

Uttar Pradesh Electricity Regulatory Commission

Lucknow

Petition No. 2320 of 2025



Order under Section 62 and 64 of the Electricity Act, 2003

on

True-up for FY 2024-25,

Annual Performance Review for FY 2025-26,

Annual Revenue Requirement and Intra-State Tariff for FY 2026-27

for

Uttar Pradesh Power Transmission Corporation Limited

&

State Transmission Utility

April 15, 2026



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BEFORE

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No.: 2320 of 2025

In the matter of:

Determination of Annual Revenue Requirement (ARR) & Intra State Transmission Tariff for FY 2026-27, Annual Performance Review (APR) for FY 2025-26 and True Up for FY 2024-25.

And

In the matter of:

Uttar Pradesh Power Transmission Corporation Limited, Lucknow (UPPTCL) as Transmission Licensee and in the capacity of State Transmission Utility (STU)

..... **Petitioner**

Order

The Commission, having deliberated upon the above Petition and the subsequent filings by the Petitioner, admitted the Petition on January 22, 2026. Further, having considered the views/comments/suggestions/objections/representations received from the stakeholders during the course of the above proceedings, including the Public Hearing held on February 27, the Commission hereby passes this Order in exercise of the powers vested to it under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 (hereinafter referred to as 'the Act').

The STU, in accordance with Regulation 3.10 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Transmission) Regulations, 2025 and its amendments thereof shall publish the Intra State Transmission Tariff within three working days from the date of issue of this Tariff Order in at least two English and two Hindi daily newspapers having wide circulation in the state of Uttar Pradesh. Further, STU/UPPTCL shall upload the approved Tariff on its internet website both in English and Hindi.

The Tariff so published shall come into force after seven days from the date of such publication of the Tariffs and unless amended or revised, shall continue to be in force till the next tariff order becomes effective. However, in case this tariff order comes into force from any date during the currency of this month, the monthly transmission charges prescribed for Distribution Licensee and Indian Railways shall be effective for the entire month. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

1 INTRODUCTION AND HISTORICAL BACKGROUND

1.1 INTRODUCTION

1.1.1 This Order relates to Petition No. 2320 of 2025, filed by Uttar Pradesh Power Transmission Corporation Limited (hereinafter referred to as 'UPPTCL' or the 'Petitioner') seeking approval of the True-Up for FY 2024-25, Annual Performance Review (APR) for FY 2025-26, and Annual Revenue Requirement (ARR) for FY 2026-27. Further, in its capacity as the State Transmission Utility (STU), the Petitioner has also sought approval of the Annual Performance Review of the Intra-State Transmission Tariff for FY 2025-26 and determination of the Intra-State Transmission Tariff for FY 2026-27.

1.2 HISTORICAL BACKGROUND

1.2.1 Uttar Pradesh Electricity Regulatory Commission: The Uttar Pradesh Electricity Regulatory Commission (hereinafter referred to as the 'UPERC' or 'the Commission') was constituted under Section 17 of the Electricity Regulatory Commission's Act, 1998 and came into being on September 10, 1998, vide Government of Uttar Pradesh (GoUP) Notification No. 2813-P-1/98-24. It was later deemed to have been appointed under Section 3 of the Uttar Pradesh Electricity Reforms Act, 1999 and continues to be the State Commission under the first proviso of Section 82 of Electricity Act, 2003 (hereinafter referred to as 'the Act' or 'EA, 2003').

1.2.2 Historical Background of Reforms and UPPTCL: In pursuance of the reforms and restructuring process, the erstwhile Uttar Pradesh State Electricity Board (UPSEB) was unbundled into the following three separate entities through the Reforms Transfer Scheme 2000, dated January 14, 2000:

- Uttar Pradesh Power Corporation Limited (UPPCL): vested with the function of Transmission and Distribution within the State;
- Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL): vested with the function of Thermal Generation within the State;
- Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL): vested with the function of Hydro Generation within the State.

1.2.3 Subsequently, the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL),

a Transmission Company (Transco), came into existence in compliance with GoUP letter No. 293 dated May 16, 2006. UPPTCL started functioning with effect from July 26, 2006, and was entrusted with the business of transmission of electrical energy to various Utilities within the State of Uttar Pradesh, which was earlier vested with UPPCL. Further, the Government of Uttar Pradesh (GoUP), in the exercise of powers vested under Section 30 of the Electricity Act, 2003, vide notification No. 122/U.N.N.P/24-07 dated July 18, 2007, notified UPPTCL as the “State Transmission Utility” (STU) of Uttar Pradesh. Subsequently, on December 23, 2010, the GoUP notified the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets, Liabilities and Related Proceedings) Scheme, 2010, which provided for the transfer of assets and liabilities from UPPCL to UPPTCL with effect from April 01, 2007.

- 1.2.4 Further, the UP-State Load Despatch Centre was segregated from UPPTCL and incorporated as a separate company on August 22, 2022.

1.3 GRANT OF LICENSE TO TBCB / PROJECT DEVELOPERS

- 1.3.1 Section 63 of the Electricity Act, 2003 provides for the Determination of tariff by bidding process and states that the Appropriate Commission shall adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. Further, Regulation 6.1 of Uttar Pradesh Electricity Regulatory Commission (Modalities of Tariff Determination) Regulations, 2023 provides that all new greenfield intra-state transmission projects of 220 kV & above voltage level, being part of the STU Transmission Plan, shall be implemented through Tariff Based Competitive Bidding (TBCB) in accordance with the guidelines issued under Section 63 of the Act and any deviation from the guidelines should have prior approval of the Commission. The tariff of such intra-state transmission projects shall be discovered under Section 63 of the Act.
- 1.3.2 **Transmission Licenses Awarded Under TBCB:** The following companies have been granted Transmission Licenses under TBCB as shown in the Table below:

TABLE 1.1: TRANSMISSION LICENSEE ENTITIES UNDER TBCB

S. No.	Transmission Licensee Entities under TBCB	Date of grant of Transmission License by the Commission
1	Western UP Power Transmission Company Ltd. (WUPPTCL)	June 20, 2012
2	South East UP Power Transmission Company Ltd. (SEUPPTCL)	April 29 2013
3	Ghatampur Transmission Ltd. (GTL)	October 25, 2018
4	Obra 'C' Badaun Transmission Ltd. (OCBTL)	July 5, 2019
5	POWERGRID Jawaharpur Firozabad Transmission Ltd. (PGJFTL)	July 5, 2019
6	POWERGRID Meerut Simbhavali Transmission Ltd. (PGMSTL)	September 18, 2020
7	POWERGRID Rampur Sambhal Transmission Ltd. (PGRSTL)	September 18, 2020
8	POWERGRID Gomti Yamuna Transmission Ltd. (PGGYTL) [formerly Mohanlalganj Transmission Ltd. (MTL)]	December 22, 2022
9	TP Jalpura Khurja Power Transmission Ltd. (TPJKPTL)	November 11, 2024
10	Meerut Shamali Power Transmission Ltd. (MSPTL)	February 02, 2025
11	Jewar Transmission Ltd. (JTL)	February 02, 2025
12	Tirwa Transmission Ltd. (TTL)	February 02, 2025

1.3.3 Network Details of the Transmission Licensees in the State of Uttar Pradesh upto November 30, 2025, as submitted by UPPTCL are as shown below:

TABLE 1.2: NETWORK DETAILS OF THE TRANSMISSION LICENSEES UPTO NOVEMBER 31, 2025

Voltage Level (kV)	Project	132 KV	220 KV	400 KV	765 KV	Total
No. of Substations (Nos.)	UPPTCL	486	170	29	2	687
	SEUPPTCL	0	1	1	1	3
	WUPPTCL	0	0	5	2	7
	GTL	0	0	0	0	0
	PGJFTL	0	0	1	0	1
	OCBTL	0	0	1	0	1
	PGRSTL	0	0	1	1	2
	PGMSTL	0	0	1	1	2
	PGGYTL	0	0	1	0	1
	MSPTL	0	0	0	0	0
	TTL	0	0	0	0	0
	JKPTL	0	0	0	0	0
	JTL	0	0	0	0	0
Total	486	171	40	7	704	
Transformation Capacity (MVA)	UPPTCL	70,341	65,660	28,625	6,000	1,70,626
	SEUPPTCL	0	200	1,260	2,000	3,460
	WUPPTCL	0	560	5,860	6,000	12,420
	GTL	0	0	0	0	0
	PGJFTL	0	320	1,000	0	1,320
	OCBTL	0	320	630	0	950
	PGRSTL	0	320	2,000	3,000	5,320
	PGMSTL	0	400	2,000	3,000	5,400

Voltage Level (kV)	Project	132 KV	220 KV	400 KV	765 KV	Total
	PGGYTL	0	400	1,000	0	1,400
	MSPTL	0	0	0	0	0
	TTL	0	0	0	0	0
	JKPTL	0	0	0	0	0
	JTL	0	0	0	0	0
Transmission Lines (Ckt. Km)	UPPTCL	29,586.07	16,933.68	7,338.22	1,511.18	55,419.15
	SEUPPTCL	0.00	0.00	503.10	377.00	880.10
	WUPPTCL	0.00	0.00	506.00	650.00	1,156.00
	GTL	0.00	0.00	98.00	1,028.00	1,126.00
	PGJFTL	105.35	21.68	166.82	22.80	316.65
	OCBTL	41.00	38.00	502.00	18.00	599.00
	PGRSTL	0.00	0.00	148.78	0.00	148.78
	PGMSTL	0.00	0.00	199.64	61.00	260.64
	PGGYTL	0.00	0.00	120.00	347.32	467.32
	MSPTL	0.00	0.00	0.00	0.00	0.00
	TTL	0.00	0.00	23.38	0.00	23.38
	JKPTL	0.00	0.00	0.00	0.00	0.00
	JTL	0.00	0.00	0.00	0.00	0.00
	Total		29,732.42	16,993.36	9,655.94	4,015.30

1.4 SYSTEM PEAK LOAD

1.4.1 The load centre power demands, daily, monthly & yearly load levels and associated load power factors are crucial factors that influence the planning of the bulk Transmission system. UPPTCL loads are scattered throughout the State with heavy demands in Varanasi, Prayagraj, Lucknow, Kanpur, Agra, Meerut, Noida, and Ghaziabad areas. The annual peak load occurs in summer months. The following Table depicts peak demand for various years from 2007-08 uptill now.

TABLE 1.3: YEARLY SYSTEM PEAK (UDM) IN MW

Month	System Peak (MW)	Percentage of Increase Over the Previous Year
2007-08	10,104	-
2008-09	10,587	5%
2009-10	10,856	3%
2010-11	11,082	2%
2011-12	12,123	9%
2012-13	14,300	18%
2013-14	15,044	5%
2014-15	15,670	4%
2015-16	16,988	8%
2016-17	17,886	5%
2017-18	20,274	13%

Month	System Peak (MW)	Percentage of Increase Over the Previous Year
2018-19	21,128	4%
2019-20	22,599	7%
2020-21	23,917	6%
2021-22	25,117	5%
2022-23	27,369	9%
2023-24	29,043	6%
2024-25	31,503	8%
2025-26 (upto November 2025)	32,002	2%

1.4.2 The overall installed generating capacity in the State of Uttar Pradesh as of September 30, 2025, is 35,433.10 MW as mentioned in the Table below:

TABLE 1.4: INSTALLED GENERATING CAPACITY AS ON SEPTEMBER 30, 2025 (MW)

Ownership/ Sector	Mode wise breakup of Installed Capacity			Grand Total
	Thermal	Nuclear	Renewable (including Hydro)	
State Share	9,155.00	-	742.70	9,857.70
Private Share	8,814.33	-	6,384.07	15,198.40
Central Share	7,421.97	370.45	2,584.57	10,377.00
Sub-Total	25,351.30	370.45	9,711.35	35,433.10

1.4.3 The generating capacities expected to be commissioned within the state during the MYT plan period (i.e. from FY 2025-26 to FY 2029-30) as shown in the Table below:

TABLE 1.5: GENERATING CAPACITIES COMMISSIONED/PLANNED TO BE COMMISSIONED UP-TO FY 2029-30

Projects	Plant Capacity (MW)	COD (Expected) as per the Business Plan Petition	Revised COD
Ghatampur TPS	3x660	Unit-2 - October 2021	07.11.2025
		Unit-3 - March 2022	26.01.2026
Obra-C TPS	2x660	Unit-2 - April 2022	09.07.2025
Khurja STPP	2x660	Unit-2 - May 2024	26.09.2025
Obra D TPS	2x880	-	FY 2028-29
Anpara E TPS	2x880	-	FY 2028-29
Meja Ext. TPS	3x660	-	FY 2028-29
Mirzapur Thermal Energy (U.P.) Pvt. Ltd. TPS	2x800	-	FY 2028-29

Projects	Plant Capacity (MW)	COD (Expected) as per the Business Plan Petition	Revised COD
Adani Saur Urja (KA) Ltd. PSP	1250	-	FY 2029-30
JSW Neo Energy Pvt. Ltd. Robertsganj PSP	1500	-	FY 2029-30

TABLE 1.6: GENERATING CAPACITIES ALREADY COMMISSIONED DURING THE PERIOD (FY 2020-21 TO FY 2024-25)

Projects	Plant Capacity (MW)	COD (Expected) as per the Business Plan petition	Commissioned COD
Meja TPS	2x660	Unit-2 - January 2021	January 31, 2021
Tanda II TPS	2x660	Unit-2 - October 2020	April 01, 2021
Harduaganj Ext. Stage-II TPS	1x660	December 2020	February 09, 2022
Obra-C TPS	1x660	Unit-1 - December 2021	February 09, 2024
Jawaharpur TPS	2x660	Unit-1 - December 2021	February 21, 2024
Jawaharpur TPS	2x660	Unit-2 – April 2022	December 25, 2024
Ghatampur TPS	3x660	Unit-1 - March 2021	December 31, 2024
Khurja STPP	2x660	Unit-1 - November 2023	January 26, 2025
Panki TPS	1x660	September 2022	February 09, 2025

1.4.4 The Petitioner submitted that UPNEDA, vide letter dated December 12, 2017, conveyed the proposal for development of 4,000 MW of distributed solar projects in the Bundelkhand region, for which the associated intra-State transmission evacuation system was to be developed by UPPTCL under the GEC-II scheme.

1.4.5 UPPTCL, vide letter dated February 07, 2018, submitted the proposal for evacuation of power from 4,000 MW solar parks in Bundelkhand under GEC-II, which was subsequently amended vide letter dated May 22, 2018 based on comments of the Central Electricity Authority (CEA). System studies were carried out by CEA in association with UPPTCL, and the modified scheme was discussed in the 40th Meeting of the Standing Committee on Power System Planning of Northern Region (SCPSNR) held on June 22, 2018.

1.4.6 Pursuant thereto, UPPTCL submitted a revised DPR vide letter dated August 21, 2018, which was approved by CEA vide letter dated October 11, 2018. The approved DPR comprised 27 substations along with associated transmission lines, with an estimated cost of Rs. 5,011.47 Crore. The transmission network was also principally

approved by the Transmission Works Committee (TWC) in its 26th meeting of the 13th Plan held on March 05, 2019.

1.4.7 Subsequently, the GoUP, vide order dated January 07, 2022, approved the GEC-II schemes. Further, the Screening Committee of the Department of Economic Affairs (DEA), GoI, in its 127th meeting held on April 29, 2022, approved the GEC-II transmission scheme.

1.4.8 UPNEDA, vide its letter No. 1785/NEDA-SE-GEC/88/2016 dated July 15, 2022, had informed that instead of the earlier plan for a 4000 MW distributed solar park under GEC-II, a revised plan has been formulated for the Bundelkhand region. As per the revised plan, bulk solar parks with an aggregate capacity of 2,600 MW and distributed solar generating plants of 1,400 MW are proposed to be developed. The details of the planned connectivity of 4,000 MW through the InSTS are provided below:

TABLE 1.7: SOLAR PROJECTS PLANNED

Plant Capacity (MW)	Developer	District/Region
1,200	TUSCO (JV of THDC & UPNEDA)	Jhansi & Lalitpur
600	BSUL (JV of NHPC & UPNEDA)	Jalaun
800	TUSCO (JV of THDC & UPNEDA)	Chitrakoot
1,400	Distributed Solar Generating plants	Bundelkhand Region

1.4.9 Considering the change in solar potential and project locations, UPPTCL vide letter dated August 23, 2022 proposed to drop seven substations from the earlier approved DPR and submitted a revised DPR in two phases for approval of CEA. CEA suggested modifications vide letter dated September 06, 2022, which were incorporated by UPPTCL and resubmitted on September 13, 2022.

1.4.10 The revised evacuation scheme was deliberated and broadly agreed in a meeting held on October 27, 2022 among CEA, CTUIL, POSOCO and UPPTCL. The revised transmission network under GEC-II, with an estimated cost of Rs. 4,786.79 Crore was approved by the BOD on November 24, 2022 and by the ETF on November 30, 2022.

1.4.11 CEA, vide letter dated February 06, 2023, considered the revised evacuation plan with an estimated cost of Rs. 4,689.18 Crore (excluding land cost). The Project

Appraisal Committee (PAC), in its meeting held on February 22, 2023, approved the evacuation plan for 4,000 MW solar capacity with a project cost of Rs. 4,224.87 Crore (excluding IDC and Administrative & Establishment charges) for grant consideration and observed that additional projects could be included as the revised cost was lower than the original sanctioned cost of Rs. 4,847.86 Crore.

1.4.12 In line with the observations of PAC, UPPTCL submitted an additional scheme comprising 400/220 kV, 2×500 MVA Chitrakoot substation along with associated lines in Phase-II, costing Rs. 619.90 Crore, which was considered by CEA at an estimated cost of Rs. 553.32 Crore (excluding IDC and Administrative & Establishment charges). Accordingly, the total estimated cost for evacuation of 4,000 MW solar power under GEC-II stands at Rs. 4,778.19 Crore (excluding IDC and Administrative & Establishment charges).

1.4.13 The Petitioner further submitted that the Commission vide its Order dated August 29, 2023, in Petition No. 2000/2023 had approved a capital expenditure of Rs. 5,375.85 Crore towards the transmission system under the GEC-II scheme. Further the status of work under packages issued under GEC-II has been Annexed as: **Annexure-I**

1.5 TRANSMISSION TARIFF REGULATIONS

1.5.1 The Uttar Pradesh Electricity Regulatory Commission (Multi-Year Transmission Tariff) Regulations, 2014 were notified on May 12, 2014, and were applicable for the period from April 01, 2015, to March 31, 2020. As per these regulations, the Commission divided the period of five years (i.e., April 01, 2015 to March 31, 2020) into two periods, namely:

- Transition period (April 01, 2015, to March 31, 2017)
- Control period (April 01, 2017, to March 31, 2020)

1.5.2 The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred to as “MYT Regulations, 2019”), were notified on September 23, 2019, which remained applicable for the determination of Tariff from April 01, 2020, onwards up to FY 2024-25 (i.e., till March 31, 2025).

- 1.5.3 Subsequently, the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Transmission) Regulations, 2025 (hereinafter referred to as “MYT Transmission Regulations, 2025”), was notified on June 06, 2025, and its first Amendment Regulations were issued on January 13, 2026, which are applicable for the determination of Intra State Transmission Tariff from April 01, 2025, onwards up to FY 2029-30 (i.e., till March 31, 2030), unless extended by the Commission.
- 1.5.4 The Petitioner, UPPTCL, has filed the details of True-Up for FY 2024-25 under the MYT Regulations, 2019. Further, the Petitioner has filed the Annual Performance Review (APR) for FY 2025-26 and the Annual Revenue Requirement (ARR) for FY 2026-27 under the MYT Transmission Regulations, 2025 and its amendments thereof. Additionally, UPPTCL, in its capacity as the State Transmission Utility (STU), has filed the APR of the Intra-State Transmission Tariff for FY 2025-26 and the Intra-State Transmission Tariff for FY 2026-27 under the MYT Transmission Regulations, 2025, and its amendments thereof.

2 FILING OF PETITIONS

2.1 DETAILS OF BUSINESS PLAN ORDERS / MYT ORDERS / PREVIOUS YEARS' ARR AND TARIFF ORDERS AS PER MYT REGULATIONS 2019

2.1.1 The Commission, vide its Order dated October 15, 2020, had approved the Business Plan of the UPPTCL (hereinafter referred as the 'Licensee' or the 'Petitioner') for MYT Control Period from FY 2020-21 to FY 2024-25.

2.1.2 Further, during the MYT Control Period from FY 2020-21 to FY 2024-25, the Commission has annually approved the following True-Up, APR and ARR & Transmission Tariff Orders of the Petitioner, till now, under MYT Regulations 2019 as shown in the Table below:

TABLE 2.1: LIST OF TARIFF ORDERS ISSUED DURING THE MYT CONTROL PERIOD (FY 2020-21 TO FY 2024-25) FOR THE PETITIONER

Details of Order	Date of Issuance
True-Up for FY 2017-18 and FY 2018-19, APR for FY 2019-20, ARR and Transmission Tariff for FY 2020-21	November 10, 2020
True-up for FY 2019-20, APR for FY 2020-21 and determination of ARR and Tariff for FY 2021-22	June 29, 2021
True-up for FY 2020-21, APR for FY 2021-22 and determination of ARR and Tariff for FY 2022-23	July 20, 2022
True-up for FY 2021-22, APR for FY 2022-23 and determination of ARR and Tariff for FY 2023-24	May 24, 2023
True-up for FY 2022-23, APR for FY 2023-24 and determination of ARR and Tariff for FY 2024-25	October 10, 2024
True of FY 2023-24 & APR of FY 2024-25	September 08, 2025

2.2 DETAILS OF MYT ORDERS / PREVIOUS YEARS' ARR AND TARIFF ORDERS/ STU TRANSMISSION PLAN ORDERS AS PER MYT TRANSMISSION REGULATIONS 2025 AND ITS AMENDMENTS THEREOF

2.2.1 As per Regulation 11.4 of the MYT Transmission Regulation, 2025, and its amendments thereof, the Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the Transmission Plan prepared by the Transmission Licensee under Modalities of Tariff Determination Regulation, 2023 and Capital Investment Project approved by the Commission.

2.2.2 Further, during the MYT Control Period from FY 2025-26 to FY 2029-30, the Commission has annually approved the following ARR & Intra-Sate Transmission Tariff Orders of the Petitioner, till now, under MYT Transmission Regulations 2025 and its amendments thereof, as shown in the Table below:

TABLE 2.2: LIST OF TARIFF ORDERS ISSUED DURING THE MYT CONTROL PERIOD (FY 2025-26 TO FY 2029-30) FOR THE PETITIONER

Details of Order	Date of Issuance
ARR and Intra-Sate Transmission Tariff for FY 2025-26	September 08, 2025

2.3 TRUE-UP FOR FY 2024-25, APR FOR FY 2025-26 & APR OF INTRA STATE TRANSMISSION TARIFF FOR FY 2025-26 AND ARR FOR FY 2026-27 & INTRA STATE TRANSMISSION TARIFF FOR FY 2026-27

2.3.1 As per the provisions of MYT Regulations, 2019, the Transmission Licensee(s) are required to file their ARR / Tariff Petitions before the Commission latest by November 30th of each financial year.

2.3.2 The Petitioner has filed the True-Up Petition for FY 2024-25, under the provision of MYT Regulation 2019 and under Section 64 of Electricity Act, 2003 on November 28th, 2025.

2.3.3 Further, as the validity period of the MYT Regulations, 2019 concluded on March 31, 2025, the Commission, in exercise of its powers under Section 181 read with Sections 61, 62, 64, and 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, notified the UPERC MYT Transmission Regulations, 2025.

2.3.4 As per the provisions of MYT Transmission Regulations, 2025, and its amendments thereof, the Transmission Licensee(s) are required to file an annual petition complete in all respect every year during control period for True-up of ARR for previous year, APR of current year and ARR / Tariff of ensuing year in such form and in such manner as specified in these Regulations along with relevant formats, duly supported with detailed computations, by 30th November of each financial year.

2.3.5 The Petitioner had filed the APR Petition for FY 2025-26, ARR Petition of FY 2026-

27, APR of Intra-State Transmission Tariff of FY 2025-26 and determination of Intra-State Transmission Tariff of FY 2026-27 under the provision of MYT Transmission Regulation, 2025 and under Section 64 of Electricity Act, 2003 on November 28th, 2025.

2.4 PRELIMINARY SCRUTINY OF THE PETITION

- 2.4.1 A preliminary analysis was conducted of the Petition, wherein various deficiencies were observed in the Petition, and the deficiencies were communicated to the Petitioner vide 1st deficiency dated December 22, 2025.
- 2.4.2 The Petitioner vide dated January 07, 2026 had submitted its response to the deficiencies in respect to True-Up Petition for FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, APR of Intra-State Transmission Tariff of FY 2025-26 and Intra-State Transmission Tariff of FY 2026-27. The Technical Validation Session (TVS) was conducted on January 20, 2026, which was attended by senior officials of the Petitioner and during the TVS, the Petitioner clarified the various issues raised in the deficiencies. Minutes of Meeting (MOM) dated January 21, 2026, of the TVS meeting along with 2nd deficiency was also communicated to the Petitioner.
- 2.4.3 The Petitioner vide dated February 05, 2026 has submitted its response to the 2nd deficiencies (raised through TVS MoM), respectively.
- 2.4.4 The Commission has scrutinized the Petition along with additional data/ information and supporting documents, as submitted by the Petitioner, in response to the deficiencies identified and considered the same while passing this Order.

2.5 ADMITTANCE OF THE PETITION

- 2.5.1 The Commission admitted the Petition vide its Order dated January 22, 2026, (Annexed as: **Annexure-II**). The Commission, in accordance with Regulation 5.8 of MYT Regulations, 2019, and Clause (8) of Regulation 3 of UPERC (MYT for Transmission) Regulations, 2025, and its amendments thereof, directed the Petitioner to publish a Public Notice within three working days of issue of the Admittance Order in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in its license area, outlining the ARR, proposed Intra State Transmission Tariff, APR, True Up etc., and invite suggestions and objections within

21 days from the date of publication of the Public Notice(s) from the Stakeholders and public at large.

- 2.5.2 The Petitioner was also directed to upload on its website the True up Petition, the APR Petition and updated ARR and Intra-State Transmission Tariff along with formats filed before the Commission along with all regulatory filings, information, particulars, and related documents in their original version (not in zipped or compress folder), which should be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. The Petitioner was also directed to ensure that these files are broken into such sizes so that they can be easily downloaded and for downloading the same, there should be no requirement of providing personal information. The Petitioner was also directed to not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

2.6 PUBLICITY OF THE PETITION

- 2.6.1 The Petition was uploaded on UPPTCL's official website (<https://upptcl.org/upptcl/en/article/arr-Tariff-Order>). In addition to the above, the Public Notice was issued by the Petitioner in various newspapers as given in the Table below and a period of twenty-one days (21) days was given to the general public and all the stakeholders for submitting their comments/suggestions.

TABLE 2.3: LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF PUBLIC NOTICE BY PETITIONER

Newspaper	Date of Publication
Amar Ujala (Hindi) All editions of U.P. & Delhi	February 20, 2026
Dainik Jagran (Hindi) All editions of U.P. & Delhi	February 20, 2026
Times of India (English) All editions of Lucknow & Delhi	February 20, 2026
Hindustan Times (English) All editions of Lucknow & Delhi	February 20, 2026

3 PUBLIC HEARING PROCESS

3.1 PUBLIC HEARING

3.1.1 The Commission, in order to achieve the twin objectives of observing transparency in its proceedings and to protect the interests of consumers, has always attached importance to the views / comments / suggestions / objections / representations of the stakeholders / public on the True up and ARR / Tariff determination process.

3.1.2 The Commission, in order to have participation and views / comments / suggestions / objections from the public at large and all stakeholders, had uploaded the Notice dated January 28, 2026 for Public hearing on its website (www.uperc.org) and the same was also published in the following daily newspapers:

TABLE 3.1: LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF PUBLIC NOTICE FOR PUBLIC HEARING BY THE COMMISSION

Newspaper	Date of Publication
The Times of India (English) Lucknow Edition	February 04, 2026
Dainik Jagran (Hindi) UP Edition	February 04, 2026
Hindustan Times (English) Delhi Edition	February 04, 2026

3.1.3 The Commission held the “Public Hearing” for the Petitioner on February 27, 2026 after informing all the Stakeholders and the public at large through advertisements in newspapers dated February 04, 2026, and on the Commission’s website (**Annexed as: Annexure-III**). In the Public Hearing, various stakeholders and public were provided a platform, where they were able to share their views / comments / suggestions / objections / representations on the proceedings on True up of FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, APR of Intra State Transmission Tariff for FY 2025-26 and Intra State Transmission Tariff for FY 2026-27.

3.2 VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS ON TRUE-UP OF FY 2024-25, APR FOR FY 2025-26, ARR / TARIFF FILINGS FOR FY 2026-27, APR OF INTRA STATE TRANSMISSION TARIFF FOR FY 2025-26 AND INTRA STATE TRANSMISSION TARIFF FOR FY 2026-27

3.2.1 The Commission considers the submissions made during the public hearing and written comments/ suggestions offered by various stakeholders and the public at large on the Petition filed by UPPTCL/STU for the True up of FY 2024-25, APR for FY 2025-26, ARR for FY 2026-27, APR of Intra-State Transmission Charges for FY 2025-

26 & Intra-State Transmission Charges for FY 2026-27 and also the response of the Petitioner thereon. The comments/ suggestions of various Stakeholders, the replies/responses by the Petitioner and the views of the Commission thereon are summarized below:

3.3 TRANSMISSION LOSSES

Comments/Suggestions of the Stakeholders

3.3.1 Sh. Nihar Varshney, Vice President, Rimjhim Ispat Limited (RIL), Bharuwa Sumerpur, District Hamirpur, submitted that the transmission loss levels in the State have not shown significant improvement over the past several years. The loss trajectory reported for the previous years is as follows:

Financial Year	Intra-State Transmission Loss
FY 2020-21	3.40%
FY 2021-22	3.33%
FY 2022-23	3.27%
FY 2023-24	3.22%
FY 2024-25	3.18%
FY 2025-26	3.18%

3.3.2 He submitted that the transmission loss level of 3.18% proposed by UPPTCL for FY 2026-27 indicates that there has been no notable improvement in loss reduction in recent years. He further submitted that considerable investments have been made in strengthening the Extra High Voltage transmission network, including expansion of 400 kV and 765 kV systems. He stated that higher voltage transmission corridors generally result in lower technical losses and, therefore, with increasing power flow through such systems, the overall transmission losses should ideally decline.

3.3.3 He also submitted that approval of a constant loss trajectory may reduce incentives for operational efficiency and would not align with the principle of continuous performance improvement.

3.3.4 In view of the above, he requested the Commission to approve a transmission loss level for FY 2026-27 lower than 3.18%, determine a gradually declining loss trajectory considering network strengthening and increasing higher voltage transmission, and ensure that efficiency gains from system improvements are

passed on to consumers.

- 3.3.5 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that the transmission loss level of 3.22% for FY 2024-25 requires justification since the Commission had already approved a loss trajectory in the business plan. He further submitted that although the power flow in the transmission system has increased by around 11%, the transmission network has also been strengthened through addition of transmission lines and transformers. In such circumstances, he submitted that the increase in transmission losses requires adequate explanation.
- 3.3.6 He also expressed the view that the increase in losses may indicate shortcomings in system planning or load management practices. He submitted that any increase in transmission losses ultimately results in higher costs, which are passed on to consumers through the tariff.
- 3.3.7 He further submitted that although the Petitioner has reported an increase in the number of substations, transformation capacity, and transmission line length, the transmission losses have not shown a corresponding reduction. In this regard, he submitted that it needs to be examined whether the benefits arising from the capital expenditure undertaken by the Petitioner are actually being passed on to consumers and requested the Commission to consider directing an independent evaluation of the efficiency of capital utilisation.

Petitioner's Response

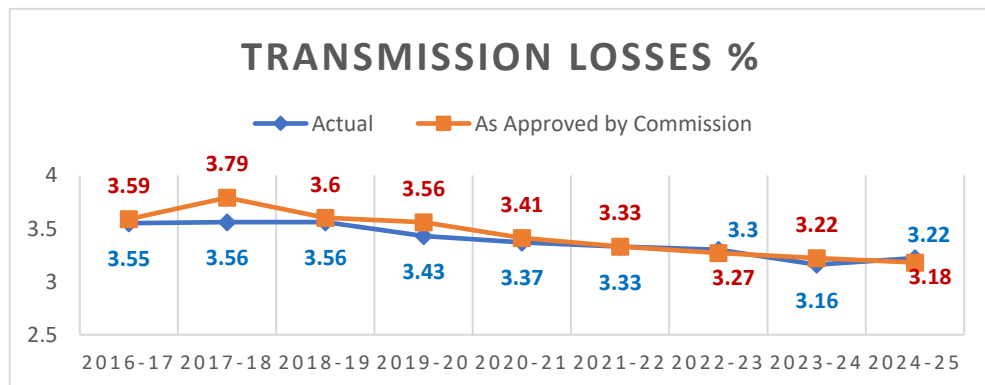
- 3.3.8 The Petitioner submitted that transmission losses in the intra-State transmission system are predominantly technical in nature and vary with the square of the current flowing through the network ($\text{Loss} \propto I^2R$). Accordingly, increased system loading during FY 2024-25 resulted in a corresponding increase in technical transmission losses.
- 3.3.9 The Petitioner Submitted that during FY 2024-25, the total energy transmitted through the transmission network increased from 1,43,392 MUs in FY 2023-24 to 1,58,609 MUs, reflecting an increase of 15,216 MUs, i.e., approximately 11% on a year-on-year basis. In comparison, the year-on-year expansion of the transmission

network was relatively limited, with substation additions of around 2%, increase in transformation capacity of about 5%, and increase in transmission line length of about 2.6%.

3.3.10 The Petitioner submitted that the significant increase in energy flow resulted in higher loading of transmission lines and transformers, thereby increasing the current flowing through the system and leading to a marginal increase in technical transmission losses during FY 2024-25. It was further submitted that while the energy transmitted increased by about 11%, the addition to transmission capacity during the same period was comparatively lower, resulting in higher utilisation of the existing infrastructure.

3.3.11 The Petitioner further submitted that transmission losses cannot always follow a continuously declining trajectory, as actual losses are variable and dynamic in nature and depend on several operational parameters such as magnitude and direction of power flows, location of generation and load centres, network configuration, voltage profile, reactive power compensation, types of load, generation mix, seasonal demand variations, and overall system operating conditions.

3.3.12 It was submitted that notwithstanding the marginal variation in losses during FY 2024-25, the overall trend over the years reflects a gradual reduction in transmission losses due to continuous and consistent efforts undertaken towards strengthening and augmentation of the transmission network, as shown in the graph below:



3.3.13 The Petitioner submitted that the transmission network capacity has increased

during the period under consideration. The transformation capacity increased from 1,89,171 MVA in FY 2023-24 to 1,99,347 MVA in FY 2024-25, while the transmission line length increased from 58,500 circuit kilometres to 60,070 circuit kilometres. However, transmission losses remain primarily technical in nature and are governed by system loading and current flow.

3.3.14 Accordingly, the Petitioner submitted that the marginal variation in transmission losses during FY 2024-25 reflects the operational characteristics of the transmission system and increased power flow, and does not indicate any deficiency in system planning or load management practices.

3.3.15 With regard to the capital expenditure proposed in the Petition, the Petitioner submitted that the investments are envisaged towards expansion of the transmission network, system strengthening, capacity augmentation, and replacement of ageing conductors, taking into account the projected load growth in the State. Such investments are forward-looking in nature and the benefits thereof are expected to accrue over the medium to long term in terms of enhanced system reliability, improved transmission capacity, and efficient evacuation of power.

3.3.16 The Petitioner further submitted that the efficiency of capital utilisation is ensured through multiple levels of scrutiny. The capital expenditure and capitalisation of assets are subject to statutory audit conducted annually in accordance with applicable statutory provisions and accounting standards. In addition, the capital expenditure and associated capitalisation are also subject to prudence check by the Commission during tariff determination proceedings.

Commission's View

3.3.17 The Commission has considered the comments of the Stakeholder and the response of the Petitioner regarding intra-State transmission losses.

3.3.18 With regard to the stakeholders' concern relating to transmission losses for FY 2024-25, the Commission notes that, as per Regulation 38 of the MYT Regulations, 2019, the energy losses in the Intra-State Transmission System, as determined by the State Load Despatch Centre and approved by the Commission, are to be borne

by the Transmission System Users in proportion to their usage of the Intra-State Transmission System. In accordance with the provisions of the above Regulation, the Commission has examined the transmission loss levels based on the SLDC certificate, and the matter has been dealt with in detail in the True-up Chapter of this Order.

- 3.3.19 The Commission further notes that the transmission loss level of 3.18% proposed by the Petitioner for FY 2026-27 is the same as that approved by the Commission for FY 2025-26 in the Tariff Order dated September 08, 2025. In this regards, the Commission observes that transmission losses are influenced by multiple factors such as system loading, power flow pattern, network configuration, voltage profile, and other operational parameters.
- 3.3.20 However, it is pertinent to mention that in the Tariff Order dated September 08, 2025, the Commission had directed the Petitioner to undertake a detailed study on the impact of development of 220 kV and above transmission systems through Tariff Based Competitive Bidding by other transmission licensees on intra-State transmission losses during the Control Period. Based on the outcome of such study, the Commission had indicated that it may consider specifying an average loss reduction trajectory with an appropriate variation band.
- 3.3.21 In the present Petition, the Petitioner has submitted that it has engaged M/s PRDC to undertake the aforesaid study and that the findings would be submitted in due course of time. The Commission directs the Petitioner to expedite the study and submit the detailed findings within 03 months from the date of issuance of this order, so that the Commission may take a holistic view in line with MYT Transmission Regulation, 2025 after taking into account the study in the future tariff proceedings.
- 3.3.22 With regard to the stakeholders' submissions concerning sharing of efficiency gains with consumers, the Commission notes that the MYT Transmission Regulations, 2025 do not provide for a specific mechanism for sharing of efficiency gains in respect of transmission losses.
- 3.3.23 As regards the concerns raised by the stakeholders relating to system planning, capital expenditure, and efficiency of capital utilisation, the Commission notes that

the capitalisation and utilisation of assets are subject to statutory audit and prudence check during tariff determination. The impact of such investments on transmission losses and performance has been examined as part of the True-up exercise. Accordingly, no further directions are considered necessary at this stage. Thus, the issue raised by the Stakeholders stands addressed.

3.4 COMMENTS ON COMPONENTS OF AGGREGATE REVENUE REQUIREMENT

Comments/Suggestions of the Stakeholders

- 3.4.1 Sh. Nihar Varshney, Vice President, Rimjhim Ispat Limited (RIL), Bharuwa Sumerpur, District Hamirpur, submitted that the ARR claimed by UPPTCL in the True-up and tariff petition requires careful re-examination, as certain regulatory provisions may not have been appropriately applied.
- 3.4.2 He submitted that the Operation and Maintenance (O&M) expenses claimed by UPPTCL appear to be higher than the admissible levels under the MYT Regulations, 2019. He further pointed out that UPPTCL has claimed an amount of Rs. 21.65 Crore towards one-time employee-related expenses, which, according to him, requires detailed examination. He submitted that recomputation of O&M expenses in accordance with the applicable regulatory provisions may result in a reduction of the ARR for FY 2024-25 by approximately Rs. 600 Crore.
- 3.4.3 He further submitted that the opening Gross Fixed Assets (GFA) considered in the Petition appear to be higher than the closing GFA for FY 2023-24 as approved by the Commission in the Tariff Order dated September 08, 2025. According to him, such treatment may lead to higher claims towards depreciation, interest on loan, and return on equity.
- 3.4.4 He also submitted that variations in the capitalization of employee expenses and interest, which have a direct bearing on the ARR, require further clarification. He requested the Petitioner to provide the detailed methodology and policy adopted for such capitalization and to ensure that the same is aligned with the provisions of the First Amendment to the MYT Transmission Regulations, 2025. He further submitted that a detailed prudence check of the ARR components may result in a reduction in the claimed revenue requirement, which may potentially eliminate the

revenue gap and avoid any increase in transmission charges.

- 3.4.5 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that for FY 2025-26, the O&M expenses of Rs. 706.06 Crore has been computed under the MYT Transmission Regulations, 2025, considering an opening Gross Fixed Assets (GFA) of Rs. 47,070.50 Crore.
- 3.4.6 He further submitted that in the Tariff Order dated September 08, 2025, the Commission had approved the opening GFA for FY 2025-26 at Rs. 37,950.55 Crore. According to him, if the O&M expenses are computed based on this approved GFA value, the O&M expenses would be approximately Rs. 509 Crore for FY 2025-26. Accordingly, the total O&M expenses of around Rs. 1,497 Crore projected in the Petition for FY 2025-26 should instead be closer to approximately Rs. 1,300 Crore. He therefore requested the Commission to examine the matter and determine the admissible O&M expenses in accordance with the applicable regulatory provisions.

Petitioner's Response

- 3.4.7 The Petitioner submitted that for the True-up of FY 2024-25, the base year norms for Operation and Maintenance (O&M) expenses, comprising Employee Expenses, Administrative & General (A&G) Expenses and Repair & Maintenance (R&M) Expenses, have been computed in accordance with the provisions of the MYT Regulations, 2019. For determination of normative O&M expenses, the True-up O&M expenses for FY 2015-16 and FY 2016-17, as allowed by the Commission in the respective True-up Orders, have been considered. For the period FY 2017-18 to FY 2019-20, the normative O&M expenses have been considered as per the True-up Petitions filed by UPPTCL. Further, in accordance with Regulation 34(d) of the MYT Regulations, 2019, the Petitioner has claimed one-time expenses of Rs. 21.65 Crore towards earned leave encashment and gratuity, over and above the normative employee expenses.
- 3.4.8 With regard to the computation of normative Repair and Maintenance (R&M) expenses for FY 2026-27, the Petitioner submitted that at the time of filing of the Petition, the MYT Transmission Regulations, 2025 prescribed R&M expenses at 2% of the incremental GFA for the Control Period. However, in the Tariff Order dated

September 08, 2025, the Commission approved R&M expenses at 1.5% of the opening GFA and indicated that a corresponding amendment would be carried out in the Regulations. Since the amendment had not been notified at the time of filing of the Petition, the Petitioner computed the R&M expenses at 2% of incremental GFA. The admissible R&M expenses would be considered during the True-up of FY 2026-27.

3.4.9 The Petitioner further submitted that in previous Tariff Orders, the Commission has approved employee expense capitalization for APR and ARR years based on the percentage of employee expenses of the True-up year. Accordingly, the Petitioner has followed the same methodology as adopted by the Commission in earlier orders.

3.4.10 The Petitioner has submitted that the True-up Order for FY 2021-22, the Commission had approved the closing GFA as Rs. 34,184.24 Crore. However, in the subsequent True-up Order for FY 2022-23, the opening GFA was considered as Rs. 26,454.09 Crore, which represents the depreciated value of assets rather than the gross value. Further, this value was also considered for computing the opening GFA for FY 2023-24 as Rs. 31,406.52 Crore, as shown in the Table below:

GFA approved by Commission in True-up Order (Rs. in Crore)

Particulars	Derivation	FY 2021-22	FY 2022-23	FY 2023-24	APR Order Dt. 08.09.2025 FY 2024-25
Opening GFA	A	30,485.09	26,454.09	31,406.52	34,487.10
GFA Addition	B	3,888.09	5,028.05	3,153.70	3,475.30
De-capitalisation / Deduction	C	188.94	75.62	73.11	11.85
Closing GFA	D=A+B-C	34,184.24	31,406.52	34,487.10	37,950.55

3.4.11 The Petitioner further submitted that Repair and Maintenance (R&M) expenses cannot be computed on GFA after deduction of depreciation, i.e., on Net Fixed Assets, since maintenance costs relate to the physical infrastructure of the transmission system and not its depreciated value. Accordingly, R&M expenses should be computed based on the total Gross Fixed Assets, as maintenance requirements depend on the existence and operation of the assets.

3.4.12 Accordingly, the petitioner has considered the opening GFA for FY 2024-25 based on the audited accounts for FY 2024-25, and on that basis the opening GFA for FY 2025-26 has been considered as Rs. 47,070.35 Crore, as shown in the Table below:

(Rs. in Crore)

Particulars	Derivation	True-UP FY 2024-25	APR FY 2025-26
Opening GFA	A	43,606.90*	47,070.35
Add: Addition to GFA	B	3,475.30	2,382.52
Less: Deletion in the GFA	C	11.85	0.00
Closing GFA	D=A+B-C	47,070.35	49,452.87

*Rs. 43,609.46 Crore was submitted in True-up petition FY 2023-24 as Closing GFA which is restated/ reclassified in Balance sheet of FY 2024-25 as Rs. 43,606.90 Crore as Opening GFA of FY 2024-25.

Commission's View

3.4.13 The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission has undertaken a detailed prudence check of the various components of the True-up, Annual Performance Review (APR), and ARR claimed by the Petitioner, in accordance with the methodology specified under the applicable MYT Regulations 2019 and MYT Transmission Regulation 2025 and its amendments thereof.

3.4.14 Accordingly, the issues raised with respect to O&M expenses, capitalization of employee expenses, treatment of GFA, and other ARR components have been examined in detail and have been dealt with appropriately in the True-up, APR and ARR Chapters of this Order. Hence, the issue raised by the Stakeholders stands addressed.

3.5 STU TRANSMISSION CHARGES

Comments/Suggestions of the Stakeholders

3.5.1 Sh. Nihar Varshney, Vice President, Rimjhim Ispat Limited (RIL), Bharuwa Sumerpur, District Hamirpur, submitted that UPPTCL has proposed an Intra-State Transmission Tariff of Rs. 0.5126/kWh for open access consumers (Short Term Open Access and Long-Term Open Access), excluding distribution licensees and Indian Railways, for FY 2026-27.

3.5.2 He submitted that the quantum of energy transmitted through the intra-state

transmission network has increased substantially over the years. However, the transmission charges remained relatively stable during the period FY 2020-21 to FY 2024-25, whereas a significant increase has been proposed from FY 2025-26 onwards. He further submitted that the energy transmitted increased from 150,731 MU in FY 2024-25 to 170,224.76 MU in FY 2025-26, therefore, the transmission tariff should ideally decline due to improved utilization of the transmission network, particularly in absence of substantial additions to transmission capacity.

3.5.3 In view of the above, he requested that the transmission tariff proposed for FY 2026-27 should not be increased. He further submitted that even if the Commission considers the increase justified, the same should be restricted to 15%, in accordance with the provisions of Regulation 29(4) of the MYT Transmission Regulations, 2025. Accordingly, he requested the Commission to retain the transmission tariff approved for FY 2025-26 and not approve the proposed tariff of Rs. 0.5126/kWh.

3.5.4 He further submitted that any increase in transmission charges would directly increase the expenditure of the Distribution Licensees and would ultimately impact consumer tariffs. Considering the prevailing economic conditions, he requested the Commission to limit any increase in transmission charges for FY 2026-27 in order to reduce the financial burden on consumers and industries.

3.5.5 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that existing methodology for computation of transmission charges on a megawatt basis has resulted in additional financial burden on consumers. He further submitted that such methodology is also impacting the Fuel Surcharge Adjustment (FSA) and therefore requires reconsideration.

3.5.6 He further submitted that the methodology adopted for determination of Base Transmission Capacity Rights (Base TCR) should be transparent and should adequately safeguard consumer interests. He further submitted that such methodology may indirectly increase the financial burden on the distribution licensees. Accordingly, he requested the Commission to independently verify the methodology adopted for determination of Base TCR in accordance with the

provisions of the UPERC MYT Transmission Regulations, 2025.

Petitioner's Response

- 3.5.7 The petitioner has submitted that the increase observed in transmission charges is primarily attributable to changes in the regulatory framework applicable from FY 2025-26 onwards. Prior to FY 2025-26, the transmission charges were computed by considering Return on Equity (RoE) at 2%, whereas under the MYT Transmission Regulations, 2025, the Petitioner has claimed RoE at 14.5% in accordance with the provisions of the Regulations.
- 3.5.8 The Petitioner further submitted that the computation of transmission charges has also been impacted by the revised methodology for calculation of Operation and Maintenance (O&M) expenses as specified under the MYT Transmission Regulations, 2025.
- 3.5.9 It was also submitted that from FY 2025-26 onwards, the transmission tariff has been determined at the State periphery level, whereas in earlier tariff orders the transmission charges were determined at the T-D interface point.
- 3.5.10 With regard to the comments that the existing methodology for computation of transmission charges on megawatt basis has resulted in an additional financial burden on consumers, the Petitioner submitted that the methodology adopted for computation of transmission charges is strictly in accordance with the provisions of the UPERC (MYT for Transmission) Regulations, 2025 and the regulatory framework prescribed by the Commission.
- 3.5.11 The Petitioner further submitted that upon notification of the Regulations by the Commission, the Petitioner is required to comply with the provisions and methodology specified therein and the Petitioner does not have the discretion to modify the prescribed approach.
- 3.5.12 With regard to the Fuel Surcharge Adjustment (FSA), the Petitioner submitted that the FSA mechanism primarily relates to variations in the power purchase cost incurred by the Distribution Licensees. The computation of transmission charges is carried out independently in accordance with the applicable tariff regulations, therefore, it is not directly linked with FSA.

3.5.13 The Petitioner also submitted that the Base Transmission Capacity Rights (Base TCR) have been computed strictly in accordance with the methodology specified under the UPERC (MYT for Transmission) Regulations, 2025, based on the data furnished by the respective Distribution Licensees. The detailed computations along with supporting data have been submitted as part of the present Petition for consideration of the Commission.

Commission's View

3.5.14 The Commission has considered the objections and suggestions submitted by the Stakeholder and the response of the Petitioner. In this regard, the Commission notes that the MYT Transmission Regulations 2025 were notified after following due regulatory process, including public consultation with stakeholders.

3.5.15 In accordance with the methodology specified under the MYT Transmission Regulations, 2025 and its amendments thereof, the Commission determines the intra-state transmission charges for Distribution Licensees and Indian Railways on MW basis, considering the approved Aggregate Revenue Requirement (ARR) of Transmission Licensee under Section 62, the Annual Transmission Service Charges (ATSC) of TBCB Transmission Licensees, and the Base Transmission Capacity Rights (Base TCR) of the Transmission System Users. The relevant details in this regard are provided in Chapters 7 and 8 of this Order.

3.5.16 The Commission further notes that the methodology adopted for determination of intra-state transmission charges for Distribution Licensees and Indian Railways on MW basis does not result in any additional financial burden on end consumers of State Discoms. On the contrary, the cost of TBCB Transmission Licensees, which was earlier borne entirely by the State Distribution Licensees, is now being shared among private Distribution Licensees, Indian Railways and other Open Access Customers in accordance with the MYT Regulations.

3.5.17 Further, the Intra-State Transmission Tariff for Open Access Customers, other than Distribution Licensees and Indian Railways, is determined in accordance with Regulation 29.5 of the UPERC (MYT for Transmission) Regulations, 2025, based on the Total Transmission System Cost (TTSC) and the total energy input at the

intra-state transmission periphery for the respective year. The relevant details are provided in Chapters 8 of this Order.

- 3.5.18 With regard to the submission of the Stakeholder linking transmission charges with the Fuel Surcharge Adjustment (FSA), the Commission notes that the FSA mechanism pertains to adjustment of monthly variations in fuel and power purchase costs passed by UPPCL to consumers, whereas intra-state transmission charges are determined separately in accordance with the MYT Transmission Regulations, 2025 and its amendments thereof. Accordingly, the issue raised by the Stakeholders stand addressed.

Comments/Suggestions of the Stakeholders

- 3.5.19 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that under the Uttar Pradesh Solar Energy Policy, 50% exemption on intra-state transmission charges is provided for energy procured from intra-state solar generators. He submitted that during FY 2025-26, such exemptions amounted to approximately Rs. 168.12 Crore. He further submitted that unless the cost of such exemptions is compensated through budgetary support from the State Government, the financial burden may ultimately be passed on to consumers through tariff adjustments or true-up. Accordingly, he suggested that the cost of such policy-based exemptions should be borne by the State Government

Petitioner's Response

- 3.5.20 The Petitioner submitted that the 50% exemption on intra-state transmission charges for solar power projects is being extended strictly in accordance with the provisions of the Uttar Pradesh Solar Energy Policy, 2022, as notified by the State Government from time to time. UPPTCL, being the State Transmission Utility, implements the applicable policy provisions and regulatory directions in this regard.
- 3.5.21 With regard to the suggestion for compensation through budgetary support, the Petitioner submitted that determination of policy incentives and the mechanism for compensation falls within the domain of the State Government and the Commission. The Petitioner only implements the applicable policy provisions and submits the associated financial impact in the tariff petition for consideration of the

Commission.

Commission's View

3.5.22 The Commission has considered the comments of the Stakeholders and the response of the Petitioner. In this regard, the Commission notes that the applicable rebate is being provided in accordance with the Uttar Pradesh Solar Energy Policy, 2022, and the same has been incorporated under the Regulation 31 of the MYT Transmission Regulations, 2025. In accordance with the said provision and after carrying out the prudence check, the Commission has determined the eligible rebate for FY 2026-27. The relevant details in this regard are provided in Chapters 8 of this Order. Accordingly, the issue raised by the Stakeholder stands addressed.

3.6 SHARE OF TBCB LICENSEES IN INTRA STATE TRANSMISSION NETWORK

Comments/Suggestions of the Stakeholders

- 3.6.1 Sh. Nihar Varshney, Vice President, Rimjhim Ispat Limited (RIL), Bharuwa Sumerpur, District Hamirpur, submitted that in recent years there has been a noticeable increase in the share of transmission assets being developed by private transmission licensees in the State. He submitted that prior to FY 2023-24, UPPTCL was the sole intra-state transmission licensee responsible for development, operation and maintenance of the State transmission network.
- 3.6.2 He further submitted that despite the relatively limited physical contribution of projects developed through the Tariff Based Competitive Bidding (TBCB) route, a significant portion of the total transmission cost is being attributed to such projects. He also submitted that UPPTCL possesses adequate technical expertise, project execution experience and institutional capacity to undertake transmission network development.
- 3.6.3 It was submitted that transmission projects implemented by private transmission licensees generally involve higher capital costs as compared to projects executed by the State Transmission Utility. Such higher costs may ultimately translate into increased transmission charges, which are recovered from Distribution Licensees and consumers.

- 3.6.4 In view of above, he requested the Commission to examine whether adequate opportunities are being provided to UPPTCL for future transmission development and whether the increasing reliance on private transmission licensees is economically optimal. He further requested the Commission to examine the comparative cost impact of projects developed by UPPTCL and private transmission licensees, ensuring cost-effective transmission planning, encouraging optimal utilisation of UPPTCL's capabilities, and preventing avoidable tariff escalation. He further requested that pending a detailed prudence examination of the transmission charges of TBCB projects, such costs may not be passed on to consumers and may instead be considered within the ARR of the distribution licensees in order to limit the increase in transmission charges.
- 3.6.5 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that for FY 2026-27, UPPTCL has proposed an ARR of Rs. 7,276.36 Crore, while the estimated ARR of TBCB transmission projects is about Rs. 2,320.50 Crore, resulting in a total transmission system cost of approximately Rs. 9,596.86 Crore.
- 3.6.6 He further submitted that the share of TBCB projects has increased significantly and now accounts for nearly 24% of the total transmission cost. He expressed concern that continued expansion through the TBCB route might adversely affect the financial sustainability of UPPTCL and requested the Commission to ensure a larger role for UPPTCL in future transmission development.

Petitioner's Response

- 3.6.7 The Petitioner submitted that the MYT Transmission Regulations, 2025 were framed and notified by the Commission after following the prescribed regulatory process, including stakeholder consultation. The Petitioner further submitted that in accordance with the Modalities of Tariff Determination Regulations, 2023, all greenfield intra-state transmission projects of 220 kV and above are required to be developed through the TBCB route. However, projects at the 132 kV level and augmentation or system strengthening works across voltage levels above 132 kV continue to be undertaken by UPPTCL.

3.6.8 It was submitted that transmission assets developed through the TBCB route at the 400 kV and 765 kV levels presently constitute about 23% of the total transformation capacity of the State transmission system, which is broadly proportionate to approximately 24% of the total transmission system cost for FY 2026-27.

3.6.9 The Petitioner further submitted that the development and allocation of transmission projects through TBCB route are undertaken strictly in accordance with the Modalities of Tariff Determination Regulations, 2023 and the approved transmission planning process notified by the Commission.

Commission's View

3.6.10 The Commission has considered the objections and suggestions submitted by the Stakeholders and the response of the Petitioner. In this regards, the Commission notes that the development of intra-state transmission projects is governed by the applicable regulatory framework and transmission planning process, including the Modalities of Tariff Determination Regulations, 2023 and the MYT Transmission Regulations, 2025 and its amendments thereof. In accordance with the said framework, greenfield transmission projects of 220 kV and above are developed through the Tariff Based Competitive Bidding (TBCB) route, while projects at the 132 kV level and augmentation or system strengthening works across voltage levels above 132 kV are undertaken by UPPTCL.

3.6.11 The Commission is of the view that adoption of the TBCB mechanism is intended to promote competition, transparency and efficiency in the transmission sector, while ensuring optimal development of the transmission network. Further the transmission projects developed through both the TBCB route and UPPTCL are being implemented in accordance with the applicable regulatory provisions, and the transmission charges associated with such projects are allowed only after due prudence check in accordance with the MYT Transmission Regulations, 2025 and its amendments thereof. Accordingly, the issue raised by the Stakeholder stands addressed.

3.7 MISCELLANEOUS COMMENTS/ SUGGESTIONS

Comments/Suggestions of the Stakeholders

- 3.7.1 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that while electricity utilities generally act promptly in matters relating to tariff revisions, similar urgency is not always observed in strengthening the transmission infrastructure, which adversely impacts the quality and reliability of power supply to consumers.
- 3.7.2 He submitted that there exists a significant gap between the transformation capacity of the transmission system and the total connected load in the State. He pointed out that as of March 2024, the State had 480 substations at the 132 kV level with a total transformation capacity of about 69,529 MVA, whereas the combined sanctioned load of approximately 3.72 crore consumers stood at about 8.37 crore kW as of January 2026.
- 3.7.3 He further submitted that during extreme summer conditions, when consumers tend to draw close to their sanctioned load and the diversity factor approaches unity, the transmission system comes under severe stress. According to him, the gap between consumer demand and available system capacity is further exacerbated by electricity theft, estimated at around 20%, and by inadequate transformation capacity at the 33 kV level.
- 3.7.4 He further requested the Commission to seek clarification from the Petitioner on the projected peak demand of about 36,377 MW, stating that while the tariff petition indicates a Total Transfer Capability (TTC) of 19,000 MW, the grid capacity has been stated to be approximately 37,000 MW, which requires explanation.
- 3.7.5 Further, in view of the continuously increasing electricity demand in the State, including expected growth due to adoption of electric vehicles, he submitted that there is a need for proactive strengthening of the transmission system. He requested the Commission to direct UPPTCL to augment the transmission system capacity to around 42,000 MW so as to ensure reliable supply and meet the projected demand.

Petitioner's Response

- 3.7.6 The Petitioner submitted that the State transmission system is planned primarily for evacuation of power from generating stations, meeting the projected peak demand

of Distribution Licensees and Long-Term Open Access consumers, and system augmentation to address operational constraints and improve reliability, safety and grid stability. The transmission network is planned in accordance with the Transmission Planning Criteria specified by the Central Electricity Authority (CEA) and is developed based on projected peak demand rather than total connected load.

3.7.7 The Petitioner submitted that it has met the peak demand of the state in the past years as shown in the Table below:

FY	Peak Demand Met (MW)
FY 2016-17	16,110
FY 2017-18	18,061
FY 2018-19	20,062
FY 2019-20	21,632
FY 2020-21	23,868
FY 2021-22	24,795
FY 2022-23	26,589
FY 2023-24	28,284
FY 2024-25	30,618
FY 2025-26 (projected)	33,374*

*Peak demand of 31,486 MW has been met on 11 June 2025.

3.7.8 The Petitioner submitted that the peak demand handled by the State transmission network has increased by around 95% during FY 2016-17 to FY 2025-26. To meet the growing demand, evacuation requirements and drawal from the Inter-State Transmission System (ISTS), UPPTCL has planned further network augmentation works. The proposed capital expenditure for FY 2026-27 has been formulated considering projected peak demand, operational constraints and contingency requirements.

