UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2301 of 2025

Filed by

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)

IN THE MATTER OF:

PETITION FOR DETERMINATION OF FINAL TRUE-UP FOR THE CONTROL PERIOD FY 2016-17 TO FY 2018-19 FOR ANPARA–D 2x500 MW TPS.

LUCKNOW

DATED: 11.08.2026

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Petition No. 2301 of 2025

Before

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Date of Order: 11.08.2026

Present:

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF: Petition for determination of final True-Up for the control Period FY 2016-2017 to FY 2018-2019 for ANPARA-D 2x500 MW TPS.

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL),
14th floor, Shakti Bhawan Extension, Ashok Marg, Lucknow – 226001 **....... Petitioner**

Versus

1) **Uttar Pradesh Power Corporation Limited (UPPCL),**
14- Ashok Marg, Shakti Bhawan, Lucknow 226001

2) **Madhyanchal Vidyut Vitran Nigam Limited (MVVNL),**
4-A, Gokhale Marg, Lucknow – 226001

3) **Poorvanchal Vidyut Vitran Nigam Limited (PuVVNL),**
DLW, Bhikaripur, Vidyut Nagar, Varanasi - 221004

4) **Paschimanchal Vidyut Vitran Nigam Limited (PVVNL),**
Urja Bhawan, Victoria Park, Meerut - 250001

5) **Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL),**
Urja Bhawan, NH-2, Sikandara Road, Agra– 282007

6) **Kanpur Electricity Supply Co. Ltd. (KESCO),**
KESA House, 14/71, Civil Lines, Kanpur – 208001 **....... Respondents**

The following were present:

1. Shri Hari Shyam, C.E. (Commercial), UPRVUNL
2. Shri Shailendra Tewari, Consultant, UPRVUNL
3. Shri Rajkumar Verma, A.E. (Commercial), UPRVUNL
4. Shri Divyanshu Bhatt, Advocate, UPRVUNL
5. Shri Abhayaditya Singh, Advocate, UPRVUNL
6. Shri Shashwat Singh, Advocate, UPRVUNL
7. Shri Tushar Mathur, Advocate, UPPCL
8. Shri Jagnayak Singh, SE-PPA, UPPCL
9. Shri Vijay Pratap Tiwari, EE-PPA, UPPCL
10. Shri Manish Dwivedi, CE PPA, UPPCL

ORDER

(Date of Hearing- 05.05.2026)

1 BACKGROUND & RECORD OF PROCEEDINGS

1.1 Background

1.1.1 Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (hereinafter referred to as "UPRVUNL" or the "Petitioner") is a company with the principal object of generation of electricity. UPRVUNL is a wholly owned company of the Government of Uttar Pradesh. All the electricity generated by the Petitioner is sold to Discoms of Uttar Pradesh Power Corporation Limited (UPPCL), which is vested with the responsibility of distribution of electricity in the State of Uttar Pradesh.

1.1.2 The present Petition pertains to Anpara-D Thermal Power Station comprising Unit-6 and Unit-7 of 500 MW each, having an aggregate installed capacity of 1000 MW. The commercial operation dates of the units are 08.05.2016 for Unit-6 and 18.10.2016 for Unit-7.

1.1.3 The Petitioner has submitted that the Board of Directors of UPRVUNL, in its 159th meeting held on 08.08.2014, approved the project cost of Anpara-D TPS at Rs. 7,027.40 Crore. The said cost was thereafter approved by the Energy Task Force on 19.11.2014 and by the State Cabinet on 19.03.2015.

Subsequently, in its 169th meeting held on 14.09.2016, the Board of Directors approved the revised project cost of Rs. 7,799 Crore, which was thereafter approved by the Energy Task Force on 28.09.2016 and by the State Cabinet on 24.11.2016.

1.1.4 The Commission vide its order dated 05.03.2012 had approved the Power Purchase Agreement (PPA) for Anpara D Thermal Power Station for the supply of power by UPRVUNL. Subsequently, a Supplementary Power Purchase Agreement (SPPA) was executed between UPPCL and UPRVUNL on 24.05.2012, whereby the term of power purchase in respect of Anpara D was extended to 25 years from the date of commissioning. This amendment was necessitated by the requirement of Coal India Limited that long-term PPAs be in place for the execution of a Fuel Supply Agreement (FSA) and securing of firm coal linkage. The said amendment was thereafter approved by the Commission vide its order dated 12.09.2012 in Petition No. 819 of 2012.

1.1.5 The Commission, vide order dated 29.04.2016 in Petition Nos. 1025 and 1026 of 2015, had approved a provisional tariff for Anpara-D TPS based on 95% of the Annual Fixed Charges (AFC), considering a provisional capital cost of Rs. 6,089.06 crore as against the claimed cost of Rs. 7,027.40 crore. The provisional tariff of Anpara-D remained unchanged in the review order dated 18.01.2017.

1.1.6 Thereafter, UPRVUNL filed Petition No. 1200 of 2017 for approval of capital cost and determination of final tariff, pursuant to which the Commission constituted a committee comprising representatives of UPRVUNL and UPPCL for prudence check of the project cost. Following submission of a comprehensive report and completion of hearing proceedings, the Commission, vide order dated 04.07.2025, approved the final capital cost of Anpara-D at Rs. 6,308.21 crore up to the COD of the Project and directed UPRVUNL to file a true-up petition for capital expenditure and tariff up to 31.03.2019, while observing that additional capitalization claimed in the petition up to 31.03.2019 would be considered at the true-up stage.

1.2 Regulatory Framework

1.2.1 Section 61 of the Electricity Act, 2003 deals with Tariff Regulations. Section 62(1) of the Act provides that the Appropriate Commission shall determine the tariff under the provisions of the Act, inter alia for the supply of electricity by a generating company to a distribution licensee. Further, under Section 86(1)(a) of the Act, the Commission determines the tariff for the generation of power at stations owned by the UPRVUNL. Section 86(1)(b) further mandates the Commission to regulate the electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies.

1.2.2 Accordingly, the Commission issued the tariff regulations the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2004 which were applicable from FY 2005-06 to FY 2007-08. These Regulations were extended for FY 2008- 09 as well. The Commission notified the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2009 for the control period of FY 2009-10 to FY 2013-14. Subsequently, the Commission notified the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations 2014 which came into effect from 01.04.2014 for the control period of FY 2014-15 to FY 2018-19.

1.3 UPRVUNL Petition Seeking Truing-Up of Capital Expenditure and Tariff for the Control Period (FY 2014-15 to FY 2018-19)

1.3.1 In compliance with the Commission's Order dated 04/07/25 for approval of capital cost and final Tariff of Anpara-D in Petition no 1200/2017, UPRVUNL, on 16.10.2025 filed the present Petition for determination of true-up for the control period FY 2016-17 to FY 2018-19 for Anpara-D 2x500 MW TPS.

1.3.2 UPRVUNL has submitted the following True-up summary for FY 2016-17 to FY 2018-19 control period and other related issues for consideration:

Table 1: True-up Summary for FY 2016-17 to FY 2018-19 submitted by the Petitioner for Anpara-D TPS (Rs. Crores)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Depreciation	350.16	352.56	353.48
2.	Interest on Long Term Loans (IoL)	525.26	459.09	409.03
3.	Return on Equity (RoE)	302.87	304.32	305.96
4.	Interest on Working Capital (IoWC)	84.31	78.39	73.41
5.	Operation & Maintenance (O&M)	180.80	192.20	204.30
6.	**Total AFC**	**1,443.41**	**1,386.56**	**1,346.17**

1.3.3 Other Related Issues

1.3.3.1 The Petitioner has shared its financial gains with UPPCL in accordance with the profit-sharing mechanism specified as per UPERC (Terms and Conditions of Generation Tariff) Regulation 2014, Clause 6(6); the same is reproduced below:

> *"(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:*
>
> *Net Gain = (ECRN– ECRA) x Scheduled Generation*
>
> *Where,*
>
> *ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.*
>
> *ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.*
>
> *Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25 & Regulation 44 of these regulations."*

1.3.3.2 UPRVUNL had prepared a 'Profit Centre Analysis' for the period FY 2014-19, based on the Audited Accounts. On the basis of the 'Profit Centre Analysis' UPPCL computed the profit-sharing amount of Rs. 200.97 Crore and UPPCL deducted the profit-sharing amount from the running bills raised by UPRVUNL for FY 2014-19. The profit shared between UPRVUNL and UPPCL for FY 2014-19 is summarized as follows:

Table 2: Summary of Profit Sharing for the period FY 2014-15 to FY 2018-19

(Rs. Crore)

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
1	Anpara A	Billing	640.82	743.12	751.42	670.16	693.81

