UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2039/2023

APPROVAL OF AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2024-25,

ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2023-24

AND

TRUE-UP OF ARR AND REVENUE FOR FY 2022-23

FOR

Noida Power Company Limited (NPCL) – (Petition No. – 2039/2023)

ORDER UNDER SECTION 62 & 64 OF

THE ELECTRICITY ACT, 2003

October 10, 2024

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UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 2039 / 2023

IN THE MATTER OF:

TRUING-UP FOR FY 2022-23, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2023-24 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2024-25

And

IN THE MATTER OF:

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

ORDER

The Commission, having deliberated upon the above Petition and the subsequent filings by the Petitioner, admitted the Petition on June 10, 2024. Further, having considered the views/comments/suggestions/objections/representations received from the stakeholders during the course of the above proceedings, including the Public Hearing held on July 19, 2024 & State Advisory Committee (SAC) meeting held on August 5, 2024, the Commission hereby passes this Order in exercise of the powers vested to it under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 (hereinafter referred to as 'the Act').

The Licensee / Petitioner, in accordance with Regulation 5.10 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019, shall publish the Tariff approved by the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply and shall put up the approved Tariff on its website as well.

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

1 INTRODUCTION AND HISTORICAL BACKGROUND

1.1 INTRODUCTION

1.1.1 This Order relates to the Petition No. 2039 of 2023 filed by Noida Power Company Limited (hereinafter referred to as 'NPCL' or the 'Petitioner') for approval of True Up of FY 2022-23, Annual Performance Review (APR) of FY 2023-24 and Aggregate Revenue Requirement (ARR) & determination of Tariff for FY 2024-25.

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 U.P. Electricity Regulatory Act, 1999 and continues to be the State Commission under the first proviso of Section 82 of the Electricity Act, 2003 (hereinafter referred to as 'the Act' or 'EA, 2003').

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

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

1.2.4 The Commission, in Order dated November 26, 2020, for approval of the Business Plan, had observed that the License of the Petitioner is valid up to August 30, 2023, and the License will expire within the Control Period from FY 2020-21 to FY 2024-25. The Petitioner had approached Hon'ble APTEL in the matter. The Appellate Tribunal vide judgment dated August 23, 2022, in the Appeal No. 72 of 2021 held that the term/tenure of the license of the Petitioner would expire on June 9, 2029. The Petitioner has further filed a Civil Appeal with the Hon'ble Supreme Court against the Order of Hon'ble APTEL. Currently, the matter is sub-judice with Apex Court.

1.3 DISTRIBUTION TARIFF REGULATION

1.3.1 The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred to as "MYT Regulations 2019") were notified on September 23, 2019. These Regulations are applicable for the determination of ARR and Tariff from FY 2020-21 to FY 2024-25 unless otherwise extended by the Commission.

1.3.2 The Petitioner has filed the instant Petition under Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019.

2 FILING OF PETITIONS

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

2.1.1 The Commission, vide its Order dated November 26, 2020, had approved the Business Plan of the NPCL (hereinafter referred to as the 'Licensee' or the 'Petitioner') for the 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 FOR THE PETITIONER

Details of Order	Date of Issuance
True-Up for FY 2018-19, APR for FY 2019-20, and determination of ARR and Tariff for FY 2020-21.	December 04, 2020
True-up for FY 2019-20, APR for FY 2020-21 and determination of ARR and Tariff for FY 2021-22.	August 26, 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

2.2 DETERMINATION OF TARIFF FOR FY 2024-25, ANNUAL PERFORMANCE REVIEW (APR) OF FY 2023-24 AND TRUING UP FY 2022-23

2.2.1 As per the provisions of the MYT Regulations, 2019, the Distribution Licensees are required to file the ARR / Tariff Filings before the Commission by November 30th of each year so that the tariff can be determined and made applicable timely for the subsequent financial year.

2.2.2 The True-Up Petition for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25 was filed by the Petitioner under Section 64 of Electricity Act, 2003 on November 29, 2023 (Petition No. 2039 of 2023).

2.3 PRELIMINARY SCRUTINY OF THE PETITION

2.3.1 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 February 9, 2024, 2nd deficiency dated April 8, 2024, 3rd deficiency dated May 31, 2024, 4th deficiency dated July 1, 2024, 5th deficiency dated July 16, 2024, 6th deficiency dated July 26, 2024, and 7th deficiency dated August 8, 2024.

2.3.2 The Petitioner has submitted its response to the deficiencies with respect to the True-Up Petition for FY 2022-23, APR for FY 2023-24 and determination of ARR & Tariff for FY 2024-25. TVS covering the Petition, and all the submissions of the Petitioner was conducted on May 31, 2024, which was attended by senior officials of the Petitioner and during the TVS, the Petitioner explained the various issues raised in the deficiencies. Minutes of Meeting (MoM) dated June 7, 2024, of the TVS meeting was also communicated to the Petitioner.

2.3.3 The Petitioner has submitted its response to the 1st, 2nd, 3rd, 4th, 5th, 6th and 7th deficiencies vide letters dated March 7, 2024, May 3, 2024, July 1, 2024, July 10, 2024, August 16, 2024, August 23, 2024, and September 4, 2024, respectively. Further, Petitioner has also submitted its response to the TVS queries on July 1, 2024, respectively. The Commission has scrutinized the Petition along with additional data/ information and supporting documents, as submitted by the Petitioner, in response to the discrepancies identified and has considered the same while passing this Order.

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

2.4.1 The Commission admitted the Petition vide its Order dated June 10, 2024, (Annexed as **Annexure-III**). The Commission, in accordance with Regulation 5.8 of MYT Regulations, 2019, directed the Petitioner to publish a Public Notice within three working days of issue of the Admittance Order in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in its license area, consisting of the summary and highlights of the proposed ARR and Tariff for FY 2024-25, APR for FY 2023-24, and True-Up for FY 2022-23, and invite suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the Stakeholders and public at large.

2.4.2 The Commission also directed that the public notice(s) should also contain the details of the cumulative revenue gap and its treatment, distribution & transmission losses, average power purchase cost, average cost of supply, average retail tariff realised from each category/sub-category of consumers, wheeling charges, transmission charges, open access related charges, etc.

2.4.3 The Commission also directed that the public notices should also indicate that the stakeholders should regularly check the websites of the Petitioner for further submissions made with respect to these proceedings. The Petitioner shall also submit a set of notices along with copies of the original newspapers.

2.4.4 The Petitioner was also directed to upload, on its website, the Petitions filed before the Commission along with all deficiencies, regulatory filings, response to deficiencies, other information, and related documents, which should be signed digitally and should be in searchable pdf formats along with all Excel files as per the provisions of the Regulations and Orders of the Commission. The Petitioner was also directed to ensure that these files are broken into such size so that they can be easily downloaded and for downloading the same, there should be no requirement of providing personal information.

2.5 PUBLICITY OF THE PETITION

2.5.1 The Petition is uploaded on NPCL's official website (https://www.noidapower.com/NPCL-Tariff-Petition-ARR-2024-25). In addition to the above, the Public Notice was subsequently issued by the Petitioner in various newspapers and a period of fifteen days (15) days was given to the general public and all the stakeholders for submitting their suggestions and objections.

2.5.2 The public notice(s) detailing the salient features of the filings were published by the Licensee in the daily newspapers mentioned below and invited suggestions and objections from all stakeholders and the public at large.

Table 2-2: LIST OF NEWSPAPERS AND DATES OF PUBLICATION OF PUBLIC NOTICE BY THE PETITIONER

Newspaper	Date of Publication
Dainik Jagran	June 13, 2024
Navbharat Times	June 13, 2024
The Statesman	June 13, 2024
Times of India	June 13, 2024

3 PUBLIC HEARING PROCESS

3.1 PUBLIC HEARING

3.1.1 The Commission, in order to achieve the twin objectives of observing transparency in its proceedings and protecting the 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. The process gains significant importance in a "cost plus regime," wherein the entire cost allowed to the Petitioner gets transferred to the consumer.

3.1.2 The Commission, in order to have participation and views/comments/ suggestions/objections/representations from the public at large and all stakeholders, had uploaded the Notice dated June 25, 2024, 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
Amar Ujala (Hindi) UP Edition	June 25, 2024
The Times of India (English) Lucknow Edition	June 25, 2024
Dainik Jagran (Hindi) UP Edition	June 25, 2024
Hindustan Times (English) Delhi Edition	June 25, 2024

3.1.3 The Commission held the "Public Hearing" for the Petitioner on July 19, 2024, after informing all the Stakeholders and the public at large through advertisements in newspapers and on the Commission's website (Annexed as **Annexure-IV**). In the Public Hearing, various stakeholders and the public were provided with a platform where they were able to share their views/comments/suggestions/objections/representations on the proceedings on True up of ARR for FY 2022-23, APR for FY 2023-24 and ARR for FY 2024-25 (List of Participants who attended the Public hearing is Annexed as **Annexure -VI**).

3.1.4 The meeting of the State Advisory Committee (SAC) was conducted by the Commission on August 5, 2024. The views/comments/suggestions/ objections/ representations given by the members of the SAC have also been taken into consideration while finalizing this Tariff Order. The Minutes of Meeting (M.O.M) of the SAC meeting dated August 05, 2024, is attached as **Annexure - V**.

3.1.5 The views/comments/suggestions/objections/representations on the True-up/APR/ ARR/Tariff submissions received from the public were forwarded to the Petitioner for their comments/response. Further, the Commission, while disposing of the True-Up/APR/ARR/Tariff Petition filed by the Petitioner, has also taken into consideration the oral and written views/comments/suggestions/objections/ representations received from various stakeholders during the public hearings or through post or by e-mail. The Commission has taken note of the views and suggestions submitted by various stakeholders who provided useful feedback on various issues. The Commission appreciates their participation in the entire process.

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

3.2.1 The views / comments / suggestions /objections / representations made by the stakeholders often refer to all the 5 Discoms combined / individually, UPPCL, NPCL, and UPPTCL. The views/comments/suggestions/objections/representations received from the stakeholders after August 11, 2024, have not been taken into consideration.

3.2.2 The Commission has attempted to capture the summary of views /comments /suggestions /objections /representations in this section. It may be that a few names of stakeholders/public on the attendance list do not appear in this section, however, all the issues/matters raised by them and relevant to these proceedings have been discussed. In case any views/comments/suggestions/ objections/representations are not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the stakeholders and the response from Petitioner/Licensee submitted on such issues while carrying out the detailed analysis/discussion of the True-Up for FY 2022-23, APR for FY 2023-24, and ARR / Tariff for FY 2024-25. The list of the consumers, who have submitted their views/comments/suggestions/objections/ representations, is appended to this Order. The major issues raised therein, the replies given by the Licensees, and the views of the Commission have been summarised as detailed below:

TARIFF

A. Comments / Suggestions of Sh. Avadhesh Kumar Verma

3.2.3 Sh. Avadhesh Kumar Verma, Chairman, U.P Rajya Vidyut Upbhokta Parishad submitted that the Commission in its order dated May 24, 2023, had approved a net revenue surplus of Rs. 1,081.42 Cr. for FY 2023-24, on adding carrying cost at 12% rate, the gross revenue surplus would become Rs. 1,487.36 Cr. which means the consumers of Greater Noida would continue getting 10% rebate for next 5 years. The Commission shall continue to give a rebate of 10%. Also, the illegitimate expenses towards distribution transformer purchase and other items must be reduced so that surplus for FY 2024-25 may be determined.

3.2.4 He further submitted that NPCL had reduced its ABR and projected gap of Rs. 243.38 Cr. as on 01.04.2024 and Rs. 576.68 Cr. as on 31.03.2025 which is totally wrong. The ABR of Rs. 7.69 as determined by the Commission for FY 2022-23 has been reduced to Rs. 7.18 for FY 2024-25. This is done to increase the gap so that a 10% discount may be avoided. He further submitted that such a drop in ABR is not possible without a major change in the consumer mix. He demanded that NPCL should be audited by CAG.

3.2.5 He also raised concerns about electricity connections in 'Doob' areas. He submitted that around 45 thousand consumers are distressed due to non-release of electricity connection. This has resulted in an increase in electricity theft in those areas. He requested the Commission to kindly take a decision on providing connections to these areas as many families are getting affected.

B. Petitioner's Response

3.2.6 In regard to objections of Sh. Avadhesh Kumar Verma, the Petitioner has submitted that it has filed its Petition No. 2039 of 2023 for approval of Annual Revenue Requirement and Tariffs for FY 2024-25, Annual Performance Review for FY 2023-24 and Truing-up for FY 2022-23 for the kind consideration of the Commission and requested to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25. Further, the Commission in its Tariff Order dated May 24, 2023, had considered the provisional impact of MYT Tariff Petitions filed by Long-Term Power Plant (M/s DIL) for FY 2019-20 to FY 2023-24, leading to a reduction of Revenue Surplus from Rs. 1,328.67 Cr. to Rs. 1,081.41 Cr. Since then, the Commission has approved the MYT Tariff Order dated September 21,2022 for Long-Term Power Plant (M/s DIL) for FY 2019-20 to FY 2023-24, for which the impact is to be given in the present Tariff Petition as claimed by the Petitioner.

3.2.7 Additionally, the Petitioner has filed Appeal No. 98 of 2021 against the Tariff Order dated December 04,2020, Appeal No. 343 of 2021 against the Tariff Order dated August 26, 2021, Appeal No. 398 of 2022 against the Tariff Order dated 20.07.2022 and Appeal No. 676 of 2023 against the Tariff Order dated 24.05.2023 before the Hon'ble Tribunal which is still ongoing and pending adjudication.

3.2.8 Based on the above, the Commission has acknowledged the impact of the MYT Tariff Order dated September 21, 2022, for the Long-Term Power Plant (M/s DIL). It will also take an appropriate view on the outcome of APTEL Judgments, if any, that will have a consequential impact on the Revenue (Gap)/Surplus of the Petitioner.

3.2.9 The Petitioner further submitted that the Commission, in its Tariff Order dated July 20, 2022, for ARR of FY 2022-23, directed the Petitioner to provide a 10% Regulatory Discount on the 'Rate' (i.e., on Fixed/Demand Charge and Energy Charge, excluding Electricity Duty, etc.) to all Consumers with effect from August 4, 2022.

3.2.10 Therefore, the Regulatory Discount was applied for 8 months (approx.) in FY 2022-23 and for the full year in FY 2023-24 & FY 2024-25, leading to a decrease in ABR in these years.

3.2.11 Further, the Gross ABR without Regulatory Discount for FY 2022-23 was Rs. 8.17/kWh which is projected to be Rs. 7.98/ kWh in FY 2024-25. Thus, the Gross ABR reduced between FY 2022-23 to FY 2024-25 is only 0.19 paisa which is mainly due to variation in consumers profile & composition of various factors such as Number of Consumers, Connected Load and Sales etc.

3.2.12 On the issue of providing electricity connections in doob areas, the Petitioner has submitted that there has been significant construction in the Doob areas near the floodplains of the Yamuna and Hindon rivers, where private builders and individuals have developed houses and farmhouses. A large population now lives there, and after construction, these residents request electricity connections. The Petitioner provided electrification in these areas until 2017, as per the U.P. Electricity Supply Code, 2005, however after receipt of the Letter from Jiledar Pancham, the Petitioner stopped all electrification works in the Doob Area.

Key Issues:

- Despite owning properties legally, many residents in the Doob areas are denied electricity connections.
- Government orders prohibit new constructions and basic amenities in these areas to prevent unauthorized development.
- Around 10,000 households in NPCL's licensed area are deprived of legal electricity connections.

Prohibitory Directions/Orders:

1. **Govt. of U.P. Chief Secretary's Order (16.03.2010)**: No basic amenities like electricity or water should be provided to those involved in illegal constructions.
2. **NGT Order (20.05.2013)**: Prohibits unauthorized construction in floodplains and directs states to prevent further illegal development.
3. **Letter from Jiledar Pancham (11.09.2017)**: Stopped NPCL from installing electricity poles in the Doob area, reinforcing the ban on electrification in flood zones.

Challenges:

- Frequent protests over lack of electricity.
- Widespread electricity theft, posing safety risks and increasing losses.
- Law and order issues, especially at night.
- Despite the prohibition, illegal construction continues, and residents have formed societies to request connections.

3.2.13 Since construction and illegal power usage persist, the Petitioner faces distribution losses and safety hazards. Attempts to stop illegal connections often lead to protests and unrest. The Petitioner vide letter dated 28.08.2023 has also raised these concerns with the Uttar Pradesh Government and the Commission.

Further, the Petitioner requested the Commission to:

a) Allow the Petitioner to grant such connections per the process/procedure prescribed in Clause 4.9 (Part – A sub-clause d) read with Clause 4.9 (k); and/or

b) Advise the State Government under Section 86 (2) (iv) of the Electricity Act to take appropriate measures in this regard.