3.7.9 With regard to the difference between connected load and system capacity, the Petitioner submitted that transmission planning is based on peak demand projections provided by the Distribution Licensees and considered by the Commission and the Electric Power Survey of the CEA, taking into account diversity factor, load factor, load growth and supply hours. The available transformation

capacity at the 33 kV level, supported by adequate upstream capacity at 220 kV and 132 kV levels, has enabled the State to meet peak demand without any significant peak or energy deficit.

3.7.10 The Petitioner further submitted that creation of transformation capacity equivalent to the entire connected load would require substantial additional investment by UPPTCL and the Distribution Licensees, leading to higher transmission and retail tariffs and potential under-utilisation of assets during off-peak periods.

3.7.11 With regard to the projected peak demand and the figures relating to grid capacity and Total Transfer Capability (TTC), the Petitioner submitted that these represent distinct technical parameters. While installed transformation capacity reflects the aggregate infrastructure capacity of the transmission system, TTC represents the secure transfer capability of the grid under specified operating and contingency conditions, determined through detailed power system studies, and is therefore lower than the installed capacity.

3.7.12 The Petitioner further submitted that transmission system augmentation is undertaken based on projected demand growth and system requirements as part of the transmission planning process, and the details thereof are submitted separately as part of the Transmission Plan in accordance with the applicable regulatory provisions.

Commission's View

3.7.13 The Commission has considered the comments of the Stakeholder and the response of the Petitioner. The Commission notes that transmission planning is undertaken based on projected peak demand and not on the total connected load, in accordance with the Transmission Planning Criteria issued by the Central Electricity Authority (CEA) and the demand projections submitted by the Distribution Licensees, which consider factors such as load growth, diversity factor, load factor and supply hours. The Commission further notes that the State transmission network is planned to evacuate power from generating stations, meet the projected peak demand of Distribution Licensees and Long-Term Open Access consumers, and

ensure system reliability under contingency conditions. The Commission also observes that the peak demand handled by the transmission system has increased substantially over the years and that the available transformation capacity, supported by adequate upstream capacity at 220 kV and 132 kV levels, has enabled the State to meet peak demand without any significant peak or energy deficit.

- 3.7.14 With regard to the issues raised relating to connected load, projected peak demand, Total Transfer Capability (TTC) and future augmentation of the transmission system, the Commission notes that connected load does not represent actual simultaneous demand due to diversity of consumer usage. The Commission also observes that the installed transformation capacity of the transmission network and the TTC are two distinct technical parameters serving different purposes in system planning and grid operation, with TTC representing the secure transfer capability of the grid under specified operating and contingency conditions. The Commission further notes that augmentation of the transmission system is undertaken by UPPTCL based on projected demand growth and system requirements as part of the transmission planning process. Accordingly, the Commission is of the view that creation of transformation capacity equivalent to the entire connected load may result in over-investment and avoidable tariff burden on consumers. In view of the above, the Commission considers that the transmission planning approach adopted by the Petitioner should be consistent with the CEA planning criteria and projected demand requirements, and therefore the issues raised by the Stakeholder stand addressed.

Comments/Suggestions of the Stakeholders

- 3.7.15 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that the Petitioner has not provided voltage-wise transmission loss data in the Petition. He stated that even though the Extra High Voltage (EHV) network operates as an integrated system, it should still be possible to estimate voltage-wise losses through load flow studies or analysis of SCADA data. According to him, the absence of such technical analysis raises concerns regarding the transparency of the loss estimation process.

Petitioner's Response

- 3.7.16 The Petitioner submitted that the transmission network operates as a highly meshed alternating current (AC) system, wherein power flows through multiple interconnected transmission corridors depending on network impedance and the prevailing system conditions, in accordance with Kirchhoff's laws. Due to these inherent characteristics, power injected at a particular node may flow simultaneously through several transmission paths and across different voltage levels, resulting in loop flows within the network.
- 3.7.17 The Petitioner further submitted that, as a consequence of such system behavior, the losses occurring in the transmission network are distributed across the entire grid and cannot be uniquely attributed to any specific voltage level. Accordingly, considering the physical characteristics of grid operation as well as the regulatory practice followed for transmission loss computation, the losses are determined on a pooled system basis rather than on a voltage-wise basis.

Commission's View

- 3.7.18 The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission is of the opinion that determination of voltage-wise transmission losses is technically feasible and does not find merit in the reasoning advanced by the Petitioner for non-submission of such data. Accordingly, the Petitioner is directed to submit the voltage-wise transmission loss during filing of the next tariff petition.

Comments/Suggestions of the Stakeholders

- 3.7.19 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that UPPTCL has reported installation of 1,854 interface metering points. However, clarification is required as to whether 100% real-time communication is operational at all such metering locations. He further submitted that details regarding any data gaps or communication failures in the Automatic Meter Reading (AMR) system have not been furnished.
- 3.7.20 He also submitted that it is not clear whether an independent audit has been conducted to verify compliance with the Central Electricity Authority (CEA)

Metering Regulation.

Petitioner's Response

- 3.7.21 The Petitioner submitted that all 1,854 interface metering points are integrated with near real-time/scheduled data communication, with data acquisition taking place at 15-minute intervals through the Automatic Meter Reading (AMR) system. The system is functioning satisfactorily, and meter data acquisition is being carried out for all installed meters.
- 3.7.22 It was submitted that the metering data is collected through the Data Concentrator Unit (DCU) and transmitted to the SLDC/CDCS. The communication system is dual SIM-based, ensuring communication reliability and redundancy. However, at times temporary network connectivity issues may result in delay in receipt of data in the scheduled time block. Once the connectivity is restored, the pending data is automatically transmitted and becomes available in the subsequent time block, thereby ensuring continuity and completeness of the metering data for monitoring and settlement purposes
- 3.7.23 The Petitioner further submitted that a Third-Party Quality Control Inspection has been conducted by Grid Controller of India Limited (GCIL) under the Ministry of Power (MoP). The inspection of PSDF assets of UPPTCL, including the SAMAST (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) system in Uttar Pradesh, was carried out in November 2024.

Commission's View

- 3.7.24 The Commission has considered the comments of the Stakeholders and the response of the Petitioner. The necessary directions in this regard have been issued in the chapter 9 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

- 3.7.25 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that UPPTCL has not submitted the third-party protection audit report within one month, even though the audit exercise had already been completed. He further sought clarification regarding the delay in

carrying out protection audits of 132 kV substations.

Petitioner's Response

3.7.26 The Petitioner submitted that the protection audit conducted through a third-party agency is intended to independently verify whether the protection systems and associated arrangements have been implemented in accordance with the provisions of the applicable agreements and relevant technical specifications. The third-party agency undertakes field inspections and physical verification of the installations, following which it prepares and submits its audit report based on the observations recorded during the inspection.

3.7.27 The Petitioner further submitted that the audit report is subsequently examined with reference to the applicable technical specifications to ensure that all required provisions have been complied with. It was also submitted that there are no specific statutory provisions mandating third-party protection audits exclusively for 132 kV systems. However, with a view to ensuring comprehensive verification and system reliability, the management of UPPTCL has taken an administrative decision to undertake such audits. In addition, internal protection audits are conducted periodically on an annual basis.

Commission's View

3.7.28 The Commission has considered the comments of the Stakeholders and the response of the Petitioner. The necessary directions in this regard have been issued in the chapter 9 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

3.7.29 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that UPPTCL has not submitted the Asset Monetisation study report within the stipulated period of six months as directed earlier. He further sought clarification regarding the transparency of the process, including whether the matter would be subjected to public consultation or hearing. He also raised concerns regarding the possible impact of asset monetisation on transmission charges, and whether such exercise may result in an increase in the transmission tariff.

Petitioner's Response

3.7.30 The Petitioner submitted that the exercise relating to the Asset Monetisation study is currently under progress. The process involves identification of existing assets and assessment of their potential for monetisation, along with analysis of the associated implications and impact. The Petitioner further submitted that appropriate action will be initiated once the identification of monetisable assets and the related analysis are finalized.

Commission's View

3.7.31 The Commission has considered the comments of the Stakeholders and the response of the Petitioner. The necessary directions in this regard have been issued in the chapter 9 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

3.7.32 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), requested the Commission to sought clarification regarding the implementation of predictive maintenance practices and smart grid technologies by UPPTCL. He further requested the Commission to enquire about the possible implications of delays in adopting such practices on transmission losses, system reliability, and occurrence of faults in the network.

Petitioner's Response

3.7.33 The Petitioner submitted that UPPTCL ensures that protection schemes, systems and associated equipment across the transmission network are designed, installed and operated in accordance with the applicable technical standards, grid codes and regulatory guidelines. Necessary coordination, testing and periodic review of protection systems are undertaken to ensure reliable and secure operation of the transmission network.

3.7.34 The Petitioner further submitted that improvements and upgradation of protection systems are undertaken, wherever required, in line with evolving technological advancements and operational requirements, so as to maintain system reliability and grid security. In addition, preventive maintenance activities are carried out on

a routine basis across the transmission network.

Commission's View

- 3.7.35 The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission notes that necessary measures relating to protection systems, periodic testing, system upgradation and preventive maintenance are being undertaken by the Petitioner to ensure reliable and secure operation of the transmission network.
- 3.7.36 The Commission observes that adoption of advanced technologies, predictive maintenance practices and smart grid solutions can further enhance system reliability and operational efficiency of the transmission network. The necessary directions in this regard have been issued in the chapter 10 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

- 3.7.37 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), that UPPTCL should prepare a Cyber Security Roadmap in accordance with the guidelines issued by CERT-In and the Central Electricity Authority (CEA). He further sought clarification regarding whether an independent cyber security audit has been conducted and also raised concerns regarding the potential impact of cyber-attacks on grid infrastructure and system security.

Petitioner's Response

- 3.7.38 The Petitioner submitted that UPPTCL accords due importance to cyber security in the operation of its transmission network and associated control and communication infrastructure, including SCADA systems and other digital platforms. Necessary cyber security measures are implemented in accordance with the prevailing guidelines and recognized industry practices.
- 3.7.39 The Petitioner further submitted that appropriate safeguards such as controlled access mechanisms, secure network architecture and continuous system monitoring have been implemented to mitigate cyber security risks. Periodic review of the systems is also undertaken and necessary improvements are carried out,

wherever required, to ensure secure, resilient and uninterrupted operation of the transmission system. It was also submitted that a cyber security audit is proposed to be conducted by 31.07.2026.

Commission's View

3.7.40 The Commission has considered the submissions of the Stakeholder and the response of the Petitioner. The Commission notes that cyber security is a critical aspect of the reliable and secure operation of the power system, particularly in view of the increasing digitization of grid operations and control systems. Accordingly, the Commission has issued necessary directions to the Petitioner in this regard in the relevant chapters 9 and 10 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

3.7.41 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that the Commission had earlier directed the Petitioner to submit the study report on the impact of the TBCB transmission system within three months. However, the report has not been submitted within the stipulated timeline.

3.7.42 He further submitted that such delay may deprive consumers of potential benefits, including reduction in transmission losses and cost optimisation. He therefore requested the Commission to seek clarification from the Petitioner regarding the delay in engaging M/s PRDC for undertaking the study.

Petitioner's Response

3.7.43 The Petitioner submitted that the Commission had directed UPPTCL to conduct a detailed study on the impact of the transmission system developed through the TBCB route (220 kV and above) on transmission losses during the Control Period, and to submit the findings within three months. In this regard, efforts were made to examine the possibility of segregating transmission losses between the network developed by TBCB licensees and the network owned by UPPTCL.

3.7.44 However, the power transmission network operates as an integrated and meshed system, wherein power flows through multiple parallel paths based on network

impedance and system conditions. Due to this inherent characteristic of the grid, transmission losses occur across the entire interconnected network and cannot be uniquely attributed to specific assets or licensees, therefore posing a significant technical challenges. Segregation of losses is not technically feasible in a precise and reliable manner at this stage.

- 3.7.45 It is further submitted that, that there has been no delay on the part of UPPTCL in engaging M/s PRDC for undertaking the technical study. However, the consultant has indicated that the assignment is technically complex and may require additional time for completion of the study.

Commission's View

- 3.7.46 The Commission has considered the comments of the stakeholders and the Submission of the Petitioner. The necessary directions in this regard have been issued in the chapter 9 of this Order. Hence the issue is accordingly addressed.

Comments/Suggestions of the Stakeholders

- 3.7.47 Sh. Avadhesh Kumar Verma, Chairman, Uttar Pradesh Rajya Vidyut Upbhokta Parishad (UPRVUP), submitted that nearly 85,000 contractual employees are currently engaged across electricity utilities in Uttar Pradesh, including the transmission sector. He further stated that more than 10,000 contractual employees have reportedly been disengaged, which, in his view, could adversely affect the functioning and stability of the State's electricity system.

- 3.7.48 He also pointed out an apparent inconsistency in policy implementation. According to him, while the State Government has adopted a framework through the Uttar Pradesh Outsource Service Corporation Limited / Contract Board to safeguard contractual employees, the Power Corporation has reportedly communicated that such contractual manpower should be kept outside this framework and has made representations to the Government in this regard. He submitted that such an approach appears contradictory.

- 3.7.49 He further submitted that that contractual employees were initially engaged to manage the growing workload arising from the increase in electricity consumers in the State, which has now reached approximately 3.72 crore. In this context, he

questioned the rationale behind the termination of contractual employees and suggested that if excess manpower had been engaged earlier, accountability should be fixed on the concerned officials rather than discontinuing the services of contractual workers.

3.7.50 Accordingly, he requested the Commission to intervene in the matter and direct reconsideration of the termination of contractual employees in order to safeguard the stability and smooth functioning of the electricity system. He also requested that directions be issued to ensure continuity of work for contractual employees and to review cases where contractual employees have already been disengaged.

3.7.51 He submitted that utilities should initiate regular recruitment commensurate with the expanding consumer base to strengthen system reliability. In support of his submissions, he referred to the judgment of the Hon'ble Supreme Court in *State of Punjab vs. Jagjit Singh (2016)*, and submitted that contractual employees performing duties similar to regular employees should be paid wages equivalent to the minimum of the applicable pay scale.

3.7.52 He further submitted that excessive reliance on contractual manpower without adequate regular recruitment raises concerns regarding workforce stability and emphasized that electricity being a critical public utility service, manpower-related decisions must be taken with due care to safeguard continuity of supply and consumer interest.

Petitioner's Response

3.7.53 The Petitioner submitted that the observations made by the Stakeholder regarding large-scale disengagement of contractual employees in electricity utilities are general in nature and are not specific to UPPTCL. The Petitioner clarified that no contractual manpower is currently under process of being disengaged in UPPTCL therefore, the concerns expressed regarding the possible impact of such disengagement on the transmission system are not applicable in the case of UPPTCL.

3.7.54 With respect to the submissions relating to policy matters concerning the engagement of contractual manpower under the Uttar Pradesh Outsource Service Corporation Limited / Contract Board framework, the Petitioner submitted that

matters relating to engagement, continuation, or disengagement of contractual manpower are policy decisions taken by the competent authorities of the State Government or management from time to time, based on administrative requirements and applicable policy guidelines. UPPTCL implements such decisions in accordance with directions issued by the competent authorities.

- 3.7.55 It is submitted that no contractual manpower has been disengaged by UPPTCL and therefore the concerns raised regarding termination of contractual employees and fixation of accountability do not arise in the context of UPPTCL. It was further submitted that manpower engagement in UPPTCL is undertaken based on the operational requirements of the transmission network, system expansion, and maintenance needs, in accordance with applicable administrative and policy provisions.
- 3.7.56 With regard to the request made by the Stakeholder seeking intervention of the Hon'ble Commission in the matter of termination of contractual employees and their continuation under the Service Corporation framework, the Petitioner submitted that since no contractual manpower has been disengaged in UPPTCL, the issue raised by the Stakeholder does not arise in the case of the Petitioner.
- 3.7.57 The Petitioner further submitted that issues relating to engagement, continuation, or disengagement of contractual manpower fall within the administrative and policy domain of the competent authorities and are addressed in accordance with the applicable policies and operational requirements of the utility.
- 3.7.58 The Petitioner submitted that manpower planning and recruitment in UPPTCL are undertaken in accordance with approved organizational requirements, operational needs of the transmission network, and applicable recruitment rules and policies. With regard to the reference made to the judgment of the Hon'ble Supreme Court in *State of Punjab vs. Jagjit Singh (2016)*, the Petitioner submitted that matters relating to remuneration and service conditions of employees are governed by applicable policies, statutory provisions, and administrative decisions taken by the competent authorities.
- 3.7.59 The Petitioner further submitted that engagement of manpower, whether regular

or contractual, is undertaken in accordance with applicable policies, administrative approvals, and operational requirements of the utility. UPPTCL, being the State Transmission Utility, accords highest priority to maintaining grid security, reliability of the transmission system, and uninterrupted power flow across the State. Accordingly, manpower-related decisions are taken in a manner that ensures efficient operation and maintenance of the transmission infrastructure while safeguarding system reliability and consumer interests.

Commission's View

- 3.7.60 The Commission has considered the comments of the stakeholders and the Submission of the Petitioner. The Commission observes that matters relating to the engagement, continuation, or disengagement of manpower, including contractual employees, fall within the administrative and policy domain of the utility and the competent authorities of the State Government. Further, the Commission does not undertake such micro-management of the internal administrative affairs of the utility. Moreover, UPPTCL had submitted that no contractual manpower has been removed from the services.
- 3.7.61 In view of the above, the Commission is of the opinion that the issue raised by the Stakeholder does not warrant any regulatory intervention in the present proceedings. Accordingly, the issue raised by the Stakeholder stands addressed.
- 3.7.62 The list of Stakeholders, who attended the Public Hearing, is Annexed at: **Annexure-III.**

4 TRUING UP OF ANNUAL REVENUE REQUIREMENT FOR FY 2024-25:

4.1 INTRODUCTION

4.1.1 Regulation 6 of the MYT Regulations, 2019 provides as follows:

Quote

6 True-Up

6.1 The Licensee shall file Petition for True-Up as provided in Regulation 4.1 of these Regulations:

Provided that the Petition shall include information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of books of account and such other details, etc., as per the Guidelines and Formats as may be prescribed by the Commission.

6.2 The Commission shall carry out Truing-Up exercise stipulated in the provisions of these Regulations. True-Up of Expenses and Revenue shall be on the basis of approved and actual expenses, revenue, etc., based on prudence check of Accounting Statements of the Licensee for the Financial Year.

Unquote

4.1.2 The Petitioner has sought approval for True-Up for FY 2024-25 based on the Annual Accounts under the provisions of MYT Regulations, 2019.

4.1.3 The Commission, in its past annual Tariff Orders, have approved the True-Up, APR and ARR of respective years. Further, the Petitioner had filed appeals before the Hon'ble APTEL challenging these Orders. Status of these Tariff Orders are shown in the Table below:

TABLE 4.1: SUMMARY STATUS OF TARIFF ORDERS

Details of Order	Date of Issuance	Status
True-up for FY 2017-18, APR for FY 2018-19 and determination of ARR and Tariff for FY 2020-21	November 10, 2020	Challenged before Hon'ble APTEL in Apl No. 183 of 2023
True-up for FY 2019-20, APR for FY 2020-21 and determination of ARR and Tariff for FY 2021-22	June 29, 2021	Challenged before Hon'ble APTEL in Apl No. 96 of 2023
True-up for FY 2020-21, APR for FY 2021-22 and determination of ARR and Tariff for FY 2022-23	July 20, 2022	Challenged before Hon'ble APTEL in Appeal No. 131 of 2023
True-up for FY 2021-22, APR for FY 2022-23 and determination of ARR and Tariff for FY 2023-24	May 24, 2023	Challenged before Hon'ble APTEL in Appeal No. 622 of 2023

Details of Order	Date of Issuance	Status
True up 2022-23, APR for FY 2023-24 and determination of ARR and Tariff for FY 2024-25	October 10, 2024	Challenged before Hon'ble APTEL in Appeal No. 25 of 2025
True up 2023-24, APR for FY 2024-25 and determination of ARR and Intra-State Transmission Tariff for FY 2025-26	September 08, 2025	Petition filed before Hon'ble APTEL on December 04, 2025

4.1.4 The Petitioner in its instant Petition has sought approval for True-Up for FY 2024-25 based on the Annual Accounts taking into consideration the provisions of MYT Regulations, 2019, as well as materials placed before the Commission while maintaining consistency with the methodology adopted by the Commission in its earlier Orders as far as possible.

4.1.5 As per Regulation 30.10 of MYT Regulations 2019, the Annual Transmission Charges consist of following components:

- (a) Operation and maintenance expenses;
- (b) Depreciation;
- (c) Interest on Loan Capital;
- (d) Interest on Working Capital;
- (e) Contribution to Contingency Reserves;
- (f) Return on Equity;
- (g) Income Tax;

Minus:

- (h) Non-Tariff Income;
- (i) Income from other Business to the extent stipulated in these Regulations:

4.1.6 Accordingly, the component-wise description of the Petitioner's submission and the Commission's analysis on the same is detailed in next sections.

4.2 TRANSMISSION SYSTEM AVAILABILITY

Petitioner's Submission

4.2.1 The Petitioner has submitted that the overall transmission availability of its transmission network during FY 2024-25 was 98.38%, against the normative availability of 98% as specified under the MYT Regulations, 2019.

Commission's Analysis

4.2.2 Regulation 33.1.1 of MYT Regulations, 2019 specifies the Normative Annual Transmission System Availability Factor (NATSAF) for AC system as 98%. Since the actual Annual Transmission System Availability Factor submitted by the Petitioner for AC system is 98.38%, duly certified by SLDC, which is more than NATSAF, therefore, the Commission approves NATSAF of 98.38%, as certified by UPSLDC.

4.3 INTRA-STATE TRANSMISSION LOSS

Petitioner's Submission

4.3.1 The Petitioner has submitted that Transmission Losses for FY 2024-25 were 3.22% as against the approved losses of 3.18% by the Commission in the Business Plan Order dated October 15, 2020 for FY 2024-25.

Commission's Analysis

4.3.2 As per Regulation 38 of MYT Regulations, 2019, the energy losses in the Intra-State Transmission System, as determined by the State Load Despatch Centre and approved by the Commission, shall be borne by the Transmission System Users in proportion to their usage of the Intra-State Transmission System.

4.3.3 The Commission observes that the actual Intra-State Transmission Losses as per joint statement signed by UPPTCL and UPSLDC for FY 2024-25 are 3.22%, which is higher than the approved Intra-State Transmission Losses of 3.18% for FY 2024-25 and also higher than the Commission-approved losses of 3.16% for FY 2023-24.

4.3.4 In response to the Commission query raised during the data gap on the increase in Intra-State Transmission Losses for FY 2024-25, the Petitioner, vide its reply dated January 07, 2026 submitted that the transmission loss trajectory approved under the Business Plan Order dated October 15, 2020 was based on projections, whereas the actual transmission losses are reflective of real-time system operations, grid constraints, and operational exigencies prevailing during the year.

4.3.5 The Petitioner further submitted that the transmission losses for FY 2024-25 have been computed at 3.22% based on actual energy input and energy delivered data and that the variation of 0.04% from the approved loss level is marginal.

4.3.6 The Petitioner submitted that the absolute value of transmission losses cannot be

predetermined, as such losses are inherently technical and arise from the physical characteristics of the transmission system. Actual transmission losses are variable and dynamic in nature, and for a particular year, largely depend on the quantum and direction of energy flow from generation point to load point, and also on types of loads, generation despatch voltage, reactive power compensation, voltage profile, seasonal variations, etc. Further, the quantum of generation and load are source decisions and do not fall within the operational domain of the Petitioner.

4.3.7 The Petitioner further submitted that transmission losses are also dependent on the voltage level at which power is transmitted, and transmission Losses tend to be higher in systems having a greater proportion of lower-voltage transmission lines (132 kV or below). In this context, a comparative assessment of the transmission line network of Mahatransco, GETCO, and UPPTCL as on March 2024 as submitted by the Petitioner is shown in the Table below:

TABLE 4.2: TRANSMISSION LINE NETWORK COMPARISON WITH COMPARABLE STATE TRANSCOS

Up to March 2024	MAHATRANSCO	GETCO	UPPTCL
Total Ckm.	51,518	76,482	58,500
132 kV and Below	21,668	46,661	29,143
Percentage of 132 kV and Below Tr. Line	42%	61%	50%

4.3.8 The Petitioner submitted that both GETCO and UPPTCL operate transmission networks with a significantly higher share of 132 kV and below voltage lines as compared to Mahatransco. Such network configuration, by its very nature, results in relatively higher transmission losses and represents a technical characteristic rather than operational. Despite this inherent disadvantage, the actual transmission losses of the Petitioner for FY 2023-24 and FY 2024-25 are among the lowest when compared with other State Transmission Utilities (STUs), as mentioned in the Table below:

TABLE 4.3: TRANSMISSION LOSS COMPARISON WITH COMPARABLE STATE TRANSCOS

STU	FY 2023-24	FY 2024-25
GETCO	3.34 %	3.84 %*
MAHATRANSCO	3.27 %	3.26 %
UPPTCL	3.16 %	3.22 %

*Approved by Hon'ble GERC in Tariff Order of GETCO for FY 2024-25.

- 4.3.9 The Commission has examined the submissions made by the Petitioner and the data placed on record. The Commission notes the reasons submitted by the Petitioner for the increase in Intra-State Transmission Losses for FY 2024-25, namely that the approved loss trajectory was projection-based, whereas actual losses are influenced by real-time system operations, grid constraints, operational exigencies, variation in the quantum and direction of power flows, voltage levels, reactive power compensation requirements, seasonal factors, and the relatively higher proportion of 132 kV and below voltage transmission lines in the network.
- 4.3.10 Moreover, the Commission had already directed the Petitioner to submit the study of impact on transmission loss for the next control period, considering 220 kV and above transmission system to be developed through TCB by other Transmission Licensees in previous years Tariff Order dated September 08, 2025. The Petitioner is directed to expedite the same and submit it within 3 months failing which the Commission may proceed as considered deem fit.
- 4.3.11 Accordingly, in terms of Regulation 38 of the MYT Regulations, 2019, the Commission approves the actual Intra-State Transmission Losses of 3.22% for FY 2024-25, as certified through the joint statement signed by UPPTCL and UPSLDC, for the purpose of this Order.

4.4 OPERATION AND MAINTENANCE EXPENSES (O&M)

Petitioner's Submission

- 4.4.1 The Petitioner has submitted that Regulation 34 of the MYT Regulations, 2019 provides that the Operation and Maintenance (O&M) Expenses shall comprise of following elements:
- (a) Employee Expenses,
 - (b) Repair and Maintenance (R&M) Expenses,
 - (c) Administrative and General (A&G) Expenses
- 4.4.2 The Petitioner has further added that the Commission, in its Tariff Orders dated November 10, 2020, June 29, 2021, July 20, 2022, May 24, 2023, October 10, 2024 and September 08, 2025, while Truing-up of the O&M Expenses for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively, had considered the lower of the normative and actual O&M Expenses

against which the Petitioner’s appeal is pending before the Hon’ble APTEL for FY 2017-18 to FY 2023-24.

4.4.3 In light of the same, the Petitioner considers the True-up of O&M Expenses for FY 2015-16 to FY 2016-17 as allowed by the Commission in the respective True-up Orders and normative O&M Expenses as per the True-up Petitions for FY 2017-18 to FY 2019-20 to work out the base year O&M Expenses i.e., for FY 2019-20. The base year O&M Expenses computed for FY 2019-20 are as mentioned below:

TABLE 4.4: BASE YEAR O&M EXPENSES SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	True-up Expenses (Rs. Crore)					Avg. Expenses for Mid-year	Normative Expenses Considered (upto base year)	
	FY 2015-16	FY 2016-17	FY 2017-18*	FY 2018-19*	FY 2019-20*		FY 2017-18	FY 2018-19
Employee Expenses	473.99	513.86	848.56	1054.67	1227.95	823.80	866.64	921.23
A&G Expenses	28.35	62.51	38.14	37.81	54.16	44.20	46.49	49.42
R & M Expenses	167.81	205.35	344.94	423.70	495.72	327.50	344.53	366.23
WPI & CPI combined Inflation Rate considered (%)	-	-	-	-	-	-	5.20%	6.30%

*Normative Expenses as per the True-up Petitions.

4.4.4 Further, based on the O&M Expenses for FY 2019-20 as worked out in the Table above, the Petitioner has computed the O&M Expenses for FY 2024-25 as mentioned in the Table below:

TABLE 4.5: O&M EXPENSES FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Employee Expenses	FY 2019-20 (Base Year)	FY 2020-21 (True-up Petition)	FY 2021-22 (True-up Petition)	FY 2022-23 (True-up Petition)	FY 2023-24 (True-up Petition)	FY 2024-25 (True-up Petition)
CPI Inflation Index (%)	-	5.35%	6.00%	5.89%	5.40%	3.38%
Gross Employee Costs and Provisions	921.23	970.54	1,028.77	1,089.39	1,148.23	1,187.08
Less: Employee Expenses capitalized	255.21	240.26	192.89	256.28	204.69	193.03
Net Employee Expenses	666.02	730.29	835.88	833.11	943.54	994.05
A&G Expenses	FY 2019-20 (Base Year)	FY 2020-21 (True-up Petition)	FY 2021-22 (True-up Petition)	FY 2022-23 (True-up Petition)	FY 2023-24 (True-up Petition)	FY 2024-25 (True-up Petition)
WPI Inflation Index (%)	-	2.96%	2.42%	5.32%	7.90%	2.27%

<i>i. Normative A&G Expenses</i>	49.42	50.88	52.11	54.89	59.23	60.57
<i>ii. Licensee Fee</i>	-	5.88	5.94	7.49	7.49	7.54
<i>iii. Finance Charges</i>	-	0.06	0.06	0.06	0.07	0.06
<i>Less: A&G Expenses Capitalised</i>	-	0.00	0.00	0.00	0.00	0.00
Net A&G Expenses	49.42	56.83	58.12	62.44	66.79	68.17
R & M Expenses	FY 2019-20 (Base Year)	FY 2020-21 (True-up Petition)	FY 2021-22 (True-up Petition)	FY 2022-23 (True-up Petition)	FY 2023-24 (True-up Petition)	FY 2024-25 (True-up Petition)
WPI Inflation Index (%)	-	2.96%	2.42%	5.32%	7.90%	2.27%
R & M Expenses	366.23	377.07	386.20	406.74	438.87	448.84
Net O&M Expenses	1,081.68	1,164.18	1,280.18	1,302.28	1,449.20	1,511.05

4.4.5 The Petitioner has considered Employee Expense capitalization of Rs 193.03 Cr (as shown in the table above) for FY 2024-25 as per the Annual Accounts for FY 2024-25. The Petitioner has further submitted that the normative R&M expenses as worked out as per Regulation 34 of the MYT Regulations, 2019 in above table are lower than the audited figures for the year.

4.4.6 Further, in terms of Regulation 34(d) of the MYT Regulations, 2019, one-time expenses are to be allowed over and above the normative expenses. Therefore, the Petitioner has requested that an amount of Rs. 21.65 crore towards earned leave encashment and gratuity be allowed over and above the normative employee expenses.

TABLE 4.6: DETAILS OF ONE-TIME EXPENSES (ENCASHMENT & GRATUITY)

Particulars	Total
Earned Leave Encashment	19,97,98,756
Superannuation Gratuity (Employees under CPF Scheme)	1,66,49,400
Total	21,64,48,156

4.4.7 Accordingly, the Petitioner has requested the Commission to allow net normative O&M Expenses of Rs. 1,511.06 Crore for True-up of FY 2024-25 as mentioned below:

TABLE 4.7: O&M EXPENSES FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Approved as Per Tariff Order dated 10.10.2024	Annual Accounts	True-up Petition
Employee cost	785.49	912.55*	1,187.08
One Time Expenses	-	21.65	-
A&G Expenses	73.76	57.45	68.17
R&M Expenses	523.26	491.51	448.84

Particulars	Approved as Per Tariff Order dated 10.10.2024	Annual Accounts	True-up Petition
Gross O&M Expenses	1,382.51	1,483.16	1,704.09
<i>Less: Employee cost capitalized</i>	456.40	193.03	193.03
Net O&M Expenses	926.12	1,290.13	1,511.06

*Audited Employee Expenses excluding One-Time Expenses.

4.4.8 The Petitioner has further submitted that due to the approach of component wise lower of the normative and actual of O&M expenses while truing-up of the O&M expenses from FY 2017-18 onwards, the Petitioner has been allowed O&M expenses even lower than the actual expenses of each year in the past years, depicted in the Table below:

TABLE 4.8: ACTUAL VS TRUE-UP GROSS O&M EXPENSES FOR PAST YEARS (Rs. CRORE)

FY	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actual as per Accounts	968	1,043	1,168	1,098	1,185	1,224	1,217
Trued-up by UPERC	887	1,005	1,154	1,002	1,115	1,194	1,194
Percentage Gap (%)	(9.13) %	(3.78) %	(1.21) %	(9.58) %	(6.28) %	(2.51) %	(15.8) %

4.4.9 The Petitioner submitted that it is its duty to build, maintain and operate an efficient Intra-State transmission system for reliable and seamless flow of power to the consumers of the State. However, as per the present practice, the overall O&M expenses allowed are lower than the actual expenses which leads to cash crunch and the Petitioner is not able to meet even the actual expenses towards the effective maintenance of its Transmission network and the salary expenses, which further hampers the operation and maintenance activity to be carried out for reliable transmission network.

4.4.10 Further, the Petitioner has submitted the comparison details in below table, wherein approved O&M expenses of UPPTCL are much lower than that of the other States having comparable energy transmitted.

TABLE 4.9: ENERGY HANDLED

Years	State	Energy Handled (MU)	O&M Expenses (Rs. in Cr.)	O&M Expense Rs. Per KWh
As per True-up Order for FY 2022-23	Gujarat	1,24,435	1,825	0.147
	Maharashtra	1,76,198	2,138	0.121
	Uttar Pradesh	1,37,731	1,193	0.087

- 4.4.11 The Petitioner submitted that the Commission's approach of allowing component-wise lower of actual or normative O&M expenses has resulted in approval of O&M expenses below the actual expenditure incurred. While the said methodology has been challenged before the Hon'ble APTEL, the Petitioner has requested that, pending final adjudication, the O&M expenses may be considered on an aggregate basis rather than on a component-wise basis, in the interest of maintaining grid security, reliability, and smooth power flow.
- 4.4.12 The Petitioner further submitted that from FY 2024-25 onwards, contractual manpower costs have been reported under Employee Expenses. As per the Annual Accounts for FY 2024-25, expenditure of RS. 144.95 crore towards contractual manpower has been booked under Employee Expenses, which is largely uncontrollable in nature as a significant portion comprises ex-servicemen whose wages are notified by the Government of Uttar Pradesh. In addition, outsourced manpower expenses for administrative offices amounting to Rs. 19.01 crore have been booked under A&G expenses. The Petitioner submitted that application of the component-wise lower-of-actual-or-normative approach would result in under-recovery of such unavoidable costs, therefore, the Petitioner has prayed that, till final orders are passed by the Hon'ble APTEL, the Commission may allow the actual O&M expenses as per the Annual Accounts to ensure smooth operation and maintenance of the transmission network.
- 4.4.13 The Petitioner has further submitted that the MYT Regulations, 2019 do not provide for allowing any additional or incremental O&M Expenses on account of addition of new assets into the UPPTCL's network system. However, the previous Tariff Regulations i.e., the Tariff Regulations, 2006 and the MYT Regulations, 2014 provided for allowance of additional and incremental O&M Expenses on account of addition of new assets. It is important to note that UPPTCL's network has grown significantly in the past few years. UPPTCL's overall transformation capacity at various voltage levels has increased by ~51% in past years and Transmission line length has grown up by ~39% during the same period, as shown in the Table below:

TABLE 4.10: UPPTCL'S NETWORK GROWTH IN THE PAST YEARS SUBMITTED BY THE PETITIONER

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Nos. of Substation	564	585	608	631	659	685
Capacity (MVA)	1,25,241	1,36,180	1,43,977	1,55,226	1,73,212	1,89,171
Line Length (Ckt. Km.)	42,119	45,449	47,505	50,732	54,578	58,500

4.4.14 The Petitioner has further added that the O&M Expenses allowed by the Commission for FY 2020-21, FY 2021-22 and FY 2023-24 were lower than the O&M Expenses allowed for FY 2019-20, which is contrary to the business conditions, as UPPTCL is neither getting compensated for inflation nor against the asset growth.

Commission's Analysis

4.4.15 The Commission, in its Tariff Order dated May 24, 2023, had already shown the computation of normative O&M Expenses for the base year (FY 2019-20) in line with Regulation 34 of the MYT Regulations, 2019. In order to compute the O&M Expenses of base year, the mid-year value (i.e., FY 2017-18) was computed after taking into account the normative Trued-up values for the last five financial years (i.e., FY 2015-16 to FY 2019-20). Further, for computing normative values for base year (i.e., FY 2019-20), the mid-year value (FY 2017-18) was escalated on yearly basis with the escalation factor considering actual CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20 (base year). The computation of base year values is again shown herein below for reference:

TABLE 4.11: COMMISSION APPROVED - BASE YEAR O&M EXPENSES (Rs. CRORE)

Particulars	True-up Expenses (Rs. Crore)					Avg. Expenses for Mid-year	Normative Expenses Considered (upto base year)	
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20		FY 2017-18	FY 2018-19
Employee Expenses	473.99	513.86	507.06	553.70	640.21	537.76	565.74	601.37
A&G Expenses	28.35	62.51	39.00	38.25	53.41	44.79	47.12	50.08
R & M Expenses	167.81	205.35	341.83	413.44	460.19	317.72	334.25	355.30
O & M Expenses	671.41	782.88	887.88	1,005.39	1,153.81	900.27	947.10	1,006.76
WPI & CPI combined Inflation Rate considered (%)	-	-	-	-	-	-	5.20%	6.30%

4.4.16 Further, for computation of normative O&M Expenses for FY 2024-25, the escalation factor is first derived based on WPI and CPI indices as notified by Labour Bureau, Govt. of India (Gol) (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (<https://eaindustry.nic.in/>) as shown in the Table below.

TABLE 4.12: WPI/CPI AND INFLATION RATES CONSIDERED BY THE COMMISSION

Particulars	Wholesale Price Index (WPI)		Consumer Price Index (CPI)	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
	(A)	(B)	(C)	(D)
April	151.10	152.90	386.50	401.47
May	149.40	153.50	387.94	402.91
June	148.90	154.00	392.83	407.23
July	152.10	155.30	402.34	410.98
August	152.50	154.40	400.90	410.69
September	151.80	154.70	396.00	412.70
October	152.50	156.70	398.59	416.16
November	153.10	156.40	400.61	416.16
December	151.80	155.70	399.74	413.86
January	151.20	155.00	400.03	412.42
February	151.20	154.90	400.90	411.26
March	151.40	154.80	400.03	411.84
Average for the year	151.42	154.86	397.20	410.64
Calculation of Inflation for the Year $\{=(B-A)/A \text{ OR } (D-C)/C\}$		2.27%		3.38%

4.4.17 Subsequently, the norms for each component of O&M Expenses of FY 2024-25 are derived based on respective escalation factors shown in the table above as per Regulations 34 of the MYT Regulations, 2019, which are explained in subsequent paras.

4.4.18 **Employee Expenses:** The normative Employee Expenses for FY 2024-25 have been computed by escalating the normative Employee Expenses for FY 2023-24 (as per normative Employee Expenses computed in True-Up for FY 2023-24 in Tariff Order dated September 08, 2025), with inflation factor of 3.38% i.e., CPI for FY 2024-25. Thereafter, the capitalized Employee Expenses (as per the Annual accounts) during the year are deducted from the calculated normative value to arrive at the Net Employee Expenses.

4.4.19 **R&M Expenses:** The normative R&M Expenses for FY 2024-25 have been computed by escalating the normative R&M Expenses for FY 2023-24 (as per normative R&M

Expenses computed in True-Up for FY 2023-24 in Tariff Order dated September 08, 2025, with inflation factor of 2.27% i.e., WPI for FY 2024-25.

4.4.20 **A&G Expenses:** The Commission observes that the Petitioner has claimed Rs. 7.54 Crore and Rs. 0.06 Crore towards Licensee fee and Finance Charges respectively for FY 2024-25 over and above the normative A&G Expenses. In response to the Commission's query on the same, the Petitioner has submitted that UPPTCL's License Fee was finalised only after the Commission's letter dated November 29, 2018, in accordance with the UPERC (Fees and Fines) Regulations, 2010. Hence, the License Fee was claimed for the first time during True-up for FY 2016-17. Further, the Commission had allowed the actual License Fee paid under the A&G Expenses over and above the normative A&G Expenses. Thereafter, the same was also allowed by the Commission on actual basis in its subsequent Tariff Orders. Accordingly, the Petitioner has claimed the actual License Fee paid for FY 2024-25 over and above the normative A&G Expenses.

4.4.21 Further, the Petitioner in regard to the Finance fee submitted that prior to FY 2020-21, the Finance and Banking charges were claimed separately on actual basis during Truing up. Further, in the MYT Regulations, 2019, the Finance and Banking charges are considered as a part of the A&G Expenses. However, while computing the normative A&G Expenses, the base year A&G Expenses do not include the Finance and Banking charges. Therefore, the same is claimed over and above the normative A&G Expenses.

4.4.22 The Commission in regard to Licensee Fee and Finance Charges, while Truing up of FY 2021-22 in Tariff Order dated May 24, 2023 observed as follows:

Quote

4.4.22 The Commission observes that the Petitioner has claimed the Licensee Fee and Finance Charge over and above the normative value, whereas the Commission has considered the Licensee Fee and Finance Charge as a part of A&G Expenses while deriving the Mid-Year value (FY 2017-18) and Base-Year value (FY 2019-20). Hence, the claim of Petitioner for allowing Licensee Fee and Finance Charge separately over and above the normative value cannot be considered as the same has been taken into consideration while deriving the normative value of A&G Expenses for FY 2021-22.

4.4.23 The Commission has calculated the normative A&G Expenses for FY 2020-21 by escalating the normative A&G Expenses (A&G Expenses including Licensee Fee and Finance Charge) for FY 2019-20 derived above, with inflation factor (2.96%) i.e. Wholesale Price Index (WPI) as per Regulations 34.3 of MYT Regulations, 2019. Further, the Commission has computed the normative A&G Expenses for FY 2021-22 by escalating the normative A&G Expenses (A&G Expenses including Licensee Fee and Finance Charge) for FY 2020-21, with inflation factor (13.00%) i.e. Wholesale Price Index (WPI) for FY 2021-22 as per Regulations 34 (e) and 34.3 of MYT Regulations, 2019.

Unquote

4.4.23 The Commission has examined the Petitioner’s submission and has observed that the Licensee Fee and Finance Charges have been considered as a part of A&G Expenses while deriving the Mid-Year value (FY 2017-18) and Base-Year value (FY 2019-20). Hence, the claim of the Petitioner for allowing Licensee Fee and Finance Charges separately over and above the normative value is not correct, as the same has already been taken into consideration while deriving the normative value of A&G Expenses for FY 2024-25, which is in line with the approach taken by the Commission in its past Tariff Orders also.

4.4.24 Accordingly, the Commission has calculated the normative A&G Expenses as per Regulations 34 (e) and 34.3 of the MYT Regulations, 2019. The normative A&G Expenses for FY 2024-25 have been computed by escalating the normative A&G Expenses (A&G Expenses including Licensee Fee and Finance Charges) for FY 2023-24 (as approved in True-Up for FY 2023-24 in Tariff Order dated September 08, 2025), with inflation factor of 2.27% i.e., WPI for FY 2024-25.

4.4.25 **O&M Expenses:** The Normative O&M Expenses for FY 2024-25 are calculated based on the methodology discussed above and are summarised in the Table below:

TABLE 4.13: NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	FY 2023-24	FY 2024-25	
		Normative (Computed)	WPI / CPI	Normative (Computed)
		(P) Table 4-10 of Tariff Order dated 08.09.2025	(Q) (Table 4.12)	(R) = (P)*[1+(Q)]
Employee Expenses	A	743.01	3.38%	768.15

Particulars	Derivation	FY 2023-24	FY 2024-25	
		Normative (Computed)	WPI / CPI	Normative (Computed)
		(P) Table 4-10 of Tariff Order dated 08.09.2025	(Q) (Table 4.12)	(R) = (P)*[1+(Q)]
Less: Employee Expenses Capitalised	B	204.69	-	193.03*
Net Employee Expenses	C=A-B	538.32	-	575.12
Net: A&G Expenses	D	63.29	2.27%	64.72
Net R&M Expenses	E	448.96	2.27%	459.17
O&M Expenses	F=C+D+E	1,050.57	-	1,099.01

*As per Annual Accounts of FY 2024-25

4.4.26 Further, the Commission observes that there was a huge variation between the normative values of the O&M Expenses as claimed by the Petitioner and the O&M Expenses as per Annual Accounts for FY 2024-25. In response to the Commission’s query regarding the same, the Petitioner has submitted that for computation of the normative O&M expenses, the Petitioner has considered Trued-up O&M expenses for FY 2015-16 to FY 2016-17 as per the true-up order and normative O&M Expenses as computed in its True-up Petitions for FY 2017-18 to FY 2019-20. Whereas the Commission in its Tariff Order dated November 10, 2020, June 29, 2021, July 20, 2022, May 24, 2023, October 10, 2024, and September 08, 2025, while Truing-up of the O&M Expenses, allowed lower of the normative and actual O&M expenses. The Petitioner has challenged the above-mentioned Orders before the Hon’ble APTEL. Accordingly, the Petitioner has continued the same approach for computing normative O&M Expenses for arriving at the base year norms and normative O&M Expenses for FY 2024-25.

4.4.27 The Commission observes that Regulation 9 of the MYT Regulations, 2019 provides that the variation in O&M Expenses are controllable factor and Regulation 10 of the MYT Regulations, 2019 stipulates the treatment of gains or losses on account of controllable factors, which provides that lower of the value approved in ARR or actual value as per the True-up shall be allowed by the Commission. Therefore, the Commission in past years’ Tariff Orders had decided to allow lower of normative or actual expenses for each component of O&M Expenses. Accordingly, the Commission considers the net approved O&M Expenses for FY 2024-25 based on

lower of actual or normative value of each component of O&M Expenses. Accordingly, the Commission approves the O&M Expenses of UPPTCL for FY 2024-25 as shown in the Table below:

TABLE 4.14: COMMISSION APPROVED - O&M EXPENSES FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	FY 2024-25 (True up)				
		Tariff Order for FY 2024-25 dated 10.10.2024	Annual Accounts	Petition (True-up)	Computed (Normative)	Approved (True up)
		(A)	(B)	(C)	(D)	(E) = Lower of (B) & (D)
		Table 6-7	Table 4.7	Table 4.7	Table 4.13	
Employee Expenses	A	785.49	934.21	1,187.08	768.15	768.15
Less: Employee Expenses Capitalised	B	456.40	193.03	193.03	193.03	193.03
Net Employee Expenses	C=A-B	329.10	741.18	994.05	575.12	575.12
Net A&G Expenses	D	73.76	57.45	68.17	64.72	57.45
Net R&M Expenses	E	523.26	491.51	448.84	459.17	459.17
Total O&M Expenses	F=C+D+E	926.12	1,290.13	1,511.06	1,099.01	1,091.73

4.4.28 It is observed that the Petitioner has wrongly considered the normative values of Employee Expenses, Administrative and General (A&G) Expenses, and Repairs and Maintenance (R&M) Expenses for the period from FY 2020-21 to FY 2023-24. For determination of the normative values for FY 2020-21, the Petitioner has escalated the base year value of FY 2019-20 by applying escalation based on the average CPI/WPI of the preceding three financial years, instead of applying the applicable point-to-point CPI/WPI inflation rate, which is not in accordance with the provisions of the MYT Regulations, 2019. The same methodology was followed by the Petitioner for computing normative values for FY 2021-22 to FY 2023-24.

4.4.29 The Commission further notes that the wrongly computed normative values for FY 2023-24 have been considered by the Petitioner for computation of the normative Employee Expenses, A&G Expenses, and R&M Expenses for FY 2024-25 by applying the point-to-point CPI/WPI inflation rate. Since the normative values has been derived based on an incorrect methodology, the normative Operation and Maintenance (O&M) Expenses claimed by the Petitioner for FY 2024-25 are not correct and have accordingly been suitably addressed by the Commission in its

computations.

4.5 CAPITAL WORK IN PROGRESS & GROSS FIXED ASSET

Petitioner's Submission

4.5.1 The Petitioner has submitted that the Commission, in the Tariff Orders dated November 10, 2020 and June 29, 2021, had disallowed 25% of the capital investment for FY 2017-18 to FY 2019-20 as the Petitioner had not taken prior approval of the assets/schemes of value above Rs. 10 Crore. Subsequently, the Commission had made disallowance in the Gross Fixed Asset (GFA) and capital work in progress (CWIP) for the period from FY 2017-18 to FY 2019-20. The Petitioner had filed a Review Petition seeking review of the disallowance in the capital investment in above Tariff Orders and subsequent disallowance in the GFA & CWIP. However, the same was rejected by the Commission on the grounds of maintainability. Further, the Petitioner has challenged the above-mentioned Order before the Hon'ble APTEL and the same is pending before the Hon'ble APTEL.

4.5.2 The Petitioner has added that in light of the above it has considered CWIP and GFA balances as per Annual Accounts, the Petitioner has derived the actual capital investments undertaken by it in FY 2024-25, the details of which are provided in the Table below:

TABLE 4.15: CAPITAL INVESTMENTS IN FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2024-25
Opening WIP as on 1 st April	A	4,315.30
Investments during the year	B	3,335.90
Employee Expenses Capitalisation	C	193.03
A&G Expenses Capitalisation	D	-
Interest Capitalisation on Interest on long term loans	E	70.79
Total Investments	F= A+B+C+D+E	7,915.03
Transferred to GFA (Total Capitalisation)	G	3,475.30
Closing WIP	H= F-G	4,439.73

4.5.3 The GFA balance considered by the Petitioner for FY 2024-25 is provided in the Table below:

TABLE 4.16: GROSS FIXED ASSETS FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2024-25
Opening GFA	A	43,606.90

Particulars	Derivation	FY 2024-25
Add: Addition to GFA	B	3,475.30
Less: Deletion in the GFA	C	11.85
Closing GFA	D=A+B-C	47,070.35

4.5.4 The Petitioner has submitted that, in line with Regulation 20.2 of the MYT Regulations, 2019 and the methodology considered by the Commission, the fixed asset base as on March 31, 2020, is computed taking into consideration the True-up of FY 2019-20. Further, the equity capital (as on April 1, 2020) has been computed to be 30% of such fixed asset base. Accordingly, the Debt capital has been computed to the extent of 70% of such fixed asset base. The resulting opening Debt and Equity (as on April 1, 2020) and values computed for FY 2020-21 are shown below:

TABLE 4.17: PROJECTIONS OF OPENING EQUITY & LOAN AS ON APRIL 01, 2020 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2020-21
Opening GFA	A	28,543.10
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	B	1,548.05
Net Opening GFA	C=A-B	26,995.05
Opening Debt	E=C*70%	18,896.53
Opening Equity	D=C*30%	8,098.51

4.5.5 The Petitioner further submitted that in compliance with Regulation 32.2 of the MYT Regulations, 2019, it has obtained prior approval of the Commission for the new schemes/projects planned or to be undertaken during the period from FY 2020-21 to FY 2024-25. The details of the approved assets/projects have been duly submitted before the Commission.

Commission’s Analysis

4.5.6 The Commission has computed the opening and closing value of CWIP for FY 2024-25 for the purpose of computation of capitalisation/ GFA addition for FY 2024-25.

4.5.7 While computing CWIP, it is observed that the opening CWIP claimed by the Petitioner does not match either with the trued-up closing CWIP approved by the Commission for FY 2023-24 or with the corresponding figures reflected in the Annual Accounts for FY 2024-25. In reply, the Petitioner submitted that the Commission had approved trued-up closing CWIP value of Rs. 2,921.22 Crore for FY

2023-24, after considering certain disallowances made in earlier tariff orders, which have been challenged by the Petitioner before the Hon'ble APTEL.

4.5.8 The Petitioner further submitted that the opening CWIP for FY 2024-25 amounting to Rs. 4,315.30 crore was considered based on the closing CWIP submitted in the True-Up Petition of FY 2023-24 and as reflected in the Annual Accounts for FY 2023-24. However, pursuant to restatement/reclassification of the closing CWIP for FY 2023-24 in the Annual Accounts for FY 2024-25, the corresponding CWIP value has been revised to Rs. 4,877.85 crore. Consequently, a differential amount of Rs. 562.55 Crore has arisen solely on account of such restatement/reclassification. The Petitioner submitted that if it had not considered the restated CWIP value, the said amount of Rs. 562.55 Crore would have remained unclaimed, resulting in undue financial loss to the Petitioner.

4.5.9 The Commission considers the Closing CWIP as on March 31, 2024, approved in Table 4-15 of the Tariff Order dated September 08, 2025, as the opening CWIP for FY 2024-25. Further, the Commission observes that the Petitioner has been taking prior approval of capital expenditure schemes/ projects of value exceeding Rs. 20 Crore as per Regulation 32.2 of the MYT Regulations, 2019 and directions issued in past Tariff Orders from time to time. Accordingly, the Commission considers the values of Investment, Expenses Capitalized and Capitalisation (transferred to GFA) during the year as claimed by the Petitioner, and in accordance with Annual Accounts for FY 2024-25, as shown in the Table below:

TABLE 4.18: COMMISSION APPROVED - CAPITAL EXPENDITURE AND CAPITALISATION FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.11)	FY 2024-25 (True up)		
			Petition (True-up)	Approved (True up)	
				Values	Remarks
Opening CWIP as on 01.04.2024	A	4,659.06	4,315.30	2,921.12	Closing CWIP as of March 31, 2024 approved in Table 4-15 for Tariff Order dated September 08,

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.11)	FY 2024-25 (True up)		
			Petition (True-up)	Approved (True up)	
				Values	Remarks
					2025
Investments during FY 2024-25	B	4,619.08	3,335.90	3,335.90	Table 4.15
Employee Expenses Capitalisation	C	456.40	193.03	193.03	Annual Accounts
Interest Capitalisation on Interest on Long Term Loans	D	154.31	70.79	70.79	Annual Accounts
Total Investments	E= A+B+C+D	9,888.85	7,915.03	6,520.85	-
Transferred to GFA (Total Capitalisation)	F	2,820.76	3,475.30	3,475.30	Annual Accounts
Closing CWIP as on 31.03.2025	G= E-F	7,068.09	4,439.73	3,045.55	-

4.5.10 The Commission based on prudence check has observed that opening GFA for FY 2024-25 claimed by the Petitioner does not match either with closing Trued up value of FY 2023-24, as approved by the Commission in its Tariff Order dated September 08, 2025, or the closing value submitted by the Petitioner in its previous year's Tariff Petition. In response the Petitioner has submitted that Commission has approved trued-up closing GFA of Rs. 34,487.10 Crore for FY 2023-24, after considering certain disallowances made in earlier Tariff Orders, which have been challenged by the Petitioner before the Hon'ble APTEL. The Petitioner further submitted that the opening GFA for FY 2024-25 has been considered as per the Annual Accounts for FY 2024-25. However, the variation between the closing GFA claimed in the True-Up Petition for FY 2023-24 and the opening GFA for FY 2024-25 has arisen due to restatement/reclassification of the closing GFA for FY 2023-24, as reflected in the audited Annual Accounts for FY 2024-25.

4.5.11 The Commission further notes that the Petitioner has provided detailed information regarding the means of financing/funding of assets for FY 2024-25, including a clear break-up of Consumer Contributions, Grants, Subsidies, and Equity funding, as shown in the Table below:

TABLE 4.19: BREAKUP OF MEANS OF FINANCING OR FUNDING OF ASSETS FOR FY 2024-25 (Rs. CRORE)

Name of Source Scheme	Amount
Bank	7.55

Name of Source Scheme	Amount
DEPOSIT	835.41
GRANT	128.00
HUDCO	31.55
Internal Resources (IR)	294.20
PFC	868.18
REC	1,310.40
Grand Total	3,475.30

4.5.12 The Commission has examined the submissions of the Petitioner with regard to the opening GFA claimed for FY 2024-25 and observes that the opening GFA considered by the Petitioner has been derived from the Annual Accounts for FY 2024-25, and not in accordance with the regulatory principles and methodology laid down by the Commission in the Tariff Order dated 10.11.2020, while approving the ARR for FY 2020-21.

4.5.13 The Commission further notes that the difference in the reported GFA values has arisen due to the change in depreciation methodology from Written Down Value (WDV) to Straight Line Method (SLM), which was implemented from FY 2020-21 onwards. At the time of transition to SLM, the Commission created two separate asset bases, namely:

- Part-A Gross Block, comprising assets blocks up to 31.03.2020; and
- Part-B Gross Block, comprising assets blocks from 01.04.2020 onwards.

4.5.14 The Commission treated the closing WDV as on March 31, 2020 as the opening balance for FY 2020-21 and accordingly negated the depreciation for FY 2019-20 to arrive at the new regulatory opening GFA for Part-A assets. Since Part-A assets represent older assets, the Commission considered that asset retirements should first be adjusted against Part-A assets and accordingly accounted for the same based on the Annual Accounts to determine the closing Part-A asset base for FY 2020-21. Further, new asset additions during the year, as reflected in the Annual Accounts, were considered under Part-B assets to arrive at the closing Part-B asset base. The combined Part-A and Part-B closing balances formed the regulatory closing GFA for FY 2020-21. Further, the opening GFA derived above has been considered by the Commission for forming the debt-equity ratio and subsequently for the ARR and Tariff for FY 2020-21.

4.5.15 The Commission further notes that while undertaking the True-up for FY 2020-21 vide Order dated July 20, 2022, the same regulatory principles was consistently followed. The approved closing GFA for FY 2020-21, was thereafter considered as the opening GFA in the True-up Order for FY 2021-22. Further, additions to and deletions from GFA were considered based on the Annual Accounts. The Commission has followed the same methodology in the subsequent True-up Orders for determination of the closing GFA. Accordingly, the GFA admitted by the Commission differs from the asset base reflected in the Petitioner’s audited accounts, which follow accounting principles and not regulatory methodology.

4.5.16 In view of the above, the Commission approves the Gross Fixed Assets for FY 2024-25 as detailed in the table below:

TABLE 4.20: COMMISSION APPROVED - GFA FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.12)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Opening GFA as on 01.04.2024	A	33,424.27	43,606.90	34,487.10	Closing GFA as on March 31, 2024, approved in Tables 4-16 of Tariff Order dated September 08, 2025
GFA Addition during FY 2024-25	B	2,820.76	3,475.30	3,475.30	Table 4.18
Decapitalisation / Deduction during FY 2024-25	C	-	11.85	11.85	As per Annual Accounts
Closing GFA as on 31.03.2025	D=A+B-C	36,245.02	47,070.35	37,950.55	-

4.6 CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES

Petitioner’s Submission

4.6.1 The Petitioner has claimed the Consumer Contributions, Capital Grants and Capital Subsidies based on the Annual Accounts for FY 2024-25, as shown in the Table below:

TABLE 4.21: CONSUMER CONTRIBUTION SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2024-25
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	3,157.66*
Additions during the year	1,039.73
Less: Amortisation	301.84
Closing Balance	3,895.56

*The Petitioner has considered above opening balance as per the restatement of the Annual Accounts for FY 2024-25

Commission's Analysis

4.6.2 Regulation 20.1 of the MYT Regulations, 2019 provides that Debt: Equity ratio shall be considered after making appropriate adjustment of fixed assets funded by consumer contribution/deposit works/ capital subsidies/ grants subject to prudence check. The Commission based on prudence check has observed that opening balance of Consumer Contributions, Grants & Subsidies towards cost of capital assets for FY 2024-25 claimed by the Petitioner does not match either with closing Trued up value of FY 2023-24, as approved by the Commission in its Tariff Order dated September 08, 2025 or the closing value submitted by the Petitioner in its previous year's Tariff Petition. In response the Petitioner has submitted that it has considered the opening balance of Consumer Contributions, Grants, and Subsidies towards the cost of capital assets for FY 2024-25 as per the annual Accounts for FY 2024-25. The Petitioner further submitted that, due to a change in accounting policy and/or correction of a prior period error, the closing balance of Consumer Contributions, Grants, and Subsidies towards the cost of capital assets for FY 2023-24 has been restated, which is reflected in the audited Annual Accounts for FY 2024-25.