S No	TPS Name		2014-15	2015-16	2016-17	2017-18	2018-19
		Actual	679.77	715.70	748.30	705.41	714.17
		Profit	-	**27.42**	**3.12**	-	-
2	Anpara B	Billing	932.63	1,380.53	1,462.11	1,124.42	1,119.88
		Actual	838.15	1,169.93	1,380.09	1,050.68	1,117.92
		Profit	**94.48**	**210.60**	**82.02**	**73.74**	**1.95**
3	Obra A	Billing	90.40	64.05	96.52	9.28	-
		Actual	107.99	94.79	43.38	13.49	-
		Profit	-	-	**53.14**	-	-
4	Obra B	Billing	625.76	655.78	811.24	835.74	603.12
		Actual	583.51	670.85	854.37	790.82	632.59
		Profit	**42.25**	-	-	**44.92**	-
5	Panki	Billing	368.21	201.47	265.35	119.21	-
		Actual	389.20	226.36	347.80	172.68	-
		Profit	-	-	-	-	-
6	Harduaganj	Billing	36.88	154.13	200.05	108.14	70.70
		Actual	71.58	213.34	203.04	95.88	75.76
		Profit	-	-	-	**12.26**	-
7	Harduaganj Extn	Billing	955.88	925.84	1,006.58	1,025.09	821.56
		Actual	1,115.48	1,066.99	1,057.31	978.16	836.73
		Profit	-	-	-	**46.93**	-
8	Parichha	Billing	121.54	287.97	175.35	96.75	49.44
		Actual	152.52	327.58	217.23	110.75	61.64
		Profit	-	-	-	-	-
9	Parichha Extn	Billing	674.66	909.14	930.26	807.10	579.50
		Actual	789.67	949.15	926.89	799.50	580.23
		Profit	-	-	**3.37**	**7.60**	-
10	Parichha Extn Stage II	Billing	986.77	1,041.83	1,108.99	946.21	809.07
		Actual	1,034.33	1,024.76	1,076.19	919.20	797.25
		Profit	-	**17.08**	**32.80**	**27.01**	**11.81**
11	**Anpara D**	**Billing**	-	-	**727.30**	**834.03**	**1,186.00**
		Actual	-	-	**639.93**	**811.74**	**1,083.30**
		Profit	-	-	**87.37**	**22.29**	**102.70**
Grand Total (Profit)			136.73	255.10	261.82	234.75	116.47
Profit Share of UPPCL@20%			27.35	51.02	52.36	46.95	23.29
Total Profit Share to UPPCL for FY 2014-15 to FY 2018-19 (Rs Crore)					**200.97**		

1.3.3.3 The Petitioner has requested the Commission to consider the intimation of Profit Sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulation 2014, Clause 6(6).

1.3.4 The Petitioner has prayed the following:

a) The Commission is requested to Accept this Petition for true-up of additional capitalization and associated tariff components for the financial year 2016-17 to 2018-19.

b) The Commission is requested to Allow recovery of the additional claim generating out of the true up from the beneficiaries in line with the provision of the Regulations or in any manner that the Commission deems appropriate.

c) The Commission is requested to Permit recovery of payment of statutory charges like water cess, cost of water, payment to Pollution Control Board, rates and taxes, FBT and Regulatory Fee paid to the Commission, taxes on income, additional charges like other fuel related costs, station supplies, lubricants and consumables critical to the generating stations as separate pass through on actuals.

d) The Commission is requested to Allow recovery of carrying cost.

e) The Commission is requested to Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.

f) The Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages.

g) The Commission is requested to Pass such orders as Hon'ble Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

1.4 Record of Proceedings

1.4.1 The Petition was taken up for hearing by the Commission on 04.12.2025, and as requested by the Respondent the Commission granted six weeks' time to the Respondent to file reply and four weeks thereafter to the Petitioner to file rejoinder. UPPCL and UPRVUNL filed their reply and rejoinder on 13.02.2026 and 05.03.2026 respectively.

1.4.2 During the next hearing held on 05.05.2026, the Commission has reserved the order. The issues raised by UPPCL and UPRVUNL have been captured in Section

2.0 while dealing with each tariff component individually.

2 TRUING UP OF TARIFF FOR 2X500 MW ANPARA-D TPS FOR FY 2016-17 TO FY 2018-19

2.1 Previous Orders of the Commission

2.1.1 The Commission, vide its final capital cost order dated 04.07.2025 in Petition No. 1200 of 2017, had approved the final capital cost of Anpara-D Thermal Power Station at ₹6,308.21 crore up to the COD of the Project. In the same order, UPRVUNL was directed to file a true-up petition for capital expenditure and tariff up to 31.03.2019 in accordance with the applicable tariff regulations. The order also recognized that additional capitalization incurred after COD would be examined at the true-up stage, a position relied upon by the Petitioner in the present proceedings. The Annual Fixed Charges (AFC) approved in the order dated 04.07.2025 form the basis for the tariff true-up exercise for the relevant period.

Table 3: AFC approved by the Commission vide Order dated 04.07.2025

(Rs. Crore)

S. No.	Particulars	Unit	FY 2016-17*	FY 2017-18	FY 2018-19
1.	Depreciation	Rs. Crore	338.86	338.86	338.86
2.	Interest on Loan Capital	Rs. Crore	467.10	429.82	392.55
3.	Return on Equity	Rs. Crore	293.33	293.33	293.33
4.	Interest on Working Capital	Rs. Crore	84.51	84.37	84.27
5.	O & M Expenses	Rs. Crore	180.80	192.20	204.30
6.	Total Capacity Charges	Rs. Crore	1,364.60	1,338.58	1,313.31
7.	Energy Ex Bus	MUs	7,017.86	7,017.86	7,017.86
8.	FC per unit	INR/kWh	1.94	1.91	1.87
On the basis of No. of days					
9.	Unit-6 (Operational Days)	Days	328	365	365
10.	Unit-7 (Operational Days)	Days	165	365	365
11.	Allowed Capacity Charges	Rs. Crore	613.13	669.29	656.65
12.	Allowed Capacity Charges	Rs. Crore	308.44	669.29	656.65

**The Commission notes that the actual CODs of Unit-6 and Unit-7 were 08.05.2016 and 18.10.2016 respectively. Therefore, the annual fixed charges for the FY 2016-17 have been apportioned among the Unit-6 and Unit-7 of the Anpara D based on the number of operating days in FY 2016-17. Accordingly, the annual fixed charges for the Unit-6 and Unit-7 works out to be Rs. 613.13 Crore and Rs. 308.44 Crore respectively.*

2.2 Approach to this Order

2.2.1 The UPERC Generation Tariff Regulations, 2014 provides the following for True Up:

"6. Truing up of Capital Expenditure and Tariff:

(1) The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2019, as admitted by the Commission after prudence check at the time of truing up.

(2) The generating company shall make an application, as per Appendix II to these regulations, for carrying out truing up exercise in respect of the generating station or any of its units or block of units thereof by 31.10.2019.

(3) 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.

Provided the Commission may appoint a separate independent auditor who, under the supervision of the Commission, shall undertake technical and financial audit of the generating station at any time.

(4) The Commission shall also carry out truing up of tariff of generating stations based on the performance of following controllable parameters:

(a) Gross Station Heat Rate;

(b) Secondary Fuel Oil Consumption;

(c) Auxiliary Energy Consumption; and

(d) Re-financing of Loan.

(5) The Commission shall carry out truing up of tariff of generating stations based on the performance of following uncontrollable parameters:

(a) Force Majeure;

(b) Change in Law; and

(c) Primary Fuel Cost

(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c) above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = $(ECR_N - ECR_A) \times$ *Scheduled Generation*

Where,

ECR_N *- Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.*

ECR_A *- Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.*

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25 & Regulation 44 of these regulations.

(7) The financial gains and losses by a generating company on account of uncontrollable parameters shall be passed on to beneficiaries of the generating company.

(8) Where after the truing up the tariff recovered exceeds the tariff approved by, the Commission under these regulations the generating company shall refund to the beneficiaries, the excess amount so recovered along with simple interest at the rate equal to the Bank Rate prevailing as on 1st April of the respective Year.

(9) Where after the truing up the tariff recovered is less than the tariff approved by the Commission under these regulations the generating company shall recover from the beneficiaries, the under-recovered amount along with simple interest at the rate equal to the Bank Rate, prevailing as on 1st April of the respective Year.

(10) The amount under-recovered or over-recovered, along with simple interest at the rate equal to the Bank Rate as on 1st April of the respective Year, shall be recovered or refunded by the, generating company, in six equal monthly installments starting within three months from the date of the tariff order issued by the Commission after the truing up exercise."

2.2.2 The Commission, in the instant matter, has determined the True-Up for FY 2016-17 to FY 2018-19 in terms of the UPERC Generation Tariff Regulations, 2014 and the final capital cost order dated 04.07.2025 in Petition No. 1200 of 2017. In this regard, the Commission has considered the replies submitted by UPPCL, the rejoinders submitted by UPRVUNL, and response to the queries raised by the Commission.