C. Commission´s View

3.2.14 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response and they have been appropriately dealt with in the Tariff Philosophy and Revenue and Revenue Gap/(Surplus) chapters.

3.2.15 In regard to the 10% Regulatory discount, the Commission has appropriately dealt with the issue in the 'Tariff Philosophy' section of this order.

3.2.16 In regard to providing electricity connections in 'Doob' areas, the Commission is of the view that the orders/directions of NGT/Court etc. need to be followed.

A. Comments / Suggestions of Sh. Ashutosh Yadav

3.2.17 Sh. Ashutosh Yadav submitted that NPCL in its Tariff Petition has sought classification of the Data Centre in the HV-2 rate category/schedule i.e. Industry from the existing HV -1 category (non-industrial bulk load). Under the UP Data Center Policy 2021, Data Centre are not categorized in Industry and also the IT Companies that use servers are not categorized under HV-2. He further submitted that the categorization of the Data Centre in the HV-2 rate category/schedule from the existing HV -1 category (non-industrial bulk load) will ultimately impact the tariff to subsidized categories like us having Commercial Business and Residential houses. Further, there is no categorization proposed by the State Discoms. He requested the Commission to retain the Data Centre in the HV -1 category (non-industrial bulk load) in the larger interest of consumers.

B. Petitioner's Response

3.2.18 In regard to the submission of Sh. Ashutosh Yadav, the Petitioner has submitted that it has filed its Petition for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions of the Petitioner made in the aforesaid Petition.

C. Commission´s View

3.2.19 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. On the issue of declaring/classifying the Data Centers in the HV-2 rate schedule/category as proposed by NPCL, Sh. Rahul Singh, Special Secretary, IT, GoUP during the State Advisory Committee meeting dated August 5, 2024, apprised that the classification of IT and ITeS under the Industry category is under consideration of the Government, and any further action will be based on the Government order in the said matter.

A. Comments / Suggestions of the Surajpur Vikas Samiti

3.2.20 Surajpur Vikas Samiti, Gautam Buddha Nagar (UP) submitted that NPCL has made more profit in the last financial year than the previous financial year. 80% of areas where electricity is being provided by NPCL are rural areas in which poor, wage labourers, tenants, ready-railroad, rickshaw-pullers, etc. people live. Therefore, keeping in mind the interests of the above-mentioned poor villagers, the Tariff rates should not be increased. They submitted that the Security deposit is an additional expenditure for a common citizen and additional income for NPCL also the electricity rates of NPCL are already higher as compared to Delhi. They requested not to increase the Tariff on humanitarian grounds.

B. Petitioner's Response

3.2.21 In regard to the submission of Surajpur Vikas Samiti the Petitioner has submitted that it has filed its Petition for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions made in the aforesaid Petition.

C. Commission's View

3.2.22 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Further, the Petitioner in its Petition has not proposed any Tariff hike. The Stakeholders may refer 'Tariff Schedule' section of this order for the respective tariff applicable to their category.

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.23 Sh. Rama Shanker Awasthi, Consumer representative submitted that it is a standard practice as followed by the Commission vide all its previous tariff orders, that the closing balance determined by the Commission for any given financial year, the said amount needs to be the opening balance of the subsequent financial year. However, NPCL does not abide by the closing balance determined by the Commission, but instead claims a separate figure as its opening balance for the subsequent year on the basis of some alleged dispute that it raises in APTEL or Supreme Court or any appropriate forum. This is completely wrong and against the principles of accounting. NPCL cannot be allowed to claim its own opening balance that does not tally/ coincide with the closing balance determined by the Commission.

3.2.24 The Commission must take a serious view of this problem and must reprimand NPCL and issue necessary directions to NPCL to fall in line. This practice of NPCL is dangerous as previously in one of the financial years, the Commission made a mistake and accidentally adopted NPCL's opening balance instead of its own previous year's closing balance.

3.2.25 NPCL should disclose the amounts paid as 10% Regulatory Discount, as mandated by the Commission in its various tariff orders, to be provided to consumers.

3.2.26 He further suggested that NPCL should get a separate rate schedule.

B. Petitioner's Response

3.2.27 In regard to the submission of Sh. Rama Shanker Awasthi, the Petitioner has submitted that it has filed Appeal No. 98 of 2021 against the Tariff Order dated December 04, 2020, Appeal No. 343 of 2021 against the Tariff Order dated August 26, 2021, Appeal No. 398 of 2022 against the Tariff Order dated July 20, 2022 and Appeal No. 676 of 2023 against the Tariff Order dated May 24, 2023, before the

Hon'ble Tribunal which is pending adjudication. As the matter is sub judice and still under consideration by the Court of Law, the Petitioner has accounted for the respective balances without incorporating the adjustments made by the Commission. The variance observed by the Consumer is primarily due to the adjustments in previous Tariff Orders dated December 4, 2020, August 26, 2021, July 20, 2022, and May 24, 2023.

3.2.28 In regard to the separate Tariff schedule the Petitioner has submitted that it filed its Petition No. 2039 of 2023 for approval of Annual Revenue Requirement and Tariffs for FY 2024-25, Annual Performance Review for FY 2023-24 and Truing-up for FY 2022-23 for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions of the Petitioner in the aforesaid Petition.

C. Commission's View

3.2.29 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. On the issue of opening balance, the Commission has been following the standard practice as highlighted by the objector, which is not influenced by the Petitioner's claim.

3.2.30 The Tariff schedule issued by the Commission for the State Discoms covers more than 99% of consumers of the State of Uttar Pradesh and hence for ease and convenience of the Public in general the same tariff schedule has been considered for NPCL.

A. Comments / Suggestions of Sh. P.K Tiwari and Sh. S.P Sharma

3.2.31 Sh. P.K Tiwari and Sh. S.P Sharma, Association of Indian Manufacturers submitted the following points:

- No special facility is being provided by NPCL to its consumers. Also, the tariff shall not be increased. An increase in tariff would result in a high cost of production. This would hinder the progress of the industry.
- The distribution company shall work towards increasing their efficiency which would result in a decrease in Tariff.

- Losses have been reduced due to new technology being used in National Grid Transmission.
- Underground cabling work should be completed at the earliest.
- The process of getting back 8% surcharge levied by NPCL on consumers in past years is cumbersome. Also, the process should be carried out at the district level.
- The requirement for BL form for any enhancement or reduction of load should be discontinued.
- Fixed charges should be removed.
- Losses due to electricity theft should not be recovered through industries.
- Separate connections should be provided to the units running on rented lands.
- NPCL has charged inflated bills citing reasons like slow meters.

B. Petitioner's Response

3.2.32 In regard to submissions of Sh. P.K Tiwari and Sh. S.P Sharma, Association of Indian Manufacturers, the Petitioner has submitted that it has filed its Petition for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions made in the aforesaid Petition.

3.2.33 Further, on the issue of the BL form, the Petitioner has submitted that they strictly follow the load augmentation/reduction process as per the provisions of U.P. Electricity Supply Code 2005. On the issue of the same tariff rates for industrial consumers between 8.00 AM and 9.00 PM, the Petitioner submitted that it is charging the tariff from its consumer as per the rates approved by the Commission in its Tariff Order from time to time, the latest being May 24, 2023.

3.2.34 On the issue of fixed charges to be removed, the Petitioner has submitted that it is charging the tariff from its consumer as per the rates approved by the Commission. On the issue of a separate connection to each industrial unit, the Petitioner submitted that it is charging the tariff from its consumer as per the rates approved by the Commission. Applicability and determination of tariffs are the jurisdiction of the Commission and requested Commission to take an appropriate view in the matter.

3.2.35 On the issue of Penalty, the Petitioner has submitted that as per the provisions of U.P. Electricity Supply Code 2005, it shall be obligatory for the consumer to maintain the desired average power factor of 0.9 for his load. Further, the billing on kVAH based Tariff is being done as per the Rate Schedule approved by the Commission.

3.2.36 On the issue of not charging fixed charges during the COVID period, the Petitioner has submitted that it has not received any notification regarding the waiver of fixed charges or any other charges during the COVID period from the State Government of Uttar Pradesh or the Commission. Thus, the Petitioner is charging the tariff from its consumer as per the rates approved by the Commission.

C. Commission's View

3.2.37 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response.

3.2.38 Further, the Petitioner in its Petition has not proposed any Tariff hike. The Stakeholders may refer 'Tariff Schedule' section of this order for the respective tariff applicable to their category.

3.2.39 All consumer complaints received by the Commission that are not a part of this ARR/Tariff proceedings have been sent to the Discom for speedy resolution under intimation to the Commission vide a compliance report. All consumers who had submitted their complaints to the Commission are required to follow up with the Discom.

A. Comments / Suggestions of Sh. Devendra Tiger

3.2.40 Sh. Devendra Tiger, Federation of RWA's Greater Noida submitted that a rebate of 10% should continue and the tariff should remain the same. They demanded that the behaviour of NPCL's officers towards farmers should be good. They also appreciated the work of NPCL during the peak summer seasons.

B. Petitioner's Response

3.2.41 In regard to objections of Sh. Devendra Tiger, Federation of RWA's Greater Noida, the Petitioner has submitted that it has filed its Petition for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on the submissions made in the aforesaid Petition.

C. Commission´s View

3.2.42 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response.

3.2.43 Further, the Petitioner in its Petition has not proposed any Tariff hike. The Stakeholders may refer 'Tariff Schedule' section of this order for the respective tariff applicable to their category.

3.2.44 For individual grievances, consumers can benefit from the CGRF mechanism specified by the Commission. Details of CGRF are available on NPCL's website.

ENERGY BALANCE

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.45 Sh. Rama Shanker Awasthi submitted that NPCL is deliberately adding net metering units to the purchase figures and then deducting them from the sales figures to artificially reduce T&D losses. This approach will ultimately increase the working capital requirement and the allowable interest on it.

B. Petitioner's Response

3.2.46 The Petitioner has submitted that it has filed its Petition No. 2039 of 2023 for approval of Annual Revenue Requirement and Tariffs for FY 2024-25, Annual Performance Review for FY 2023-24 and Truing-up for FY 2022-23 for the kind consideration of the Commission and requested the Commission to take an appropriate view in this matter based on submissions in the aforesaid Petition.

C. Commission´s View

3.2.47 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Further, the Commission has dealt with the issue in the Energy Balance and Distribution Loss section of the Tariff Order.

SALES & REVENUE

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.48 Sh. Rama Shankar Awasthi, Consumer Representative submitted that NPCL appears to be overbooking sales in some categories and under booking sales in other categories in order to increase its revenue gap. This is demonstrated by the following data:

LMV-1

FY	No. of consumers	Connected load (MVA)	Sale in MUs	Load per consumer
2021-22	1,06,390	566.81	694.48	5.32 KVA
2022-23 (Actuals claimed by NPCL as per Audited account statements)	1,22,861	619.92	883.71	5.04 KVA
2022-23 (As approved by the Commission)	1,40,385	534.79	852.78	3.80 KVA
Difference	**16,471**	**53.11**	**189.23**	**3.22 KVA**

3.2.49 It is submitted that from the above it appears that when the true-up for FY 2021-22 was done, the average load in the LMV-1 category was 5.32 KVA per consumer. However, in the true-up for FY 2022-23, NPCL is claiming that the increased number of consumers is now 1,22,861 and its connected load has now increased to 619.92 MVA, which makes the average load in the LMV-1 category to be 5.05 KVA per consumer.

3.2.50 This means that, as per NPCL, in FY 2022-23, there has been an increase of 16,471 consumers, which has in turn resulted in an increase of 53.11 MVA. However, the consumption has increased by 189.23 MU. This exhibits a disproportionate increase in the sales of NPCL for this category.

3.2.51 He also submitted that NPCL may be booking the units that were billed to the categories that have a higher average cost of recovery, such as LMV-6, HV-1, HV-2 etc. but booked in categories where the average cost of recovery is lower such as LMV-1, LMV-5 etc. This is corroborated by the increase in the sales of these category consumers despite no such proportionate increase in the load. This has resulted in an increase in the revenue gap as the overall average cost of recovery has decreased.

3.2.52 He further submitted regarding the ABR computed by NPCL & submitted for NPCL's approval is after deducting 10% Regulatory Discount or before, that as per Tariff order dated 20.07.2022, the Commission decided that all consumers would be entitled to a regulatory discount of 10% and decided the ABR of Rs. 7.22/ kWh for FY 2022-23 onwards, after deducting 10%, and also determined the category wise ABR for NPCL.

3.2.53 He submitted that NPCL has, vide its True-up Petition claimed the ABR of Rs. 7.69/ kWh, However, it is not understood why NPCL has incorporated the 10% discount within the ABR computed by it. In this regard, it is submitted that this is not the right manner of determining ABR. The regulatory discount offered by NPCL is as per the directions of the Commission and the same is to be offered on the entirety of the tariff claimed to be recovered by NPCL. If NPCL incorporates the same within its ABR, then the same would result in illegitimate gains in the tariff for NPCL. The regulatory discount of 10% cannot be incorporated by NPCL within its ABR and needs to be computed once the ABR is determined. The Commission must direct NPCL to submit its ABR without factoring in the 10% regulatory discount, and then direct for the regulatory discount over and above the tariff determined for NPCL.

3.2.54 He further submitted that the In-house Supply of Electricity cannot be booked under Sales and Revenue. NPCL is not entitled to apply a Regulatory Discount to itself.

3.2.55 He also submitted that the details provided in the Tariff Petition regarding theft cases and the units booked in assessments for LMV-1 unmetered consumers do not match the media reports dated 03.12.2023, 09.01.2024, and 26.01.2024.

3.2.56 He also raised the issue that NPCL reported 891 unmetered consumers in the LMV-I category with loads up to 2 kW for FY 2022-23 but did not provide details for unmetered consumers with loads above 2 kW. Data submitted by NPCL on 05.06.2024 indicates there are 30 such unmetered consumers out of a total of 1,476 in the LMV-I category. The Commission must direct NPCL to provide a complete record of all unmetered consumers and their respective loads across all categories before finalizing the electricity sales.

B. Petitioner's Response

3.2.57 In regard to objections raised by Sh. Rama Shankar Awasthi, the Petitioner has submitted that for FY 2021-22, the consumer has cited a connected load of 566.81 MW which is incorrect as the actual/approved connected load is 510.13 MW. Further, the consumer has cited the average connected load per consumer for FY 2021-22 as 5.32 KVA which is 4.79 KVA as approved by the Commission. Also, the connected load per consumer for FY 2022-23 as claimed by the Petitioner is 5.04 KVA.

Load per Consumer-LMV-1 (As submitted by Mr. Rama Shankar Awasthi)				
FY	**No. of Consumers**	**Connected Load (MVA)**	**Sale in MUs**	**Load per Consumer (KVA)**
2021-22	1,06,390	566.81	694.48	5.33
2022-23 (Actuals claimed by NPCL as per Audited Account statements)	1,22,861	619.92	883.71	5.05
2022-23 (As approved by the Commission)	1,40,385	534.79	852.78	3.81
Difference	16,471	53.11	189.23	

Load per Consumer-LMV-1 (Actual)				
FY	**No. of Consumers**	**Connected Load (MVA)**	**Sale in MUs**	**Load per Consumer (KVA)**
2021-22	1,06,390	510.13	694.48	4.79
2022-23 (Actuals claimed by NPCL as per Audited Account statements)	1,22,861	619.92	883.71	5.05
2022-23 (As approved by the Commission)	1,40,385	534.79	852.78	3.81
Difference	16,471	109.79	189.23	

3.2.58 Accordingly, the connected load per consumer has increased from 4.79 KVA to 5.04 KVA from FY 2021-22 to FY 2022-23. Thus, the consumer's representation that there is a decrease in connected load per consumer from 5.32 KVA to 5.04 KVA from FY 2021-22 to FY 2022-23 is incorrect. Further, the Connected Load per Consumer has also been increased from 3.81 KVA as approved by the Commission to 5.04 KVA as claimed by the Petitioner based on audited accounts for FY 2022-23.

3.2.59 On the issue of incorrect ABR, the Petitioner has submitted that bill for a consumer is prepared in accordance with the applicable Rate Schedule, after which the Regulatory Discount is applied. Further, the Petitioner has already submitted the complete details in Retail Tariff Form - F10A, including the Billing Determinants. This also provides a breakdown of revenue on a gross basis and after applying the Regulatory Discount, computed for FY 2022-23 based on the audited accounts. In the said format, the Petitioner has shown a separate column for fixed charges, energy charges, other charges and Regulatory Discount for the calculation of total Billed Revenue.

3.2.60 Further, the Commission, in its Tariff Order dated July 20, 2022, for the ARR of FY 2022-23, directed the Petitioner to provide a 10% Regulatory Discount on the 'Rate' (i.e., on Fixed/Demand Charge and Energy Charge, excluding Electricity Duty, etc.) to all Consumers.