4.6.3 The Commission has further observed that the amortization/depreciation on Consumer Contributions, Grants and Subsidies claimed by the Petitioner for the period from FY 2017-18 to FY 2019-20 has been considered as per the Annual Accounts, wherein the same was computed using the Straight-Line Method (SLM). However, as per the provisions of the MYT Regulations, 2014 applicable for the said period, the amortization/depreciation on Consumer Contributions, Grants and Subsidies was required to be computed using the Written Down Value (WDV) method. Accordingly, the amortization/depreciation for the period from FY 2017-18

to FY 2019-20 has been considered by the Commission as per regulatory accounting, in line with the MYT Regulations, 2014, which has resulted in variation between the Commission-computed closing balance of Consumer Contributions, Grants and Subsidies and the audited values.

4.6.4 Further, Regulation 21.1(b) of the MYT Regulations, 2019 provides that the amortization/depreciation on Consumer Contributions, Grants and Subsidies shall be computed as per the Straight-Line Method with effect from FY 2020-21 onwards. The Commission notes that the amortization/depreciation on Consumer Contributions, Grants and Subsidies has been computed on the Straight-Line Method in the Annual Accounts for FY 2024-25. Accordingly, the Commission has considered the additions to Consumer Contributions, Grants and Subsidies for FY 2024-25 and the corresponding amortization as detailed below:

TABLE 4.22: COMMISSION APPROVED - CONSUMER CONTRIBUTION FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.15)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Opening Balance of Consumer Contributions (CC), Grants and Subsidies towards Cost of Capital Assets as on 01.04.2024	A	3,721.07	3,157.66	3,384.26	Table 4-18 of Tariff Order dated 10.10.2024
Additions during FY 2024-25	B	1,396.20	1,039.73	1,039.73	Annual Accounts
Less: Amortisation during FY 2024-25	C	203.61	301.84	301.84	Annual Accounts
Closing Balance of CC, Grants and Subsidies towards Cost of Capital Assets as on 31.03.2025	D=A+B-C	4,913.66	3,895.56	4,122.15	-

4.7 DEBT: EQUITY RATIO OF CAPITALIZATION

Petitioner's Submission

4.7.1 The Petitioner has submitted that it has made an investment of Rs. 3,475.30 Crore

in FY 2024-25. The Consumer Contributions, Capital Subsidies and Grants received during the corresponding period is Rs. 1,039.73 Crore. Thus, the balance of Rs. 2,423.72 Crore has been funded through Debt and Equity. Considering a Debt: Equity ratio of 70:30, Rs. 1,696.60 Crore or 70% of the capital investment is considered to be funded through Debt and the balance 30% equivalent to Rs. 727.12 Crore through Equity.

Commission's Analysis

4.7.2 Regulation 20 of the MYT Regulations, 2019 provides that Debt-Equity ratio shall be 70:30 of the amount of capital cost approved by the Commission, after making appropriate adjustments of Assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant subject to prudence check. Where the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Licensee for determination of Tariff.

4.7.3 The Commission for prudence check has recalculated the Debt-Equity ratio for FY 2024-25 by adjusting the assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant in the capital cost/ GFA addition during the year. The assets that are decapitalized / deducted during FY 2024-25 are deducted from capitalization during the year as per the Annual Accounts to derive net Equity and Debt addition during FY 2024-25. It is also observed from the Annual Accounts that the equity infused during the year by the Petitioner is more than 30% of the net capitalisation approved by the Commission. Accordingly, the equity is capped at 30% of the net capitalisation and excess equity deployed more than 30% has to be treated as normative debt as per Regulation 20 of the MYT Regulations, 2019, which is shown in the Table below:

TABLE 4.23: COMMISSION APPROVED - DEBT: EQUITY RATIO DURING FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.17)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Capitalisation during FY 2024-25	A	2,820.76	3,475.30	3,475.30	Table 4.20

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.17)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Less: Decapitalisation / Deduction during FY 2024-25	B	-	11.85	11.85	Annual Accounts
Less: Consumer Contribution, Grants & Capital Subsidies during FY 2024-25	C	1,396.20	1,039.73	1,039.73	Annual Accounts
Net Capitalisation to be funded by Debt & Equity	D=A-B-C	1,424.56	2,423.72	2,423.72	-
Equity (%)	E	30%	30%	30%	-
Debt (%)	F	70%	70%	70%	-
Equity addition during FY 2024-25	G=E*D	427.37	727.12	727.12	
Debt addition during FY 2024-25	H=F*D	997.19	1,696.60	1,696.60	

4.8 DEPRECIATION

Petitioner’s Submission

4.8.1 The Petitioner has submitted that for the purpose of computing the allowable depreciation, the Petitioner has considered normative closing gross fixed asset base for FY 2019-20 and subsequent addition and the yearly capitalizations for FY 2020-21 onwards as per the Annual Accounts. Further, the Petitioner has computed the asset-wise depreciation as per the rates provided in the MYT Regulations, 2019, upon the normative opening and closing gross fixed asset base for FY 2020-21.

4.8.2 The Petitioner has added that the Commission, while allowing the depreciation for Part A has applied the WDV method for arriving at the opening value for FY 2019-20, which is contrary to the MYT Regulations, 2019. The Petitioner further added that the methodology for calculating depreciation under the MYT Regulations, 2019 is different from that of the erstwhile MYT Regulations, 2014, as in 2014 Regulations, the opening GFA was computed considering the impact of cumulative depreciation by applying Written Down Value (“WDV”) method. The Petitioner has highlighted that the methodology to calculate depreciation on the assets under the MYT Regulations, 2014 was WDV method as against the SLM under the MYT Regulations, 2019. The Petitioner emphasized that there is huge variation in the SLM and WDV

methodology depreciation rates. The rates of depreciation are significantly higher in the case of the WDV method as compared to SLM. The Petitioner has also challenged this methodology of the Commission of allowing lower opening GFA for the Part A before the Hon'ble APTEL.

4.8.3 The Petitioner has computed the allowable depreciation for Part-A & Part-B as mentioned in the Table below:

TABLE 4.24: DEPRECIATION EXPENSE FOR FY 2024-25 FOR THE GROSS BLOCK UPTO MARCH 31, 2020 (PART-A) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
i) Unclassified	141.97	1.31	42.97	100.31	-	-
ii) Freehold Land	1.26	0.09	1.29	0.06	-	-
Buildings	1,085.14	145.76	1.11	1,229.79	3.34%	38.66
Other Civil Works	91.63	11.91	-	103.54	3.34%	3.26
Plants & Machinery	12,822.19	1,435.39	705.21	13,552.37	5.28%	696.29
Lines, Cable Network, etc.	11,314.74	1,707.37	128.82	12,893.29	5.28%	639.09
Vehicles	3.37	-	0.17	3.20	9.50%	0.31
Furniture & Fixtures	8.74	1.23	0.21	9.76	6.33%	0.59
Office Equipment	9.55	2.56	(0.39)	12.50	6.33%	0.70
Jeep & Motor Car	-	-	-	-	9.50%	-
Intangible Assets	4.27	0.03	3.09	1.21	15.00%	0.41
Assets taken over from Licensees pending final valuation	105.44	4.74	5.22	104.96	5.28%	5.55
Total Depreciable Assets	25,445.07	3,308.99	843.43	27,910.63		1,384.86
Total Non-Depreciable Assets	143.23	1.41	44.26	99.50		-
GRAND TOTAL	25,588.30	3,310.40	877.80	28,010.13		1,384.86

Note: Deductions in the GFA during FY 2020-21 and FY 2024-25 are considered in Part A.

TABLE 4.25: DEPRECIATION EXPENSE FOR FY 2024-25 FOR THE GROSS BLOCK OR ASSETS CAPITALISED APRIL 1, 2020 ONWARDS (PART-B) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
i) Unclassified	112.92	11.92	-	124.83	-	-
ii) Freehold Land	8.90	0.03	-	8.93	-	-

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Buildings	582.33	93.26	-	675.59	3.34%	21.01
Other Civil Works	50.08	2.25	-	52.33	3.34%	1.71
Plants & Machinery	6,949.02	1,419.97	-	8,368.99	5.28%	404.40
Lines, Cable Network etc.	7,774.77	1,894.94	-	9,669.70	5.28%	460.53
Vehicles	0.12	-	-	0.12	9.50%	0.01
Furniture & Fixtures	4.62	1.46	-	6.08	6.33%	0.34
Office Equipment's	10.56	3.68	-	14.23	6.33%	0.78
Jeep & Motor Car	-	-	-	-	9.50%	-
Intangible Assets	62.40	22.79	-	85.19	15.00%	11.07
Assets taken over from Licensees pending final Valuation	33.19	25.01	-	58.20	5.28%	2.41
Total Depreciable Assets	15,467.08	3,463.36	-	18,930.44		902.26
Total Non-Depreciable Assets	121.82	11.95	-	133.76		-
GRAND TOTAL	15,588.90	3,475.30	-	19,064.20		902.26

4.8.4 The Petitioner has further added that the depreciation on assets created out of Consumer Contributions, Capital Grants and Subsidies for FY 2024-25 are considered as per the actuals in the Annual Accounts of FY 2024-25. The Petitioner has reduced the equivalent depreciation amounting to Rs. 301.84 Crore for FY 2024-25 in respect of depreciation on assets created out of Consumer Contributions, Capital Grants and Subsidies. Thus, the allowable depreciation claimed for FY 2024-25 has been shown in the Table below:

TABLE 4.26: GROSS DEPRECIATION FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2024-25
Allowable Depreciation for assets upto 31.03.2020	1,384.86
Allowable Depreciation for assets capitalised 01.04.2020 onwards	902.26
Gross Allowable Depreciation	2,287.12
Less: Equivalent amount of depreciation on assets acquired out of the consumer contribution and GoUP Subsidy (if any)	301.84
Net Allowable Depreciation	1,985.29

Commission's Analysis

4.8.5 Regulation 21 of the MYT Regulations, 2019 specifies the methodology for the computation of Depreciation. Further, The Commission in its Tariff Order for FY 2020-21 dated November 10, 2020, directed the Petitioner to maintain a separate individual asset-wise Fixed Asset Register (FAR) for assets capitalized after April 01,

2020, and the Gross Block and Depreciation for this category may be computed separately from the Gross Block before April 01, 2020. Accordingly, from FY 2020-21 onwards, the Petitioner has to maintain two separate Gross Blocks (one for assets upto March 31, 2020 (Part-A) and second for assets after April 1, 2020 (Part B) and two separate FARs depicting addition of assets details from April 1, 2020, onwards for the purpose of depreciation computation.

- 4.8.6 The Commission observes that the Petitioner has submitted gross depreciation for Part-A and Part-B, separately and later combined to derive the gross depreciation for FY 2024-25. The Commission further observes that the Petitioner's working is not in line with the methodology approved by the Commission in Para 7.5.11 of Tariff Order of FY 2020-21 dated November 10, 2020, which requires the written down closing value of FY 2019-20 as the opening GFA for FY 2020-21 due to the change in methodology of depreciation computation from WDV to SLM. Thereafter, year-on-year GFA balance has continued based on the annual deductions in Part A assets.
- 4.8.7 The Commission has computed the depreciation by considering the provisions of the above Regulations and the approach adopted in last year's Tariff Order. The Commission considers closing GFA of FY 2023-24 of Part-A and Part-B, as per True up for FY 2023-24 in Tariff Order dated September 08, 2025, as opening GFA of FY 2024-25 of Part-A and Part-B respectively.
- 4.8.8 Further, the Commission observes that the depreciation on assets created out of Consumer Contribution, Capital Grants and Capital Subsidies in Annual Accounts for FY 2024-25 are as per the Straight-Line Method and the rates of depreciation adopted by the Petitioner are in accordance with the rate under MYT Regulations, 2019. Hence, the depreciation on such assets is considered as per Annual Accounts for FY 2024-25.
- 4.8.9 The Commission for computing allowable depreciation has considered decapitalisation as per the Annual Accounts of FY 2024-25. Further, the assets in Part-A are older than the assets under Part-B, therefore, practically the assets in Part-A will be decapitalised/deducted first as compared to Part-B assets. Hence, the

Commission considers complete decapitalisation in Part-A asset base during FY 2024-25.

4.8.10 Accordingly, the Commission approves the depreciation for Part A and Part B for FY 2024-25 in the following Tables:

TABLE 4.27: COMMISSION APPROVED - GROSS DEPRECIATION FOR ASSETS UPTO MARCH 31, 2020 (PART-A) FOR FY 2024-25 (Rs. CRORE)

Particulars	FY 2024-25 (True -up)					
	GFA Opening as on 01.04.2024	GFA Addition during FY	Deduction / Decapitalisation during FY	Closing GFA as on 31.03.2025	Depreciation Rate	Depreciation
	(A) Table 4-23 of Tariff Order dated 08.09.2025	(B)	(C)	(D)=[(A)+(B)-(C)]	(E)	(F)= (Avg. (A, D)*E)
Land & Land Rights						
(i) Unclassified	90.31	-	-	90.31	-	-
(ii) Freehold Land	0.03	-	-	0.03	-	-
Buildings	913.37	-	-	913.37	3.34%	30.51
Other Civil Works	74.97	-	-	74.97	3.34%	2.50
Plant & Machinery	8,561.42	-	14.38	8,547.04	5.28%	451.66
Lines, Cables, Network, etc.	9,191.76	-	0.46	9,191.30	5.28%	485.31
Vehicles	1.63	-	0.08	1.55	9.50%	0.15
Furniture & Fixtures	5.66	-	-	5.66	6.33%	0.36
Office Equipment	5.42	-	-	5.42	6.33%	0.34
Other Assets	54.37	-	-	54.37	5.28%	2.87
Intangible Assets	-	-	-	-	15.00%	-
Total Fixed Assets	18,898.95	-	14.93*	18,884.03	5.15%	973.71

*Deduction / Decapitalisation considered as per Annual Accounts of FY 2024-25.

TABLE 4.28: COMMISSION APPROVED - GROSS DEPRECIATION FOR ASSETS FROM APRIL 01, 2020 (PART-B) FOR FY 2024-25 (Rs. CRORE)

Particulars	FY 2024-25 (True -up)					
	GFA Opening as on 01.04.2024	Addition during FY	Deduction / Decapitalisation during FY	Closing GFA as on 31.03.2025	Depreciation Rate	Depreciation
	(A) Table 4-24 of Tariff Order dated 08.09.2025	(B)	(C)	(D)=[(A)+(B)-(C)]	(E)	(F)= (Avg. (A,D)*E)
Land & Land Rights						

Particulars	FY 2024-25 (True -up)					
	GFA Opening as on 01.04.2024	Addition during FY	Deduction / Decapitalisation during FY	Closing GFA as on 31.03.2025	Depreciation Rate	Depreciation
	(A) Table 4-24 of Tariff Order dated 08.09.2025	(B)	(C)	(D)=[(A)+(B)-(C)]	(E)	(F)= (Avg. (A,D))*E
(i) Unclassified	112.92	11.92	(0.87)	125.70	-	-
(ii) Freehold Land	8.90	0.03	-	8.92	-	-
Buildings	582.33	93.26	-	675.59	3.34%	21.01
Other Civil Works	50.08	2.25	-	52.34	3.34%	1.71
Plant & Machinery	6,949.02	1,419.97	-	8,368.99	5.28%	404.40
Lines, Cables, Network, etc.	7,774.77	1,894.94	-	9,669.71	5.28%	460.53
Vehicles	0.12	-	-	0.12	9.50%	0.01
Furniture & Fixtures	4.63	1.46	-	6.09	6.33%	0.34
Office Equipment	10.56	3.68	(2.21)	16.44	6.33%	0.85
Other Assets	11.03	-	-	11.03	5.28%	0.58
Intangible Assets	61.65	22.79	-	84.44	15.00%	10.96
Assets taken over from Licensees pending final valuation	22.15	25.01	-	47.16	5.28%	1.83
Fixed Assets from FY 2020-21 Onwards	15,588.15	3,475.30	(3.08)	19,066.53	5.21%	902.22

*Deduction / Decapitalisation considered as per Annual Accounts of FY 2024-25.

4.8.11 The following Table summarizes the Depreciation as claimed by the Petitioner and as approved by the Commission for FY 2024-25:

TABLE 4.29: COMMISSION APPROVED - NET DEPRECIATION (PART-A + PART-B) FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.22)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Depreciation of Assets upto 31.03.2020	A	977.97	1,384.86	973.71	Table 4.27
Depreciation of Assets from 01.04.2020 onwards	B	823.09	902.26	902.22	Table 4.28
Less: Depreciation of assets created from Consumer Contribution, Capital Grants and Capital Subsidies	C	203.61	301.84	301.84	As per Annual Accounts

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.22)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
		Values		Remarks	
Net Depreciation	D=A+B-C	1,597.45	1,985.29	1,574.10	-

4.9 INTEREST ON LONG-TERM LOANS:

Petitioner's Submission

4.9.1 The Petitioner has submitted that normative tariff approach with Debt: Equity ratio of 70:30 has been considered for purpose of computing interest on long-term loan. The Petitioner has, accordingly, worked out the normative opening loan as on April 1, 2020 as below:

TABLE 4.30: OPENING NORMATIVE LOAN AS ON APRIL 1, 2020 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2020-21
Opening Debt	A	18,896.53
Cumulative Net Depreciation upto 31.3.2020	B	7,490.39
Opening Normative Loan	C=A-B	11,406.15

4.9.2 The Petitioner further added that the Commission, with respect to opening of the Debt and Equity in terms of Regulation 20.2, has stated in the Order dated July 20, 2022, that it would consider either value derived as per Regulation 23.2 of MYT Regulations 2019 or the normative closing Equity base of FY 2019-20 as approved in the True-up Order dated June 29, 2021, whichever is lower.

4.9.3 The Petitioner highlighted that the said approach has not been provided for in the extant Regulations being MYT Regulations, 2019, specifically Regulation 20.2 and the same has been challenged before the Hon'ble APTEL. Accordingly, for the purpose of the computation of the normative interest on the loan, the Petitioner has considered the loan addition as 70% of the actual capitalisation after adjusting the Consumer Contribution and Grants. The portion of capital expenditure financed through Consumer Contributions, Capital Subsidies and Grants has been separated as the depreciation and interest thereon has not been charged to the beneficiaries.

4.9.4 The Petitioner has submitted that allowable depreciation for the year has been

considered as normative loan repayment. The weighted average rate of interest of the overall long-term loan portfolio for FY 2024-25 is 9.20% and the same has been considered as per the actuals. The interest capitalisation has been considered at a rate of 5.49% for FY 2024-25, which is the actual capitalization rate for FY 2024-25 as per the annual accounts. The computations for interest on long-term loan are depicted below:

TABLE 4.31: ALLOWABLE INTEREST ON LONG TERM LOANS FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2024-25
Opening Loan	14,149.60
Loan Additions (70% of Capitalisation)	1,696.60
Less: Repayments (Depreciation allowable for the year)	1,985.29
Closing Loan Balance	13,860.92
Weighted Average Rate of Interest (%)	9.20%
Interest on long term loan	1,288.48
Interest Capitalisation Rate (%)	5.49%
Less: Interest Capitalized	70.79
Net Interest Charged	1,217.69

Commission’s Analysis

4.9.5 The Commission has computed the interest on long-term loans as per Regulation 23 of the MYT Regulations, 2019. The closing value of the loan for FY 2023-24, as approved by the Commission in the Tariff Order dated September 08, 2025, is taken as the opening loan base for FY 2024-25. Further in order to arrive at closing value, 70% of Net GFA addition (after considering deduction/de-capitalization, Consumer Contribution and Grants in GFA) as approved for FY 2024-25 has been considered as loan addition during the year and the repayment has been deducted equal to net depreciation approved by the Commission during the Financial Year.

4.9.6 The said Regulations also provide that at the time of Truing Up, the weighted average rate of interest of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest. The Commission on prudence check observes that the interest paid during FY 2024-25 claimed by the Petitioner does not matches the Annual Accounts (Note 28). In response, the Petitioner submitted that the difference amounting to Rs. 6.77 Crore relates to commitment charges paid to the Government of Uttar Pradesh in connection with the GEC project, which were

included while computing the weighted average rate of interest for FY 2024-25. Accordingly, the weighted average rate of interest was computed by considering an interest expense of Rs. 11.76 Crore instead of Rs. 4.99 Crore in respect of the loan availed from the Government of Uttar Pradesh. The Petitioner further, submitted that since the said project is still under execution, the commitment charges have been directly capitalised as part of Capital Works instead of being routed through the Profit and Loss Account by grossing up the finance cost.

4.9.7 The Commission has examined the submissions made by the Petitioner and observes that since the commitment charges pertains to the expenses towards projects not capitalized, which may be due to poor planning and execution work, where no justification has been rendered to the extent genuineness in accordance with the provisions of the MYT Regulations, 2019. Therefore, the same has been disallowed and accordingly not passed through in this True up of ARR for FY 2024-25. The Commission has computed the weighted average rate of interest based on the actual interest expense as reflected in the Annual Accounts for FY 2024-25, as shown in the Table below:

TABLE 4.32: COMMISSION APPROVED - INTEREST RATE ON LONG TERM LOAN FOR FY 2024-25 (Rs. CRORE)

Loan No.	Lender	FY 2024-25 (True up)				Interest Paid (as per Annual Accounts)
		Opening as on 01.04.24	Addition during FY	Repayment during FY	Closing as on 31.03.25	
		A	B	C	D=A+B-C	
Loan-1	PFC	5,821.16	403.82	381.77	5,843.21	533.75
Loan-2	REC	6,100.70	552.05	796.53	5,856.22	560.65
Loan-3	Indian Bank	411.18	-	22.95	388.23	37.48
Loan-4	IREDA	41.65	-	14.13	27.52	2.88
Loan-5	HUDCO	-	123.88	-	123.88	2.88
Loan-6	UP Government	-	374.65	-	374.65	4.99
Total		12,374.69	1,454.40	1,215.38	12,613.72	1,142.64
Less Interest Subsidy		-	-	-	-	-
Grand Total		12,374.69	1,454.40	1,215.38	12,613.72	1,142.64
Weighted Average Interest Rate for Long-Term Loan $E*100\%/\{(A+D)/2\}$						9.15%

4.9.8 Further, for computing interest on long-term loans, the Interest Capitalisation is

approved based on actuals as per Annual Accounts and interest rate as per the table above. Accordingly, the Interest on Long Term Loan as submitted by the Petitioner and approved by the Commission for FY 2024-25 is shown below:

TABLE 4.33: COMMISSION APPROVED - INTEREST ON LONG TERM LOAN FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.25)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Opening Loan as on 01.04.2025	A	13,559.89	14,149.60	14,525.61	Table 4-29 of Tariff Order dated 08.09.2025
Addition during FY 2024-25	B	997.19	1,696.60	1,696.60	Table 4.23
Less: Repayment during FY 2024-25	C	1,597.45	1,985.29	1,574.10	Table 4.29
Closing Loan	D=A+B-C	12,959.63	13,860.92	14,648.12	-
Weighted Average Interest Rate	E	8.94%	9.20%	9.15%	Table 4.32
Interest on Loan	F=(Avg (A, D))*E	1,186.08	1,288.48	1,334.02	-
Interest Capitalisation Rate	G=H/F (%)	13.01%	5.49%	5.31%	-
Less: Interest Capitalised	H	154.31	70.79	70.79	Annual Accounts
Net Interest Charged	I=F-H	1,031.77	1,217.69	1,263.23	-

4.10 INTEREST ON WORKING CAPITAL:

Petitioner’s Submission

4.10.1 The Petitioner has submitted that in accordance with Regulation 25 of the MYT Regulations, 2019, the interest on the working capital requirement is considered as the “weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points” i.e., 11.38%. The Petitioner has claimed the interest on working capital which is shown in the Table below:

TABLE 4.34: INTEREST ON WORKING CAPITAL FOR FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2024-25
One Month of O&M Expenses	142.01

Particulars	FY 2024-25
Maintenance spares @ 40% of R&M Expenses for two months	29.92
Receivable equivalent to 45 days average billing of consumers	587.28
Total Working Capital Requirement	759.21
Interest rate (%)	11.38%
Interest on Working Capital	86.41

Commission’s Analysis

4.10.2 Regulation 25.1 of the MYT Regulations, 2019 provides that the working capital requirement of the Transmission Licensee shall cover:

- (i) Operation and maintenance expenses for one month;
- (ii) Maintenance spares at 40% of the R&M expenses for two months; and
- (iii) One-and-a-half-month equivalent of the expected revenue from transmission charges at the prevailing Tariff;

Minus

- (iv) Amount held as security deposits, if any, from Transmission System Users:

4.10.3 Further, Regulation 25.1 of the MYT Regulations, 2019 provides that for the purpose of Truing Up for any year, simple interest rate on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned year plus 250 basis points. The weighted average SBI MCLR (1 Year) prevailing during the year (FY 2024-25) was 8.88%¹. Accordingly, the Commission approves the Interest rate on working capital as 11.38% (8.88% + 250 basis points) and the corresponding interest as shown in the Table below:

TABLE 4.35: WEIGHTED AVERAGE RATE COMPUTATION BY THE COMMISSION FOR FY 2024-25

Date	Days	1 Year Rate
01-04-2024	14	8.65
15-04-2024	30	8.65
15-05-2024	31	8.65
15-06-2024	30	8.75
15-07-2024	31	8.85

¹ Source: SBI MCLR (1 Year) prevailing during the year (FY 2024-25).

Link: <https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>

Date	Days	1 Year Rate
15-08-2024	31	8.95
15-09-2024	30	8.95
15-10-2024	31	8.95
15-11-2024	30	9.00
15-12-2024	31	9.00
15-01-2025	31	9.00
15-02-2025	28	9.00
15-03-2025	17	9.00
31-03-2025	-	-
WA Rate	365	8.88%
Basis Point		250
Interest Rate for Working Capital for FY 2023-24		11.38%

TABLE 4.36: COMMISSION APPROVED - INTEREST ON WORKING CAPITAL FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.27)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
O&M Expenses for one Month	A= O&M/12	77.18	142.01	90.98	O&M Expenses approved in Table 4.14
Maintenance Spares at 40% of R&M Expenses for two Months	B= 40%*R&M* 2/12	34.88	29.92	30.61	R&M Expenses approved in Table 4.14
One and Half Month equivalent of the expected revenue for Transmission Charges at prevailing Tariff	C= ARR*1.5/12	456.61	587.28	485.50	ARR approved in Table 4.46
Total Working Capital	D=A+B+C	568.67	759.21	607.09	-
Interest Rate on Working Capital Requirement	E	11.05%	11.38%	11.38%	Table 4.35
Interest on Working Capital Requirement	F=D*E	62.84	86.41	69.10	-

4.11 RETURN ON EQUITY

Petitioner's Submission

4.11.1 The Petitioner has submitted that under the provisions of the MYT Regulations, 2019, the Petitioner is eligible to a return of 14.5% on Equity base. The Petitioner, in view of the huge gap in the recovery of cost of supply at the Discoms' level, feels

that RoE at this level would only result in increase in arrears and accumulation of receivables. It is further added in the Petition that the Petitioner has been claiming the RoE @ 2% since the financial year 2009-10 onwards as such the Petitioner is providing a discount of 12.50% of the RoE in FY 2024-25, which is to the tune of Rs. 1,548.35 Crore. The RoE has been computed on the normative Equity portion (30%) of capitalized assets.

4.11.2 The Petitioner has computed the eligible RoE by considering the opening normative Equity as on April 1, 2024, as discussed above. Subsequently, it has considered the normative Equity closing based on the capital additions for FY 2024-25 as discussed in the afore-mentioned sections. Thus, the claimed RoE for FY 2024-25 has been computed to be Rs. 247.748 Crore by the Petitioner as shown in the Table below:

TABLE 4.37: RETURN ON EQUITY SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	FY 2024-25
Equity at the beginning of the year	A	12,023.22
Assets Capitalised	B	3,475.30
Less: Deletion of Assets	C	11.85
Less: Consumer Contribution during FY 2024-25	D	1,039.73
Net Capitalisation to be funded by Debt & Equity	$E = B - C - D$	2,423.72
Addition to Equity	$F = 30\% \text{ of } E$	727.12
Closing Equity	$G = A + F$	12,750.34
Average Equity	$H = \text{Average of } A \text{ \& } G$	12,386.78
Rate of Return (%)	I	14.50%
Return on Equity @ 14.50%	$J = I \times H$	1,796.08
Less: Discount in RoE @ 12.50%	$K = H \times 12.50\%$	1,548.35
Return on Equity claimed @ 2.00%	$L = J - K$	247.74

Commission's Analysis

4.11.3 The Commission observes that the Petitioner has submitted the opening Equity as per closing value claimed in the True-up Petition of FY 2023-24 instead of the closing value approved by the Commission in the previous Tariff Order dated September 08, 2025, resulting in variation of opening Equity base. The Commission considers the closing Equity, as approved by the Commission while Truing up of FY 2023-24 in Tariff Order dated September 08, 2025, as opening Equity base for FY 2024-25. Further, 30% of Net GFA addition (after considering deduction / de-capitalization,

Consumer Contribution and Grants) in GFA as approved for FY 2024-25 has been considered as Equity addition during the year.

4.11.4 The Commission also observes that the Petitioner has claimed the rate of RoE as 2.00% instead of 14.50% as per Regulation 22.1 of the MYT Regulations, 2019, citing the reason that the Distribution Licensees are already in financial stress, hence, claiming RoE at 14.50% will further worsen the financial condition of Distribution Licensee. Therefore, the Commission, taking into account the plea / claim of the Petitioner, considers the rate of RoE as 2.00% instead of 14.50%. Accordingly, the RoE for FY 2024-25 is shown in the Table below:

TABLE 4.38: COMMISSION APPROVED - RETURN ON EQUITY FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.29)	FY 2024-25 (True up)		
			Petition (True up)	Approved (True up)	
				Values	Remarks
Opening Normative Equity	A	11,019.77	12,023.22	11,425.50	Table 4-34 of Tariff Order dated 08.09.2025
Equity addition during the year (30% of net capitalisation)	B	427.37	727.12	727.12	Table 4.23
Closing Normative Equity	C=A+B	11,447.14	12,750.34	12,152.61	-
Average Normative Equity	$D=(A+C)/2$	11,233.46	12,386.78	11,789.05	-
Rate of Return on Equity	E	2.00%	2.00%	2.00%	-
Return on Equity	F=D*E	224.67	247.74	235.78	-

4.12 INCOME TAX

4.12.1 The Petitioners have not claimed any expenses towards the Income Tax paid. The Commission also made prudence of the same and observes Nil Income Tax is paid by the Petitioners during the year. Hence, the Commission approves the Income Tax for FY 2024-25 as Nil in accordance with Regulation 26.2 of MYT Regulation, 2019.

4.13 NON-TARIFF INCOME

Petitioner's Submission

4.13.1 The Petitioner has claimed a Non-Tariff income of Rs. 639.59 Crore as per Annual

Accounts of FY 2024-25 against the Non-Tariff Income of Rs. 178.76 Crore approved in the Tariff Order dated October 10, 2024. Further, as per Annual Accounts of FY 2024-25, the income from Consumer Contribution to the tune of Rs. 301.84 Crore is also recognized under the Other Income, which has been already deducted from the gross allowable depreciation in the section above. Thus, the Petitioner has considered the net Non-Tariff Income of Rs. 337.75 Crore for the Truing-up of FY 2024-25 as shown in the Table below:

TABLE 4.39: NET NON-TARIFF INCOME SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	FY 2024-25
Actual Non-Tariff Income as per Balance Sheet	A	639.59
Less: Income from CC	B	301.84
Net Non-Tariff Income	C=A - B	337.75

Commission’s Analysis:

- 4.13.2 Regulation 35 of the MYT Regulations, 2019 provides that the amount of Non-Tariff Income relating to the transmission business as approved by the Commission shall be deducted from the ARR in determining the Annual Transmission Charges.
- 4.13.3 The Commission has scrutinized the Annual Accounts and finds that the claim of the Petitioner is in line with MYT Regulations, 2019. Accordingly, the Non-Tariff Income approved by the Commission on different heads is shown below:

TABLE 4.40: COMMISSION APPROVED - NON-TARIFF FOR FY 2024-25 (Rs. CRORE)

Particular	Tariff Order Dated 10.10.2024 (Table 6.30)	Annual Accounts	FY 2024-25 (True up)	
			Petition (True up)	Approved (True up) Values
Interest Income	178.76	126.58	639.59	126.58
Maintenance & Shutdown Charges		101.49		101.49
Income from Contractors/Suppliers		16.32		16.32
Incomes from Consumer Contribution Reserve		301.84		301.84
Supervision Charges		65.61		65.61
Rental from Staff		0.33		0.33
Miscellaneous Receipts		27.43		27.43

Particular	Tariff Order Dated 10.10.2024 (Table 6.30)	Annual Accounts	FY 2024-25 (True up)	
			Petition (True up)	Approved (True up) Values
Income from subsidies & Grants (Repayment of Loan Principal)		-		-
PoC Charges of CERC lines		-		-
Non-Tariff Income		639.59		639.59
Less: Income from Consumer Contribution during the FY		301.84	301.84	301.84
Net Non-Tariff Income	178.76	337.75	337.75	337.75

*Approved Trued Up values are considered as per Annual Accounts of FY 2024-25.

4.14 INCOME FROM OTHER BUSINESSES

Petitioner's submission

4.14.1 The Petitioner has submitted that it has initiated the leasing of the dark fiber cable (OPGW) for optimum utilization of Transmission assets by way of the utilization of surplus capacity of UPPTCL's OPGW. In this regard, the Petitioner had approached the Commission vide Petition No. 1848/2022 for permission of the Commission about engaging in Other Business for leasing of UPPTCL's OPGW infrastructure. Accordingly, the Commission had given approval of the same vide its Order dated November 2, 2022, as mentioned below:

“ ...

....., the Commission has allowed utilization of surplus capacity of UPPTCL's OPGW infrastructure by leasing out its dark fiber for a lease period of 15 years subject to compliance of conditions stipulated under UPERC (Other Business) Regulations, 2004 or any subsequent amendment/re-enactment thereof. The utilization of the assets and facilities of the licensed business for other business shall not, in any manner, affect the license conditions, performance of obligations or quality of service required from UPPTCL under licensed business.”

4.14.2 Further, with respect of the sharing of such income, the Commission had decided that:

“Accordingly, the Commission has decided that an amount equal to 70% of the gross revenue from such other business in a given financial year shall be utilised for reducing the transmission charges of the licensed business, whereas 30% of the gross revenue shall be retained

with the other business. The operation and maintenance cost of leased dark fibers shall be borne by UPPTCL out of their revenue share.”

4.14.3 Accordingly, the Petitioner has shared 70% of the overall gross revenue of Rs. 17.40 as per the Annual Accounts for FY 2024-25, which is to the tune of Rs. 12.18 Crore in FY 2024-25, from the leasing of dark fibers with the beneficiaries as depicted in the Table below:

TABLE 4.41: REVENUE FROM OPGW LEASING IN FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2024-25
Gross Income as per Annual Accounts	17.40
Income to be shared @ 70%	12.18
Income retained with UPPTCL @ 30%	5.22
O&M Expenditure as per Annual Accounts	2.84
Net Income / (Loss) after sharing 70% Income	2.38

Commission’s Analysis

4.14.4 Regulation 36 of the MYT Regulations, 2019, which provides for the Income from Other Business, specifies that the proportion of revenue from Other Business that shall be utilized in the Transmission business as stipulated in UPERC (Treatment of Income of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2004 or any subsequent amendment thereof.

4.14.5 The Petitioner had filed a Petition before the Commission (Petition No. 1848 of 2022) under Section 41 of the Electricity Act, 2003 read along with Regulation 3 of UPERC (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensee) Regulations, 2004, for permission of the Commission for engaging in Other Business for optimum utilization of Transmission assets by way of the utilization of the surplus capacity of UPPTCL’s OPGW infrastructure by leasing out its dark fiber. The Commission, in its Order dated November 02, 2022, in the matter had decided that an amount equal to 70% of the gross revenue from such other business in a given financial year shall be utilised for reducing the Transmission Charges of the licensed business, whereas 30% of the gross revenue shall be retained with the other business.

4.14.6 Accordingly, the Commission approves the Revenue from OPGW leasing at 70% of the gross revenue of Rs. 17.40 Crore, i.e. Rs. 12.18 Crore.

4.15 REVENUE

Petitioner's Submission

4.15.1 The Petitioner has submitted that the Gross Transmission Charges in FY 2024-25 are to the tune of Rs. 4,110.92 Crore. The Open access charges are to the tune of Rs. 180.69 Crore in FY 2024-25 which includes the short-term open access charges recovered in FY 2024-25 for approved inter-state and intra-state transactions by NRLDC and UPSLDC. The net revenue pertaining to FY 2024-25 is provided in the Table below:

TABLE 4.42: REVENUE FROM OPERATIONS PERTAINING TO FY 2024-25 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Amount
Revenue from operations (Gross) for FY 2024-25	4,110.92
Less:	
True-up Adjustment for FY 2023-24	-
UPPTCL's Total Revenue considered for revenue side Truing up in FY 2024-25	4,110.92

Commission's Analysis

4.15.2 The Commission has considered the net revenue inclusive of transmission charges and open access charges received during the year as per Annual Accounts for FY 2024-25 as shown below:

TABLE 4.43: COMMISSION APPROVED - REVENUE FROM OPERATIONS FOR FY 2024-25 (Rs. CRORE)

Particulars	FY 2024-25 (True up)	
	Petition (True up)	Approved (True up)
Revenue from Operation for FY 2024-25	4,110.92	4,110.92

4.15.3 Further, the energy wheeled during FY 2024-25 is considered as per the joint statement signed by UPPTCL and UPSLDC. Detailed breakup of revenue from operations approved by the Commission is as follows:

TABLE 4.44: COMMISSION APPROVED - DETAILED BREAKUP OF REVENUE FROM OPERATIONS FOR FY 2024-25 (Rs. CRORE)

Particulars	FY 2024-25	
	Approved (True Up)	
	Energy Delivered (MU)	Amount (Rs. Crore)
DVVNL	32,143.49	811.15

Particulars	FY 2024-25	
	Approved (True Up)	
	Energy Delivered (MU)	Amount (Rs. Crore)
MVVNL	31,722.21	804.99
PVVNL	42,913.41	918.76
PuVVNL	36,301.87	1,088.37
KESCO	4,569.22	116.03
NPCL	3,878.76	78.30
Sub-Total (Distribution Licensees) (A)	1,51,528.96	3,817.60
Open Access Consumer		
Northern Railway (U.P)	2,981.60	53.07
Open Access Customers	4,098.64	240.26
Sub-Total (Open Access Consumers) (B)	7,080.24	293.32
Total (A+B)	1,58,609.20	4,110.92

4.16 SUMMARY OF TRUE-UP AND GAP/(SURPLUS)

Petitioner's Submission

4.16.1 The Petitioner has projected a Gap / (Surplus) of Rs. 587.34 Crore for FY 2024-25 and requested the Commission to approve the same.

TABLE 4.45: SUMMARY OF TRUE-UP SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024 (Table 6.33 and Table 6.39)	Petition (True up)
O&M Expenses	A=B+C+D	1,382.51	1,704.09
Employee Expenses	B	785.49	1,187.08
A&G Expenses	C	73.76	68.17
R&M Expenses	D	523.26	448.84
Interest on Loan Capital	E	1,186.08	1,288.48
Interest on Working Capital	F	62.84	86.41
Finance Charges	G	-	-
Depreciation	H	1,597.45	1,985.29
Gross Expenditure	I=A+E+F+G+H	4,228.87	5,064.27
Less: Employee Expenses Capitalised	J	456.40	193.03
Less: Interest Expenses Capitalised	K	154.31	70.79
Net Expenditure	L=I-J-K	3,618.17	4,800.45
Return on Equity	M	224.67	247.74
Less: Non-Tariff Income	N	178.76	337.75
Less: Income from Other Business	O	11.17	12.18
ARR for UPPTCL	P=L+M-N-O	3,652.91	4,698.26
Less: Adjustment of (Surplus)/Gap of FY 2022-23	Q	(147.58)	-
Net ARR for UPPTCL (Considering True Up Surplus)	R=P+Q	3,505.33	4,698.26

Particulars	Derivation	Tariff Order for FY 2024-25 dated 10.10.2024	Petition (True up)
		(Table 6.33 and Table 6.39)	
Revenue from Operations	S	-	4,110.92
Net Gap/ (Surplus) (Anticipated)	T= R-S	-	587.34
Energy Delivered (MU)	U	1,50,731.78	1,58,609.20
Transmission Tariff (Rs./kWh)	V=R*10/U	0.2326	0.2962

Commission's Analysis

4.16.2 The Commission, based on a prudence check and after carrying out a detailed analysis of each parameter, as shown above, has considered the True-up of FY 2024-25. Accordingly, the following Table summarizes the True-up and Gap/(Surplus) for FY 2024-25 as submitted by the Petitioner vis-à-vis the values approved by the Commission.

TABLE 4.46: COMMISSION APPROVED - SUMMARY OF TRUE-UP FOR FY 2024-25 (Rs. CRORE)

Particulars	Derivation	FY 2024-25 (True up)		
		Petition (True up)	Approved (True up)	
			Values	Remarks
Gross O&M Expenses	A=B+C+D	1,704.09	1,284.77	Table 4.14
Employee Expenses	B	1,187.08	768.15	Table 4.14
A&G Expenses	C	68.17	57.45	Table 4.14
R&M Expenses	D	448.84	459.17	Table 4.14
Interest on Loan Capital	E	1,288.48	1,334.02	Table 4.33
Interest on Working Capital	F	86.41	69.10	Table 4.36
Depreciation	G	1,985.29	1,574.10	Table 4.29
Gross Expenditure	H=A+E+F+G	5,064.27	4,261.98	
Less: Employee Expenses Capitalised	I	193.03	193.03	Table 4.14
Less: Interest Expenses Capitalised	J	70.79	70.79	Table 4.33
Net Expenditure	K=H-I-J	4,800.45	3,998.16	
Add: Return on Equity	L	247.74	235.78	Table 4.38
Less: Non-Tariff Income	M	337.75	337.75	Table 4.40
Less: Income from Other Business	N	12.18	12.18	Para 4.14.6
Annual Revenue Requirement	O=K+L-M-N	4,698.26	3,884.01	
Revenue from Operations	P	4,110.92	4,110.92	Table 4.43
Net Gap/ (Surplus) for FY 2024-25	Q=O-P	587.34	(226.91)	
Energy Delivered (MU)	R	1,58,609.20	1,58,609.20	Table 4.44

4.16.3 In view of the above, the Commission approves the True-Up of Rs. 3,884.01 Crore for FY 2024-25, along with a net Revenue Surplus of Rs. 226.91 Crore.

4.17 UPPTCL REVENUE GAP/SURPLUS UPTO FY 2024-25

4.17.1 The Commission has determined the year-wise revenue gap/(surplus) up to FY 2024-25 by considering the opening surplus carried over from FY 2022-23, the additions during each year and the applicable carrying cost. The closing surplus of each year has been treated as the opening surplus for the subsequent year. The detailed computation of opening balance, addition during the year, carrying cost and closing balance of gap/(surplus), as approved by the Commission is shown in the Table below:

TABLE 4.47: COMMISSION APPROVED – TREATMENT OF GAP/(SURPLUS) UP TO FY 2024-25 (Rs. CRORE)

Particulars (1)	Derivation (2)	FY 2022-23	FY 2023-24	FY 2024-25
		(True-Up) (3)	(True-Up) (3)	(True-Up) (4)
Opening Gap/(Surplus)	(A)	-	(120.60)	(297.61)
Gap/ (Surplus) addition during the year	(B)	(114.69)	(181.29)	(226.91)
Closing Balance Gap/(Surplus)	(C)=(A)+(B)	(114.69)	(301.88)	(524.52)
Average Balance Gap/(Surplus)	(D)=((A)+(C)/2)	(57.35)	(211.24)	(411.06)
Carrying Cost (%) (Rate of Interest on IoWC (%))	E	10.30%	11.07%	11.38%
Carrying Cost	(F)= (D)*(E)	(5.91)	(23.37)	(46.79)
Closing Gap/ (Surplus) with Carrying Cost	(G)= (C)+(F)	(120.60)	(325.26)	(571.31)
Net SLDC Expenses for FY2021-22	(H)	-	27.65	-
Net Closing Gap/ (Surplus) (Rs. Crore) with Carrying Cost	(I)=(G)+(H)	(120.60)	(297.61)	(571.31)

4.17.2 Accordingly, the Commission considers a net Revenue Surplus of Rs. 571.31 Crore for the Petitioner at the end of FY 2024-25, inclusive of carrying cost.

5 ANNUAL PERFORMANCE REVIEW FOR FY 2025-26

5.1 INTRODUCTION

- 5.1.1 The Petitioner has submitted the APR for FY 2025-26 as per the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof and based on the revised projections of expenses and capital expenditure.
- 5.1.2 The Commission has provisionally computed the figures wherever required as per True-Up of FY 2024-25 approved by the Commission and submissions of the Petitioner including deficiency replies. Further, the Commission has carried out a comparison of each component of APR as claimed by Petitioner with that approved in Tariff Order for FY 2025-26 dated September 08, 2025. It is pertinent to mention that final prudence checks will be carried out by the Commission at the time of True-up. Accordingly, components of APR are discussed in following Sections.

5.2 TRANSMISSION LOSS

Petitioner's Submission

- 5.2.1 The Petitioner has estimated the Intra-State Transmission Losses as 3.18% based on the losses approved by the Commission in Tariff Order for FY 2025-26 dated September 08, 2024.

Commission's Analysis

- 5.2.2 As per Regulation 33 of MYT Transmission Regulations, 2025 and its amendments thereof, the energy losses in the Intra-State Transmission System, as determined by the State Load Despatch Centre and approved by the Commission, shall be borne by the Transmission System Users in proportion to their usage of the Intra-State Transmission System.
- 5.2.3 The Commission notes that the Petitioner has projected Intra-State Transmission Losses of 3.18%. Accordingly, the Commission considers the proposed transmission losses for the purpose of the Annual Performance Review. The same shall be examined in detail at the time of True-Up. The Petitioner is, therefore, directed to submit the detailed reasons/ justification while filing the next year's tariff petition in this regard.

5.3 OPERATION AND MAINTENANCE (O&M) EXPENSES

Petitioner's Submission

5.3.1 The Petitioner, in accordance with Regulations 13.6, 13.7 and 13.8 of the MYT Transmission Regulations, 2025, and its amendments thereof, has computed and submitted the Employee Expenses, R&M Expenses, and A&G Expenses for FY 2025-26.

5.3.2 The Petitioner has submitted that due to re-classification of Contractual Manpower from R&M expenses to Employee cost as per Annual Accounts of FY 2024-25, the Employee Expense of last five Annual Accounts i.e. from FY 2020-21 to FY 2024-25 have been recomputed to arrive at the normative base value of Employee expenses Further, A&G expenses of last five Annual Accounts i.e. from FY 2020-21 to FY 2024-25 have been considered to arrive at the normative base value of A&G expenses. The details are provided in the Tables below:

TABLE 5.1: EMPLOYEE COST AND A&G EXPENSES FOR LAST 05 AUDITED FINANCIAL YEARS AFTER RECLASSIFICATION OF CONTRACTUAL MANPOWER SUBMITTED BY THE PETITIONER (Rs. CRORE)

Employee Expenses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Employee Cost (Previous)	584.92	715.02	703.39	765.45	789.26
Add: Contractual Manpower of Substation	104.25	103.68	98.70	101.50	144.95
Revised Employee Cost	689.17	818.70	802.09	866.95	934.21
A&G Expenses	64.22	80.45	76.57	76.22	57.45

5.3.3 The Petitioner for the purpose of APR has considered average CPI & WPI for the preceding three financial years CPI and WPI in accordance with the provision of MYT Transmission Regulations, 2025, and its amendments thereof. Based on these indices, the Employee Expenses and A&G Expenses claimed by the Petitioner for FY 2025-26 are shown in the Table below:

TABLE 5.2: COMPUTATION OF EMPLOYEE EXPENSES AND A&G EXPENSES CONSIDERING WPI & CPI INFLATION SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

UPPTCL	Average of Last 5 years as Mid-Year value (FY 2022-23)	FY 2023-24	FY 2024-25	FY 2025-26
Employee Cost	822.23	864.90	894.13	937.72
CPI Inflation (%)	-	5.19%	3.38%	4.87%
A&G Expenses	70.98	70.47	72.07	74.70

UPPTCL	Average of Last 5 years as Mid-Year value (FY 2022-23)	FY 2023-24	FY 2024-25	FY 2025-26
i. Licensee fees	-			8.64
WPI Inflation (%)	-	-0.73%	2.27%	3.65%
Total A&G Expenses	-	-	-	83.34

5.3.4 With regard to R&M expenses, the Petitioner submitted that Regulation 13.7 of the MYT Transmission Regulations, 2025, and its amendments thereof, the normative R&M Expenses for the first year of the Control Period (FY 2025-26) are to be allowed at the rate of 2% of the opening GFA. However, in the tariff order dated September 08, 2025, the commission has kept the R&M expense at 1.5 % of opening GFA for the control period and further mentioned that an amendment to that effect shall be carried out in the UPERC (MYT for Transmission) Regulation 2025. Accordingly, the petitioner has claimed R&M expenses at 1.5 % of opening GFA for FY 2025-26, as shown in the Table below:

TABLE 5.3: COMPUTATION OF R&M EXPENSES SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Opening GFA	R&M Expenses (@1.5%)
47,070.35	706.66

5.3.5 Accordingly, the Net normative O&M expenses claimed by the Petitioner for FY 2025-26 are shown in the Table below:

TABLE 5.4: O&M EXPENSES FOR FY 2025-26 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	APR Petition FY 2025-26
Employee Cost	937.72
A&G Expenses	83.34
R&M Expenses	706.06
Gross O&M Expenses	1,727.11
<i>Less: Employee cost capitalized</i>	229.34
Net O&M Expenses	1,497.77

5.3.6 The Petitioner has considered the Employee Expense capitalisation for FY 2025-26 at the same rate (24.46%) as per the actual capitalisation in the annual accounts for FY 2024-25.

Commission's Analysis

5.3.7 The Commission has provisionally computed the normative O&M Expenses in

accordance with Regulation 13 of the MYT Transmission Regulations, 2025, and its amendments thereof. Further, Regulations 13.6, 13.7, and 13.8 specify the methodology for normative computation of these expenses, wherein the normative Employee Expenses and normative A&G Expenses are to be derived by escalating the base year value of FY 2024-25 with the applicable inflation factor, while the R&M Expenses are linked with the GFA. The relevant provisions of Regulation 13 are reproduced below:

Quote

“13. Operation and Maintenance Expenses

...

(6) Employee Cost

- (a) *The Employee Cost shall be derived on the basis of the average of the values in the Annual Accounts for the last five (5) financial years ending March 31, 2025 subject to prudence check by the Commission. However, if Annual Accounts are not available for FY 2024-25, Annual Accounts available for the last five (5) years will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be recomputed.*
- (b) *The average of such Employee Cost shall be considered as Employee Cost for the middle year of the previous Control Period (01.04.2020 to 31.03.2025) and shall be escalated year on year with the escalation factor considering CPI of respective years, for subsequent years up to FY 2024-25:*

Provided that impact of one time expenses such as Arrears due to impact of pay revision, change in pension scheme etc. shall be removed from the base Employee Cost.

After arriving the figure of FY 2024-25, the normative employee expenses shall be computed as per formula below:

$$\mathbf{EMP_n = EMP_{n-1} \times (1 + \text{CPI inflation}) \times (1 + G_n)}$$

Where:

EMP_n: Employee expense for the nth year;

EMP_{n-1}: Employee expense for the (n-1)th year;

For the purpose of ARR, CPI inflation is the average of Consumer Price Index (CPI) for Industrial Workers (All India) as per Labour Bureau, Government of India for the immediately preceding three Financial Years.

For the purpose of True-Up, CPI inflation is the actual point to point inflation for the concerned Financial Year.

G_n is a growth factor for the nth year and it may be greater than or less than zero based on the actual performance. Value of G_n shall be determined by the Commission in the Tariff Order for meeting the additional manpower requirement based on the Licensees' filing, benchmarking or any other factor that the Commission feels appropriate.

(7) Repairs and Maintenance Expense

The normative Repair and Maintenance expense for first year of Control period shall be allowed at the rate of 1.5 % of the opening GFA of the year as approved by the Commission. The normative Repair and Maintenance expense for subsequent years of the control period, shall be allowed at 1.5% of the incremental GFA of the respective year in addition to the normative R&M value of previous year along with an annual escalation based on the Wholesale Price Index (WPI) inflation: Provided that the normative R&M expense determined as per the above stipulation shall be inclusive of any impact of change in applicable taxes or duties.

For the purpose of ARR, WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years as per the Office of Economic Advisor of Government of India.

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned Financial Year.

(8) Administrative and General Expenses

- (a) The normative A&G Expenses shall be derived on the basis of the average of the values in the Annual Accounts for the last five (5) financial years ending March 31,2025 subject to prudence check by the Commission. However, if Annual Accounts are not available for FY 2024-25, Annual Accounts available for the last five (5) financial years of previous Control Period (01.04.2020 to 31.03.2025) will be considered and subsequently when the same are available the base year value (i.e. FY 2024-25) will be recomputed.*
- (b) The average of such A&G Expenses shall be considered as A&G Expenses for the middle year and shall be escalated year on year with the escalation factor considering WPI of respective years, for subsequent years up to FY 2024-25.*
- (c) A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses:*

After arriving the figure of FY 2024-25, the normative A&G expenses

shall be computed as per formula below:

$$A\&G_n = A\&G_{n-1} (1 + \text{WPI inflation}) + \text{Provision}$$

Where:

$A\&G_n$: A&G expense for the n^{th} year;

$A\&G_{n-1}$: A&G expense for the $(n-1)^{\text{th}}$ year;

For the purpose of ARR, WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years as per the Office of Economic Advisor of Government of India:

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned Financial Year.

Provision: Cost for initiatives which entail conversion of Capex projects into Totex or Opex mode or are undertaken to ensure compliance of any directives of the Commission or any other Expense as may be allowed by the Commission on the proposal of Transmission Licensee.”

Unquote

5.3.8 The Commission in its previous Tariff Order dated September 08, 2025, had already shown the computation of normative O&M Expenses for the base year (FY 2022-23) in line with provision of above Regulations. The Commission observed that the overall O&M Expenses claimed by the Petitioner have increased vis-a-vis the O&M Expenses approved for FY 2025-26 in Tariff Order dated September 08, 2025.

5.3.9 The Commission further notes that the Petitioner has made reclassification in its Annual Accounts for FY 2024-25, wherein expenses related to Contractual manpower earlier booked under R&M Expenses have been shifted to Employee Expenses. Accordingly, the restated Audited figures for FY 2020-21 to FY 2023-24 and Audited figure for FY 2024-25, as approved by the Commission in Tariff Order dated September 08, 2025, have been considered provisionally for computation of Mid-Year value for FY 2022-23, as shown in the Table below:

TABLE 5.5: MID YEAR COMPUTATION PROVISIONALLY CONSIDERED BY THE COMMISSION FOR FY 2022-23 (Rs. CRORE)

Particulars	Audited Figures					Expenses for Mid-Year
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23
	(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
Employee Expenses*	689.18	818.70	802.09	866.95	934.21	822.23

Particulars	Audited Figures					Expenses for Mid-Year
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2022-23
	(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
A&G Expenses	64.22	80.45	76.57	76.22	57.45	70.98

* Restated Employee Expenses for FY 2020-21 to FY 2023-24 and Actual Audited Value for FY 2024-25.

5.3.10 Further, for computing normative values for the base year (i.e., FY 2024-25), the mid-year value (FY 2022-23) has been escalated on a yearly basis with the inflation factor considering actual CPI and WPI of respective years, for subsequent years up to FY 2024-25. Accordingly, the inflation rate computed for FY 2023-24 to FY 2024-25, as per Labour Bureau, GoI (<https://labourbureau.gov.in/all-india-general-index-1>) and Economic Advisor Government of India (https://eaindustry.nic.in/download_data_1112.asp) is shown in the Table below:

TABLE 5.6: INFLATION INDEX CONSIDERED BY THE COMMISSION (INDEX VALUE)

Particulars	Wholesale Price Index				Consumer Price Index			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
April	132.00	152.30	151.10	152.90	345.9	367.78	386.50	401.47
May	132.90	155.00	149.40	153.50	347.3	371.5	387.94	402.91
June	133.70	155.40	148.90	154.00	350.5	372.1	392.83	407.23
July	135.00	154.00	152.10	155.30	353.7	374.1	402.34	410.98
August	136.20	153.20	152.50	154.40	354.2	375.0	400.90	410.69
September	137.40	151.90	151.80	154.70	355.1	378.1	396.00	412.70
October	140.70	152.90	152.50	156.70	359.7	381.6	398.59	416.16
November	143.70	152.50	153.10	156.40	362.0	381.6	400.61	416.16
December	143.30	150.50	151.80	155.70	361.2	381.0	399.74	413.86
January	143.80	150.70	151.20	155.00	360.3	382.5	400.03	412.42
February	145.30	150.90	151.20	154.90	360.0	382.2	400.90	411.26
March	148.90	151.00	151.40	154.80	362.9	383.9	400.03	411.84
Average	139.41	152.53	151.42	154.86	356.06	377.62	397.20	410.64
Calculation of Inflation		9.41%	-0.73%	2.27%		6.05%	5.19%	3.38%

5.3.11 Based on the methodology described above, the Commission has derived the normative base year values for Employee Expenses and A&G Expenses for FY 2024-25, as shown in the Table below:

TABLE 5.7: COMPUTATION OF NORMATIVE EMPLOYEE EXPENSES & A&G EXPENSES PROVISIONALLY CONSIDERED BY THE COMMISSION FOR THE BASE YEAR I.E. FY 2024-25 (Rs. CRORE)

Particulars	Mid-Year Value FY 2022-23	Normative					
		Escalation Factor		FY 2023-24	Escalation Factor		FY 2024-25
	(g) (Table 5.5)	CPI (Table 5.6)	WPI (Table 5.6)	(h)= [(g)*(1+ escalation factor for FY 2022-23)	CPI (Table 5.6)	WPI (Table 5.6)	(i)= [(h)*(1+ escalation factor for FY 2023-24)
Employee Expenses	822.23	5.19%		864.87	3.38%		894.13
A&G Expenses	70.98		-0.73%	70.47		2.27%	72.07

5.3.12 Further, for computation of normative Employee Expenses and A&G Expenses for FY 2025-26, the Commission has considered the average CPI and WPI inflation for the immediately preceding three financial years, i.e. FY 2022-23 to FY 2024-25, as shown in the Table below:

TABLE 5.8: INFLATION INDEX PROVISIONALLY CONSIDERED BY THE COMMISSION FOR FY 2025-26 (%)

FY	INFLATION RATE	
	WPI	CPI
FY 2022-23	9.41%	6.05%
FY 2023-24	-0.73%	5.19%
FY 2024-25	2.27%	3.38%
FY 2025-26 (Avg. of last 3 Years)	3.65%	4.87%

5.3.13 Accordingly, the normative Employee Expenses and A&G Expenses for FY 2025-26 have been derived by applying the respective escalation factors (as shown above) to the base year values for FY 2024-25, in accordance with Regulations 13.6 and 13.8 of the MYT Transmission Regulations, 2025, and its amendments thereof, which is explained in later paras.

5.3.14 **Provisional Employee Expenses:** For computation of provisional normative Employee Expenses for FY 2025-26, the Commission has escalated the normative Employee Expenses of the base year, i.e. FY 2024-25, with the average of WPI for the immediately preceding three Financial Years (i.e. FY 2022-23 to FY 2024-25).

For computing net Employee Expenses, the Commission has provisionally considered Employee Expenses capitalised at 24.46% of the Employee Expenses as claimed by the Petitioner for FY 2025-26, being the same percentage as reflected in

the audited Annual Accounts for FY 2024-25 and has deducted the same from the normative Employee Expenses, provisionally computed by the Commission.

5.3.15 Provisional A&G Expenses: The Commission observes that the Petitioner has claimed Rs. 8.64 Crore towards Licensee fee respectively for FY 2025-26 over and above the normative A&G Expenses. In response to the Commission's query on the same, the Petitioner has submitted that UPPTCL's License Fee was finalised only after the Commission's letter dated November 29, 2018, in accordance with the UPERC (Fees and Fines) Regulations, 2010. Hence, the License Fee was claimed for the first time during True-up for FY 2016-17. Further, the Commission had allowed the actual License Fee paid under the A&G Expenses over and above the normative A&G Expenses. Thereafter, the same was also allowed by the Commission on actual basis in its subsequent Tariff Orders. Accordingly, the Petitioner has claimed the actual License Fee paid for FY 2025-26 over and above the normative A&G Expenses.