2.3 Truing up of Anpara-D TPS for FY 2016-17 to FY 2018-19

2.3.1 Date of Commercial Operation (COD)

2.3.1.1 The Petitioner has submitted the Date of Commercial Operation (COD) for Anpara-D TPS as follows:

Table 4: Date of Commercial Operation (COD) for Anpara-D TPS

S. No.	Units	Installed Capacity (MW)	Derated Capacity (MW)	Date of Commercial Operation (COD)
1.	Unit-6	500	500	08.05.2016
2.	Unit-7	500	500	18.10.2016

2.3.2 Additional Capitalization (Add-Cap)

2.3.2.1 The Petitioner submitted that, in its Final Capital Cost Order dated 04.07.2025 in Petition No. 1200 of 2017, the Commission had observed that additional capital expenditure of Rs. 213.76 crore from the COD of Unit-7, project up to 31.03.2017 and Rs. 712.72 crore for FY 2017-18 would be examined at the time of truing-up in accordance with Regulation 6 of the UPERC Generation Tariff Regulations, 2014. It was further submitted that, out of the Rs. 213.76 crore claimed for the period up to 31.03.2017, Rs. 196.33 crore pertained to Interest During Construction (IDC), while the remaining Rs. 17.43 crore represented additional capital expenditure incurred after the COD of Unit-7. The Petitioner accordingly claimed the capital expenditure for FY 2016-17 to FY 2018-19 under Regulation 40(1) of the UPERC Generation Tariff Regulations, 2014 and furnished revised calculations for FY 2016-17 incorporating the claimed additional capitalization.

Table 5: Revised Calculation for FY 2016-17 including Additional Capitalization submitted by the Petitioner

(Rs. Crore)

Particulars	Claimed in Petition No. 1200 of 2017	Approved in Petition No. 1200 of 2017	Revised figures including IDC Value as per auditor certificate dated 23-05-2025	Add Cap after COD (after 18.10.2016 to on 31.03.2017)	Closing As per book of Accounts for FY 2016-17	Revised Opening Value Claimed by UPRVUNL Including IDC of Rs. 196.33 Cr
	A	B	C	D	E=C+D	F=B+C-A
LAND & LAND RIGHTS	26.08	23.94	26.83	-	26.83	24.69
BUILDINGS	849.09	779.37	873.35	4.35	877.69	803.63
RESIDENTIAL COLONY FOR STAFF	6.79	6.23	6.98	-	6.98	6.42
OTHER CIVIL WORK	281.81	258.67	289.86	-	289.86	266.72
PLANT & MACHINERY	2873.92	2,637.94	2,956.02	7.04	2,963.06	2,720.04
TURBINE GEN. STEAM PWR GENE.	684.67	628.45	704.23	-	704.23	648.01
COAL HANDLING PLANT	670.96	615.87	690.13	-	690.13	635.04
PLT-FOUNDTN HYDEL PWR-GENE-PLT	72.14	66.22	74.20	-	74.20	68.28
TRANS PLT TRANFS RATING 100KVA	77.32	70.97	79.53	-	79.53	73.17
Ash Handling	428.94	393.72	441.19	-	441.19	405.97
SWITCH GEAR INCDG CABLE CONNTS	494.34	453.75	508.46	-	508.46	467.87
OTHER MISC. EQPT.	146.22	134.21	150.40	-	150.40	138.38
LINES CABLE NETWORK ETC.	194.05	178.11	199.59	-	199.59	183.65

Particulars	Claimed in Petition No. 1200 of 2017	Approved in Petition No. 1200 of 2017	Revised figures including IDC Value as per auditor certificate dated 23-05-2025	Add Cap after COD (after 18.10.2016 to on 31.03.2017)	Closing As per book of Accounts for FY 2016-17	Revised Opening Value Claimed by UPRVUNL Including IDC of Rs. 196.33 Cr
CAPITAL SPARES	66.21	60.77	68.10	6.04	74.14	62.66
Total	**6872.52**	**6308.21**	**7068.85**	**17.43**	**7086.28**	**6,504.54**

2.3.2.2 The Petitioner submitted that an amount of Rs. 712.72 Crore towards Additional Capitalisation was projected for FY 2017-18 in Petition No. 1200 of 2017. Further, it is respectfully submitted that the said figures were based on projections, whereas the actual capitalisation expenditure has been recorded as per the Books of Accounts. The same is tabulated below for consideration:

Table 6: Actual Capitalization Expenditure based on Books of Accounts submitted by the Petitioner

(Rs. Crore)

S. No.	Particulars	FY 2016-17 (after COD)	FY 2017-18 (Audited)	FY 2018-19 (Audited)
1.	BLDGS-THERMO-ELECT. GENE. PLANT	4.35	0.69	2.72
2.	COOLING WATER SYSTEM	-	0.44	10.97
3.	OTHER BUILDINGS	-	-	0.78
4.	HYDRAULIC WORKS	-	-	0.07
5.	PUCCA ROAD	-	0.43	0.09
6.	RAILWAY SIDING	-	1.06	0.27
7.	BOILER PLANT & EQUIPMENT	-	7.86	2.46
8.	TURBINE GEN. STEAM PWR GENE.	7.04	0.84	-
9.	COAL HANDLING PLANT	-	0.50	0.03
10.	TRANS PLT TRANFS RATING 100KVA	-	-	0.08
11.	SWITCH GEAR INCDG CABLE CONNTS	-	26.50	0.45
12.	FURNITURES & FIXTURES	-	0.03	0.01
13.	COMPUTER	-	0.01	0.02
14.	CAPITAL SPARES	6.04	6.78	7.24
15.	**Total**	**17.43**	**45.14**	**25.20**

2.3.2.3 The Petitioner has submitted the CA certificates and balance sheets for FY 2016-19 in support of detailed justification for Additional Capitalization. The Petitioner accordingly submitted the Gross Fixed Asset (GFA) for Anpara-D TPS as for FY 2016-19 as below:

Table 7: GFA including additional capitalization claimed by the Petitioner for FY 2016-19
(Rs. Crore)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual
1.	Opening GFA	6,308.21	6,504.54	6,308.21	6,521.97	6,308.21	6,567.11
2.	Capitalization	-	17.43	-	45.14	-	25.20
3.	Deletions	-	-	-	-	-	-
4.	**Closing GFA**	**6,308.21**	**6,521.97**	**6,308.21**	**6,567.11**	**6,308.21**	**6,592.31**

2.3.2.4 The Respondent, UPPCL, vide its Reply dated 13.02.2026, submitted that the Petitioner has incorrectly relied upon Regulation 40(1) of the Tariff Regulations, 2014 for claiming Additional Capitalization, whereas Anpara-D being a thermal generating station is governed by Regulation 22 of UPERC Tariff Regulation 2014. UPPCL contended that Regulation 22(1) specifically permits admission of capital expenditure actually incurred after COD and up to the cut-off date, subject to prudence check, including deferred liabilities, and Regulation 16(2) further clarifies that Additional Capitalisation refers to capital expenditure incurred after COD and admitted by the Commission in accordance with Regulation 22.

2.3.2.5 Accordingly, the Respondent argued that the Petitioner's claim for Additional Capitalization of Rs. 87.77 Crore for FY 2016-17 to FY 2018-19 is not admissible in the absence of compliance with the requirements of Regulation 22. UPPCL further submitted that the Commission, in its final capital cost order dated 04.07.2025, had already approved the capital cost up to COD at Rs. 6,308.21 Crore and that the Petitioner's claim towards IDC amounting to Rs. 196.33 Crore is also liable to be rejected. Therefore, the Respondent contended that no capitalisation over and above the admitted capital cost should be allowed and prayed that the claim for Additional Capitalisation for the control period be disallowed in its entirety.

2.3.2.6 The Petitioner, in its Rejoinder dated 05.03.2026, submitted that the Commission itself, in its final capital cost order dated 04.07.2025 in Petition No. 1200 of 2017, had expressly observed that the Additional Capital Expenditure of Rs. 213.76 Crore up to 31.03.2017 and Rs. 712.72 Crore for FY 2017-18 would be considered at the stage of truing-up.

2.3.2.7 Accordingly, the Petitioner contended that the examination of Additional Capitalisation in the present true-up proceedings is in conformity with the

Commission's directions and cannot be regarded as procedurally improper. The Petitioner further submitted that the amount of Rs. 712.72 Crore indicated in the earlier petition was only a projected estimate, whereas the present claim is based solely on actual capitalization reflected in the audited Books of Accounts for FY 2017-18 and FY 2018-19, consistent with the established regulatory practice of replacing projected expenditure with actual audited expenditure at the true-up stage, subject to prudence check.

2.3.2.8 The Petitioner also clarified that the reference to Regulation 40(1) in the Petition was an inadvertent clerical error and that the applicable provision for Anpara-D, being a thermal generating station, is Regulation 22(1)(i) of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014. It was further submitted that the claimed Additional Capitalisation relates to works within the original approved scope of the project, representing deferred liabilities discharged after COD and within the cut-off date, which has been duly recorded in the books of accounts, and is supported by statutory auditor certification. Accordingly, the Petitioner prayed that the Additional Capitalisation claimed in the present Petition be considered under Regulation 22(1)(i) of the Tariff Regulations, 2014, subject to prudence check.

