14th Floor, Shakti Bhawan, 14-Ashok Marg, Lucknow--226001

..... Petitioner

VERSUS

1. Uttar Pradesh Power Corporation Limited (UPPCL),

Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001

2. Himanchal Pradesh Electricity Board Limited

Vidyut Bhawan, Shimla, Himanchal Pradesh-171 004

3. Madhya Pradesh Power Management Company Ltd.

Shakti Bhawan, Vidyut Nagar, Jabalpur (M.P.)-482 008

4. Madhyanchal Vidyut Vitran Nigam Limited

PN Road, Lucknow

5. Poorvanchal Vidyut Vitran Nigam Limited

132 kV S/S Bhikari Vidyut Nagar, Varanasi

6. Paschimanchal Vidyut Vitran Nigam Limited





Victoria Park, Meerut

7. Dakshinanchal Vidyut Vitran Nigam Limited

Galina Road, Agra

8. Kanpur Electricity Supply Co. Limited

KESA House, Kanpur

..... Respondent

THE FOLLOWING WERE PRESENT

1. Sh. Shailendra Tiwari, Consultant, UPRVUNL
2. Sh. Vibhanshu Srivastava, Advocate, UPRVUNL
3. Sh. D B Yadav, CE (NP & Commercial), UPRVUNL
4. Sh. Mahesh Kumar Gautam, SE (Comm), UPRVUNL
5. Sh. Sunil Kumar, EE (Comm), UPRVUNL
6. Sh. Rajesh Kumar Singh, AE (Comm), UPRVUNL
7. Sh. Manish Dwivedi, SE PPA, UPPCL
8. Sh. Divyanshu Bhatt, Advocate, UPPCL
9. Sh. Awadhesh Kumar Verma, UPRVUNL



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Order
(Public Hearing: 15.04.2026)

1. Introduction

- 1.1.1 Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL), hereinafter referred to as the "Petitioner" is a company incorporated on 15th April 1985 under the Companies Act 1956 in the name of "Uttar Pradesh Alparthak Evam Laghu Jal Nigam" which was subsequently changed to "Uttar Pradesh Jal Vidyut Nigam Limited" on 17th December 1996.
- 1.1.2 The reforms in the power sector of Uttar Pradesh started with the enactment of the Uttar Pradesh Electricity Reforms Act, 1999. Subsequently, Uttar Pradesh Electricity Reforms Transfer Scheme, 2000 (hereinafter referred to as the First Transfer Scheme) was notified vide notification No. 149/P-1/2000-24, Lucknow, on 14th January 2000.
- 1.1.3 Consequent to this, Uttar Pradesh State Electricity Board (UPSEB) was unbundled into three different entities, Uttar Pradesh Power Corporation Limited (UPPCL), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) and Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL). Uttar Pradesh Power Corporation Limited (UPPCL) was vested with the responsibility of the transmission and distribution of electricity. Uttar Pradesh Rajya Vidyut Nigam Limited (UPRVUNL) was vested with the responsibility of the generation and sale of electricity from the thermal generating stations and Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL) was vested with the responsibility of the generation and sale of electricity from the hydro generating assets of erstwhile UPSEB. Subsequently, UPJVNL has been merged with UPRVUNL vide U.P. Government's Gazette dated 03.11.2023, under the Uttar Pradesh Electricity Reforms (Amalgamation and Merger of State Generating Companies) Scheme, 2023 by the GoUP.
- 1.1.4 As part of the scheme, all Hydro Power generating stations as set out in Schedule B to the transfer scheme were transferred to and vested with the Petitioner. The transfer scheme vide GoUP vide notification no. 348/P-1/2001-24 dated 25th January 2001 made the transfer scheme effective from 14th January 2000. The modified scheme provided that the value of





gross fixed assets as Rs. 943.38 Cr. & Rs. 403.18 Cr as total long-term debt and the equity amount to Rs. 372.18 Cr.

1.1.5 Pursuant to the reorganization of the state by carving out the state of Uttarakhand from Uttar Pradesh, the generating assets falling under the geographical domain of Uttarakhand were vested in a new company, the Uttarakhand Jal Vidyut Nigam Limited (UJVNL) with effect from 08th November 2001 the date on which the State of Uttarakhand was carved out of Uttar Pradesh. The MoP, GoI in its Order No. 42/7/2000 dated 05th November 2001 laid down the procedure for the division of 'Assets & Liabilities' between UPJVNL & UJVNL, the Board of Directors of UPJVNL accorded their approval for the transfer of balances to UJVNL in its 70th Meeting dated 07th August 2003. The balances were transferred retrospectively dated 08th November 2001. UPJVNL transferred a provisionally GFA balance of INR 676.22 Cr to UJVNL. The transfer of balances to UJVNL has in effect altered the capital cost and cost structures devolved upon it by the First Transfer Scheme. The following shows the changes in the GFA values in context with the Uttarakhand Transfer Scheme.

Table 1 Capital Structure as per the Transfer Scheme

Particulars	Capital Structure as per First Transfer Scheme	Capital Structure as per Uttarakhand Transfer Scheme
Uttar Pradesh Plants	432.49	320.19
Uttarakhand Plants	510.88	676.22
GFA Balance	943.38	996.42

1.1.6 The First Transfer Scheme had assigned a GFA value of INR 432.49 Cr to the hydro stations of Rihand, Obra, Matatila, Khara, and UGC (pertaining to UP). However, the UPJVNL assigned a higher value at the time of transfer of balances to UJVNL to the hydro stations situated in Uttarakhand, thereby assigning a GFA value of only INR 320.19 Cr as against the erstwhile value of INR 432.49 Cr for hydro stations of UP. The annual accounts of UPJVNL have been prepared considering the transfer of balances to UJVNL (where GFA transferred to UJVNL was INR 676.22 Cr.). The finalization of assets and liabilities between UPJVNL and UJVNL is still pending due to some disputes, which are referred to GoI for final settlement.





2. Installed Capacity of the Petitioner

2.1.1 Consequent to the Transfer Scheme, 2000 dated 14th January 2000, the total capacity transferred to and vested with UPJVNL was 1494.35 MW as shown in the table below:

Table 2 Running Hydro Power Stations as per Transfer Scheme, 2000

S. No.	Power Station Detail	Units (Nos)	Unit Capacity (in MW)	Total Capacity (in MW)
1	Rihand Power Station	6	50	300
2	Obra Hydel Power Station	3	33	99
3	Matatila Power Station	3	10.2	30.6
4	Khatima Power Station	3	13.8	41.4
5	Ramganga Power Station	3	66	198
6	Dhakrani Power Station	3	11.25	33.75
7	Dhalipur Power Station	3	17	51
8	Chibro Power Station	4	60	240
9	Kulhal Power Station	3	10	30
10	Chilla Power Station	4	36	144
11	Khodri Power Station	4	30	120
12	Maneri Bhali Stage I Power Station	3	30	90
13	Khara Power Station	3	24	72
Upper Ganga Canal Power Stations				
14	Bhola Power Stations	4	0.375	1.5
		2	0.6	1.2
15	Palra Power Station*	3	0.2	0.6
16	Sumera Power Station*	2	0.6	1.2
17	Salwa Power Station	2	1.5	3
18	Chitaura Power Station	2	1.5	3
19	Nirgazini Power Station	2	2.5	5
20	Mohammadpur Power Station	3	3.1	9.3
21	Pathri Power Station	3	6.8	20.4
	Total	68		1494.35

2.1.2 On the reorganization of the State of UP and formation of Uttarakhand, assets, with effect from 09th November 2001, Uttar Pradesh was left with an installed capacity of only 515.3 MW. In pursuance of Government of India (GoI) order No. 42/7/2000-R&R dated 05th November 2001 assets and liabilities of the Petitioner were shared between the Petitioner & Uttarakhand Jal Nigam Limited (UJVNL). Accordingly, the details of Installed Capacity and the age of the generating stations retained with Petitioner are listed in the table below:



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**Table 3 Running Hydro Power Stations vested with UPJVNL pursuant to GoI
order dated 05th November 2001**