3.2.61 For FY 2022-23, the Petitioner has applied 10% Regulatory Discount starting from 4th August 2022. Therefore, the Regulatory Discount was applied for 8 months in FY 2022-23 and will be applied for the full year in FY 2023-24 and FY 2024-25. The calculation of ABR with and without Regulatory Discount for FY 2022-23 is given in the Table below:

ABR FY 2022-23						
Particulars	Gross Revenue (Rs. Crore)	Regulatory Discount (Rs. Crore)	Net Revenue* (Rs. Crore)	Sales (MUs)	Gross ABR	Net ABR*
	(A)	(B)	(C)=A-B	(D)	E=A/D*10	F=C/D*10
Non-Industrial Bulk Supply (HV-1)	332.38	19.38	313	317.67	10.46	9.85
Heavy and Large Industry (HV-2)	1,093.46	68.23	1,025.23	1,346.74	8.12	7.61
Domestic (LMV-1)	593.3	30.8	562.5	883.71	6.71	6.37
Non-Domestic (LMV-2)	64.16	3.62	60.54	60.15	10.67	10.06
Public Lighting (LMV-3)	26.9	1.68	25.22	28.9	9.31	8.73
Public & Private Institutions (LMV-4)	14.22	0.73	13.49	16.5	8.61	8.17
Private Tube Wells (LMV-5)	3.26	0.10	3.16	11.7	2.79	2.7

ABR FY 2022-23						
Particulars	Gross Revenue (Rs. Crore)	Regulatory Discount (Rs. Crore)	Net Revenue* (Rs. Crore)	Sales (MUs)	Gross ABR	Net ABR*
	(A)	(B)	(C)=A-B	(D)	E=A/D*10	F=C/D*10
Small & Medium Power (LMV-6)	114.5	6.68	107.82	118.04	9.70	9.13
Public Water Works (LMV-7)	33.42	2.07	31.35	29.99	11.14	10.45
State Tube Wells (LMV-8)#	-	-	-	-	-	-
Temporary Supply (LMV-9)	69.23	3.75	65.48	57.01	12.14	11.49
Electric Vehicle Charging (LMV-11)	0.01	0.00	0.01	0.01	6.98	6.35
Total	**2,344.83**	**137.05**	**2,207.78**	**2,870.43**	**8.17**	**7.69**

** Net of Regulatory Discount*

3.2.62 The Petitioner on the issue of in-house supply of electricity has submitted that the Commission vide its Tariff Order dated July 20, 2022, has included the deemed revenue against the Captive Consumption of the Petitioner at the rate of LMV-4 (B) and Sales (MU) at the time of True up for FY 2020-21. Aggrieved by the aforesaid treatment, the Petitioner has filed an Appeal No. 398 of 2022 before the Hon'ble APTEL, which is pending adjudication.

3.2.63 Further, the Commission in its Tariff Order dated May 24, 2023, while Truing-up ARR for FY 2021-22 has considered the captive consumption observing as follows:

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

3.2.64 The Petitioner further submitted that the objection raised by the Consumer is currently sub judice before the Hon'ble APTEL. Therefore, it would not be appropriate, from a standpoint of judicial prudence, to comment on a matter that is sub judice.

3.2.65 On the issue of theft cases, the Petitioner has submitted that NPCL is the electricity distribution Licensee in the Greater Noida area having a mix of villages, urban sectors, industries, institutions etc. NPCL is responsible for maintaining the robust Distribution Network and control the T&D losses in its license area. The Petitioner prides itself in maintaining the T&D losses in its License Area in the range that puts it among the top electricity utilities of India.

3.2.66 However, like any other electricity utility, the Petitioner also has to address the menace of electricity theft. The Petitioner has a dedicated Loss Control Cell (LCC) comprising techno-commercial personnel who are entrusted with the responsibilities for load analysis, vigilance and raid for theft control activities. The theft cases apprehended by the team are duly assessed as per the provisions of the Electricity Act 2003 read with U.P. Electricity Supply Code 2005 and accounted for in the books of accounts in compliance with the Indian Accounting Standards (Ind AS)-115 notified under Section-133 of the Companies Act, 2013.

3.2.67 The Petitioner has submitted the entire process of registration of electricity theft cases & revenue realization from these theft cases applicable to all Consumers/Non-Consumers under the license area of the Petitioner in detail here-in-below:

A. <u>Booking of theft case:</u>

- The Loss Control Cell (LCC) team conducts inspections based on loss data and theft information. If illegal electricity usage (e.g., meter bypass, tampering) is detected, a theft case is filed under Section 135 of the Electricity Act 2003 read with Annexure 8.1 (a) of the U.P. Electricity Supply Code 2005.
- Evidence such as photographs, videography and seized items are collected, and the electricity supply of the premises is disconnected to eliminate the possibility of further theft.
- In case of meter tamper, if incriminating evidence is not found, then the meter is sealed in a Gunny Bag & sent to the Meter Testing Lab for further investigation with intimation to the consumer and the electricity supply of the consumer is restored through a new meter.

- In the matters where prima facie evidence of theft is found, the Inspecting team lodges a F.I.R. within 24 hours of disconnection.
- Although the Petitioner strives to lodge F.I.R for all the cases booked, it is restrained to do lack of adequate administrative infrastructure and pre-occupancies of the Police Staff resulting in a limitation on the registration of FIR by the Anti-Power Theft Police Station.

B. <u>Assessment of the Theft Case:</u>

Inspection Team Actions:

- After inspection, the team hands over the Inspection Report (IR), seizure memo and evidence to the Assessment team.
- If the Assessing Officer suspects electricity theft, the case is registered in the system and an Assessment Bill is generated using the methodology provided in Annexure 6.3 of the U.P. Electricity Supply Code 2005.

Serving Notice:

- The aforesaid Assessment Bill, Show Cause Notice and a copy of the IR are sent to the consumer/non-consumer via Speed Post, SMS, and WhatsApp.
- The consumer is given 15 days to respond and appear before the Assessing Officer for a hearing.

Hearing Process:

- If the consumer appears, the Assessing Officer considers all genuine and admissible submissions, evidence and the consumer's financial condition e.g. rent agreement, invoice of equipment, registration of GST, land registry, financial statement, duplication/ multiple instances of theft etc. before issuing a Speaking Order.
- The Final Assessment Bill is raised based on a thorough assessment and the consumer is given 15 days to pay.

Non-Compliance:

- Cases where the consumer does not appear or fails to pay are processed for filing in the District & Sessions Court, Surajpur, Greater Noida, within 30 days (excluding cases with lodged FIRs) on a best-effort basis.

Resolution Committee (RC):

- Since, the adjudication of the matter through F.I.R and Special Court takes prolonged proceedings, during which the consumer supply remains disconnected, many consumers approach the Petitioner for resolution of the grievance. Therefore, the Petitioner has also set up a **Resolution** -Committee comprising Seniors Officers from Technical and Commercial Operations, wherein Consumers can come and settle the case. The minimum quorum of such committees is at least 2 members apart from the representative of the LCC department and Consumers.
- The **Resolution** Committee is held twice every week wherein one day is dedicated to consumers having an assessment value of less than Rs. 5 lakhs. The committee evaluates the case and offers a final amount.
- In all the theft cases, in the interest of consumers, the assessment is being determined/redetermined considering the facts/submissions of the consumers in the offices of the Company / in the premises of the district court in the presence of the District Judge. In no case, the hearing is held outside the premises / one-to one (bilateral) basis.

C. <u>Payment in the Theft Case:</u>

- The consumer/non-consumer can make the payment of the Assessment amount in cash, cheque, Card or online as per his / her convenience before the Assessing Officer/DJ in the Company / District Court only and a computer-generated receipt is handed over to such consumer. He/she can also make the payment of the Assessment amount in the National Lok Adalat/Special Lok Adalat conducted by the District Court for disposal of the theft cases. The Petitioner issues payment receipts to the consumers and corresponding revenue is accounted for in the system.
- The Consumer can make payment against the amount after resolution through any of the payment modes viz. cash/cheque/card/online available to all the consumers of the Petitioner.

Following the aforementioned procedure, the details of Theft Cases for FY 2022-23 are tabulated below:

Details of Theft Cases FY 2022-23				
Category	**Theft Cases (No.)**	**FIR Lodged (No.)**	**Revenue received against Theft (Cr.)**	**Revenue Included in the accounting statement (Cr.)**
LMV-1	6140	2143	6.28	6.28
LMV-2	237	81	0.66	0.66
LMV-3	1	0	0.01	0.01
LMV-4	5	0	0.00	0.00
LMV-5	487	27	1.50	1.50
LMV-6	25	8	0.32	0.32
LMV-7	-	-	-	-
LMV-9	108	8	0.12	0.12
HV11	-	-	-	-
HV12	-	-	-	-
TOTAL	**7003**	**2267**	**8.89**	**8.89**

3.2.68 The Petitioner further submitted that the aforesaid sales have been duly accounted for in the books of accounts in the respective categories and included in the total revenue in the Audited Accounts and ARR Petition. From the above Table, it may be observed that all amounts received against theft have been considered as revenue on receipt basis and included the same in the accounting statement.

3.2.69 In regard to the issue of unmetered sales, the Petitioner has provided the relevant information via its letter dated 16.08.2024, as detailed below:

“For FY 2022-23, the Company has submitted the "Billing Determinants" in Form 10A vide its reply to Deficiency Note-3 dated 01.07.2024, wherein the Particular/Nomenclature for LMV-1 unmetered consumers were inadvertently mentioned as "Un-Metered Load up to 2 kW" instead of “Un-Metered”.

The connected load-wise details of LMV-1 Un-Metered Consumers & Contracted Demand for FY 2022-23 is provided here-in-below:

LMV-1 Un-Metered Consumers and Load for FY 2022-23		
Load	***No. of Consumers***	***Contract Demand / Connected Load (KVA)***
2 KW	*760*	*1.69*
4 KW	*80*	*0.36*
5 KW	*51*	*0.28*
	891	***2.33***

From the above, the Hon’ble Commission may kindly observe that the number of Consumers, Connected Load, Consumption & Revenue provided in Form F10A is as per the billing register *and accurate and there is no discrepancy in the data provided except the Description which may please be corrected as mentioned above.*

Further, it is humbly submitted that while submitting the current tariff petition on 29.11.2023, the Company expected that all unmetered connections would be converted to metered by the end of FY 2023-24, hence no unmetered consumers were considered as on 31.03.2024. With its strenuous efforts, the Company could convert almost 240 unmetered connections to metered connections by the end of FY 2023-24.

Accordingly, the actual connected load-wise details of LMV-1 Un-Metered Consumers & Contracted Demand for FY 2023-24 is provided here-in-below:

LMV-1 Un-Metered Consumers and Load for FY 2023-24		
Load	***No. of Consumers***	***Contract Demand / Connected Load (KVA)***
2 KW	*544*	*1.21*
4 KW	*64*	*0.28*
5 KW	*45*	*0.25*
	653	***1.74***

3.2.70 In view of the above, the Petitioner submitted that the Commission may kindly acknowledge that it has already provided clarification to the consumer's query in its earlier response.

C. Commission´s View

3.2.71 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner’s response and the issue has been appropriately dealt with in the Sales and Revenue section of the order. The Commission checks for overbooking of sales under various categories like LMV-1 and limits the sales to the norms approved for such categories & corresponding power purchase cost. Also, sales are allowed after a prudence check by the Commission.

3.2.72 Average Billing Rate (ABR) is determined by the Commission after considering the Regulatory discount and the same is detailed in the Revenue section of this Order.

3.2.73 Further decision regarding regulatory discount is taken based on the True-Up done in the subsequent years or any further Orders of the Commission.

3.2.74 In regard to the issue of theft cases, the Commission has sought certain details from the Petitioner and has accordingly dealt with it in the Order.

3.2.75 Also, a few issues like booking of sales, opening and closing balance treatment are sub-judice therefore it is not appropriate to comment on such matters in the current proceedings. The Commission has followed the provisions of MYT Regulations, 2019 for considering the opening and closing values.

DISTRIBUTION LOSS

A. Comments / Suggestions of Dr S.P Sharma

3.2.76 Dr S.P Sharma submitted that the distribution loss of 7.7% may be reduced to benchmark losses of Japan at 3%. He also submitted that Net metering should be promoted instead of double meter. He also suggested having an attractive Solar Policy in the State.

B. Petitioner's Response

3.2.77 The Petitioner has submitted that the Commission vide its Order dated 26th Nov 2020 approved the distribution loss trajectory for NPCL as shown in the below Table:

Distribution Losses approved by Commission in Business Plan Order						
Particulars	**UoM**	**FY 20-21**	**FY 21-22**	**FY 22-23**	**FY 23-24**	**FY 24-25**
Distribution Loss	%	7.92%	7.80%	7.70%	7.63%	7.57%

3.2.78 The Petitioner has submitted that it has achieved the Distribution Losses of 7.63% for FY 2022-23 which is lower than the normative T&D loss of 7.70% approved by the Commission vide order dated 26th November 2020. Further, every licensed area has its unique issues and challenges with respect to T&D losses and the realization of bills. Even, within the same licensed area, there will be huge divergence in T&D Losses and realization of bills etc.

3.2.79 The Petitioner further submitted that its licensed area, geographic condition, consumer pattern and its consumption are totally different from other Distribution Companies. It would be highly unjust and unreasonable to compare any State Distribution Companies with other countries without a scientific study of the load pattern, trends and consumption patterns of the area of the Petitioner.

3.2.80 In regard to net metering, the Petitioner submitted that it has already implemented the net metering to interested consumers in compliance with UPERC (Rooftop Solar PV Grid Interactive Systems Gross / Net Metering) Regulations, 2019. This initiative is part of our ongoing commitment to enhance consumer experience by offering more efficient and sustainable energy solutions. Net metering allows consumers to offset their energy consumption with the energy they generate, thereby contributing to a more balanced and environmentally friendly power system.

3.2.81 In regard to the formulation and implementation of any Regulations/policies such as the Rooftop solar policy falls under the jurisdiction of the State Government/UPERC. The Commission is kindly requested to take an appropriate view in this matter.

C. Commission´s view

3.2.82 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. Further, the Commission has considered the distribution loss for the relevant period as per the distribution loss trajectory approved in the Business Plan Order and the same has been dealt with in the Energy Balance and Distribution loss chapter.

3.2.83 Regarding the issue of Net Metering, the Commission has already laid Rooftop Solar PV Grid Interactive Systems Gross / Net Metering Regulations, 2019.

CAPEX

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.84 Sh. Rama Shanker Awasthi submitted that the vehicle expenses claimed by NPCL for FY 2022-23 should be disallowed by the Commission, consistent with previous tariff orders.

3.2.85 He also submitted that NPCL has claimed Rs 39.27 Lakh for 33kV Bay at 220 KV RC Green for NIDP as depository work at UPPTCL substation. This amount cannot be capitalized in the books of NPCL. All repair and maintenance etc. are to be done by UPPTCL, as these assets are in the books of UPPTCL. There cannot be double O&M or any other expense for the same bay by NPCL and UPPTCL.

3.2.86 He further submitted that NPCL has capitalized approximately Rs. 1.24 Cr. for communication software for society meters, which was purchased using consumer deposits. Therefore, NPCL should record this under O&M expenses only. Additionally, details regarding the procurement process whether it was conducted through a tender or bidding process should also be provided.

B. Petitioner's Response

3.2.87 The Petitioner has submitted that it has provided the relevant information via its letter dated 01.07.2024, as detailed below:

"It is humbly submitted that the Company has purchased 9 No. of Vehicles in FY 2022-23 for its officers/ staff for various official work including loss control drives, field duties i.e. visiting Substations, transporting heavy materials etc., shift-based duties in call centre, control room etc. and inter office movement to provide 24X7 reliable power supply in its licensed area and many other office related assignments including attending meetings/ court proceedings/ inspection of materials / vendor-verifications etc. in NCR and nearby States. The provision of vehicles not only ensures efficient and prompt services in economical manner but also necessary to ensure safety of its employees being working even in the odd-hours / night time. The Hon'ble Commission will appreciate that no power distribution utility can work without vehicles which are as basic & necessary as furniture, office equipment such as computers, printers etc.