Commission's Analysis

2.3.2.9 The Commission, in its final capital cost order dated 04.07.2025 passed in Petition No. 1200 of 2017, had already recorded that the claim of Additional Capital Expenditure post COD would be examined at the stage of true-up. The Commission notes that, in the present proceedings, the Petitioner has placed on record the actual year-wise capitalisation reflected in the audited Books of Accounts for FY 2016-17, FY 2017-18 and FY 2018-19, along with supporting certificates and explanatory submissions.

2.3.2.10 The Commission also notes that, although reference to Regulation 40 of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014 was made in the Petition, the Petitioner has admitted it to be an inadvertent error in its Rejoinder and clarified that the claim for Additional Capitalisation in respect of Anpara-D, being a thermal generating station, is to be examined under the applicable provisions of Regulation 22 of the Generation Tariff Regulations, 2014. The Commission has therefore examined the claim for Additional Capitalisation in the context of the applicable regulatory framework governing thermal generating stations, along with the pleadings and materials placed on record by the parties.

2.3.2.11 The Commission has consistently held in several tariff orders that expenditure on furniture, office equipment and computers constitutes routine operational expenditure and needs to be met from normative O&M expenses, unless specifically justified as forming an integral part of the generating plant. The Commission, therefore, disallows Additional Capitalisation against furniture & fixtures and computers incurred in FY 2017-18 and FY 2018-19.

2.3.2.12 Having examined the Petition, the Reply, the Rejoinder, the Auditor's Certificates, the tariff forms, and the asset-wise / year-wise details furnished on record, the Additional Capitalisation considered for Anpara-D TPS for the control period FY 2016-17 to FY 2018-19 is as set out below:

Table 8: Additional Capitalization approved by the Commission for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17 (Approved)	FY 2017-18 (Approved)	FY 2018-19 (Approved)
1	BLDGS-THERMO-ELECT. GENE. PLANT	4.35	0.69	2.72
2	COOLING WATER SYSTEM	-	0.44	10.97
3	OTHER BUILDINGS	-	-	0.78
4	HYDRAULIC WORKS	-	-	0.07
5	PUCCA ROAD	-	0.43	0.09
6	RAILWAY SIDING	-	1.06	0.27
6	BOILER PLANT & EQUIPMENT	-	7.86	2.46
7	TURBINE GEN. STEAM PWR GENE.	7.04	0.84	-
8	COAL HANDLING PLANT	-	0.50	0.03
9	TRANS PLT TRANFS RATING 100KVA	-	-	0.08
10	SWITCH GEAR INCDG CABLE CONNTS	-	26.50	0.45
11	FURNITURES & FIXTURES	-	0	0
12	COMPUTER	-	0	0
13	CAPITAL SPARES	6.04	6.78	7.24
14	**Total**	**17.43**	**45.10**	**25.17**

2.3.3 Gross Fixed Assets (GFA)

2.3.3.1 The Petitioner submitted that the opening Gross Fixed Assets (GFA) of Rs. 6,308.21 crore have been considered as approved by the Commission in its Order dated 4th July 2025 (Petition No. 1200 of 2018), representing the capital cost up to the Commercial Operation Date (COD) of Anpara-D TPS. In addition, the Petitioner claimed post-COD additional capitalization of Rs. 17.43 crore.

2.3.3.2 The Petitioner argued that, during proceedings in Petition No. 1200 of 2017, it had submitted a revised Auditor's Certificate dated 23.05.2025 certifying the capital cost up to the COD of Unit-2. However, the Commission relied on an earlier Auditor's Certificate dated 14.02.2017 instead of the revised submission, while determining the final capital cost.

2.3.3.3 According to the Petitioner, the earlier certificate incorrectly reflected capitalization of Interest During Construction (IDC) beyond the COD. This discrepancy arose due to UPRVUNL's accounting practice of annual loan accounting and subsequent project-wise allocation of costs. The General Manager (Accounts), through a letter dated 21.05.2025, clarified that the IDC amounts shown as post-COD capitalization actually related to the period up to the COD, and that no IDC was incurred or capitalized after COD.

2.3.3.4 The Petitioner further submitted that its claim for Rs. 196.33 crore of IDC could not be considered when the capital cost order was issued because the petition had already been admitted. Nevertheless, the claim had been placed on record before the Commission and represented a genuine project expenditure. Accordingly, the Petitioner requested that the Commission consider this IDC amount during the true-up exercise and approve a revised capital cost of Rs. 6,504.54 crore, instead of the currently approved Rs.6,308.21 crore

Table 9: GFA including additional capitalization claimed by the Petitioner for FY 2016-19 (Rs. Crore)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual
5.	Opening GFA	6,308.21	6,504.54	6,308.21	6,521.97	6,308.21	6,567.11
6.	Capitalization	-	17.43	-	45.14	-	25.20
7.	Deletions	-	-	-	-	-	-
8.	**Closing GFA**	**6,308.21**	**6,521.97**	**6,308.21**	**6,567.11**	**6,308.21**	**6,592.31**

2.3.3.5 The Respondent in its Reply dated 13.02.2026 contended that the Commission had already examined the IDC claim while issuing the final capital cost order and had consciously approved the capital cost at Rs.6,308.21 Crore after restricting IDC attributable to delays beyond the admissible period. Therefore, the Respondent argued that there was no scope to revisit or re-agitate the claim for additional IDC of Rs. 196.33 Crore in the present true-up proceedings, as only the admissible portion of IDC had already been allowed. Accordingly, UPPCL requested that the opening and closing GFA for FY 2016-17, FY 2017-18, and FY 2018-19 be maintained at Rs. 6,308.21 Crore throughout the control period for tariff determination purposes.

2.3.3.6 The Petitioner, in its Rejoinder dated 05.03.2026, submitted that it had adopted the opening Gross Fixed Assets (GFA) of Rs. 6,308.21 Crore strictly in accordance with the Commission's final capital cost order dated 04.07.2025 and that the comparative statement filed by it was only intended to highlight the difference between the capital cost approved by the Commission and the revised capital cost reflected in the updated Auditor's Certificate.

2.3.3.7 The Petitioner submitted that it was not seeking to revise the capital cost approved by the Commission but was only assisting in assessing the impact of revised audited figures that had already been placed on record through its submission dated 24.05.2025, prior to the issuance of the final capital cost order. It explained that the discrepancy in the earlier Auditor's Certificate resulted from UPRVUNL's accounting methodology of annualizing and allocating loan-related costs project-wise, which created an impression that Interest During Construction (IDC) had been capitalized beyond COD, although no IDC was actually incurred after COD. Relying on the clarification dated 21.05.2025 issued by the General Manager (Accounts), the Petitioner contended that the claimed IDC of Rs. 196.33 crore pertained entirely to the period up to COD and that the revised certificate merely corrected the accounting presentation without introducing any new expenditure.

2.3.3.8 Accordingly, the Petitioner sought consideration of a revised audited capital cost of Rs. 6,504.54 crore, as against the Rs. 6,308.21 crore approved in the order dated 04.07.2025. The Petitioner also contested UPPCL's objection to additional capitalization of Rs. 87.77 crore, submitting that the expenditure was within the original approved scope of work, incurred within the permissible cut-off period, representing deferred liabilities and ongoing project works, which has been duly recorded in the books of account, and was supported by statutory auditor certification; therefore, its approval would require a corresponding increase in the year-wise Gross Fixed Assets (GFA).

Commission's Analysis

2.3.3.9 The Commission has examined the submissions of the Petitioner regarding inclusion of additional IDC amounting to Rs. 196.33 crore in the capital cost of Anpara-D TPS and notes that the capital cost of Rs. 6,308.21 crore up to COD was already determined and approved vide its Final Capital Cost Order dated 04.07.2025 based on the auditor certificate and submissions available on record at the time of adjudication.

2.3.3.10 Further, as per the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014, the final tariff and capital cost are required to be determined based on the actual capital expenditure incurred up to the date of commercial operation, duly audited and certified by the statutory auditors. The generating company bears the responsibility of furnishing complete, accurate and verified information within timelines given by the Commission during proceedings.

2.3.3.11 The Petitioner has contended that the Auditor's Certificate dated 14.02.2017 inadvertently reflected IDC capitalization beyond COD and that a revised Auditor's Certificate was subsequently submitted. However, the Commission notes that the final capital cost order has already attained finality based on the evidence and documents considered during the proceedings. Mere submission of a revised certificate at a later stage cannot automatically warrant reopening of the approved capital cost unless a specific review, appeal, or other legally maintainable proceeding establishes an error apparent on record or some other discrepancy.

2.3.3.12 The Commission notes that the Petitioner's claim of alleged post-COD IDC relates to the period prior to COD due to accounting allocation practices followed by UPRVUNL. While such clarification may explain the accounting treatment, the same does not by itself establish entitlement for revision of the capital cost already determined.