S. No	Hydro Power Station	Unit No.	Derated Capacity (in MW)	Date of Commercial Operational	Age of Plant as on 31 st March 2024 (In Years)
1	Rihand Power Station	1	50	1962	62
		2	50	1962	62
		3	50	1962	62
		4	50	1962	62
		5	50	1962	62
		6	50	1966	58
2	Obra Hydel Power Station	1	33	15-05-1970	54
		2	33	07-12-1970	54
		3	33	08-04-1971	53
3	Matatila Power Station	1	10.2	26-02-1965	59
		2	10.2	02-06-1965	59
		3	10.2	03-09-1965	59
4	Khara Power Station	1	24	29-12-1992	31
		2	24	29-12-1992	31
		3	24	29-12-1992	31
Upper Ganga Canal Power Stations					
5	Nirgazini Power Station	1	2.5	1937	87
		2	2.5	1931	93
6	Chitaura Power Station	1	1.5	1938	86
		2	1.5	1938	86
7	Salawa Power Station	1	1.5	1937	87
		2	1.5	1937	87
8	Bhola Power Stations	1	0.375	Between 1929-1935	95
		2	0.375		94
		3	0.375		93
		4	0.375		92
		5	0.6		90
		6	0.6		89
	Total		515.3		

2.1.3 In addition to the above, post the Uttarakhand Transfer Scheme, UPJVNL has commissioned the following hydro power stations, taking the total capacity to 524.9 MW:

Table 4 New Hydro Power Commissioned by UPJVNL

Name of the Project	District	Year of Commissioning	Capacity (MW)
Belka	Saharanpur	2002-03	2 x 1.5
Babail	Saharanpur	2002-03	2 x 1.5
Sheetla	Jhansi	2006-07	3 x 1.2

3. R&M, Refurbishment & Up-rating Program



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HPS, Upper Ganga Canal SHP, Belka SHP, Babail SHP, Sheetla SHP**

3.1.1 The Commission has approved R&M of Rs. 136.27 Crore for Rihand HPS, Rs. 58.80 Crore for Obra HPS and Rs 10.36 Crore for Matatila as per below:

Table 5 R&M Expenses approved by the Commission (in Rs. Cr.)

	2009-10	2010-11	2011-12	2012-13	2013-14	Reference
Rihand HPS	0.00	45.42	45.42	45.42	0.00	UPERC's order dated 20.10.2011 in petition 661/2010 UPERC's order dated 20.10.2011 in petition 661/2010
Matatila HPS	0.00	0.00	0.00	10.36	0.00	
	2014-15	2015-16	2016-17	2017-18	2018-19	Reference
Obra HPS	-58.80	0.00	0.00	0.00	58.80	UPERC's order dated 03.07.2018 in petition 1109/2016

3.1.2 The actual utilization of R&M expenditure for Rihand HPS and Matatila HPS will be presented to the Commission during the time of Truing-up.

4. Regulatory Framework

- 4.1.1 The Uttar Pradesh Electricity Regulatory Commission notified the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2024 on 09th April 2024 being in-force for the Control period encompassing the financial years 2024-25 to 2028-29. Further, section 62 (1) of the of the Electricity Act, 2003 provides that the Appropriate Commission shall determine the tariff in accordance with the provisions of the Act, inter-alia, for supply of electricity by a generating company to a distribution licensee.
- 4.1.2 Section 2 of the UPERC Generation Tariff Regulations, 2024 provides the applicability of such regulations in all cases where tariff for a generating station or a unit thereof needed to be determined by the Commission under Section 62 of the Act read with Section 86 thereof.
- 4.1.3 Accordingly, UPJVNL has submitted MYT petition for FY 2024-25 to FY 2028-29 without True-Up petition for FY 2009-10 and onwards before the Commission. This is so because the Commission vide order dated 28th August 2017 in Petition No. 1109/2016 has observed in para 7 along with para 8 that the transfer scheme of UPJVNL & UJVNL are in process of finalization and the GFA balances will undergo changes. Due to this True-Up petition for FY 2009-10 to 2013-14 are immature and the process of

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finalization of GFA should not delay the tariff determination process. The recite of para 7 and 8 is as follows:

"7. ...However, the transfer scheme of UPJVNL & UJVNL is in process of finalization and the GFA balances are expected to undergo certain changes. Hence UPJVNL has requested the Hon'ble Commission to allow additional submissions for true-up in view of finalization of the transfer scheme.

8. The Hon'ble Commission has observed that the current True-Up petition for FY 2009-10 to 2013-14 are immature between UPJVNL & UJVNL. Also, the process of finalization of GFA should not delay the tariff determination process for the MYT period FY 2014-15 to 2018-19."

4.1.4 Petitioner has submitted that the transfer scheme between UPJVNL & UJVNL is still not finalized.

5. Record of Proceedings

5.1.1 During the hearing on 16.10.2025, the Commission allowed six-week time to Respondent for filling the reply and four-week time thereafter to the Petitioner for filing rejoinder. The Respondent (UPPCL) submitted its reply on 19.12.2025 wherein it raised following objections:

- i. The Petitioner has not specified the provisions of the Regulations under which it has claimed Additional Capitalization for the period FY 2024-25 to FY 2028-29.
- ii. The Respondent emphasized that the Petitioner must submit a comprehensive proposal to the Commission for approval of Renovation and Modernization (R&M) works, including a Detailed Project Report (DPR) covering the full scope, justification, cost-benefit analysis, projected life extension, financing plan, phased expenditure, completion timeline, and applicable reference price levels, including any foreign exchange components. Accordingly, no additional capitalization should not be allowed at this stage.
- iii. In light of the above observations on capital cost, the allowable depreciation, Return on Equity (RoE), interest on loan, interest on





working capital, Annual Fixed Charges (AFC), and energy charges should be revised accordingly.

- iv. The Petitioner to furnish the details of actual loan and interest, as per the aforementioned regulations, for each financial year in line with the audited books of accounts for further prudence check.

5.1.2 The Petitioner vide its affidavit dated 01.01.2026 submitted rejoinder against the reply of UPPCL dated 19.12.2025 listed as below:

- i. The Petitioner clarified that the works and additional capitalization claimed do not pertain to R&M, and no approval under Regulation 21(c)(7) is being sought. Any reference to R&M in the Annexure is inadvertent and does not affect the capital nature of the works. The additional capitalization has been claimed as per Tariff Regulations, with actual figures subject to verification during true-up.
- ii. The Petitioner submitted that the Respondent's assessment of allowable depreciation is based on the incorrect assumption that depreciation should be restricted to the opening capital cost, without accounting for the impact of additional capitalization during the control period. Accordingly, the Petitioner's claims relating to depreciation, Return on Equity (RoE), interest on loan, interest on working capital, Annual Fixed Charges (AFC), and energy charges are in accordance with the applicable Regulations.
- iii. It was further submitted that the regulatory framework permits consideration of projected parameters based on the latest approved values, subject to find adjustment during True Up.

5.1.3 The Commission, vide its admittance order dated 06.02.2026, decided to hold a public hearing on 13.03.2026 and directed the Petitioner to publish the notice in one English and one Hindi daily newspaper having wide circulation in the area. The notice was to outline the details of the Petition, including the ARR and its proposed components, and invite suggestions and objections from stakeholders and the public at large within 21 days from the date of publication of the Public Notice(s). The Public Notice was duly published by UPJVNL in Hindi and English newspapers on 07.02.2026. The Public hearing was rescheduled and subsequently held on 15.04.2026. All stakeholders were directed to submit their suggestions and objections in hard copy at least seven days prior to the date of the public hearing and to

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be present during the hearing. However, no stakeholder comments were received.

5.1.4 The succeeding part of the order covers Plant wise submission of the Petitioner and the Commission's analysis.



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6. Obra Hydro Power Project MYT and ARR

6.1 UPJVUNL Submission

6.1.1 The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 6 Fixed Assets Summary- Obra HPS - FY 2024-25 to FY 2028-29 (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	77.59	81.92	97.79	107.61	117.01
Capitalization during the year	4.34	15.87	9.82	9.40	3.39
Closing GFA	81.92	97.79	107.61	117.01	120.40

6.1.2 In the Petition, UPJVNL has proposed the component wise, fixed charges and energy charges for the electricity exported as given in the Table:

Table 7 Fixed charge component Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	4.63	5.22	5.97	6.53	6.90
2	Interest on Loan	1.96	2.22	2.64	2.70	2.43
3	Return on Equity	3.59	4.04	4.62	5.05	5.34
4	Interest on Working Capital	1.05	1.14	1.21	1.27	1.33
5	O & M Expenses	20.33	21.24	22.19	23.18	24.22
6	Total	31.56	33.86	36.63	38.73	40.21

Table 8 Energy Charge Proposed by the Petitioner (in Rs. /kWh)

Particulars	Unit	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Fixed Charge	INR Cr.	31.56	33.86	36.63	38.73	40.21
DE	MUs	279	279	279	279	279
AUX	%	1%	1%	1%	1%	1%
FEHS	%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge Rate	INR/kWh	0.571	0.613	0.663	0.701	0.728

6.2 Commission Analysis

6.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:





Table 9 Components of Fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

6.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 10 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	77.59	77.59	77.59	77.59	77.59
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Closing GFA	77.59	77.59	77.59	77.59	77.59

6.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III (A) till cumulative depreciation reaches 70%. Thereafter the remaining depreciable





value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

6.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 11 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	77.59	77.59	77.59	77.59	77.59
Closing Capital Cost	77.59	77.59	77.59	77.59	77.59
Average Capital Cost	77.59	77.59	77.59	77.59	77.59
Freehold land	-	-	-	-	-
Rate of depreciation	5.81%	5.81%	5.81%	5.81%	5.81%
Max. Depreciable Allowed (90% of Closing Capital Cost)	69.83	69.83	69.83	69.83	69.83
Depreciation allowed up to 70% of Closing Capital Cost	54.31	54.31	54.31	54.31	54.31
Balance useful life at the beginning of the period as submitted by the Petitioner	14	13	12	11	10
Cumulative Depreciation at the Start of the Period*	42.64	47.15	51.66	54.31	55.72
Remaining depreciable value	27.19	22.68	18.17	15.52	14.11
Depreciation (for the period)**	4.51	4.51	2.65	1.41	1.41
Cumulative depreciation at the end of the period	47.15	51.66	54.31	55.72	57.13

* Cumulative Depreciation till the last control period i.e. 31.03.2024

**Restricting to 70% of the GFA for FY 2026-27 and spreading uniformly over the balance useful life thereafter.

Interest on Loan

6.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered as equivalent to the closing loan balance for FY 2023-24.

6.2.6 The Commission has considered the repayment during the year equivalent to the normative depreciation for the year being in line with the methodology prescribed in the UPERC Generation Tariff Regulations, 2024. For computation of interest charges on such normative debt, the Commission has considered the same interest rate @12.25% as considered

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by the Commission in the previous Tariff Order dated 15.03.2023 in Petition No. 1790 of 2023.

Table 12 Interest on Loan approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	16.93	12.42	7.91	5.26	3.85
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Repayment	4.51	4.51	2.65	1.41	1.41
Closing Loan	12.42	7.91	5.26	3.85	2.44
Average Loan	14.68	10.17	6.59	4.56	3.15
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Loan Allowed	1.80	1.25	0.81	0.56	0.39

Return on Equity

6.2.7 Regulation 25(3)(a) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of return on equity for the purpose of determination of annual Revenue requirement of the Power project. The opening Equity balance as on 01.04.2024 has been considered equivalent to the closing equity balance for FY 2023-24.

6.2.8 The Return on Equity has been computed @ 15% as specified in the Regulation 25(3)(a) of UPERC (Terms and Conditions of Tariff) Regulations 2024 for the MYT period of FY 2024-25 to FY 2028-29. The table below provides the summary of equity base eligible for return and the Return on Equity considered by the Commission for the control period.

Table 13 Return on Equity approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	23.28	23.28	23.28	23.28	23.28
Addition During the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Closing Equity	23.28	23.28	23.28	23.28	23.28
Average Equity	23.28	23.28	23.28	23.28	23.28
Rate of ROE	15%	15%	15%	15%	15%
Return on Equity Allowed	3.49	3.49	3.49	3.49	3.49

Operation and Maintenance Cost

6.2.9 Regulation 25(3)(d) of UPERC (Terms & Conditions of Generation Tariff) Regulations 2024 deals with the allowance of O&M expenses. Based on

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2024-25 to 2028-29 for Obra HPS, Khara HPS, Rihand HPS, Matatila
HPS, Upper Ganga Canal SHP, Belka SHP, Babail SHP, Sheetla SHP**

relevant Regulations the normative O&M expenses for the control period are as per table below:

Table 14 Operation & Maintenance approved by the Commission (Rs. Crores)

Particulars	FY 2023- 24	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028-29
O&M Expenses	19.46	20.33	21.24	22.19	23.18	24.22

Interest on Working Capital

6.2.10 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 15 Interest on Working Capital approved by the Commission (Rs. Crores)

Particulars	FY 2024-25	FY 2025- 26	FY 2026- 27	FY 2027-28	FY 2028- 29
O&M expense for one month	1.69	1.77	1.85	1.93	2.02
Maintenance Spares @ 15% of O&M	3.05	3.19	3.33	3.48	3.63
Receivables for 45 days	3.84	3.89	3.73	3.66	3.78
Total Working Capital	8.59	8.85	8.90	9.07	9.43
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC Allowed	1.04	1.07	1.08	1.10	1.15

Summary of Total Fixed Cost & Unit Rates for the Control period

6.2.11 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

Table 16 Annual Fixed Charge and Energy Charge determined by the Commission

Particulars	FY 2024- 25	FY 2025-26	FY 2026-27	FY 2027- 28	FY 2028- 29
Depreciation	4.51	4.51	2.65	1.41	1.41
Interest on Loan	1.80	1.25	0.81	0.56	0.39
Return on Equity	3.49	3.49	3.49	3.49	3.49
Interest on Working Capital	1.04	1.07	1.08	1.10	1.15
O & M Expenses	20.33	21.24	22.19	23.18	24.22
AFC	31.17	31.56	30.22	29.74	30.65
Design Energy (MUs)	279.00	279.00	279.00	279.00	279.00
Aux. consumption (%)	1.00%	1.00%	1.00%	1.00%	1.00%
FEHS (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge (Rs. /Unit)	0.56	0.57	0.55	0.54	0.55

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7. Khara Hydro Power Project MYT and ARR

7.1 UPJVUNL Submission

7.1.1. The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 17 Fixed Assets Summary- Khara HPS - FY 2024-25 to FY 2028-29 in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	245.27	250.88	262.52	265.84	273.04
Capitalization during the year	5.61	11.64	3.33	7.20	0.00
Closing GFA	250.88	262.52	265.84	273.04	273.04

7.1.1 In the Petition, UPJVNL has proposed the component wise, fixed charge and energy charge for the electricity exported as given in the Table:

Table 18 Annual Fixed Charges as Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	0.36	1.66	3.00	4.19	5.27
2	Interest on Loan	0.22	0.83	1.19	1.20	0.93
3	Return on Equity	11.16	11.55	11.89	12.13	12.29
4	Interest on Working Capital	0.77	0.86	0.92	0.97	1.02
5	O & M Expenses	13.47	14.07	14.70	15.35	16.04
6	Total AFC	25.98	28.97	31.70	33.84	35.54

Table 19 Energy Charge Proposed by the Petitioner (in Rs. /kWh)

Particulars	Unit	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Fixed Charge	INR Cr.	25.98	28.96	31.69	33.83	35.54
DE	MW	385	385	385	385	385
AUX	%	1%	1%	1%	1%	1%
FEHS	%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge Rate	INR/kWh	0.341	0.380	0.416	0.444	0.466

7.2 Commission Analysis

7.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:





Table 20 Components of Fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

7.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 21 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	245.27	245.27	245.27	245.27	245.27
Capitalization during the year	-				
Decapitalization	-	-	-	-	-
Closing GFA	245.27	245.27	245.27	245.27	245.27

7.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall

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be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

7.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 22 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	245.27	245.27	245.27	245.27	245.27
Closing Capital Cost	245.27	245.27	245.27	245.27	245.27
Average Capital Cost	245.27	245.27	245.27	245.27	245.27
Freehold land	-	-	-	-	-
Rate of depreciation	5.72%	5.72%	5.72%	5.72%	5.72%
Max. Depreciable Allowed (90% of Closing Capital Cost)	220.74	220.74	220.74	220.74	220.74
Balance useful life at the beginning of the period as submitted by the Petitioner	7	6	5	4	3
Cumulative Depreciation at the Start of the Period	220.74*	220.74	220.74	220.74	220.74
Remaining depreciable value	0.00	0.00	0.00	0.00	0.00
Depreciation (for the period)	0.00	0.00	0.00	0.00	0.00
Cumulative depreciation at the end of the period	220.74	220.74	220.74	220.74	220.74

*Cumulative Depreciation till the last control period i.e. 31.03.2024

Interest on Loan

7.2.5 The Commission notes that the normative opening loan is zero in the last MYT order of the project, so the interest on loan is computed as zero for FY 2024-29 control period.

Return on Equity

7.2.6 Regulation 25(3)(a) of UPERC Generation Tariff Regulation 2024 prescribes the provisions for calculation of return on equity for the purpose of determination of annual Revenue requirement of the Power project. The opening Equity balance as on 01.04.2024 has been considered equivalent to the closing equity balance for FY 2023-24.