The vehicles are essential for smooth movement of company's officials for efficiently providing services to the consumers in the licensed area which is spread over 335 Sq. Kms and the distance from east to west ranges from 45 – 50 Kms approx. The vehicles are purchased after detailed evaluation of the requirements and as per the policy of the Company. It is submitted that such requirement comprises of replacement of old and inefficient vehicles as well as new requirement to service the fast-increasing load as well as consumer base of the Company in the most economical and efficient manner. The details of the purpose of Vehicle purchase is provided below:

Asset No.	***Asset Description FY 2022-23***	***Purpose of purchase***
30000120	*Bolero (UP16HT6980)*	*The Company has purchased one underground Cable fault machine and installed the same on the chassis of Mahindra Bolero Pick up for site purposes.*

Asset No.	***Asset Description FY 2022-23***	***Purpose of purchase***
30000135	*Force Traveller - T1 DV 3050 (UP16JT2511)*	*An existing underground Cable fault machine was dismantled from Tata 407 which has outlived its life and was reinstalled on the chassis of Force traveller for site purposes.*
30000139	*TATA Nexon EV XM with Electric Power Train*	*These Electric Vehicles has been purchased to promote Green initiative and convert its operations fleet into environmentally friendly fleet. The vehicles are being used for the movement of its engineers / the support staff for attending various complaints and site related work.*
30000140	*TATA Nexon EV XM with Electric Power Train*	
30000136	*Honda City ZX CVT Petrol - UP16DL1500*	*The vehicle is provided to the officials of the company for the purpose of facilitating their movement from office to field/ sites, within offices, for attending various hearings, legal conferences, official meetings, trainings, seminars etc at Delhi NCR and other locations for official commutation purposes. These vehicles are being purchased and maintained by the Company during their useful life strictly for Company's official work.*
30000133	*KIA Seltos HTX 1.5 (D) - UP16DH9220*	
30000134	*Honda City V MT (P) - UP16DH5943*	
30000137	*XL6 Zeta MT Petrol*	
30000138	*KIA Seltos HTX MT*	

It is further submitted that the cost of the vehicle provided to the officials of the Company, as detailed in the table above, is partially borne by both the Company and the Employee/Officials."

3.2.88 Further, the cost of the vehicle provided to the officials of the Petitioner, as detailed in the table above, is borne by both the Petitioner and the Employee/Officials based on their eligibility and designation. We have already submitted full details to the Commission in our replies from time to time.

3.2.89 In regard to the issue of 33kV Bay at 220 KV RC Green for NIDP as depository work at UPPTCL substation the Petitioner submitted that in response to the above query, the Petitioner has provided the relevant information via its letter dated 16.08.2024, as detailed below:

3.2.90 It is submitted that the Petitioner received an application on 16.06.2021 from a Data Centre namely M/s NIDP Developers Private Limited (NIDP) for electricity connection at 33 kV voltage level through independent 33kV feeders directly from the nearest EHV Substation till their load attains 20 MVA.

3.2.91 Therefore, in order to service the above request from the Data Centre, the Petitioner required an additional 33 kV bay from R C Green 220/132/33kV Substation. Consequently, the Petitioner requested UPPTCL to provide the aforesaid 33kV Bay for the purpose of providing the electricity connection to NIDP.

3.2.92 UPPTCL provided an estimate of Rs. 39.27 Lakh for the construction of 1 Bay from R C Green 220/132/33kV Substation. Since, the aforesaid Bay was requisitioned exclusively for M/s NIDP, the Petitioner in turn asked NIDP to bear the cost of Rs. 39.27 Lakh as requisitioned by UPPTCL.

3.2.93 M/s NIDP paid the requisitioned amount of Rs. 39.27 Lakh to the Petitioner which in turn was deposited by the Petitioner to UPPTCL for completion of work. The work was completed by UPPTCL during FY 2022-23 and the expense was capitalised in FY 2022-23 as Asset Nos. 13000498, 15000622-15000624, 16001127-16001129, 19005417, 21005959, 22010986 in Fixed Asset Register.

3.2.94 Accordingly, the aforementioned Project was a Deposit Work wherein whole cost of Rs. 39.27 Lakh has been paid by the consumer i.e. NIDP as consumer contribution which is included in Consumer Contribution of Rs. 64.44 Cr. as shown in Note-27 of the Audited Annual Accounts for FY 2022-23 and Form-18 & Form-23A of Appendix-II MYT Tariff Format of ARR Petition No. 2039 of 2023.

3.2.95 Further, Regulation 20.1 of the MYT Regulations, 2019 provides that funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after the deduction of consumer contribution from total Capital Expenditure as may be observed from the extract of the relevant regulation reproduced below:

> *"20.1 For a capital investment Scheme declared under commercial operation on or after April 1, 2020, 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 18,* ***after making appropriate adjustment of Assets funded by Consumer Contribution/ Deposit Works****/ Capital Subsidies/ Grant subject to prudence check for determination of Tariff"*

3.2.96 Similarly, Regulation 21(d) of the MYT Regulations, 2019 also provides that Depreciation shall not be allowed on assets funded by Consumer Contributions as may be observed from the extract of the relevant regulation reproduced below:

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

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

3.2.97 In view of the aforesaid regulations, the Petitioner has not claimed any depreciation/ RoE/ interest etc. on the entire Consumer Contribution of Rs. 64.44 Cr. received during FY 2022-23 including Rs. 39.27 Lacs received from M/s NIDP Ltd.

3.2.98 Further, it is submitted that the Petitioner apportions the aforesaid Consumer contribution in its FAR as "Consumer Contribution Asset". Thus, the above can be validated from the total additions marked as consumer contribution assets during FY 2022-23.

3.2.99 Also, the Commission would agree that consumer contribution is received from multiple consumers at varied points of time while the projects are executed separately in batches at different time intervals, hence, one-to-one matching of assets with consumer contribution is not feasible. Thus, for the aforesaid purpose of matching the Consumer contribution via-a-vis the cost of Fixed asset, the Petitioner allocate the total consumer contribution received first against the cost of meters and then on service lines, LT network and 11 kV Network till the whole amount of consumer contribution is allocated in full.

3.2.100 From the above, the Commission will observe that the entire amount gets consumed up in the cost of meter, service lines or LT network and generally no amount is left to be marked against 33 kV consumers. Therefore, the above-mentioned asset created against the contribution of Rs 39.27 Lac has been marked as NPCL asset.

3.2.101 Considering the abovementioned provision of MYT regulations and construction of 33 kV bay against consumer contribution, we trust the UPPTCL shall not be claiming interest, RoE and depreciation on the cost of this asset though he is responsible for maintaining the same.

3.2.102 In regard to expense towards Communication software, the Petitioner submitted that the Petitioner has provided the relevant information via its letter dated 16.08.2024, as detailed below:

*"It is humbly submitted that considering the 13th amendment of the Electricity Supply Code and various Suo-Moto proceedings and guidelines issued by Hon'ble Commission regarding the practical issues of available electrical infrastructure, space and high wiring costs in existing buildings, a **Dual Register Dual Recharge (DRDR)** based solution with Pre-paid Metering and HES has been identified for converting single-point connections in existing societies with single electrical infrastructure for Utility and DG Supply.*

To comply with the Hon'ble Commission's direction to develop the solution, we discussed with various meter manufacturers, such as M/s Secure and M/s Genus, the need for a DRDR meter with HES for converting single-point connections to establish a fool proof solution with a billing system for both Utility and DG Supply. Most meter manufacturers did not agree to provide the solution as required. Furthermore, we consulted various system integrators for the solution. Only M/s Radius Synergies International Pvt. Ltd. demonstrated the required solution for multi-point conversion and agreed to a Proof of Concept (PoC) at one society using DRDR-based Pre-paid Meters with RF-based reliable communication infrastructure for AMI. They also agreed to provide the HES Application with separate billing and payment systems for Utility and DG Supply.

A pilot project for the PoC was successfully completed for converting single-point connections to multi-point connections in a residential Group Housing Society named "M/s Strategic Developers Pvt. Ltd. (Project Name: Royal Court), GH-04C, Sector-16, Greater Noida. The Final status report of the Pilot project has been shared with Hon'ble Commission with findings vide letter number P-77/ UPERC / FY2019-20 / 331 Dated: 01.10.2019.

The successful PoC was performed by M/s Radius as per technical and functional requirements. Consequently, after successful performance based on the above, the Hon'ble Commission vide its Order dated. 22.07.2020 approved the "One-time activity" cost of Rs. 15,000/- towards the supply and installation of the Whole

Current Dual Source Dual Register Two Way Communicable Energy Meter along with Communication infrastructure (being supplied only by M/s Radius).

Accordingly, the work orders for multipoint connections were placed with M/s Radius after the successful PoC, being the only vendor who developed and demonstrated the required solution.

Nevertheless, the Company is continuing its efforts to explore more such vendors, therefore, the Company published an open Tender NIT No. NPCL/AUT/FY23-24/DRDR/008 for Supply, Installation, Testing and Commissioning including all necessary Works for Implementation of Dual Source Dual Recharge Smart-Prepaid Metering System for multipoint connection at multi-storied Societies located in Greater Noida City" on 22nd December 2023.

…….”

3.2.103 Given the constraints outlined above, including the limited availability of vendors capable of providing the required Dual Register Dual Recharge (DRDR) based solution with Pre-paid Metering and HES for converting single-point connections, the Petitioner was unable to implement the project on a Software as a Service (SaaS) model. Consequently, a CAPEX model was adopted to ensure the timely and reliable execution of the project and accordingly, the associated costs have been capitalized by the Petitioner.

3.2.104 In view of the above the Commission observed that the Petitioner has already clarified the query of the consumer in its aforesaid reply.

C. Commission´s View

3.2.105 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner’s response. Further, the Commission has dealt with the treatment of Vehicles and other capex-related issues in the Capital Expenditure chapter.

3.2.106 As far as the treatment of Consumer contribution is concerned, Net GFA is determined by considering the consolidated consumer contribution as per the Audited Accounts.

INTEREST AND FINANCE CHARGES

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.107 Sh. Rama Shanker Awasthi submitted that the Interest on Rs. 11.28 Cr. is erroneous and should be paid to the Consumer by NPCL. NPCL has claimed that the amount of Rs. 11.28 Cr, which is a matter of commercial dispute between NPCL and UPPCL, is lying with UPPCL. Accordingly, the said amount is deducted from NPCL's working capital by the Commission. While NPCL is still claiming interest on security deposit of Rs. 11.28 Cr, it is not paying the same to its consumers.

B. Petitioner's Response

3.2.108 With respect to the objection raised by Shri Rama Shankar Awasthi, it is submitted that the objection pertains to Appeal No. 465 of 2023, which is currently sub judice before the Hon'ble APTEL. Therefore, it would not be appropriate, from a standpoint of judicial prudence, to comment on a matter that is sub judice.

C. Commission´s View

3.2.109 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. Further, the Commission has dealt with the treatment of Interest on consumer deposits in 'Interest and Finance charges' section of this order.

BAD & DOUBTFUL DEBT

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.110 Sh. Rama Shankar Awasthi submitted that Electricity Duty (ED) has been added in revenue for the computation of Bad and Doubtful Debt and working capital. NPCL has wrongly claimed ED as a part of revenue while computing bad and doubtful debt and Working Capital, which is in complete contravention of the extant and applicable law and the orders passed by the Hon'ble APTEL and this Commission. In this regard, it is relevant to delve into the findings of the Commission as well as the Hon'ble APTEL.

3.2.111 He further submitted that the Petitioner appears to be keeping accounts active to artificially inflate arrears, which can later be claimed as bad and doubtful debts.

B. Petitioner's Response

3.2.112 In response to the issue of Electricity Duty, the Petitioner has provided the relevant information via its letter dated 07.03.2024, as detailed below:

"It is humbly submitted that Note-27 of the Audited Accounts shows Revenue excluding Electricity Duty as Rs. 2,207.78 Cr. In this regard, the Hon'ble Commission may please refer the Section 4A of the U. P. Electricity (Duty) Act, 1952 which provides as under:

"4-A. Reimbursement of electricity duty from consumers

……..

(2) ***For the purpose of recovering the amount of electricity duty from the consumer, the licensee*** *or the appointed authority, as the case may be, may without prejudice to any other mode of recovery,* ***exercise the power*** *conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910),* ***as if the duty were*** *a charge or* ***sum due in respect of energy supplied to such consumer****. ………..*"

The Hon'ble Commission may kindly appreciate that in view of the above provisions of the Section 4A, the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Company to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and hence, the receivables of the Company.

Therefore, the Hon'ble Commission is kindly requested to consider the Electricity Duty as part of the Receivable for determination of Interest on Working Capital for True-up of ARR for FY 2022-23.

Accordingly, the Company has considered the Revenue including Electricity Duty by multiplying the net Revenue with multiplying factor for the purpose of determination of working capital. However, inadvertently, the Factor has been typed as 1.0473 instead of 1.0437 as computed here-in-below in ***Table-8****:*

Table-8: Computation of Multiplying Factor			
Particulars	**U.o.M.**	**Ref.**	**Amount**
Electricity Duty as per Note-27 of Audited Accounts	*Rs. Cr.*	*a*	*96.69*
Net Revenue as per Note-27 of Audited Accounts	*Rs. Cr.*	*b*	*2,207.78*
Gross Revenue as per Note-27 of Audited Accounts	*Rs. Cr.*	*c=a+b*	*2,304.47*
Ratio of Gross Revenue to Net Revenue	***Number***	***d=c/b***	***1.0437***

*Therefore, the Hon'ble Commission is kindly requested to consider the Interest on Working Capital for FY 2022-23 as provided in **Table-9** below:*

Table 9: Interest on Working Capital (FY 2022-23) (Rs. Cr.)				
Particulars	**Ref**	**Approved**	**Actual @1.0473**	**Revised @1.0437**
O&M expenses for 1 month	*a*	*6.21*	*13.46*	*13.46*
One-and-a-half-month equivalent of expected revenue from distribution tariff	*b*	*250.86*	*289.03*	*288.03*
Maintenance spares @ 40% of the R&M Expense for 2 Months	*c*	*2.75*	*4.22*	*4.22*
Gross Total	***d=a+b+c***	***259.82***	***306.70***	***305.71***
Security Deposits from Consumers				
Opening Balance	*e*	*288.96*	*289.96*	*289.96*
Received during the year (Net of Refunds)	*f*	*10.64*	*34.93*	*34.93*
Closing Balance	*g=e+f*	*299.59*	*324.88*	*324.88*
Average Security Deposit	***h=(e+g)/2***	***294.28***	***307.42***	***307.42***
Security Deposit with UPPCL	*I*	*11.28*	*11.28*	*11.28*
Net Security Deposits from Consumers	***j=h-i***	***283.00***	***296.14***	***296.14***
Net Working Capital	***k=d-j***	***-***	***10.56***	***9.57***
Applicable Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	*l*	*10.20%*	*10.29%*	*10.29%*
Interest on Total Working Capital	***m=k*l***	***-***	***1.09***	***0.98***

…."

In addition to the above the Commission directed the Petitioner to explain the accounting of Electricity Duty in its books in detail as follows:

"The petitioner is required to explain the accounting of Electricity Duty in its books in detail. Is it payable on billing basis or collection basis? Further, what is the accounting treatment in case of write-off of receivables?"

The Petitioner in its reply has submitted the following for the kind consideration of the Commission:

"The Hon'ble Commission is kindly requested to refer Section 3(1) of the U. P. Electricity (Duty) Act, 1952 as reproduced below:

"Levy of electricity duty

3. (1) Subject to the provisions hereinafter contained, there shall be levied for and paid to the State Government on the energy --

(a) sold to a consumer by a licensee, the Board, the State Government or the Central Government…..

(b) …..

(c)….

a duty (hereinafter referred to as "electricity duty") determined at such rate or rates as may from time to time be fixed by the State Government by notification in the Gazette…… "

From the above, it is clear that the Electricity Duty is payable on the Energy Sold by the licensee irrespective of its recovery.

For the purpose of recovery of Electricity Duty, the ED Act also specifies under Section 4A of the U. P. Electricity (Duty) Act, 1952 as provides here-under:

"4-A. Reimbursement of electricity duty from consumers

……….

*(2) **For the purpose of recovering the amount of electricity duty from the consumer, the licensee** or the appointed authority, as the case may be, may without prejudice to any other mode of recovery, **exercise the power** conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910), **as if the duty were a charge** or **sum due in respect of energy supplied to such consumer.***

………."

Thus, from the above provisions, it is apparent that the Electricity Duty so billed in respect of energy supplied to the consumer, is an integral part of Revenue to be recovered from the consumers.

Further, as per the provisions of the Electricity Duty Rules 1952, the Electricity duty is payable to the Directorate of Electrical Safety (DoES), Government of UP, within 60 days of billing irrespective of the fact that the amount is recovered from consumers or not. Accordingly, the Company deposits Electricity Duty so billed for the entire month, say April, within 60 days, i.e. by 30th June with DoES.

The Company, in its financial Statements, discloses the gross amount billed to consumers including both energy charges and electricity duty (Refer Note-27 of the Audited Accounts). Since the entire amount of Electricity Duty so billed is deposited with DoES, the same is deducted from the gross revenue to determine the Revenue from Operations (Refer Statement of Profit and Loss in Audited Accounts).