2.3.3.13 Further, Regulation 6 of the UPERC Generation Tariff Regulations, 2014 provides for truing-up of additional capital expenditure after prudence check by the Commission. The purpose of truing-up is to reconcile admissible expenditure based on audited accounts and regulatory provisions; however, it cannot be construed as an automatic mechanism for revising a final capital cost order merely on the basis of a subsequent clarification or revised certification.

2.3.3.14 Accordingly, the Commission is of the view that the Petitioner's request for enhancement of the approved capital cost from Rs. 6,308.21 crore to Rs. 6,504.54 crore by inclusion of additional IDC of Rs. 196.33 crore cannot be admitted. Therefore, the capital cost approved by the Commission shall continue to stand and the same would be considered for the purpose of this order.

Table 10: GFA approved by the Commission for FY 2016-19(Rs. Crores)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening GFA	6,308.21	6,325.64	6,370.74
2.	Capitalization	17.43	45.10	25.17
3.	Deletions	-	-	-
4.	**Closing GFA**	**6,325.64**	**6,370.74**	**6,395.91**

2.3.4 Means of Finance

2.3.4.1 The Petitioner submitted that the Commission, in its order dated 4th July 2025, prescribed a normative financing structure of 70% debt and 30% equity for capital expenditure, in accordance with the Tariff Regulations, with allowable depreciation treated as normative loan repayment. To ensure consistency with the approved methodology, the Petitioner has adopted the same approach for calculating normative debt and normative equity. Further, the opening balances of accumulated depreciation, normative loan, and normative equity as of 1st April 2016 have been considered based on the values approved by the Commission in its order dated 4th July 2025.The summary of Gross Fixed Assets, Net Fixed Assets, and Financing Mix is presented as follows:

Table 11: Calculation of GFA, NFA and financing claimed by the Petitioner for FY 2016-19 (Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening GFA	6,504.54	6,521.97	6,567.11
2.	Additions	17.43	45.14	25.20
3.	Deletions	-	-	-
4.	**Closing GFA**	**6,521.97**	**6,567.11**	**6,592.31**
5.	**Closing Net FA**	**6,171.81**	**5,864.39**	**5,536.11**
6.	**Financing:**			
7.	Opening Equity	1,951.36	1,956.59	1,970.13
8.	Additions	5.23	13.54	7.56
9.	Deletion	-	-	-

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
10.	**Closing Equity**	**1,956.59**	**1,970.13**	**1,977.69**
11.	**Closing Accumulated Depreciation**	350.16	702.72	1,056.20
12.	Opening Debts	4,553.18	4,215.22	3,894.26
13.	Additions	12.20	31.60	17.64
14.	Less: Depreciation (normative repayment)	350.16	352.56	353.48
15.	**Closing Debts**	4,215.22	3,894.26	3,558.42

Commission's Analysis

2.3.4.2 The Commission has examined the means of finance for FY 2016-17 to FY 2018-19 in the context of the capital base, the year-wise capitalisation approved in these proceedings, and the applicable normative financing principles under the Generation Tariff Regulations, 2014. On that basis, the means of finance considered for Anpara-D TPS for the control period is as set out below:

Table 12: Calculation of GFA, NFA and financing approved by the Commission for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening GFA	6,308.21	6,325.64	6,370.74
2.	Additions	17.43	45.10	25.17
3.	Deletions	-	-	-
4.	**Closing GFA**	**6,325.64**	**6,370.74**	**6,395.91**
5.	**Financing:**			
6.	Opening Equity	1,892.46	1,897.69	1,911.22
7.	Additions	5.23	13.53	7.55
8.	Deletion	-	-	-
9.	**Closing Equity**	**1,897.69**	**1,911.22**	**1,918.77**
10.	**Closing Accumulated Depreciation**	**338.42**	**679.16**	**1,021.02**
11.	Opening Debts	4,415.75	4,089.53	3,780.36
12.	Additions	12.20	31.57	17.62
13.	Less: Depreciation (normative repayment)*	338.42	340.74	341.86
14.	**Closing Debts**	**4,089.53**	**3,780.36**	**3,456.13**

**The Depreciation is calculated and approved by the Commission as per Table 14 of this order*

2.3.5 Depreciation

2.3.5.1 The Petitioner submits that depreciation in the audited accounts is calculated in accordance with Schedule XIV of the Companies Act, 1956, as disclosed in the accounting policies. However, under the Tariff Regulations, eligible depreciation must be computed annually using the Straight-Line Method (SLM) over the useful life of the assets and based on the depreciation rates specified in Appendix II of the UPERC Generation Tariff Regulation 2014. Appendix II prescribes separate depreciation rates for different categories of assets.

Table 13: Depreciation claimed by the Petitioner for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening Capital Cost	6504.54	6521.97	6567.11
2.	Closing Capital Cost	6521.97	6567.11	6592.31
3.	Average Capital Cost	6513.25	6544.54	6579.71
4.	Freehold land	24.69	24.69	24.69
5.	Rate of depreciation	5.38%	5.41%	5.38%
6.	Depreciable value	6488.57	6519.85	6555.03
7.	Balance useful life at the beginning of the period	25.00	24.00	23.00
8.	Remaining depreciable value	5839.71	5867.87	5899.52
9.	**Depreciation (for the period)**	**350.16**	**352.56**	**353.48**
10.	Depreciation (annualised)	350.16	352.56	353.48
11.	**Cumulative depreciation at the end of the period**	**350.16**	**702.72**	**1056.20**

2.3.5.2 The Respondent, in its Reply dated 13.02.2026, submitted that the Petitioner has calculated depreciation in accordance with Regulation 25(ii) of the Tariff Regulations, 2014. For FY 2017-18, the opening capital cost used for depreciation calculation was taken as the closing capital cost of FY 2016-17, while additions to capital cost were considered equal to the additional capital expenditure claimed for each respective financial year. Based on this assessment, the allowable depreciation for the control period 2016-19 would be determined at Rs. 1,016.57 crore, compared to Rs. 1,056.20 crore claimed by UPRVUNL, resulting in a lower admissible depreciation amount.

2.3.5.3 The Petitioner, in its Rejoinder dated 05.03.2026, submitted that the depreciation for Anpara-D TPS had been calculated strictly in accordance with the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014, with the opening capital cost for each year being derived from the closing capital cost of the preceding year and additions being based on the year-wise additional capitalization claimed in the petition, supported by audited accounts and subject to prudence check. It was further contended that depreciation is a consequential statutory allowance directly linked to the admitted capital cost and additional capitalization; therefore, once these are approved by the Commission, depreciation should be recomputed in accordance with the prescribed regulatory methodology and rates. The Petitioner argued that the variation between the depreciation claimed by it and that proposed by the Respondent arises solely from differences in the capital cost and additional capitalization figures considered, and that any revised depreciation should automatically follow from the capital cost ultimately approved by the Commission.

Commission's Analysis

2.3.5.4 The Commission notes that depreciation, under the applicable regulatory framework, is a consequential tariff component linked to the Gross Fixed Assets / capital cost considered for the relevant year.

2.3.5.5 The Commission has examined the claim for depreciation for FY 2016-17 to FY 2018-19 in the context of the Gross Fixed Assets and means of finance approved and in the light of the applicable provisions of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014. On that basis, the depreciation considered for Anpara-D TPS for the control period is as set out below.

Table 14: Depreciation approved by the Commission for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening Capital Cost	6,308.21	6,325.64	6,370.74
2.	Closing Capital Cost	6,325.64	6,370.74	6,395.91
3.	Average Capital Cost	6,316.93	6,348.19	6,383.32
4.	Freehold Land	23.94	23.94	23.94
5.	Opening Capital Cost (Excluding Land)	6,284.27	6,301.70	6,346.80
6.	Closing Capital Cost (Excluding Land)	6,301.70	6,346.80	6,371.97
7.	Average Capital Cost (Excluding Land)	6,292.99	6,324.25	6,359.38
8.	Rate of depreciation	5.38%	5.39%	5.38%
9.	Depreciation value = 90% of the (Closing Capital Cost Excluding Land)	5,671.53	5,712.12	5,734.77
10.	Cumulative Depreciation at beginning	-	338.42	679.16
11.	Depreciation	338.42	340.74	341.86
12.	Net Cumulative depreciation at the end of the period	338.42	679.16	1,021.01
13.	**Depreciation approved by the Commission**	**338.42**	**340.74**	**341.86**

2.3.6 Interest on loan

2.3.6.1 The Petitioner in the Petition submitted that the Commission, in its order dated 04.07.2025, prescribed a normative approach for financing capital expenditure in the ratio of 70% debt and 30% equity, in accordance with the applicable Tariff Regulations. Furthermore, the allowable depreciation has been considered as the normative loan repayment for the purposes of tariff determination. The weighted average rate of interest on loan as per actual has been computed as follows:

Table 15: Weighted Average rate of Interest claimed by the Petitioner

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Loan - Opening	4,758.11	4765.52	4290.47
2.	Add: Drawl (s) during the Year	450.15	78.66	28.54
3.	Less: Repayment (s) of Loans during the year	442.738	553.72	446.92
4.	**Net Loan - Closing**	**4,765.52**	**4290.47**	**3872.10**
5.	Average Net Loan	4,761.82	4528.00	4081.28
6.	Actual Interest on Loan	570.51	512.67	447.99
7.	**Weighted average Rate of Interest on Loans**	**11.98%**	**11.32%**	**10.98%**