5.3.16 The Commission has examined the Petitioner's submission and has observed that the Licensee Fee have been considered as a part of A&G Expenses while deriving the Mid-Year value (FY 2022-23) and Base-Year value (FY 2024-25). Hence, the claim of the Petitioner for allowing Licensee Fee separately over and above the normative value is not correct, as the same has already been taken into consideration while deriving the normative value of A&G Expenses for FY 2025-26, which is in line with the approach taken by the Commission in its past Tariff Orders dated September 08, 2025.

5.3.17 Accordingly, the Commission has calculated the normative A&G Expenses as per Regulations 13.7 the MYT Transmission Regulations, 2025, and its amendments thereof. The normative A&G Expenses for FY 2025-26 have been calculated by escalating the normative A&G Expenses (A&G Expenses including Licensee Fee) of Base Year i.e. FY 2024-25 with the average of WPI for the immediately preceding three Financial Years (i.e., FY 2022-23 to FY 2024-25).

5.3.18 Provisional R&M Expenses: Regulation 13.7 stipulates that R&M Expenses shall be allowed at 2% of the Opening GFA as approved by the Commission for FY 2025-26. However, the Commission in the Tariff Order for FY 2025-26, while approving the

R&M expenses for FY 2025-26 had kept the R&M expenses at 1.5% of the Opening GFA. Accordingly, the normative R&M Expenses for FY 2025-26 have been computed by taking the Closing GFA of FY 2024-25, as approved by the Commission in the True Up Section of this Order, as the Opening GFA for FY 2025-26 and applying a 1.5% growth rate thereon.

5.3.19 The Commission further observes that, in response to the Commission's query regarding the mismatch in the GFA considered by the Petitioner for claiming R&M expenses for FY 2025-26, the Petitioner submitted that while approving the True-up for FY 2021-22, the Commission had approved the closing GFA of Rs. 34,184.24 Crore; however, in the subsequent True-up Order for FY 2022-23, the Commission approved the closing GFA of Rs. 26,454.09 Crore, which represents the depreciated value and not the gross value of assets, and the same was thereafter considered for determining the opening GFA for FY 2023-24 (True-up) and FY 2024-25 (APR). The Petitioner submitted that R&M expenses cannot be computed on GFA after deduction of depreciation, as maintenance costs relate to the physical existence and operation of assets and not to their depreciated book value; accordingly, R&M expenses ought to be allowed on the total GFA. Accordingly, the Petitioner submitted that the opening GFA as per the Annual Accounts for FY 2024-25 was considered, with additions and deductions during the year also taken as per the said Annual Accounts, to arrive at the closing GFA for FY 2024-25, and the same closing GFA of Rs. 47,070.35 Crore has been considered as the opening GFA for FY 2025-26, on which the R&M expenses have been computed.

5.3.20 The Commission has examined the submissions of the Petitioner with regard to the opening GFA claimed for FY 2025-26 and observes that the opening GFA considered by the Petitioner derives from the Annual Accounts for FY 2024-25, and not in accordance with the regulatory principles and methodology laid down by the Commission in the Tariff Order dated 10.11.2020, while approving the ARR for FY 2020-21.

5.3.21 The Commission further notes that the difference in the reported GFA values has arisen due to the change in depreciation methodology from Written Down Value (WDV) to Straight Line Method (SLM), which was implemented from FY 2020-21

onwards. At the time of transition to SLM, the Commission created two separate asset bases, namely:

- Part-A Gross Block, comprising assets blocks up to 31.03.2020; and
- Part-B Gross Block, comprising assets blocks from 01.04.2020 onwards.

5.3.22 The Commission treated the closing WDV as on March 31, 2020 as the opening balance for FY 2020-21 and accordingly negated the depreciation for FY 2019-20 to arrive at the new regulatory opening GFA for Part-A assets. Since Part-A assets represent older assets, the Commission considered that asset retirements should first be adjusted against Part-A assets and accordingly accounted for the same based on the Annual Accounts to determine the closing Part-A asset base for FY 2020-21. Further, new asset additions during the year, as reflected in the Annual Accounts, were considered under Part-B assets to arrive at the closing Part-B asset base. The combined Part-A and Part-B closing balances formed the regulatory closing GFA for FY 2020-21. Further, the opening GFA derived above has been considered by the Commission for forming the debt-equity ratio and subsequently for the ARR and Tariff for FY 2020-21.

5.3.23 The Commission further notes that while undertaking the True-up for FY 2020-21, vide Order dated July 20, 2022, the same regulatory principle was consistently followed. The approved closing GFA for FY 2020-21, was thereafter considered as the opening GFA in the True-up Order for FY 2021-22. Further, additions to and deletions from GFA were considered based on the Annual Accounts. The Commission has followed the same methodology in the subsequent True-up Orders for determination of the closing GFA. Accordingly, the GFA admitted by the Commission differs from the asset base reflected in the Petitioner's audited accounts, which is not regulatory methodology.

5.3.24 In view of the above, the Commission provisionally considers the Closing GFA of FY 2024-25 as approved by the Commission in the True Up Section of this Order as the Opening GFA for FY 2025-26.

5.3.25 **O&M Expenses:** Accordingly, the Commission has provisionally computed the normative O&M Expenses for FY 2025-26 based on the norms specified in

Regulation 13 of MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 5.9: NORMATIVE O&M EXPENSES PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	FY 2024-25 (Normative)	FY 2025-26				
			Average of previous 3 years CPI and WPI		Opening GFA FY 2025-26	Normative Computation	
		(a) (Table 5.7)	(b) CPI (Table 5.8)	(c) WPI (Table 5.8)	(d) (Table 4.20)	(e)= [(a)*(1+(b)or(c)) Or (e)= (d)*1.5%	
Employee Expenses	A	894.13	4.87%			937.72	
A&G Expenses	B	72.07		3.65%		74.70	
R & M Expenses	C				37,950.55	569.26	
Gross O&M Expenses	D=A+B+C						1,581.67
Employee Expenses Capitalisation [#]	E						229.34
Net O&M Expenses	F=D-E						1,352.33

[#]Employee Expenses Capitalised are considered as claimed by the Petitioner.

5.3.26 In view of the above, the Commission approves the Operation and Maintenance (O&M) Expenses for FY 2025-26 on provisional basis, subject to True-Up based on audited actuals and prudence check, in accordance with the norms specified under Regulation 13 of the MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 5.10: O&M EXPENSES PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	FY 2025-26 (APR)		
		Tariff Order for FY 2025-26 dated 08.09.2025	Petition (APR)	Provisionally Computed (APR)
		Table 6.18	Table 5.4	Table 5.9
Employee Expenses	A	937.72	937.72	937.72

Particulars	Derivation	FY 2025-26 (APR)		
		Tariff Order for FY 2025-26 dated 08.09.2025	Petition (APR)	Provisionally Computed (APR)
		Table 6.18	Table 5.4	Table 5.9
Less: Employee Expenses Capitalised	B	219.28	229.34	229.34
Net Employee Expenses	C=A-B	718.44	708.38	708.37
Net A&G Expenses	D	74.70	83.34	74.70
Net R&M Expenses	E	569.26	706.06	569.26
Net O&M Expenses	F=C+D+E	1,362.39	1,497.77	1,352.33

5.4 CAPITAL WORK IN PROGRESS (CWIP) & GROSS FIXED ASSET (GFA)

Petitioner's Submission

5.4.1 The Petitioner has estimated the capital investment for FY 2025-26, based on the expected expenditure to be made towards the ongoing projects or schemes and those towards the new projects to be undertaken in FY 2025-26, as per the Table below:

TABLE 5.11: CAPITAL INVESTMENT FOR FY 2025-26 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particular	FY 2025-26
UPPTCL RTM	1,859.05
GEC-II	1,896.29
Deposit	1,039.73
Total Investment	4,795.07

5.4.2 The Petitioner has submitted that the proposed capital expenditure includes an amount of Rs. 1,896.29 Crore towards the Green Energy Corridor (GEC-II) scheme. In addition, capital investment through deposit works has been considered for capital formation. The total Consumer Contribution projected towards capital formation for FY 2025-26 has been taken as Rs. 1,039.73 Crore, which is the same as the actual value for FY 2024-25.

5.4.3 For projecting capitalisation, the Petitioner has assumed that 25% of the opening Capital Work-in-Progress (CWIP), 25% of the capital expenditure incurred during the year, and 25% of the capitalised expenses including interest during construction shall be capitalised during FY 2025-26, in line with the past practice of the Commission.

**TABLE 5.12: CAPITALISATION COMPUTATION SUBMITTED BY THE PETITIONER FOR FY 2025-26
(Rs. CRORE)**

Particulars	Amount	Assumed percentage	APR FY 2025-26
Opening CWIP	4,439.73	25%	1,109.93
Expected Investment	4,795.07	25%	1,198.77
Employee expense Capitalisation	229.34	25%	57.34
Interest Capitalisation	65.95	25%	16.49
Total Capitalisation for FY 2025-26			2,382.52

5.4.4 Based on the above assumptions, the Petitioner has projected the capital formation and Capital Work-in-Progress for FY 2025-26, as presented in the Table below:

TABLE 5.13: PROJECTIONS OF CAPITALISATION & WIP OF INVESTMENT SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2025-26
Opening WIP as on 1 st April	A	4,439.73
Investments	B	4,795.07
Employee Expenses Capitalisation	C	229.34
A&G Expenses Capitalisation	D	-
Interest Capitalisation on Interest on long term loans	E	65.95
Total Investments	F= A+B+C+D+E	9,530.09
Transferred to GFA (Total Capitalisation)	G	2,382.52
Closing WIP	H= F-G	7,147.57

5.4.5 The Petitioner has considered the actual closing CWIP of FY 2024-25 (as per the annual accounts) as opening for FY 2025-26. Further GFA balance, capital expenditure and capitalisation are also considered on actuals up to FY 2020-21 however, the disallowance made in the CWIP and the GFA by the Commission for FY 2017-18 to FY 2020-21 in the Tariff Order dated November 10, 2020, June 29, 2021, and July 20, 2022, has not been considered. The GFA balance considered for the 2025-26 is provided below:

TABLE 5.14: PROJECTIONS OF GROSS FIXED ASSETS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2025-26
Opening GFA	A	47,070.35
Add: Addition to GFA	B	2,382.52
Less: Deletion in the GFA*	C	-
Closing GFA	D=A+B-C	49,452.87

*No deduction or deletion has been considered in the GFA during FY 2025-26; the same may be considered on actual basis at the time of Truing-up.

5.4.6 Further, the Petitioner has submitted that in line with the past methodology considered by the Commission, the fixed asset base (in which the retirement or replacement or decapitalisation of the assets is accounted for) is computed as on March 31, 2020 (taking into consideration the True-up of FY 2019-20). Equity capital as on April 1, 2020 has been computed to be 30% of such fixed asset base and the Debt capital has been similarly computed to be 70%.

Commission's Analysis

5.4.7 Regulation 11.4 of the MYT Transmission Regulation 2025, and its amendments thereof, provided that the Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the Transmission Plan prepared by the STU under Modalities of Tariff Determination Regulation, 2023 and Annual Capital Investment Plan approved by the Commission. The Relevant Provisions of the MYT Transmission Regulation 2025 are provided below:

Quote

“11.Capital Expenditure/ Cost and Capital Structure

(1) Capital cost for a Capital investment project shall include:

(a) The expenditure incurred or projected to be incurred, including interest during construction and financing charges, as admitted by the Commission after prudence check;

(b) Capitalised initial spares subject to the ceiling rates stipulated in these Regulations;

(c) Expenses incurred by the Transmission Licensee on obtaining right of way, as admitted by the Commission after prudence check;

(d) Additional capital expenditure determined under clause 12 of these Regulations;

(e) Incidental expenditure during construction including apportioned expenditure on relevant components of O&M;

(f) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation, as admitted by the Commission after prudence check:

Provided that any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed up to the date of commercial operation shall be adjusted only against the debt component of the capital cost:

Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost:

Provided also that the Transmission Licensee shall submit documentary evidence in support of its claim of assets being put to use.

(2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff.

(3) The actual capital expenditure on a Project as on COD for the original scope of work based on Annual Accounts of the Transmission Licensee, as the case may be, shall be considered subject to prudence check by the Commission.

(4) Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the Transmission Plan prepared by the STU under Modalities of Tariff Determination Regulation, 2023 and Annual Capital Investment Plan approved by the Commission.

.....”

Unquote

- 5.4.8 The Commission notes that, in compliance with its directions in earlier Tariff Orders, the Petitioner has been filing petitions for capital investment on a quarterly basis for schemes/projects above Rs. 20 Crore, seeking prior approval of the Commission from FY 2020-21 onwards.
- 5.4.9 Further, in line with the above regulations, the Commission directed the Petitioner to file the Capital Investment Plan and Capitalisation for FY 2025-26. In response, the Petitioner submitted the provisional Capital Investment Plan and capitalisation for FY 2025-26 stating that details would be provided on an actual basis at the time of True-Up. The Commission has considered the same on a provisional basis for computation of CWIP and GFA. However, the actual capitalisation shall be subject to prudence check at the time of True-Up and subject to prior approval of Scheme/Projects in line with the Provisions of MYT Transmission Regulation, 2025, and its amendments thereof.
- 5.4.10 The Commission observes that the Petitioner has not claimed any de-capitalisation /deduction in the assets during FY 2025-26. The Commission further notes that interest capitalisation for FY 2025-26 has been considered at 5.49%, as computed in the True-Up section, and accordingly, interest capitalisation of Rs. 65.95 Crore on long-term loans has been claimed by the Petitioner. The Commission has provisionally considered the same, subject to prudence check at the time of True-Up. Accordingly, the capital expenditure and capitalisation for FY 2025-26 as provisionally considered by the Commission are shown in the Table below:

TABLE 5.15: CAPITAL EXPENDITURE AND CAPITALISATION PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	FY 2025-26 (APR)			
		Tariff Order for FY 2025-26 dated 08.09.2025	Petition (APR)	Provisionally Computed (APR)	Remarks
		(Table 6.25)			
Opening CWIP as on April 1, 2026	A	4,193.27	4,439.73	3,045.55*	Table 4.18
Investments	B	4,264.18	4,795.07	4,795.07	Table 5.11
Employee Expenses Capitalized	C	219.28	229.34	229.34	Table 5.13
Interest Capitalized on Long Term Loan	D	100.70	65.95	65.95	Table 5.13
Total Investments	E=A+B+C+D	8,777.43	9,530.09	8,135.91	
Transferred to GFA	F	2,877.29	2,382.52	2,382.52	Table 5.14
Closing CWIP	G=E-F	5,900.14	7,147.57	5,753.39	

*Considered as per closing CWIP as on March 31, 2025, as approved in True Up for FY 2024-25

5.4.11 Based on the capitalisation approved above, the Commission has provisionally computed the Gross Fixed Assets for FY 2025-26, as shown in the Table below:

TABLE 5.16: GFA PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025 (Table 6.26)	Petition (APR)	FY 2025-26	
				Provisionally Computed (APR)	
				Figures	Remarks
Opening GFA of FY 2025-26	A	37,950.55	47,070.35	37,950.55	Table 4.20
GFA Addition during FY 2025-26	B	2,877.29	2,382.52	2,382.52	Table 5.15
*Decapitalisation / Deduction during FY 2025-26	C	-	-	-	
Closing GFA of FY 2025-26	D=A+B-C	40,827.84	49,452.87	40,333.07	-

*No deduction or deletion has been considered in the GFA during FY 2025-26; the same may be considered on actual basis at the time of Truing-up.

5.4.12 The same is subject to prudence check at the time of truing-up based on the applicable Regulations.

5.5 DEBT: EQUITY RATIO OF CAPITALIZATION, CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES

5.5.1 The Petitioner has considered a normative Debt: Equity ratio for financing of the

capital investment for FY 2025-26. Considering this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be financed through Equity contributions. The portion of capital expenditure financed through Consumer Contribution, Capital Subsidies and Grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

5.5.2 The Petitioner has submitted that the total Consumer Contributions (including grants) considered towards capital formation for FY 2025-26 is Rs. 1,665.50 Crore, which includes grant of Rs. 625.78 Crore towards the GEC-II project and the Deposit Works have been considered at the same level as the actual additions in FY 2024-25, i.e., Rs. 1,039.73 Crore. Further, the amortisation of Consumer Contributions, Grants, and Subsidies has also been considered at the same level as that of FY 2024-25. The details of Consumer Contributions, Capital Grants, and Subsidies considered for FY 2025-26 are summarised in the Table below:

TABLE 5.17: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2025-26
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	3,895.56
Additions during the year	1,665.50
Less: Deductions	301.84
Closing Balance	5,259.23

5.5.3 The Petitioner has submitted that out of the total Capitalisation of Rs.2,382.52 Crore for FY 2025-26, capital investment considered through consumer contribution, grants & capital subsidies has been deducted. The balance capitalisation thereafter has been considered to be financed through debt and equity in the ratio of 70:30, resulting in debt funding of Rs. 501.91 Crore and equity funding of Rs. 215.11 Crore, respectively. Accordingly, the Debt and Equity addition during FY 2025-26 as claimed by Petitioner are as follows:

TABLE 5.18: DEBT: EQUITY RATIO OF CAPITALIZATION SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2025-26
Capitalisation during FY 2025-26	A	2,382.52

Particulars	Derivation	FY 2025-26
Less: De-capitalisation/Deduction during FY 2025-26	B	-
Less: Consumer Contribution, Grants & Capital Subsidies during FY 2025-26	C	1,665.50
Net Capitalisation to be funded by Debt & Equity	D=A-B-C	717.02
Equity (%)	E	30%
Debt (%)	F	70%
Equity Funded during FY 2025-26	G=E*D	215.11
Debt Funded during FY 2025-26	H=F*D	501.91

Commission's Analysis

5.5.4 Regulation 14.2 of MYT Transmission Regulations, 2025 provides that debt equity ratio shall be considered after making appropriate adjustment of assets funded through Consumer Contribution/ Deposit Works and Grants. The relevant provisions are provided below:

Quote

"14. Debt-Equity

(1) Closing balance of Equity as on 31.03.2025 approved by the Commission shall be taken as the opening Equity for Financial Year 2025-26.

(2) For a capital investment scheme declared under commercial operation on or after April 1, 2025, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under clause 11 of these Regulations after making appropriate adjustment of Assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant, subject to prudence check for determination of Tariff:

Provided that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Transmission Licensee for determination of Tariff:

Provided further that the Transmission Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of Tariff:

Provided also that the equity invested in foreign currency shall be designated in Indian Rupees on the date of each investment:

Provided that in case of retirement or replacement or de-capitalisation or deletion/adjustment of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided further that in case of retirement or replacement or deletion/ adjustment or de-capitalisation of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of the outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.”

Unquote

5.5.5 The Commission observes that the Petitioner has considered the closing balance of Consumer Contributions, Grants, and Subsidies for FY 2024-25 as per the Annual Accounts as the opening balance for FY 2025-26. However, the said opening balance does not align with the value approved by the Commission in the True-Up for FY 2024-25, resulting in a difference between the figures claimed by the Petitioner and the corresponding values approved by the Commission in the Tariff Order for FY 2025-26.

5.5.6 Accordingly, the Commission has considered the closing balance of Consumer Contributions (Deposit Works), Grants, and Subsidies as approved in the True-Up section of this order as the provisional opening balance for FY 2025-26. Further, the additions and amortisation during FY 2025-26 have been considered as claimed by the Petitioner. Based on the above, the Consumer Contributions (Deposit Works), Grants, and Subsidies towards the cost of capital assets for FY 2025-26 have been determined as shown in the Table below:

TABLE 5.19: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES COMPUTED PROVISIONALLY BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		
		(Table 6.29)	Petition (APR)	Provisionally Computed (APR)	Remarks
Opening Balance of Consumer Contributions (CC), Grants and Subsidies towards Cost of Capital Assets as on 01.04.2025	A	4,122.15	3,895.56	4,122.15*	Table 4.22
Additions during FY 2025-26	B	1,249.77	1,665.50	1,665.50	Table 5.17
Less: Amortisation during FY 2025-26	C	301.84	301.84	301.84**	Table 5.17

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		
		(Table 6.29)	Petition (APR)	Provisionally Computed (APR)	Remarks
Closing Balance of CC, Grants and Subsidies towards Cost of Capital Assets as on 31.03.2026	D=A+B-C	5,070.09	5,259.23	5,485.82	

*Considered as per closing CC, Grants and Subsidies as on March 31, 2025 as approved in the True Up for FY 2024-25.

** Considered as per Annual Accounts for FY 2024-25.

5.5.7 The above computation is subject to prudence check at the time of truing-up based on the applicable Regulations.

5.5.8 The Commission considers the normative Debt-Equity ratio of 70:30 as per Regulation 14 of MYT Transmission Regulations, 2025, and its amendments thereof, i.e., 70% of estimated Capitalisation (net of consumer contribution, grants and subsidy) during FY 2025-26 is to be financed through debt and balance 30% through equity. The Commission observes that the Petitioner has not considered the Decapitalisation/Deduction during FY 2025-26 while deriving the net capitalisation for FY 2025-26. The Commission considers the same for its computation of APR for FY 2025-26, which will be subject to prudence check at the time of truing-up. Accordingly, the debt-equity considered by the Commission during FY 2025-26 are shown in the Table below:

TABLE 5.20: DEBT: EQUITY RATIO PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025 (Table 6.31)	FY 2025-26 (APR)		
			Petition (APR)	Provisionally Computed (APR)	
				Values	Remarks
Capitalisation during FY 2025-26	A	2,877.29	2,382.52	2,382.52	Table 5.15
Less: Decapitalisation / Deduction during FY 2025-26	B	-	-	-	Table 5.16
Less: Consumer Contribution, Grants & Capital Subsidies during FY 2025-26	C	1,249.77	1,665.50	1,665.50	Table 5.19

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025 (Table 6.31)	FY 2025-26 (APR)		
			Petition (APR)	Provisionally Computed (APR)	
		Values		Remarks	
Net Capitalisation to be funded by Debt & Equity	D=A-B-C	1,627.52	717.02	717.02	-
Equity (%)	E	30.00%	30%	30%	-
Debt (%)	F	70.00%	70%	70%	-
Equity addition during FY 2025-26	G=E*D	488.26	215.11	215.11	-
Debt addition during FY 2025-26	H=F*D	1,139.26	501.91	501.91	-

5.6 DEPRECIATION

Petitioner's Submission

- 5.6.1 The Petitioner Submitted that the Regulation 15 of MYT Transmission Regulation 2025, and its amendments thereof, provides that the Depreciation shall be allowed annually based on the Straight- Line Method at the rates stipulated in the Annexure-A for existing Assets (capitalised on or before 31.03.2025) and at the rates stipulated in Annexure- B for Assets capitalised during the Control Period.
- 5.6.2 Accordingly, for the purpose of computing the allowable depreciation in line to the above regulation, the Petitioner considers the depreciation for the Part-A (assets capitalized up-to 31st March 2020), Part-B (for assets capitalized 1st April 2020 onwards & up-to 31.03.2025) and Part-C (for assets capitalized from 1st April 2025 onwards).
- 5.6.3 The Petitioner further submitted that MYT Regulations, 2019, provides for the basis of charging depreciation. The MYT Regulations, 2019 provide for calculating depreciation based on the Straight – Line Method basis, whereas the previous MYT Transmission Regulations, 2014 provided for calculation of depreciation on Written Down Value method of the fixed assets of the corresponding year. Further, for the allowable depreciation for the assets capitalized upto till March 31, 2020 and those capitalized after April 1, 2020, the Commission had observed the following in the Order dated November 10, 2020:

“7.5.8 Accordingly, the existing assets are to be dealt with separately as

per Regulations 21.2 and their Net block (as on 31.3.2020) may be kept separate and may be considered Gross Block to apply SLM from 1.4.2020 onwards and the new assets to be dealt as per Regulations 21.1 of MYT Regulations, 2019.

7.5.9 Further, UPPTCL is directed to maintain a separate individual asset-wise FAR for assets capitalized after 1.4.2020 and the Gross Block and Depreciation may be computed separately from the Gross Block before 1.4.2020. Accordingly, from FY 2020-21 onwards, UPPTCL to maintain two separate Gross Blocks (one for assets upto 31.3.2020 (Part-A) and second for assets after 1.4.2020 (Part B) and two separate FARs depicting addition of assets details from 01.04.2020 onwards for the purpose of depreciation computation for Regulatory Accounts.”

5.6.4 Accordingly, the Commission allowed the depreciation for the gross block upto 31st March 2020 (Part-A) and that capitalized 1st April 2020 onwards (Part-B) separately.

5.6.5 Further, for the purpose of computing the allowable depreciation, the Petitioner has considered normative closing gross fixed asset base for FY 2019-20 and FY 2020-21 and subsequent addition and the yearly capitalizations for FY 2024-25 as per Annual Accounts. The Petitioner, in line with MYT Regulations, 2019, has computed the allowable depreciation for the Part-A, Part-B and Part-C, as shown in the Table below:

TABLE 5.21: DEPRECIATION EXPENSE FOR THE GROSS BLOCK OR ASSETS CAPITALISED UPTO MARCH 31, 2020 (PART-A) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
i) Unclassified	141.97	1.31	42.97	100.31	-	-
ii) Freehold Land	1.26	0.09	1.29	0.06	-	-
Buildings	1,085.14	145.76	1.11	1,229.79	3.34%	38.66
Other Civil Works	91.63	11.91	-	103.54	3.34%	3.26
Plants & Machinery	12,822.19	1,435.39	705.21	13,552.37	5.28%	696.29
Lines, Cable Network etc.	11,314.74	1,707.37	128.82	12,893.29	5.28%	639.09
Vehicles	3.37	-	0.17	3.20	9.50%	0.31
Furniture & Fixtures	8.74	1.23	0.21	9.76	6.33%	0.59
Office Equipment's	9.55	2.56	-0.39	12.50	6.33%	0.70
Jeep & Motor Car	-	-	-	-	9.50%	-
Intangible Assets	4.27	0.03	3.09	1.21	15.00%	0.41
Assets taken over from Licensees pending final Valuation	105.44	4.74	5.22	104.96	5.28%	5.55
Total Depreciable Assets	25,445.07	3,308.99	843.43	27,910.63		1,384.86

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Total Non-Depreciable Assets	143.23	1.41	44.26	99.50		-
Grand Total	25,588.30	3,310.40	887.70	28,010.13		1,384.86

TABLE 5.22: DEPRECIATION EXPENSE FOR THE GROSS BLOCK OR ASSETS CAPITALISED AFTER APRIL 01, 2020 UPTO March 31, 2025 (PART-B) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
i) Unclassified	124.83	-	-	124.83	-	-
ii) Freehold Land	8.93	-	-	8.93	-	-
Buildings	675.59	-	-	675.59	3.34%	22.56
Other Civil Works	52.33	-	-	52.33	3.34%	1.75
Plants & Machinery	8,368.99	-	-	8,368.99	5.28%	441.88
Lines, Cable Network, etc.	9,669.70	-	-	9,669.70	5.28%	510.56
Vehicles	0.12	-	-	0.12	9.50%	0.01
Furniture & Fixtures	6.08	-	-	6.08	6.33%	0.38
Office Equipment	14.23	-	-	14.23	6.33%	0.90
Jeep & Motor Car	-	-	-	-	9.50%	-
Intangible Assets	85.19	-	-	85.19	15.00%	12.78
Assets taken over from Licensees pending final Valuation	58.20	-	-	58.20	5.28%	3.07
Total Depreciable Assets	18,930.44	-	-	18,930.44	-	993.90
Total Non-Depreciable Assets	133.76	-	-	133.76	-	-
GRAND TOTAL	19,064.20	-	-	19,064.20	-	993.90

TABLE 5.23: DEPRECIATION EXPENSE FOR THE GROSS BLOCK OR ASSETS CAPITALISED AFTER APRIL 01, 2025 (PART-C) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
i) Unclassified	-	8.17	-	8.17	-	-
ii) Freehold Land	-	0.02	-	0.02	-	-
Buildings	-	63.94	-	63.94	3.34%	1.07
Other Civil Works	-	1.54	-	1.54	3.34%	0.03
Plants & Machinery	-	973.48	-	973.48	4.22%	20.54
Lines, Cable Network, etc.	-	1,299.09	-	1,299.09	4.22%	27.41
Vehicles	-	-	-	-	9.50%	-
Furniture & Fixtures	-	1.00	-	1.00	6.33%	0.03
Office Equipment	-	2.52	-	2.52	6.33%	0.08
Jeep & Motor Car	-	-	-	-	9.00%	-
Intangible Assets	-	15.63	-	15.63	15.00%	1.17
Assets taken over from Licensees pending final Valuation	-	17.14	-	17.14	5.28%	0.45
Total Depreciable Assets	-	2,374.33	-	2,374.33	-	50.78

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Total Non-Depreciable Assets	-	8.19	-	8.19		-
GRAND TOTAL	-	2,382.52	-	2,382.52		50.78

5.6.6 The Petitioner has considered the depreciation on assets created out of Consumer Contributions, Capital Grants and Subsidies for FY 2025-26 at the same level as provided in Annual Accounts of FY 2024-25. The Petitioner has reduced the equivalent depreciation amounting to Rs. 301.84 Crore for FY 2025-26, in respect of depreciation on assets created from Consumer Contributions, Capital Grants and Subsidies. Thus, the allowable depreciation for FY 2025-26 has been depicted in the Table below:

TABLE 5.24: GROSS ALLOWABLE DEPRECIATION SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2025-26
Allowable Depreciation for assets upto 31.03.2020	1,384.86
Allowable Depreciation for assets capitalised from 01.04.2020 upto 31.03.2025	993.0
Allowable Depreciation for assets capitalised 01.04.2025 onwards	50.78
Gross Allowable Depreciation	2,429.54
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution, Grants, and GoUP Subsidy	301.84
Net Allowable Depreciation	2,127.71

5.6.7 The Petitioner further submitted that in compliance to the provisions of Appendix 'C' to IndAS-18, from FY 2016-17 onwards, the Consumer Contribution Reserve has been recognized as revenue as equal to the annual income over the useful life of the underlying asset/term of the arrangement with consumers. However, the Commission, in its Orders dated January 08, 2019 and August 27, 2019, while approving the revised ARR for FY 2018-19 & FY 2019-20 respectively, has allowed the net depreciation after deducting the equivalent amount of depreciation on assets acquired out of the consumer contribution. The Petitioner has considered the same approach while claiming the net depreciation amount for FY 2025-26. The Income from Consumer Contribution recognized as revenue (or equivalent depreciation amount) in FY 2025-26 has been considered the same as in the Annual Accounts of FY 2024-25.

Commission's Analysis

5.6.8 Regulation 15 of the MYT Transmission Regulations, 2025, and its amendments thereof, specifies the methodology for computation of Depreciation. The Regulation 15.1(b) specifies for process of computation of depreciation, wherein depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Regulations (Annexure-A for existing assets & Annexure-B for new assets) and the Licensee has to ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing has to be spread over the balance Useful Life of the asset including the Extended Life. The Regulation 15 of the MYT Transmission Regulation 2025 has been provided below:

Quote

"15. Depreciation

(1) The Transmission Licensee, shall be permitted to recover Depreciation on the value of fixed assets used in their respective businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for the calculation of Depreciation:

Provided that the Depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation shall be allowed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A for existing Assets (capitalised on or before 31.03.2025) and at the rates stipulated in Annexure- B for Assets capitalised during the Control Period:

Provided that the Licensee shall ensure that once individual asset is depreciated to the extent of seventy percent, the remaining depreciable value as on 31st March of the year closing shall be spread over the balance Useful Life of the assets including the Extended Life, as per submission of the Licensee and approval by the Commission.

(c) The salvage value of the asset shall be considered at 10% of the allowable capital cost and Depreciation shall be allowed up to a maximum of 90% of the allowable capital cost of the asset:

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded from the capital cost while computing Depreciation:

Provided further that Depreciation shall be chargeable from the first year of commercial operation:

Provided that the salvage value of the IT equipment, software and underground cable shall be considered as nil and value of such assets shall be considered 100% depreciable.

(d) Depreciation shall not be allowed on assets funded by Consumer Contributions or Subsidies/ Grants/ Deposit works.

(2) In case of existing assets, for the purpose of computation of depreciation, the opening value of GFA shall be taken as the closing value as on March 31, 2025 as approved by the Commission in its Tariff Order.

(3) In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that the depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Accounting Statements and documentary evidence of assets capitalised by the Petitioner, subject to prudence check of the Commission."

Unquote

- 5.6.9 The Commission observed that the Petitioner as per the direction of the Commission in the last year Tariff Order is maintaining three separate asset wise Fixed Asset Register (FAR) for assets capitalized after April 01, 2020 (Part A), capitalized before April 01, 2020 and upto March 31, 2025 (Part B) and capitalized from April 1, 2025 and three separate FARs depicting addition of assets details from April 1, 2025 onwards for the purpose of depreciation computation.
- 5.6.10 The Commission observes that the Petitioner has not calculated the depreciation for assets capitalized up to March 31, 2020, as per the methodology approved by the Commission in Tariff Order for FY 2020-21 dated November 10, 2020. The Petitioner was asked to submit the same as per the methodology approved by the Commission. In reply, the Petitioner has submitted that the MYT Regulations, 2019 provide for calculating the depreciation based on the Straight-Line Method (SLM), whereas the previous MYT Transmission Regulations, 2014 provided for the calculation of depreciation on Written Down Value (WDV) of the fixed assets for the corresponding year. The Petitioner further submitted that it has challenged the Commission's methodology of allowing lower opening GFA for the Part A before the Hon'ble APTEL.
- 5.6.11 The Commission observes that it has already determined the methodology to

compute the depreciation in Para 7.5.11 of Tariff Order dated November 10, 2020 for FY 2020-21, which clearly states that, due to change in the methodology of Depreciation from WDV to SLM, the Written Down closing balance of FY 2019-20 (Trued up value) shall be considered as opening value for FY 2020-21. Furthermore, the gross depreciation approved for FY 2019-20 shall be deducted from this opening value to arrive at the net Written-down opening balance (considered to be opening GFA). Since assets capitalized up to March 31, 2020 (Part-A assets) represent older assets, the Commission considered that asset retirements should first be adjusted against Part-A assets and accordingly accounted for the same based on the Annual Accounts to determine the closing Part-A asset base for FY 2020-21. Further, the closing value of Part-A asset base for FY 2020-21 was considered as the Opening value for FY 2021-22 by the Commission in its Tariff Order dated June 29, 2021, for FY 2021-22.

5.6.12 Subsequently, the same methodology has also been followed by the Commission in its Tariff Order dated July 20, 2022, for FY 2022-23, Tariff Order dated May 4, 2023, for FY 2023-24 and Tariff Order dated October 10, 2024, for FY 2024-25. Accordingly, following the same methodology, the Commission considers the closing balances computed for FY 2024-25 in the True Up section of this Order, as the opening balances for FY 2025-26 (provisionally) for Part A Gross Fixed Assets and computed the depreciation on GFA upto 31.03.2020 (Part-A) in the table below:

TABLE 5.25: GROSS DEPRECIATION FOR ASSETS UPTO 31.03.2020 (PART-A) PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Opening GFA as on 1.4.2025*	Additions to GFA during FY 2025-26	Deductions to GFA during FY 2025-26	Closing GFA as on 31.3.2026	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 4.27)	(B)	(C)	(D)= [(A)+ (B)-(C)]	(E)	(F)=(Avg(A,D) *E)
Land & Land Rights						
Unclassified	90.31	-	-	90.31	-	-
Freehold Land	0.03	-	-	0.03	-	-
Buildings	913.37	-	-	913.37	3.34%	30.51
Other Civil Works	74.97	-	-	74.97	3.34%	2.50
Plants & Machinery	8,547.04	-	-	8,547.04	5.28%	451.28
Lines, Cable Network, etc.	9,191.30	-	-	9,191.30	5.28%	485.30
Vehicles	1.55	-	-	1.55	9.00%	0.14

Particulars	Opening GFA as on 1.4.2025*	Additions to GFA during FY 2025-26	Deductions to GFA during FY 2025-26	Closing GFA as on 31.3.2026	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 4.27)	(B)	(C)	(D)= [(A)+ (B)-(C)]	(E)	(F)=(Avg(A,D) *E)
Furniture & Fixtures	5.66	-	-	5.66	6.33%	0.36
Office Equipment	5.42	-	-	5.42	6.33%	0.34
Other Assets	54.37	-	-	54.37	5.28%	2.87
Intangible Assets	-	-	-	-	15.00%	-
Total Assets	18,884.03	-	-	18,884.03	5.15%	973.31

*Considered as per closing GFA (Part-A) as on March 31, 2025 as computed in the True Up for FY 2024-25.

5.6.13 For Part-B i.e., assets capitalised from April 01, 2020 upto March 31, 2025, the Commission has computed the asset-wise depreciation as per Regulation 15.1 of MYT Transmission Regulations, 2025, and its amendments thereof, i.e., the depreciation is computed based on the Straight-Line Method at the rates stipulated in the Annexure-A of MYT Transmission Regulations, 2025, and its amendments thereof. Further, the closing balances of Gross Fixed Assets for FY 2024-25, as determined in the True-Up section of this Order, have been considered as the provisional opening balances for FY 2025-26 for Part-B assets. Based on the same, depreciation on Gross Fixed Assets capitalised during the period from March 31, 2020 to March 31, 2025 (Part-B) has been computed, as shown in the Table below:

TABLE 5.26: GROSS DEPRECIATION FOR ASSETS FROM 01.04.2020 UPTO 31.03.2025 ONWARDS (PART-B) PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Opening GFA as on 1.4.2025*	Additions to GFA during FY 2025-26	Deductions to GFA during FY 2025-26	Closing GFA as on 31.3.2026	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 4.28)	(B)	(C)	(D)=[(A)+ (B)-(C)]	(E)	(F)=(Avg(A,D) *E)
Land & Land Rights						
Unclassified	125.70	-	-	125.70	-	-
Freehold Land	8.92	-	-	8.92	-	-
Buildings	675.59	-	-	675.59	3.34%	22.56
Other Civil Works	52.34	-	-	52.34	3.34%	1.75
Plants & Machinery	8,368.99	-	-	8,368.99	5.28%	441.88
Lines, Cable Network, etc.	9,669.71	-	-	9,669.71	5.28%	510.56
Vehicles	0.12	-	-	0.12	9.00%	0.01
Furniture & Fixtures	6.09	-	-	6.09	6.33%	0.39
Office Equipment	16.44	-	-	16.44	6.33%	1.04
Other Assets	11.03	-	-	11.03	5.28%	0.58
Intangible Assets	84.44	-	-	84.44	15.00%	12.67
Assets taken over from Licensees pending final	47.16	-	-	47.16	5.28%	2.49

Particulars	Opening GFA as on 1.4.2025*	Additions to GFA during FY 2025-26	Deductions to GFA during FY 2025-26	Closing GFA as on 31.3.2026	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 4.28)	(B)	(C)	(D)=[(A)+ (B)- (C)]	(E)	(F)=(Avg(A,D) *E)
Valuation						
Total Assets	19,066.53	-	-	19,066.53	5.21%	993.93

*Considered as per closing GFA (Part-B) as on March 31, 2025 as computed in the True Up for FY 2024-25

5.6.14 For Part-C i.e., assets capitalised after April 01, 2025, the Commission has calculated the asset-wise depreciation as per Regulation 15.1 of MYT Transmission Regulations, 2025, and its amendments thereof, i.e., the depreciation is computed based on the Straight-Line Method at the rates stipulated in the Annexure-B of the said Regulations.

TABLE 5.27: GROSS DEPRECIATION FOR ASSETS FROM 01.04.2025 ONWARDS (PART-C) PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Opening GFA as on 1.4.2025*	Additions to GFA during FY 2025-26	Deductions to GFA during FY 2025-26	Closing GFA as on 31.3.2026	Depreciation Rate (%)	Allowable Depreciation
	(A)	(B)	(C)	(D)=[(A)+ (B)- (C)]	(E)	(F)=(Avg(A,D)*E)
Land & Land Rights						
Unclassified	-	8.17	-	8.17	-	-
Freehold Land	-	0.02	-	0.02	-	-
Buildings	-	63.94	-	63.94	3.34%	1.07
Other Civil Works	-	1.54	-	1.54	3.34%	0.03
Plants & Machinery	-	973.48	-	973.48	4.22%	20.54
Lines, Cable Network, etc.	-	1,299.09	-	1,299.09	4.22%	27.41
Vehicles	-	-	-	-	9.00%	-
Furniture & Fixtures	-	1.00	-	1.00	6.33%	0.03
Office Equipment	-	2.52	-	2.52	6.33%	0.08
Other Assets	-	-	-	-	4.22%	-
Intangible Assets	-	15.63	-	15.63	15.00%	1.17
Assets taken over from Licensees pending final Valuation	-	17.14	-	17.14	4.22%	0.36
Total Assets	-	2,382.52	-	2,382.52	4.26%	50.69

5.6.15 Further, the depreciation on assets created out of Consumer Contribution, Capital Grants, and Capital Subsidies is provisionally considered as per the Annual Accounts

for FY 2024-25. Accordingly, the Net depreciation provisionally computed by the Commission for FY 2025-26 is shown in the Table below:

TABLE 5.28: NET DEPRECIATION (PART-A + PART-B + PART-C) PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025 (Table 6.37)	FY 2025-26 (APR)		
			Petition (APR)	Provisionally Computed (APR)	
				Values	Remarks
Depreciation of Assets upto 31.03.2020	A	973.31	1,384.86	973.31	Table 5.25
Depreciation for assets capitalised from 01.04.2020 onwards upto 31.03.2025	B	993.93	993.90	993.93	Table 5.26
Depreciation for assets capitalised from 01.04.2025 onwards	C	60.40	50.78	50.69	Table 5.27
Gross Allowable Depreciation	D=A+B+C	2,027.64	2,429.54	2,017.93	
Less: Depreciation of assets created from Consumer Contribution, Capital Grants and Capital Subsidies	E	301.84	301.84	301.84	As per Audited Account & given in Table 4.29
Net Depreciation	F=D-E	1,725.81	2,127.71	1,716.09	-

5.6.16 Further, the Commission will carry out the detailed prudence check of depreciation at the time of truing-up based on the applicable Regulations.

5.7 INTEREST ON LONG TERM LOANS

Petitioner’s Submission

5.7.1 The Petitioner has iterated the normative Tariff approach with a Debt: Equity ratio of 70:30. In this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be funded through Equity contribution. The Commission in the Order dated November 10, 2020 has considered the normative opening of the loan as mentioned below:

“7.6.5 As per the Regulation 23.2, the normative long term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31,

2020, from the gross normative loan as shown below:"

5.7.2 Accordingly, the normative opening loan as on April 01, 2020, is worked out as below:

TABLE 5.29: OPENING NORMATIVE LOAN AS ON APRIL 1, 2020 AS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2020-21
Opening Debt	A	18,896.53
Cumulative Net Depreciation upto 31.3.2020	B	7,490.39
Opening Normative Loan	C=A-B	11,406.15

5.7.3 The Petitioner has considered the normative opening loan for FY 2025-26 as per the closing loan balance of FY 2024-25 considered in the True-up Petition. Further, for the purpose of the computation of the normative interest on loan, the Petitioner has considered the loan addition as 70% of the actual capitalisation after adjusting the consumer contribution and grants. The portion of capital expenditure financed through Consumer Contributions, Capital Subsidies and Grants has been separated as the depreciation and interest thereon has not been charged to the beneficiaries.

5.7.4 The Petitioner has considered the allowable depreciation for the year as normative loan repayment. The actual weighted average rate of interest of the overall long term loan portfolio for FY 2024-25 has been considered for FY 2025-26. The interest capitalisation has been considered at a rate of 5.49% for FY 2025-26, which is the actual capitalization for FY 2024-25 as per the annual accounts. The computation for interest on long term loan submitted by the Petitioner is depicted below:

TABLE 5.30: INTEREST ON LONG TERM LOANS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2025-26
Opening Loan	13,860.92
Loan Additions (70% of Capitalisation)	501.91
Less: Repayments (Depreciation allowable for the year)	2,127.71
Closing Loan Balance	12,235.12
Weighted Average Rate of Interest (%)	9.20%
Interest on long term loan	1,200.42
Interest Capitalisation Rate (%)	5.49%
Less: Interest Capitalized	65.95
Net Interest Charged	1,134.46

Commission's Analysis

5.7.5 The Commission has computed normative debt and interest provisionally for FY 2025-26 in accordance with Regulation 17 of the MYT Transmission Regulations, 2025, and its amendments thereof. The relevant provision is produced below:

Quote

"17. Interest on Long- Term Loan

(1) The long- term loans arrived at in the manner indicated in these Regulations on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

Provided that in case of retirement or replacement or de-capitalisation or deletion/adjustment of the assets in the balance sheet, the loan capital approved as mentioned above shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

(2) The closing normative long- term loan outstanding as on March 31, 2025, shall be taken as the opening normative long term loan outstanding for the financial year 2025-26.

(3) The repayment of long-term loans for each year shall be deemed to be equal to the depreciation allowed for that year.

(4) Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset.

(5) The rate of interest for ensuing year shall be the weighted average rate of interest computed on the basis of the actual long- term loan portfolio of previous year:

Provided that if there is no actual long- term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long- term loan shall be the weighted average of SBI MCLR (1 year) prevailing during the previous year plus 100 basis points.

(6) At the time of Truing-Up, the weighted average rate of interest of the actual long- term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided that if there is no actual long-term loan for a particular year but the normative loan is still outstanding, then the rate of interest for the purpose of allowing the interest on the normative long-term loan shall be the weighted average of SBI MCLR (1 year) prevailing during the concerned year plus 100 basis points.

(7) The interest on long- term loan shall be computed on the normative average long- term loan of the year by applying the weighted average rate of interest:

Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year."

Unquote

5.7.6 The closing value of the loan for FY 2024-25, is taken as the provisional opening loan base for FY 2025-26. Further, in order to arrive at provisional closing value, 70% of Net GFA addition (after considering deduction/de-capitalization, Consumer Contribution and Grants in GFA) as approved during the Financial Year has been provisionally considered as loan addition during the year and the repayment has been deducted equal to net depreciation provisionally computed by the Commission during the Financial Year.

5.7.7 The Commission has considered the actual weighted average rate of interest of the overall long-term loan portfolio for FY 2024-25, as computed in the True-up section of this Order, for the purpose of APR. The interest capitalisation has been considered as claimed by the Petitioner. Accordingly, the Interest on Long-Term Loans provisionally considered by the Commission for FY 2025-26 is shown below:

TABLE 5.31: LONG TERM LOANS PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particular	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		
		(Table 6.40)	Petition (APR)	Provisionally Computed (APR)	Remarks
Opening Loan as on 01.04.2025	A	14,648.12	13,860.92	14,648.12	Table 4.33
Addition during FY	B	1,139.26	501.91	501.91	Table 5.20
Less: Repayment during FY	C	1,725.81	2,127.71	1,716.09	Table 5.28
Closing Loan	D=A+B-C	14,061.58	12,235.12	13,433.94	-
Wt. Avg. Interest Rate	E	9.15%	9.20%	9.15%	Table 4.32
Interest on Loan	F=average (A, D)*E	1,312.80	1,200.42	1,284.10	-
Interest Capitalisation Rate	G=H/F (%)	7.67%	5.49%	5.14%	-
Less: Interest Capitalised	H	100.70	65.95	65.95	Table 5.30
Net Interest Charged	I=F-H	1,212.10	1,134.46	1,218.15	-

5.7.8 Moreover, the Commission shall undertake a detailed prudence check of the interest on loan at time of True Up, in line with the applicable Regulatory Provisions.

5.8 INTEREST ON WORKING CAPITAL

Petitioner's Submission

5.8.1 The Petitioner, in accordance with Regulation 21 of MYT Transmission Regulations, 2025, and its amendments thereof, has considered normative interest on working capital. The Petitioner has considered State Bank of India's Marginal Cost of Funds based Lending Rate (SBI MCLR) as on November 14, 2025, plus 200 basis points (i.e., 10.75%) as the interest on the working capital requirement. The Petitioner's estimation of working capital interest is shown in the Table below:

TABLE 5.32: INTEREST ON WORKING CAPITAL FOR FY 2025-26 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2025-26
One Month of O&M Expenses	143.93
Maintenance spares @ 40% of R&M Expenses for two months	47.07
Receivable equivalent to 45 days average billing of consumers	797.59
Total Working Capital Requirement	988.59
Interest rate (%)	10.75%
Interest on Working Capital	106.27

Commission's Analysis

5.8.2 Regulation 21 of the MYT Transmission Regulation 2025, and its amendments thereof, provides the methodology for the computation of Interest on Working Capital. The Regulation 21 has been provided below:

Quote

“(1) The working capital requirement of the Transmission Licensee shall cover:

- (a) Operation and maintenance expenses for one month;*
- (b) Maintenance spares at 40% of the R&M expenses for two months;*
- and*
- (c) One-and-a-half-month equivalent of the expected revenue from transmission charges at the prevailing Tariff;*
- minus*
- (d) Amount held as security deposits, if any, from Transmission System Users:*

Provided that if the working capital, determined based on the above formula, is positive, it shall be reduced by the amount of revenue surplus (if any) as of 31st March of the previous year so approved by the Commission:

Provided further that for the purpose of Truing- Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing- Up.

(2) Rate of interest on working capital for ensuing year shall be simple interest and shall be equal to the SBI MCLR (1-year) as on date on which Petition for determination of Tariff is filed plus 200 basis points:

Provided that for the purpose of Truing- Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1-year) prevailing during the concerned year plus 200 basis points.”

Unquote

- 5.8.3 For provisional computation of working capital, the Commission considers approved O&M Expenses for one Month, Maintenance Spares at 40% of R&M Expenses for two Months and One-and-a-half-month equivalent of the expected revenue from transmission charges at the prevailing Tariff in line with the provisions of the above Regulations.
- 5.8.4 The Commission notes that the Petitioner has considered the rate of interest on working capital at SBI MCLR (1 Year) prevailing as on November 14, 2025, plus 200 basis points in accordance with Regulation 21.2 of the MYT Transmission Regulations, 2025, and its amendments thereof. The same is provisionally considered by the Commission subject to prudence check at the time of True-Up.
- 5.8.5 Considering the above, the Commission has provisionally computed the working capital requirement and interest on working capital as shown below:

TABLE 5.33: INTEREST ON WORKING CAPITAL PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		Remarks
		(Table 6.42)	Petition (APR)	Provisionally Computed (APR)	
O&M Expenses for one Month	$A=O\&M/12$	113.53	143.93	112.69	Table 5.10
Maintenance Spares at 40% of R&M Expenses for two Months	$B=40\%*R\&M*2/12$	37.95	47.07	37.95	Table 5.10
One and Half Month equivalent of the expected revenue for	$C=ARR*1.5/12$	727.97	797.59	726.08	Table 5.38

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		Remarks
		(Table 6.42)	Petition (APR)	Provisionally Computed (APR)	
Transmission Charges at Prevailing Tariff					
Total Working Capital	D=A+B+C	879.45	988.59	876.73	
Revenue Surplus for FY 2025-26 (average of Opening & Closing)	E	190.47	-	-	
Work Capital (after deducting revenue surplus)	F= D-E	688.99	988.59	876.73	
Interest Rate on Working Capital Requirement	G	11.00%	10.75%	10.75%	
Interest on Working Capital Requirement	H=F*G	75.79	106.27	94.25	

5.8.6 Further, the Commission will carry out the detailed analysis and prudence at the time of truing up based on the applicable Regulations.

5.9 BANKING AND FINANCE CHARGES

Petitioner's Submission

5.9.1 The Petitioner has submitted that it has considered Banking and Finance Charges in line with the methodology specified in Regulation 18 of the MYT Transmission Regulation, 2025, and its amendments thereof.

5.9.2 In accordance with the above provision, the Petitioner has considered Banking and Finance Charges of Rs. 0.06 Crore for FY 2025-26, based on the audited value for FY 2024-25.

Commission's Analysis

5.9.3 Regulation 18 of the MYT Transmission Regulation, 2025, and its amendments thereof, specifies the framework and methodology for determination and allowance of Banking & Finance charges to consider as under:

Quote

"The Banking & Finance charges shall be allowed as per actuals in Truing Up, subject to prudence check by the Commission:

Provided that the Banking and Finance charges shall be allowed in ARR as per the approval given by the Commission for the latest True-Up year.”

Unquote

- 5.9.4 The Commission notes that, in accordance with Regulation 18 of the MYT Regulations, 2025, and its amendments thereof, Banking and Finance Charges are to be allowed based on the approved value of the latest True-Up year, subject to prudence check at the time of Truing-up.
- 5.9.5 In response to the Commission’s query regarding non-submission of Banking and Finance Charges separately in the APR narrative, the Petitioner submitted that the Banking and Finance Charges for FY 2025-26 were inadvertently not mentioned in the narrative portion of the Petition, however, the same were duly claimed in the Summary of APR at Rs. 0.06 Crore. The Petitioner further submitted that the said amount has been considered based on the Annual Accounts for FY 2024-25.
- 5.9.6 The Commission provisionally considers Banking and Finance Charges of Rs. 0.06 Crore for FY 2025-26 for APR purposes, subject to prudence check at the time of Truing-up based on the Annual Accounts.

5.10 RETURN ON EQUITY

Petitioner’s Submission

- 5.10.1 The Petitioner has submitted that under the provisions of MYT Regulations, 2025, and its amendments thereof, the Petitioner is eligible to a rate of Return on Equity (RoE) @ 14.5% and for Equity base calculation, Debt: Equity ratio shall be 70:30. The Petitioner further submitted that where Equity involved is more than 30%, the amount of Equity for the purpose of Tariff shall be limited to 30% and Equity amounting to more than 30% shall be considered as a loan. Further, in case of actual Equity employed being less than 30%, then actual Debt and Equity shall be considered for the determination of Tariff. The petitioner further submitted that it has computed RoE as per the methodology adopted by the Commission in the previous Tariff Order.
- 5.10.2 The Petitioner has computed the eligible RoE by considering the opening normative Equity as on April 1, 2020. Subsequently, it has considered the normative Equity

closing based on the capital additions for FY 2025-26. The ROE claimed by the Petitioner for FY 2025-26 is shown in the Table below:

TABLE 5.34: RETURN ON EQUITY FOR FY 2025-26 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2025-26
Equity at the beginning of the year	A	12,750.34
Assets Capitalised	B	2,382.52
Less: Deletion of Assets	C	-
Less: CC during FY	D	1,665.50
Net Capitalisation to be funded by Debt & Equity	E=B-C-D	717.02
Addition to Equity	F= 30% of E	215.11
Closing Equity	G= A + F	12,965.44
Average Equity	H= Average of A & G	12,857.89
Rate of Return (%)	I	14.50%
Return on Equity @ 14.50%	J = I x H	1,864.39

Commission's Analysis

5.10.3 As per Regulation 16 of the UPERC MYT Regulations, 2025, and its amendments thereof, provides the framework for computation of ROE as under: Regulation 16 of the MYT Transmission Regulation, 2025 as provided below:

Quote

“16. Return on Equity

Return on equity shall be computed in ₹ terms on equity base at the rate of 14.5% post-tax per annum (hereinafter referred to as ‘Base Rate’) for the Transmission Licensee as determined in accordance with clause 14 of these Regulations:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost.”

Unquote

5.10.4 The Commission considers the Debt: Equity ratio of 70:30 for the assets capitalized in line with Regulation 14 of the MYT Regulations, 2025, and its amendments thereof.

5.10.5 The Commission considers the closing equity of FY 2024-25 as determined in the True up Chapter of this Order as the opening equity base for FY 2025-26. Further, equity addition during the year has been considered as 30% of the net Capitalisation considered for FY 2025-26 to arrive at the closing equity for FY 2025-26.

5.10.6 The Commission also observes that the Petitioner has claimed the rate of RoE as

14.50%, the same has been considered by the Commission. Accordingly, the RoE provisionally considers by the Commission for FY 2025-26 is shown in the Table below:

TABLE 5.35: RETURN ON EQUITY PROVISIONALLY COMPUTED BY COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2025-26 dated 08.09.2025	FY 2025-26 (APR)		
		(Table 6.44)	Petitioner (APR)	Provisionally Computed (APR)	Remarks
Opening Equity as on 01.04.2025	A	12,152.61	12,750.34	12,152.61	Table 4.38
Addition during the year	B	488.26	215.11	215.11	Table 5.20
Closing Equity as on 31.03.2026	C=A+B	12,640.87	12,965.44	12,367.72	-
Average Normative Equity	D=(A+C)/2	12,396.74	12,857.89	12,260.16	-
Rate of Return on Equity (%)	E	14.50%	14.50%	14.50%	-
Return on Equity	F=D*E	1,797.53	1,864.39	1,777.72	-

5.10.7 Further, the Commission will carry out the detailed prudence check of RoE at the time of truing-up based on the applicable Regulations.

5.11 INCOME TAX

Petitioner's Submission

5.11.1 The Petitioner submitted that it has opted for taxation under Section 115BAA of the Income Tax Act, 1961 with effect from Assessment Year 2020-21, under which income tax payable on the total income of the company is computed at the rate of 22% plus applicable Surcharge and Cess. Prior to exercising this option, the applicable tax rate for Assessment Year 2019-20 was 30% plus applicable Surcharge and Cess. The Petitioner further submitted that it has accumulated losses in the form of unabsorbed depreciation of Rs. 8,300.84 Crore as on March 31, 2025. Accordingly, the Petitioner has not made any claim towards Tax on Return on Equity.

Commission's Analysis

5.11.2 As per Regulation 22 of the UPERC MYT Regulations, 2025, and its amendments

thereof, Tax on Return on Equity is computed as under:

Quote

22. Tax on Return on Equity

(1) The rate of return on equity as allowed by the Commission under clause 16 of these Regulations shall be grossed up with the effective tax rate (hereinafter referred to as 't') of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the concerned Transmission Licensee by excluding the income of other business and the corresponding tax thereon:

Provided that tax on any income other than that through its Licensed Business shall not be pass through and it shall be payable by the Licensee itself:

Provided that in case a Transmission Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, the effective tax rate shall be the MAT rate, including surcharge and cess:

Provided further that in case a Transmission Licensee has opted for Section 115BAA, the effective tax rate shall be the tax rate including surcharge and cess as specified under Section 115BAA of the Income Tax Act, 1961.

(2) The rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below.

Rate of pre-tax return on equity = Base rate / (1-t)

(3) The Transmission Licensee shall true up the effective tax rate for every Financial Year based on the actual tax paid together with any additional tax demand, including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the Tariff period covered under these Regulations on actual gross income of any Financial Year. Further, any penalty arising on account of delay in deposit or short deposit of tax amount shall not be considered while computing the actual tax paid by the Transmission Licensee:

Provided that in case a Transmission Licensee is paying Minimum Alternate Tax (MAT) under Section 115JB, the Transmission Licensee shall true up the grossed up rate of return on equity at the end of every Financial Year with the applicable MAT rate including surcharge and cess:

Provided that in case a Transmission Licensee is paying tax under Section 115BAA, the Transmission Licensee shall true up the grossed up rate of return on equity at the end of every Financial Year with the tax rate including surcharge and cess as specified under Section 115BAA:

Provided that any under-recovery or over recovery of grossed up rate on return on equity after truing-up, shall be recovered or refunded, on

a year to year basis.”

Unquote

5.11.3 The Commission observes that the Petitioner has not claimed any expenditure towards Tax on Return on Equity for FY 2025-26. In view of the accumulated unabsorbed depreciation and the resultant non-applicability of actual tax liability for the said year, the Commission has not approved any amount towards Tax on Return on Equity for FY 2025-26, in accordance with the above Regulations.

5.12 NON-TARIFF INCOME

Petitioner’s Submission

5.12.1 The Petitioner has submitted that non-tariff income comprises of interest on loans and advances to employees, income from fixed rate investment deposits and interest on loans and advances to the Licensees. Further, the amount of depreciation charged on assets created out of consumer contributions, capital grants, and subsidies is also booked under as Other Income in the annual accounts. The non-tariff income for FY 2025-26 is claimed as Rs. 337.75 Crore. The same has been Provisionally considered as per the annual accounts of FY 2024-25 after deducting the estimated amount of income from Consumer Contribution from the total non-Tariff income for the year.

Commission Analysis

5.12.2 Regulation 23 of the MYT Transmission Regulation, 2025, and its amendments thereof, specifies the methodology for the computation of Non- tariff Income. The relevant provisions are reproduced below:

Quote

(1) *The amount of Non-Tariff income relating to the Transmission Business as approved by the Commission shall be deducted from the ARR in determining the Annual Transmission Charges of the Transmission Licensee:*

Provided that the Transmission Licensee shall submit full details of its forecast of Non-Tariff income to the Commission in such form as may be stipulated by the Commission.