7.2.7 The Return on Equity has been computed @ 15% as specified in the Regulation 25(3)(a) of UPERC (Terms and Conditions of Tariff) Regulations 2024 for the MYT period of FY 2024-25 to FY 2028-29. The table below





provides the summary of equity base eligible for return and the Return on Equity approved by the Commission for the control period.

Table 23 Return on Equity approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	73.58	73.58	73.58	73.58	73.58
Addition During the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Closing Equity	73.58	73.58	73.58	73.58	73.58
Average Equity	73.58	73.58	73.58	73.58	73.58
Rate of ROE	15%	15%	15%	15%	15%
Return on Equity	11.04	11.04	11.04	11.04	11.04

Operation and Maintenance Cost

7.2.8 Regulation 25(3)(d) of UPERC (Terms & Conditions of Generation Tariff) Regulations 2024 deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:

Table 24 Operation & Maintenance approved by the Commission (Rs. Crores)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M Expenses	12.89	13.47	14.07	14.70	15.35	16.04

Interest on Working Capital

7.2.9 Based on the above, and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 25 Interest on Working Capital approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M expense for one month	1.12	1.17	1.22	1.28	1.34
Maintenance Spares @ 15% of O&M	2.02	2.11	2.20	2.30	2.41
Receivables for 45 days	3.11	3.19	3.27	3.35	3.45
Total	6.26	6.47	6.70	6.93	7.19
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC Allowed	0.76	0.79	0.81	0.84	0.87

Summary of Total Fixed Cost & Unit Rates for the Control period

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7.2.10 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

Table 26 Annual Fixed Charge and Energy Charge determined by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	-	-	-	-	-
Interest on Loan	-	-	-	-	-
Return on Equity	11.04	11.04	11.04	11.04	11.04
Interest on Working Capital	0.76	0.79	0.81	0.84	0.87
O & M Expenses	13.47	14.07	14.70	15.35	16.04
AFC	25.26	25.89	26.55	27.23	27.95
Share of UP (80%)	20.21	20.71	21.24	21.79	22.36
Design Energy	385.00	385.00	385.00	385.00	385.00
Aux. consumption	1.00%	1.00%	1.00%	1.00%	1.00%
FEHS	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge (Rs. /Unit)	0.27	0.27	0.28	0.29	0.29

7.2.11 The Petitioner submitted that it has made available 20% of the power to Himachal Pradesh based on the energy available at Khara on an ex-bus basis. Accordingly, the allocation of fixed charges between Uttar Pradesh and Himachal Pradesh is shown in the table below:

Table 27 AFC Share between UP and Himanchal Pradesh in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Total Fixed Charge	25.26	25.89	26.55	27.23	27.95
Uttar Pradesh Share (80%)	20.21	20.71	21.24	21.79	22.36
Himanchal Pradesh Share (20%)	5.05	5.18	5.31	5.45	5.59



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8. Rihand Hydro Power Project MYT and ARR

8.1 UPJVUNL Submission

8.1.1. The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 28 Fixed Assets Summary- Rihand HPS - FY 2024-25 to FY 2028-29 (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	190.15	190.39	196.57	200.79	209.41
Capitalization during the year	0.24	6.18	4.22	8.61	4.07
Closing GFA	190.39	196.57	200.79	209.41	213.48

8.1.2. In the Petition, UPJVNL has proposed the component wise, fixed charge and energy charge for the electricity exported as given in the Table:

Table 29 Annual Fixed Charges Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	11.00	11.19	11.50	11.87	12.24
2	Interest on Loan	3.53	2.44	1.50	0.62	0.13
3	Return on Equity	8.56	8.71	8.94	9.23	9.52
4	Interest on Working Capital	2.19	2.32	2.41	2.49	2.59
5	O & M Expenses	41.73	43.59	45.54	47.57	49.70
6	Total AFC	67.01	68.26	69.88	71.78	74.18

Table 30 Energy Charge Proposed by the Petitioner (in Rs. /kWh)

Particulars	Unit	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Fixed Charge	INR Cr.	67.01	68.26	69.88	71.78	74.18
DE	MUs	920	920	920	920	920
AUX	%	1%	1%	1%	1%	1%
FEHS	%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge Rate	INR/kWh	0.368	0.375	0.384	0.394	0.407

8.2 Commission Analysis

8.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be

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considered. Hence, the Commission has decided to allow the components of fixed charges as below:

Table 31 Components of fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

8.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 32 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	190.15	190.15	190.15	190.15	190.15
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Closing GFA	190.15	190.15	190.15	190.15	190.15

8.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from

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the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

8.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 33 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	190.15	190.15	190.15	190.15	190.15
Closing Capital Cost	190.15	190.15	190.15	190.15	190.15
Average Capital Cost	190.15	190.15	190.15	190.15	190.15
Freehold land	-	-	-	-	-
Rate of depreciation	5.90%	5.90%	5.90%	5.90%	5.90%
Max. Depreciable Allowed (90% of Closing CC)	171.14	171.14	171.14	171.14	171.14
Balance useful life at the beginning of the period as submitted by the Petitioner	12	11	10	9	8
Cumulative Depreciation at the Start of the Period	94.22*	105.43	116.64	127.85	133.11
Remaining depreciable value	76.92	65.71	54.50	43.29	38.03
Depreciation (for the period)	11.21	11.21	11.21	5.25	4.75
Depreciation (annualised)	11.21	11.21	11.21	5.25	4.75
Cumulative Depreciation till the end of control period	105.43	116.64	127.85	133.11	137.86

*Cumulative Depreciation till the last control period i.e. 31.03.2024

Interest on Loan

8.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered equivalent to the closing loan balance for FY 2023-24.

8.2.6 The Commission has considered the repayment during the year equivalent to the normative depreciation for the year being in line with the methodology prescribed in the UPERC Generation Tariff Regulations, 2024. For computation of interest charges on such normative debt, the

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Commission has considered the same interest rate @12.25% as considered by the Commission in the previous MYT Order for the project.

Table 34 Interest on Loan approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	34.20	22.99	11.78	0.57	-
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Repayment	11.21	11.21	11.21	0.57	-
Closing Loan	22.99	11.78	0.57	-	-
Average Loan	28.59	17.38	6.17	0.28	-
Rate of Interest	12.25%	12.25%	12.25%	12.25%	-
Interest on Loan	3.50	2.13	0.76	0.03	-

Return on Equity

8.2.7 Regulation 25(3)(a) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of return on equity for the purpose of determination of annual Revenue requirement of the Power project. The opening Equity balance as on 01.04.2024 has been considered equivalent to the closing equity balance for FY 2023-24.

8.2.8 The Return on Equity has been computed @ 15% as specified in the Regulation 25(3)(a) of UPERC (Terms and Conditions of Tariff) Regulations 2024 for the MYT period of FY 2024-25 to FY 2028-29. The table below provides the summary of equity base eligible for return and the Return on Equity considered by the Commission for the control period.

Table 35 Return on Equity approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	57.06	57.06	57.06	57.06	57.06
Addition During the Year	-	-	-	-	-
Deletion During the Year	0	0	0	0	0
Closing Equity	57.06	57.06	57.06	57.06	57.06
Average Equity	57.06	57.06	57.06	57.06	57.06
Rate of ROE	15%	15%	15%	15%	15%
Return on Equity	8.56	8.56	8.56	8.56	8.56





Operation and Maintenance Cost

8.2.9 Regulation 25(3)(d) deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:

Table 36 Operation and Maintenance approved by the Commission in Rs. Crore

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M Expenses	39.94	41.73	43.59	45.54	47.57	49.70

Interest on Working Capital

8.2.10 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 37 Interest on Working Capital approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M expense for one month	3.48	3.63	3.79	3.96	4.14
Maintenance Spares @ 15% of O&M	6.26	6.54	6.83	7.14	7.46
Receivables for 45 days	8.28	8.35	8.43	7.83	8.06
Total	18.02	18.52	19.06	18.94	19.66
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC	2.19	2.25	2.32	2.30	2.39

Summary of Total Fixed Cost & Unit Rates for the Control period

8.2.11 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

Table 38 Annual Fixed Charge and Energy Charge determined by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	11.21	11.21	11.21	5.25	4.75
Interest on Loan	3.50	2.13	0.76	0.03	-
Return on Equity	8.56	8.56	8.56	8.56	8.56
Interest on Working Capital	2.19	2.25	2.32	2.30	2.39
O & M Expenses	41.73	43.59	45.54	47.57	49.70