Further, the receivables (including electricity duty billed) from certain consumers which remain unrecovered after a reasonable period even after taking all the efforts, are written off in the audited books of accounts as per the Bad Debt policy of the Company. As and when receivables are written off, the portion of the electricity duty being an integral part of the revenue receivable and so unrecovered, is also written off simultaneously.

From the above, the Hon'ble Commission may kindly observe that while, the electricity duty has been deposited on the basis of billing, the amount of unrecovered electricity duty (being integral part of revenue receivable) is written off and claimed by the Company in the True-up / ARR petition along with Bad Debt written-off as a part of cost.

It is pertinent to mention that the Company continues its efforts to recover its dues and the same is netted-off from Bad Debt expense as and when recovered along-with the amount of electricity duty.

In view of the above submissions and considering the compliance obligation as per the Electricity Duty Act and Rules framed therein, the Hon'ble Commission is requested to kindly consider and approve the Bad Debts as claimed in full."

3.2.113 In response to the issue of increasing bad debt, the Petitioner has provided the relevant information via its letter dated 07.03.2024, as detailed below:

"It is humbly submitted that the Company has claimed the bad & doubtful debts for FY 2024-25 in accordance with MYT Regulations, 2019. The detailed justification for the same has already been provided in Appendix- V "Text of ARR FY 2024-25"of Petition no. 2039 /2023 dated 29th November, 2023, the same is reproduced below for ready reference of the Hon'ble Commission:

9.1. The Regulation 46 of the MYT Regulations, 2019 states in respect of Provision for Write-off of Bad and Doubtful Debts as under:

"46. Provision for Write-off of Bad and Doubtful Debts:

46.1 For any Year, the Commission may allow a provision for write off of bad and doubtful debts up to 2% of the amount shown as Revenue Receivables from sale of electricity in the audited accounts of the Distribution Licensee for that Year or the actual write off of bad debts, whichever is less:"

9.2. Considering the estimated sales, collection efficiency as projected in Business Plan and in view of the debtors profile, prudent analysis, impending political scenario affecting the collections drives, ageing profile of receivables, the Company has estimated the Provision for Write-off of Bad and Doubtful Debts for FY 2024-25 as provided in Table-47 below:

Table-47: Provision for Bad & Doubtful Debts (FY 2024-25) (Rs. Cr.)

Sl. No.	Description	Ref.	Projected
1	Revenue billed for the year	a	2,672.47
2	Add: Electricity Duty @ 4.73%	b	126.41
3	Gross Revenue billed for the year	c=a+b	2,798.88
4	Provision for Bad & Doubtful debts	e	55.98
5	Provision as % of Revenue billed	f=e/c	2.00%

9.3. The above Provision for Write-off of Bad and Doubtful Debts is projected in accordance with the Company's policy which has also been approved by the Hon'ble Commission in its Tariff Orders. Actual write-off will be considered upon ascertaining that the consumer account has no chance of revival and the avenues of recovery are fully exhausted. At the time of actual write-off, bad debts are identified against each individual defaulting consumer and subsequently aggregated. In each such instance, the supply will stand permanently disconnected and the service apparatus removed as per the Company policy.

….."

3.2.114 The Petitioner further submitted that it has filed its Petition No. 2039 of 2023 for approval of Annual Revenue Requirement and Tariffs for FY 2024-25, Annual Performance Review for FY 2023-24 and Truing-up for FY 2022-23 for the kind consideration of the Commission and requested the Commission to take an appropriate view in this matter based on submissions of the Petitioner in the aforesaid Petition.

C. Commission´s View

3.2.115 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. Also, the issue of bad and doubtful debt is covered in the 'Bad and Doubtful debt' section of this order.

O&M EXPENSE

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.116 Sh. Rama Shanker Awasthi submitted that NPCL has claimed another Rs. 10.31 Cr. as "Repairs and Maintenance-others" and Rs. 6.82 Cr. as Security expenses. These expenses need to be verified by the Commission by directing NPCL to provide details of contractors who have been engaged in FY 2022-23 and FY 2023-24 in Substation maintenance and Line maintenance.

3.2.117 He also submitted that for A&G Expenses: The miscellaneous expenses claimed by the Petitioner at three different instances Rs. 1.15 Cr., Rs. 1.82 Cr., and Rs. 0.08 Cr. have not been adequately explained.

3.2.118 He further submitted that NPCL has the amount paid to Mr. R. C. Agarwal, totaling Rs. 8 Cr, which has been recorded under Professional Charges instead of Employee Expenses.

3.2.119 He also submitted that O&M sought on actuals by NPCL is in contravention of applicable Regulations.

3.2.120 He further submitted that NPCL has not provided any details regarding compensation paid to consumers for failure to comply with SoP standards. Without this information and no basis for it in the regulations, the Commission cannot approve additional R&M expenditures related to SoP and other compliance measures.

B. Petitioner's Response

3.2.121 On the issue of R&M the Petitioner has submitted that the Commission, through its deficiency notes, raised queries regarding the details of contractors involved in R&M and Capital works, including their names, nature of work, payments and other relevant information. In response to the above query, the Petitioner has provided the relevant information via its letter dated 03.05.2024 and 16.08.2024. It is kindly submitted that the Petitioner has filed its Petition No. 2039 of 2023 for approval of Annual Revenue Requirement and Tariffs for FY 2024-25, Annual Performance Review for FY 2023-24 and Truing-up for FY 2022-23 for the kind consideration of the Commission and requested the Commission to take an appropriate view in this matter based on submissions in the aforesaid Petition.

3.2.122 On the issue of A&G expenses, the Petitioner has submitted that in Annexure-34, titled 'Reco of O&M Expense FY 2022-23', which was submitted along with the tariff petition dated 29.11.2023, the Petitioner has included a Remarks column. This column provides detailed information regarding the expenses claimed. The amount of Rs. 1.15 Cr. pertains to 'Legal and Professional Charges' and Rs. 0.08 Cr. pertains to 'Director's Fees,' as detailed in Note-33 of the Petitioner's audited balance sheet. Additionally, a detailed breakup of the Rs. 1.82 Cr, which forms part of the total 'Miscellaneous Expenses' of Rs. 5.29 Cr. (Note-33) has already been submitted to the Commission via letter dated 01.07.2024.

3.2.123 On issue of fees paid to Mr. R. C Agarwal the Petitioner has submitted that Mr. R. C. Agarwal retired from the position of Managing Director on 30.06.2023. Following his retirement, he ceased to be an employee of the Petitioner. Therefore, the amount paid to Mr. R. C. Agarwal pertains to his professional services, specifically for ensuring a smooth leadership transition, with a focus on addressing critical managerial and operational matters. His continued involvement was essential in managing ongoing regulatory issues and providing strategic guidance on key projects. This engagement was crucial for maintaining business continuity and safeguarding the Petitioner's interests during the transition. As such, the amount paid to Mr. R. C. Agarwal has been recorded under professional charges.

3.2.124 On the issue of claiming O&M expenses not as per regulations, the Petitioner has submitted that it has already provided a detailed explanation in Chapter 5 of Appendix-III, titled 'Text of True-up FY 2022-23,' justifying the claim for O&M expenses for FY 2022-23 based on audited/actual figures rather than the prescribed Norms. This explanation was included in the tariff petition dated 29.11.2023, to ensure transparency and accuracy in reflecting the true operational costs for the period.

3.2.125 On the issue of SOP compliance, the Petitioner has submitted that it has already submitted a quarterly compliance report to the Commission, from which it may be observed that there are no instances of non-compliance leave aside payment of compensation.

3.2.126 Additionally, the Commission, through its deficiency notes, raised queries regarding the claim of Rs. 23.58 Cr. towards SOP and other compliances.

3.2.127 In response, the Petitioner provided the relevant information in its tariff petition dated 29.11.2023 and via a letter dated 16.08.2024 addressing the deficiency note.

C. Commission´s View

3.2.128 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner’s response. Further, the Commission has dealt with the issues highlighted above in the ‘O&M expense’ section of the Order. The Commission allows the O&M expense on the basis of provisions of MYT Regulations, 2019

PROVIDENT FUND

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.129 Sh. Rama Shanker Awasthi submitted that the provident fund claimed by NPCL, amounting to Rs. 2.83 Cr does not match the audited balance sheet, which shows a payment of Rs. 3.86 Cr. Additionally, the amounts claimed for gratuity Rs. 1.03 Cr and Rs. 5.98 Cr. does not align with the audited balance sheet, which reflects a payment of Rs. 5.57 Cr.

3.2.130 Furthermore, it is requested that the Commission obtain data from NPCL related to employees, including the number of employees, retirement age and other relevant details.

B. Petitioner's Response

3.2.131 In response to the above query, the Petitioner has provided the relevant information via its letter dated 16.08.2024, as detailed below:

"It is humbly submitted that as per Note-30 of Audited Accounts the "Contribution to provident and other funds" is amounting to Rs. 3.86 Crore and "Gratuity" is amounting to Rs. 5.57 Crore. The amount of Rs. 3.86 Crore comprises contributions to Provident Fund and other funds as summarised in table given below:

Details of Contribution to Provident & Other Funds			
			Rs. Cr.
S. No.	***Particulars***	***Amount***	***Remarks***
1	*Contribution to Provident Fund*	*2.83*	*Refer Note-30 of Audited Accounts*
2	*Contribution to Other Funds (Senior Staff Pension Fund, Employee Linked Deposit Insurance (EDLI) and Employee State Insurance Contribution (ESIC) etc.)*	*1.03*	
Total in Rs. Crore		***3.86***	

Further, it is humbly submitted that the total expense on account of Gratuity for FY 2022-23 is Rs. 5.98 Crores as mentioned in the RTF of the Tariff Petition which is shown in the Audited Accounts at two places as detailed in the table given below:

Details of Gratuity			
Rs. Cr.			
S. No.	***Particulars***	***Amount***	***Remarks***
1	*Gratuity*	*5.57*	*Refer Note-30 of Audited Accounts*
2	*Remeasurements of post-employment benefit obligations*	*0.42*	*Refer Statement of Profit & Loss*
Total in Rs. Crore		***5.98***	

As per the provisions of the Payment of Gratuity Act 1972, an employee is eligible for gratuity of 15 days for every completed year of service which is also included in terms of employment. However, M/s Life Insurance Corporation (LIC) (being the Gratuity Fund Manager of the Company) was inadvertently restricting the total gratuity payable to an employee to Rs. 20 Lacs. Therefore, in order to align the terms of employment with the Gratuity provision in the accounts, the above practice was *changed and corresponding amount based on LIC / actuarial valuation was provided in FY 2022-23 leading to increase in the Gratuity expense for the year.*

3.2.132 In view of the above the Commission observed that the Petitioner has already clarified the query of the consumer in its aforesaid reply.

C. Commission´s View

3.2.133 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. The Commission carries out a prudence check of all the claims of the Petitioner and scrutinizes the Audited Accounts.

POWER FACTOR

A. Comments / Suggestions of Sh. Chakresh Jain

3.2.134 Sh. Chakresh Jain submitted that Power Factor of 0.9 as mentioned in the Tariff Schedule needs to be corrected to 0.997 for correction from KVA to KW, due to the current status of good efficiency of electrical system line distribution as far as the urban infrastructure in big cities is concerned with minimal line losses. A Power Factor is an expression of true power and apparent power. When the power factor nears 1 it is a good sign that all the power supplied by the source gets converted into a useful form of energy with no losses.

3.2.135 He has also suggested certain parameters to be recorded for audit purpose by builder's CA.

B. Petitioner's Response

3.2.136 The Petitioner has submitted that as per the Tariff Order of the Commission, a Power Factor of 0.9 is considered when converting demand & energy charges from kW to kVA & kWh to kVAh, respectively, where Charges are mentioned in Rs./KW & Rs./KWh and billing is done in kVA & kVAh (for loads above 10 kW). If a conversion factor of 0.997 is used in place of 0.9, overall demand & energy charges will increase by 11% as the KVAh units will remain the same, but the rate per KVAh unit will increase by 11% (increase by 0.097).

3.2.137 Therefore, the consumers with a Power Factor greater than 0.9 are currently benefiting from a lower tariff rate, which would no longer be the case with the revised conversion factor. A similar effect will be seen in categories like LMV-6, where the conversion factor is used to calculate the kVA & KVAh unit rate. It appears that the suggestion was made only keeping Units in mind. However, it will also impact the tariff, leading to an increase in demand & energy charges for these categories.

3.2.138 The Petitioner has submitted that notices are currently being sent to builders/AOAs to provide the detail mentioned in the below table, covering most of the parameters suggested by Mr. Chakresh Jain. However, they have not received any response/reports, despite multiple notices sent to the builders/AOAs.

Sl. No.	Details to be provided	
1.	Total No. of Flats in the Premises	
2.	Total No. of Flats Occupied	
3	Sanctioned load of your Single Point Connection	
4.	Sanctioned Load for each Flat. (Provide through separate list showing therein size-wise numbers)	
5.	Total Fixed Charges received from the Residents at present	
6.	Whether the Electricity bill include Common Area Maintenance Charges, Water Charges, Club Charges etc. or not?	Yes / No
7.	Are you disconnecting supplies of the residents on account of non-payment of common area maintenance charges?	Yes / No
8.	Last date of Audit	
9.	Whether you have provided a copy of the Audited Accounts to your residents?	

C. Commission´s View

3.2.139 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner’s response. The provision for conversion from KVA to KW and vice versa considering a power factor of 0.9 is provided in Note-I of Clause 2.3 of UP Electricity Supply Code 2005. Further, the same provision is adopted in the General Provisions of the Rate Schedule in the Tariff Order. The Power Factor of 0.9 has been considered taking into consideration the full licensees, consumers, load, Sales, etc. which comprises various types of consumers having different usage and consumption profiles. A call to modify the same has to be based on a comprehensive scientific study for the whole State of Uttar Pradesh. Till the time same is embarked on, the Commission will continue to take 0.9. The Petitioner is directed to consider the same and suggest if any change is required in the next Tariff filing.

PETITION RELATED DATA

A. Comments / Suggestions of Sh. Rama Shankar Awasthi

3.2.140 Sh. Rama Shankar Awasthi, Consumer Representative submitted that the data has to be prepared and circulated by NPCL in such an abridged manner that is convenient for the public to review, understand, and scrutinize and enables them to submit their comments/ objections to the said data.

3.2.141 However, the manner and form in which the said data is being published on the website of NPCL is not only proving difficult to read and pursue but is also obstructing the general consumers from being able to peruse the data, thereby making it almost impossible for the general public to be able to scrutinize the data and submit their objections/ comments.

3.2.142 He further submitted that a total of approximately 20,000 pages are there in the public domain for NPCL combined. Furthermore, the petitions and accompanying documents are scanned and uploaded after lumping all the documents together. It is impossible for a general consumer to go through such voluminous data in a span of around 2-3 weeks and submit its comments/ objections when the data is presented in such an unintelligible manner.

3.2.143 Moreover, the deficiency notes and some of the replies to the deficiency notes by NPCL (specifically 3rd, 4th, and 5th in this case) are not in the public domain, so it’s not possible to note what are the queries of the Commission and what are the responses. The revisions filed on record by NPCL, pursuant to these queries, are also filed additionally. Moreover, the petition is also not revised or finalized, and all information is being filed additionally despite there being several revisions in the pleadings on record vide subsequent submissions of NPCL.

B. Petitioner’s Response

3.2.144 The Petitioner has submitted that in line with the UPERC Conduct of Business

Regulations 2019 and UPERC MYT Regulations 2019 and as per the direction given by the Commission from time to time, it has uploaded all documents related to the Tariff Petition and replied to all deficiencies note issued by the Commission.

3.2.145 Further, through its letter dated 13.06.2024, in compliance with the Commission's Admittance Order dated 10.06.2024, the Petitioner provided a screenshot of its website as proof that all petitions filed before the Commission, along with regulatory filings, information, particulars, and related documents in searchable PDF format, as well as all Excel files, have been uploaded.

3.2.146 As regards the Tariff Petition, the Petitioner has uploaded around 70 different files (in PDF and Excel formats) in our website which are in searchable and downloadable formats. Further, along with the Tariff Petition, the replies to all Deficiency notes are also uploaded in searchable and downloadable format. Further, for the ease of the consumer, the Petitioner has also provided separate sections for the data submitted in response to each Deficiency Gap and Tariff Petition.

3.2.147 Further, as regards to 3rd to 5th Deficiency notes, the Petitioner has already submitted its response on 01.07.2024, 09.07.2024 and 16.08.2024 respectively to the Commission and subsequently, the same has also been uploaded on the website.

3.2.148 In view of the consumer's request related to establishing a method of publishing data that presents information to consumers in a clear and accessible manner, the Commission may deal with the same appropriately.