(2) *The Non-Tariff Income shall include:*

- a) Income from rent of land or buildings;*
- b) Income from sale of scrap;*
- c) Income from investments;*

Provided that income arising from investment of shareholder's funds, if any, shall not be included in Non-Tariff Income subject to prudence check of requisite detailed information submitted by the Transmission Licensee before the Commission.

- d) Interest income on advances to suppliers/contractors;*
 - e) Interest income on loans / advances to employees;*
 - f) Income from rental from staff quarters;*
 - g) Income from rental from contractors;*
 - h) Income from advertisements;*
 - i) Income from hire charges from contractors and others;*
 - j) Income from Supervision Charge*
 - k) Income from sale of tender documents;*
 - l) Excess found on physical verification;*
 - m) Income from Insurance Claim;*
 - n) Prior Period Income;*
 - o) Miscellaneous receipts; and*
 - p) Any other Non-Tariff Incomes:*
- (3) The Non-Tariff income under item (j) above (income from advertisements) shall be shared between the Transmission Licensee and the consumers in the ratio of 30% and 70% respectively:*
- Provided that the Transmission Licensee shall undertake asset monetisation study within six months from the date of notification of these Regulations.*

Unquote

- 5.12.3 The above regulation provides that the amount of non-tariff income relating to the transmission business as approved by the Commission shall be deducted from the ARR in determining the Annual Transmission Charges.
- 5.12.4 The Commission further notes that the Non-Tariff Income of Rs. 337.75 Crore claimed by the Petitioner for FY 2025-26 is based on the audited Annual Accounts for FY 2024-25. Accordingly, the Commission provisionally considers the same for APR purposes, subject to prudence check at the time of Truing-up based on audited actuals.

5.13 INCOME FROM OTHER BUSINESSES

Petitioner's Submission

- 5.13.1 The Petitioner has submitted that it has initiated the leasing of the dark fiber cable (OPGW) for optimum utilization of Transmission assets by way of utilization of surplus capacity of its OPGW. In this regard, the Petitioner had approached the Commission vide Petition No. 1848/2022, seeking permission of the Commission

about engaging in Other Business for leasing of its OPGW infrastructure. Accordingly, the Commission had given approval of the same vide its Order dated 2nd November 2022.

Quote

“..

....., the Commission has allowed utilization of surplus capacity of UPPTCL's OPGW infrastructure by leasing out its dark fiber for a lease period of 15 years subject to compliance of conditions stipulated under UPERC (Other Business) Regulations, 2004 or any subsequent amendment/re-enactment thereof. The utilization of the assets and facilities of the Licensed Business for other business shall not, in any manner, affect the License conditions, performance of obligations or quality of service required from UPPTCL under Licensed Business.”

Unquote

5.13.2 Further, with respect to sharing of such income, the Commission observed as below in the same order:

Quote

“Accordingly, the Commission has decided that an amount equal to 70% of the gross revenue from such other business in a given financial year shall be utilised for reducing the Transmission Charges of the Licensed Business, whereas 30% of the gross revenue shall be retained with the other business. The operation and maintenance cost of leased dark fibers shall be borne by UPPTCL out of their revenue share.”

Unquote

5.13.3 The Petitioner has considered the expected gross revenue of Rs. 17.40 Crore in FY 2025-26 from leasing of dark fibers, of which 70% i.e. Rs. 12.18 Crore net revenue has been considered for sharing.

5.13.4 The Petitioner further submitted that, at the time of True-Up for FY 2025-26, the actual Non-Tariff Income, including revenue from leasing of OPGW (to the extent of 70%), shall be considered on an actual basis for the purpose of computation of the allowable ARR.

Commission’s Analysis:

5.13.5 Regulation 24 of the UPERC MYT Regulations, 2025, and its amendments thereof, specifies the principles governing the treatment of Income from Other Business as

under:

Quote

24. Income from Other Business

(1) Where the Transmission Licensee has engaged in any Other Business under Section 41 of the Act for optimum utilisation of its assets, the income from such business will be deducted from the ARR in calculating the revenue requirement of the Transmission Licensee in the manner and in proportion as may be stipulated by the Commission. The proportion of revenue from Other Business that shall be utilized in the Transmission business shall be as stipulated in UPERC (Treatment of Income of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2004 or any subsequent amendment thereof: Provided that the Transmission Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Transmission Business and the Other Business and shall submit the Allocation Statement, duly certified by the Board of Directors, to the Commission along with its Petition for determination of ARR: Provided further that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, income from such other business shall be taken as zero."

Unquote

- 5.13.6 Regulation 24 of the MYT Regulations, 2025, and its amendments thereof, provides that the proportion of revenue from Other Business shall be utilized in the Transmission business as stipulated in UPERC (Treatment of Income of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2004 or any subsequent amendment thereof.
- 5.13.7 The Petitioner had filed a Petition before the Commission (Petition No. 1848 of 2022) under Section 41 of the Electricity Act, 2003 read along with Regulation 3 of UPERC (Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensee) Regulations, 2004, for permission of the Commission for engaging in Other Business for optimum utilization of Transmission assets by way of the utilization of the surplus capacity of UPPTCL's OPGW infrastructure by leasing out its dark fiber. The Commission, in its Order dated November 02, 2002, had decided that an amount equal to 70% of the gross revenue from such other business in a given financial year shall be utilised for reducing the Transmission Charges of the licensed business, whereas 30% of the gross revenue shall be retained with the other business.

5.13.8 The Commission observes that the Petitioner has projected net revenue from Other Business of Rs. 12.18 Crore for FY 2025-26, based on the actual value considered in the True-Up section of this Order and in accordance with the Commission’s Order dated November 02, 2022, in Petition No. 1848 of 2022. Accordingly, the Commission provisionally considers the same, subject to prudence check at the time of Truing-up.

5.14 REVENUE

Petitioner’s Submission

5.14.1 The Petitioner submitted that the total transmission charges billed to the State Distribution Companies, NPCL, NIDP and Indian Railways for FY 2025-26 are Rs. 4,976.44 Crore, comprising an actual billing of Rs. 4,509.50 Crore up to February 2026 and a projected billing of Rs. 466.94 Crore for March 2026. Further the total transmission charges billed to the Open Access Customers are Rs. 250.54 Crore, comprising an actual billing of Rs. 231.03 Crore up to February 2026 and a projected billing of Rs. 19.51 Crore for March 2026, as shown in the Table below:

TABLE 5.36: REVENUE DETAILS SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Description of Customer	Derivation	FY 2025-26 (APR)		
		Actual - April 2026 to February 2026	Provisional - March 2026	Total Revenue
State Distribution Companies	A	4,345.44	448.93	4,794.37
NPCL	B	108.62	11.37	119.99
Indian Railways and NIDP	C	55.44	6.64	62.08
Total Transmission Charges	D=(A+B+C)	4,509.50	466.94	4,976.44
Open Access Customer	E	231.03	19.51	250.54
Total Revenue	F=D+E	4,740.53	486.45	5,226.98

Commission’s Analysis

5.14.2 The Commission note that the Petitioner has provided the details of transmission charges billed to State Distribution Companies, NPCL, NIDP, Indian Railways and Open Access Customers for FY 2025-26, aggregating to Rs. 5,226.98 Crore. The same has been provisionally considered, subject to prudence check at the time of truing-up of FY 2025-26.

5.15 SUMMARY OF ANNUAL PERFORMANCE REVIEW FOR FY 2025-26

Petitioner's Submission

5.15.1 The summary of APR for FY 2025-26 submitted by the Petitioner is shown in the Table below:

TABLE 5.37: SUMMARY OF APR FOR FY 2025-26 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2025-26 (APR)	
		Tariff Order dated 08.09.2025 (Table 6.48 and Table 6.49)	APR Petition
Gross O&M Expenses	A=B+C+D	1,581.67	1,727.11
Employee cost	B	937.72	937.72
A&G Expenses	C	74.70	83.34
R&M Expenses	D	569.26	706.06
Interest on Loan Capital	E	1,312.80	1,200.42
Interest on Working Capital	F	75.79	106.27
Finance Charges	G	0.07	0.06
Depreciation	H	1,725.81	2,127.71
Gross Expenditure	I=A+E+F+G+H	4,696.14	5,161.57
<i>Less: Employee cost capitalized</i>	J	219.28	229.34
<i>Less: Interest Capitalisation</i>	K	100.70	65.95
Net Expenditure	L=I-J-K	4,376.16	4,866.28
Return on Equity	M	1,797.53	1,864.39
Less: Non-Tariff Income	N	337.75	337.75
Less: Income from Other Business*	O	12.18	12.18
ARR for UPPTCL	P=L+M-N-O	5,823.76	6,380.74
Less: Adjustment of (Surplus)/Gap of FY 2023-24	Q	(380.94)	-
Net ARR for UPPTCL (Considering True-Up Surplus)	R=P+Q	5,442.82	6,380.74

*Revenue from OPGW leasing

Commission's Analysis

5.15.2 The Commission observes that the APR of FY 2025-26 as estimated by the Petitioner is Rs. 6,380.74 Crore against the approved value of Rs. 5,442.82 Crore (including adjustment of Revenue Surplus of Rs. 380.94 Crore for) in the Tariff Order dated

September 08, 2025.

TABLE 5.38: SUMMARY OF APR PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particulars	Derivation	FY 2025-26 (APR)		
		Petition (APR)	Provisionally Computed	
			Values	Remarks
Gross O&M Expenses	A=B+C+D	1,727.11	1,581.67	Table 5.10
Employee cost	B	937.72	937.72	Table 5.10
A&G Expenses	C	83.34	74.70	Table 5.10
R&M Expenses	D	706.06	569.26	Table 5.10
Interest on Loan Capital	E	1,200.42	1,284.10	Table 5.31
Interest on Working Capital	F	106.27	94.25	Table 5.33
Finance Charges	G	0.06	0.06	Para 5.9.6
Depreciation	H	2,127.71	1,716.09	Table 5.28
Gross Expenditure	I=A+E+F+G+H	5,161.57	4,676.17	-
<i>Less: Employee cost capitalized</i>	J	229.34	229.34	Table 5.10
<i>Less: Interest Capitalisation</i>	K	65.95	65.95	Table 5.15
Net Expenditure	L=I-J-K	4,866.28	4,380.87	-
Return on Equity	M	1,864.39	1,777.72	Table 5.35
Less: Non-Tariff Income	N	337.75	337.75	Para 5.12.4
Less: Income from Other Business	O	12.18	12.18	Para 5.13.8
ARR for UPPTCL	P=L+M-N-O	6,380.74	5,808.67	-
Revenue from Operations	Q	-	5,226.98	Para 5.14.2
Net Gap/ (Surplus) for FY 2025-26	R= P-Q	-	581.69	

5.15.3 The Commission based on a prudence check and detailed analysis of each parameter, as shown above, provisionally determined APR of Rs. 5,808.67 Crore along with a net Gap of Rs. 581.69 Crore. The detailed analysis and prudence check will, however, be undertaken at the time of Truing-up for FY 2025-26.

5.16 UPPTCL REVENUE GAP/SURPLUS FOR FY 2025-26

5.16.1 The Commission has considered the closing Revenue Surplus of FY 2024-25 as the opening surplus for FY 2025-26 as approved in the True-Up section of this order.

The opening surplus has been adjusted against the provisional revenue gap for FY 2025-26 and escalated by the applicable carrying cost to arrive at the closing gap/(surplus) for FY 2025-26. The year-wise computation of opening gap/surplus, additions during the year, carrying cost and the resulting closing gap/(surplus), as approved by the Commission is shown in the Table below:

TABLE 5.39: TREATMENT OF GAP/(SURPLUS) UP TO FY 2025-26 PROVISIONALLY CONSIDERED BY THE COMMISSION (Rs. CRORE)

Particulars (1)	Derivation (2)	FY 2024-25*	FY 2025-26
		(True-Up) (3)	(APR) (4)
Opening Gap/(Surplus)	(A)	(297.61)	(571.31)
Gap/ (Surplus) addition during the year	(B)	(226.91)	581.69
Closing Balance Gap/(Surplus)	(C)=(A)+(B)	(524.52)	10.38
Average Balance Gap/(Surplus)	(D)=((A)+(C)/2)	(411.06)	(280.46)
Carrying Cost (%) (Rate of Interest on IoWC (%))	E	11.38%	10.75%
Carrying Cost	(F)= (D)*(E)	(46.79)	(30.15)
Closing Gap/ (Surplus) with Carrying Cost	(G)= (C)+(F)	(571.31)*	(19.77)

*The values for FY 2024-25 have been considered as per Table 4:47 provided in the True-up section of this Order.

5.16.2 In respect of above computation of closing Gap/(Surplus), the Commission would like to observe that consequent to the notification of MYT for Transmission Regulations 2025 on 6.6.2025 and Tariff Order Dated 8.9.2025, the process of transmission tariff determination has undergone a paradigm shift in the sense that it has moved from energy handled basis (i.e. Rs./Kwh) to drawl demand basis imposed on the system (i.e.Rs./MW). Part application of both the procedures viz Rs/unit basis and Rs./MW basis during FY25-26 with associated layers of accounting is also adding to fluidity in terms of exact determination of closing situation of FY 2025-26, specially when the balance sheet of both STU and UPPTCL are yet to be finalised and are not before us. Segregated provisional or audited revenue figures for the two separate periods during FY25-26 are also not available.

5.16.3 The accounting procedure submitted on February 13, 2026, in accordance with the Regulation 30(11) of the MYT Transmission Regulation 2025, and its amendment thereof, is still under consideration of the Commission, deliberations on which with UPPTCL officers are in process. Further, the Regulations also provide the TBCB annual tariff burden hitherto being borne entirely by UPPCL, will now be shared with

Indian Railways, NIDP & NPCL and other TSUs and eventually be credited/adjusted back to UPPCL as the initial payout to TBCB Licensees is being done by UPPCL directly. This means that the Revenue figures of UPPTCL/STU include receipts, which have not yet been credited back to UPPCL.

- 5.16.4 The Commission further observes that the revenue gap for FY 2025-26 computed above is not only on the basis of projected revenue submitted by UPPTCL and not on the actual audited figures but also subject to various other adjustments as mentioned above as also freezing and approval of accounting procedure. There is hardly any rationale in carrying the closing gap/surplus of FY 2025-26 to ARR of FY 2026-27 in such a fluid and unsettled scenario, which might throw up some undesired movement in transmission tariff. As has been aptly captured by maxim in MIMANSA Rules of Interpretation -

“सुचिन्तता निर्धारणां पश्चगते श्रेयस्करः, तदेन वर्तमानस्य अतिअनिश्चयं ।”

i.e.

If anything can be determined with exactness and certitude at a later stage while the present is saddled with extreme doubt, than it is desirable that the determination should be done at a later stage but with exactness.

- 5.16.5 Hence in the given situation and in line with Mimansa principle, it is apt to ignore the gap/surplus of APR year for the purposes of determination of ARR of FY 2026-27.

6 APR OF INTRA STATE TRANSMISSION TARIFF FOR FY 2025-26

6.1 INTRODUCTION

6.1.1 The Petitioner has submitted the APR of Intra State Transmission Tariff for FY 2025-26 as per the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof, and based on the revised projections of ARR of FY 2025-26 for Section 62 Transmission Licensee, ATSC for Section 63 Transmission Licensees, the Yearly average of daily maximum InSTS drawal (X), the Yearly maximum InSTS drawal (Y), Base TCR, Energy Projection of Transmission System Users at State Periphery and Eligible Rebate as per UP Solar Policy, 2022 and UP Data Centre Policy, 2021.

6.1.2 The Commission has provisionally computed the figures wherever required as per APR of FY 2025-26 provisionally considered by the Commission and submissions of the Petitioner including deficiency replies. Further, the Commission has carried out a comparison of each component of APR of Intra State Transmission Tariff for FY 2025-26 as claimed by Petitioner with that approved in Tariff Order for FY 2025-26 dated September 08, 2025. It is pertinent to mention that final prudence checks will be carried out by the Commission at the time of True-up. Accordingly, components of APR of Intra State Transmission Tariff for FY 2025-26 are discussed in following Sections.

6.2 POOLED TOTAL TRANSMISSION SYSTEM COST FOR FY 2025-26

Petitioner's Submission

6.2.1 The Petitioner has submitted that Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Total Transmission System Cost (TTSC) of the Intra-State Transmission System shall be computed as the aggregate of:

- a) Annual Revenue Requirements (ARR) of all Transmission Licensees determined under Section 62 of the Electricity Act, 2003;
- b) Annual Transmission Service Charges (ATSC) of TBCB projects adopted under Section 63 of the Electricity Act, 2003; and
- c) Adjustment for ATSC during True-Up, as applicable.

6.2.2 The Petitioner has submitted that as per the above Regulation, all the Transmission Licensees in the State form part of the InSTS, and their projected yearly revenue requirement for FY 2025-26 is to be considered for determining the TTSC.

6.2.3 The Petitioner further submitted that in the Tariff Petition for the previous year, i.e., Petition No. 2166 of 2024, it had submitted that UPPTCL is the Transmission Licensee under Section 62 of the Electricity Act, 2003, and that transmission charges were payable to eight (08) Transmission Licensees operating under Section 63 of the Act. However, UPPCL has since provided an updated list of Transmission Licensees under Section 63, for whom transmission charges are payable for FY 2025-26, wherein nine (09) such Transmission Licensees have been indicated. Accordingly, the Petitioner has recomputed the Total Transmission Service Charges (TTSC) for FY 2025-26, as detailed in the Table below:

TABLE 6.1: TTSC SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

S. No.	Particular	FY 2025-26 (APR)
Transmission License Under Sec 62		
1	UPPTCL ARR (Claimed in the instant Petition)	6,380.74
Transmission License Under Sec 63		
1	M/s Ghatampur Transmission Ltd.	247.40
2	M/s Obra-C Badaun Transmission Ltd.	110.21
3	M/s South East U.P. Power Transmission Co. Ltd.	304.40
4	M/s Westen U.P. Power Transmission Co. Ltd.	745.40
5	M/s Powergrid Jawaharpur Firozabad Transmission Ltd.	65.89
6	M/s Powergrid Rampur Sambhal Transco Ltd.	118.63
7	M/s Powergrid Gomti Yamuna Transmission Ltd.	143.48
8	M/s Meerut-Simbhawali Transmission Ltd.	133.60
9	M/s Tirwa Transmission Ltd.	2.01
Total TBCB Annual Transmission Service Charges (ATSC) approved under Sec 63*		1,871.02
Total Transmission System Cost		8,251.76

* TBCB Claim as submitted by the UPPCL and Claimed by the Petitioner

Commission's Analysis

6.2.4 Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Total Transmission System Cost (TTSC) of the Intra-State Transmission System shall be computed as the aggregate of:

- the Aggregate Revenue Requirement (ARR) of all Transmission Licensees determined under Section 62 of the Electricity Act, 2003;

- the Annual Transmission Service Charges (ATSC) of projects executed through the Tariff Based Competitive Bidding (TBCB) route and adopted under Section 63 of the Act; and
- adjustment for ATSC, wherever applicable, during True-Up.

6.2.5 Regulation 29.1 of the MYT Transmission Regulation, 2025, and its amendments thereof, provide as below:

Quote

“29 (1) The aggregate of the yearly revenue requirement for all Transmission Licensees shall form the “Total Transmission System Cost” (TTSC) of the Intra-State transmission system, to be recovered from the Transmission System Users (TSUs) for the respective year of the Control Period, in accordance with the following Formula:

$$TTSC = \sum_{i=1}^n ARR_i + \sum_{j=1}^m ATSC_j + \text{Adjustment for ATSC}$$

Where,

TTSC = Pooled Total Transmission System Cost of year of the Control Period;

n = Number of Transmission Licensee(s) with projects under Section 62 of the Act;

m = Number of Transmission Licensee(s) with projects under Section 63 of the Act;

ARR_i = Yearly revenue requirement approved by the Commission for ith Transmission Licensee for the year of the Control Period as determined by the Commission under Section 62 of the Act;

ATSC_j = Annual Transmission Service Charges (ATSC) of TBCB Projects adopted by the Commission under Section 63 of the Act;

Adjustment for ATSC (during True-Up) = (Actual ATSC paid by LTTC - ATSC as adopted by the Commission) or nil whichever is lower.”

Unquote

6.2.6 The Commission notes that the Petitioner has considered UPPTCL as the Transmission Licensee regulated under Section 62 of the Act, along with nine Transmission Licensees operating under Section 63 of the Act. The Commission further observes that the Petitioner has computed the TTSC for FY 2025-26 by aggregating the projected ARR of UPPTCL and the ATSC of TBCB projects.

6.2.7 The Commission observes that the methodology adopted by the Petitioner is in line with the provisions of Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof. However, for the purpose of determination of TTSC, the Commission has considered the ARR of UPPTCL for FY 2025-26 as provisionally

determined by the Commission in the APR section of this Order, in accordance with the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 6.2: UPPTCL ARR PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

S. No.	Particular	Tariff Order dated 08.09.2025	Petition (APR)	Provisionally Computed	Remarks
		Table 7.2	Table 6.1		
A	Total Net ARR Provisionally Considered for UPPTCL	5,442.82	6,380.74	5,808.67	Table 5.38

6.2.8 The Commission observes that the Petitioner has claimed ATSC of Rs. 1,871.02 Crore for Section 63 projects for FY 2025-26, which is lower than the ATSC of Rs. 2,294.39 Crore approved in the Tariff Order dated September 08, 2025. In response, the Petitioner submitted that the reduction in ATSC is primarily attributable to a decrease in the ATSC of M/s South East U.P. Power Transmission Co. Ltd. (SEUPTCL) amounting to Rs. 404.00 Crore, as provided by UPPCL. The Petitioner further submitted that, in the previous year tariff Petition, ATSC was considered for all elements of SEUPTCL, including elements that were not commissioned. However, for FY 2025-26 (APR), ATSC has been claimed only for those elements that have been energised and for which transmission charges are payable. The Commission has considered the same for provisional computation of ATSC, as shown in the Table below:

TABLE 6.3: ATSC PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

S. No.	Particular	Tariff Order dated 08.09.2025	Petition (APR)	Provisionally Considered
		Table 7.2	Table 6.1	
1	M/s Ghatampur Transmission Ltd.	257.68	247.40	247.40
2	M/s Obra-C Badaun Transmission Ltd.	110.21	110.21	110.21
3	M/s South East U.P. Power Transmission Co. Ltd.	708.80	304.40	304.40
4	M/s Westen U.P. Power Transmission Co. Ltd.	756.10	745.40	745.40
5	M/s Powergrid Jawaharpur Firozabad Transmission Ltd.	65.89	65.89	65.89

S. No.	Particular	Tariff Order dated 08.09.2025	Petition (APR)	Provisionally Considered
		Table 7.2	Table 6.1	
6	M/s Powergrid Rampur Sambhal Transco Ltd.	118.63	118.63	118.63
7	M/s Powergrid Gomti Yamuna Transmission Ltd.	143.48	143.48	143.48
8	M/s Meerut-Simbhavali Transmission Ltd.	133.60	133.60	133.60
9	M/s Tirwa Transmission Ltd.	-	2.01	2.01
B	Total TCB Annual Transmission Service Charges (ATSC) provisionally considered under Sec 63*	2,294.39	1,871.02	1,871.02

* TCB ATSC considered as claimed by the Petitioner

6.2.9 Accordingly, the Commission provisionally computes the Pooled Total Transmission System Cost (TTSC) for FY 2025-26 as shown in the Table below:

TABLE 6.4: TTSC PROVISSIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

S. No.	Particular	Tariff Order dated 08.09.2025	Petition (APR)	Provisionally Computed	Remarks
		Table 7.2	Table 6.1		
A	Total Net ARR provisionally considered for UPPTCL (A)	5,442.82	6,380.74	5,808.67	Table 6.2
B	Total TCB Annual Transmission Service Charges (ATSC) provisionally considered under Sec 63 (B)	2,294.39	1,871.02	1,871.02	Table 6.3
C	Total Transmission System Cost (C=A+B)	7,737.21	8,251.76	7,679.68	

6.3 BASE TRANSMISSION CAPACITY RIGHTS

Petitioner's Submission

6.3.1 The Petitioner has submitted that Regulation 29.2 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Commission shall approve yearly Base Transmission Capacity Rights (Base TCR) for each Distribution Licensee and Indian Railways, representing their capacity utilisation of the Intra-State Transmission System (InSTS).

6.3.2 The Petitioner further submitted that the Base TCR for a given year shall be computed as the average of:

- the Yearly average of daily maximum InSTS drawal (X), and

- the Yearly maximum InSTS drawal (Y)

6.3.3 The Petitioner submitted that the drawal of Distribution Licensee(s) includes drawal of power by part Open Access Consumer but shall be exclusive of drawal of power by Open Access consumers.

6.3.4 The Petitioner further submitted that in line with Regulation 29.2, the Base TCR for the ensuing year is to be computed on the basis of projections for X and Y, which in turn shall be derived from available drawal data of past years as submitted by the Distribution Licensees and Indian Railways to the State Transmission Utility. For Distribution Licensees and Indian Railways where twelve (12) months of X and Y data is not available, STU shall consider data for at least four (4) months or the quantum of Open Access applied during the available period, in lieu of average monthly X and Y, for determination of Base TCR. Further, the values of X and Y projected by each TSUs shall be inclusive of drawal by partial Open Access Customers of Distribution Licensees but exclusive of drawal of full Open Access Customers.

6.3.5 The Petitioner submitted that it has considered the value of X, Y and Base TCR as approved by the Commission in the Tariff Order dated September 08, 2025, as shown in the Table below:

TABLE 6.5: BASE TCR OF DISTRIBUTION LICENSEE & INDIAN RAILWAYS SUBMITTED BY THE PETITIONER FOR FY 2025-26 (MW)

Distribution Licensee	FY 2025-26 (APR)			
	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR
DVVNL	5,287.00	7,672.00	6,479.50	21.00%
MVVNL	5,525.00	8,324.00	6,924.50	22.44%
PuVVNL	6,079.00	7,714.00	6,896.50	22.35%
PVVNL	7,181.00	9,826.00	8,503.50	27.55%
KESCO	729.00	994.00	861.50	2.79%
NPCL	612.75	890.00	751.38	2.43%
Railway	407.69	469.46	438.57	1.42%
NIDP	5.29	7.05	6.17	0.02%
Total	25,826.72	35,896.51	30,861.62	100%

* Petitioner has claimed Base TCR as approved by the Commission in Tariff Order dated September 08, 2025.

Commission's Analysis

6.3.6 Regulation 29.2 and 29.3 of the MYT Transmission regulation, 2025, and its amendments thereof, provides the methodology for projection of Yearly average of daily maximum InSTS drawal (X) and Yearly maximum InSTS drawal (Y) and computation of Base Transmission Capacity Right. The relevant provisions has been provided below:

Quote

(2) The Commission shall approve yearly 'Base Transmission Capacity Rights' as average of "Yearly average of daily max InSTS drawal" and "Yearly max InSTS drawal" for Distribution Licensee(s) and Indian Railways as projected for the respective year of the Control Period, representing the 'Capacity Utilisation' of Intra-State transmission system and accordingly determine 'Intra State Transmission Tariff, in accordance with the following formula:

Base Transmission Capacity Rights

(Base TCR) for the respective year = $\sum^n_{u=1} ([X + Y]/2)$

Where,

X = Yearly average of daily max InSTS drawal of respective year for each Distribution Licensee or Indian Railways (u) as the case may be;

Y = Yearly max InSTS drawal of respective year for each Distribution Licensee or Indian Railways (u) as the case may be;

Note: The X & Y shall reflect drawal of Distribution Licensee(s) (including drawal of power from Distribution Licensee by part Open Access Consumer) or Indian Railways, as the case may be, and same shall be exclusive of drawal of power by Open Access consumers.

(3) The Annual Transmission Charge payable by Distribution Licensees and Indian Railways shall be computed in accordance with the following formula:

ATC(u) = TTSC X ([Base TCR(u)] / $\sum^n_{u=1} [Base TCR(u)]$)

Where,

ATC(u) = Annual Transmission Charges to be shared by Distribution Licensees and Indian Railways (u) for the year;

Provided that the Base Transmission Capacity Rights for Distribution Licensees and Indian Railways for ensuing year shall be determined based on the projections of 'X' and 'Y' after taking into account available data of past years:

Provided further that projections of Base TCR for the ensuing year, shall be submitted by the Distribution Licensees and Indian Railways to the STU latest by last week of August of current year:"

Unquote

6.3.7 The Commission notes that, for the purpose of APR, the Petitioner has claimed the values of X, Y and Base TCR as approved by the Commission in the Tariff Order dated

September 08, 2025. While approving the Base TCR for FY 2025-26 in the said Tariff Order, the Commission had made the following observations:

7.4.17. The Commission notes that the Petitioner has considered the projections of X and Y, as submitted by the Distribution Licensees and Indian Railways, in accordance with above Regulation for determination of the Base Transmission Capacity Rights (Base TCR).

7.4.18. The Commission, while carrying out a prudence check on the values submitted by the Petitioner, observed that the Petitioner had used rounded-off values of Yearly average of daily maximum InSTS drawal for computing the Base TCR for FY 2025-26. However, the Commission, for the purpose of accuracy, has considered the exact values of X as submitted by each Transmission System Users (TSUs) for computation of Base TCR.

7.4.19. The Commission, for the purpose of verification, sought clarification from the Petitioner on whether the values of X (yearly average of daily maximum InSTS drawal) and Y (yearly maximum InSTS drawal), along with the Base TCR computed by each Distribution Licensee and Indian Railways, were based on historical data provided by SLDC. In response, the Petitioner submitted that the projections of X and Y for FY 2025-26 were provided by the Distribution Licensees and Indian Railways, based on their requirement and past trends as mentioned in petitioner's submission. However, the actual 15-minute time block data for FY 2024-25 was provided by SLDC and accordingly the daily Maximum InSTS Drawal (X) and Yearly Maximum InSTS Drawal (Y) has been projected.

7.4.20. Further, it is observed State owned distribution licensees and NPCL have projected their base TCR based upon past years growth factor and projected demand/ energy requirement for FY 2025-26. While in case of NIDP, data was available for 11 months hence, it has projected the same base TCR without applying any growth factor. The Commission has considered the same base TCR as projected by them. However, Indian Railways did not submit its projected base TCR as per the past trend of X & Y and had provided value as per its GNA only. The Commission has observed that the base TCR of Indian Railways for FY 2024-25 was 417.16 MW and it has proposed 401 MW as per GNA, which is lower than the last year base TCR. Further, no justification to that extent has been provided by the Indian Railways. Therefore, the commission has considered the base TCR of Indian Railways as proposed by STU considering growth rate of last year i.e. on the Yearly Average of Daily Maximum Drawal (X) and Yearly Maximum Drawal (Y) of FY

2024-25 by 4.49% and 5.69% respectively.

7.2.21. Accordingly, the Commission has considered the projected values of X (Yearly average of daily maximum InSTS drawal) and Y (Yearly maximum InSTS drawal).

6.3.8 Accordingly in line with the above observation, the Commission provisionally considers the Base TCR for FY 2025-26 as claimed by the Petitioner, as shown in the Table below:

TABLE 6.6: BASE TCR PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (MW)

Discoms	Petition (APR)*				Provisionally Computed			
	Yearly Avg. of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR
DVVNL	5,287.00	7,672.00	6,479.50	21.00%	5,287.00	7,672.00	6,479.50	21.00%
MVVNL	5,525.00	8,324.00	6,924.50	22.44%	5,525.00	8,324.00	6,924.50	22.44%
PuVVNL	6,079.00	7,714.00	6,896.50	22.35%	6,079.00	7,714.00	6,896.50	22.35%
PVVNL	7,181.00	9,826.00	8,503.50	27.55%	7,181.00	9,826.00	8,503.50	27.55%
KESCO	729.00	994.00	861.50	2.79%	729.00	994.00	861.50	2.79%
NPCL	612.75	890.00	751.38	2.43%	612.75	890.00	751.38	2.43%
Railway	407.69	469.46	438.57	1.42%	407.69	469.46	438.57	1.42%
NIDP	5.29	7.05	6.17	0.02%	5.29	7.05	6.17	0.02%
Total	25,826.72	35,896.51	30,861.62	100%	25,826.73	35,896.51	30,861.62	100%

* Petitioner has claimed Base TCR as approved by the Commission in Table 7.13 of the Tariff Order dated September 08, 2025.

6.3.9 The Commission further notes that during true up, Base TCR shall be determined based on the actual data of ‘X’ and ‘Y’ of the Distribution Licensees and Indian Railways in accordance with the provisions with the provisions of MYT Transmission Regulations 2025, and its amendments thereof. Further, the excess capacity drawal shall be payable by the Distribution Licensees and Indian Railways along with carrying cost, whereas in case of drawal of power lower than the Base TCR, the transmission charges corresponding the projected Base TCR as approved by the Commission shall be considered.

6.4 INTRA STATE TRANSMISSION TARIFF FOR DISTRIBUTION LINCENSEES AND INDIAN RAILWAYS

Petitioner’s Submission

6.4.1 The Petitioner has submitted that as per Regulation 29.5 of the MYT Transmission Regulations, 2025, and its amendments thereof, the Intra-State Transmission Tariff

for each Year is to be determined as the ratio of the approved Total Transmission System Cost (TTSC) and the approved Base Transmission Capacity Rights (Base TCR).

6.4.2 Accordingly, for computing the Intra State transmission tariff for distribution licensees & Indian Railways for FY 2025-26, the Petitioner has considered the TTSC and Base TCR, as shown in the Table below:

TABLE 6.7: TTSC AND BASE TCR SUBMITTED BY THE PETITIONER FOR FY 2025-26

Particulars	Unit	FY 2025-26 (APR)
Total Transmission System Cost	Rs. Cr.	8,251.76
Total Base TCR	MW	30,861.62

Commission’s Analysis

6.4.3 Regulation 29.5 of the UPERC MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Intra-State Transmission Tariff for Distribution Licensees and Indian Railways shall be determined as the ratio of the approved TTSC of the Intra-State Transmission System and the approved Base Transmission Capacity Rights (Base TCR), and shall be denominated in terms of INR/MW/Year.

6.4.4 Accordingly, the Commission has provisionally considered the TTSC and Base TCR for FY 2025-26, as shown in the Table below:

TABLE 6.8: TTSC AND BASE TCR PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26

Particulars	Unit	Tariff Order dated 08.09.2025	Petition (APR)	Provisionally Computed	Remarks
		Table 7.16	Table 6.7		
Total Transmission System Cost (TTSC)	Rs. Cr.	7,737.21	8,251.76	7,679.68	Table 6.4
Base Transmission Capacity Rights (TCR)	MW	30,861.62	30,861.62	30,861.62	Table 6.6

6.5 ADJUSTED TOTAL TRANSMISSION SYSTEM COST AND TREATMENT OF REBATE ON INTRA STATE TRANSMISSION CHARGES

Petitioner’s Submission

6.5.1 The Petitioner has submitted that the Uttar Pradesh Solar Energy Policy, 2022, the Data Centre Policy, 2021, and Regulation 31 of the MYT Transmission Regulations,

- 2025, and its amendments thereof, provide for accounting of rebates or exemptions on Intra-State Transmission Charges.
- 6.5.2 The Petitioner has submitted that the quantum of energy eligible for rebate, primarily from solar and other policy-specified sources shall be considered while computing the applicable transmission charges. It has further been submitted that the projected cost of transmission usage corresponding to such rebate-eligible energy shall be included in the Total Transmission System Cost (TTSC) to determine the Adjusted TTSC.
- 6.5.3 The Petitioner has submitted that the Adjusted TTSC is then allocated among all Distribution Licensees and Indian Railways based on their approved Base Transmission Capacity Rights (Base TCR) for the relevant year. It has further been submitted that the Licensees and Indian Railways are required to submit their projected energy procurement, segregated into solar and non-solar sources, to the STU on an annual basis.
- 6.5.4 Accordingly, the projected breakup of total energy (in kWh) for FY 2025-26, segregated into solar and non-solar sources for Distribution Licensees and Indian Railways has been compiled.
- 6.5.5 The Petitioner has submitted that, as per the Uttar Pradesh Solar Energy Policy, 2022, rebate is applicable on power procured from Intra-State generators. It has further been submitted that under the Uttar Pradesh Data Centre Policy, 2021, a 50% rebate is applicable for power procured from Intra-State sources and a 100% rebate is applicable for power procured from Inter-State sources.
- 6.5.6 Accordingly, the Petitioner has submitted that the quantum of energy eligible for such policy-based rebates has been identified based on the source and location of procurement. It has further been submitted that the corresponding exempted transmission charges have been computed in line with the methodology prescribed under Regulation 31 of the MYT Transmission Regulations, 2025, and its amendments thereof.
- 6.5.7 **For State Distribution Companies:** The Petitioner has submitted that, as per the Solar Policy, 100% exemption on Intra-State transmission charges is available for the

sale of solar power to UPPCL. It has further been submitted that the total energy from Intra-State solar generators considered for rebate during FY 2025-26 was taken as 3,462.45 MUs, being the same as approved in the Tariff Order dated September 08, 2025. The said energy has been apportioned among the State-owned DISCOMs (DVVNL, MVVNL, PuVVNL, PVVNL, and KESCO) in proportion to their respective energy input requirement at the State periphery, as shown in the Table below:

TABLE 6.9: DETAILS OF DISCOM-WISE ENERGY INPUT AND SOLAR ENERGY ALLOCATION SUBMITTED BY THE PETITIONER FOR FY 2025-26 (MUS)

Discom	Energy Input requirement at State Periphery (MU)	% of Contribution in Total Energy Input at State Periphery	Energy from InSTS Solar Generators at State Periphery in proportion to % contribution in Total Energy (MU)
DVVNL	34,775.77	21.66%	750.10
MVVNL	34,418.28	21.44%	742.39
PuVVNL	39,484.08	24.60%	851.65
PVVNL	46,870.20	29.20%	1010.97
KESCO	4,976.59	3.10%	107.34
Total	1,60,524.92	100%	3,462.45

6.5.8 Accordingly, the Petitioner has projected the eligible rebate on state-owned distribution companies as shown in the Table below:

TABLE 6.10: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR STATE OWNED DISCOMS SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Discom	Energy from Intra-State Solar Generators at State Periphery (MU)
Total Energy Exempted (MU)	3,462.45
Transmission Tariff for Open Access Customers Rs./kWh	0.4746
Transmission charges (Rs. in Crore)	164.33
Transmission charges Exempted 100%	164.33

6.5.9 **For NPCL:** The Petitioner has submitted that, as per the provisions of the Uttar Pradesh Solar Energy Policy, a 50% exemption on Intra-State transmission charges is applicable for energy procured from Intra-State Solar Generators. It has further been submitted that NPCL has projected procurement of 108.60 MUs from Intra-State Solar Generators during the relevant period, accordingly, the applicable exemption in transmission charges has been computed, as shown in the Table

below:

TABLE 6.11: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR NPCL SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Discom	Energy from Intra-State Solar Generators at State Periphery (MU)
Energy (MU)	108.60
Total Energy Exempted (MU)	108.60
Transmission Tariff for Open Access Customers Rs./kWh	0.4746
Transmission charges (Rs. in Crore)	5.15
Transmission charges Exempted 50%	2.58

6.5.10 **For NIDP:** The Petitioner has submitted that, in accordance with the provisions of the Uttar Pradesh Data Centre Policy, 2021, a 50% exemption on Intra-State transmission charges is applicable for energy procured from Intra-State sources and a 100% exemption is applicable for energy procured from Inter-State sources. It has further been submitted that as per the data provided by NIDP Developers Private Limited the energy drawn by NIDP at the State periphery during the relevant period was 32.78 MU from Intra-State sources and 21.27 MUs from Inter-State sources, and the applicable exemptions have been computed accordingly, as shown in the Table below:

TABLE 6.12: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR NIDP SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Particular	Energy from Intra-State Sources at State Periphery (MU)	Energy from Inter-State Sources at State Periphery (MU)
Energy (MU)	32.78	21.27
Transmission Tariff for Open Access Customers Rs./kWh	0.4746	0.4746
Transmission charges (Rs. in Cr.)	1.56	1.01
Transmission charges Exempted 50% for Intra-State Source	0.78	-
Transmission charges Exempted 100% for Inter-State Source	-	1.01
Total Charges Exempted		1.79

6.5.11 The total exemption considered by the Petitioner for FY 2025-26 for State-owned DISCOMs, NPCL, and NIDP Developers Pvt. Ltd., is shown in the Table below:

TABLE 6.13: TOTAL TRANSMISSION CHARGES EXEMPTED SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

DISCOMS	Transmission Charges Exempted
State Owned Discoms	164.33
NPCL	2.58
NIDP	1.79
Indian Railways	-
Total	168.69

6.5.12 Further, the Petitioner has submitted that the Adjusted TTSC has been computed in accordance with the Regulation 31 of the the MYT Transmission Regulations, 2025, and its amendments thereof, by adding the cost of transmission usage corresponding to the energy eligible for rebate/exemption under the applicable policies, namely the Uttar Pradesh Solar Energy Policy, 2022, and the Data Centre Policy, 2021, to the Total Transmission System Cost (TTSC), as shown in the Table below:

TABLE 6.14: ADJUSTED TTSC SUBMITTED BY THE PETITIONER FOR FY 2025-26 (Rs. CRORE)

Particular	Derivations	Amount
Original TTSC	A	8,251.76
Total Transmission Charges exempted	B	168.69
Adjusted TTSC	C=A+B	8,420.45

Commission’s Analysis

6.5.13 Regulation 31 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the methodology for computation of rebate on Intra-State Transmission Charges, determination of the Adjusted Total Transmission System Cost (TTSC), and its allocation among beneficiaries. The relevant provisions are shown below:

Quote

“31.Treatment of Rebate on intra-State Transmission Charges

(1) In accordance with the Uttar Pradesh Solar Energy Policy, 2022, and Data Centre Policy, 2021, the exemption or rebate applicable on Intra-State Transmission Charges shall be treated as specified in this Regulation.

(2) The quantum of energy (in kWh) applicable for rebate and procured shall be considered while computing the total cost of transmission charges attributable to such procurement.

(3) The transmission usage cost corresponding to the energy eligible for rebate shall be added to the Total Transmission System Cost (TTSC) of the Intra-State transmission system for the relevant year of the Control Period, as determined under clause 1 of Regulation 29 to arrive at the Adjusted TTSC.

(4) The Adjusted TTSC shall be allocated among Distribution Licensees and Indian Railways, in proportion to their approved Base Transmission Capacity Rights (Base TCR) for the relevant year:

Provided that Distribution Licensees and Indian Railways shall submit the projected breakup of their total energy (in kWh) for the ensuing year, segregated into solar and non-solar sources, as part of their submissions to the State Transmission Utility (STU).

(5) Based on the transmission tariff in ₹/kWh determined under 5 of Regulation 29, the applicable monthly rebate shall be computed in accordance with the respective policy. The rebate, calculated on the monthly quantum of energy (applicable for rebate) consumed corresponding to per-unit rebate rate (₹/kWh), shall be credited in the monthly transmission charge invoices raised on Distribution Licensee(s) and Indian Railways.

(6) In the event of any deviation between the projected and trued-up Adjusted TTSC, such excess or shortfall shall be reconciled in the Adjusted TTSC of the following year, along with carrying cost at the applicable weighted average bank rate for the respective year.”

Unquote

- 6.5.14 In line to above Regulations, the Commission has examined the submissions of the Petitioner. The Commission observes that the Petitioner has submitted the quantum of energy attributable to each beneficiary and eligible for rebate under the Uttar Pradesh Solar Energy Policy, 2022, and the Data Centre Policy, 2021.
- 6.5.15 The Commission further observed that the Petitioner has not provided the rebate for Indian Railways for FY 2025-26. In response to the Commission’s query, the Petitioner submitted that Indian Railways had not submitted their energy details to as per the UP Solar Policy, 2022. Further, as per energy accounts provided by UPSLDC, Indian Railways is presently not drawing power from any Intra-State solar projects. Accordingly, no rebate has been considered for Indian Railways.
- 6.5.16 The Commission has provisionally considered the eligible energy quantum as furnished by the Petitioner, subject to prudence check at the time of truing-up, as

shown in the Table below:

TABLE 6.15: QUANTUM OF ENERGY APPLICABLE FOR REBATE PROVISIONALLY CONSIDERED BY THE COMMISSION FOR FY 2025-26 (MUS)

Discom	Energy from Intra-State Solar Generators at State Periphery (MU)
DVVNL	750.10
MVVNL	742.39
PuVVNL	851.65
PVVNL	1,010.97
KESCO	107.34
NPCL	108.60
NIDP	54.06*
Total Energy Exempted (MU)	3,625.11

* 54.06 MUs includes 32.78 MUs at Energy from Intra-State Sources at State Periphery and 21.27 MUs at Energy from Inter-State Sources at State Periphery.

6.5.17 The Commission notes that the rebate/exemption claimed by the Petitioner is envisaged under the State Government’s policies and, therefore, has to be factored into the transmission tariff to ensure appropriate recovery of the total transmission cost from all beneficiaries.

6.5.18 Accordingly, the Commission has provisionally computed the rebate admissible to each Transmission System User for FY 2025-26 on the eligible energy quantum, as shown in the Table below:

TABLE 6.16: ADMISSIBLE EXEMPTION ON TRANSMISSION CHARGES PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Discom	Energy Eligible for Rebate (MUS)	Provisional Transmission Tariff Rs./kWh	Transmission charges (Crore)	% of Exemption as per Solar and Data Centre policy	Transmission Charges Exempted (Crore)
A	B	C	D=B*C	E	F=D*E
State Discoms	3,462.45	0.4417**	152.93	100%	152.93
NPCL	108.60		4.80	50%	2.40
NIDP	32.78*		1.45	50%	0.72
	21.27 [#]		0.94	100%	0.94
Indian Railways	-		-	-	-
Total Transmission charges Exemption Admissible					157.00

* Energy from Intra-State Sources at State Periphery

[#]Energy from Inter-State Sources at State Periphery

** Intra State Transmission Tariff in Rs./Kwh based upon Net TTSC and Base TCR provisionally determined by the Commission in this Chapter.

6.5.19 The Rebate on Transmission charges for State Discoms, NPCL, NIDP and Indian Railways provisionally considered by the Commission for FY 2025-26, is shown in the Table Below:

TABLE 6.17: REBATE ON INTRA STATE TRANSMISSION CHARGES PROVISIONALLY CONSIDERED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Discoms	Tariff Order dated	FY 2025-26 (APR)	
	08.09.2025	Petition (APR)	Provisionally Computed
	Table 7.21	Table 6.13	
State owned Discoms	157.38	164.33	152.93
NPCL	2.47	2.58	2.40
NIDP	1.71	1.79	1.66
Indian Railways	-	-	-
Total	161.56	168.69	157.00

6.5.20 Further, in line to the provisions of above Regulation the Commission has factored the provisionally admissible rebate into the TTSC provisionally determined for FY 2025-26 to arrive at the Adjusted TTSC (provisionally), subject to prudence check at the time of truing up, as shown in the Table below:

TABLE 6.18: ADJUSTED TTSC PROVISIONALLY COMPUTED BY THE COMMISSION FOR FY 2025-26 (Rs. CRORE)

Particular	Tariff Order dated	FY 2025-26 (APR)		Remarks
	08.09.2025	Petition (APR)	Provisionally Computed	
	Table 7.22	Table 6.14		
Net TTSC (Rs. in Cr.)	7,737.21	8,251.76	7,679.68	Table 6.4
Total Transmission Charges exempted (Rs. in Cr.)	161.56	168.69	157.00	Table 6.17
Adjusted TTSC (Rs. in Cr.)	7,898.77	8,420.45	7,836.68	

7 ANNUAL REVENUE REQUIREMENT (ARR) FOR FY 2026-27

7.1 INTRODUCTION

7.1.1 The Petitioner vide Petition No. 2320 of 2025 has sought approval of the Annual Revenue Requirement (ARR) for FY 2026-27 in accordance with the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof. In this regard, Regulation 3.2 and Regulation 3.6 (i) of the said Regulations governs the filling of ARR and Tariff Petitions.

7.1.2 As per Regulation 26.10 of MYT Transmission Regulations 2025, and its amendments thereof, the ARR of the Transmission Licensee shall comprise of the following components:

- (a) Operation and maintenance expenses;
- (b) Depreciation;
- (c) Interest on Loan Capital;
- (d) Interest on Working Capital;
- (e) Banking and Finance Charges;
- (f) Return on Equity;
- (g) Tax on Return on Equity;

Minus:

- (h) Non-Tariff Income;
- (i) Income from other Businesses:

7.1.3 The Commission has projected/computed the ARR components based on the submission of the Petitioner, Audited figures for FY 2024-25 wherever applicable, and reply submitted by the Petitioner in response to the Commission's query. Accordingly, the component-wise description of the Petitioner's submission and the Commission's analysis is detailed in the next sections.

7.2 INTRA-STATE TRANSMISSION LOSS

Petitioner's Submission

7.2.1 The Petitioner has claimed the Intra-State Transmission losses of 3.18% in FY 2026-27 based on the losses approved by the Commission in Tariff Order dated September 08, 2025 for FY 2025-26.

7.2.2 The Petitioner has submitted that the actual Transmission losses are variable & dynamic in nature and for a particular year largely depend on the quantum and direction of energy flow from generation point to load point and also on types of load, type of generation despatch voltage, reactive power compensation, voltage profile, seasonal variation etc. The Commission is aware that the quantum of generation & load are source decisions and do not fall within the domain of the Petitioner.

7.2.3 The Petitioner further submitted that the Transmission losses also depend on the voltage level at which the power is transmitted. The Transmission losses are higher when a higher percentage of power is transmitted through low voltage (132 kV or below) Transmission system. The Petitioner’s Transmission network majorly consists of 132 kV lines; therefore, in the real scenario, the Transmission losses are expected to remain at the current levels. However, the Petitioner endeavours to maintain Transmission losses at 3.18% as approved by the Commission in the last Tariff Order.

Commission’s Analysis

7.2.4 The actual Intra-State Transmission Losses of the Petitioner for the period FY 2015-16 to FY 2024-25, are summarized below:

TABLE 7.1: ACTUAL INTRA-STATE TRANSMISSION LOSS FROM FY 2015-16 TO FY 2024-25 (%)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Intra-State Transmission loss	3.59%	3.55%	3.56%	3.56%	3.43%	3.37%	3.33%	3.30%	3.16%	3.22%

7.2.5 It is pertinent to note that during the previous Control Period (FY 2020-21 to FY 2024-25), the Commission had specified the Transmission Loss trajectory through its Order dated October 15, 2020 (Business Plan). The same is presented in the Table below.

TABLE 7.2: INTRA-STATE TRANSMISSION LOSS (%)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Trajectory of Intra-State Transmission loss (approved by the Commission)	3.40%	3.33%	3.27%	3.22%	3.18%
Actual Intra-State Transmission loss	3.37%	3.33%	3.30%	3.16%	3.22%

7.2.6 Regulation 33 of MYT Transmission Regulations, 2025 and its amendments thereof, provides that energy losses in the Intra-State transmission system, as determined by the State Load Despatch Centre and approved by the Commission, shall be borne by the Transmission System Users in proportion to their usage of the Intra-State transmission system.

The Commission notes that the Petitioner has claimed the Transmission losses of 3.18% for FY 2026-27. However, in the last Tariff Order dated September 08, 2025, the Commission had directed UPPTCL to conduct a detailed study on the impact on transmission loss for the Control Period, considering 220 kV and above transmission system to be developed through TBCB by other Transmission Licensees, and to submit the same along with the current year's tariff petition. Based upon the same, the Commission had proposed to specify an average loss reduction target, with an appropriate variation band.

7.2.7 In this regard, the Petitioner in the present tariff petition submitted that it had initiated the requisite actions for compliance with the aforesaid direction. The Petitioner further submitted that for the existing TBCB substations, it had sought the input energy and output energy data from the respective substations in order to assess the transmission losses attributable to such elements. The data collection process is stated to be underway and the information received is being analysed. Further, with respect to upcoming TBCB substations, the Petitioner submitted that it had initiated transmission loss assessment by incorporating the planned network additions into load-flow models and undertaking system simulations. The Petitioner further submitted that the consolidated findings of the transmission loss assessment for both existing and upcoming TBCB substations would be filed before the Commission by end of December 2025.

7.2.8 Subsequently, the Commission, vide data deficiency No. 1, dated December 22, 2025, sought the current status of compliance with the above direction. In response, the Petitioner vide reply date January 07, 2026, submitted that it had engaged M/s PRDC to conduct a detailed study on the impact on transmission losses for the Control Period, considering the 220 kV and above transmission system, and that the findings of the study would be submitted within a period of three months. However,

the Commission, further vide Technical Validation Session (TVS) dated January 20, 2026, observed that the study had not been submitted within the stipulated timeline. UPPTCL was again directed to explain the reasons for the delay in submission of the study beyond the timeline prescribed by the Commission and to ensure submission of the final report within timeline.

7.2.9 The Commission observes that the Petitioner is in non-compliance with its earlier directions. However, considering the large and complex nature of the transmission system, and taking note of the bonafide efforts and intent demonstrated by the Petitioner in initiating the study, the Commission deems it appropriate to grant the Petitioner one final opportunity. Accordingly, the Petitioner is granted a period of three months to submit the complete study along with detailed findings and is directed to file the same, without any further delay.

7.3 OPERATION AND MAINTENANCE (O&M) EXPENSES

Petitioner’s Submission

7.3.1 The Petitioner, in accordance with the provisions under Regulations 13.6, 13.7 and 13.8 of the MYT Transmission Regulations, 2025, and its amendments thereof, has computed and submitted the Employee Expenses, R&M Expenses, and A&G Expenses for FY 2026-27.

7.3.2 The Petitioner has submitted that due to re-classification of Contractual Manpower from R&M expenses to Employee cost as per Annual Accounts of FY 2024-25, the Employee Expense of last five Annual Accounts i.e. from FY 2020-21 to FY 2024-25 have been recomputed to arrive at the normative base value of Employee expenses Further, A&G expenses of last five Annual Accounts i.e. from FY 2020-21 to FY 2024-25 have been considered to arrive at the normative base value of A&G expenses. The details are provided in the Tables below:

TABLE 7.3: EMPLOYEE COST AND A&G EXPENSES FOR LAST 05 AUDITED FINANCIAL YEARS AFTER RECLASSIFICATION OF CONTRACTUAL MANPOWER SUBMITTED BY THE PETITIONER (Rs. CRORE)

Employee Expenses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Employee Cost (Previous)	584.92	715.02	703.39	765.45	789.26
Add: Contractual Manpower of Substation	104.25	103.68	98.70	101.50	144.95

Employee Expenses	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revised Employee Cost	689.17	818.70	802.09	866.95	934.21
A&G Expenses	64.22	80.45	76.57	76.22	57.45

7.3.3 For the purpose of ARR for FY 2026-27, the Petitioner has considered average CPI & WPI for the preceding three financial years CPI and WPI in accordance with the provision of MYT Transmission Regulations, 2025, and its amendments thereof. Based on these indices, the Employee Expenses and A&G Expenses claimed by the Petitioner for FY 2026-27 are shown in the Table below:

TABLE 7.4: COMPUTATION OF EMPLOYEE EXPENSES AND A&G EXPENSES CONSIDERING WPI & CPI INFLATION SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

UPPTCL	Average of Last 5 years as Mid-Year Value (FY 2022-23)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Employee Cost	822.23	864.90	894.13	937.72	969.25
CPI Inflation (%)	-	5.19%	3.38%	4.87%	3.36%
A&G Expenses	70.98	70.47	72.07	74.70	75.00
i. Licensee fees	-			8.64	8.64
WPI Inflation (%)	9.41%	-0.73%	2.27%	3.65%	0.41%
Total A&G Expenses	-	-	-	83.34	83.65

7.3.4 With regard to Repair and Maintenance (R&M) Expenses, the Petitioner submitted that, in terms of Regulation 13.7 of the MYT Transmission Regulations, 2025, read along with the Statement of Reasons (SoR), the normative R&M Expenses for the second year of the Control Period (FY 2026-27) are to be allowed at the rate of 2% of the incremental GFA of the previous year (FY 2025-26), in addition to the normative R&M value of the previous year, duly escalated by the applicable annual WPI inflation rate. Accordingly, the Petitioner has considered GFA addition of Rs. 2,382.52 Crore, as claimed in the APR section of this Order, and has escalated the normative R&M Expenses of FY 2025-26 with the applicable yearly WPI inflation rate. Accordingly, the Petitioner has claimed R&M Expenses for FY 2026-27, as shown in the Table below:

TABLE 7.5: COMPUTATION OF R&M EXPENSES SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Opening GFA	Derivation	R&M Expenses
Opening GFA for prior year (i.e. FY 2025-26)	A	47,070.35

Opening GFA	Derivation	R&M Expenses
Closing GFA for prior year (i.e. FY 2025-26)	B	49,452.87
Net Addition to GFA for prior year (i.e. FY 2025-26)	C= B-A	2,382.52
WPI Inflation considered for FY 2026-27	D (%)	0.41%
R&M for the prior year (i.e. FY 2026-27)	E	706.06
R&M Expenses for FY 2026-27	F= [(2% of C)+(E*D)]	756.60

7.3.5 Based on the above, the Net normative O&M expenses claimed by the Petitioner for FY 2026-27 are shown in the Table below:

TABLE 7.6: O&M EXPENSES FOR FY 2026-27 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	ARR Petition FY 2026-27
Employee Cost	969.25
A&G Expenses	83.65
R&M Expenses	756.60
Gross O&M Expenses	1,809.50
<i>Less: Employee cost capitalized</i>	237.05
Net O&M Expenses	1,572.45

7.3.6 The Petitioner has considered the Employee Expense capitalisation for FY 2026-27 at the same rate (24.46%) as per the actual capitalisation in the annual accounts for FY 2024-25.

Commission's Analysis

7.3.7 Regulation 13 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the methodology for computation of Operation and Maintenance Expenses. Regulations 13.6, 13.7, and 13.8 specifically lay down the normative framework for computation of these expenses, wherein the normative Employee Expenses and normative A&G Expenses are derived by escalating the base year value of FY 2024-25 with the applicable inflation factors based on CPI and WPI, as applicable. Further, the normative Repair and Maintenance (R&M) Expenses for the second year of the Control Period are to be computed by applying a growth rate of 1.5% on the incremental GFA of the previous year in addition to escalation of the normative R&M Expenses of the previous year by the applicable WPI inflation factor.

7.3.8 The Commission has already provided the computation of norms for arriving at the normative value of Middle Year (i.e. FY 2022-23), normative Base Year (i.e. FY 2024-25), and provisional normative Value for FY 2025-26 for Employee Expenses,

Normative A&G Expenses and Normative R&M Expenses in the APR Section of this Order. The same approved values have been adopted for deriving the normative O&M Expenses for FY 2026-27 by applying the applicable inflation factors and growth rate.

7.3.9 The Commission further observes that the inflation factors, namely the Consumer Price Index (CPI) and Wholesale Price Index (WPI) for the immediately preceding three financial years (FY 2023-24 to FY 2025-26), as applied by the Petitioner, are broadly in line with the CPI and WPI indices notified by the Government of India. However, it is noted that for the purpose of computing the yearly average CPI and WPI inflation for FY 2025-26, the Petitioner has considered monthly CPI and WPI value up to July 2025. The Commission, however, has considered the CPI and WPI value available up to October 2025 for arriving at the applicable yearly average inflation factors for FY 2025-26. Accordingly, the inflation factor computed for FY 2023-24 to FY 2025-26, as per Labour Bureau, Gol (<https://labourbureau.gov.in/all-india-general-index-1>) and Economic Advisor Government of India (https://eaindustry.nic.in/download_data_1112.asp) is shown in the Table below:

TABLE 7.7: INFLATION INDEX CONSIDERED BY THE COMMISSION (INDEX VALUE)

Particulars	Wholesale Price Index				Consumer Price Index			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
April	152.30	151.10	152.90	154.20	367.78	386.50	401.47	413.28
May	155.00	149.40	153.50	153.70	371.52	387.94	402.91	414.72
June	155.40	148.90	154.00	153.70	372.10	392.83	407.23	417.60
July	154.00	152.10	155.30	154.40	374.11	402.34	410.98	421.92
August	153.20	152.50	154.40	155.20	374.98	400.90	410.69	423.65
September	151.90	151.80	154.70	154.90	378.14	396.00	412.70	424.22
October	152.90	152.50	156.70	154.80	381.60	398.59	416.16	425.38
November	152.50	153.10	156.40	-	381.60	400.61	416.16	-
December	150.50	151.80	155.70	-	381.02	399.74	413.86	-
January	150.70	151.20	155.00	-	382.46	400.03	412.42	-
February	150.90	151.20	154.90	-	382.18	400.90	411.26	-
March	151.00	151.40	154.80	-	383.90	400.03	411.84	-
Average	152.53	151.42	154.86	154.41	377.62	397.20	410.64	420.11
Calculation of Inflation		-0.73%	2.27%	-0.29%		5.19%	3.38%	2.31%

7.3.10 Further, for computation of the average of CPI & WPI inflation, respective CPI & WPI percentages for the immediately preceding three Financial Years i.e. FY 2023-24 to

FY 2025-26 is shown below:

TABLE 7.8: INFLATION INDEX CONSIDERED BY THE COMMISSION FOR FY 2026-27 (%)

FY	INFLATION RATE	
	WPI	CPI
FY 2023-24	-0.73%	5.19%
FY 2024-25	2.27%	3.38%
FY 2025-26	-0.29%	2.31%
FY 2026-27 (Avg. of last 3 Years)	0.42%	3.63%

7.3.11 Subsequently, the normative O&M Expenses for FY 2026-27 are derived based on the respective inflation factors shown in the Table above as per Regulation Regulations 13.6, 13.7, and 13.8 of MYT Transmission Regulations, 2025, and its amendments thereof, which is explained in later paras.