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Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
AFC	67.19	67.74	68.38	63.72	65.40
Design Energy (MUs)	920.00	920.00	920.00	920.00	920.00
Aux. consumption (%)	1.00%	1.00%	1.00%	1.00%	1.00%
FEHS (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge (Rs. /Unit)	0.37	0.37	0.38	0.35	0.36





9. Matatila Hydro Power Project MYT and ARR

9.1 UPJVNL Submission

9.1.1 The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 39 Fixed Assets Summary- Matatila HPS - FY 2024-25 to FY 2028-29 (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	21.09	23.76	26.77	29.84	31.56
Capitalization during the year	2.67	3.01	3.07	1.72	3.85
Closing GFA	23.76	26.77	29.84	31.56	35.41

9.1.2 In the Petition, UPJVNL has proposed the component wise fixed charge and energy charge for the electricity exported as given in the Table:

Table 40 Annual Fixed Charges Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	1.20	1.37	1.55	1.69	1.85
2	Interest on Loan	0.04	0.13	0.21	0.22	0.29
3	Return on Equity	1.01	1.14	1.27	1.38	1.51
4	Interest on Working Capital	0.44	0.48	0.51	0.53	0.56
5	O & M Expenses	9.28	9.72	10.17	10.65	11.14
6	Total AFC	11.98	12.83	13.71	14.46	15.36

Table 41 Energy Charge Proposed by the Petitioner (in Rs. /kWh)

Particulars	Unit	2024-25	2025-26	2026-27	2027-28	2028-29
Annual Fixed Charge	INR Cr.	11.98	12.83	13.71	14.46	15.36
DE	MUs	123	123	123	123	123
AUX	%	1%	1%	1%	1%	1%
FEHS	%	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Charge Rate	INR/kWh	0.492	0.527	0.563	0.594	0.631

9.2 Commission Analysis

9.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:





Table 42 Components of fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

9.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 43 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	21.09	21.09	21.09	21.09	21.09
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Closing GFA	21.09	21.09	21.09	21.09	21.09

9.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall





be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

9.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 44 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	21.09	21.09	21.09	21.09	21.09
Closing Capital Cost	21.09	21.09	21.09	21.09	21.09
Average Capital Cost	21.09	21.09	21.09	21.09	21.09
Freehold land	-	-	-	-	-
Rate of depreciation	5.64%	5.64%	5.64%	5.64%	5.64%
Max. Depreciable Allowed (90% of Closing CC)	18.99	18.99	18.99	18.99	18.99
Balance useful life at the beginning of the period as submitted by the Petitioner	12	11	10	9	8
Cumulative Depreciation at the Start of the Period	5.78	6.97	8.16	9.35	10.54
Remaining depreciable value	13.21	12.02	10.82	9.63	8.44
Depreciation (for the period)	1.19	1.19	1.19	1.19	1.19
Cumulative depreciation at the end of the period	6.97	8.16	9.35	10.54	11.73

Interest on Loan

9.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered as equivalent to the closing loan balance for FY 2023-24.

9.2.6 The Commission notes that the normative opening loan is zero in the last MYT order for the project, so the interest on loan is computed as zero for FY 2024-29 control period.

Return on Equity

9.2.7 Regulation 25(3)(a) of UPERC Generation Tariff Regulation 2024 prescribes the provisions for calculation of return on equity for the purpose of determination of annual Revenue requirement of the Power project. The





opening Equity balance as on 01.04.2024 has been considered equivalent to the closing equity balance for FY 2023-24.

9.2.8 The Return on Equity has been computed @ 15% as specified in the Regulation 25(3)(a) of UPERC (Terms and Conditions of Tariff) Regulations 2024 for the MYT period of FY 2024-25 to FY 2028-29. The table below provides the summary of equity base eligible for return and the Return on Equity considered by the Commission for the control period.

Table 45 Return on Equity approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	6.33	6.33	6.33	6.33	6.33
Addition During the Year	-	-	-	-	-
Deletion During the Year	0	0	0	0	0
Closing Equity	6.33	6.33	6.33	6.33	6.33
Average Equity	6.33	6.33	6.33	6.33	6.33
Rate of ROE	15%	15%	15%	15%	15%
Return on Equity	0.95	0.95	0.95	0.95	0.95

Operation and Maintenance Cost

9.2.9 Regulation 25(3)(d) of UPERC (Terms & Conditions of Generation Tariff) Regulations 2024 deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:

Table 46 Operation and Maintenance approved by the Commission in Rs. Crore

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M Expenses	8.87	9.27	9.68	10.11	10.57	11.04

Interest on Working Capital

9.2.10 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:



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Table 47 Interest on Working Capital approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025- 26	FY 2026- 27	FY 2027-28	FY 2028- 29
O&M expense for one month	0.77	0.81	0.84	0.88	0.92
Maintenance Spares @ 15% of O&M	1.39	1.45	1.52	1.58	1.66
Receivables for 45 days	1.46	1.51	1.57	1.62	1.69
Total	3.62	3.77	3.93	4.09	4.26
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC	0.44	0.46	0.48	0.50	0.52

Summary of Total Fixed Cost & Unit Rates for the Control period

9.2.11 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

**Table 48 Annual Fixed Charge and Energy Charge determined by the
Commission**

Particulars	FY 2024- 25	FY 2025-26	FY 2026-27	FY 2027- 28	FY 2028- 29
Depreciation	1.19	1.19	1.19	1.19	1.19
Interest on Loan	-	-	-	-	-
Return on Equity	0.95	0.95	0.95	0.95	0.95
Interest on Working Capital	0.44	0.46	0.48	0.50	0.52
O & M Expenses	9.27	9.68	10.11	10.57	11.04
AFC	11.85	12.28	12.73	13.20	13.70
Design Energy	123	123	123	123	123
Aux. consumption	1%	1%	1%	1%	1%
FEHS	0%	0%	0%	0%	0%
Energy Charge (Rs. /Unit)	0.49	0.50	0.52	0.54	0.56





10. Upper Ganga Canal Hydro Power Project MYT and ARR

10.1 UPJVUNL Submission

10.1.1 The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 49 Fixed Assets Summary- Upper Ganga Canal HPS - FY 2024-25 to FY 2028-29 (Rs./ Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	3.68	3.68	3.68	3.68	3.68
Capitalization during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	3.68	3.68	3.68	3.68	3.68

10.1.2 In the Petition, UPJVNL has proposed the component wise fixed charge and energy charge for the electricity exported as given in the Table:

Table 50 Fixed charge component Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	0.20	-	-	-	-
2	Interest on Loan	-	-	-	-	-
3	Return on Equity	0.17	0.17	0.17	0.17	0.17
4	Interest on Working Capital	0.48	0.52	0.54	0.56	0.59
5	O & M Expenses	10.86	11.35	11.86	12.39	12.94
6	Total	11.72	12.03	12.56	13.12	13.70

10.1.3 UPJVUNL has proposed the following computation for the levelized tariff:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Installed Capacity (MW)	13.7	13.7	13.7	13.7	13.7
Gross Generation (MUs)	36.1	36	36	36	36.1
Aux. Consumption (%)	1%	1%	1%	1%	1%
Net Generation (MUs)	35.74	35.64	35.64	35.64	35.74
Depreciation	0.20	0.00	0.00	0.00	0.00
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	0.17	0.17	0.17	0.17	0.17
Interest on Working Capital	0.48	0.52	0.54	0.56	0.59
O & M Expenses	10.86	11.35	11.86	12.39	12.94
Total	11.72	12.03	12.56	13.12	13.70
Per Unit					
Depreciation	0.06	-	-	-	-
Interest on Loan	-	-	-	-	-
Return on Equity	0.05	0.05	0.05	0.05	0.05
Interest on Working Capital	0.14	0.14	0.15	0.16	0.16
O & M Expenses	3.04	3.18	3.33	3.48	3.62
Per Unit Tariff Component	3.28	3.38	3.52	3.68	3.83
	1	2	3	4	5
Discount Rate	9.15				



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Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Discount Factor	1	0.92	0.84	0.77	0.70
Discount Tariff	3.28	3.09	2.96	2.83	2.70
Levelized Tariff (Rs. / Unit)	3.00				

10.2 Commission Analysis

10.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:

Table 51 Components of fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

10.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 52 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	3.68	3.68	3.68	3.68	3.68
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Closing GFA	3.68	3.68	3.68	3.68	3.68





10.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

10.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 53 Depreciation as approved by the Commission in Rs. Crore

Depreciation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	3.68	3.68	3.68	3.68	3.68
Closing Capital Cost	3.68	3.68	3.68	3.68	3.68
Average Capital Cost	3.68	3.68	3.68	3.68	3.68
Freehold land	-	-	-	-	-
Rate of depreciation	5.68%	5.68%	5.68%	5.68%	5.68%
Max. Depreciable Allowed (90% of Closing Capital Cost)	3.31	3.31	3.31	3.31	3.31
Cumulative Depreciation at the Start of the Period	3.11	3.31	3.31	3.31	3.31
Remaining depreciable value	0.20	-	-	-	-
Depreciation (for the period)	0.20	-	-	-	-
Cumulative depreciation at the end of the period	3.31	3.31	3.31	3.31	3.31

Interest on Loan

10.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered equivalent to the closing loan balance for FY 2023-24.