2.3.6.2 The Petitioner has further submitted that the total capitalisation for FY 2016-17 to FY 2018-19 is depicted below and 70% of the same been considered to be funded through debt. Considering the debt worked out as above and applying the weighted average rate of interest on loans, interest on loan capital has been worked out in the table below:

Table 16: Interest on Loan claimed by the Petitioner for FY 2016-19

(Rs. Crore)

S. No.	Particulars	2016-17		2017-18		2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual
1.	Opening Debts	4,415.75	4,553.18	4,076.89	4,215.22	3,738.03	3,894.26
2.	Additions	-	12.20		31.60		17.64
3.	Less: Normative repayment	338.86	350.16	338.86	352.56	338.86	353.48
4.	**Closing Debts**	**4,076.89**	**4,215.22**	**3,738.03**	**3,894.26**	**3,399.17**	**3,558.42**
5.	Average Debt	4,246.32	4,384.20	3,907.46	4,054.74	3,568.60	3,726.34
6.	Rate of Interest	11.00%	11.98%	11.00%	11.32%	11.00%	10.98%
7.	**Interest on Loan**	**467.10**	**525.26**	**429.82**	**459.09**	**392.55**	**409.03**

2.3.6.3 The Respondent in its Reply dated 13.02.2026 submitted that, although a debt-equity ratio of 70:30 has been adopted by the Petitioner, however the additions to normative loan claimed by the Petitioner cannot be accepted unless the corresponding Additional Capitalisation is found admissible. It has been contended that, since the Additional Capitalisation claimed by the Petitioner should not be allowed, no corresponding addition to normative loan should be considered for the purpose of Interest on Loan.

2.3.6.4 It has further been submitted that, as per the loan agreements and the Commission's Order dated 04.07.2025, the applicable post-COD rate of interest is to be considered as 11.00% per annum for FY 2016-17 and FY 2017-18, and 10.98% per annum for FY 2018-19. Based on these rates and after excluding the impact of the disputed capitalisation, the allowable Interest on Loan has been worked out at Rs. 467.10 crore for FY 2016-17, Rs. 429.82 crore for FY 2017-18, and Rs. 391.71 crore for FY 2018-19, aggregating to Rs. 1,288.63 crore for the control period.

2.3.6.5 The Petitioner vide its Rejoinder contended that the difference between its claim and the Respondent's computation arises solely from the Respondent's proposed exclusion of certain capital cost/additional capitalisation elements. Therefore, it is argued that once the admissible capital cost is determined after prudence check, the Interest on Loan should be recomputed accordingly under the Regulations.

Commission's Analysis

2.3.6.6 The Commission notes that, in the present proceedings, the principal differences in the computations of the parties arise from the capital base and the year-wise capitalisation considered for the relevant years, and from the application of the corresponding debt component in the calculation of Interest on Loan.

2.3.6.7 The Commission has examined the Petitioner's claim for Interest on Loan with reference to the year-wise means of finance considered in the present proceedings, as well as the applicable regulatory framework governing the determination of Annual Fixed Charges (AFC) and Interest on Loan under Regulation 25 of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014. The admissibility and computation of Interest on Loan have been assessed in accordance with the provisions of the said Regulation, taking into account the approved capital cost, additional capitalization, normative debt-equity structure, and repayment methodology prescribed therein. For ease of reference, the relevant provisions contained in Provisos (c) and (d) of Regulation 25 of the UPERC Generation Tariff Regulations, 2014, governing the treatment and calculation of Interest on Loan, are reproduced below:

"........

(c) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loans at the beginning of each year and shall be adjusted based on actual loan each year accordingly.

(d) If there is no actual loan for a particular year but normative loan is still outstanding, the last weighted average of interest shall be considered.

........"

On that basis, the Interest on Loan considered for Anpara-D TPS for the control period FY 2016-17 to FY 2018-19 is as set out below.

Table 17: Interest on Loan approved by the Commission for FY 2016-19
(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening Debts	4,415.75	4,089.53	3,780.36
2.	Additions	12.20	31.57	17.62
3.	Less: Normative repayment	338.42	340.74	341.86
4.	Closing Debts	4,089.53	3,780.36	3,456.13
5.	Average Debt	4,252.64	3,934.95	3,618.25
6.	Rate of Interest	11.98%	11.32%	10.98%
7.	**Interest on Loan**	**509.47**	**445.44**	**397.28**

2.3.7 Return on Equity (RoE)

2.3.7.1 The Petitioner submitted that the opening equity base of Rs.1,950.56 crore as on 01.04.2016 was considered based on the opening Gross Fixed Assets (GFA), with 30% of the capital expenditure assumed to be funded through equity. It stated that, under the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014, Return on Equity (RoE) is admissible at 15.50%. The Petitioner further explained that pursuant to the Uttar Pradesh Government's order dated 31.07.2017, it voluntarily limited its RoE recovery to 2% from FY 2017-18 onwards to support UPPCL under the UDAY Scheme and considering UPPCL's financial condition. However, the Petitioner contended that this voluntary concession does not amount to relinquishment of its statutory entitlement to RoE at 15.50% under the Regulations and therefore requested the Commission to approve RoE in accordance with the provisions of the UPERC Tariff Regulations, 2014.

Table 18: Return on Equity (RoE) claimed by the Petitioner for FY 2016-17

(Rs. Crore)

S. No.	Particulars	2016-17		2017-18		2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual
1.	Opening Equity	1,892.46	1,951.36	1,892.46	1,956.59	1,892.46	1,970.13
2.	Additions	-	5.23	-	13.54	-	7.56
3.	Deletion	-	-	-	-	-	-
4.	**Closing Equity**	**1,892.46**	**1,956.59**	**1,892.46**	**1,970.13**	**1,892.46**	**1,977.69**
5.	**Average**	**1,892.46**	**1,953.98**	**1,892.46**	**1,963.36**	**1,892.46**	**1,973.91**
6.	Rate of Return on Equity (%)	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
7.	**Allowable RoE**	**293.33**	**302.87**	**293.33**	**304.32**	**293.33**	**305.96**

2.3.7.2 In its Reply dated 13.02.2026, the Respondent argued that the Petitioner had calculated additional equity on a normative basis, considering 30% of the claimed Additional Capitalisation as equity. Since the Respondent believes that the claimed Additional Capitalisation should not be allowed, it contended that no corresponding addition to equity should be considered while computing Return on Equity (RoE).

2.3.7.3 The Respondent further submitted that although the Commission, in its order dated 04.07.2025, had adopted RoE rate of 15.50%, the Government of Uttar Pradesh, through its order dated 31.07.2017, had directed that RoE be limited to 2% from FY 2017-18 onwards to support the Respondent under the UDAY Scheme until its financial turnaround is achieved.

2.3.7.4 Based on the above, the Respondent maintained that the allowable RoE for FY 2017-18 and FY 2018-19 should be restricted to 2% and accordingly the admissible Return on Equity should be calculated.

2.3.7.5 In its Rejoinder dated 05.03.2026, the Petitioner submitted that the Return on Equity (RoE) of Rs. 913.14 crore claimed for the control period has been calculated strictly in accordance with the UPERC Tariff Regulations, 2014. The computation includes normative addition to equity equivalent to 30% of the Additional Capitalisation claimed, consistent with the prescribed regulatory methodology.

2.3.7.6 The Petitioner contended that the Government of Uttar Pradesh's order dated 31.07.2017 relates only to operational and financial support arrangements and cannot override the tariff determination framework established under the UPERC Tariff Regulations, 2014, which have statutory force.

2.3.7.7 The Petitioner further argued that any voluntary decision to forgo part of the RoE in billing does not amount to a waiver of its statutory entitlement to RoE at 15.50%. The Petitioner also submitted that the Commission, in its order dated 04.07.2025, had itself adopted an RoE rate of 15.50%, thereby affirming the applicability of the Tariff Regulations. Accordingly, the Petitioner maintained that limiting RoE to 2% from FY 2017-18 onward is contrary to the UPERC Tariff Regulations, 2014, and requested that its RoE claim be allowed at 15.50% for the relevant years.

Commission's Analysis

2.3.7.8 The Commission has considered the submissions made by the Petitioner in the present true-up petition, the Reply filed by Respondent and the Rejoinder filed by the Petitioner. The Commission has also examined the tariff filing formats, the year-wise equity statements, the pleadings of the parties, and the documents placed on record in relation to Return on Equity for Anpara-D TPS for FY 2016-17 to FY 2018-19.

2.3.7.9 The Commission notes that Return on Equity forms part of the Annual Fixed Charges of a thermal generating station under the applicable provisions of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014 and has to be considered in accordance with Regulation 25(iii) thereof. The Commission further notes that the difference between the computations of the parties arises on account of two aspects, namely, the equity base consequent upon the year-wise capitalisation considered in these proceedings, and the rate of RoE to be applied for FY 2017-18 and FY 2018-19.