7.3.12 **Employee Expenses:** In order to compute the normative Employee Expenses for FY 2026-27, the Commission has considered the normative Employee Expenses of FY 2025-26, as computed provisionally in APR Section of this Order and escalated the same with the corresponding inflation factor (average of CPI for immediately preceding three Financial Years i.e. FY 2023-24 to FY 2025-26).

For computing net Employee Expenses, the Commission has considered Employee Expenses capitalised at 24.46% of the Employee Expenses claimed by the Petitioner for FY 2026-27, being the same percentage as reflected in the audited Annual Accounts for FY 2024-25 and has deducted the same from the normative Employee Expenses, computed by the Commission.

7.3.13 **A&G Expenses:** The Commission observes that the Petitioner has claimed Rs. 8.64 Crore towards Licensee fee respectively for FY 2026-27 over and above the normative A&G Expenses. In response to the Commission’s query on the same, the Petitioner has submitted that UPPTCL’s License Fee was finalised only after the Commission’s letter dated November 29, 2018, in accordance with the UPERC (Fees and Fines) Regulations, 2010. Hence, the License Fee was claimed for the first time during True-up for FY 2016-17. Further, the Commission had allowed the actual License Fee paid under the A&G Expenses over and above the normative A&G Expenses. Thereafter, the same was also allowed by the Commission on actual basis

in its subsequent Tariff Orders. Accordingly, the Petitioner has claimed the actual License Fee paid for FY 2026-27 over and above the normative A&G Expenses.

7.3.14 The Commission has examined the Petitioner's submission and has observed that the Licensee Fee have been considered as a part of A&G Expenses while deriving the Mid-Year value (FY 2022-23) and Base-Year value (FY 2024-25), as approved in the APR section of this Order. Hence, the claim of the Petitioner for allowing Licensee Fee separately over and above the normative value is not correct, as the same has already been taken into consideration while deriving the normative value of A&G Expenses for FY 2026-27, which is in line with the approach taken by the Commission in its past Tariff Orders dated September 08,2025.

7.3.15 Accordingly, the Commission has calculated the normative A&G Expenses as per Regulations 13.7 of the MYT Transmission Regulations, 2025, and its amendments thereof. The normative A&G Expenses for FY 2026-27 have been calculated by escalating the normative A&G Expenses (A&G Expenses including Licensee Fee) FY 2025-26 as computed provisionally in APR Section of this Order with the average of WPI for the immediately preceding three Financial Years (i.e., FY FY 2023-24 to FY 2025-26).

7.3.16 **R&M Expenses:** Regulation 13.7 of the MYT Transmission Regulations, 2025, and its amendments thereof specify the methodology for normative computation of R&M expenses. The relevant provisions of Regulation 13.7 are reproduced below:

Quote

"13. Operation and Maintenance Expenses

...

(7) Repairs and Maintenance Expense

The normative Repair and Maintenance expense for first year of Control period shall be allowed at the rate of 1.5 % of the opening GFA of the year as approved by the Commission. The normative Repair and Maintenance expense for subsequent years of the control period, shall be allowed at 1.5% of the incremental GFA of the respective year in addition to the normative R&M value of previous year along with an annual escalation based on the Wholesale Price Index (WPI) inflation:

Provided that the normative R&M expense determined as per the above stipulation shall be inclusive of any impact of change in applicable taxes or duties.

For the purpose of ARR, WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years as per the Office of Economic Advisor of Government of India.

For the purpose of True-Up, WPI inflation is the actual point to point inflation for the concerned Financial Year.

Unquote

7.3.17 The Commission notes that the Petitioner has considered a growth rate of 2% on incremental GFA of FY 2025-26 for computation of R&M Expenses for FY 2026-27, instead of 1.5% as approved by the Commission in the Tariff Order dated September 08, 2025. In response, the Petitioner has submitted that, in terms of the provisions of the MYT Transmission Regulations, 2025, the normative R&M Expenses for the second year of the Control Period (FY 2026-27) are required to be allowed at the growth rate of 2% of the incremental GFA of the previous year (FY 2025-26), in addition to the normative R&M Expenses of the previous year duly escalated by the applicable annual WPI inflation factor. The Petitioner further submitted that, although the Commission in the Tariff Order dated September 08, 2025, had considered growth rate of 1.5% and had indicated that an amendment to this effect would be carried out in the UPERC (MYT for Transmission) Regulations, 2025, however the said amendment was not issued by the Commission. Therefore, the Petitioner has submitted the normative R&M Expenses for FY 2026-27 by applying the growth rate of 2% on the incremental GFA.

7.3.18 The Commission observes that Regulation 13.7 of the MYT Transmission Regulations, 2025 provides that R&M Expenses for the first year of the Control period shall be allowed at 2% of the Opening GFA as approved by the Commission. Further for the subsequent year of the control period, the normative R&M Expenses shall be allowed at 2% of the incremental GFA of the previous year in addition to the normative R&M Expenses of the previous year escalated by the applicable annual WPI inflation factor. The Commission further notes that the norms for R&M Expenses were originally derived based on the historical audited R&M expenditure and linked to the Commission-approved GFA, as determined in the previous years'

Tariff Orders. However, in the Tariff Order dated September 08, 2025, while approving the R&M Expenses for FY 2025-26, the Commission, during prudence check, observed that UPPTCL had undertaken a reclassification of certain expenditure heads in its audited accounts from FY 2024-25 onwards. Under this reclassification, expenditure relating to contractual manpower was shifted from Repairs and Maintenance expenses to Employee expenses, resulting in a corresponding reduction in R&M Expenses and an increase in Employee Expenses.

7.3.19 Consequent to the above reclassification, the R&M expense norms, which were originally derived with reference to historical audited values and linked to 2% of the Commission-approved GFA, were rendered disproportionately high, as the underlying historical R&M expenditure base had been revised downward. Accordingly, the Commission revised the norm for R&M Expenses to 1.5% of the Commission-approved GFA. Subsequently, the Commission notified the First Amendment to the MYT Transmission Regulations, 2025, wherein the growth rate for R&M Expenses has been specified as 1.5%. In view of the above, the Commission has computed the normative R&M Expenses for FY 2026-27 by considering the incremental GFA of FY 2025-26, as provisionally determined in the APR section of this Order, and by applying a growth rate of 1.5% thereon, in addition to escalation of the normative R&M Expenses of FY 2025-26 by the applicable WPI inflation factor.

7.3.20 **O&M Expenses:** Accordingly, the Commission has computed the normative O&M Expenses for FY 2026-27 based on the norms specified in Regulation 13 of MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 7.9: COMMISSION APPROVED - NORMATIVE O&M EXPENSES FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2025-26 (Normative)	FY 2026-27				Normative Computation
			Average of previous 3 years CPI and WPI		Incremental GFA FY 2025- 26	1.5% of incremental GFA FY 2025-26	
		(a) (Table 5.9)	(b) CPI (Table 7.8)	(c) WPI (Table 7.8)	(d) (Table 5.16)	(e)= (d*1.5%)	(f)= [(a)*(1+(b)or(c)) Or (f)= [{a*(1+c)}+ (e)]
Employee Expenses	A	937.72	3.63%				971.71

Particulars	Derivation	FY 2025-26 (Normative)	FY 2026-27				Normative Computation
			Average of previous 3 years CPI and WPI		Incremental GFA FY 2025- 26	1.5% of incremental GFA FY 2025-26	
		(a) (Table 5.9)	(b) CPI (Table 7.8)	(c) WPI (Table 7.8)	(d) (Table 5.16)	(e)= (d*1.5%)	(f)= [(a)*(1+(b)or(c)) Or (f)= [{a*(1+c)}+ (e)]
A&G Expenses	B	74.70		0.42%			75.01
R & M Expenses	C	569.26		0.42%	2,382.52	35.74	607.39
Gross O&M Expenses	D=A+B+C						1,654.11
Employee Expenses Capitalisation [#]	E						237.05
Net O&M Expenses	F=D-E						1,417.06

[#]Employee Expenses Capitalised are considered as claimed by the Petitioner.

7.3.21 Considering above, the Commission approves the O&M Expenses for FY 2026-27 based on the norms specified in Regulation 13 of MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 7.10: COMMISSION APPROVED - O&M EXPENSES FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)	
		Petition (ARR)	Approved (ARR)
		Table 7.6	Table 7.9
Employee Expenses	A	969.25	971.71
Less: Employee Expenses Capitalised	B	237.05	237.05
Net Employee Expenses	C=A-B	732.20	734.66
Net A&G Expenses	D	83.65	75.01
Net R&M Expenses	E	756.60	607.39
Net O&M Expenses	F=C+D+E	1,572.45	1,417.06

7.4 CAPITAL WORK IN PROGRESS, GROSS FIXED ASSET & ASSET CAPITALISATION

Petitioner's Submission

7.4.1 The Petitioner has estimated the total capital investment for FY 2026-27 based on the expected expenditure to be made towards the ongoing projects or schemes and

the new projects to be undertaken in FY 2026-27 as per the Table below:

TABLE 7.11: CAPITAL INVESTMENT FOR FY 2026-27 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particular	FY 2026-27
UPPTCL RTM (towards the ongoing projects or schemes and the new projects)	2,466.46
GEC-II	1,105.30
Deposit	1,039.73
Total Investment	4,611.49

7.4.2 For projecting the total capital investment for FY 2026-27, the Petitioner has considered an expenditure of Rs. 1,105.30 Crore towards Green Energy Corridor (GEC-II) scheme. Further, the Consumer Contribution towards capital formation has been considered at the same level as in FY 2024-25.

7.4.3 For projecting capitalization, the Petitioner has assumed that 25% of the opening Capital Work-in-Progress (CWIP), 25% of the capital expenditure incurred during the year, and 25% of the capitalised expenses including interest during construction shall be capitalised during FY 2026-27, in line with the past practice of the Commission as shown in the Table below:

TABLE 7.12: CAPITALISATION COMPUTATION SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Particulars	Amount	Assumed percentage	FY 2026-27
Opening CWIP	7,147.57	25%	1,786.89
Expected Investment	4,611.49	25%	1,152.87
Employee expense Capitalisation	237.05	25%	59.26
Interest Capitalisation	59.02	25%	14.75
Total Capitalisation for FY 2026-27			3,013.78

7.4.4 Based on the above assumptions, the Petitioner has projected the capital formation and Capital Work-in-Progress for FY 2026-27, as presented in the Table below:

TABLE 7.13: PROJECTIONS OF CAPITALISATION & WIP OF INVESTMENT DURING FY 2026-27 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2026-27
Opening CWIP as on April 1, 2026	A	7,147.57
Investments	B	4,611.49
Employee Expenses Capitalisation	C	237.05
A&G Expenses Capitalisation	D	-

Particulars	Derivation	FY 2026-27
Interest Capitalisation of Interest on long-term loans	E	59.02
Total Investments	F= A+B+C+D+E	12,055.13
Transferred to GFA (Total Capitalisation)	G = 25% of F	3,013.78
Closing CWIP	H= F-G	9,041.35

7.4.5 The Petitioner has submitted that it has considered the actual closing CWIP of FY 2019-20 (as per the annual accounts) as opening CWIP for FY 2020-21 and subsequent closing of FY 2025-26 (as determined in the APR section) is considered to be the opening CWIP for FY 2026-27. The disallowances made by the Commission in the CWIP and the GFA for years FY 2017-18 to FY 2019-20 in the Tariff Order dated November 10, 2020, June 29, 2021, July 20, 2022, May 24, 2023 and October 10, 2024 have not been considered as the said Orders have been challenged by the Petitioner. Further, the Petitioner is also in the process of filing an appeal against the Order dated September 08, 2025 before the Hon'ble APTEL. The GFA balance considered for FY 2026-27 is provided below:

TABLE 7.14: PROJECTIONS OF GROSS FIXED ASSETS FOR FY 2026-27 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2026-27
Opening GFA	A	49,452.87
Add: Addition to GFA	B	3,013.78
Less: Deletion in the GFA*		-
Closing GFA	C=A+B	52,466.66

*No deduction or deletion has been considered in the GFA during FY 2026-27; the same may be considered on actual basis at the time of Trueing-up.

7.4.6 Further, the Petitioner has submitted that in line with the past methodology considered by the Commission, the fixed asset base (in which the retirement or replacement or decapitalisation of the assets is accounted for) is computed as on March 31, 2020 (taking into consideration the True-up of FY 2019-20). Equity capital as on April 1, 2020 has been computed to be 30% of such fixed asset base and the Debt capital has been similarly computed to be 70%.

Commission's Analysis:

7.4.7 Regulation 11 of the MYT Transmission Regulation 2025, and its amendments thereof, provides the methodology for recovery of capital cost pertaining to Capital

expenditure and capital investment. Further Regulation 11.4 provides that the Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the Transmission Plan prepared by the STU under Modalities of Tariff Determination Regulation, 2023 and Annual Capital Investment Plan approved by the Commission.

7.4.8 The Commission notes that, in compliance with its directions in earlier Tariff Orders, the Petitioner has been filing petitions for capital investment on a quarterly basis for schemes/projects above Rs. 20 Crore, seeking prior approval of the Commission from FY 2020-21 onwards.

7.4.9 Further, in accordance with the above Regulations, the Commission directed the Petitioner to submit a detailed break-up and list of projects/schemes, along with supporting documentary evidence and the present status of each scheme, to substantiate the Capital Investment Plan and the proposed capitalisation for FY 2026-27. In response, the Petitioner has submitted the detailed Capital Investment Plan for FY 2026-27 as shown in the Table below:

TABLE 7.15: ZONE WISE SUMMARY OF CAPEX FOR FY 2026-27 (WITHOUT GEC-II) AS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Scheme	TC	TNE	TSC	TSE	TSW	TW	Grand Total
Capacity Enhancement Line	62.12	16.92	1.39	8.74	80.65	43.85	213.66
Capacity Enhancement SS	296.12	69.01	72.77	27.24	209.86	236.97	911.97
Miscellaneous SS	27.80	4.50	-	-	49.39	-	81.69
New Scheme Line	28.25	27.00	-	4.80	4.23	12.61	76.88
New Scheme SS	9.59	60.07	-	-	15.27	59.90	144.83
Ongoing Line	35.16	3.78	-	9.35	10.88	122.41	181.58
Ongoing SS	70.89	7.94	17.86	4.00	13.71	141.45	255.84
Remote work, Modernisation & Renovation work and Upgradation of SAS on 132 Kv S/s	-	-	-	-	-	-	600.00
Total FY 2026-27	529.92	189.22	92.01	54.13	383.99	617.19	2,466.46

TABLE 7.16: SUMMARY OF PROPOSED CAPEX ON GEC -II FY 2026-27, AS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Name of Scheme	Amount
Ongoing Scheme S/s	591.21

Name of Scheme	Amount
Ongoing Scheme lines	514.09
Total FY 2026-27	1,105.30

**TABLE 7.17: DETAIL CAPITAL INVESTMENT PLAN FOR FY 2026-27 AS SUBMITTED BY THE PETITIONER
(Rs. CRORE)**

Particular	Capex
UPPTCL	2,466.46
GEC-II	1,105.30
Deposit	1,039.73
Total	4,611.49

- 7.4.10 With regard to capitalisation, the Petitioner has submitted that Commission in its past tariff orders had approved the methodology of computing capitalization for APR and ARR by assuming 25% of Opening CWIP, 25% of Investment, 25% of Employee Capitalization and 25% of Interest Capitalization for FY 2026-27. Accordingly, the Petitioner has adopted the same methodology for estimating capitalisation of Rs. 3,013.78 Crore for FY 2026-27. The Petitioner has further submitted that, as the capitalization has been derived on certain percentage of various components, the scheme-wise details of asset capitalization for FY 2026-27 cannot be provided at this stage and shall be provided at the time of true-up of FY 2026-27.
- 7.4.11 The Commission has considered the capital investment of Rs. 4,611.49 Crore and capitalisation of Rs 3,013.78 Crore for FY 2026-27, as projected by the Petitioner. However, the actual capitalisation shall be subject to prudence check at the time of True-Up and subject to prior approval of Scheme/Projects in line with the Provisions of MYT Transmission Regulation, 2025, and its amendments thereof.
- 7.4.12 The Commission observes that the Petitioner has not claimed any de-capitalisation /deduction in the assets during FY 2026-27. The Commission further notes that interest capitalisation for FY 2026-27 has been considered at 5.49%, as computed in the True-Up section, and accordingly, interest capitalisation of Rs. 59.02 Crore on long-term loans has been claimed by the Petitioner. The Commission has considered the same, subject to prudence check at the time of Truing up. Accordingly, the Capital Expenditure and capitalization, considered by the Commission for FY 2026-

27 is per the following Table:

TABLE 7.18: COMMISSION APPROVED - CAPITAL EXPENDITURE AND CAPITALISATION FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27		
		Petition (ARR)	Approved (ARR)	Remarks
Opening CWIP as on April 1, 2026	A	7,147.57	5,753.39	Table 5.15
Investments	B	4,611.49	4,611.49	Table 7.17
Employee Expenses Capitalized	C	237.05	237.05	Table 7.10
Interest Capitalized on Long Term Loan	D	59.02	59.02	Table 7.32
Total Investments	E=A+B+C+D	12,055.13	10,660.96	-
Transferred to GFA	F	3,013.78	3,013.78	-
Closing CWIP	G=E-F	9,041.35	7,647.18	-

7.4.13 Based on the capitalisation approved above, the Commission has computed the Gross Fixed Assets for FY 2026-27, as shown in the Table below:

TABLE 7.19: COMMISSION APPROVED - GFA FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27		
		Petition (ARR)	Approved (ARR)	
			Figures	Remarks
Opening GFA as on 01.04.2026	A	49,452.87	40,333.07	Table 5.16
GFA Addition during FY 2026-27	B	3,013.78	3,013.78	Table 7.18
Decapitalisation / Deduction during FY 2026-27	C	-	-	-
Closing GFA as on 31.03.2027	D=A+B-C	52,466.66	43,346.85	-

7.5 DEBT: EQUITY RATIO OF CAPITALIZATION, CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES

Petitioner's Submission

7.5.1 The Petitioner has considered a normative Debt: Equity ratio of 70:30 for financing of the capital investment for FY 2025-26. Considering this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through a loan and the balance 30% has been considered to be financed through Equity Contributions. The portion of capital expenditure financed through Consumer Contribution, capital subsidies, and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

7.5.2 The Petitioner has submitted that the total Consumer Contributions (including grants) considered towards capital formation for FY 2026-27 is Rs. 1,404.48 Crore,

which includes grant of Rs. 364.75 Crore towards the GEC-II project and the Deposit Works have been considered equal to actual additions in FY 2024-25. Further, the amortisation of Consumer Contributions, Grants, and Subsidies has also been considered at the same level as that of FY 2024-25. The details of Consumer Contributions, Capital Grants, and Subsidies considered for FY 2026-27 are summarised in the Table below:

TABLE 7.20: CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2026-27
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	5,259.23
Additions during the year	1,404.48
Less: Deductions	301.84
Closing Balance	6,361.87

7.5.3 The Petitioner has submitted that, out of the total proposed capitalisation of Rs. 3,013.78 Crore in FY 2026-27, capital investment considered through deposit works and grant amounts to Rs. 1,039.73 Crore and Rs. 364.75 Crore respectively. The balance amount is considered to be funded through Debt and Equity in the ratio of 70:30. Accordingly, the Debt and Equity addition during FY 2026-27 as claimed by Petitioner are as follows:

TABLE 7.21: DEBT: EQUITY RATIO OF CAPITALIZATION SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2026-27
Capitalisation during FY 2026-27	A	3,013.78
Less: De-capitalisation/Deduction during FY 2026-27	B	-
Less: Consumer Contribution, Grants & Capital Subsidies during FY 2026-27	C	1,404.48
Net Capitalisation to be funded by Debt & Equity	D=A-B-C	1,609.31
Equity (%)	E	30.00%
Debt (%)	F	70.00%
Equity Funded during FY 2026-27	G=E*D	482.79
Debt Funded during FY 2026-27	H=F*D	1,126.51

Commission’s Analysis

7.5.4 Regulation 14 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the methodology for computation of debt equity ratio. Further Regulation 14.2 provides that for a capital investment scheme declared under commercial operation on or after April 1, 2025, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 11 of the MYT Transmission Regulations, 2025, and its amendments thereof, after making appropriate adjustment of Assets funded by Consumer Contribution/ Deposit Works/ Capital Subsidies/ Grant, subject to prudence check for determination of Tariff.

7.5.5 Accordingly in line with the above Regulations, the Commission considers the closing balance (provisional) of Consumer Contributions (Deposit Works), Grants, & Subsidies of FY 2025-26 as the opening balance of Consumer Contributions (Deposit Works), Grants & Subsidies for FY 2026-27. Further, the addition during FY 2026-27, is considered the same as claimed by the Petitioner and amortization during FY 2025-26 is considered as per the annual accounts for FY 2024-25 (True UP Section). Accordingly, the Commission considers the Consumer Contributions (Deposit Works), Grants, & Subsidies towards the cost of capital assets for FY 2026-27 as follows:

TABLE 7.22: COMMISSION APPROVED - CONSUMER CONTRIBUTION, CAPITAL GRANTS & SUBSIDIES FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		Petition (ARR)	Approved (ARR)	Remark
Opening Balance of Consumer Contributions (Deposit Works), Grants and Subsidies towards Cost of Capital Assets as on 01.04.2026	A	5,259.23	5,485.82	Table 5.19
Additions during FY 2026-27	B	1,404.48	1,404.48	Table 7.20
Less: Amortisation during FY 2026-27	C	301.84	301.84	Table 4.22 & Table 5.19
Closing Balance of Consumer Contributions (Deposit Works), Grants and Subsidies towards Cost of Capital Assets as on 31.03.2027	D=A+B-C	6,361.87	6,588.47	-

7.5.6 The Commission considers the normative Debt-Equity ratio of 70:30 as per Regulation 14 of MYT Transmission Regulations, 2025 i.e., 70% of estimated Capitalisation (net of consumer contribution, grants and subsidy) during FY 2026-27 is to be financed through debt and balance 30% through equity. The Commission observes that the Petitioner has not considered the De-capitalisation/Deduction during FY 2026-27 while deriving the net capitalisation for FY 2026-27. The Commission considers the same for its computation of ARR for FY 2026-27, which will be subject to prudence check at the time of truing-up. Accordingly, the debt-equity considered by the Commission during FY 2026-27 are shown in the Table below:

TABLE 7.23: COMMISSION APPROVED - DEBT-EQUITY RATIO FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		Petition (ARR)	Approved (ARR)	Remarks
Capitalisation during FY 2026-27	A	3,013.78	3,013.78	Table 7.18
Less: De-capitalisation/Deduction during FY 2026-27	B	-	-	
Less: Consumer Contribution, Grants & Capital Subsidies during FY 2026-27	C	1,404.48	1,404.48	Table 7.20
Net Capitalisation to be funded by Debt & Equity	D=A-B-C	1,609.31	1,609.30	
Equity (%)	E	30%	30%	
Debt (%)	F	70%	70%	
Equity addition during FY 2026-27	G=D*E	482.79	482.79	
Debt addition during FY 2026-27	H=D*F	1,126.51	1,126.51	

7.6 DEPRECIATION

Petitioner's Submission

7.6.1 The Petitioner Submitted that the Regulation 15 of MYT Transmission Regulation 2025, and its amendments thereof, provides that the Depreciation shall be allowed annually based on the Straight- Line Method at the rates stipulated in the Annexure-A for existing Assets (capitalised on or before 31.03.2025) and at the rates stipulated in Annexure- B for Assets capitalised during the Control Period.

7.6.2 In the last Tariff Order, the Commission had allowed the depreciation for the gross block up-to 31.03.2020 (Part-A as per MYT Regulation 2019) and that capitalized from 1.04.2020 to 31.03.2025 (Part-B) separately at the rates stipulated in the

Annexure- A and for existing Assets (capitalized from 01.-04.2025) at the rates stipulated in Annexure- B of MYT Transmission Regulation 2025, and its amendments thereof.

7.6.3 Accordingly, for the purpose of computing the allowable depreciation, the Petitioner considers the depreciation for the Part-A (assets capitalized up-to 31.03.2020, Part-B (for assets capitalized 1.04.2020 to 31.03.2025), as submitted in the APR Section and for assets capitalized from 1st April 2025 onwards (Part-C) as mentioned in the Table below:

TABLE 7.24: DEPRECIATION EXPENSE FOR FY 2026-27 FOR THE GROSS BLOCK OR ASSETS CAPITALISED 1ST APRIL 2025 ONWARDS (PART-C) AS SUBMITTED BY THE PETITIONER

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rate (%)	Allowable Depreciation
Land & Land Rights						
<i>i) Unclassified</i>	8.17	10.34	-	18.51	0.00%	-
<i>ii) Freehold Land</i>	0.02	0.02	-	0.04	0.00%	-
Buildings	63.94	80.88	-	144.81	3.34%	3.49
Other Civil Works	1.54	1.95	-	3.50	3.34%	0.08
Plants & Machinery	973.48	1,231.40	-	2,204.88	4.22%	67.06
Lines, Cable Network etc.	1,299.09	1,643.29	-	2,942.38	4.22%	89.49
Vehicles	-	-	-	-	9.50%	-
Furniture & Fixtures	1.00	1.26	-	2.26	6.33%	0.10
Office Equipment's	2.52	3.19	-	5.71	6.33%	0.26
Jeep & Motor Car	-	-	-	-	9.00%	-
Intangible Assets	15.63	19.77	-	35.39	15.00%	3.83
Assets taken over from Licensees pending final Valuation	17.14	21.69	-	38.83	5.28%	1.48
Total Depreciable Assets	2,374.33	3,003.42	-	5,377.76	-	165.80
Total Non-Depreciable Assets	8.19	10.36	-	18.55	-	-
Grand Total	2,382.52	3,013.78	-	5,396.30	-	165.80

7.6.4 The Petitioner considers the depreciation on assets created out of Consumer Contributions, Capital Grants, and Subsidies for FY 2026-27 the same as per the Annual Accounts of FY 2024-25. The Petitioner has reduced the equivalent depreciation of Rs. 301.84 Crore for FY 2026-27 in respect of depreciation on assets created out of Consumer Contributions, Capital Grants, and Subsidies. Thus, the allowable depreciation for FY 2026-27 computed by the Petitioner is depicted in the Table below:

TABLE 7.25: NET DEPRECIATION (PART-A + PART-B + PART-C) SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2026-27 Petition (ARR)
Allowable Depreciation for assets upto 31.03.2020	1,384.86
Allowable Depreciation for assets capitalised from 01.04.2020 onwards upto 31.03.2025	993.90
Allowable Depreciation for assets capitalised from 01.04.2025 onwards	165.80
Gross Allowable Depreciation	2,544.56
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Subsidy	301.84
Net Depreciation	2,242.73

7.6.5 The Petitioner further submitted that in compliance with the provisions of Appendix 'C' to IndAS-I8, FY 2016-17 onwards the Consumer Contribution Reserve has been recognized as revenue as equal annual income over the useful life of the underlying asset/term of the arrangement with consumers. However, the Commission in its order dated January 8, 2019, and August 27, 2019, for the revised ARR for FY 2018-19 & FY 2019-20 has allowed the net depreciation after deducting the equivalent amount of depreciation on assets acquired out of the consumer contribution. The same approach has been followed by the Petitioner while claiming the net depreciation amount for FY 2026-27. The Income from Consumer Contribution recognized as revenue (or equivalent depreciation amount) in FY 2026-27 has been considered same as in the annual accounts of FY 2024-25.

Commission's Analysis

7.6.6 Regulation 15 of the MYT Transmission Regulations, 2025, and its amendments thereof, specifies the methodology for computation of Depreciation. The Regulation 15.1(b) specifies for process of computation of depreciation, wherein depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Regulations (Annexure-A for existing assets & Annexure-B for new assets) and the Licensee has to ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing has to be spread over the balance Useful Life of the asset including the Extended Life.

7.6.7 The Commission observed that the Petitioner as per the direction of the

Commission in the last year Tariff Order is maintaining three separate asset wise Fixed Asset Register (FAR) for assets capitalized after April 01, 2020 (Part A), capitalized before April 01, 2020 and upto March 31, 2025 (Part B) and capitalized from April 1, 2025 and three separate FARs depicting addition of assets details from April 1, 2025 onwards for the purpose of depreciation computation.

7.6.8 The Commission further observed that the Petitioner has not calculated the depreciation for assets capitalized up to March 31, 2020, as per the methodology approved by the Commission in Tariff Order for FY 2020-21 dated November 10, 2020. The Petitioner was asked to submit the same as per the methodology approved by the Commission. In reply, the Petitioner has submitted that the Commission, while allowing the depreciation for Part A, has applied the WDV method for arriving at the opening value for FY 2019-20 which is contrary to the MYT Regulations 2019 and the same methodology of allowing lower opening GFA for Part A has been challenged by the Petitioner before the Hon'ble APTEL.

7.6.9 The Commission observed that it has already determined the methodology to compute the depreciation in Para 7.5.11 of Tariff Order dated November 10, 2020 for FY 2020-21, which clearly states that, due to change in the methodology of Depreciation from WDV to SLM, the Written Down closing balance of FY 2019-20 (Trued up value) shall be considered as opening value for FY 2020-21. Furthermore, the gross depreciation approved for FY 2019-20 shall be deducted from this opening value to arrive at the net Written-down opening balance (considered to be opening GFA). Subsequently, the same methodology has also been followed by the Commission in its Tariff Order dated June 29, 2021, for FY 2021-22, Tariff Order dated July 20, 2022, for FY 2022-23, Tariff Order dated May 4, 2023, for FY 2023-24, Tariff Order dated October 10, 2024, for FY 2024-25 and Tariff Order dated September 08, 2025, for FY 2025-26. Accordingly, following the same methodology, the Commission considers the closing balances (provisionally) computed for FY 2025-26 in the APR section of this Order, as the opening balances for FY 2026-27 for Part A Gross Fixed Assets and computed the depreciation on GFA prior to 31.03.2020 (Part-A) in the Table below:

**TABLE 7.26: COMMISSION APPROVED - GROSS DEPRECIATION FOR ASSETS UPTO
31.03.2020 (PART-A) (Rs. CRORE)**

Particulars	Opening GFA as on 1.4.2026*	Additions to GFA during FY 2026-27	Deductions to GFA during FY 2026-27	Closing GFA as on 31.3.2027	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 5.25)	(B)	(C)	(D)=[(A)+ (B)- (C)]	(E)	(F)=(Avg(A,D)* E)
Land & Land Rights						
Unclassified	90.31	-	-	90.31	-	-
Freehold Land	0.03	-	-	0.03	-	-
Buildings	913.37	-	-	913.37	3.34%	30.51
Other Civil Works	74.97	-	-	74.97	3.34%	2.50
Plants & Machinery	8,547.04	-	-	8,547.04	5.28%	451.28
Lines, Cable Network, etc.	9,191.30	-	-	9,191.30	5.28%	485.30
Vehicles	1.55	-	-	1.55	9.00%	0.14
Furniture & Fixtures	5.66	-	-	5.66	6.33%	0.36
Office Equipment	5.42	-	-	5.42	6.33%	0.34
Other Assets	54.37	-	-	54.37	5.28%	2.87
Intangible Assets	-	-	-	-	15.00%	-
Total Assets	18,884.03	-	-	18,884.03	5.15%	973.31

*Considered as per closing GFA (Part-A) as on March 31, 2025 as provisionally computed in the APR for FY 2025-26.

7.6.10 For Part-B assets, i.e., assets capitalised during the period from April 01, 2020 to March 31, 2025, the Commission has computed asset-wise depreciation by considering the provisionally determined closing balances for FY 2025-26, as computed in the APR section of this Order, as the opening balances for FY 2026-27 for Part-B Gross Fixed Assets.

7.6.11 Accordingly, depreciation on Part-B Gross Fixed Assets has been computed in accordance with Regulation 15.1 of the MYT Transmission Regulations, 2025, and its amendments thereof, wherein depreciation is calculated based on the Straight-Line Method (SLM) at the rates specified in Annexure-A of the said Regulations, as shown in the Table below:

**TABLE 7.27: COMMISSION APPROVED - GROSS DEPRECIATION FOR ASSETS FROM
01.04.2020 UPTO 31.03.2025 ONWARDS (PART-B) (Rs. CRORE)**

Particulars	Opening GFA as on 1.4.2026*	Additions to GFA during FY 2026-27	Deductions to GFA during FY 2026-27	Closing GFA as on 31.3.2027	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 5.26)	(B)	(C)	(D)=[(A)+ (B)- (C)]	(E)	(F)=(Avg(A,D) *E)
Land & Land Rights						
Unclassified	125.70	-	-	125.70	-	-
Freehold Land	8.92	-	-	8.92	-	-
Buildings	675.59	-	-	675.59	3.34%	22.56
Other Civil Works	52.34	-	-	52.34	3.34%	1.75
Plants & Machinery	8,368.99	-	-	8,368.99	5.28%	441.88
Lines, Cable Network, etc.	9,669.71	-	-	9,669.71	5.28%	510.56
Vehicles	0.12	-	-	0.12	9.00%	0.01
Furniture & Fixtures	6.09	-	-	6.09	6.33%	0.39
Office Equipment	16.44	-	-	16.44	6.33%	1.04
Other Assets	11.03	-	-	11.03	5.28%	0.58
Intangible Assets	84.44	-	-	84.44	15.00%	12.67
Assets taken over from Licensees pending final Valuation	47.16	-	-	47.16	5.28%	2.49
Total Assets	19,066.53	-	-	19,066.53	5.21%	993.93

*Considered as per closing GFA (Part-B) as on March 31, 2025 as provisionally computed in the APR for FY 2025-26

7.6.12 For Part-C i.e., assets capitalised after April 01, 2025, the Commission has calculated the asset-wise depreciation as per Regulation 15.1 of MYT Transmission Regulations, 2025, and its amendments thereof, i.e., the depreciation is computed based on the Straight-Line Method at the rates stipulated in the Annexure-B. The Commission approves the Depreciation for Part-C as shown in the Table below:

**TABLE 7.28: COMMISSION APPROVED - GROSS DEPRECIATION FOR ASSETS FROM
01.04.2025 ONWARDS (PART-C) (Rs. CRORE)**

Particulars	Opening GFA as on 1.4.2026*	Additions to GFA during FY 2026-27	Deductions to GFA during FY 2026-27	Closing GFA as on 31.3.2027	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 5.27)	(B)	(C)	(D)=[(A)+ (B)- (C)]	(E)	(F)=(Avg(A,D) *E)
Land & Land Rights						
Unclassified	8.17	10.34	-	18.51	-	-
Freehold Land	0.02	0.02	-	0.04	-	-
Buildings	63.94	80.88	-	144.81	3.34%	3.49
Other Civil Works	1.54	1.95	-	3.50	3.34%	0.08
Plants & Machinery	973.48	1,231.40	-	2,204.88	4.22%	67.06
Lines, Cable Network, etc.	1,299.09	1,643.29	-	2,942.38	4.22%	89.50

Particulars	Opening GFA as on 1.4.2026*	Additions to GFA during FY 2026-27	Deductions to GFA during FY 2026-27	Closing GFA as on 31.3.2027	Depreciation Rate (%)	Allowable Depreciation
	(A) (Table 5.27)	(B)	(C)	(D)=[(A)+(B)-(C)]	(E)	(F)=(Avg(A,D)*E)
Vehicles	-	-	-	-	9.00%	-
Furniture & Fixtures	1.00	1.26	-	2.26	6.33%	0.10
Office Equipment	2.52	3.19	-	5.71	6.33%	0.26
Other Assets	-	-	-	-	4.22%	-
Intangible Assets	15.63	19.77	-	35.39	15.00%	3.83
Assets taken over from Licensees pending final Valuation	17.14	21.69	-	38.83	4.22%	1.18
Total Assets	2,382.52	3,013.78	-	5,396.31	4.26%	165.50

7.6.13 Further, the depreciation on assets created out of Consumer Contribution, Capital Grants, and Capital Subsidies is considered as per the Annual Accounts for FY 2024-25 (True Up Section).

7.6.14 The Commission observes that the Petitioner has not claimed any de-capitalisation/ deduction in the assets during FY 2026-27 and will claim the same at the time of Truing-Up based on the actuals. The following Table summarizes the Depreciation as claimed by the Petitioner and as approved by the Commission for FY 2026-27.

TABLE 7.29: COMMISSION APPROVED - NET DEPRECIATION (PART-A + PART-B + PART-C) FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		Petition (ARR)	Approved (ARR)	
		Table 7.25	Values	Remarks
Depreciation of Assets upto 31.03.2020	A	1,384.86	973.31	Table 7.26
Depreciation for assets capitalised from 01.04.2020 onwards upto 31.03.2025	B	993.90	993.93	Table 7.27
Depreciation for assets capitalised from 01.04.2025 onwards	C	165.80	165.50	Table 7.28
Gross Allowable Depreciation	D= A+B+C	2,544.56	2,132.74	
Less: Depreciation of assets created from Consumer Contribution, Capital Grants and Capital Subsidies	E	301.84	301.84	Table 4.22 & Table 5.19
Net Depreciation	F= D-E	2,242.73	1,830.90	

7.7 INTEREST ON LONG TERM LOANS

Petitioner’s Submission

- 7.7.1 The Petitioner has considered a normative Tariff approach with a gearing of 70:30. In this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% through Equity contributions.
- 7.7.2 The Petitioner as per the direction of the Commission in order dated November 10, 2020, has computed the normative opening loan as on April 1, 2020 as below:

TABLE 7.30: OPENING NORMATIVE LOAN AS ON APRIL 1, 2020 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2020-21
Opening Debt	A	18,896.53
Cumulative Net Depreciation upto 31.3.2020	B	7,490.39
Opening Normative Loan	C=A-B	11,406.15

- 7.7.3 The Petitioner has considered the normative opening loan for FY 2026-27 to be the normative closing for FY 2025-26 (as worked out in the APR Section). Further, for the purpose of the computation of the normative interest on loan, the Petitioner has considered the loan addition as 70% of the actual capitalisation after adjusting the Consumer Contribution and Grants.
- 7.7.4 The Petitioner has submitted that the portion of capital expenditure financed through Consumer Contributions, Capital subsidies, and Grants has been separated as the depreciation and interest thereon have not been charged to the beneficiaries.
- 7.7.5 The Petitioner further submitted that the allowable depreciation for the year has been considered as normative loan repayment. The weighted average rate of interest of the overall long-term loan portfolio for FY 2024-25 is 9.20% and the same has also been considered for FY 2026-27. Interest capitalisation has been considered at a rate of 5.49% for FY 2026-27 as the same is the actual capitalization for FY 2024-25 as per the audited annual accounts. The computations for interest on a long-term loan as submitted by the Petitioner are depicted below:

TABLE 7.31: INTEREST ON LONG TERM LOANS SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2026-27
Opening Loan	12,235.12
Loan Additions (70% of Capitalisation)	1,126.51
Less: Repayments (Depreciation allowable for the year)	2,242.73
Closing Loan Balance	11,118.91
Weighted Average Rate of Interest (%)	9.20%
Interest on long term loan	1,074.29
Interest Capitalisation Rate (%)	5.49%
Less: Interest Capitalized	59.02
Net Interest Charged	1,015.26

Commission’s Analysis

- 7.7.6 The Commission has computed the normative debt and interest on long-term loans for FY 2026-27 in accordance with Regulation 17 of the MYT Transmission Regulations, 2025, and its amendments thereof.
- 7.7.7 The Commission observes that the Petitioner has considered the opening loan balance based on audited values, instead of the closing loan balance approved by the Commission in the previous True-Up Order. Thus, considering the regulatory accounting and provisions, for the purpose of arriving at the opening balance of FY 2026-27, the Commission has considered provisionally computed closing balance in APR for FY 2025-26 as per Regulation 17.2.
- 7.7.8 The Commission has considered 100% investment and capitalisation as claimed by the Petitioner during FY 2026-27. Further, 70% of the net GFA addition (after accounting for deduction/de-capitalisation and Consumer Contributions, as approved for FY 2026-27) has been considered as loan addition during the year, in accordance with Regulation 17.1. The repayment of loans has been approved as equal to the net depreciation approved by the Commission for the year, in line with Regulation 17.3.
- 7.7.9 Further, in line with Regulation 17.5, the Commission has considered the weighted average rate of interest, computed based on the actual long-term loan portfolio as per the Annual Accounts of FY 2024-25 (True-Up), for determining the interest rate applicable for FY 2026-27.
- 7.7.10 The Commission considers the interest capitalized for FY 2026-27 as claimed by the Petitioner. Accordingly, interest on long-term loan approved for FY 2026-27 is shown

in the Table below:

TABLE 7.32: COMMISSION APPROVED - INTEREST ON LONG TERM LOANS FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	Petition (ARR)	Approved (ARR)	
		Table 7.31	Values	Remarks
Opening Normative Loan as on 01.04.2026	A	12,235.12	13,433.94	Table 5.31
Loan Additions during the Year	B	1,126.51	1,126.51	Table 7.23
Less: Repayments (Depreciation allowable for Year)	C	2,242.73	1,830.90	Table 7.29
Closing Loan Balance as on 31.03.2027	D=A+B-C	11,118.91	12,729.55	
Weighted Average Rate of Interest (%)	E	9.20%	9.15%	Table 4.32
Interest on Long-term loan	F=(A+D)/2* E	1,074.29	1,196.37	
Less: Interest Capitalized	G	5.49%	4.93%	
Net Interest Charged	H=F*G	59.02	59.02	

7.8 INTEREST ON WORKING CAPITAL

Petitioner's Submission

7.8.1 The Petitioner has submitted that MYT Transmission Regulations, 2025, and its amendments thereof, provides for normative Interest on Working Capital based on the methodology outlined in the Regulations.

7.8.2 The Petitioner has considered State Bank of India Marginal Cost of Funds based Lending Rate (SBI MCLR) as on November 11, 2025, plus 200 basis points (10.75%) as the interest on the working capital requirement for FY 2026-27. The Petitioner claimed toward interest on working capital is shown in the Table below:

TABLE 7.33: INTEREST ON WORKING CAPITAL SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2026-27 Petition (ARR)
One Month of O&M Expenses	A=O&M/12	150.79
Maintenance spares @ 40% of R&M Expenses for two months	B=40%*R&M/6	50.44
Receivable equivalent to 45 days average billing of consumers	C=ARR*1.5/12	909.55
Total Working Capital Requirement	D= A+B+C	1,110.78

Particulars	Derivation	FY 2026-27 Petition (ARR)
Interest rate (%)	E	10.75%
Interest on working capital	F=D*E	119.41

Commission's Analysis

7.8.3 Regulation 21 of the MYT Transmission Regulation 2025, and its amendments thereof, provides the methodology for the computation of Interest on Working Capital.

7.8.4 For computation of working capital, the Commission considers approved O&M Expenses for one Month, Maintenance Spares at 40% of R&M Expenses for two Months and One-and-a-half-month equivalent of the expected revenue from transmission charges at the prevailing Tariff in line with the provisions of the above Regulations.

7.8.5 The Commission notes that the Petitioner has considered the rate of interest on working capital at SBI MCLR (1 Year) prevailing as on November 14, 2025, plus 200 basis points in accordance with Regulation 21.2 of the MYT Transmission Regulations, 2025, and its amendments thereof.

7.8.6 The Commission observes that as per Regulation 21.2 of the MYT Transmission Regulation 2025, and its amendments thereof, the Rate of interest on working capital for ensuing year shall be simple interest and shall be equal to the SBI MCLR (1-year) as on date on which Petition for determination of Tariff is filed plus 200 basis points. Since, the Petition was filed on November 28, 2025, therefore, the rate of interest on Working Capital requirement is to be taken as the prevailing rate as on November 28, 2025 as per the Regulation 21.2. The SBI 1 Year MCLR as on November 28, 2025 was 8.75% (Source: SBI MCLR (1 Year) <https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>), which is equal to the rate considered by the Petitioner. Thus, the interest rate on working capital requirement for FY 2026-27 comes to be 10.75% (SBI 1 Year MCLR plus 200 basis points). The same will be revisited at the time of True-Up in line with the first Proviso of Regulation 21.2 of MYT Transmission Regulations, 2025, and its amendments thereof.

7.8.7 Accordingly, the Commission has computed the working capital requirement and interest on working capital as shown below:

TABLE 7.34: COMMISSION APPROVED - INTEREST ON WORKING CAPITAL FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		Petition (ARR)	Approved (ARR)	
		Table 7.33	Values	Remarks
O&M Expenses for one Month	$A=O\&M/12$	150.79	118.09	Table 7.10
Maintenance Spares at 40% of R&M Expenses for two Months	$B=40\%*R\&M/6$	50.44	40.49	Table 7.10
One and Half Month equivalent of the expected revenue for Transmission Charges at prevailing Tariff	$C=ARR*1.5/12$	909.55	745.11	Table 7.40
Total Working Capital	$D=A+B+C$	1,110.78	903.69	
Interest Rate on Working Capital Requirement	E	10.75%	10.75%	
Interest on Working Capital	$F=D*E$	119.41	97.15	

7.9 BANKING AND FINANCE CHARGES

Petitioner’s Submission

7.9.1 The Petitioner has considers Banking and Finance Charges in line with the methodology specified in Regulation 18 of the MYT Transmission Regulation, 2025, and its amendments thereof.

7.9.2 In accordance with the above provision, the Petitioner has considered Banking and Finance Charges of Rs. 0.06 Crore for FY 2026-27, based on the audited value for FY 2024-25.

Commission’s Analysis

7.9.3 The Commission notes that the Petitioner has not separately claimed Banking and Finance Charges in the ARR section, however the said amount has been included in the Summary of ARR. In response the Petitioner submitted that the Banking and Finance Charges for FY 2026-27 were inadvertently not mentioned in the narrative portion of the Petition, however, the same were duly claimed in the Summary of ARR at Rs. 0.06 Crore. The Petitioner further submitted that the said amount has

been considered based on the Annual Accounts for FY 2024-25.

7.9.4 The Commission notes that in accordance with Regulation 18 of the MYT Transmission Regulations, 2025, and its amendments thereof, Banking and Finance Charges are to be allowed in the ARR based on the approved value of the latest True-Up year, subject to prudence check at the time of Truing-up. Since the Petitioner has considered Rs. 0.06 Crore for FY 2026-27, based on the audited value for FY 2024-25, the Commission allows the same for ARR purposes. However, the final admissibility of Banking and Finance Charges shall be subject to prudence check at the time of Truing-up based on Annual Accounts.

7.10 RETURN ON EQUITY

Petitioner's Submission

7.10.1 The Petitioner has submitted that under the provisions of MYT Transmission Regulations, 2025, and its amendments thereof, the Petitioner is eligible to a return of 14.5% on Equity base and for equity base calculation Debt: Equity ratio shall be 70:30. Where Equity involved is more than 30%, the amount of Equity for the purpose of Tariff shall be limited to 30%. Equity amounting to more than 30% shall be considered as a loan. In case of actual Equity employed being less than 30%, actual Debt and Equity shall be considered for the determination of Tariff. He Petitioner has submitted that it has computed RoE as per the methodology adopted by the Commission in the previous Tariff Order.

7.10.2 The Petitioner has computed the eligible RoE by considering the opening normative Equity as on April 1, 2020. Subsequently, Subsequently, it has considered the normative Equity closing based on the capital additions for FY 2026-27. The ROE claimed by the Petitioner for FY 2026-27 is shown in the Table below:

TABLE 7.35: RETURN ON EQUITY FOR FY 2026-27 SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	Derivation	FY 2026-27
Equity at the beginning of the year	A	12,965.44
Assets Capitalised	B	3,013.78
Less: Deletion of Assets	C	-
Less: CC during FY	D	1,404.48
Net Capitalisation to be funded by Debt	E=B-C-D	1,609.31

Particulars	Derivation	FY 2026-27
& Equity		
Addition to Equity	F= 30% of E	482.79
Closing Equity	G= A + F	13,448.24
Average Equity	H= Average of A & G	13,206.84
Rate of Return (%)	I	14.50%
Return on Equity @ 14.50%	J = I x H	1,914.99

Commission’s Analysis

7.10.3 The Commission, for the purpose of determination of Return on Equity, considers the Debt: Equity ratio of 70:30 for the assets capitalized in line with Regulation 14 of the MYT Transmission Regulations, 2025, and its amendments thereof.

7.10.4 The Commission observes that the Petitioner has considered the Closing Equity value of FY 2025-26 as per its claim under the APR Section as the Opening Equity value for FY 2026-27. However, the Commission has considered the opening Equity base of FY 2026-27 as the closing of FY 2025-26 approved in the APR section of this Order.

7.10.5 In order to arrive at the closing equity base for FY 2026-27, equity addition during the year has been considered as 30% of the net capitalization, approved above. The Commission also observes that the Petitioner has claimed the rate of RoE as 14.50%, the same has been considered by the Commission as per Regulation 16 of MYT Transmission Regulations, 2025, and its amendments thereof. Accordingly, the RoE approved by the Commission for FY 2026-27 is shown in the Table below:

TABLE 7.36: COMMISSION APPROVED - RETURN ON EQUITY FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		Petitioner (ARR)	Approved (ARR)	
		Table 7.35	Values	Remarks
Opening Equity as on 01.04.2026	A	12,965.44	12,367.72	Table 5.35
Addition during the year	B	482.79	482.79	Table 7.23
Closing Equity as on 31.03.2027	C=A+B	13,448.24	12,850.51	
Average Equity	D=(A+C)/2	13,206.84	12,609.11	

Particulars	Derivation	FY 2026-27 (ARR)		
		Petitioner (ARR)		Approved (ARR)
		Table 7.35	Values	Remarks
Rate of Return (%)	E	14.50%	14.50%	
Return on Equity	F=D*E	1,914.99	1,828.32	

7.11 TAX ON RETURN ON EQUITY

Petitioner’s Submission

7.11.1 The Petitioner submitted that it has opted for taxation under Section 115BAA of the Income Tax Act, 1961 with effect from Assessment Year 2020-21, under which income tax payable on the total income of the company is computed at the rate of 22% plus applicable Surcharge and Cess. Prior to exercising this option, the applicable tax rate for Assessment Year 2019-20 was 30% plus applicable Surcharge and Cess. The Petitioner further submitted that it has accumulated losses in the form of unabsorbed depreciation of Rs. 8,300.84 Crore as on March 31, 2025. Accordingly, the Petitioner has not made any claim towards Tax on Return on Equity.

Commission’s Analysis

7.11.2 The Commission notes that the Petitioner has not claimed any expenditure towards Tax on Return on Equity for FY 2026-27. As, no actual tax is applicable on the Petitioner thus, the Commission has not approved any expenditure towards Tax on Return on Equity for FY 2026-27 in line with Regulation 22 of the MYT Transmission Regulation, 2025, and its amendments thereof.

7.12 NON-TARIFF INCOME:

Petitioner’s Submission

7.12.1 The Petitioner has submitted that non-tariff income comprises of interest on loans and advances to employees, income from fixed rate investment deposits and interest on loans and advances to the Licensees. Further, the amount of depreciation charged on assets created out of consumer contributions, capital grants, and subsidies is also booked under as Other Income in the annual accounts. The non-tariff income for FY 2026-27 is claimed as Rs. 337.75 Crore. The same has been considered as per the annual accounts of FY 2024-25 after deducting the

estimated amount of income from Consumer Contribution from the total non-Tariff income for the year.

Commission’s Analysis

7.12.2 Regulation 23 of the MYT Transmission Regulation 2025, and its amendments thereof, provides that the Non-Tariff Income relating to the Transmission Business, as approved by the Commission, shall be deducted from the ARR while determining the Annual Transmission Charges of the Transmission Licensee.

7.12.3 The Commission further notes that the Non-Tariff Income of Rs. 337.75 Crore claimed by the Petitioner for FY 2026-27 is based on the audited Annual Accounts for FY 2024-25. Accordingly, the Commission considers the same for ARR purposes, subject to prudence check at the time of Truing-up based on audited actuals.

TABLE 7.37: COMMISSION APPROVED - NON-TARIFF INCOME FY 2026-27 (Rs. CRORE)

Particulars	FY 2026-27 (ARR)	
	Petition (ARR)	Approved (ARR)
Net Non-Tariff Income	337.75	337.75

7.13 INCOME FROM OTHER BUSINESS:

Petitioner’s Submission

7.13.1 The Petitioner has submitted that it has initiated the leasing of the dark fiber cable (OPGW) for optimum utilization of Transmission assets by way of utilization of surplus capacity of its OPGW. In this regard, the Petitioner had approached the Commission vide Petition No. 1848/2022, seeking permission of the Commission about engaging in Other Business for leasing of its OPGW infrastructure. Accordingly, the Commission had given approval of the same vide its Order dated 2nd November 2022.

Quote

“
....., the Commission has allowed utilization of surplus capacity of UPPTCL’s OPGW infrastructure by leasing out its dark fiber for a lease period of 15 years subject to compliance of conditions stipulated under UPERC (Other Business) Regulations, 2004 or any subsequent amendment/re-enactment thereof. The utilization of the assets and

facilities of the Licensed Business for other business shall not, in any manner, affect the License conditions, performance of obligations or quality of service required from UPPTCL under Licensed Business.”

Unquote

- 7.13.2 Further, with respect of the sharing of such income, the Commissioned observes as below in the same order:

Quote

“Accordingly, the Commission has decided that an amount equal to 70% of the gross revenue from such other business in a given financial year shall be utilised for reducing the Transmission Charges of the Licensed Business, whereas 30% of the gross revenue shall be retained with the other business. The operation and maintenance cost of leased dark fibers shall be borne by UPPTCL out of their revenue share.”

Unquote

- 7.13.3 The Petitioner has shared 70% of the expected gross revenue of Rs. 12.18 Crore in FY 2026-27 from leasing of dark fibers. However, at the time of Truing-up for FY 2026-27, the overall non-Tariff income, including the revenue from leasing of the OPGW (upto 70%), shall be considered on actual basis for the purpose of computation of the allowable ARR.

Commission’s Analysis

- 7.13.4 Regulation 24 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the proportion of revenue from Other Business shall be utilized in the Transmission business as stipulated in UPERC (Treatment of Income of Other Business of Transmission Licensees and Distribution Licensees) Regulations, 2004 or any subsequent amendment thereof.
- 7.13.5 The Commission observes that the Petitioner has projected net revenue from Other Business of Rs. 12.18 Crore for FY 2026-27, based on the actual value considered in the True-Up section of this Order and in accordance with the Commission’s Order dated November 02, 2022, in Petition No. 1848 of 2022.
- 7.13.6 The Commission, after taking into cognizance of the Order dated November 02, 2022, in Petition No. 1848 of 2022 and the details submitted by the Petitioner, approves 70% of the gross revenue projected by the Petitioner for FY 2025-26 on

account of income from other business to be passed on for reducing the transmission charges of the Licensed Business. The said order has been discussed in True Up Section of this Order. This shall be subject to prudence check at the time of Truing-Up. Accordingly, the income from Other Businesses approved by the Commission for FY 2025-26 is shown below:

TABLE 7.38: COMMISSION APPROVED - INCOME FROM OTHER BUSINESS FY 2026-27 (Rs. CRORE)

Particulars	FY 2026-27 (ARR)	
	Petition	Approved
Income from Other Business	12.18	12.18

7.14 SUMMARY OF ARR FOR FY 2026-27

Petitioner’s Submission

7.14.1 The ARR Petition submitted by the Petitioner for FY 2026-27 is summarized in the Table below:

TABLE 7.39: SUMMARY OF ARR FOR FY 2026-27, SUBMITTED BY THE PETITIONER (Rs. CRORE)

Particulars	FY 2026-27 ARR Petition
Gross O&M Expenses	1,809.50
<i>Employee cost</i>	969.25
<i>A&G expenses</i>	83.65
<i>R&M expenses</i>	756.60
Interest on Loan Capital	1,074.29
Interest on Working Capital	119.41
Banking and Finance Charges	0.06
Depreciation	2,242.73
Gross Expenditure	5,245.98
<i>Less: Employee cost capitalized</i>	237.05
<i>Less: Interest Capitalisation</i>	59.02
Net Expenditure	4,949.90
Add: Return on Equity	1,914.99
<i>Less: Non-Tariff Income</i>	337.75
<i>Less: Income from other Business[#]</i>	12.18
Aggregate Revenue Requirement (ARR)	6,514.96
Add: Gap/(Surplus) for FY 2022-23 along with Applicable Carrying Cost	761.40

Particulars	FY 2026-27 ARR Petition
Net ARR along with Adjustment of Gap/(Surplus) for FY 2022-23	7,276.36

#Revenue from OPGW leasing

Commission's Analysis

7.14.2 The Commission considers the ARR based on various components as approved for FY 2026-27. Accordingly, the summary of ARR for FY 2026-27 is given in the Table below:

TABLE 7.40: COMMISSION APPROVED - SUMMARY OF ARR FOR FY 2026-27 (Rs. CRORE)

Particulars	Derivation	FY 2026-27 (ARR)		
		ARR Claimed	ARR Approved	
		Table 7.39	Values	Remarks
O&M Expenses	A=B+C+D	1,809.50	1,654.11	Table 7.10
Employee Expenses	B	969.25	971.71	Table 7.10
A&G Expenses	C	83.65	75.01	Table 7.10
R&M Expenses	D	756.60	607.39	Table 7.10
Interest on Loan Capital	E	1,074.29	1,196.37	Table 7.32
Interest on Working Capital	F	119.41	97.15	Table 7.34
Banking and Finance Charges	G	0.06	0.06	Para 7.9.4
Depreciation	H	2,242.73	1,830.90	Table 7.29
Gross Expenditure	I=A+E+F+G+H	5,245.98	4,778.59	-
Less: Employee Expenses Capitalised	J	237.05	237.05	Table 7.10
Less: Interest Expenses Capitalised	K	59.02	59.02	Table 7.18
Net Expenditure	L=I-J-K	4,949.90	4,482.51	-
Add: Return on Equity	M	1,914.99	1,828.32	Table 7.36
Less: Non-Tariff Income	N	337.75	337.75	Table 7.37
Less: Income from Other Business	O	12.18	12.18	Table 7.38
Aggregate Revenue Requirement	P=L+M-N-O	6,514.96	5,960.90	-

7.14.1 The Commission, based on a prudence check and detailed analysis of each parameter, approved an ARR of Rs. 5,960.90 Crore. The detailed analysis and prudence check shall, however, be undertaken at the time of Truing-up for FY 2026-27.

8 INTRA STATE TRANSMISSION TARIFF FOR FY 2026-27

8.1 INTRODUCTION

8.1.1 The Petitioner has submitted the ARR of Intra State Transmission Tariff for FY 2026-27 as per the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof, and based on the projections of ARR of FY 2026-27 for Section 62 Transmission Licensee, ATSC for Section 63 Transmission Licensees, the Yearly average of daily maximum InSTS drawal (X), the Yearly maximum InSTS drawal (Y), Base TCR, Energy Projection of Transmission System Users at State Periphery and Eligible Rebate as per UP Solar Policy, 2022 and UP Data Centre Policy, 2021.

8.1.2 The Commission has computed the figures wherever required as per ARR of FY 2026-27 approved by the Commission and submissions of the Petitioner including deficiency replies. It is pertinent to mention that final prudence checks will be carried out by the Commission at the time of True-up. Accordingly, components of ARR of Intra State Transmission Tariff for FY 2026-27 are discussed in following Sections.

8.2 PETITION FOR INTRA- STATE TRANSMISSION TARIFF

8.2.1 Regulation 3.3 of the MYT Transmission Regulation 2025, and its amendments thereof, provides that the State Transmission Utility (STU), shall file the annual Petition for True-up of Total Transmission System Cost (TTSC) for previous year, APR of current year and TTSC of ensuing year for determination of Intra State Transmission Tariff in such form and in such manner as specified in these Regulations along with relevant formats, duly supported with detailed computations, by 30th November of each year.