C. Commission's View

3.2.149 While approving the True up and ARR/tariff of a Licensee, the Commission does in-depth prudence check for which a large amount of data is required to be furnished by the Licensee. In line with its policy of having transparency, it directs the Petitioner to upload all data which amounts to voluminous submissions. As we move forward and make more minute prudence checks, the quantum of data will increase.

GENERAL/MISC.

A. Comments / Suggestions of M/s Dev Infratech, M/s Gaurik Green Homes Pvt Ltd., M/s Deepnavisha Infrastructure and Sh. Abhishek Chaudhary

3.2.150 M/s Dev Infratech, M/s Gaurik Green Homes Pvt Ltd., M/s Deepnavisha Infrastructure and Sh. Abhishek Chaudhary submitted that NPCL demands NOC from Greater Noida Authority to release the connection, however, Greater Noida Authority is not issuing NOC as the land is freehold and also doesn't come under their Jurisdiction.

B. Petitioner's Response

3.2.151 In regard to submissions made by Dev Infratech, Gaurik Green Pvt. Ltd., Sh. Abhishek Chaudhary, and Deepnavisha Infrastructure, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings. However, as regards the consumer's query, it is submitted that the Licensed Area of the Petitioner falls primarily within the Notified Area of GNIDA. The Act empowers GNIDA to regulate construction activities within its notified areas, and under Section 9 of the Act, no building or structure can be erected without GNIDA's approval. GNIDA's jurisdiction has expanded through various notifications, and it enforces the Greater Noida Industrial Development Area Building Regulations, 2010, which require individuals or developers to obtain permits before commencing construction. Key points of the situation are as follows:

1. Not all land within GNIDA's notified area has been acquired by GNIDA. In some cases, developers have purchased land directly from landowners, particularly in freehold urban or village areas.
2. These developers, after purchasing land, often subdivide and sell plots to individuals, who in turn seek electricity connections from NPCL. The applicants provide valid ownership documents, such as registered sale deeds, as proof of legal possession of the property.
3. Initially, NPCL began electrifying these areas, but upon receiving objections from GNIDA, NPCL halted its efforts. GNIDA has issued multiple directives, both specific and general, instructing NPCL to refrain from providing

electricity connections in certain areas without obtaining GNIDA's No Objection Certificate (NOC) first. GNIDA emphasizes that this is necessary to avoid disruption in future planned development.

4. Both NPCL and the applicants have been in communication with GNIDA, seeking the required NOCs. In some cases, GNIDA has given NPCL permission to proceed, while in others, GNIDA has either remained silent or explicitly directed NPCL not to provide connections.
5. **Challenges Faced by NPCL**: The restriction on granting electricity connections has created several operational challenges for NPCL:

   Theft of electricity: In areas where connections are denied, residents often resort to illegally tapping into NPCL's distribution network, leading to revenue loss and safety hazards.

   System damage: Illegal connections are prone to damage NPCL's electrical infrastructure, compromising the safety and security of the network and also prone to accidents.

   Regulatory conflict: NPCL is obligated under Section 43 of the Electricity Act, 2003, and Regulation 4.1 of the Supply Code to provide electricity to any owner or occupier who requests it. Regulation 4.4 states that ownership documents like registered sale deeds suffice as proof of legal possession, but it also requires that any approval or NOC mandated by local authorities, such as GNIDA, be provided with the application.

   Conditional Connections: Under Regulation 4.9 of the Supply Code, NPCL is permitted to provide conditional electricity connections in unapproved colonies if the applicants submit an affidavit or undertaking. However, GNIDA's objection to electrifying unapproved areas based on such affidavits further complicates this process.

   NPCL is caught between its legal obligations to supply electricity and GNIDA's directives to withhold connections in certain areas. The lack of electricity connections has led to an increase in illegal power use, which not only affects NPCL's revenue but also poses safety risks. Simultaneously, NPCL is facing litigation on multiple fronts: applicants who are denied connections are filing complaints with the Uttar Pradesh Jansunwai (IGRS) portal and in the High Court. Furthermore, NPCL has been implicated in cases before the National Green Tribunal, where it has been accused of encouraging unapproved constructions by providing electricity connections.

3.2.152 In the present case, the applicants have applied for an electricity connection but is unable to proceed due to the lack of the required NOC from GNIDA. Despite having submitted all necessary ownership documents, the absence of GNIDA's approval is preventing NPCL from granting the connection.

3.2.153 NPCL finds itself in a difficult position, as it is legally required to provide electricity under the Electricity Act but must also comply with GNIDA's directives. This conflict is further compounded by the issues of power theft, infrastructure damage, and safety concerns arising from illegal connections in areas where connections have been denied.

3.2.154 In light of these circumstances, NPCL requested regulatory guidance from the Commission to clarify its obligations and to determine whether it can grant electricity connections to applicants who possess valid ownership documents but lack the necessary approval from the local authority.

C. Commission´s View

3.2.155 The matter related to the new connection of electricity is covered in detail under Chapter 4 of the U.P Electricity Supply Code 2005 and any difficulty faced by the Licensee in regard to the implementation of the same need to be approached through a separate Petition and the same cannot be a part of present ARR/Tariff proceedings.

3.2.156 Further, Clause 4 (11) of the MoP's Electricity (Rights of Consumers) Rules, 2020 stipulates the maximum period within which a new connection has to be released. To adhere to these time limits, the Petitioner should coordinate with GNIDA to develop a system for periodic review of pending NOCs. The Petitioner can also consider providing limited access of its online portal to GNIDA so that they can access pending NOCs and upload their approval/ disapproval on the same to facilitate reconciliation, improve transparency & accountability.

3.2.157 The aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of M/s Artha Infratech Pvt Ltd.

3.2.158 M/s Artha Infratech Pvt Ltd. submitted that a case is pending before the Hon'ble High Court of Allahabad due to which they have not deposited the disputed arrears to NPCL which have arisen due to unilateral actions of NPCL. It also submitted that NPCL is continuously threatening to disconnect the electricity supply in their IT/ITeS Special Economic Zone. It requested the Commission to direct NPCL to refrain from taking any coercive action during the pendency of the writ petition.

B. Petitioner's Response

3.2.159 In regard to objections of M/s Artha Infratech, the Petitioner has submitted that the letter on which their comments are being sought is of 28.12.2023. They have also examined the list of public hearing attendees and found that there was no representation on behalf of M/s Artha Infratech Private Limited in the public hearing dated 19.07.2024.

3.2.160 The Petitioner submitted that M/s. Artha Infratech Pvt. Ltd. applied for an electricity connection on 14/02/2013, under the HV-1 category for the contracted demand of 100 kVA. The Company (NPCL) granted the same on 28/06/2013. From 28/06/2013, the connection continued to be billed & paid under the HV-1 category.

3.2.161 M/s. Artha Infra applied for load augmentation from 100 kVA to 1000 kVA. NPCL vide its letter dated 18/02/2016 offered the load augmentation under the same category, i.e. HV-1 to M/s. Artha Infra.

3.2.162 M/s. Artha Infra raised a dispute on the offer issued under the HV-1 category and requested to convert the connection under the HV-2 category citing orders of the Union Ministry of Industry & Commerce dated 10/12/2013 and UP IT and Start-up Policy 2016.

3.2.163 NPCL is guided by tariff schedules notified by the Commission and there is no provision in the tariff schedule to consider IT/ITeS to grant connection under the HV-2 rate category. In view of the same, NPCL vide its letter dated 19/09/2016 sought clarification from the Commission on the matter. M/s. Artha

Infra also took up the matter with the Commission in Nov 2016.

3.2.164 M/s. Artha Infra requested NPCL to convert its connection under the HV-2 rate category conditionally based on an undertaking by it stating that it will accept the decision of the Commission on the clarification sought. If no clarification / adverse order is passed by the Commission, then its connection can be restored back/converted under the HV-1 rate category and differential charges can be recovered from it from the date of energisation.

3.2.165 Based upon M/s Artha Infra's undertakings dated 26.12.2016 & 14.01.2017 and pending clarification from the Commission, NPCL converted the connection under the HV-2 rate category, conditionally by protecting the billing difference between HV-1 to HV-2.

3.2.166 Thereafter, since 2016, multiple tariff orders have been issued by the Commission, however, clarification to this effect has not been issued by The Commission in the rate schedule or otherwise. Additionally, the Commission vide its various letters & reminders also communicated with the State Government to know their views on the matter.

3.2.167 Thereafter, after giving show-cause notice and ample opportunities for hearing & clarification, NPCL restored the connection back under the HV-1 rate category and raised the bill of differential charges of Rs. 3,61,52,396/- to M/s. Artha Infra (HV-2 to HV-1) in the bill of June 2023 (bill dated 19/06/2023).

3.2.168 In the month of July 2023, a team of M/s. Artha Infra visited NPCL and requested time till September 2023 and further till December 2023 to get the matter clarified from the Commission. In the meanwhile, requested that NPCL should not take any coercive action on the arrear part, which was granted to the consumer, as a special gesture, pending long-standing matter.

3.2.169 In the meantime, M/s. Artha Infra filed a writ petition before the Hon'ble High Court on 13.07.2022 challenging the bill and sought a prayer that the Commission to decide the issue.

3.2.170 Since, June 2023, M/s. Artha Infra is paying the electricity bill as per the HV-1 tariff category, except for the outstanding differential amount and delayed payment surcharge accrued thereon.

3.2.171 It is further submitted that the Writ Petition (C) No. 23286 of 2023; Artha lnfratech Pvt. Ltd. Vs. State of U.P. & Ors. has been pending before the Hon'ble Allahabad High Court, Prayagraj for more than one (1) year. Since then, the matter has been listed on many occasions, however, no interim order has been granted restraining the disconnection of the electricity supply in the matter on account of the above billed differential amount.

3.2.172 The Commission has also filed its Reply in the Writ Petition clarifying its position that M/s Artha Infra file an appropriate petition in proper format accompanied with prescribed fees to enable it to decide the case. In the present Writ Petition NPCL has also filed its Reply and it is on record before the Hon'ble High Court that the matter be sent back for adjudication before the Commission. However, M/s Artha lnfra has shown no inclination to get the writ petition decided and relish the electricity supply without making the payment. Under such circumstances, the Petitioner, once again, has issued the disconnection notice dated 27.08.2024 as per the provisions of electricity laws. Under the provisions of the Electricity Act, 2003, and the U.P Electricity Supply Code, 2005, the Petitioner is obligated to disconnect Artha lnfratech Pvt. Ltd. electricity connection if payment is not made within the given timeline prescribed in the latest disconnection notice.

3.2.173 In this context it is also relevant to note that Hon'ble Appellate Tribunal for Electricity ('Hon'ble Tribunal') has in a plethora of cases, laid down that:

a. categorization/classification of consumers for the purpose of payment of retail tariff is under the domain of the Appropriate Commission under Section 62(3) of the Electricity Act; and

b. The Distribution Licensees cannot go beyond the said categorization/classification by taking recourse to the categorization/classification under any applicable policy *[Refer Judgement dated 12.02.2020 in Appeal No. 337 of 2016: Bharti Airtel Limited vs. MERC & Ors. and batch matters; and Judgement dated 07.08.2014 in Appeal No. 131 of 2013: Vianney Enterprises vs. KSERC & Anr.]*

C. Commission´s View

3.2.174 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. The issue of categorization of Data Centre has been discussed in Tariff Policy section of this order. As regards to ongoing disputes, the consumer and Petitioner should resolve them keeping in view the pending litigations.

3.2.175 The aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Vinay Kumar Gupta

3.2.176 Sh. Vinay Kumar Gupta, resident of Paramount Emotion, Greater Noida West submitted that in most of the societies, the builders or their nominated maintenance agencies are collecting multiple times the Fixed charges in comparison to the charges deposited with NPCL by them. An audit needs to be done which would reveal violations & fraud. He requested the Commission to take immediate action and seek clarification from NPCL in respect of the reason behind the builders collecting more than 10 times fixed charges in comparison to the deposit to NPCL. He also suggested that the analysis of rates/revised rates should be circulated in advance before the Public Hearing.

B. Petitioner's Response

3.2.177 In regard to objections of Sh. Vinay Gupta, Paramount Emotions, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to note that the charges collected by the builders from their flat owners are beyond NPCL's jurisdiction. Therefore, NPCL does not have the authority to verify the charges collected by the builders w.r.t payments made to NPCL. Further, at present, the Society i.e. Paramount Emotions, has been running under Multi-Point Scheme since 2021, therefore, no occasion arises for the collection of Electricity Charges by the Builder / AOA / RWA. Also, this issue is related to the period 2019 to 2021-22. During that time, and even afterwards, the consumer had sufficient time and opportunity to bring these issues before the Ld. CGRF, Greater Noida.

C. Commission´s View

3.2.178 Regarding the conversion of Single-Point to Multi-Point in the State of U.P., the Commission has provided extensive and detailed provisions in its 13th amendment of the U.P Electricity Supply Code, 2005 and Orders passed from time to time in this regard. Further, the Rate Schedule specifies how a Single point franchisee has to work in a transparent and accountable manner. Further any individual consumers in case of grievance can approach CGRF.

3.2.179 However, to further strengthen the mechanism the Commission has laid down that the Petitioner shall develop online system where the deemed franchisee shall be required to upload their consumer-wise monthly energy accounts including revenue collected along with the payments made to the Licensee in regard to the month referred to and same shall be available to all concerned. Further, a provision of penalty for flouting these guidelines has been given in Tariff Design and Tariff Schedule of LMV-1 and HV-1 categories.

3.2.180 Once again, the Commission reiterates that the willing consumers may exercise their right to opt for Multi-Point connection as per the 13th amendment of the U.P Electricity Supply Code, 2005.

A. Comments / Suggestions of Sh. Deepak Sharma

3.2.181 Sh. Deepak Sharma of UPSIDC Sector Site-C Residents Welfare Association complained about the low voltage supply served to them by NPCL. They are facing supply tripping very frequently, and the problems are not being addressed by NPCL. They also suggested that the Overhead cables be removed, and a new underground cable needs to be laid. They also opposed any Tariff hike.

B. Petitioner's Response

3.2.182 In regard to objections of Sh. Deepak Sharma, the Petitioner has submitted that they are supplying power for almost 24 hours, barring a few unwanted situations viz. line breakdown, shutdown during attendance of consumer complaints transmission constraints etc. and endeavours to provide uninterrupted power supply and better quality of service to all of its consumers.

3.2.183 Further, based on the performance of the network, recurrence of faults and interruption analysis, the Petitioner is also in the process of converting the overhead cables into underground cables in a phased manner. Also, the load utilization of each transformer depends on the load of the consumers being serviced through such transformer which is affected by the type of area, consumer density, load diversity etc. In case of overloading of transformers, due to higher peak load, as mainly observed during this summer, the Petitioner plans for the augmentation of such transformers.

3.2.184 It is also pertinent to note that the Petitioner is putting in its best possible efforts to provide seamless supply to all its consumers. The consumer may approach the Company's helpline or Customer Care Centres for any complaints including voltage or tripping issues.

3.2.185 On the issue of Tariff hike, the Petitioner submitted that it has filed the current petition for the kind consideration of the Commission and requested the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions made in the aforesaid Petition.

C. Commission´s View

3.2.186 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. The consumer is required to follow up with the Discom. If the problem persists, he can approach CGRF for the redressal of Grievance.

A. Comments / Suggestions of Sh. Saurabh Raj

3.2.187 Sh. Saurabh Raj submitted that NPCL is involved in DG Tariff through its App, it charges Rs. 192/KVA as fixed charge and Rs. 26/kWh as energy charge. However, the Commission does not allow any Discom to get involved in the DG Tariff either directly or indirectly.

B. Petitioner's Response

3.2.188 In regard to objections of Sh. Saurabh Raj, the Petitioner submitted that it has indirect involvement in DG Tariff is false and baseless. It is hereby clarified that it does not have any involvement in the billing or accounting of Diesel Generator (DG) tariffs and the role of NPCL is limited to supplying electricity to builders/RWA and the management of DG tariffs falls under the jurisdiction of the builders themselves. NPCL's App or Xenius does not affect or influence any DG tariff billing.

C. Commission´s View

3.2.189 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. The billing of DG sets should be done through Dual Source Dual Register (DSDR) meters as per provisions of the 13th Amendment of the U.P Electricity Supply Code, 2005 and Orders passed from time to time.

3.2.190 Further, the consumers also have the option to convert to Multi-Point as per provisions of the 13th Amendment of the U.P Electricity Supply Code, 2005.

A. Comments / Suggestions of Sh. R. P. Kaushik

3.2.191 Sh. R.P. Kaushik submitted that NPCL is charging 18% GST on meters, however, there are no such provisions of tax in GST Act 2017. Also, the ownership of Meter lies with the NPCL. He further submitted that any hike proposed by NPCL should be rejected.