2.3.7.10 The Commission has examined the claim for Return on Equity in light of the means of finance considered in these proceedings, the applicable provisions of Regulation 25(iii) of the Generation Tariff Regulations, 2014, and the material placed on record in support of their respective submissions. On that basis, the

Return on Equity considered for Anpara-D TPS for the control period FY 2016-17 to FY 2018-19 is as set out below:

Table 19: Return on Equity Approved by the Commission for FY 2016-19
(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Opening Equity	1,892.46	1,897.69	1,911.22
2.	Additions	5.23	13.53	7.55
3.	Deletion	-	-	-
4.	Closing Equity	1,897.69	1,911.22	1,918.77
5.	Average	1,895.08	1,904.46	1,915.00
6.	Rate of Return on Equity (%)	15.50%	15.50%	15.50%
7.	**Allowable RoE**	**293.74**	**295.19**	**296.82**

2.3.8 Operation and Maintenance (O&M) Expenses

2.3.8.1 The Petitioner stated that Regulation 21(iv) read with Para 25(iv)(a) of the UPERC Generation Tariff Regulations, 2014 specifies the normative annual O&M expenses for thermal power stations during the control period FY 2014-15 to FY 2018-19, based on their installed capacity.

2.3.8.2 Accordingly, the O&M expenses for the power station during the control period have been determined in line with these prescribed norms, as shown in the table submitted by the Petitioner.

Table 20: Operation & Maintenance claimed by the Petitioner for FY 2016-19
(Rs. Crore)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Approved	Claimed	Approved	Claimed	Approved	Claimed
1.	O&M Expenses	180.80	180.80	192.20	192.20	204.30	204.30

Commission's Analysis

2.3.8.3 The Commission examined the year-wise O&M Expenses for FY 2016-17 to FY 2018-19 in accordance with the Generation Tariff Regulations, 2014. Accordingly, the Commission determines the O&M Expenses for the control period on normative basis, as set out in the subsequent table.

Table 21: Operation & Maintenance (O&M) approved by the Commission for FY 2016-19
(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2020-21	FY 2021-22
1.	Capacity	18.08	19.22	20.43

S. No.	Particulars	FY 2016-17	FY 2020-21	FY 2021-22
2.	Norms (Lakhs/MW)	1,000.00	1,000.00	1,000.00
3.	**O&M Expenses (Normative)**	**180.80**	**192.20**	**204.30**

2.3.9 Interest on Working Capital

2.3.9.1 The Petitioner submitted that, the UPERC Generation Tariff Regulations 2014 do not prescribe any variation to be allowed in true-up in respect of interest on working capital. Clause (a) and (d) of provision (v) of Regulation 25 of the UPERC Generation Tariff Regulations, 2014 prescribe payment of Interest on Working Capital on a normative basis. Para 25 (v) of the UPERC Generation Tariff Regulations 2014 prescribe the normative parameters for determination of normative working capital for coal based generating stations. The Petitioner also submitted the CA certificates in support of actual Primary and Secondary fuel cost for the financial years 2016-17, 2017-18, and 2018-19. Hence, the Interest on Working Capital claimed by the Petitioner in the Petition is as follows:

Table 22: Cost of Coal and Secondary Fuel Submitted by the Petitioner for IoWC for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Days in FY	365	365	365
2.	Pant Capacity (MW)	1000	1000	1000
3.	Aux. Consumption (%)	5.75%	5.75%	5.75%
4.	PAF (%)	85%	85%	85%
5.	SHR	2363	2363	2363
6.	PLF	55.79%	61.46%	91.83%
7.	Primary Fuel			
8.	Cost of Coal - as per financial	723.77	789.73	1,070.89
9.	Cost of Coal - adjusted as per target availability	1,102.72	1,092.20	991.24
10.	Secondary Fuel			
11.	Cost of Oil - as per financial	92.89	22.01	12.41
12.	Cost of Oil - adjusted as per target availability	141.53	30.45	11.49
13.	Receivables			
14.	Variable Charges	1,244.25	1,122.65	1,002.73
15.	Fixed Charges	1,443.41	1,386.56	1,346.17
16.	**Total Charges**	**2,687.65**	**2,509.21**	**2,348.89**

Table 23: Interest on Working Capital claimed by the Petitioner for FY 2016-19

(Rs. Crore)

S. No	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Approved	Actual	Approved	Actual	Approved	Actual
1.	Cost of Coal for 15 days	52.98	45.32	52.98	44.89	52.98	40.74
2.	Cost of Coal for 30 days	105.97	90.63	105.97	89.77	105.97	81.47
3.	Cost of Main Secondary Fuel Oil (2 months)	4.41	23.59	4.41	5.07	4.41	1.91
4.	O & M Expenses (01 Months)	15.07	15.07	16.02	16.02	17.03	17.03
5.	Maintenance Spares (20%)	36.16	36.16	38.44	38.44	40.86	40.86
6.	Receivables (2 months)	446.11	447.94	441.78	418.20	437.57	391.48
7.	**Total Working Capital**	**660.70**	**658.71**	**659.60**	**612.39**	**658.36**	**573.49**
8.	Rate of Interest (SBI Base rate+350 basis point)	12.80%	12.80%	12.80%	12.80%	12.80%	12.80%
9.	**Interest on Working Capital**	**84.51**	**84.31**	**84.37**	**78.39**	**84.27**	**73.41**

2.3.9.2 The Respondent submitted that the Petitioner had claimed Interest on Working Capital (IoWC) of Rs. 236.11 crore for the control period FY 2016-17 to FY 2018-19 and pointed out that the reference to the plant capacity as 2x250MW in the Auditor's Certificate to Anpara-D TPS should be treated as a typographical error. The certified fuel charges being considered for Anpara-D TPS (2×500 MW) only. The Respondent further contended that its proposed reduction in additional capitalization would result in a corresponding reduction in Annual Fixed Charges (AFC) and, consequently, in the receivables component used for computing working capital requirements. On this basis, it recalculated the admissible IoWC at Rs. 82.59 crore for FY 2016-17, Rs.71.64 crore for FY 2017-18, and ₹66.87 crore for FY 2018-19, aggregating to Rs. 221.10 crore for the control period. According to the Respondent, the reduction in IoWC is purely consequential in nature, arising from the downward revision of AFC and the corresponding adjustment in receivables considered for working capital computation.

2.3.9.3 In its Rejoinder dated 05.03.2026, the Petitioner submitted that the Interest on Working Capital (IoWC) has been computed strictly in accordance with the UPERC Tariff Regulations, 2014. It clarified that the reference to "Anpara-D TPS 2×250 MW" in the Auditor's Certificate is merely a typographical error, and that the certified fuel cost actually pertains to Anpara-D TPS (2×500 MW), as evidenced by the generation and fuel cost data submitted with the Petition.

2.3.9.4 The Petitioner further contended that the reduction in IoWC proposed by the

Respondent is only a consequential effect of the Respondent's proposed disallowances relating to Additional Capitalisation, Gross Fixed Assets, and Annual Fixed Charges. According to the Petitioner, once the Annual Fixed Charges are determined in accordance with the applicable Regulations, the IoWC should be computed on the prescribed normative basis using the approved capital base.

2.3.9.5 Accordingly, the Petitioner maintained that its claim of Rs. 236.11 crore towards Interest on Working Capital for the control period has been correctly calculated and should be allowed in accordance with the UPERC Tariff Regulations, 2014.

Commission's Analysis

2.3.9.6 The Commission has considered the treatment of Interest on Working Capital (IoWC) in accordance with Regulation 25(v) of the UPERC Generation Tariff Regulations, 2014. The Commission observes that the variation in the calculations submitted by the parties primarily arises from differences in the receivables component and the Annual Fixed Charges (AFC) considered for the respective years, while the other normative elements of working capital are largely aligned. Further, the Interest on Working Capital has been computed in terms of Regulation 25(v)(c), considering the Bank Rate prevailing as on 01.04.2014 or as on 1st April of the year during the tariff period FY 2014-15 to FY 2018-19 in which the generating station or unit achieved commercial operation, whichever is later.

2.3.9.7 Accordingly, after considering the applicable regulatory provisions and the Annual Fixed Charges admitted in the present proceedings, the Commission has determined the admissible Interest on Working Capital for Anpara-D TPS for the control period, as detailed in the subsequent sections of this Order.