8.2.2 Further Uttar Pradesh Power Transmission Corporation Ltd (UPPTCL) has filed the instant Petition for determination of Intra- State Transmission Tariff, as per the First Proviso to the Regulation 3.3 of the MYT Transmission Regulation 2025, and its amendments thereof, which provides that Uttar Pradesh Power Transmission Corporation Ltd. in the capacity of State Transmission Utility shall file a single Petition for compliance of Regulation 3.2 and Regulation 3.3 of these Regulations till functions of STU are assigned to a separate entity.

8.3 POOLED TOTAL TRANSMISSION SYSTEM COST FOR FY 2026-27

Petitioner's Submission

8.3.1 The Petitioner has submitted that Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Total Transmission System Cost (TTSC) of the Intra-State Transmission System shall be computed as the aggregate of:

- d) Annual Revenue Requirements (ARR) of all Transmission Licensees determined under Section 62 of the Electricity Act, 2003;
- e) Annual Transmission Service Charges (ATSC) of TBCB projects adopted under Section 63 of the Electricity Act, 2003; and
- f) Adjustment for ATSC during True-Up, as applicable.

8.3.2 The Petitioner has submitted that as per the above Regulation, all the Transmission Licensees in the State form part of the InSTS, and their projected yearly revenue requirement for FY 2026-27 is to be considered for determining the TTSC. The Petitioner further submitted that UPPTCL is the Transmission Licensee under Section 62 of the Act, and there are twelve (12) Transmission Licensees operating under Section 63 of the Act. Accordingly, the Petitioner computed the TTSC for FY 2026-27, as shown in the Table below:

TABLE 8.1: TTSC CLAIMED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

S. No.	Particular	FY 2026-27 (ARR)
Transmission License Under Sec 62		
A	UPPTCL ARR (Claimed in the instant Petition)	7,276.36
Transmission License Under Sec 63		
1	M/s Ghatampur Transmission Limited	257.68
2	M/s Obra-C Badaun Transmission Limited	110.21
3	M/s South East U.P. Power Transmission Company Limited	538.71
4	M/s Westen U.P. Power Transmission Co. Ltd.	745.40
5	M/s Powergrid Jawaharpur Firozabad Transmission Limited	65.89
6	M/s Powergrid Rampur Sambhal Transco Limited	118.63
7	M/s Powergrid Gomti Yamuna Transmission Limited	143.48



S. No.	Particular	FY 2026-27 (ARR)
8	M/s Meerut-Simbhawali Transmission Limited	133.60
9	M/s Tirwa Transmission Ltd.	17.15
10	M/s Meerut Shamali Power Transmission Ltd.	22.19
11	M/s Jalpura Khurja Power Transmission Ltd.	91.54
12	M/s Jewar Transmission Limited	76.02
B.	Total TBCB Annual Transmission Service Charges (ATSC) approved under Sec 63*	2,320.50
C.	Total Transmission System Cost (C=A+B)	9,596.86

*TBCB Claim as submitted by the UPPCL and claimed by the Petitioner

Commission's Analysis

8.3.3 Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof, stipulates that the Total Transmission System Cost (TTSC) of the Intra-State Transmission System shall be computed as the aggregate of:

- the Aggregate Revenue Requirement (ARR) of all Transmission Licensees determined under Section 62 of the Electricity Act, 2003;
- the Annual Transmission Service Charges (ATSC) of projects executed through the Tariff Based Competitive Bidding (TBCB) route and adopted under Section 63 of the Act; and
- adjustment for ATSC, wherever applicable, during True-Up.

8.3.4 The Commission notes that the Petitioner has considered UPPTCL as the Transmission Licensee regulated under Section 62 of the Act, along with twelve Transmission Licensees operating under Section 63 of the Act. The Commission further observes that the Petitioner has computed the TTSC for FY 2026-27 by aggregating the projected ARR of UPPTCL and the ATSC of TBCB projects.

8.3.5 The Commission observes that the methodology adopted by the Petitioner is consistent with the provisions of Regulation 29.1 of the MYT Transmission Regulations, 2025, and its amendments thereof. However, for the purpose of determination of TTSC, the Commission has considered the ARR of UPPTCL for 2026-27, as determined by the Commission in ARR Section of this Order, in accordance with the provisions of the MYT Transmission Regulations, 2025, and its amendments thereof, as shown in the Table below:

TABLE 8.2: COMMISSION APPROVED - ARR UPPTCL FOR FY 2026-27 (Rs. CRORE)

S. No.	Particular	Petition (ARR)	Approved (ARR)	Remarks
A	Total Net ARR approved for UPPTCL	7,276.36	5,960.90	Table 7.40

8.3.6 The Commission observes that the Petitioner has claimed ATSC of Rs. 2,320.50 Crore for Section 63 projects for FY 2026-27 and the transmission charges for all twelve (12) transmission licenses have already been approved, as per the details provided by UPPCL. Accordingly, the Commission has considered the claim of the Petitioner for computation of ATSC, as shown in the Table below:

TABLE 8.3: COMMISSION APPROVED - ATSC FOR FY 2026-27 (Rs. CRORE)

S. No.	Particular	Petition (ARR)	Approved (ARR)
1	M/s Ghatampur Transmission Limited	257.68	257.68
2	M/s Obra-C Badaun Transmission Limited	110.21	110.21
3	M/s South East U.P. Power Transmission Company Limited	538.71	538.71
4	M/s Westen U.P. Power Transmission Co. Ltd.	745.40	745.40
5	M/s Powergrid Jawaharpur Firozabad Transmission Limited	65.89	65.89
6	M/s Powergrid Rampur Sambhal Transco Limited	118.63	118.63
7	M/s Powergrid Gomti Yamuna Transmission Limited	143.48	143.48
8	M/s Meerut-Simbhawali Transmission Limited	133.60	133.60
9	M/s Tirwa Transmission Ltd.	17.15	17.15
10	M/s Meerut Shamali Power Transmission Ltd.	22.19	22.19
11	M/s Jalpura Khurja Power Transmission Ltd.	91.54	91.54
12	M/s Jewar Transmission Limited	76.02	76.02
B	Total TCB Annual Transmission Service Charges (ATSC) approved under Sec 63*	2,320.50	2,320.50

* TCB Claim approved as submitted by Petitioner

8.3.7 Further, any adjustment towards ATSC at the time of True-Up shall be duly reconciled based on the actual ATSC paid by the Long-Term Transmission Customers (LTTCS) vis-à-vis the ATSC adopted by the Commission, in line with the provisions of the Regulations.

8.3.8 Accordingly, the Commission approves the Pooled Total Transmission System Cost (TTSC) for FY 2026-27 as shown in the Table below:

TABLE 8.4: COMMISSION APPROVED - TTSC FOR FY 2026-27 (Rs. CRORE)

S. No.	Particular	Petition (ARR)	Approved (ARR)	Remarks
A	Total Net ARR approved for UPPTCL	7,276.36	5,960.90	Table 8.2
B	Total TBCB Annual Transmission Service Charges (ATSC) approved under Sec 63	2,320.50	2,320.50	Table 8.3
C	Total Transmission System Cost (C=A+B)	9,596.86	8,281.40	

8.4 BASE TRANSMISSION CAPACITY RIGHTS

Petitioner's Submission

8.4.1 The Petitioner has submitted that Regulation 29.2 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Commission shall approve yearly Base Transmission Capacity Rights (Base TCR) for each Distribution Licensee and Indian Railways, representing their capacity utilisation of the Intra-State Transmission System (InSTS).

8.4.2 The Petitioner further submitted that the Base TCR for a given year shall be computed as the average of:

- the Yearly average of daily maximum InSTS drawal (X), and
- the Yearly maximum InSTS drawal (Y)

8.4.3 The Petitioner submitted that the drawal of Distribution Licensee(s) includes drawal of power by part Open Access Consumers but shall be exclusive of drawal of power by full Open Access consumers.

8.4.4 The Petitioner further submitted that in line with Regulation 29.2, the Base TCR for the ensuing year is to be computed on the basis of projections for X and Y, which in turn shall be derived from available drawal data of past years as submitted by the Distribution Licensees and Indian Railways to the State Transmission Utility. For Distribution Licensees and Indian Railways where twelve (12) months of X and Y data is not available, STU shall consider data for at least four (4) months or the quantum of Open Access applied during the available period, in lieu of average monthly X and Y, for determination of Base TCR. Further, the values of X and Y

projected by each TSUs shall be inclusive of drawal by partial Open Access Customers of Distribution Licensees but exclusive of drawal of full Open Access Customers.

- 8.4.5 The Petitioner submitted that UPPCL for State Discoms, NPCL and NIDP has submitted their projection of daily maximum InSTS drawal (X), Yearly maximum InSTS drawal and Base Transmission Capacity Right. Indian Railways has not submitted their Base TCR.

Projection of the Yearly average of daily maximum InSTS drawal (X), Yearly maximum InSTS drawal (Y) and Base Transmission Capacity Right by the Petitioner

- 8.4.6 **For State Distribution Companies:** The Petitioner submitted that, for projecting the Yearly Average of Daily Maximum InSTS drawal (X) and the Yearly Maximum InSTS drawal (Y) for FY 2026-27, the State-owned Distribution Licensees, namely DVVNL, MVVNL, PVVNL, PuVVNL, and KESCO, have considered demand data for the last two financial years, i.e., FY 2024-25 and FY 2025-26.
- 8.4.7 The values for FY 2024-25 are based on the actual 15-minute time block demand data of SLDC. The values for FY 2025-26 have been assessed by the Petitioner by considering actual SLDC data for six months (April 2025 to September 2025) and projected demand for the remaining six months (October 2025 to March 2026), which has been derived using the corresponding 15-minute time block demand data of the same period of the previous year, i.e., October 2024 to March 2025.
- 8.4.8 Based on the above, the State DISCOMs namely DVVNL, MVVNL, PVVNL, PuVVNL, and KESCO have computed the percentage increase in demand for FY 2025-26 over FY 2024-25 and applied the same for projection of X for FY 2026-27, with proposed increases of 8.01%, 6.60%, 4.96%, 6.97%, and 7.34%, respectively. For the projection of Y for FY 2026-27, a uniform increase of 5% over the FY 2025-26 level has been considered. Accordingly, the State DISCOMs DVVNL, MVVNL, PVVNL, PuVVNL, and KESCO have proposed the Base Transmission Capacity Rights for FY 2026-27, reflecting an increases of 6.39%, 5.68%, 4.98%, 5.87%, and 5.98%, respectively. The details are provided in the Tables below:

TABLE 8.5: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY DVNNL FOR FY 2026-27 (MW)

FY	Yearly Average of Daily Max drawal (X)	Yearly Max drawal (Y)	Base TCR = (X+Y)/2	% Increase from previous year
2024-25	4,800	7,307	6,053	-
2025-26	5,185*	6,015*	5,600	-
2026-27 (Projected)	5,600	6,316	5,958	6.39%

*X and Y Value for FY 2025-26 are based on 6 months actual SLDC data and 6 months Projections

TABLE 8.6: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY MVNNL FOR FY 2026-27 (MW)

FY	Yearly Average of Daily Max drawal (X)	Yearly Max drawal (Y)	Base TCR = (X+Y)/2	% Increase from previous year
2024-25	4,878	7,928	6,403	-
2025-26	5,200*	7,047*	6,123	-
2026-27 (Projected)	5,543	7,399	6,471	5.68%

*X and Y Value for FY 2025-26 are based on 6 months actual SLDC data and 6 months Projections

TABLE 8.7: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY PVNNL FOR FY 2026-27 (MW)

FY	Yearly Average of Daily Max drawal (X)	Yearly Max drawal (Y)	Base TCR = (X+Y)/2	% Increase from previous year
2024-25	6,410	9,358	7,884	-
2025-26	6,728*	9,216*	7,972	-
2026-27 (Projected)	7,061	9,677	8,369	4.98%

*X and Y Value for FY 2025-26 are based on 6 months actual SLDC data and 6 months Projections

TABLE 8.8: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY PUVNNL FOR FY 2026-27 (MW)

FY	Yearly Average of Daily Max drawal (X)	Yearly Max drawal (Y)	Base TCR = (X+Y)/2	% Increase from previous year
2024-25	5,580	7,347	6,463	-
2025-26	5,969*	7,527*	6,748	-
2026-27 (Projected)	6,385	7,903	7,144	5.87%

*X and Y Value for FY 2025-26 are based on 6 months actual SLDC data and 6 months Projections

TABLE 8.9: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY KESCO FOR FY 2026-27 (MW)

FY	Yearly Average of Daily Max drawal (X) (MW)	Yearly Max drawal (Y) (MW)	Base TCR = (X+Y)/2	% Increase from previous year
2024-25	658	947	803	-
2025-26	632*	882*	757	-

FY	Yearly Average of Daily Max drawal (X) (MW)	Yearly Max drawal (Y) (MW)	Base TCR = (X+Y)/2	% Increase from previous year
2026-27 (Projected)	678	926	802	5.98%

*X and Y Value for FY 2025-26 are based on 6 months actual SLDC data and 6 months Projections

8.4.9 **For NPCL:** The Petitioner further submitted that NPCL has provided its values of X and Y vide email dated December 12, 2025, wherein NPCL has provided the value X based on the monthly projected demand as shown in the Table below:

TABLE 8.10: MONTHLY MAXIMUM PROJECTED DEMAND SUBMITTED BY NPCL FOR FY 2026-27

Month	Max Average
Apr-26	670.41
May-26	805
Jun-26	805
Jul-26	783
Aug-26	747
Sep-26	768
Oct-26	572
Nov-26	519
Dec-26	521
Jan-27	584
Feb-27	530
Mar-27	531
Average	653

8.4.10 Further, value of Y for FY 2026-27 has been projected as 939 MW. Accordingly, the Base TCR has been computed as 796 MW with an increase of 5.94% over the Base TCR of FY 2025-26, as detailed in the Table below:

TABLE 8.11: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY NPCL (MW)

FY	Yearly Average of Daily Max drawal (X)	Yearly Max drawal (Y)	Base TCR = (X+Y)/2	% Increase from previous year
2025-26	612.75	890	751.38	
2026-27 (Projected)	653	939	796	5.94%

8.4.11 **For Indian Railways:** The Petitioner submitted that Indian Railways, vide its letter No. 230-Elect/TRD/64-C dated December 12, 2025, has submitted that almost all Traction Sub-Stations (TSS) under Open Access on the NR-UP section have already

been commissioned and integrated with the transmission network. Only 2 × (2 × 25 kV) TSS are planned in future. Indian Railways submitted that there is minimal likelihood of any significant future load growth at the existing TSS. Therefore, Indian Railways, proposed either the commission shall considers a Base TCR of 401 MW for FY 2026-27, considering the existing GNA quantum allocated to NR-UP or continue to retain the Base TCR for NR-UP at 438.57 MW for FY 2026-27 as approved in Tariff Order dated September 08, 2025.

8.4.12 However, in line with the MYT Transmission Regulations, 2025, and its amendments thereof, the Base TCR for the ensuing year is required to be computed on the basis of projections for X and Y derived from historical drawal data of past years. Accordingly, the Petitioner collected actual 15-minute block demand data for FY 2024-25 (upto November, 2024) and FY 2025-26 (upto November, 2025) from UPSLDC and computed the Base TCR based on percentage increase from FY 2024-25 to FY 2025-26, applying the same growth to project FY 2026-27 values.

TABLE 8.12: COMPUTATION OF X & Y FOR INDIAN RAILWAYS BY THE PETITIONER FOR FY 2024-25 & FY 2025-26 (MW)

Particulars	FY 2024-25 (upto November, 2024)	FY 2025-26 (upto November, 2025)	% Increase
Yearly Average of Daily Max drawl X (MW)	393.25	411.84	4.73%
Yearly Max drawl (Y) (MW)	444.16	464.52	4.58%
Base TCR = (X+Y)/2	418.71	438.18	4.65%

8.4.13 The Petitioner further submitted that for FY 2026-27, the Yearly Average of Daily Maximum Drawal (X) and Yearly Maximum Drawal (Y) of FY 2025-26 have been increased by 4.73% and 4.58% respectively, and the Base TCR has been computed accordingly, as shown in the Table below:

TABLE 8.13: COMPUTATION OF X & Y FOR INDIAN RAILWAYS BY THE PETITIONER FOR FY 2026-27 (MW)

Yearly Average of Daily Max drawl (X)	Yearly Max drawl (Y)	Base TCR = (X+Y)/ 2
431.31	485.80	458.56

8.4.14 **For NIDP:** The Petitioner further submitted that the Commission, vide its Order

dated June 19, 2023, issued the Distribution License to NIDP, and thereafter issued Distribution License (License No. 1 of 2023)" dated June 20, 2023 for carrying out the business of distribution of electricity within the Area of Supply.

8.4.15 The Petitioner submitted that NIDP commenced its distribution operations in April 2024. Presently, an operational record of 18 months is available, and the Data Centre Park is still at a nascent stage of development.

8.4.16 Being in the initial years of operation, NIDP submitted that it is difficult to make accurate projections of its power requirement due to the evolving load growth of the Data Centre Park and its distribution licensee business. However, based on actual drawal data as per weekly DSM bills of UPSLDC for the last 12 months (December 01, 2024 – November 30, 2025) and also considering an expected additional load of 3.60 MW from April, 2026, NIDP has submitted its X and Y values at the TD Periphery and UP State Periphery (considering InSTS loss of 3.18%). The details are shown in the Table below:

TABLE 8.14: PROJECTIONS OF X, Y & BASE TCR SUBMITTED BY NIDP FOR FY 2026-27 (MW)

Period: From 1 st December 2024 to 30 th November 2025		
Yearly average of Daily Max InSTS drawal (X) (MW)	Yearly Max InSTS drawal (Y) (MW)	Base TCR= (X+Y)/2
9.735	11.093	10.414
At UP State Periphery (InSTS loss considered 3.18%)		
Yearly average of Daily Max InSTS drawal (X) (MW)	Yearly Max InSTS drawal (Y) (MW)	Base TCR= (X+Y)/2
10.04	11.45	10.75

8.4.17 NIDP, accordingly requested to consider 10.75 MW as its Base TCR for FY 2026-27, and the same has been proposed by the Petitioner in this petition.

8.4.18 The Petitioner submitted that in compliance with the above provisions of MYT Transmission Regulation 2025, and its amendments thereof, it has undertaken the process of determining Base Transmission Capacity Rights for FY 2026-27. Accordingly, the projected X and Y data received from the existing Distribution Licensees and Indian Railways have been tabulated below:

TABLE 8.15: BASE TCR OF DISTRIBUTION LICENSEE & INDIAN RAILWAYS SUBMITTED BY THE PETITIONER FOR FY 2026-27 (MW)

Distribution Licensee	FY 2026-27 (ARR)			
	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR
DVVNL	5,600.00	6,316.00	5,958.00	19.85%
MVVNL	5,543.00	7,399.00	6,471.00	21.56%
PuVVNL	6,385.00	7,903.00	7,144.00	23.81%
PVVNL	7,061.00	9,677.00	8,369.00	27.89%
KESCO	678.00	926.00	802.00	2.67%
NPCL	653.00	939.00	796.00	2.65%
Railway	431.31	485.80	458.56	1.53%
NIDP	10.04	11.45	10.75	0.04%
Total	26,361.35	33,657.25	30,009.30	100%

Commission's Analysis

- 8.4.19 Regulation 29.2 and 29.3 of the MYT Transmission regulation, 2025, and its amendments thereof, provides the methodology for projection of Yearly average of daily maximum InSTS drawal (X) and Yearly maximum InSTS drawal (Y) and determination of Base Transmission Capacity Rights (Base TCR).
- 8.4.20 The Commission notes that the Petitioner has considered the projections of X and Y, as submitted by the Distribution Licensees. Further the Petitioner has computed the Base TCR for Indian Railways, in accordance with above Regulation for determination of the Base TCR.
- 8.4.21 While carrying out a prudence check, the Commission observed that the Base TCR claimed by the Petitioner for FY 2026-27 is lower than the Base TCR approved by the Commission in the Tariff Order dated 08 September 2025. In response, the Petitioner submitted that the Base TCR for FY 2026-27 has been computed strictly based on the projections furnished by the respective Licensees. The reduction in the claimed Base TCR is primarily attributable to the downward revision in the projected Base TCR values submitted by UPPCL on behalf of the State DISCOMs.

- 8.4.22 It is further observed that the State-owned Distribution Licensees, namely DVVNL, MVVNL, PVVNL, PuVVNL, and KESCO, for projecting their Yearly Average of Daily Maximum InSTS drawal (X) and the Yearly Maximum InSTS drawal (Y) for FY 2026-27 have considered SLDC based demand data for the last two financial years, i.e., FY 2024-25 and FY 2025-26.
- 8.4.23 The values for FY 2024-25 are based on the actual 15-minute time block demand data of SLDC. For FY 2025-26 the projections have been assessed by considering actual SLDC data for six months (April 2025 to September 2025) and projected demand for the remaining six months (October 2025 to March 2026). The projected demand for the latter period has been derived using the corresponding 15-minute time block demand data of the same period of the previous year, i.e., October 2024 to March 2025. Accordingly, the State DISCOMs have computed the percentage increase in demand for FY 2025-26 over FY 2024-25 and applied the same for projecting X for FY 2026-27, with proposed increases of 8.01%, 6.60%, 4.96%, 6.97%, and 7.34%, respectively.
- 8.4.24 Further for projecting Y for FY 2026-27, a uniform growth of 5% over the FY 2025-26 values has been considered. Accordingly, the State DISCOMs DVVNL, MVVNL, PVVNL, PuVVNL, and KESCO have proposed the Base Transmission Capacity Rights for FY 2026-27, with an increase of 6.39%, 5.68%, 4.98%, 5.87%, and 5.98%, over the Base TCR of FY 2025-26.
- 8.4.25 The Commission, for the purpose of verification, sought clarification from the Petitioner on whether the values of X (yearly average of daily maximum InSTS drawal) and Y (yearly maximum InSTS drawal), along with the Base TCR computed by each Distribution Licensee and Indian Railways, were based on historical data provided by SLDC. In response, the Petitioner submitted that the projections of X and Y for FY 2026-27 were provided by the Distribution Licensees and Indian Railways, based on their requirement and past trends as mentioned in petitioner's submission. However, the actual 15-minute time block data for FY 2024-25 and FY 2025-26 was provided by SLDC and accordingly the daily Maximum InSTS Drawal (X) and Yearly Maximum InSTS Drawal (Y) has been projected.

8.4.26 Further, it is observed that the State-owned Distribution Licensees and NPCL have projected their base TCR upon past years growth factor and projected demand/energy requirement for FY 2026-27. However, in the case of NIDP, actual drawal data as per the DSM weekly bills was available for the period of twelve months. Accordingly, NIDP has projected its base TCR based on the available actual drawal data, while also factoring in an additional load of 3.60 MW, which is expected to materialise from April 2026 onwards.

8.4.27 With regard to Indian Railways, the Commission notes that Indian Railways did not submit projections of X and Y in accordance with Regulation 29.2 and instead sought adoption of GNA-based capacity or continuation of the previously approved Base TCR. The Commission observes that Base TCR, under the Regulations, is required to be determined based on historical InSTS drawal and actual system usage, and not on GNA allocation. Accordingly, the Commission considers it appropriate to compute the Base TCR for Indian Railways by applying the observed growth rates of 4.73% for X and 4.58% for Y, derived from UPSLDC 15-minute time block demand data for FY 2024-25 and FY 2025-26, resulting in a Base TCR of 458.56 MW for FY 2026-27. The Commission finds this approach to be consistent with the Regulations and reflective of actual utilisation of the transmission system.

8.4.28 Accordingly, the Commission has considered the projected values of X (Yearly average of daily maximum InSTS drawal) and Y (Yearly maximum InSTS drawal) presented in the Table below:

TABLE 8.16: COMMISSION APPROVED - BASE TCR FOR FY 2026-27 (MW)

Distribution Licensee	Petition (ARR)				Approved (ARR)			
	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR
DVVNL	5,600.00	6,316.00	5,958.00	19.85%	5,600.00	6,316.00	5,958.00	19.85%
MVVNL	5,543.00	7,399.00	6,471.00	21.56%	5,543.00	7,399.00	6,471.00	21.56%



Distribution Licensee	Petition (ARR)				Approved (ARR)			
	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR	Yearly Average of Daily MAX InSTS Drawal (X)	Yearly MAX InSTS Drawal (Y)	Base TCR = (X+Y)/2	% Contribution in Base TCR
PuVVNL	6,385.00	7,903.00	7,144.00	23.81%	6,385.00	7,903.00	7,144.00	23.81%
PVVNL	7,061.00	9,677.00	8,369.00	27.89%	7,061.00	9,677.00	8,369.00	27.89%
KESCO	678.00	926.00	802.00	2.67%	678.00	926.00	802.00	2.67%
NPCL	653.00	939.00	796.00	2.65%	653.00	939.00	796.00	2.65%
Indian Railways	431.31	485.80	458.56	1.53%	431.31	485.80	458.56	1.53%
NIDP	10.04	11.45	10.75	0.04%	10.04	11.45	10.75	0.04%
Total	26,361.35	33,657.25	30,009.30	100%	26,361.36	33,657.25	30,009.30	100%

8.4.29 The Commission further notes that during true up, Base TCR shall be determined based on the actual data of 'X' and 'Y' of the Distribution Licensees and Indian Railways in accordance with the provisions with the provisions of MYT Transmission Regulations 2025, and its amendments thereof. Further, the excess capacity drawal shall be payable by the Distribution Licensees and Indian Railways along with carrying cost, whereas in case of drawal of power lower than the Base TCR, the transmission charges corresponding the projected Base TCR as approved by the Commission shall be considered.

8.5 INTRA STATE TRANSMISSION TARIFF FOR DISTRIBUTION LINCENSEES AND INDIAN RAILWAYS

Petitioner's Submission

8.5.1 The Petitioner has submitted that as per Regulation 29.5 of the MYT Transmission Regulations, 2025, and its amendments thereof, the Intra-State Transmission Tariff for each Year is to be determined as the ratio of the approved Total Transmission System Cost (TTSC) and the approved Base Transmission Capacity Rights (Base TCR).

8.5.2 Accordingly, the Petitioner has computed the Intra State transmission tariff for distribution licensees & Indian Railways for FY 2026-27, as shown in the Table below:

TABLE 8.17: TRANSMISSION TARIFF FOR DISTRIBUTION LICENSEES AND INDIAN RAILWAYS, AS SUBMITTED BY THE PETITIONER FOR FY 2026-27

Particulars	Unit	FY 2026-27 (ARR)
Total Transmission System Cost	Rs. Cr.	9,596.86
Total Base TCR	MW	30,009.30
Intra State Transmission Tariff for Distribution Licensees and Indian Railways	Rs./MW/Year	31,97,963.26

8.5.1 Further, the Petitioner has computed the Annual Transmission Charges (ATC) for each TSU in line with Regulation 29.7 of the MYT Transmission Regulation, 2025, and its amendments thereof, as shown in the Table below:

TABLE 8.18: ANNUAL TRANSMISSION CHARGES & MONTHLY TRANSMISSION CHARGES SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Distribution Licensee	Base TCR (MW)	ATC= TCR x Tariff (Rs. Cr.)	*MTC= ATC / 12 (Rs. Cr.)
DVVNL	5,958.00	1,905.35	158.78
MVVNL	6,471.00	2,069.40	172.45
PuVVNL	7,144.00	2,284.62	190.39
PVVNL	8,369.00	2,676.38	223.03
KESCO	802.00	256.48	21.37
NPCL	796.00	254.56	21.21
Indian Railways	458.56	146.64	12.22
NIDP	10.75	3.44	0.29
Total	30,009.30	9,596.86	799.74

* Monthly Transmission Charges (MTC)

Commission's Analysis

8.5.2 Regulation 29.5 of the UPERC MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Intra-State Transmission Tariff for Distribution Licensees and Indian Railways shall be determined as the ratio of the approved TTSC of the Intra-State Transmission System and the approved Base Transmission Capacity Rights (Base TCR), and shall be denominated in terms of INR/MW/Year.

8.5.3 Accordingly, the Commission has computed the Intra State Transmission Tariff for Distribution Licensee and Indian Railways for FY 2026-27 in line with Regulation 29.5 of the MYT Transmission Regulation, 2025, and its amendments thereof, as shown in the Table below:

TABLE 8.19: COMMISSION APPROVED - TRANSMISSION TARIFF FOR DISTRIBUTION LICENSEES AND INDIAN RAILWAYS FOR FY 2026-27

Particulars	Unit	Petition (ARR)	Approved (ARR)	Remarks
Total Transmission System Cost (TTSC)	Rs. Cr.	9,596.86	8,281.40	Table 8.4
Total Base Transmission Capacity Rights (TCR)	MW	30,009.30	30,009.30	Table 8.16
Intra State Transmission Tariff for Distribution Licensees and Indian Railways	Rs./MW/Year	31,97,963.26	27,59,611.44	
	Rs./MW/Month	-	2,29,967.62	

8.5.4 Further, in line with Regulation 29.7 of the MYT Transmission Regulations, 2025, and its amendments thereof, the Commission has computed the Annual Transmission Charges (ATC) and Monthly Transmission Charges (MTC) payable by each Distribution Licensee and Indian Railways for FY 2026-27, based on their respective Base Transmission Capacity Rights and the approved Intra-State Transmission Tariff, as shown in the Table below:

TABLE 8.20: COMMISSION APPROVED - ANNUAL TRANSMISSION CHARGES & MONTHLY TRANSMISSION CHARGES FOR FY 2026-27 (Rs. CRORE)

Distribution Licensee	Base TCR (MW)	ATC= TCR x Tariff	MTC= ATC/12
DVVNL	5,958.00	1,644.18	137.01
MVVNL	6,471.00	1,785.74	148.81
PuVVNL	7,144.00	1,971.47	164.29
PVVNL	8,369.00	2,309.52	192.46
KESCO	802.00	221.32	18.44
NPCL	796.00	219.67	18.31
Indian Railways	458.56	126.54	10.55
NIDP	10.75	2.97	0.25
Total	30,009.30	8,281.40	690.12

8.6 ADJUSTED TOTAL TRANSMISSION SYSTEM COST AND TREATMENT OF REBATE ON INTRA STATE TRANSMISSION CHARGES

Petitioner's Submission

8.6.1 The Petitioner has submitted that the Uttar Pradesh Solar Energy Policy, 2022, the Data Centre Policy, 2021, and Regulation 31 of the MYT Transmission Regulations, 2025, and its amendments thereof, provide for the accounting of rebates or

exemptions on Intra-State Transmission Charges.

- 8.6.2 The Petitioner has submitted that the quantum of energy eligible for rebate, primarily from solar and other policy-specified sources, shall be considered while computing the applicable transmission charges. It has further been submitted that the projected cost of transmission usage corresponding to such rebate-eligible energy shall be included in the Total Transmission System Cost (TTSC) to determine the Adjusted TTSC.
- 8.6.3 The Petitioner has submitted that the Adjusted TTSC is then allocated among all Distribution Licensees and Indian Railways based on their approved Base Transmission Capacity Rights (Base TCR) for the relevant year. It has further been submitted that the Licensees and Indian Railways are required to submit their projected energy procurement, segregated into solar and non-solar sources, to the STU on an annual basis.
- 8.6.4 Accordingly, the Petitioner has compiled the projected breakup of total energy (in kWh) for FY 2026-27, segregated into solar and non-solar sources for Distribution Licensees and Indian Railways.
- 8.6.5 The Petitioner has submitted that, as per the Uttar Pradesh Solar Energy Policy, 2022, rebate is applicable on power procured from Intra-State generators. It has further been submitted that under the Uttar Pradesh Data Centre Policy, 2021, a 50% rebate is applicable for power procured from Intra-State sources and a 100% rebate is applicable for power procured from Inter-State sources.
- 8.6.6 Accordingly, the Petitioner has identified the quantum of energy eligible for such policy-based rebates based on the source and location of procurement. Further the corresponding exempted transmission charges have been computed by the Petitioner in line with the methodology prescribed under Regulation 31 of the MYT Transmission Regulations, 2025, and its amendments thereof.
- 8.6.7 **For State Distribution Companies:** The Petitioner has submitted that, as per the Solar Policy, 100% exemption on Intra-State transmission charges is available for the sale of solar power to UPPCL. It has further been submitted that the total energy

from Intra-State Solar Generators considered for rebate during the relevant period has been assessed at 3,462.452 Mus, as per the UPSLDC energy account of Intra-State Solar Generators selling power to UPPCL. The said energy has been apportioned among the State-owned DISCOMs (DVVNL, MVVNL, PuVVNL, PVVNL, and KESCO) in proportion to their respective energy input requirement at the State periphery, as shown in the Table below:

TABLE 8.21: DETAILS OF DISCOM-WISE ENERGY INPUT AND SOLAR ENERGY ALLOCATION SUBMITTED BY THE PETITIONER FOR FY 2026-27 (MUS)

Discom	Energy Input requirement at State Periphery (MU)	% of Contribution in Total Energy Input at State Periphery	Energy from InSTS Solar Generators at State Periphery in proportion to % contribution in Total Energy (MU)
DVVNL	36,883.34	21.71%	751.55
MVVNL	36,706.12	21.60%	747.94
PuVVNL	41,611.43	24.49%	847.90
PVVNL	49,495.17	29.13%	1008.54
KESCO	5,227.39	3.08%	106.52
Total	1,69,923.45	100%	3,462.45

8.6.8 Accordingly, the Petitioner has projected the eligible rebate on state-owned distribution companies as shown in the Table below:

TABLE 8.22: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR STATE OWNED DISCOMS SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Discom	Energy from Intra-State Solar Generators at State Periphery (MU)
Total Energy Exempted (MU)	3,462.45
Transmission Tariff for Open Access Customers Rs./kWh	0.5154
Transmission charges (Rs. in Crore)	178.46
Transmission charges Exempted 100%	178.46

8.6.9 **For NPCL:** The Petitioner has submitted that, as per the provisions of the Uttar Pradesh Solar Energy Policy, a 50% exemption on Intra-State transmission charges is applicable for energy procured from Intra-State Solar Generators. It has further been submitted that NPCL has projected procurement of 107.31 MU from Intra-State Solar Generators during the relevant period, accordingly, the applicable exemption in transmission charges has been computed, as shown in the Table

below:

TABLE 8.23: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR NPCL SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Particular	Energy from Intra-State Solar Generators at State Periphery (MU)
Energy (MU)	107.31
Total Energy Exempted (MU)	107.31
Transmission Tariff for Open Access Customers (Rs./kWh)	0.5154
Transmission charges (Rs. in Crore)	5.53
Transmission charges Exempted 50%	2.77

8.6.10 **For NIDP:** The Petitioner has submitted that in accordance with the provisions of the Uttar Pradesh Data Centre Policy, 2021, a 50% exemption on Intra-State transmission charges is applicable for energy procured from Intra-State sources and a 100% exemption is applicable for energy procured from Inter-State sources. It has further been submitted that as per the data provided by NIDP Developers Private Limited the energy drawn by NIDP at the State periphery during the relevant period was 85.09 MU from Intra-State sources and 9.04 MU from Inter-State sources, and the applicable exemptions have been computed accordingly, as shown in the Table below:

TABLE 8.24: REBATE APPLICABLE FOR INTER-STATE TRANSMISSION CHARGES FOR NIDP SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Discom	Energy from Intra-State Sources at State Periphery (MU)	Energy from Inter-State Sources at State Periphery (MU)
Energy (MU)	85.09	9.04
Transmission Tariff for Open Access Customers (Rs./kWh)	0.5154	0.5154
Transmission charges (Rs. in Cr.)	4.39	0.47
Transmission charges Exempted 50% for Intra-State Source	2.19	-
Transmission charges Exempted 100% for Inter-State Source	-	0.47
Total Charges Exempted		2.66

8.6.11 The Petitioner has submitted that the total exemption considered for FY 2026-27 for

State-owned DISCOMs, NPCL, and NIDP Developers Pvt. Ltd., as shown in the Table below:

TABLE 8.25: TOTAL TRANSMISSION CHARGES EXEMPTED SUBMITTED BY THE PETITIONER (Rs. CRORE)

DISCOMS	Transmission Charges Exempted
State Owned Discoms	178.46
NPCL	2.77
NIDP	2.66
Indian Railways	-
Total	183.88

8.6.12 Further, the Petitioner has submitted that the Adjusted TTSC has been computed in accordance with the Regulation 31 of the the MYT Transmission Regulations, 2025, and its amendments thereof, by adding the cost of transmission usage corresponding to the energy eligible for rebate/exemption under the applicable policies, namely the Uttar Pradesh Solar Energy Policy, 2022, and the Data Centre Policy, 2021, to the Total Transmission System Cost (TTSC), as shown in the Table below:

TABLE 8.26: ADJUSTED TTSC SUBMITTED BY THE PETITIONER FOR FY 2026-27 (Rs. CRORE)

Particular	Derivations	Amount
Original TTSC	A	9,596.86
Total Transmission Charges exempted	B	183.88
Adjusted TTSC	C=A+B	9,780.74

8.6.13 The Petitioner has further submitted that the Adjusted TTSC is allocated among all beneficiaries in proportion to their respective Base Transmission Capacity Rights (Base TCR) share percentage for the relevant year as detailed below:

TABLE 8.27: ALLOCATION OF ADJUSTED TTSC SUBMITTED BY THE PETITIONER FOR FY 2026-27

Distribution Licensee	Base TCR (MW)	% Share	ATC Allocation from Adjusted TTSC (Rs. Cr.)
DVVNL	5,958.00	19.85%	1,941.85
MVVNL	6,471.00	21.56%	2,109.05
PuVVNL	7,144.00	23.81%	2,328.40
PVVNL	8,369.00	27.89%	2,727.66
KESCO	802.00	2.67%	261.39
NPCL	796.00	2.65%	259.44
Indian Railways	458.56	1.53%	149.45



Distribution Licensee	Base TCR (MW)	% Share	ATC Allocation from Adjusted TTSC (Rs. Cr.)
NIDP	10.75	0.04%	3.50
Total	30,009.30	100.00%	9,780.74

Commission's Analysis

- 8.6.14 Regulation 31 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the methodology for computation of rebate on Intra-State Transmission Charges, determination of the Adjusted Total Transmission System Cost (TTSC), and its allocation among beneficiaries.
- 8.6.15 As per above Regulation, the Commission has examined the submissions of the Petitioner. The Commission observes that the Petitioner has submitted the quantum of energy attributable to each beneficiary and eligible for rebate under the Uttar Pradesh Solar Energy Policy, 2022, and the Data Centre Policy, 2021. The Commission further notes that such rebate/exemption is envisaged under the State Government's policies and, therefore, has to be factored into the transmission tariff design to ensure appropriate recovery of the total transmission cost from all beneficiaries.
- 8.6.16 The Commission further observes that the Petitioner has not provided the rebate for Indian Railways for FY 2026-27. In response to the Commission's query, the Petitioner submitted that Indian Railways had not submitted their energy details to as per the UP Solar Policy, 2022. Further, as per energy accounts provided by UPSLDC, Indian Railways is presently not drawing power from any Intra-State solar projects. Accordingly, no rebate has been considered for Indian Railways.
- 8.6.17 The Commission further observes that the Petitioner has not considered the quantum of energy at state periphery as submitted by the NIDP through its letter dated December 29, 2025. However, the first proviso to Regulation 31.4 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides that the Distribution Licensees and Indian Railways shall submit the projected breakup of their total energy (in kWh) for the ensuing year, segregated into solar and non-solar sources, as part of their submissions to the State Transmission Utility (STU). Accordingly, the Commission has considered the energy quantum projected by NIDP

for computation of eligible rebate for FY 2026-27. Further, the eligible energy quantum as furnished by the Petitioner for State Discoms, NPCL and Indian Railways has also been considered.

8.6.18 The Commission further notes that the Petitioner has computed rebate admissible to each entity on the basis of Rs/kWh rate of Rs. 0.5154/kWh as per their calculation. However, the Commission has determined the rebate admissible to each Transmission System User (TSU) by applying the approved Rs/kWh tariff for FY 2026-27 as determined in Table 8-36 on the eligible energy quantum, as shown in the Table below:

TABLE 8.28: COMMISSION APPROVED - REBATE ON INTRA STATE TRANSMISSION CHARGES FOR FY 2026-27 (Rs. CRORE)

Discoms	Petition (ARR)	Approved (ARR)	
	Total Charges Exempted	Total Charges Exempted [#]	Energy Considered (MUs)
State owned Discoms	178.46	153.99	3,462.45
NPCL	2.77	2.39	107.31
NIDP	2.66	2.35	94.13*
Indian Railways	-	-	-
Total	183.88	158.73	3,663.89

* 94.13 MUs includes 82.46 MUs Energy from Intra-State Sources at State Periphery and 11.66 MUs Energy from Inter-State Sources at State Periphery.

[#] Rebate has been computed considering Rs./Kwh Intra-State Transmission Tariff for Open Access Customer Other than Distribution Licensees and Indian Railways approved by the Commission in Table 8:36 of this Order.

8.6.19 Further, in line to the provisions of above Regulation the Commission has factored the admissible rebate into the approved TTSC for FY 2026-27 to arrive at the Adjusted TTSC, subject to prudence check at the time of truing up, as shown in the Table below:

TABLE 8.29: COMMISSION APPROVED - ADJUSTED TTSC FOR FY 2026-27 (Rs. CRORE)

Particular	Petition (ARR)	Approved (ARR)	Remarks
TTSC Approved by the Commission for FY 2026-27	9,596.86	8,281.40	Table 8.4
Total Transmission Charges exempted For FY 2026-27	183.88	158.73	Table 8.28
Adjusted TTSC For FY 2026-27	9,780.74	8,440.13	

8.6.20 The Commission further notes that the Regulation 31.4 provides that the Adjusted TTSC is required to be allocated among all beneficiaries in proportion to their

approved Base TCRs for FY 2025-26. Accordingly, the allocation of the Adjusted TTSC among the beneficiaries has shown in the Table below:

TABLE 8.30: COMMISSION APPROVED - ALLOCATION OF ADJUSTED TTSC FOR FY 2026-27 (Rs. CRORE)

Distribution Licensee	Petition (ARR)			Approved (ARR)			
	Base TCR (MW)	% Share	ATC Allocation from Adjusted TTSC (Rs. Cr.)	Base TCR (MW)	% Share	ATC Allocation from Adjusted TTSC (Rs. Cr.)	MTC= ATC/12 (Rs. Cr.)
DVVNL	5,958.00	19.85%	1,941.85	5,958.00	19.85%	1,675.69	139.64
MVVNL	6,471.00	21.56%	2,109.05	6,471.00	21.56%	1,819.97	151.66
PuVVNL	7,144.00	23.81%	2,328.40	7,144.00	23.81%	2,009.25	167.44
PVVNL	8,369.00	27.89%	2,727.66	8,369.00	27.89%	2,353.79	196.15
KESCO	802.00	2.67%	261.39	802.00	2.67%	225.56	18.80
NPCL	796.00	2.65%	259.44	796.00	2.65%	223.88	18.66
Indian Railways	458.56	1.53%	149.45	458.56	1.53%	128.97	10.75
NIDP	10.75	0.04%	3.50	10.75	0.04%	3.02	0.25
Total	30,009.30	100%	9,780.74	30,009.30	100%	8,440.13	703.34

8.6.21 In view of above, the Commission approves the monthly transmission charges of distribution licensees and Indian Railways as shown in above table. The same shall be billed to them each month unless revoked or next tariff order becomes effective. Further, it is also provided that in case this tariff order comes into force from any date during the currency of this month, the monthly transmission charges prescribed above shall be effective for the entire month. The rebate computed on monthly quantum of energy consumed corresponding to per unit rebate rate (Rs. 0.4448/ kWh), shall be credited in the monthly transmission charge invoices raised on distribution licensee(s) and Indian Railways.

8.7 INTRA STATE TRANSMISSION TARIFF FOR OPEN ACCESS CUSTOMERS OTHER THAN DISTRIBUTION LICENSEES AND INDIAN RAILWAYS

Petitioner's Submission

8.7.1 The Petitioner has submitted that Regulation 29.5 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the Intra-State Transmission Tariff for Open Access Customers (excluding Distribution Licensees and Indian Railways) shall be determined in INR/kWh, based on the actual or projected energy handled at the State Periphery, as per below formula:

Transmission Tariff (INR/kWh) = TTSC/ Total Energy input at State Periphery for the year

8.7.2 The Petitioner has submitted that in line with above Regulation, it has compiled the energy input requirement at the State Periphery for FY 2026-27 of all existing Distribution Licensees, Indian Railways, and Open Access Consumers.

8.7.3 The Petitioner has submitted that the projected energy requirement at the State Periphery for State-owned DISCOMs, NPCL, and NIDP was received from UPPCL. However, as Indian Railways did not submit its energy projection for FY 2026-27, the Petitioner has estimated the same by applying a normative growth rate of 4.64% and transmission loss of 3.18% over the projected energy requirement at State Periphery for FY 2025-26, as shown in the Table below:

TABLE 8.31: ESTIMATED ENERGY REQUIREMENT AT STATE PERIPHERY OF INDIAN RAILWAYS FOR FY 2026-27 SUBMITTED BY THE PETITIONER (MUS)

Actual Energy at T-D Point FY 2023-24	Actual Energy at T-D Point FY 2024-25	% Increase	Estimated Energy at T-D Point FY 2025-26	Estimated Energy at State Periphery FY 2025-26	Estimated Energy at State Periphery FY 2026-27
A	B	$C = (B-A) / A$	$D = B * (1+C)$	$E = D*(1+3.18\%)$	$F = E*(1+C)$
2,849.38	2,981.59	4.64%	3,120.00	3,219.22	3,368.54

8.7.4 For projecting the Open Access Energy requirement at State Periphery, the Petitioner has considered the actual year-on-year growth rate observed between FY 2023-24 and FY 2024-25. The same growth rate has been applied for the projection of Open Access energy requirement for FY 2025-26 and FY 2026-27, as shown in the Table below:

TABLE 8.32: ESTIMATED ENERGY REQUIREMENT AT STATE PERIPHERY OPEN ACCESS FOR FY 2026-27 SUBMITTED BY THE PETITIONER (MUS)

FY	FY 2023-24	FY 2024-25	Increase (MU)	Percentage (%) Growth	FY 2025-26	FY 2026-27
Energy (MU)	2,904	4,060	1,156	40%	5,676.17	7,935.69

8.7.5 Accordingly, the petitioner has provided the total energy requirement of existing Distribution Licensees, Indian Railways & Open Access Consumers at State Periphery

for FY 2026-27, as shown in the Table below:

TABLE 8.33: TOTAL ENERGY AT STATE PERIPHERY AS SUBMITTED BY THE PETITIONER FOR FY 2026-27 (MUS)

Discom	Energy Input requirement at State Periphery
DVVNL	36,883.34
MVVNL	36,706.12
PuVVNL	41,611.43
PVVNL	49,495.17
KESCO	5,227.39
NPCL	4,879.89
Indian Railways	3,368.54
NIDP	94.13
Open Access Consumers	7,935.69
Total Energy at State Periphery (MU)	186,201.70

8.7.6 Based on above, the Petitioner has proposed Intra-State Transmission Tariff for Open Access consumers for FY 2026-27, as shown in the Table below:

TABLE 8.34: INTRA STATE TRANSMISSION TARIFF FOR OPEN ACCESS CUSTOMERS SUBMITTED BY THE PETITIONER FOR FY 2026-27

Particulars	Unit	FY 2026-27
Total Transmission System Cost	Rs. in Cr.	9,596.86
Total Energy at State Periphery	MU	1,86,201.70
Intra State Transmission Tariff for Open Access Customers (LTOA & STOA)	Rs./kWh	0.5154

Commission's Analysis

8.7.7 Regulation 29.5 of the MYT Transmission Regulations, 2025, and its amendments thereof, provides the methodology for determination of the Intra-State Transmission Tariff for Open Access Customers other than Distribution Licensees and Indian Railways.

8.7.8 The Commission has considered the projected energy requirement at the State Periphery as submitted by UPPCL for State DISCOMs, NPCL, and NIDP DISCOMs (submitted as per their respective Distribution Tariff Petition). In addition, the energy requirement of Indian Railways and Open Access Consumers as projected by the Petitioner has also been taken into account. The energy requirement at the State Periphery for FY 2026-27 shall, however, be subject to Truing-up based on actuals.

The energy projections approved by the Commission for FY 2026-27 are shown in the Table below:

TABLE 8.35: COMMISSION APPROVED - ENERGY PROJECTIONS FOR FY 2026-27 (MUS)

Discom	Petition (ARR)		Approved (ARR)	
	Energy at T-D Interface	Energy Input requirement at State Periphery	Energy at T-D Interface	Energy Input requirement at State Periphery
DVVNL	35,710.45	36,883.34	35,710.45	36,883.34
MVVNL	35,538.87	36,706.12	35,538.87	36,706.12
PuVVNL	40,288.19	41,611.43	40,288.19	41,611.43
PVVNL	47,921.22	49,495.17	47,921.22	49,495.17
KESCO	5,061.16	5,227.39	5,061.16	5,227.39
NPCL	4,724.71	4,879.89	4,724.71	4,879.89
Indian Railways*	3,261.42	3,368.54	3,261.42	3,368.54
NIDP	91.13	94.13	91.13	94.13
Open Access Consumers*	7,683.34	7,935.69	7,683.34	7,935.69
Total Energy Input at State Periphery	1,80,280.48	1,86,201.70	1,80,280.48	1,86,201.70

* Energy Projection at State Periphery considered as projected by the Petitioner.

8.7.9 Accordingly, the Commission has computed the Intra State Transmission Tariff for Distribution Licensee and Indian Railways for FY 2026-27 in line with Regulation 29.5 of the MYT Transmission Regulation, 2025 and its amendments thereof as shown in the Table below:

TABLE 8.36: COMMISSION APPROVED - INTRA STATE TRANSMISSION TARIFF FOR OPEN ACCESS CUSTOMER OTHER THAN DISTRIBUTION LICENSEE AND INDIAN RAILWAYS FOR FY 2026-27

Particulars	Unit	Petition (ARR)	Approved (ARR)	Remarks
Total Transmission System Cost	Rs. Cr.	9,596.86	8,281.40	Table 8.4
Total Energy at State Periphery	MU	1,86,201.70	1,86,201.70	Table 8.35
Intra State Transmission Tariff for Open Access Customers	Rs./kWh	0.5154	0.4448	

8.7.10 However, the Proviso to Regulation 29.4 of the MYT Transmission Regulation 2025, read along with the First Amendment Regulations, provides that the intra-State transmission tariff for Open Access Customers other than the Distribution Licensee(s) and Indian Railways during a particular year of Control Period shall not

increase by more than 15% of the applicable transmission tariff determined by the Commission for the preceding year.

8.7.11 For FY 2025-26, the Commission had approved an intra-State transmission tariff of Rs. 0.2674/kWh for Open Access Customers, by applying a capping of 15%. The Commission in this order has computed intra state transmission tariff of Rs. 0.4448/kWh, which reflects an increase of more than 15% over the previous year tariff for Open Access Customer other than Distribution Licensees and Indian Railways. Therefore, in line with the aforesaid proviso, the Commission has capped the increase to 15% over the preceding year's tariff (FY 2025-26), as shown in the Table below:

TABLE 8.37: COMMISSION APPROVED - INTRA STATE TRANSMISSION TARIFF FOR OPEN ACCESS CUSTOMER OTHER THAN DISTRIBUTION LICENSEE AND INDIAN RAILWAYS FOR FY 2026-27

Particulars	Unit	Petitioner (ARR)	Approved (ARR)	Remarks
Intra State Open Access Tariff Approved for FY 2024-25	Rs./kWh	0.2674	0.2674	As per Table No. 7-29 of Order dated 08.09.2025
Intra State Transmission Tariff	Rs./kWh	0.5154	0.4448	
Capping of InSTS Tariff for OA Customers	%	15.00%	15.00%	
Intra State Transmission Tariff for Open Access Customers	Rs./kWh	0.3075	0.3075	

8.7.12 Accordingly, the Commission approves the applicable intra-State transmission tariff for Open Access Customers (other than the Distribution Licensees and Indian Railways) at Rs. 0.3075/kWh for FY 2026-27. The same shall be effective from the date of applicability of this Tariff Order.

8.7.13 The Distribution Licensees and Indian Railways shall be billed monthly as per the tariff shown in the Table below:

TABLE 8.38: COMMISSION APPROVED - INTRA STATE TRANSMISSION TARIFF FOR DISTRIBUTION LICENSEE AND INDIAN RAILWAYS BASED ON ADJUSTED TTSC FOR FY 2026-27

Transmission Tariff for Distribution Licensees and Indian Railways FY 2026-27			
Particulars	Unit	Approved (ARR)	Remarks
Adjusted Total Transmission System Cost (TTSC)	Rs. Cr.	8,440.13	Table 8.29



Transmission Tariff for Distribution Licensees and Indian Railways FY 2026-27			
Particulars	Unit	Approved (ARR)	Remarks
Total Base Transmission Capacity Rights (TCR)	MW	30,009.30	Table 8.16
Intra State Transmission Tariff for Distribution Licensees and Indian Railways FY 2026-27	Rs./MW/Year	28,12,506.02	
	Rs./MW/Month	2,34,375.50	

- 8.7.14 A rebate on Intra State Transmission charges in accordance with Uttar Pradesh Solar Energy Policy, 2022 and the Data Centre Policy, 2021 shall also be applicable and adjusted in the monthly invoices.