B. Petitioner's Response

3.2.192 In regard to objections of Sh. R.P Kaushik, the Petitioner has submitted that the Central Government in the exercise of its powers under Section 11 of the Central Goods and Services Tax Act, 2017 ('the CGST Act'), had issued a Notification No.12/2017- Central Tax (Rate) dated 28.06.2017. In terms of the said notification, the supply of services (transmission or distribution of electricity by an electricity transmission or distribution utility) is exempted from the Goods and Services Tax (GST). In terms of the said notification, the Petitioner being electricity distribution utilities, is neither collecting GST from its customers for the supplies nor depositing the same with the GST authorities.

3.2.193 However, as per Circular No. 34/08/2018-GST dated 01.03.2018 regarding clarifications on GST in respect of certain services, it is clarified that certain charges collected by the Petitioner including meters etc. are liable for levying GST and accordingly the Petitioner levies GST on meters in accordance with the GST Circular No. F. No. 354/17/2018-TRU dated 1st March 2018.

3.2.194 Further, the Petitioner has filed a writ petition before Hon'ble Allahabad High Court on 24th Jul '18 and challenged the above Circular issued by the Department of

Revenue. The matter is currently sub judice.

3.2.195 Further, the Petitioner has also filed an intervention petition before the Hon'ble Supreme Court on 13th Nov'19 in respect of the same matter filed by M/s Torrent Power Ltd, wherein the Department has filed an appeal against the judgement of the Hon'ble Gujarat High Court. The matter shall be listed for hearing before the Hon'ble Supreme Court.

C. Commission´s View

3.2.196 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. However, the above matter is related to taxation, which is sub judice. The same is out of the purview of the Commission.

A. Comments / Suggestions of Sh. Arvind Kumar

3.2.197 Sh. Arvind Kumar, Vill. Bisrakh submitted that NPCL is not releasing electricity connection to him and therefore he requested to release the connection at the earliest.

B. Petitioner's Response

3.2.198 In regard to objections of Sh. Arvind Kumar, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, the Petitioner would like to emphasize that the new connection is released in accordance with the provisions of U.P. Electricity Supply Code 2005, contingent upon the submission and availability of documents, including the NOC provided by GNIDA, as stipulated by the code. Further, the consumer has not provided any information regarding the application for a new connection so as to provide the status of the same. Hence, the consumer is requested to approach Company's helpline number or customer care centres so as to resolve the discrepancy, if any and subsequently, release the connection.

C. Commission´s View

3.2.199 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.200 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Narendra Bhati

3.2.201 Sh. Narendra Bhati submitted that his bottle manufacturing factory has sanctioned load of 67 BHP which needs to be increased to 120 BHP. He complained that NPCL is not increasing his load.

B. Petitioner's Response

Original response of the Petitioner

3.2.202 In regard to objections of Sh. Narendra Bhati, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to mention that in December 2023, the Greater Noida Industrial Development Authority (GNIDA) asked the Petitioner to obtain Clearance / NOC from it while providing electricity supply in the villages within the Notified area of GNIDA. Accordingly, in case of new connection or load augmentation in these villages, the Petitioner is now seeking NOC from GNIDA before granting of electricity supply and, therefore, the Petitioner has requested the consumer to obtain NOC from GNIDA in the instant case so as to enable the Petitioner to complete the load augmentation.

Further response of the Petitioner

3.2.203 The Petitioner has submitted that in this case, the applicant operates a Bottle Packing Factory (commercial activity) and has requested the Company to increase the load from 67 BHP to 120 BHP.

3.2.204 As noted above, initially, NPCL had electrified and allowed load augmentation in these areas, but upon receiving objections from GNIDA, NPCL halted its efforts. Further, GNIDA has issued multiple directives, both specific and general, instructing NPCL to refrain from providing electricity connections or load augmentations in their notified area without first obtaining a No Objection Certificate (NOC) from GNIDA. This requirement ensures that future planned development is not disrupted.

3.2.205 The Petitioner also submitted sample copies of the relevant letter from GNIDA denying the load augmentation of various consumers.

3.2.206 The Petitioner further submitted that they have requested the Consumer to obtain NOC from GNIDA in the instant case so as to enable the Company to complete the load augmentation.

3.2.207 It is pertinent to mention that, after receiving the Commission's query, the Company proactively contacted the consumer, Mr. Narendra Bhati and invited him to the office to collect the necessary documents required for load augmentation.

3.2.208 Based on the documents he submitted, NPCL sent a letter (Ref No. E-6/2024-25/266) dated 05.09.2024 to GNIDA to obtain the NOC. However, the Company have not yet received any response regarding the NOC from GNIDA, and the timelines provided to GNIDA have already passed. The Petitioner submitted that they are in communication with Mr. Narendra Bhati to continue processing his load augmentation application. The Petitioner also provided a Copy of the letter.

C. Commission´s View

3.2.209 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.210 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

3.2.211 It is further directed that the Petitioner should seek NOC from consumers only when required as per GNIDA Regulations/Orders. The Petitioner can consider providing limited access of its online portal to GNIDA so that they can access pending NOCs and upload their approval/ disapproval on the same to facilitate reconciliation, improve transparency & accountability. Also, the Petitioner and GNIDA should conduct periodic meetings to monitor the pending NOCs.

A. Comments / Suggestions of Sh. Pawan Kumar Yadav

3.2.212 Sh. Pawan Kumar Yadav submitted that there should be a standard meter for societies where direct connection is available so that PM Surya Ghar Muft Bijli Yojna can be implemented. He also suggested that the Commission may notify the

Battery Hybrid Solar System as per provisions of PM Surya Ghar Muft Bijli Yojna.

B. Petitioner's Response

3.2.213 In regard to objections of Sh. Pawan Kumar Yadav, the Petitioner has submitted the meters available with the Petitioner can record consumption at a time from two sources i.e. either supply provided by the builder/NPCL and DG generator or supply provided by the builder/NPCL and solar source. Thus, it is clarified that currently, there is no meter available that can record electricity consumption from three sources. Further, as per U.P. Electricity Supply Code 2005, the meters shall be of standards & make that are certified by BIS/CBIP or any other superior specification as specified in Central Electricity Authority (CEA) regulations on the installation and operation of meters. The Petitioner has to conform to the above standards as laid down in U.P. Electricity Supply Code, 2005.

3.2.214 The Petitioner also submitted that MNRE has issued guidelines for implementation of PM Surya Ghar Muft Bijli Yojana wherein it is specified that systems that are not feeding into the grid but are connected to the grid (behind-the-meter systems, battery hybrid systems etc.) shall be eligible for CFA under the scheme subject to approval by the respective Electricity Regulatory Commissions. In view of the above, it is kindly submitted that any change in existing regulation or formulation of new regulation comes under the purview of the Commission.

C. Commission's View

3.2.215 The Commission is aware that the existing DSDR meters take into consideration 2 sources of supply however, adding another source (3^{rd} source) is not technically possible in such meters. Further, the Licensee is directed to explore the availability of possible technical solutions to the above problem and if approval is required it may approach the Commission.

3.2.216 In regard to approval of the Commission for inclusion of systems that are not feeding to the Grid but are connected to the Grid (Behind the Meter System/ Battery hybrid systems etc.) in the implementation of PM Surya Ghar Muft Bijli Yojana, if there is a difficulty in implementation of the same, an Order/ Amendment in the UPERC Rooftop Solar PV Grid Interactive System Gross/ Net Metering

Regulation, 2019, may be required after the consultation with all the Stakeholders.

A. Comments / Suggestions of Sh. Vijay Singh & 8 others

3.2.217 Sh. Vijay Singh & 8 others from Gaon Salempur Gurjar submitted that NPCL has not provided them connection even after the allocation of the Consumer number. They further submitted that all the nearby houses have been provided with the connection.

B. Petitioner's Response

3.2.218 In regard to objections of Sh. Vijay Singh and others, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to mention that as per sub-clause (a)(ii) of Regulation 4.4 of the U.P. Electricity Supply Code, 2005, a consumer is required to submit a self-attested true copy of Approval/NOC/Permission of the local authority/GNIDA for the purpose of providing the new connection. The Petitioner is bound to release the electricity connection as per the provisions of the U.P. Electricity Supply Code, 2005. Accordingly, the Petitioner requests the applicant to provide the NOC from GNIDA which is one of the required documents for releasing new connections.

C. Commission's View

3.2.219 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.220 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

3.2.221 It is further directed that the Petitioner should seek NOC from consumers only when required as per GNIDA regulations/orders. The Petitioner can also consider providing limited access of its online portal to GNIDA so that they can access pending NOCs and upload their approval/ disapproval on the same to facilitate reconciliation, improve transparency & accountability. Also, the Petitioner and GNIDA should conduct periodic meetings to monitor the pending NOCs.

A. Comments / Suggestions of Sh. Nagendra Singh

3.2.222 Sh. Nagendra Singh submitted that he wanted to increase the load from 50 KW to 70 KW, however, NPCL denied the request as there is a provision for a load increase to 100 KW. He requested the Commission to kindly amend the clause so that he can apply for load enhancement up to 80 KW.

B. Petitioner's Response

3.2.223 In regard to objections of Sh. Nagendra Singh, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to mention that in the first para, the consumer submitted that it required a load of 70 KW, but in subsequent para, the consumer has also mentioned that he wants to increase the load from 50 KW to 80 KW but the Petitioner is insisting for 100 KW which is not correct. The Petitioner can provide 80 KW to consumers as desired by the consumer. However, the said load augmentation will require conversion of LT to HT category. Thus, the consumer is kindly requested to file an application for the said purpose.

C. Commission's View

3.2.224 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. As per clause 4.6(e)(i) of the U.P Electricity Supply Code, 2005, LT supply can be given up to 50 KW above which HT category applies.

A. Comments / Suggestions of Sh. Sukhram Varshney

3.2.225 Sh. Sukhram Varshney submitted that NPCL has installed a Feeder Pillar Panel just in front of his Plot. He further submitted that Installation rules state that such Panel needs to be installed between 2 Plots. Even after several complaints, the Panel have not been removed.

B. Petitioner's Response

3.2.226 In regard to objections of Sh. Sukhram Varshney, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. It is pertinent to mention that the Feeder Pillar has been installed at the extreme left corner of Plot No F-252, Sector-02 based on the feeder plinth found at the site and hence, is not coming in front of the proposed gate of Plot No F-252, Sector-02. Further, the plot owner wants to shift this feeder pillar in such a way that the feeder pillar should be installed in between two plots i.e. adjacent to his own plot. We are pursuing the matter with the adjacent plot owner to solve the issue which will require dismantling and installation of the Feeder Pillar for shifting it hardly by 1 ft., although the adjacent plot owner is not ready for the same.

C. Commission's View

3.2.227 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.228 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Saurabh Goyal

3.2.229 Sh. Saurabh Goyal, of BD Green & MRSG developers, submitted the request for conversion of Single Point Supply to Multi-Point Supply. He further submitted that he has provided all the relevant information and documents to NPCL.

B. Petitioner's Response

Original response:

3.2.230 In regard to the objection of Sh. Saurabh Goyal of BD Green & MRSG developers, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to mention that the consumer requesting for change from single point connection to a multi-point connection is required to submit a self-attested true copy of Approval/NOC/Permission of the local authority/GNIDA as per sub-clause (a)(ii) of Regulation 4.4 of the U.P. Electricity Supply Code, 2005. The consumer is kindly requested to provide Approval/NOC/Permission of the GNIDA to enable the Petitioner to take the appropriate action in the matter.

Further Clarification on Query of the Commission on 01.10.2024:

3.2.231 The Petitioner submitted that in response to the request from Mr. Aditya Aggarwal, the Company initially provided a connection of 2 kW under the LMV-1 Tariff Category (Domestic) on 01.02.2021 for the Khasra No 35, Gulistanpur, Greater Noida.

3.2.232 It is important to highlight that Mr. Saurabh Goyal, representing BD Green Consultant Pvt. Ltd. & MRSG Developers, in his query mentioned that they have acquired land under Khasra Nos. 47, 52, 55, and 56M from Mr. Aditya Aggarwal. He has requested the conversion of the existing single-point connection (which is currently in the name of Mr. Aditya Aggarwal for the Khasra No 35) into multiple individual connections, as the land parcels are being sold to multiple buyers.

3.2.233 In January 2024, Mr. Saurabh Goyal (representative of BD Green Consultant Pvt. Ltd. & MRSG Developers), approached the Company regarding the electrification of a new colony on Khasra Nos. 55 & 56M, Gulistanpur, Greater Noida comprising 74 plots in total.

3.2.234 From the above, the Commission may observe that this is not a case of changing the category from single point to multipoint. Instead, the applicant is developing a new colony, for which complete electrification is required. The initial connection was provided by the Company to Mr. Aditya Aggarwal for Khasra No. 35, Gulistanpur, Greater Noida. Now, the applicant, Mr. Saurabh Goyal, has requested electrification for a new colony on Khasra Nos. 55 and 56M, Gulistanpur, Greater Noida.

3.2.235 Further, as per the guidelines issued by GNIDA, any development of a new colony requires a No Objection Certificate (NOC) from GNIDA. The Company can only proceed with providing electricity connections or colony electrification once this NOC is received. The Petitioner also provided a copy of the relevant letter from GNIDA.

3.2.236 The Petitioner submitted that it has requested the Consumer to submit a self-attested copy of the Approval/NOC/Permission from the local authority/GNIDA, in accordance with sub-clause (a)(ii) of Regulation 4.4 of the U.P. Electricity Supply Code, 2005.

C. Commission's View

3.2.237 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.238 The Petitioner can consider providing limited access of its online portal to GNIDA so that they can access pending NOCs and upload their approval/ disapproval on the same to facilitate reconciliation, improve transparency & accountability. Also, the Petitioner and GNIDA should conduct periodic meetings to monitor the pending NOCs.

3.2.239 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of M/s Sarvraj Buildtech Pvt Ltd

3.2.240 M/s Sarvraj Buildtech Pvt Ltd submitted that frequent tripping of RMU has led to 8 to 9 hours of Power outage which has resulted in monetary loss. He requested to change the RMU at the earliest.

B. Petitioner's Response

3.2.241 In regard to the objection of M/s Sarvraj Buildtech Pvt Ltd, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. The total time required for procurement of RMU is about 4 – 5 months from initiation of the procurement process, which includes a bidding time of 1 – 1.5 months, another 2 – 3 weeks for drawing submission by OEM and delivery period of minimum 3 months after approval of GTP & drawings. Further, due to the huge diversity in consumer load demand (200 kVA to 3000 kVA), certain changes were required to be incorporated in the RMUs, specifically for consumer installations. These changes in RMU design were discussed with manufacturers and production of RMUs started by the manufacturer after finalization of design as per our requirement. However, it is pertinent to mention that Petitioner has already completed the process and started installing RMUs at various critical points in its Network and also, seeks to install over 400 RMU over next 2 years. We will further expedite the work of installation of RMU based on the availability of material. Further, the Petitioner is committed to provide seamless 24X7 power supply with minimum interventions.

C. Commission's View

3.2.242 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.243 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Shriyansh

3.2.244 Sh. Shriyansh submitted that in multipoint connections there is a provision for measuring the difference between the consumption reference meter and the consumer meter. If the difference is more than 5%, the difference is charged from the common area bill. He suggested NPCL to calculate and charge as it would increase their revenue realisation. He further submitted that in commercial connections, there is a need for NOC from Vidyut Suraksha Nideshalaya, which should be eliminated for connections up to 4 KW.

B. Petitioner's Response

3.2.245 In regard to objections of Sh. Shriyansh, the Petitioner submitted that it is strictly following the directions given by the Commission vide its various Orders with regard to the 13th Amendment of the U.P. Electricity Supply Code, 2005. The treatment of difference as mentioned by the consumer is provided below:

> *"The total energy consumption of the electricity recorded at the incoming supply point of the multi-story building as per reference meter shall be compared with the total electricity consumption of all the individual meters installed in the building for each billing cycle. An energy difference of up to 4%, in case of supply up to 11 kV, and up to 5% in case of supply at higher voltages shall be treated as permissible towards transformation and LT losses. In case the difference in energy consumption for any billing cycle works out to be higher than 4% or 5% as in the respective cases mentioned above, then the difference of energy beyond the permissible loss level shall*

be calculated in terms of units and the same will be added in the consumption of common services. However, these additional units, in case of residential buildings, shall attract the energy charges as applicable to the highest slab under LMV-1 category. Similarly, the additional units, in the case of commercial complex, shall attract energy charges as applicable for the highest slab under the applicable LMV category."

3.2.246 The Petitioner submitted that as per sub-clause (a)(ii) of Regulation 4.4 of The Electricity Supply Code, 2005, the consumer is required to submit a self-attested true copy of Approval/NOC/Permission of the local authority.