10.2.6 The Commission has considered the repayment during the year equivalent to the normative depreciation for the year being in line with the methodology prescribed in the UPERC Generation Tariff Regulations, 2024. For computation of interest charges on such normative debt, the Commission has considered the same interest rate @12.25% as considered by the Commission in the previous MYT Order dated 15.03.2023 in Petition No. 1790 of 2023.

Table 54 Interest on Loan approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	0.06	-	-	-	-
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Repayment	0.06	-	-	-	-
Closing Loan	-	-	-	-	-
Average Loan	0.03	-	-	-	-
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Loan allowed	0.00	-	-	-	-

Return on Equity

10.2.7 Regulation 25(3)(a) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of return on equity for the purpose of determination of annual Revenue requirement of the Power project. The opening Equity balance as on 01.04.2024 has been considered as equivalent to the closing equity balance for FY 2023-24.

10.2.8 The Return on Equity has been computed @ 15% as specified in the Regulation 25(3)(a) of UPERC (Terms and Conditions of Tariff) Regulations 2024 for the MYT period of FY 2024-25 to FY 2028-29. The table below provides the summary of equity base eligible for return and the Return on Equity considered by the Commission for the control period.

Table 55 Return on Equity approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	1.10	1.10	1.10	1.10	1.10
Addition During the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Closing Equity	1.10	1.10	1.10	1.10	1.10
Average Equity	1.10	1.10	1.10	1.10	1.10

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Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Rate of ROE	15%	15%	15%	15%	15%
Return on Equity allowed	0.17	0.17	0.17	0.17	0.17

Operation and Maintenance Cost

10.2.9 Regulation 25(3)(d) of UPERC (Terms & Conditions of Generation Tariff) Regulations 2024 deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:

Table 56 Operation and Maintenance approved by the Commission in Rs. Crore

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M Expenses	10.4	10.86	11.35	11.86	12.39	12.94

Interest on Working Capital

10.2.10 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 57 Interest on Working Capital approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M expense for one month	0.91	0.95	0.99	1.03	1.08
Maintenance Spares @ 15% of O&M	1.63	1.70	1.78	1.86	1.94
Receivables for 45 days	1.44	1.48	1.55	1.61	1.69
Total	3.98	4.13	4.31	4.50	4.71
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC allowed	0.48	0.50	0.52	0.55	0.57

Summary of Total Fixed Cost & Unit Rates for the Control period

10.2.11 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

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Table 58 Annual Fixed Charge determined by the Commission (Rs./Cr.)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	0.20	-	-	-	-
Interest on Loan	0.00	-	-	-	-
Return on Equity	0.17	0.17	0.17	0.17	0.17
Interest on Working Capital	0.48	0.50	0.52	0.55	0.57
O & M Expenses	10.86	11.35	11.86	12.39	12.94
AFC	11.72	12.02	12.55	13.10	13.68

10.2.12 The Petitioner has claimed the levelized tariff as per CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017 in line with previous orders of the Commission. Accordingly, the Commission has considered the discount rate of 9.15% and CUF of 30% as per CERC RE Regulation, 2017 as previously approved by the Commission to determine levelized tariff for Upper Ganga SHP for FY 2024-25 to FY 2028-29:

Table 59 Energy Charge determined by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Installed Capacity (MW)	13.70	13.70	13.70	13.70	13.70
Gross Generation (MUs)	36.00	36.00	36.00	36.10	36.00
Aux. consumption	1%	1%	1%	1%	1%
Net Generation (MUs)	35.64	35.64	35.64	35.74	35.64
Per Unit Depreciation	0.06	-	-	-	-
Per Unit Interest on Loan	0.00	-	-	-	-
Per Unit Return on Equity	0.05	0.05	0.05	0.05	0.05
Per Unit IoWC	0.14	0.14	0.15	0.15	0.16
Per Unit O&M Expenses	3.05	3.18	3.33	3.47	3.63
Per Unit Tariff Component	3.29	3.37	3.52	3.67	3.84
Discount Rate	9.15%				
Discount Factor	1.00	0.92	0.84	0.77	0.70
Discounted Tariff	3.29	3.09	2.95	2.82	2.70
Levelized Tariff (Rs./Unit)	3.51				

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11. Babail Hydro Power Project MYT and ARR

11.1 UPJVUNL Submission

11.1.1 The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 60 Fixed Assets Summary- Babail HPS - FY 2024-25 to FY 2028-29 (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	24.21	24.21	24.21	24.21	24.21
Capitalization during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	24.21	24.21	24.21	24.21	24.21

11.1.2 In the Petition, UPJVUNL has proposed the component wise, fixed charge and energy charge for the electricity exported as given in the Table:

Table 61 Annual Fixed Charges Proposed by the Petitioner (Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	0.46	0.46	0.46	0.46	0.46
2	Interest on Loan	1.00	0.94	0.88	0.83	0.77
3	Return on Equity	0.00	0.00	0.00	0.00	0.00
4	Interest on Working Capital	0.07	0.08	0.08	0.08	0.08
5	O & M Expenses	1.13	1.18	1.23	1.29	1.34
6	Total AFC	2.66	2.66	2.66	2.66	2.66

11.1.3 UPJVUNL has proposed the following computation for the levelized tariff:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Installed Capacity (MW)	3	3	3	3	3
Gross Generation (MUs)	7.88	7.88	7.88	7.91	7.88
Aux. Consumption (%)	1%	1%	1%	1%	1%
Net Generation (MUs)	7.80	7.80	7.80	7.83	7.80
Depreciation	0.46	0.46	0.46	0.46	0.46
Interest on Loan	1.00	0.94	0.88	0.83	0.77
Return on Equity1	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.07	0.08	0.08	0.08	0.08
O & M Expenses	1.13	1.18	1.23	1.29	1.34
Total	2.66	2.66	2.66	2.66	2.66
Per Unit					
Depreciation	0.60	0.60	0.60	0.59	0.60
Interest on Loan	1.28	1.20	1.13	1.05	0.99
Return on Equity1	-	-	-	-	-
Interest on Working Capital	0.09	0.10	0.10	0.10	0.10
O & M Expenses	1.45	1.51	1.58	1.64	1.72
Per Unit Tariff Component	3.41	3.41	3.40	3.39	3.41
	1	2	3	4	5

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Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Discount Rate	9.15				
Discount Factor	1	0.92	0.84	0.77	0.70
Discount Tariff	3.41	3.12	2.86	2.61	2.40
Levelized Tariff (Rs. / Unit)	2.92				

11.2 Commission Analysis

11.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:

Table 62 Components of fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

11.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 63 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	24.21	24.21	24.21	24.21	24.21
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Closing GFA	24.21	24.21	24.21	24.21	24.21

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11.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

11.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 64 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	24.21	24.21	24.21	24.21	24.21
Closing Capital Cost	24.21	24.21	24.21	24.21	24.21
Average Capital Cost	24.21	24.21	24.21	24.21	24.21
Freehold land	-	-	-	-	-
Rate of depreciation	5.73%	5.73%	5.73%	5.73%	5.73%
Max. Depreciable Allowed (90% of Closing CC)	21.79	21.79	21.79	21.79	21.79
Balance useful life at the beginning of the period as submitted by the Petitioner	12	11	10	9	8
Cumulative Depreciation at the Start of the Period	16.21	16.94	17.38	17.82	18.26
Remaining depreciable value	5.58	4.85	4.41	3.97	3.53
Depreciation (for the period)*	0.73	0.44	0.44	0.44	0.44
Cumulative depreciation at the end of the period	16.94	17.38	17.82	18.26	18.70

*restricting to 70% of the GFA for FY 2024-25 and spreading uniformly over the balance useful life thereafter.





Interest on Loan

11.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered as equivalent to the closing loan balance for FY 2023-24.

11.2.6 The Commission has considered the repayment during the year equivalent to the normative depreciation for the year being in line with the methodology prescribed in the UPERC Generation Tariff Regulations, 2024. For computation of interest charges on such normative debt, the Commission has considered the same interest rate @12.25% as considered by the Commission in the previous MYT Order dated 15.03.2023 in Petition No. 1790 of 2023.