9 DIRECTIVES

9.1 COMPLIANCE OF DIRECTIVES ISSUED IN THE TARIFF ORDER DATED OCTOBER 10, 2024

9.1.1 The Commission had issued certain directives to the Petitioner in the Tariff Order for FY 2024-25 dated October 10, 2024. The status of compliance submitted by the Petitioner is shown in the Table given below:

Table 9.1: STATUS OF COMPLIANCE/PETITIONER'S REPLY TO COMMISSION'S DIRECTIVES

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
1.	The Licensee/STU shall carry out planning studies for reactive power compensation of the intra-State transmission system Incl. reactive power requirement at the SSGS's switchyard and submit the same before the Commission once a year by 30th November.	The Petitioner has submitted the draft report on reactive power compensation studies, prepared by M/s PRDC.	Not complied. It is observed that no details regarding reactive power compensation and reactive power requirement are mentioned in the draft report submitted by the Petitioner. The Petitioner is directed to carry out the study of specific directions and submit the final report within 03 months from the date of issuance of this Order.
2.	The Licensee/STU shall ensure calibration, periodical testing and maintenance of ABT interface metering system (G-T & T-D) Incl. replacement of existing conventional/TOD metering system installed at 33 kV & above feeders (T-D interface).	Petitioner has submitted that calibration of ABT meters and periodical testing and maintenance have been carried out in accordance with CEA. All conventional TOD meters have been replaced with ABT compliant meters supporting SAMAST functionalities. Meters are integrated with the AMR system and data is being	Partly Complied. The Commission notes that the Petitioner had provided the status regarding the testing and calibration of ABT meters. Further, Petitioner has

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
	<p>The Licensee shall complete the testing and calibration of the ABT interface metering system at least once in five years (or as advised by SPC) as per CEA (Installation and Operation of Meters) Regulation, 2006 and its amendments thereof. Status reports shall be shared with the SPC six-monthly, by September 30th and March 31st every year and further shall be followed up regularly in the SPC.</p> <p>The Commission further directed the Petitioner to furnish the final detailed status report of SAMAST scheme. Further the Petitioner was also directed to ensure the availability of all the equipment's installed under SAMAST scheme.</p>	<p>transmitted to UPSLDC for scheduling, accounting, metering and settlement as per SAMAST guidelines issued by Forum of Regulators.</p> <p>With respect to status report of implementation of SAMAST scheme, the Petitioner has submitted that all activities under the SAMAST scheme have been completed. All required hardware, software, metering system, communication, infrastructure and related integration under the scheme have been fully installed and commissioned. At present, AMR data from 5,568 ABT meters (including 1,188 numbers of SAMAST compliant meters) are available at CDCS UPSLDC Lucknow as on November, 2025. Further data backup is maintained at SLDC Modipuram for redundancy and disaster recovery.</p> <p>The Petitioner further submitted that the SCADA system at all 220 kV, 400 kV and 765 kV substations have been implemented and data connectivity of 115 nos. 132 kV substations is under implementation and shall be completed by May 2026.</p>	<p>submitted that calibration of ABT meters and periodical testing and maintenance have been carried out in accordance with CEA guidelines. However, the Petitioner has not commented regarding sharing of the report with SPC and its minutes with the Commission.</p> <p>Accordingly, the Petitioner is directed to share the status report with the SPC and submit the SPC observation and action plan before the Commission during the next tariff filing.</p> <p>Further with respect to SCADA system, the Commission notes that the data connectivity at 115 Nos 132 kV Substation is still under implementation.</p> <p>Accordingly, the Petitioner is directed to expedite the implementation of</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks																					
			data connectivity at remaining 132 kV Substations and complete the same by May 2026 and submit the completion report before the Commission.																					
3.	<p>The Petitioner shall conduct an internal audit of their protection system annually of each substation at 220 kV & above Sub-stations. Any shortcomings identified shall be rectified. The audit report along with the action plan for rectification of deficiencies detected, if any, shall be shared with SPC. The necessary compliance with such internal protection audit reports shall be followed up regularly in the SPC.</p> <p>If the Protection Audit Report has not been discussed in SPC, then, the same shall be discussed in SPC & a detailed action plan shall be submitted to the Commission.</p>	<p>• The Petitioner submitted that for FY 2024-25, the zone-wise internal protection audit has been completed as per details below:</p> <table border="1"> <thead> <tr> <th>Name of Zone</th> <th>Internal Protection Audit done by</th> <th>Date of Protection Audit done from / to</th> </tr> </thead> <tbody> <tr> <td>TW Meerut</td> <td>SE T&C Meerut</td> <td>06.01.25-25.03.25</td> </tr> <tr> <td>TC Lucknow</td> <td>SE T&C Prayagraj</td> <td>09.01.25-01.04.25</td> </tr> <tr> <td>TSW Agra</td> <td>SE T&C Gorakhpur</td> <td>03.02.25-25.02.25</td> </tr> <tr> <td>TSC Jhansi</td> <td>SE T&C Agra</td> <td>24.01.25-23.03.25</td> </tr> <tr> <td>TNE Gorakhpur</td> <td>SE T&C Lucknow</td> <td>17.03.25-21.03.25</td> </tr> <tr> <td>TSE Prayagraj</td> <td>SE T&C Jhansi</td> <td>27.01.25-20.03.25</td> </tr> </tbody> </table> <p>The Petitioner submitted that the same will be discussed in upcoming SPC meeting. Further third-party protection audit of all 220 kV above substation was also carried out between July 2025 to January 2026 by CPRI/NPTI/ERDA.</p>	Name of Zone	Internal Protection Audit done by	Date of Protection Audit done from / to	TW Meerut	SE T&C Meerut	06.01.25-25.03.25	TC Lucknow	SE T&C Prayagraj	09.01.25-01.04.25	TSW Agra	SE T&C Gorakhpur	03.02.25-25.02.25	TSC Jhansi	SE T&C Agra	24.01.25-23.03.25	TNE Gorakhpur	SE T&C Lucknow	17.03.25-21.03.25	TSE Prayagraj	SE T&C Jhansi	27.01.25-20.03.25	<p>Partly Complied.</p> <p>The Commission notes the Petitioner has provided the details of zone-wise internal protection audit carried out for FY 2024-25. However, the same is not yet discussed in SPC.</p> <p>Accordingly, the Petitioner is directed to discuss the same in upcoming meeting of SPC and submit the detailed status along with action plan during next tariff filing.</p>
Name of Zone	Internal Protection Audit done by	Date of Protection Audit done from / to																						
TW Meerut	SE T&C Meerut	06.01.25-25.03.25																						
TC Lucknow	SE T&C Prayagraj	09.01.25-01.04.25																						
TSW Agra	SE T&C Gorakhpur	03.02.25-25.02.25																						
TSC Jhansi	SE T&C Agra	24.01.25-23.03.25																						
TNE Gorakhpur	SE T&C Lucknow	17.03.25-21.03.25																						
TSE Prayagraj	SE T&C Jhansi	27.01.25-20.03.25																						

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
4.	<p>Regarding transmission schemes of 220 kV and above and other capital expenditures of value exceeding Rs. 20 Crore which were approved by the Commission as per MYT Regulations under RTM mode -</p> <p>i. The Petitioner shall submit six monthly progress reports to the Commission indicating the financial and physical progress of the implementation of the schemes (by September 30th and March 31st every year).</p> <p>ii. The Petitioner shall submit the completion report of schemes indicating the actual cost incurred and time overrun if any in the implementation of the scheme.</p> <p>iii. The Petitioner shall ensure to submit the above progress failing which the Commission may disallow capitalization in the ARR of respective years.</p>	<p>The Petitioner has submitted the physical and financial progress of the transmission schemes of 220 kV and above, as well as other capital expenditure schemes with an estimated cost exceeding Rs. 20 Crore, which were approved by the Commission under the MYT Regulations in RTM mode, vide submission dated January 07, 2026, in response to the First Data Gap.</p> <p>The Petitioner further submitted that it has added total 13 nos. of substations, 10,176 MVA of Transformation capacity and 1,570 ckm of transmission lines in FY 2024-25.</p>	<p>Complied.</p> <p>Further, the Commission directs the Petitioner to ensure regular compliance in future also.</p>
5.	<p>UPPTCL/STU shall furnish the details pertaining to electricity transmitted and measured at interface meter(s) (Main) installed at the points of interconnection(s) between electrical system(s) of Transmission Licensee(s) and UPPTCL/ any other Transmission or Distribution Licensee/ Generating Company (refer</p>	<p>The Petitioner submitted that the details for below mentioned TBCB Licensees for FY 2023-24 has already been submitted with the Tariff Petition.</p> <ul style="list-style-type: none"> • M/s WUPPTCL • M/s SEUPPTCL • M/s OCBTL • M/s GTL <p>Further for FY 2024-25 details for below mentioned TBCB Licensees has</p>	<p>Partly Complied.</p> <p>The Commission notes that the Petitioner has provided the desired information for WUPPTCL, SEUPPTCL, OCBTL and GTL along with the tariff petition. However, for the remaining TBCB</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
	<p>UPERC letter UPERC/Secy./D(L&L)/2024/1752 dated 05.02.2024).</p> <p>The Petitioner shall ensure compliance and submit the information within the submitted timeline, failing which the Commission may initiate proceedings under Section 142 of the Electricity Act, 2003.</p>	<p>been submitted vide dated January 07, 2026 in reply to 1st Data Gap.</p> <ul style="list-style-type: none"> • M/s OCBTL • M/s PGYTL • M/s PMSTL <p>The Petitioner also submitted that it is actively pursuing the remaining TBCB Licensees through emails and written communications to obtain the requisite information.</p>	<p>Licensees no information has been submitted.</p> <p>Accordingly, the Petitioner is directed to provide the requisite information for the remaining TBCB Licensees within 03 months of the issuance of this Order without failing.</p>

9.2 COMPLIANCE OF DIRECTIVES ISSUED IN THE TARIFF ORDER DATED SEPTEMBER 08, 2025

9.2.1 The Commission had issued certain directives to the Petitioner in the Tariff Order for FY 2025-26 dated September 08, 2025. The status of compliance submitted by the Petitioner is shown in the Table given below:

Table 9.2: STATUS OF COMPLIANCE/PETITIONER'S REPLY TO COMMISSION'S DIRECTIVES

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
1.	<p>As per Section 17(4) of EA 2003 prior approval should be taken for transfer / sell / renting of its Assets. The Licensee shall strictly follow the same.</p> <p>The Commission directs the Petitioner to submit the detailed capital investment plans / schemes/ projects of 220 kV and above and other capital expenditure of value exceeding Rs. 20 Crores for prior approval as per MYT Regulations, failing which the Commission may not allow the</p>	<p>The Petitioner submitted that, in compliance with the Commission's directions, necessary instructions have been issued to all concerned units to strictly adhere to the requirement of obtaining prior approval of the Commission for transfer, sale, or leasing of assets. The Petitioner further submitted that prior approval shall invariably be sought from the Commission in case of any such transaction.</p> <p>The Petitioner also submitted that approvals for capital schemes are already being obtained in accordance</p>	<p>Compiled.</p> <p>Further, the Commission directs the Petitioner to ensure regular compliance in future also.</p>

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
	capex in the ARR and Tariff. Such investment approval Petitions should be accompanied with detailed techno-economic analysis, preferably based on load flow study, IRR computations, if any.	with the MYT Regulations, 2019, for assets planned from 01 April 2020 onwards. The status of approvals of schemes/assets has been furnished along with the Tariff Petition.	
2.	The Commission directs the Petitioner to maintain a separate individual asset wise Fixed Asset Register for assets capitalized after 1.4.2025. Accordingly, from FY 2020-21 onwards UPPTCL to maintain three separate Gross Blocks (one for assets upto 31.3.2020, second for assets after 1.4.2020 upto 31.03.2025) and third for assets after 01.04.2025) and three separate FAR's depicting addition of Assets details from 01.04.2025 onwards for the purpose of depreciation computation.	The Petitioner submitted that a detailed Fixed Asset Register (FAR) has been furnished along with the Tariff Petition. The FAR clearly reflects year-wise asset capitalisation, including assets capitalised from 01 April 2020 onwards. The Petitioner further submitted that separate FARs for assets capitalised after 01 April 2025 shall be submitted at the time of True-up for FY 2025-26.	Complied. The commission notes that the Petitioner in the present tariff petition has provided FAR depicting three separate Gross Blocks i.e. one for assets upto 31.3.2020, second for assets after 1.4.2020 upto 31.03.2025) and third for assets after 01.04.2025). Further, the Petitioner is directed to regularly comply with the same in future.
3.	The Commission directs the Petitioner to ensure to file its ARR/ Tariff Petition on time strictly in accordance with the MYT Regulations.	The Petitioner submitted that ARR/Tariff Petitions are being filed within the timelines specified under the MYT Regulations, 2025, and it shall endeavour to strictly adhere to the prescribed timelines in future as well.	Compiled. Further, the Commission directs the Petitioner to ensure regular compliance while filling tariff petition.
4.	The Licensee is directed to seek innovative solutions based on energy storage systems, virtual transmission, other cutting-edge	The Petitioner submitted that connectivity has been granted for development of two Pumped Storage Projects (PSPs) in the Sonbhadra region, namely Adani (1,250 MW) and	Complied. However, the petitioner should focus on improving the grid resistance in

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
	technologies at the transmission level to address issues such as congestion in networks, to support voltage & frequency control, serve as the N-1 redundancy etc.	<p>JSW (1,500 MW). In addition, a 900 MW PSP proposed by a joint venture of THDC and UPRVUNL is presently at the planning stage.</p> <p>For Battery Energy Storage Systems (BESS), bids have been finalised for 625 MW / 2500 MWh capacity supported by Viability Gap Funding, wherein SJVN Ltd. and NVVN Ltd. are acting as Beneficiary Implementing Agencies. Power Supply Agreements have been executed by UPPCL and connectivity has been granted by UPPTCL. Both projects are proposed at the 400/220 kV Garotha Substation, Jhansi.</p> <p>Further, the Petitioner submitted that it is planning installation of small capacity BESS (5 MW/ 20 MWh) at 3 substations as a pilot project at 33 kV level for improvement of voltage profile, grid stability and peak shaving.</p>	order to absorb increased renewable energy. Further implementation of high temperature low sag conductor may be explored in Bundelkhand Region.
5.	The Commission observed that the Transmission Licensee has not filled a few formats like P2, P7 etc. and in the few formats the data is incomplete. Also, it has been observed that the Excel files are not linked and formula driven which delay the proceedings. Therefore, the Petitioner is directed to ensure that all the Tariff and additional Formats are completely filled and are with formulas and links.	The Petitioner submitted that all prescribed Tariff and additional formats have been completely filled in. Further, all Excel files have been duly linked and made fully formula-driven in accordance with the Commission's directions.	Compiled. The Commission directs the Petitioner to ensure regular compliance while filling tariff petition.
6.	The Licensee is directed to ensure calibration, periodical	Response in this regard has been recorded in serial no. 2 of Table 9.1.	Complied.

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
	<p>testing and maintenance of the ABT interface metering system including replacement of existing conventional/TOD metering installed at 33kV and above feeders (T-D interface) for smooth implementation of DSM framework in the State.</p>		<p>Further, the Commission directs the Petitioner to ensure regular compliance in future also.</p>
7.	<p>The First Proviso to Regulation 23.3 mandates UPPTCL to conduct the asset monetization study within six months from the date of issuance of MYT Transmission Regulation, 2025. The regulation has reproduced below:</p> <p>Quote <i>23. Non-Tariff Income</i> <i>(3). The Non-Tariff income under item (j) above (income from advertisements) shall be shared between the Transmission Licensee and the consumers in the ratio of 30% and 70% respectively:</i> <i>Provided that the Transmission Licensee shall undertake asset monetisation study within six months from the date of notification of these Regulations.</i></p> <p>Unquote</p>	<p>The Petitioner submitted that in compliance with the directions of the Commission regarding undertaking an Asset Monetization Study, the Petitioner had initiated the requisite actions.</p> <p>The Petitioner submitted that the transmission assets proposed to be taken up for monetization are being identified through an internal assessment exercise. Further, the process for engagement of a qualified consultant for carrying out the comprehensive Asset Monetization Study is under process.</p> <p>The Petitioner further submitted that the process of Asset Monetization is initiated and is under consideration for approval.</p>	<p>Not Compiled.</p> <p>The Petitioner is directed to submit the study within 03 months from the date of issuance of this order. Further, the study should be comprehensive and must, inter alia, cover the following elements:</p> <ul style="list-style-type: none"> • Evaluation of monetization opportunities, • Identification of monetizable transmission assets, and • Proposal of phased implementation plans. <p>The Commission further clarifies that the intent of this directive is to enable UPPTCL to generate alternate revenue streams under</p>

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
	<p>The Commission further in Statement of Reason had directed the Petitioner to conduct asset monetization study within six months of the notification of the Final MYT Transmission Regulations, 2025. Accordingly, the Commission directs the Petitioner to submit the study by December 31, 2025. The study shall be comprehensive and must, inter alia, cover the following elements:</p> <ul style="list-style-type: none"> • Evaluation of monetization opportunities, • Identification of monetizable transmission assets, and • Proposal of phased implementation plans. 		<p>Non-Tariff Income / Income from Other Business through optimal utilisation of its transmission assets, as demonstrated by the Petitioner through initiatives such as OPGW leasing, advertisement etc. The Commission emphasises that this directive shall not be construed or linked, in any manner, with the monetization of transmission assets, as envisaged under the Ministry of Power Guidelines dated 03.10.2022 titled 'Guiding Principles for Monetisation of Transmission Assets in the Public Sector through Acquire, Operate, Maintain and Transfer (AOMT) based PPP Model'."</p>
8.	<p>The Commission directs the Petitioner to submit System Study Report on the Network Elements experiencing congestion on a yearly basis.</p>	<p>The Petitioner submitted that congested network elements are identified based on system studies and real-time power flow analysis provided by UPSLDC. Accordingly, remedial measures are planned by the Planning Wing.</p>	<p>Compiled. While examining the Petition related to Capex investment proposals, the Commission would like to know whether remedial measures for</p>

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
		The Petitioner has provided the list of constrained elements (overloaded 400 kV & 220 kV Transmission lines, 400 kV S/s with N-1 non-compliant ICTs, 400 kV S/s operating with single ICT/long outages and 220/132 kV N-1 non-compliant ICTs) along with proposed remedial actions.	removal of such constraints have been provided for.
9.	The Licensee shall conduct the study for maintenance of Voltage profile/reactive power management at various Substations where solar generation or proposed solar generation is substantial. The detailed Report shall be submitted before the Commission on yearly basis.	<p>The Petitioner submitted that voltage profile and reactive power management studies are being undertaken as part of planning and integration of upcoming load and renewable energy projects. Detailed studies were conducted during connectivity planning for solar generators under the GEC-II Scheme, which were examined and approved by CEA.</p> <p>Further, similar studies have been conducted for upcoming solar projects and Pumped Storage Plants, and the identified system strengthening measures have been approved.</p> <p>The Petitioner has submitted the list of 06 nos. Bus Reactor and 05 nos. line reactor proposed at 765 kV and 20 nos. Bus Reactor and 04 nos. line reactor proposed at 400 kV, which are required for reactive power compensation have been submitted with Petition.</p>	<p>Compiled.</p> <p>Further, the Commission directs the Petitioner to ensure compliance also in future</p>
10.	UPPTCL is directed to conduct a detailed study of impact on transmission loss for the Control Period, considering 220 kV & above transmission system to be developed	The Petitioner submitted that M/s PRDC has been engaged to conduct a detailed study on the impact of 220 kV and above TBCB transmission systems on transmission losses for the Control Period. The study findings shall be	<p>Not Compiled.</p> <p>The Petitioner is directed to submit the detailed study within 03 months from the</p>

S. N.	Directives	Status of Compliance/Petitioner's Reply	Remarks
	through TBCB by other Transmission Licensees, and submit the same within three months.	submitted within the stipulated timeline of three months.	date of issuance of this Order.

9.3 DIRECTIVES ISSUED IN THIS ORDER

9.3.1 The Licensee/STU shall carry out planning studies for reactive power compensation of the intra-State transmission system Incl. reactive power requirement at the SSGS's switchyard and submit the same before the Commission once a year by 30th November.

The Commission observed that no details regarding reactive power compensation and reactive power requirement are mentioned in the draft report submitted by the Petitioner. Accordingly, the Petitioner is directed to carry out the study of specific directions and submit the final report within 03 months from the date of issuance of this Order.

9.3.2 The Licensee/STU shall ensure calibration, periodical testing and maintenance of ABT interface metering system (G-T & T-D) Incl. replacement of existing conventional/TOD metering system installed at 33 kV & above feeders (T-D interface).

The Licensee shall complete the testing and calibration of the ABT interface metering system at least once in five years (or as advised by SPC) as per CEA (Installation and Operation of Meters) Regulation, 2006 and its amendments thereof. Status reports shall be shared with the SPC six-monthly, by September 30th and March 31st every year and further shall be followed up regularly in the SPC.

The Commission further directs the Petitioner to furnish the final detailed status report of SAMAST scheme. Further the Petitioner was also directed to ensure the availability of all the equipment's installed under SAMAST scheme.

For testing and calibration of ABT meters the Petitioner is directed to share the status report with the SPC and submits the SPC observation and action plan with the Commission in the next tariff filing. Further with respect to status report of

implementation of SCADA system, the Petitioner is directed to expedite the implementation of data connectivity at remaining 132 kV Substations and complete the same by May 2026 and submit the completion report before the Commission at the earliest.

- 9.3.3 The Petitioner shall conduct an internal audit of their protection system annually of each substation at 220 kV & above Substation and endeavor to conduct audit at 132 kV substation for any shortcomings which must be identified and shall be rectified. The audit report along with the action plan for rectification of deficiencies detected, if any, shall be shared with SPC. The necessary compliance with such internal protection audit reports shall be followed up regularly in the SPC. The Protection Audit Report shall be discussed in SPC, and a detailed report shall be submitted to the Commission.

Further, with respect to internal audit of protection system of each substation at 220 kV & above, the Commission notes the Petitioner has provided the details of zone-wise internal protection audit carried out for FY 2024-25. However, no information has been submitted regarding the sharing of same with SPC. Accordingly, the Petitioner is directed to discuss the same in SPC and submit the detailed status along with action plan during the next tariff filing.

- 9.3.4 UPPTCL/STU was required to furnish the details pertaining to electricity transmitted and measured at interface meter(s) (Main) installed at the points of interconnection(s) between electrical system(s) of Transmission Licensee(s) and UPPTCL/ any other Transmission or Distribution Licensee/ Generating Company (refer UPERC letter UPERC/Secy./D(L&L)/2024/1752 dated 05.02.2024) within the given timeline. The Commission notes that the Petitioner has provided the desired information for WUPPTCL, SEUPPTCL, OCBTL and GTL along with the tariff petition. However, for the remaining TBCB Licensees no information has been submitted. Accordingly, the Petitioner is directed to provide the requisite information for the remaining TBCB Licensees within 03 months from the issuance of this Order without failing.

- 9.3.5 The First Proviso to Regulation 23.3 mandates UPPTCL to conduct the asset

monetization study within six months from the date of issuance of MYT Transmission Regulation, 2025. The regulation has reproduced below:

Quote

23. Non-Tariff Income

.....

(3). The Non-Tariff income under item (j) above (income from advertisements) shall be shared between the Transmission Licensee and the consumers in the ratio of 30% and 70% respectively:

Provided that the Transmission Licensee shall undertake asset monetisation study within six months from the date of notification of these Regulations.

Unquote

The Commission further in Statement of Reason had directed the Petitioner to conduct asset monetization study within six months of the notification of the Final MYT Transmission Regulations, 2025. Accordingly, the Petitioner is directed to submit the study within 03 months from the date of issuance of this order. Further, the study should be comprehensive and must, inter alia, cover the following elements:

- Evaluation of monetization opportunities,
- identification of monetizable transmission assets, and
- Proposal of phased implementation plans.

The Commission further clarifies that the intent of this directive is to enable UPPTCL to generate alternate revenue streams under Non-Tariff Income / Income from Other Business through optimal utilisation of its transmission assets, as demonstrated by the Petitioner through initiatives such as OPGW leasing, advertisement etc,. The Commission emphasises that this directive shall not be construed or linked, in any manner, with the monetization of transmission assets, as envisaged under the Ministry of Power Guidelines dated 03.10.2022 titled ‘Guiding Principles for Monetisation of Transmission Assets in the Public Sector through Acquire, Operate, Maintain and Transfer (AOMT) based PPP Model’.”

9.3.6 The petitioner is directed to conduct a detailed study of impact on transmission loss

for the Control Period, considering 220 kV & above transmission system to be developed through TBCB by other Transmission Licensees, and submit the same within 03 months from the date of issuance of this order.

9.3.7 The STU is directed to convene timely coordination meetings with Transmission Licensees under Section 62, TBCB Transmission Licensees, UPPCL and the Distribution Licensees, with a view to ensuring coordinated planning of an efficient, reliable and economical transmission system and to mitigate the issue of under-utilised/ non Utilisted substations of Transmission Licensees. Further, the status of the same shall be shared with the Commission in the next tariff filing.

9.3.8 The Petitioner is directed to achieve $\geq 98\%$ telemetry availability (MW/MVAr flows, bus voltages and SOE signals) and to ensure that all communication and integration for expansion adhere to the CEA Technical Standards for Communication in Power System Operation (2020), including IEC-61850 for substation automation at new bays.

9.3.9 The Petitioner is directed to strengthen O&M of transmission towers and lines. The Petitioner shall undertake mandatory patrolling of each transmission line as per seasonal frequency and terrain category prescribed in the CEA Grid Standards, ensuring identification of hazards such as tower tilt, missing members, foundation settlement, vegetation infringement, corrosion, bird-nesting, conductor galloping exposure and encroachments. A comprehensive tower maintenance protocol shall be prepared covering:

- periodic tightening of tower members and anti-theft bolts;
- systematic corrosion control measures including zinc-rich coatings/painting cycles for towers in pollution-prone, industrial belts;
- foundation inspection including erosion, scouring and waterlogging impacts;
- vegetation clearance to prescribed statutory clearances; and
- rectification timelines for each defect category.

9.3.10 Regulation 30.1 of the MYT Transmission Regulations, 2025 and its amendments thereof provides that the STU shall be responsible for monthly billing and collection of Intra-State Transmission Charges from the Transmission System Users as per the

Tariff Order issued by the Commission from time to time. Further, Regulation 30.2 of the said Regulations, provides that the amount so collected by the STU on account of Intra State Transmission Charges shall be kept in separate account maintained and operated by the STU. In this regard, the Petitioner is directed to indicate details with respect to intra state transmission charges (collection, disbursement and funds maintained in the account) in a separate head under the balance sheet.

- 9.3.11 The Transmission Licensee is directed to submit the details of voltage-wise transmission loss of the system with the Commission in the next tariff filing.

10 REPORT ON WAY FORWARD ISSUED IN LAST TARIFF ORDER

10.1 COMPLIANCE STATUS OF WAY FORWARD ISSUED IN THE TARIFF ORDER DATED OCTOBER 10, 2024`

10.1.1 The Commission had issued way forward to the Petitioner in the Tariff Order for FY 2024-25 dated October 10, 2024. The status of compliance submitted by the Petitioner viz-a-viz is shown in the Table given below:

TABLE 10.1: STATUS OF COMPLIANCE/PETITIONER'S REPLY TO COMMISSION'S WAY FORWARD

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
1.	<p>Predictive Maintenance: Deploying predictive maintenance practices through routine testing of equipment and creating database of test results, use of sensors and data analytics will help the Petitioner timely anticipate equipment failures before they occur, thus reducing downtime and improving reliability. This will also reduce the R&M cost and result in longer life for transmission elements and infrastructure.</p> <p>The Petitioner is directed to provide timelines for developing dedicated applications and future course of action during next tariff Petition filing.</p>	<p>UPPTCL has initiated drone patrolling of transmission lines to enhance inspection efficiency and coverage. In addition, patrolling of lines is being carried out through the Transmission Line Patrolling System (TLPS) mobile application, and a centralized database of patrolling records has been created for systematic monitoring and analysis. Furthermore, for monitoring the health of power transformers, a dedicated application is currently under the development stage and expected to go-live by 31.03.2026.</p>	<p>The Commission appreciates the initiatives taken by UPPTCL regarding predictive maintenance. The Petitioner should take further such initiatives for adoption/upgradation to best technology for improving reliability in future and may reduce the R&M cost.</p>
2.	<p>Smart Grid Technology: The Petitioner should plan to implement state of the art smart grid technologies to enhance grid resilience, improve load management, and enable real-time</p>	<p>The Petitioner submitted that Power Grid Corporation of India Limited (PGCIL) has been engaged for implementation of remote operation of substations. In the first phase, approximately 200 substations are proposed to be</p>	<p>The Petitioner has not provided the detailed action plan along with timelines as was directed. The Petitioner shall submit the same</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
	<p>adjustments to the power transmission.</p> <p>The Petitioner is directed to provide the detailed action plan along with timelines in the next Tariff Petition.</p>	<p>brought under remote operation, enabling centralized monitoring, improved operational control, and enhanced system efficiency. The work is expected to commence from 01.04.2026 and is proposed to be completed within a period of three years.</p>	<p>within 01 month from the date of issuance of this Order. Further, the petitioner shall provide the six-monthly progress of the activities it has undertaken for implementation of remote operation of substations during the next tariff filings.</p>
3.	<p>Grid Modernization:</p> <p>The Petitioner should proactively assess the current life of its key transmission infrastructure such as power transformers, instrument transformers, meters, transmission lines consisting of towers, conductors etc., so that upgradation of the infrastructure can be planned and implemented seamlessly. High-efficiency transformers, insulated conductors, and automated substations will add on to higher availability of the network as well as reduced transmission losses.</p> <p>The Petitioner is directed to replace all Mechanical Relays with Static Relays within a period of six months.</p>	<p>The Petitioner submitted that Residual Life Assessment (RLA) of transmission assets is being undertaken to facilitate timely planning for upgradation and replacement. Further, mechanical relays are being systematically replaced with numerical and software-based relays, enabling improved protection performance, faster fault detection, and enhanced system reliability.</p>	<p>The Commission observes that proactive assessment of the residual life of critical transmission infrastructure and adoption of modern protection and automation systems are essential elements of prudent utility management. The Commission expresses its dissatisfaction with the response of the Petitioner, as the submissions made are generic in nature and merely reiterate routine organisational functions, without providing any concrete status, timelines, or outcomes.</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
			<p>The Commission further notes that while the Petitioner has stated that Residual Life Assessment (RLA) of transmission assets is being undertaken and mechanical relays are being replaced in a phased manner, no specific details regarding the progress, coverage, or results of such initiatives have been furnished.</p> <p>Accordingly, the Petitioner is directed to submit, along with its next tariff petition, the detailed status of Residual Life Assessment (RLA) of transmission assets, including the results thereof. The Petitioner is further directed to submit the status of replacement of all Mechanical Relays with Static/Numerical Relays, indicating the extent of compliance achieved.</p>
4.	<p>Cybersecurity Measures: Cyber Security remains the</p>	<p>The Petitioner submitted that cybersecurity measures for its</p>	<p>The reply of the licensee does not</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
	<p>biggest external threat to the whole grid operations. Implementing strong cybersecurity practices as per CERT-In guidelines and CEA directives to protect the grid from cyber threats, including secure communication protocols and regular security audits should be the top priority of the Petitioner.</p> <p>The Petitioner is directed to provide the detailed action plan along with timelines in the next Tariff Petition.</p>	<p>transmission infrastructure are currently underway. The Petitioner further submitted that Level-1 cybersecurity measures have already been completed and that further actions are being planned in accordance with the guidelines issued by CERT-In and the directives of the Central Electricity Authority (CEA).</p> <p>The cybersecurity of the cloud platform has been completed, and security analysis of end-user computers has also been carried out. Implementation of mitigation measures is in progress and is expected to be completed within three months.</p>	<p>adequately comply with the Commission's specific direction to furnish a detailed action plan along with timelines. Instead of presenting a structured roadmap, the licensee has merely stated that cybersecurity measures are "underway" and that further actions are being planned. Such statements are generic and do not indicate any concrete implementation strategy. Therefore, the response falls short of the requirement of providing a clear, time-bound action plan.</p> <p>The reply also appears to focus primarily on IT-related components such as cloud platforms and end-user computers, while failing to address cybersecurity of critical grid infrastructure. Moreover, the licensee has not</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
			<p>provided any information regarding risk assessment, vulnerability analysis, or cybersecurity audits.</p> <p>Although the licensee has stated that actions are being planned in accordance with CERT-In and CEA guidelines, the reply does not include any compliance mapping, gap analysis, or status of implementation of prescribed measures. The absence of such substantiation renders the response largely declaratory in nature, rather than demonstrative of actual compliance.</p>

10.2 COMPLIANCE OF STATUS OF WAY FORWARD ISSUED IN THE TARIFF ORDER DATED SEPTEMBER 08, 2025.

10.2.1 The Commission had issued way forward to the Petitioner in the Tariff Order for FY 2025-26 dated September 08, 2025. The status of compliance submitted by the Petitioner viz-a-viz is shown in the Table given below:

TABLE 10.2: STATUS OF COMPLIANCE/PETITIONER'S REPLY TO COMMISSION'S WAY FORWARD

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
1.	Innovation & New Technologies Explore Virtual Transmission Lines, Dynamic Line Rating	The Petitioner submitted that it is actively exploring and adopting innovative and advanced	The Commission observes that the Petitioner

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
	<p>(DLR), FACTS devices (SVC/STATCOM), to reduce congestion and enhance reliability.</p>	<p>technologies to enhance system reliability, operational efficiency, and congestion management in the intra-State transmission network.</p> <p>It was submitted that several solutions have already been implemented or are under development, including the Transmission Line Patrolling System (TLPS), transformer health monitoring systems for real-time condition assessment and predictive maintenance, and remote operation of substations to improve operational control, response time, and safety.</p> <p>Further, the Petitioner submitted that it is in the process of evaluating emerging technologies such as Virtual Transmission Lines, Dynamic Line Rating (DLR), and Flexible AC Transmission System (FACTS) devices including SVC and STATCOM for addressing network congestion and enhancing system reliability.</p>	<p>has not provided details of adoption of innovative and new technologies. It has made very basic & generic submission without mentioning any specific details of initiatives taken in the area of innovation & new technology.</p> <p>The Commission expresses its dissatisfaction on making such kind of submission. The Petitioner is therefore directed to provide specific details, status and timelines of implementation of innovative and new technologies during next tariff filings. The Petitioner while filing submission must ensure to list out adoption</p>

S. N.	Directives	Status of Compliance/ Petitioner's Reply	Remarks
			of those technologies which are considered to be innovative/new technologies & must not detail out those technologies which are now becoming common/usual.

10.3 WAY FORWARD ISSUED IN THIS ORDER

The primary responsibility of a transmission utility is to provide reliable, efficient, and future-ready network infrastructure for seamless evacuation of power from generating stations to distribution licensees and other transmission users. In line with the evolving power sector scenario in India—marked by large-scale renewable energy (RE) integration, green hydrogen, and storage-based balancing resources—the Commission, through this Order in addition to its earlier Orders, sets out the following way forward for the Petitioner’s future performance:

10.3.1 In order to ensure alignment with national policy and the applicable legal framework, the Commission directs the Petitioner to ensure that all cybersecurity measures and initiatives are undertaken in conformity with the National Cyber Security Policy and the relevant provisions of the Information Technology Act, 2000. The Petitioner shall also comply with the standard operating procedures, guidelines, and cybersecurity advisories issued by the designated authorities, including the National Critical Information Infrastructure Protection Centre (NCIIPC) and the Indian Computer Emergency Response Team (CERT-In). Further, the Petitioner shall implement appropriate cybersecurity systems, protocols, and internal control mechanisms in accordance with the applicable standards, guidelines, regulations, and statutory provisions. The Commission emphasises that a comprehensive and end-to-end cybersecurity framework should be adopted to

effectively identify, monitor, and mitigate cybersecurity risks across the entire supply chain of critical infrastructure and assets.

- 10.3.2 The Petitioner may explore the adoption of advanced communication networks and advanced digital technologies such as Artificial Intelligence (AI), and Virtual Reality (VR) to improve asset management, network planning.
- 10.3.3 In view of rapid transition and changing dynamics of power sector, UPPTCL should establish and maintain a dedicated, skilled workforce for effective operations. They must ensure adequate staffing across all functional areas and prioritize continuous reskilling and upskilling of personnels. Accordingly, the Petitioner must focus on providing proper and up to date training to the officers and workforce to enhance their skills and ability.
- 10.3.4 The Petitioner may ensure full compliance with the standards and guidelines issued by the Central Electricity Authority (CEA) with respect to disaster management and system resilience, and shall take appropriate measures to strengthen preparedness and response mechanisms for handling natural and man-made contingencies.



11 APPLICABILITY OF THE ORDER

- 11.1.1 The Petitioner (in the Capacity of STU), in accordance with Regulation 3.10 of the MYT Transmission Regulations, 2025 and its amendments thereof, shall publish the Intra State Transmission Tariff within three working days of the approval by the Commission in at least two English and two Hindi daily newspapers having wide circulation in its license area and shall upload the approved Tariff on its internet website both in English and Hindi. The Petitioner is also required to submit the copies of the newspapers and screen shots of the website within seven (7) days of publication to the Commission.
- 11.1.2 The Tariff so published shall come into force after seven days from the date of such publication of the Tariffs and unless amended or revised, shall continue to be in force till the next tariff order becomes effective. However, in case this tariff order comes into force from any date during the currency of this month, the monthly transmission charges prescribed for Distribution Licensee and Indian Railways shall be effective for the entire month. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

(Sanjay Kumar Singh)
Member

(Arvind Kumar)
Chairman

Place: Lucknow

Date: April 15, 2026

ANNEXURE I: STATUS OF WORK UNDER GEC-II SCHEME (UPTO MARCH 31, 2026)

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
Talbehat, Lalitpur	M/s Kalpatru	765/400/220	-	1x1500+2x500	600.49	16.11.23	12.06.26	31.01.27	-	-	-	-	Physical progress achieved: Civil works – 51%, Erection – 22%, and Supply – 96%.	Physical progress was hampered due to severe flooding and waterlogging conditions and RoW issues at site. However, registry of 28 hectares of land has been completed and the works have commenced.
Garautha, Jhansi	M/s Kalpatru	400/220	-	3x500	272.04	22.11.23	11.12.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 91%, Erection – 87%, and Supply – 100%. The substation comprising one 500 MVA transformer/reactor and 400 kV line bay was energised on 17.03.2026.	Physical progress was hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor.
Maheba, Jalaun	M/s Kalpatru	400/220/132	-	2x500+2x160	261.37	22.11.23	03.12.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 77%, Erection – 81%, and Supply – 100%. The substation comprising one 500 MVA transformer/reactor and 400 kV line	



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
													bay was energised on 27.02.2026.	
LILO of 765kV Agra-Lalitpur Line at Talbehat	M/s R.S. Infraprojects Pvt. Ltd.	765	42.00	-	150.99	14.11.23	13.11.24	31.01.27	65	65	65	42	The line works have been completed, and safety clearance NOC is awaited. The line shall be charged on anti-theft basis by 30.04.2026 and shall be charged at rated voltage after commissioning of the 765 kV Talbehat Substation, which is expected by 31.01.2027.	
400kV Garautha-Talbehat DC Line	M/s R.S. Infraprojects Pvt. Ltd.	400	259.20	-	619.72	14.11.23	13.11.25	30.06.26	388	370	347	121.3	Foundation, Erection and Stringing works is in progress.	The transmission line is passing through parts of Madhya Pradesh, where delay in obtaining statutory NOCs and Right-of-Way (RoW) issues has affected progress of works. Consequently, foundation, erection and stringing activities in those stretches remain under execution
LILO of Both 400kV Orai(PG765)-	M/s R.S. Infraprojects Pvt. Ltd.	400	212.00	-	422.22	16.11.23	15.05.24	30.04.26	313	313	311	177.12	The LILO of one circuit has been energised at rated	Physical progress was hampered due to severe flooding and waterlogging



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
Orai Line at 400kV Garautha													voltage on 17.03.2026, while the stringing work of the LILO of the second circuit is currently in progress.	conditions and slow progress of works by the EPC contractor.
LILO of 400kV Banda-Orai Line at Maheba	M/s R.S. Infraprojects Pvt. Ltd.	400	29.70	-	89.87	16.11.23	15.11.24	-	43	43	43	29.7	Line Charged at rated voltage on 26.02.2026	
220kV Talbehat-Lalitpur DC Line	M/s Apar Industries Ltd.	220	71.32	-	76.83	11.12.23	10.12.24	31.01.27	118	118	118	70.90	Only the dead-end tower to gantry connection is pending, which shall be completed upon commissioning of the 765 kV Talbehat S/s.	Physical progress was hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor.
Hamirpur	M/s Amararaja Infra Pvt. Ltd	220/132/33	-	2x160+2x40	77.23	26.09.24	25.04.26	30.06.26	-	-	-	-	Physical progress achieved: Civil works – 40%, Erection – 5%, and Supply – 58%.	Physical progress was hampered due to severe flooding and waterlogging conditions and slow progress/non-deployment of adequate manpower and machinery by the EPC contractor. Notice has been issued to the firm in this regard.



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Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
LILO of 220kV Mahoba(220)-Banda(400) at Hamirpur	M/s Amararaja Infra Pvt. Ltd	220	72.76	-	30.46	26.09.24	25.09.25	30.06.26	104	95	36	0	Foundation and Erection work in progress.	Physical progress was hampered due to severe flooding and waterlogging conditions and slow progress/non-deployment of adequate manpower and machinery by the EPC contractor. Notice has been issued to the firm in this regard.
220kV Maheba-Hamirpur DC Line	M/s Amararaja Infra Pvt. Ltd	220	160.00	-	104.93	29.09.24	25.09.25	30.06.26	247	111	0	0	Foundation works are in progress, and erection works are scheduled to commence during the current month.	Physical progress was largely hampered due to severe flooding and waterlogging conditions, slow mobilisation by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues relating to towers, stubs and other materials. Notice has been issued to the contractor in this regard.
Muskara, (Hamirpur)	M/s Amararaja Infra Pvt. Ltd	132/33	-	2x40	26.78	26.09.24	25.10.25	30.04.26	-	-	-	-	Physical progress achieved: Civil works – 85%, Erection – 98%, and Supply – 95%. The substation was energised on 01.03.2026.	



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
LILO of 132kV Bharua Samerpur-Sarila Line at Muskara	M/s Amara Raja Infra Pvt. Ltd	132	12.10	-	2.86	26.09.24	25.09.25	-	21	21	21	12.10	Line energised on 01.03.2026	physical progress was largely hampered due to severe flooding and waterlogging conditions, slow start of works by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues related to towers and stubs.
LILO of 132kV Mahoba (220)-Panwari Line at Charkhari	M/s Amara Raja Infra Pvt. Ltd	132	18.10	-	14.39	26.09.24	25.09.25	30.04.26	43	38	36	6.18	Foundation, erection and stringing works are in progress. Right-of-Way (RoW) issues have arisen due to the ongoing crop season, and the field unit is resolving the same with the assistance of the local administration.	Physical progress was largely hampered due to severe flooding and waterlogging conditions, slow start of works by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues related to towers and stubs. Notice has been issued to the contractor in this regard.
Charkhari, Mahoba	M/s Reliance Elektrik Works	220/132/33	-	160+40	60.87	16.12.23	28.07.25	30.06.26	-	-	-	-	Physical progress achieved: Civil works – 70%, Erection – 66%, and Supply – 93%.	Physical progress was hampered due to flooding and waterlogging conditions and slow progress caused by non-deployment of adequate manpower and machinery by the EPC contractor. Notice has been



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Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
														issued to the firm in this regard.
220kV Charkhari-Garotha (UC 400KV) DC Line	M/s REW JV With Unique Structure	220	134.00	-	62.37	16.12.23	15.03.25	30.06.26	224	191	77	0	Foundation, Erection work are in progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions, slow mobilisation by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues related to towers, stubs and other materials.
Banda Extn.	M/s Reliance Elektrik Works	220/132	-	2x160	52.57	16.12.23	28.07.25	30.06.26	-	-	-	-	Physical progress achieved: Civil works – 93%, Erection – 34%, and Supply – 43%.	Physical progress was hampered due to slow progress of works, delay in supply of electrical equipment, and non-deployment of adequate manpower and machinery by the EPC contractor.
LILO of 132kV Banda (220)- Kabrai Line at Banda(400)	M/s REW JV With Unique Structure	132	1.40	-	1.93	16.12.23	15.12.24	-	3	3	3	1.2	Only the LILO point and dead-end tower to gantry connection are pending, which shall be completed after commissioning of the 220 kV Banda Substation.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor.



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Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
Jaitpur, Mahoba	M/s Reliance Elektrik Works	220/132/33	-	160+40	80.88	16.12.23	28.07.25	30.06.26	-	-	-	-	Physical progress achieved: Civil works – 75%, Erection – 70%, and Supply – 95%.	Physical progress was hampered due to flooding and waterlogging conditions and slow progress caused by non-deployment of adequate manpower and machinery by the EPC contractor. Notice has been issued to the firm in this regard.
220kV Jaitpur – Charkhari SC Line	M/s REW JV With Unique Structure	220	44.14	-	38.19	16.12.23	15.12.24	31.05.26	140	122	111	19	Foundation, Erection and Stringing Work are in Progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions, slow mobilisation by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues related to towers, stubs and other materials.
Baberu, Banda	M/s Reliance Elektrik Works	132/33	-	2x40	31.04	16.12.23	25.01.25	30.04.26	-	-	-	-	Physical progress achieved: Civil works – 99%, Erection – 93%, and Supply – 98%.	Physical progress was hampered due to flooding and waterlogging conditions, and slow progress arising from non-deployment of adequate manpower and machinery by the EPC contractor. Testing and commissioning works are presently underway.



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Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
LILO of 132kV Sumerpur-Sarila Line at Hamirpur	M/s REW JV With Unique Structure	132	5.54	-	4.88	16.12.23	15.12.24	30.04.26	10	10	10	5.54	The works have been completed, and the line shall be energised subject to availability of shutdown.	
132kV Pailani-Baberu DC Line	M/s REW JV With Unique Structure	132	79.54	-	23.78	16.12.23	15.12.24	31.05.26	128	116	105	15	Foundation, Erection and Stringing Work are in Progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions, slow mobilisation by the EPC contractor owing to inadequate deployment of manpower, and supply-chain issues related to towers, stubs and other materials.
Farrukhabad	M/s NKG Infrastructure Ltd.	400/220/132	-	2x500+2x160	266.71	06.03.24	30.04.26	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 80%, Erection – 78%, and Supply – 93%.	
400kV Farrukhabad-Badaun DC Line	M/s Associated Power Structures Pvt. Ltd.	400	193.00	-	232.87	11.12.23	10.06.25	-	255	255	255	193.00	The line was energised at rated voltage on 31.03.2026 from the Badaun end.	Physical progress was largely hampered due to severe flooding and waterlogging conditions



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Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
400kV Farrukhabad -Maheba DC Line	M/s Associated Power Structures Pvt. Ltd.	400	307.76	-	401.87	11.12.23	10.06.25	30.06.26	435	424	421	189.90	Foundation, erection and stringing works are in progress. Balance foundation locations are pending due to NOCs from other utilities and RoW issues, which are being actively resolved.	and slow progress of works by the EPC contractor.
LILO of 220kV Chibbramau-Farukhabad(220) Line at Farrukhabad(400)	M/s Associated Power Structures Pvt. Ltd.	220	21.68	-	25.71	11.12.23	10.12.24	-	35	35	35	21.68	The line was charged on anti-theft basis on 25.08.2025.	
Birdha, Lalitpur	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	68.40	06.03.24	20.09.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 86%, Erection – 76%, and Supply – 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3–4 months. Notice has been issued to the firm for slow progress.
220kV Birdha-Lalitpur (220) SC Line	M/s PCR JV with LC Infra	220	27.69	-	18.60	06.03.24	05.03.25	-	87	87	87	27.69	The line was charged on 15.11.2025	Physical progress was largely hampered due to severe flooding and waterlogging conditions



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
														and slow progress of works by the EPC contractor.
Madawra, Lalitpur	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	70.02	06.03.24	15.09.25	30.06.26	-	-	-	-	Physical progress achieved: Civil works – 85%, Erection – 73%, and Supply – 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3–4 months. Notice has been issued to the firm for slow progress.
220kV Mandawra-Lalitpur (220) SC Line	M/s PCR JV with LC Infra	220	54.49	-	32.55	06.03.24	05.06.25	30.04.26	159	157	145	18.8	Foundation, erection and Stringing works are in progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 2–3 months. Notice has been issued to the firm for slow progress.
Kabrai, Mahoba	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	63.68	06.03.24	20.09.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 89%, Erection – 85%, and Supply – 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3–4 months. Notice has been issued to the firm for slow progress.



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
220kV Kabrai-Charkhari (220) SC Line	M/s PCR JV with LC Infra	220	34.15	-	29.45	06.03.24	05.03.25	-	98	98	98	32.545	The line was charged on anti-theft basis on 24.11.2025.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor. Notice has been issued to the firm for slow progress.
Dakaur, Jalaun	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	57.03	06.03.24	15.09.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 91%, Erection – 80%, and Supply – 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3–4 months. Notice has been issued to the firm for slow progress.
220kV Dakaur-Maheba(400) SC Line	M/s PCR JV with LC Infra	220	44.19	-	32.37	06.03.24	05.03.25	30.04.26	146	146	146	40.41	Foundation and erection works have been completed, and stringing works are in progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 2–3 months.
Bangra, Jhansi	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	74.64	06.03.24	15.09.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 88%, Erection – 90%, and Supply – 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3–4 months. Notice has been issued to the contractor for slow progress.



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
220kV Bangra - Garautha SC Line	M/s PCR JV with LC Infra	220	34.44	-	30.25	06.03.24	05.03.25	30.04.26	116	116	116	23.12	Foundation and erection works have been completed, and stringing works are currently in progress.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 2-3 months.
Bamaur, Jhansi	M/s P. Chandra Reddy & Co.	220/132/33	-	160+40	69.43	06.03.24	15.09.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works - 83%, Erection - 80%, and Supply - 98%.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 3-4 months.
220kV Bamaur-Garotha SC Line	M/s PCR JV with LC Infra	220	31.89	-	20.93	06.03.24	05.03.25	30.04.26	101	101	101	31.886	Electrical Safety NOC is pending, and the line shall be charged after receipt of the said NOC.	Physical progress was largely hampered due to severe flooding and waterlogging conditions and slow progress of works by the EPC contractor during the last 2-3 months.
Kadaura, Jalaun	M/s Man Structural Pvt. Ltd	132/33	-	2x40	27.41	06.03.24	11.03.25	-	-	-	-	-	The Substation was energised at rated voltage on 23.09.2025	
132kV Kadaura-Hamirpur SC Line	M/s Man Structure JV with Gupta Construction	132	25.70	-	15.56	06.03.24	05.03.25	-	79	79	79	25.445	The line was charged at rated voltage on 25.04.25	
Kuthond, Jalaun	M/s Man Structural Pvt. Ltd	132/33	-	2x40	26.63	06.03.24	11.03.25	-	-	-	-	-	The Substation was energised at rated voltage on 11.09.2025	



Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
132kV Kuthond - Madhogarh SC Line	M/s Man Structure JV with Gupta Construction	132	33.60	-	18.92	06.03.24	05.03.25	-	113	113	113	33.06	The line was charged at rated voltage on 01.08.2025.	
Gohand, Hamirpur	M/s Man Structural Pvt. Ltd	132/33	-	2x40	27.00	06.03.24	04.04.25	-	-	-	-	-	The substation was energised at rated voltage on 30.09.2025.	
LILO of 132kV Panwadi – Sarila Line at Gohand	M/s Man Structure JV with Gupta Construction	132	7.74	-	11.20	06.03.24	05.03.25	-	22	22	22	7.74	The line was charged on 25.04.2024.	
Mehrauni, Lalitpur	M/s Man Structural Pvt. Ltd	132/33	-	2x40	24.72	06.03.24	19.03.25	31.05.26	-	-	-	-	Physical progress achieved: Civil works – 97%, Erection – 97%, and Supply – 100%.	The substation is ready for charging and shall be charged in coordination with the Madwara Substation.
132kV Mehrauni (Lalitpur)- Mandwara (Lalitpur) SC Line	M/s Man Structure JV with Gupta Construction	132	31.66	-	17.33	06.03.24	05.03.25	-	99	99	99	31.66	The works have been completed, and the line shall be charged after completion of the associated substation works.	
Chitrakoot	M/s Amara Raja Infra Pvt. Ltd	400/220	-	2x500	231.50	27.10.25	26.10.27	31.01.28	-	-	-	-	LOI has been issued. Further land handover and demarcation work are in progress.	



ANNEXURES

Name of the transmission project	Implementing Agency	Voltage Level (kV)	Length (ckm)	Transformation capacity (in MVA)	Cost (Cr)	Date of approval /LOI	Original COD	Anticipated COD	Total Tower Locations	Foundation completed (Nos.)	Tower Erected (Nos.)	Stringing completed (ckm)	Present Status of Substation (Land, equipment supply, erection, civil works etc.)	Issues/ Remarks
400 kV DC Banda-Chitrakoot Line	M/s Salasar Engineering	400	272.00		369.75	22.11.25	21.05.27	21.05.27	398	-	-	-	Foundation work started.	

**ANNEXURE II: ADMITTANCE ORDER**

**BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,
LUCKNOW**

Petition No. 2320/2025

IN THE MATTER OF:

Determination of Annual Revenue Requirement (ARR) & Intra State Transmission Tariff for FY 2026-27, Annual Performance Review (APR) for FY 2025-26 and True Up for FY 2024-25.

And**In the matter of:**

Uttar Pradesh Power Transmission Corporation Limited, Lucknow (UPPTCL) as Transmission Licensee and in the capacity of State Transmission Utility (STU).

..... Petitioner

ADMITTANCE ORDER**BACKGROUND:**

The Electricity Act, 2003, under Section 64 stipulates the Licensee to file an application before the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

The Commission had notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (herein after referred as Regulations, 2019) on September 23, 2019. These Regulations are applicable for determination of ARR/Tariff in all cases covered under these Regulations from April 1, 2020 to March 31, 2025, unless reviewed earlier or extended by the Commission.

As per the provisions stipulated in Regulation 4 of MYT Regulations, 2019, the Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR)/Tariff, complete in all respect has to be filed by the Transmission Licensee for each year of the Control Period (FY 2020-21 to FY 2024-25) before the Commission on or before November 30th of concerned year.

Thereafter, the Commission had notified the UPERC (Multi Year Tariff for Transmission) Regulations, 2025 (hereinafter referred as 'Regulations 2025') on June 06, 2025. The MYT Transmission Regulations 2025 is applicable for the control period from April 01, 2025 to





March 31, 2030, unless extended by the Commission. The Commission has also issued the UPERC (MYT Transmission) (First Amendment) Regulations, 2025, (hereinafter referred to as "First Amendment Regulations, 2025").

In the present filing, Regulations, 2019, is applicable for True Up of FY 2024-25 and MYT for Transmission, whereas Regulations, 2025, read along with First Amendment Regulations 2025, is applicable for APR of FY 2025-26 & ARR/Tariff of FY 2026-27.

LICENSEES SUBMISSION:

Uttar Pradesh Power Transmission Corporation Limited (hereinafter referred to as "UPPTCL" or "the Petitioner") filed Tariff Petition No. 2320 of 2025 seeking approval of the True-Up for FY 2024-25 along with the audited accounts for FY 2024-25, in accordance with the provisions of the Regulations, 2019.

Further, in the instant Petition, the Petitioner has filed the Annual Performance Review (APR) for FY 2025-26 and the Annual Revenue Requirement (ARR) for FY 2026-27 under the provisions of the Regulations 2025. Additionally, UPPTCL, in its capacity as the State Transmission Utility (STU), has filed the APR of the Intra-State Transmission Tariff for FY 2025-26 and sought determination of the Intra-State Transmission Tariff for FY 2026-27 under the Regulations, 2025, before the Commission on November 28, 2025.

PRELIMINARY OBSERVATION:

The Commission conducted a preliminary analysis of the above Petition submitted on November 28, 2025, and certain deficiencies were observed which were raised to the Petitioner vide letters/email dated December 22, 2025, and some deficiencies were raised vide Minutes of Meeting dated January 21, 2026 of TVS conducted on January 20, 2026 for the Tariff Petition.

In preliminary analysis, deficiencies sought were related to MYT formats in excel formats, appeals/ cases pending in various Tribunals/ Courts against the orders of the Commission, de-capitalized assets, capital work in progress, capital expenditure and capitalisation, computation of interest rate on long term loan, O&M expenses, calculation of depreciation, subsidy, loan taken, interest capitalized, finance charges, computation of TTSC and Base TCR, rationale for the quantum of rebate claimed, compliance of directives issued by the Commission in its previous Tariff Orders along with various other issues.

LICENSEE RESPONSE:

The Petitioner submitted its response to the data deficiencies in respect of the True-Up for FY 2024-25, Annual Performance Review (APR) for FY 2025-26, Annual Revenue Requirement (ARR) for FY 2026-27, APR of the Intra-State Transmission Tariff for FY 2025-26, and determination of the Intra-State Transmission Tariff for FY 2026-27 vide Letter No. 110 Dir(P&C)/UPPTCL/2026 dated January 06, 2026.

The Technical Validation Session (TVS) on the Tariff Petition was conducted on January 20, 2026, which was attended by the officials of the Commission and the Petitioner.



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During TVS, UPPTCL/STU explained various issues raised in the deficiencies and provided clarifications on the queries raised by officers of the Commission. Further, additional queries in respect of the information submitted were communicated to the Petitioner vide the Minutes of Meeting dated January 21, 2026.

COMMISSION'S OBSERVATIONS & DIRECTIONS:

The Petitioner has filed the Tariff Petition in accordance with Regulations 2019 and Regulations 2025. Further, the Petitioner has submitted the requisite data in compliance with Clause 2 and Clause 3 of Regulation 3 of the Regulations 2025 for ARR & Intra State Transmission Tariff for FY 2026-27.

Further, the Commission admits the Tariff Petition No. 2320/2025 of the Petitioner. The Commission further directs UPPTCL/STU to submit its response on issues raised during TVS and on previous pendency, if any. The Petitioner is also being directed that it shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petition and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission. In case of failure in compliance of such directions, the Commission shall dispose of the matter as considered deemed fit by it based on the available information.

Clause (8) of Regulation 3 of UPERC (MYT for Transmission) Regulations, 2025, read with the First Amendment Regulations, 2025, specifies as under:

"The Petitioner shall within three working days of the issuance of the Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in its license area, outlining the True-Up/APR/ARR, proposed Tariff and such other matters as may be directed by the Commission, inviting suggestions and objections from the stakeholders and public at large:

Provided that the Petitioner shall also provide on its website the Petition filed before the Commission along with all regulatory filings, detailed computations, particulars and documents, in text-searchable format or in downloadable spreadsheet format in the manner stipulated by the Commission:

Provided also that the web link to the information mentioned in the first proviso to this Regulation should be easily accessible, archived for downloading and be prominently displayed on the Petitioner's website:

Provided also that Petitioner shall intimate its stakeholders about filing of such Petition, period of public consultation, date of Public Hearing etc. through appropriate notice on its website and newspapers:

Provided further that the Petitioner may be exempted by the Commission from providing any such information, particulars or documents considered confidential in nature."

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Accordingly, the Petitioner shall publish a Public Notice within three working days of issue of the Admittance Order in at least two English and two Hindi daily newspapers having wide circulation, outlining the ARR, proposed Intra-State Transmission Charges, APR, True-Up etc., and invite suggestions and objections within 21 days from the date of publication of the Public Notice(s) from the stakeholders and public at large.

The Public Notices should indicate that the stakeholders should regularly check the website of the Petitioner for further submissions made in respect to these proceedings.

The Petitioner shall also upload on its website the True up Petition, the APR Petition and updated ARR and Intra-State Transmission Tariff along with formats filed before the Commission along with all regulatory filings, information, particulars, and related documents in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. The Petitioner shall also ensure that those files are broken down into such size which can be easily downloaded. The Petitioner shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioner shall not provide or put up any such information, particulars, or documents, which are confidential in nature, without the prior approval of the Commission.

The Petitioner shall inform the Commission about the details of publication of the Public Notice in the newspapers and uploading on the website along with the links. The Petitioner is also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

The Commission proposes to hold the Public Hearings likely in February/March 2026, the details of which will be provided subsequently on the Commission's website www.uperc.org.

The Petitioner shall take all necessary steps to ensure the necessary arrangements for smooth functioning of the same in accordance with the guidelines / instructions issued in this regard by the Commission.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of the Petition.


(Sanjay Kumar Singh)
Member






(Arvind Kumar)
Chairman

Place: Lucknow

Date: **22** January 2026

ANNEXURE III: PUBLIC NOTICE ISSUED BY THE COMMISSION FOR PUBLIC HEARING

	U.P. Electricity Regulatory Commission Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010									
Ph : 0522-2720426, Fax : 0522-2720423, E-mail: secretary@uperc.org, www.uperc.org Ref: UPERC/D(T&S)JD(T)/ 188-189/- 1337 Dated: 28th January, 2026										
Public Notice										
Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) and Uttar Pradesh State Load Despatch Centre (UPSLDC) have filed Petitions for determination of Aggregate Revenue Requirement (ARR) / Tariff/LDC charges for FY 2026-27, Annual Performance Review for FY 2025-26 and True-Up for FY 2024-25 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission). The Commission vide Orders dated January 22, 2026 for UPPTCL and January 23, 2026 for UPSLDC have admitted the Petitions and has decided to hold "Public Hearings" for inviting suggestions and objections from the stakeholders and public at large. The "Public Hearings" will be conducted as per below details:										
<table border="1"> <thead> <tr> <th>Licenses Covered</th> <th>Date & Time of Public Hearing</th> <th>Place of Public Hearing</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">UPSLDC</td> <td style="text-align: center;">February 25, 2026 @11:00 AM (Wednesday)</td> <td style="text-align: center;">Lucknow - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010</td> </tr> <tr> <td style="text-align: center;">UPPTCL</td> <td style="text-align: center;">February 27, 2026 @12:00 PM (Friday)</td> <td style="text-align: center;">Ayodhya - Circuit House, Civil Lines, Ayodhya - 224001</td> </tr> </tbody> </table>	Licenses Covered	Date & Time of Public Hearing	Place of Public Hearing	UPSLDC	February 25, 2026 @11:00 AM (Wednesday)	Lucknow - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010	UPPTCL	February 27, 2026 @12:00 PM (Friday)	Ayodhya - Circuit House, Civil Lines, Ayodhya - 224001	
Licenses Covered	Date & Time of Public Hearing	Place of Public Hearing								
UPSLDC	February 25, 2026 @11:00 AM (Wednesday)	Lucknow - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010								
UPPTCL	February 27, 2026 @12:00 PM (Friday)	Ayodhya - Circuit House, Civil Lines, Ayodhya - 224001								
The licensee/entity has already published a summary of the Petitions in newspapers, inviting suggestions and objections. The stakeholders & Public at large should regularly check the websites of Commission i.e. www.uperc.org & concerned Licensee/Entity for updates / information and details about the venues/schedule of the 'Public Hearings'. All stakeholders and public at large are invited to attend the 'Public Hearings'. All the Stakeholders who are participating in the Public Hearing shall also submit their written suggestions and objections in hard copies (one original + 5 sets of copies) along with verified affidavit (as prescribed) to the Secretary, UPERC within three (3) days of the Public Hearing. The submission should also be sent in PDF and Word / Excel format on the email id: alok@uperc.org , abhishekmoza@uperc.org and office@uperc.org . It should be ensured that the Licensee/Entity name for whom the submission pertains to, is written in the subject line, otherwise it may not be taken into consideration.										
 Secretary										

ANNEXURE IV: LIST OF PERSONS WHO ATTENDED PUBLIC HEARING

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow

Attendance Sheet

Date : 27.02.2026

Time: 12:00 PM

PUBLIC HEARING

-In the matter of-

UPPTCL - Petition No. 2320/2025

(in the matter of True-Up for FY 2024-25, APR for FY 2025-26 and ARR of UPPTCL & APR of Intra-State Transmission Tariff for FY 2025-26 and Determination of Intra-State Transmission Tariff for FY 2026-27 of STU.)

Sr.No	Name	Designation	Name of Organization	Contact Number	Signature
1.	Nihar Varshney	Vice President	RIL	800200112	[Signature]
2.	Prateek Kushwaha	EE (RAU)	UPPCL	8858463822	[Signature]
3.	Shadab Ahmad	SA (RAU)	UPPCL	8090858658	[Signature]
4.	Kanchan Gupta			768668659	[Signature]
5.	[Handwritten Name]				
6.	[Handwritten Name]	OA III	UPPTCL	9415516317	[Signature]
7.	Navneet Singh	AE	UPPCL	9935125110 9950295121	[Signature]
8.	Ravi Kumar Yadav	EB (T) Sultanpur	UPPTCL	8765630945	[Signature]
9.	Prem Sagar Mall	EE (T) C. Sultanpur	UPPTCL	6386228225	[Signature]
10.	S.K. Rathore	SE (T), Sultanpur	UPPTCL	9415900933	[Signature]
11.	SATYENDRA KUMAR	SE (TP&PS)	UPPTCL	9415902886	[Signature]
12.	ABRESH KUMAR	EE (TBU)	UPPTCL	9927344050	[Signature]
13.	Sujeet Kumar	AE (TP&PS)	UPPTCL	790844018	[Signature]
14.	Achlesh Sultani	LECTC	UPPTCL	9450909406	[Signature]
15.	Narendray Kumar	CE (Civil)	U.P. P.T.C.L.	9415114083	[Signature]
16.	Shrawan Babbai	DAM (F&A)	UPPTCL	9958510590	[Signature]
17.	Prabhat Gupta	Dy. CAO (P&A)	UPPTCL	8287756644	[Signature]
18.	HARJIT SHARMA	Dir (P&A)	UPPTCL	9650991144	[Signature]
19.	Rajeev Kumar Singh	OA III	UPPTCL	9554703231	[Signature]
20.	Ravindra K. Srivastava	OA III	UPPTCL	8887652382	[Signature]

**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow

Attendance Sheet

Date : 27.02.2026

Time: 12:00 PM

PUBLIC HEARING**-In the matter of-****UPPTCL - Petition No. 2320/2025**

(in the matter of True-Up for FY 2024-25, APR for FY 2025-26 and ARR of UPPTCL & APR of Intra-State Transmission Tariff for FY 2025-26 and Determination of Intra-State Transmission Tariff for FY 2026-27 of STU.)

Sr.No	Name	Designation	Name of Organization	Contact Number	Signature
21.	Shri Pawan K. Pandey	computer operator	UPPTCL	6394769873	
22.	Ran Chandra	Junior Engineer	UPPTCL	9415608380	
23.	Dharm Deo Yadav	Officer/Asstt	UPPTCL	9450493561	
24.	Sagun Singh	Office Assistant III	UPPTCL	848015643	
25.	Ajmer Prasad	OAIID	UPPTCL	9935775410	
26.	Ujala Chubey	OAIID	UPPTCL	860125432	
27.	Gaurab K. Trivedi	AI	UPPTCL	8004912853	
28.	Sanjay Kumar	NT Bikaner	Revenue	945004082	
29.	Nihar Khosla	V.P.	RIL	8004929112	
30.	N K Varshney	EE (UPPEL) R.T.	UPPEL EI	8449711550	
31.	P.M. Prabhakar	SE UPPEL	UPPEL	6895015470	
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