Table 24: Cost of Coal and secondary Fuel Oil approved by the Commission

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Days in FY	365	365	365
2.	Plant Capacity (MW)	1000	1000	1000
3.	Aux. Consumption (%)	5.75%	5.75%	5.75%
4.	Target PAF (%)	85%	85%	85%

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
5.	SHR	2362.79	2362.79	2362.79
6.	Achieved PLF	55.79%	61.46%	91.83%
7.	Primary Fuel			
8.	Cost of Coal - as per financial	723.77	789.73	1,070.89
9.	Cost of Coal - adjusted as per target availability	1,102.71	1,092.21	991.24
10.	Secondary Fuel			
11.	Cost of Oil - as per financial	92.89	22.01	12.41
12.	Cost of Oil - adjusted as per target availability	141.52	30.44	11.49
13.	Receivables			
14.	Variable Charges	1,244.24	1,122.65	1,002.73
15.	Fixed Charges	1,405.94	1,351.15	1,312.96
16.	**Total Charges**	**2,650.18**	**2,473.80**	**2,315.70**

Table 25: Interest on Working Capital approved by the Commission for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Cost of Coal for 45 days (15 days + 30 days)	135.95	134.29	122.21
2.				
3.	Cost of Main Secondary Fuel Oil (2 months)	23.59	5.07	1.91
4.	O & M Expenses (01 Months)	15.07	16.02	17.03
5.	Maintenance Spares (20%)	36.16	38.44	40.86
6.	Receivables (2 months)	441.70	412.30	385.95
7.	Total Working Capital	652.46	606.12	567.96
8.	Rate of Interest (SBI Base rate as on 01.04.2016+350 basis point)	12.80%	12.80%	12.80%
9.	**Interest on Working Capital**	**83.52**	**77.58**	**72.70**

2.3.10 Annual Capacity Charges (Fixed Charges)

2.3.10.1 The Petitioner submitted that, on the basis of the capital cost, Additional Capitalisation and corresponding tariff components claimed in the Petition, the Annual Fixed Charges for Anpara-D TPS is tabulated below:

Table 26: Annual Capacity (Fixed) Charges claimed by the Petitioner for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Order	Actual	Order	Actual	Order	Actual
1.	Depreciation	338.86	350.16	338.86	352.56	338.86	353.48
2.	Interest on Long Term Loans	467.10	525.26	429.82	459.09	392.55	409.03
3.	Return on Equity	293.33	302.87	293.33	304.32	293.33	305.96

S. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Order	Actual	Order	Actual	Order	Actual
4.	IoWC	84.51	84.31	84.37	78.39	84.27	73.41
5.	O&M	180.80	180.80	192.20	192.20	204.30	204.30
6.	**Total AFC**	**1,364.60**	**1,443.41**	**1,338.58**	**1,386.56**	**1,313.31**	**1,346.17**

2.3.10.2 The Respondent, in its reply submitted that the Petitioner's claimed Annual Fixed Charges (AFC) of Rs. 4,176.13 crore for FY 2016-17 to FY 2018-19 require reduction on account of proposed lowering of IDC, Additional Capitalisation, Return on Equity and Interest on Working Capital. Accordingly, the Respondent recalculated the admissible AFC at Rs. 1,362.68 crore for FY 2016-17, Rs. 1,070.37 crore for FY 2017-18 and Rs. 1,039.59 crore for FY 2018-19, totaling Rs. 3,472.63 crore for the control period. The Respondent further contended that, since Unit-6 and Unit-7 achieved COD on 08.05.2016 and 18.10.2016 respectively, AFC for FY 2016-17 should be apportioned based on the actual operating days of each unit, resulting in allowable capacity charges of Rs. 612.27 crore for Unit-6 and Rs. 308.00 crore for Unit-7, aggregating to Rs. 920.27 crore for FY 2016-17. On this basis, the Respondent submitted that the total AFC admissible for the control period would be Rs. 3,030.23 crore, as against the Petitioner's corresponding claim of Rs.3,707.52 crore.

2.3.10.3 The Petitioner vide its rejoinder submitted that the Annual Fixed Charges amounting to Rs. 4,176.13 Crore for the control period have been computed strictly in accordance with the UPERC Tariff Regulations 2014 by aggregating the admissible tariff components, namely Return on Equity, Interest on Loan, Depreciation, Interest on Working Capital and Operation and Maintenance Expenses.

2.3.10.4 The Petitioner submitted that the reduction proposed by the Respondent in the Annual Fixed Charges is entirely consequential to the Respondent's proposed disallowances in the individual components. Since the Petitioner has separately contested those disallowances, the consequential reduction in Annual Fixed Charges is also not sustainable.

2.3.10.5 The Petitioner further submitted that, since Unit-6 and Unit-7 achieved commercial operation on 08.05.2016 and 18.10.2016 respectively, the Annual Fixed Charges for FY 2016-17 have already been computed on a pro-rata basis corresponding to the number of days of operation during the year, in line with the applicable Regulations. The Petitioner also reiterated in the context of carrying cost, that monthly bills for FY 2016-17 were raised on a pro-rata basis corresponding to the operating days of the respective units.

Commission's Analysis

2.3.10.6 The Annual Fixed Charges (AFC) for a thermal generating station are required to be determined in accordance with Regulation 25 of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014. It further notes that the differences in the AFC computations submitted by the Petitioner and the Respondent were largely consequential to their differing claims and treatment of these tariff components. The Commission also considers the submissions regarding FY 2016-17, particularly in view of the actual Commercial Operation Dates (CODs) of Unit-6 and Unit-7 and the corresponding operating period during the year. Accordingly, after examining the applicable regulatory provisions and the tariff components admitted in these proceedings, the Commission determines the Annual Fixed Charges for Anpara-D TPS for FY 2016-17 to FY 2018-19, as set out subsequently in the Order.

Table 27: Annual Fixed Charges approved by the Commission for FY 2016-19

(Rs. Crore)

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1.	Depreciation	338.42	340.74	341.86
2.	Interest on Long Term Loans	509.47	445.44	397.28
3.	Return on Equity	293.74	295.19	296.82
4.	IoWC	83.52	77.58	72.70
5.	O&M	180.80	192.20	204.30
6.	Total AFC	1,405.94	1,351.15	1,312.96
7.	Days of Operation Unit I	328	365	365
8.	Days of Operation Unit II	165	365	365
9.	**Trued-up AFC for Unit I**	**631.71**	**675.57**	**656.48**
10.	**Trued-up AFC for Unit II**	**317.78**	**675.57**	**656.48**

2.3.11 Other Related Issues

a. Profit Sharing

2.3.11.1 The Regulation 6(6) of UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014, provides as under:

"..........

(6) The financial gains by a generating company on account of controllable parameters shall be shared between generating company and the beneficiaries. The financial gains computed as per following formulae in case of generating station on account of operational parameters contained in Clause (4) (a) to (c)above shall be shared in the ratio of 80:20 between generating company and the beneficiaries:

Net Gain = (ECRN– ECRA) x Scheduled Generation

Where,

ECRN – Normative Energy Charge Rate computed on the basis of norms specified/approved for Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption.

ECRA – Actual Energy Charge Rate computed on the basis of actual Gross Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for the month.

Provided that in case of financial gains on account of parameters contained in Clause (4)(d) above shall be shared in accordance with Clause (i) (e) of Regulation 25& Regulation 44 of these regulations..

.........."

2.3.11.2 The Petitioner submitted that it had prepared a profit center analysis for the period FY 2014-15 to FY 2018-19, on the basis of audited accounts. It was further submitted that UPPCL had adjusted the profit-sharing amount from the bills raised by Petitioner. The Petitioner further requested Commission to consider the above information of profit sharing with UPPCL as per UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014.

2.3.11.3 The Commission directs the Petitioner to ensure profit sharing in terms of the Regulations 6 (6) of UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014 and since no dispute from either party has been raised before us over sharing of efficiency/financial gains, the Commission is not entering into the realm of profit sharing.

b. Carrying Cost

2.3.11.4 The Regulation 6 of the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014 provides for the treatment of amounts under-recovered or over-recovered on account of tariff determination. The relevant provisions of the said Regulation are reproduced below:

"........

(8) Where, after truing-up the tariff recovered exceeds the tariff approved

by the Commission under these Regulations, the generating company shall refund to the beneficiaries the excess amount so recovered, along with simple interest at the rate equal to the Bank Rate prevailing as on 1st April of the relevant year.

(9) Where, after truing-up, the tariff recovered is less than the tariff approved by the Commission under these Regulations, the generating company shall recover from the Beneficiaries the under-recovered amount, along with simple interest at the rate equal to the Bank Rate prevailing as on 1st April of the relevant year.

(10) The amount under-recovered or over-recovered, along with simple interest at the rate equal to the Bank Rate as on 1st April of the relevant year, shall be recovered or refunded by the generating company in six equal monthly instalments, starting within three months from the date of the tariff order issued by the Commission after the truing-up exercise."

2.3.11.5 In view of the above, the Commission directs the Petitioner to adjust the difference between the annual fixed charges recovered in accordance with MYT Order dated 04.07.2025 in Petition No. 1200 of 2018 and annual fixed charges approved vide this order in accordance with the provisions of Regulation 6 (8), (9) and (10) of UPERC (Terms and Conditions of Generation Tariff) Regulations 2014.

With above directions, the Petition is disposed off.

Sanjay

(Sanjay Kumar Singh)

Member

(Arvind Kumar)

Chairman

Place: Lucknow
Dated: 11.08.2026