Table 65 Interest on Loan approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	8.37	7.64	7.20	6.76	6.32
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Repayment	0.73	0.44	0.44	0.44	0.44
Closing Loan	7.64	7.20	6.76	6.32	5.88
Average Loan	8.01	7.42	6.98	6.54	6.10
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Loan allowed	0.98	0.91	0.85	0.80	0.75

Return on Equity

11.2.7 The Commission observes that the equity base eligible for return, for the control period, is zero, hence the Return on Equity is computed as zero.

Operation and Maintenance Cost

11.2.8 Regulation 25(3)(d) of UPERC Generation Tariff Regulations, 2024 deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:



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Table 66 Operation and Maintenance approved by the Commission in Rs. Crore

	FY 2023- 24	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028-29
O&M Expenses	1.08	1.13	1.18	1.23	1.29	1.34

Interest on Working Capital

11.2.9 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 67 Interest on Working Capital approved by the Commission (Rs. /Cr.)

Particulars	FY 2024-25	FY 2025- 26	FY 2026- 27	FY 2027-28	FY 2028- 29
O&M expense for one month	0.09	0.10	0.10	0.11	0.11
Maintenance Spares @ 15% of O&M	0.17	0.18	0.18	0.19	0.20
Receivables for 45 days	0.36	0.32	0.32	0.32	0.32
Total	0.62	0.60	0.61	0.62	0.64
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC allowed	0.08	0.07	0.07	0.08	0.08

Summary of Total Fixed Cost & Unit Rates for the Control period

11.2.10 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

Table 68 Annual Fixed Charge determined by the Commission (Rs./Cr.)

Particulars	FY 2024- 25	FY 2025-26	FY 2026-27	FY 2027- 28	FY 2028- 29
Depreciation	0.73	0.44	0.44	0.44	0.44
Interest on Loan	0.98	0.91	0.85	0.80	0.75
Return on Equity	-	-	-	-	-
Interest on Working Capital	0.08	0.07	0.07	0.08	0.08
O & M Expenses	1.13	1.18	1.23	1.29	1.34
AFC	2.91	2.60	2.60	2.60	2.61

11.2.11 The Petitioner has claimed the levelized tariff as per CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017 in line with previous orders of the Commission. Accordingly, the Commission has considered the discount rate of 9.15% and CUF of 30% as per CERC RE Regulations, 2017 as previously approved by

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the Commission to determine levelized tariff for Babail Hydro Power Project
for FY 2024-25 to FY 2028-29:

Table 69 Energy Charge determined by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Installed Capacity (MW)	3.00	3.00	3.00	3.00	3.00
Gross Generation (MUs)	7.88	7.88	7.88	7.91	7.88
Aux. consumption	1%	1%	1%	1%	1%
Net Generation (MUs)	7.81	7.81	7.81	7.83	7.81
Per Unit Depreciation	0.94	0.56	0.56	0.56	0.56
Per Unit Interest on Loan	1.26	1.16	1.10	1.02	0.96
Per Unit Return on Equity	-	-	-	-	-
Per Unit IoWC	0.10	0.09	0.09	0.10	0.10
Per Unit O&M Expenses	1.45	1.51	1.58	1.64	1.72
Per Unit Tariff Component	3.73	3.33	3.33	3.33	3.34
Discount Rate	9.15%				
Discount Factor	1.00	0.92	0.84	0.77	0.70
Discounted Tariff	3.73	3.05	2.80	2.56	2.35
Levelized Tariff (Rs./Unit)	3.43				





12. Belka Hydro Power Project MYT and ARR

12.1 UPJVUNL Submission

12.1.1 The Petitioner has submitted the year-wise breakup of addition capitalization along with the Gross Fixed Assets balances for each year of the MYT control period:

Table 70 Fixed Assets Summary- Belka HPS - FY 2024-25 to FY 2028-29 (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	17.92	17.92	17.92	17.92	17.92
Capitalization during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	17.92	17.92	17.92	17.92	17.92

12.1.2 In the Petition, UPJVNL has proposed the component wise, fixed charge and energy charge for the electricity exported as given in the Table:

Table 71 Annual Fixed Charges as Proposed by the Petitioner (in Rs. Crore)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Depreciation	1.03	1.03	1.03	0.12	0.12
2	Interest on Loan	0.71	0.58	0.46	0.39	0.37
3	Return on Equity	0.00	0.00	0.00	0.00	0.00
4	Interest on Working Capital	0.06	0.06	0.06	0.05	0.05
5	O & M Expenses	0.84	0.87	0.91	0.95	1.00
6	Total AFC	2.64	2.55	2.46	1.51	1.54

12.1.3 UPJVUNL has proposed the following computation for the levelized tariff:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Installed Capacity	3	3	3	3	3
Gross Generation	7.88	7.88	7.88	7.91	7.88
Aux. Consumption	1%	1%	1%	1%	1%
Net Generation	7.80	7.80	7.80	7.83	7.80
Depreciation	1.03	1.03	1.03	0.12	0.12
Interest on Loan	0.71	0.58	0.46	0.39	0.37
Return on Equity1	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.06	0.06	0.06	0.05	0.05
O & M Expenses	0.84	0.87	0.91	0.95	1.00
Total	2.64	2.55	2.46	1.51	1.54
Per Unit					
Depreciation	1.32	1.32	1.32	0.15	0.15
Interest on Loan	0.91	0.75	0.59	0.50	0.48
Return on Equity1	-	-	-	-	-
Interest on Working Capital	0.08	0.08	0.08	0.07	0.07
O & M Expenses	1.07	1.12	1.17	1.22	1.28
Per Unit Tariff Component	3.38	3.27	3.16	1.93	1.97
	1	2	3	4	5



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Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Discount Rate	9.15				
Discount Factor	1	0.92	0.84	0.77	0.70
Discount Tariff	3.38	2.99	2.65	1.48	1.39
Levelized Tariff (Rs. / Unit)	2.47				

12.2 Commission Analysis

12.2.1 For the determination of components of fixed charges for the MYT period of FY 2024-25 to FY 2028-29, the Commission opines that the parameters provided under UPERC Generation Tariff Regulations, 2024 shall be considered. Hence, the Commission has decided to allow the components of fixed charges as below:

Table 72 Components of fixed Charge as per Tariff Regulation 2024

Particulars	Value	Remark
Return on Equity	15.00%	As per Regulation
Interest on Loan	12.25%	As per Regulation
O&M Expenses	Previous Year O&M escalated by 4.47%	As per Regulation
Interest on Working Capital	12.15% (SBI MCLR for 1 year as on 01.04.2024 i.e. 8.15% +350 basis points)	As per Regulation
Depreciation		As Per Regulation

Gross Fixed Asset

12.2.2 The UPERC Generation Tariff Regulations, 2024, specifies that the capital cost of the project as on 01st April 2024 shall be the capital cost admitted by the Commission up to FY 2023-24. Accordingly, in the instant petition, the Commission has considered the value of Gross Fixed Assets for the power plant as of 31st March 2024. However, the Commission has not considered any additional capitalization during the control period as the true Up for the previous period has not been claimed owing to the non-finalization of transfer scheme. The Additional capitalization shall be dealt at the time of True Up.

Table 73 Gross Fixed Asset approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	17.92	17.92	17.92	17.92	17.92
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-

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Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Closing GFA	17.92	17.92	17.92	17.92	17.92

12.2.3 The UPERC Generation Tariff Regulations, 2024 provides that the depreciation shall be calculated for each year of the tariff period, on the value of the Capital Cost of the assets admitted by the Commission. It further states that the depreciation shall be calculated on the historical cost of the asset and in the case of the existing projects, the balance depreciable value as on 01st April 2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March 2024 from the gross depreciable value of the assets. The rate of depreciation shall be continued to be charged at the rate specified in Appendix III till cumulative depreciation reaches 70%. Thereafter the remaining depreciable value shall be spread over the remaining life of the asset such that the maximum depreciation does not exceed 90%.

12.2.4 Accordingly, the Commission has worked out the allowable depreciation for the control period from FY 2024-25 to FY 2028-29 on value of Gross Fixed Assets at the beginning of FY 2024-25 in line with the provisions of the UPERC Generation Tariff Regulations, 2024.

Table 74 Depreciation as approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Capital Cost	17.92	17.92	17.92	17.92	17.92
Closing Capital Cost	17.92	17.92	17.92	17.92	17.92
Average Capital Cost	17.92	17.92	17.92	17.92	17.92
Freehold land	-	-	-	-	-
Rate of depreciation	5.73%	5.73%	5.73%	5.73%	5.73%
Max. Depreciable Allowed (90% of Closing CC)	16.13	16.13	16.13	16.13	16.13
Balance useful life at the beginning of the period	13	12	11	10	9
Cumulative Depreciation at the Start of the Period	11.87	12.54	12.84	13.14	13.44
Remaining depreciable value	4.26	3.59	3.29	2.99	2.69
Depreciation (for the period)*	0.67	0.30	0.30	0.30	0.30
Cumulative depreciation at the end of the period	12.54	12.84	13.14	13.44	13.74

*Restricting to 70% of the GFA for FY 2024-25 and spreading uniformly over the balance useful life thereafter.





Interest on Loan

12.2.5 Regulation 25(3)(b) of UPERC Generation Tariff Regulations, 2024 prescribes the provisions for calculation of normative interest on loans for the purpose of determination of Annual Revenue Requirement of the power project. The opening loan balance as on 01.04.2024 has been considered equivalent to the closing loan balance for FY 2023-24.

12.2.6 The Commission has considered the repayment during the year equivalent to the normative depreciation for the year being in line with the methodology prescribed in the UPERC Generation Tariff Regulations, 2024. For computation of interest charges on such normative debt, the Commission has considered the same interest rate @12.25% as considered by the Commission in the previous MYT Order dated 15.03.2023 in Petition No. 1790 of 2023.

Table 75 Interest on Loan approved by the Commission in Rs. Crore

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	6.31	5.64	5.34	5.04	4.74
Capitalization during the year	-	-	-	-	-
Decapitalization	-	-	-	-	-
Repayment	0.67	0.30	0.30	0.30	0.30
Closing Loan	5.64	5.34	5.04	4.74	4.44
Average Loan	5.98	5.49	5.19	4.89	4.59
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest on Loan allowed	0.73	0.67	0.64	0.60	0.56

Return on Equity

12.2.7 The Commission observes that the equity base eligible for return, for the control period, is zero, hence the Return on Equity is computed as zero.

Operation and Maintenance Cost

12.2.8 Regulation 25(3)(d) of UPERC Generation Tariff Regulations, 2024 deals with the allowance of O&M expenses. Based on relevant Regulations the normative O&M expenses for the control period is as per table below:





Table 76 Operation and Maintenance approved by the Commission in Rs. Crore

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M Expenses	0.8	0.84	0.87	0.91	0.95	1.00

Interest on Working Capital

12.2.9 Based on the above and Regulations 25(3)(e) of the UPERC Generation Tariff Regulations 2024, the Computation of Interest on Working capital for the control period are as per table below:

Table 77 Interest on Working Capital approved by the Commission in Rs. Crore

Interest on Working capital	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
O&M expense for one month	0.07	0.07	0.08	0.08	0.08
Maintenance Spares @ 15% of O&M	0.13	0.13	0.14	0.14	0.15
Receivables for 45 days	0.28	0.23	0.23	0.23	0.24
Total	0.48	0.44	0.45	0.46	0.47
Rate of Interest	12.15%	12.15%	12.15%	12.15%	12.15%
IoWC allowed	0.06	0.05	0.05	0.06	0.06

Summary of Total Fixed Cost & Unit Rates for the Control period

12.2.10 The fixed cost & the unit rates of the Petitioner's Hydro Power Plants for the control period under consideration works out at as under:

Table 78 Annual Fixed Charge and Energy Charge determined by the Commission (Rs./Cr.)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	0.67	0.30	0.30	0.30	0.30
Interest on Loan	0.73	0.67	0.64	0.60	0.56
Return on Equity	-	-	-	-	-
Interest on Working Capital	0.06	0.05	0.05	0.06	0.06
O & M Expenses	0.84	0.87	0.91	0.95	1.00
AFC	2.30	1.90	1.90	1.91	1.91

12.2.11 The Petitioner has claimed the levelized tariff as per CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017 in line with previous orders of the Commission. Accordingly, the Commission has considered the discount rate of 9.15% and

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CUF of 30% as per CERC RE Regulations, 2017 as previously approved by
the Commission to determine levelized tariff for Belka Hydro Power Project
for FY 2024-25 to FY 2028-29:

Table 79 Energy Charge determined by the Commission

Particulars	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29
Installed Capacity (MW)	3.00	3.00	3.00	3.00	3.00
Gross Generation (MUs)	7.88	7.88	7.88	7.91	7.88
Aux. consumption	1%	1%	1%	1%	1%
Net Generation (MUs)	7.81	7.81	7.81	7.83	7.81
Per Unit Depreciation	0.86	0.38	0.38	0.38	0.38
Per Unit Interest on Loan	0.94	0.86	0.81	0.77	0.72
Per Unit Return on Equity	-	-	-	-	-
Per Unit IoWC	0.07	0.07	0.07	0.07	0.07
Per Unit O&M Expenses	1.07	1.12	1.17	1.22	1.28
Per Unit Tariff Component	2.94	2.43	2.44	2.44	2.45
Discount Rate	9.15%				
Discount Factor	1.00	0.92	0.84	0.77	0.70
Discounted Tariff	2.94	2.23	2.04	1.87	1.73
Levelized Tariff (Rs. /Unit)	2.56				





13. Sheetla Small Hydro Power Project MYT and ARR

13.1.1 The Petitioner has submitted that Sheetla SHP was put on commercial operation in FY 2006-07. Accordingly, the Provisions contained in UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024. The Project falls within the category of "Small Hydro Plants- old project".

13.1.2 The relevant clause 6.1 from CRE Regulations 2024 is reproduced below

"The Generic Tariff for procurement of power by distribution licensee from existing captive Generating Plants (non-RE), existing Renewable energy based generating plants viz Bagasse based Generation, Biomass (Rice Husk based) Generation, Municipal Solid Waste based Generation and Small Hydroelectric Generation, shall be as given in Schedule-I to these Regulations, which would be applicable from 01.04.2024."

13.1.3 Accordingly, the Petitioner claims that the effective tariff for Sheetla Small Hydro Project power station for MYT Period 2024-25 to FY 2028-29 shall be decided in accordance with the provisions contained in the CRE Regulation, 2024 as follows

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2006-07	1.71	1.75	1.80	1.85	1.91

13.1.4 The Commission has gone through the Petitioner's submission and accordingly approved the AFC for Sheetla Small hydro projects as per terms of CRE Regulations, 2024 Schedule I (5) (5.1).

Table 80 Annual Fixed cost as determined by the Commission in Rs. Crore

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2006-07	1.71	1.75	1.80	1.85	1.91





14. Other Provisions

14.1. Recovery of Statutory levies and Tax on Income etc.

In addition to the above tariff, UPJVNL is allowed to recover the payment of statutory charges like GST, rates and taxes and regulatory fee paid to the Commission etc., on production of details of actual payments made and duly supported with the certificate of the Statutory Auditors.

14.2. Incentive

Incentive as applicable shall be calculated according to the provisions of the relevant UPERC (Terms and Conditions of Generation tariff) Regulations as defined for the different periods.

14.3. Billing & Payment

Billing and Payment of Capacity Charges shall be done under provisions of Regulation 35 of UPERC (Terms and Conditions of Generation Tariff) Regulations, 2024.

14.4. Finalization of GFA and submission of True-up Petition

The Petitioner should ensure that the GFA balances for the hydro power stations are finalized at the earliest. Post finalization, the Petitioner should submit the True-up Petition for the years as per the provisions of the Regulations. The generating company shall submit for the purpose of truing up, details of capital expenditure and additional capital expenditure incurred duly audited and certified by the auditors.

15. Implementation of the Order

15.1.1 This order shall be reckoned to have come into effect from 01.04.2024 and shall remain effective till 31.03.2029 for the Multi-Year Tariff period of F.Y. 2024-25 to FY 2028-29 for Obra, Khara, Rihand, Matatila, Upper Ganga, Belka, Babail and Sheetla hydro power station.

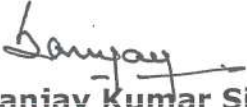
15.1.2 UPRVUNL is entitled to raise the bills as per the tariff order under provisions of UPERC (Terms & Conditions of Generation Tariff) Regulations as prevalent from time to time.





**Order on MYT Petition for determination of Tariff for The Period- FY
2024-25 to 2028-29 for Obra HPS, Khara HPS, Rihand HPS, Matatila
HPS, Upper Ganga Canal SHP, Belka SHP, Babail SHP, Sheetla SHP**

The Petition is hereby disposed of in terms of the above.


(Sanjay Kumar Singh)
Member


(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 29.09.2026