C. Commission's View

3.2.247 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. The Petitioner is complying with the Regulations laid down by the Commission.

A. Comments / Suggestions of Dr. Vikas Pradhan

3.2.248 Dr. Vikas Pradhan, Kisan Majdur Sangharsh Morcha submitted his views as summarised below:

- Meters installed at tubewells should be removed
- Domestic connections should be free for Farmers
- Electricity rates should be decreased
- 10% rebate should be continued
- The government's order of free electricity should also apply to NPCL
- False theft cases on farmers should be withdrawn

B. Petitioner's Response

3.2.249 In regard to the objections of Dr. Vikas Pradhan, Kisan Majdur Sangharsh Morcha, the Petitioner has submitted that it installs meters in accordance with the provisions of U.P. Electricity Supply Code 2005. Further, the Commission from time to time directed the Petitioner to convert the unmetered consumers to metered consumers. It is kindly submitted that the Petitioner has filed its petition for the kind consideration of the Commission and requests the Commission to take an appropriate view with regard to the Tariff to be charged from the consumers for FY 2024-25 based on submissions of the Petitioner made in the aforesaid Petition is humbly submitted that the Government of Uttar Pradesh vide its letter no. 443/24-1-2024-49P/2014 dated 06.03.2024 has included NPCL for the purposes of granting a subsidy in electricity bill for all Private tube-well consumers w.e.f. 1st April, 2023.

3.2.250 In view of the above, all Private tube-well consumers are requested to kindly approach the Petitioner to avail the subsidy after duly complying with the terms and conditions provided by the Government of Uttar Pradesh in its letter dated 06.03.2024. In case of revoking the theft cases, the Petitioner submitted that the theft cases are booked by the Petitioner in accordance with the provisions of the Electricity Act, 2003 and U.P. Electricity Supply Code 2005. Further, the Consumer is also requested to provide specific details of the issue that may have been faced by him to enable the Petitioner to examine and resolve that issue.

C. Commission's View

3.2.251 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. The Commission has elaborated the Tariff design in its Tariff philosophy chapter and the approved rates have been provided in the Rate Schedule of this order.

3.2.252 The Commission has time and again directed that the power supply to all categories of consumers including PTW must be metered. Compliance needs to be ensured accordingly.

A. Comments / Suggestions of Sh. Rakesh Bansal

3.2.253 Sh. Rakesh Bansal, Indian Industries Association submitted the following points:

- Rebate of 10% to be continued
- 24x7 supply should be ensured for Industries
- Underground cabling work done by NPCL is very slow, the pending work should be completed at the earliest. They also sought the status of underground cabling from NPCL
- Work of RMU/Isolation installation is slow, the pending work should be completed at the earliest

- As per electricity rules 2005, for connections of above 50 KW, a 65 KVA transformer unit needs to be installed at the premises of the applicant. A considerable amount of land gets occupied, so it is requested to increase the limit to 100 KW from the existing 50 KW
- 'Electricity consumer friend' may be appointed by NPCL to reduce the communication Gap between NCPL and consumer

B. Petitioner's Response

3.2.254 In regard to the objections of Sh. Rakesh Bansal, Indian Industries Association, the Petitioner has submitted that it is already supplying power to its Industrial and other consumers for almost 24 hours. However, for some days, the consumers may experience outages due to the breakdown of feeders, shutdown during attendance of consumer complaints (by switching off the Distribution transformers or 11 kV feeders) and other issues viz. transmission constraints, extreme weather conditions like heavy rain, thunderstorms etc. To address these issues, the Petitioner has deployed a 24X7 area-wise breakdown crew to attend to all such issues in a time-bound manner. The Petitioner further endeavours to provide an uninterrupted power supply and better quality of service to all of its consumers.

3.2.255 On the issue of laying underground lines, the Petitioner submitted that based on the performance of the network, recurrence of faults and interruption analysis, wherever feasible, the Petitioner is converting the overhead network into an underground network.

3.2.256 On the issue of the data regarding the length of underground cable being laid down by them along with estimated timelines of schedule/module to lay down Underground cables the Petitioner submitted that it is already supplying power to its Industrial and other consumers for almost 24 hours. However, for some days, the consumers may experience outages due to the breakdown of feeders, shutdown during attendance of consumer complaints (by switching off the Distribution transformers or 11 kV feeders) and other issues viz. transmission constraints, extreme weather conditions like heavy rain, thunderstorms etc. To address these issues, the Petitioner has deployed 24X7 area-wise breakdown crew to attend to all such issues in a time-bound manner. The Petitioner further endeavours to provide an uninterrupted power supply and better quality of service to all of its consumers.

3.2.257 Further, with regard to the conversion of all distribution lines to underground cables, it is kindly submitted that the initial LT network which is largely overhead is developed by the Local Area Development Authority and handed over to the Petitioner. Based on the performance of the network, recurrence of faults and interruption analysis, wherever feasible, the Petitioner is converting the overhead network into an underground network.

3.2.258 On the issue of RMU installation the Petitioner submitted that the total time required for procurement of RMU is about 4 – 5 months from initiation of the procurement process, which includes bidding time of 1 – 1.5 months, another 2 – 3 weeks for drawing submission by OEM and delivery period of minimum 3 months after approval of GTP & drawings. Further, due to the huge diversity in consumer load demand (200 kVA to 3000 kVA), certain changes were required to be incorporated in the RMUs, specifically for consumer installations. These changes in RMU design were discussed with manufacturers and production of RMUs started by the manufacturer after finalization of design as per our requirement. However, it is pertinent to mention that Petitioner has already completed the process and started installing RMUs at various critical points in its Network and also, seek to install over 400 RMU over next 2 years. We will further expedite the work of installation of RMU based on the availability of material and labour. Further, the Petitioner is committed to providing a seamless 24X7 power supply with minimum interventions.

3.2.259 On the issue of increasing the limit of connected load to 100 KW which may help small industrial consumers, the Petitioner submitted that it strictly follows the load augmentation/reduction process as per the provisions of U.P. Electricity Supply Code 2005. Further, it is pertinent to mention here that any amendment of specific clauses related to load augmentation/reduction in the U.P. Electricity Supply Code 2005 is the sole prerogative of the Commission.

3.2.260 On the issue of the communication gap between NPCL officials and the consumer, the Petitioner submitted that the Petitioner has taken several initiatives to interact with its consumers. Some of the initiatives are stated below:

- The Petitioner has an established 3-tier escalation (Internal Grievance Redressal Mechanism) to resolve the consumer's queries or complaints. This is applicable to all segments of consumers. The first level is Customer relations officers, 2nd been Customer Relations Manager and last is the concerned Departmental Head.
- Customer Contact Programs are conducted every year, where a cross-function team, proactively visits consumer premises to capture their feedback, opinions and concerns. Every year approximately 40 outreach programs covering all segments (Domestic Urban and Rural, LT Industries, HT Industries) are conducted.
- Consumer feedback as received on the website, app, customer care offices and WhatsApp gets consolidated on a centralized Consumer Experience Portal (Cx Portal) where necessary corrective actions are taken to redress the dissatisfied voice of the consumers.
- Project 'Maitri' is also implemented by the Petitioner specifically for our industrial consumers. Under this project, we have appointed a dedicated NPCL official whose primary responsibility is to address and resolve any complaints or issues raised by our industrial consumers in a timely and efficient manner. This initiative reflects our commitment towards enhancing customer satisfaction and ensuring seamless service delivery.

C. Commission’s View

3.2.261 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner’s response.

3.2.262 The Commission is seized with the matter of classification of the voltage level at HT and LT levels which concerns EV, other industries etc. The matter requires deliberation and scrutiny as it encompasses the whole sector of Uttar Pradesh. The Commission will work out some solutions within the framework of rules and regulations in the future.

A. Comments / Suggestions of Residents of 'The Palm Valley'

3.2.263 Residents of 'The Palm Valley' Tower 5, Greater Noida West, submitted that the builders are charging an electricity tariff of Rs. 11.75 which is much higher than NPCL's Tariff rates. The builder stops the power supply whenever the residents oppose high tariffs.

B. Petitioner's Response

3.2.264 In regard to the objections of Residents of Palm Valley, the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25. However, it is pertinent to note that the charges collected by the builders from their flat owners are beyond NPCL's jurisdiction. Therefore, NPCL does not have the authority to verify the charges collected by the builders w.r.t payments made to NPCL. Further, at present, the society i.e. Palm Valley, is running under Single-Point Scheme. The Consumer may apply for multi-point as per the U.P. Electricity Supply Code, 2005, wherein a consumer is required to submit a self-attested true copy of Approval/NOC/Permission of the local authority.

C. Commission's View

3.2.265 Regarding the conversion of Single-Point to Multi-Point in the State of U.P., the Commission has provided extensive and detailed provisions in its 13th amendment of the U.P Electricity Supply Code, 2005 and Orders passed from time to time in this regard. Further, the Rate Schedule specifies how a Single point franchisee has to work in a transparent and accountable manner. Further any individual consumers in case of grievance can approach CGRF.

3.2.266 However, to further strengthen the mechanism the Commission has laid down that the Petitioner shall develop an online system where the deemed franchisee shall be required to upload their consumer-wise monthly energy accounts including revenue collected along with the payments made to the Licensee in regard to the month referred to and same shall be available to all concerned. Further, a provision of penalty for flouting these guidelines has been given in the Tariff Design and Tariff Schedule of LMV-1 and HV-1 categories.

3.2.267 Once again, the Commission reiterates that the willing consumers may exercise their right to opt for Multi-Point connection as per the 13th amendment of the U.P Electricity Supply Code, 2005.

A. Comments / Suggestions of Sh. Ashok Bhati

3.2.268 Sh. Ashok Bhati, Akhil Bhartiya Kisan Sabha, Gautam Buddh Nagar submitted the following points:

- Electricity tariffs are less in neighbouring states like Uttarakhand, Delhi etc. Also, any increase in Tariff would adversely affect the consumers of the State
- NPCL is less interested in providing connections in Rural areas thereby affecting the Government Schemes of providing electricity connection to Rural areas
- NPCL books overload cases as theft cases which results in overburdening of consumers with heavy penalties along with interest
- Rural areas are getting only 12 to 14 hours of electricity supply against the Government's order of 18 hours of electricity
- Electrical infrastructure is very poor in Rural areas which is affecting supply.
- Restoration of supply gets delayed usually.

B. Petitioner's Response

3.2.269 In regard to objections of Sh. Ashok Bhati, Akhil Bhartiya Kisan Sabha, the Petitioner has submitted that the Petitioner is charging the tariff from its consumer as per the rates approved by the Commission in its Tariff Order from time to time, the latest being May 24, 2023. It is pertinent to mention that as per the directives of the Commission, the Petitioner is providing 10% Regulatory Discount over the Tariff as prescribed in the Rate Schedule.

3.2.270 With regards to the issue of NPCL not releasing the electricity connection in rural areas raised by the consumer, the Petitioner submitted that it is bound to release the electricity connection to the consumers in its licensed area as per the provisions of U.P. Electricity Supply Code, 2005 irrespective of location whether rural or urban and the same is being complied by the Petitioner. Further, the Consumer is also requested to provide specific details of the issue that may have been faced by him to enable the Petitioner to examine and resolve that issue.

3.2.271 The Petitioner further submitted that the overload (excess demand) usage is being dealt by the Petitioner as per the provisions of the Electricity Act, 2003 and U.P. Electricity Supply Code 2005. It is clarified that the excess demand is not booked by the Petitioner as theft. Further, it is pertinent to mention that the consumer is liable to pay a late payment surcharge which shall be calculated proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill excluding delayed payment surcharge as per the Tariff Order, latest being May 24, 2023 read with U.P. Electricity Supply Code 2005.

C. Commission's View

3.2.272 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.273 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Anil Kumar Garg

3.2.274 Sh. Anil Kumar Garg submitted that whenever any HT consumer wants to increase their LT load, NPCL asks for 4.5 to 30 lakhs on account of installing 11 KW 2-way RMU switch which is a heavy burden of the consumer, therefore, the cost should be borne by both in 50:50 ratio. He further submitted that NPCL takes 6 to 12 months to install 11 KV RMU switch. He further requested that the switch should be made automatic as a manually operated switch consumes a lot of time. He also requested to increase the limit of LT load from 50 KW to 75 KW.

B. Petitioner's Response

3.2.275 In regard to objections of Sh. Anil Kumar Garg, the Petitioner has submitted that Ring Main Units (RMU) are an essential component of modern-day power distribution supply. They offer the ability to protect the system from overloads and short circuits while being able to supply constant power to the consumer and the ability to isolate faulty equipment when problems occur. Therefore, 11 KV Ring Main Units (RMUs) are installed/used in NPCL's 11 KV network for creating ring arrangement, providing dual supply feeds to HT consumers, controlling branch lines etc., ultimately enhancing ease in network operation & providing reliable power supply to LT & HT consumers. The query raised is about the cases of HT consumers with high load demand, where RMUs are being installed. Due to high load demand, these consumers are susceptible to feeding heavy fault current into 11 kV feeder, resulting in undesirable interruptions in the 11 KV feeder, affecting the power supply to other inline consumers. To avoid such situations, RMUs are installed with line in & line-out arrangements for such consumers in order to restrict/prevent fault in consumer installation to flow in the 11KV feeder by isolating the consumer from the 11 KV feeder & minimising interruption to other consumers.

3.2.276 The Petitioner further submitted that it is their duty to provide uninterrupted power supply to all our consumers and for maintaining the same, they are required to install separate RMU for such high load demand consumers. Therefore, the cost of RMU is recovered from such consumers as per the approved Cost Data Book. It is submitted that the total time required for procurement of RMU is about 4 – 5 months from initiation of the procurement process, which includes bidding time of 1 – 1.5 months, another 2 – 3 weeks for drawing submission by OEM and delivery period of minimum 3 months after approval of GTP & drawings. Further, due to the huge diversity in consumer load demand (200 kVA to 3000 kVA), certain changes were required to be incorporated in the RMUs, specifically for consumer installations. These changes in RMU design were discussed with manufacturers and production of RMUs started by the manufacturer after finalization of design as per our requirement. However, it is pertinent to mention that Petitioner has already completed the process and started installing RMUs at various critical points in its Network and also, seek to install over 400 RMU over next 2 years. We will further expedite the work of installation of RMU based on the availability of material. Further, the Petitioner is committed to provide seamless 24X7 power supply with minimum interventions. The Petitioner further submitted that it is already in the process of converting all existing 11 KV RMU (2-way) into fully remotely controlled 11 KV RMU (2-way). Also, the Petitioner is now installing new 11 KV RMU (2-way) wherever applicable that are fully remotely controlled 11 KV RMU (2-way).

3.2.277 On the issue of frequent power cuts, the Petitioner has submitted that it is already supplying power to its Industrial and other urban consumers for almost 24 hours. However, for some days, the consumers may experience outages due to the breakdown of feeders, shutdown during attendance of consumer complaints (by switching off the Distribution transformers or 11 kV feeders) and other issues viz. transmission constraints, extreme weather conditions like heavy rain, thunderstorms etc. To address these issues, the Petitioner has deployed 24X7 area-wise breakdown crew to attend to all such issues in a time-bound manner. The Petitioner further endeavours to provide an uninterrupted power supply and better quality of service to all of its consumers. For specific complaints, the consumer is requested to kindly approach the Company's helpline for the purpose. On the issue of revision in LT industrial load, the Petitioner submitted that the connected load of LT Industrial category is 50 KW as per the U.P. Electricity Supply Code 2005. The Commission may kindly take an appropriate view of the matter.

3.2.278 On the issue of NPCL taking 15-30 days to energise the electricity connection from the date of submission of NOC, the Petitioner has submitted that it has set practice to energize consumers within three days after receiving all charging documents. Sometimes, energization gets delayed due to consumer's meter cubical room / internal installation not meeting safety norms such as low depth cable trench, small size of meter room, small meter room door to access the room, low floor level, temporary (Gatar Patti) ceiling of meter room, no fire extinguishers, water logging in cable trench, no illumination & ventilation (no exhaust fan), non-availability of safety mat, non-availability of earthing etc. Thus, the Petitioner strictly complies with the safety norms to energize HT consumers. Further, the Consumer is also requested to provide specific details of the issue that may have been faced by him to enable the Petitioner to examine and resolve that issue.

C. Commission's View

3.2.279 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response.

3.2.280 The Commission is seized with the matter of classification of the voltage level at HT and LT levels which concerns EV, other industries etc. The matter requires deliberation and scrutiny as it encompasses the whole sector of Uttar Pradesh. The Commission will work out some solutions within the framework of rules and regulations in the future.

3.2.281 Regarding Consumer Grievances, the consumer has the right to raise their concern in front of CGRF formed in line with the directions of the Commission.

A. Comments / Suggestions of M/s ANA PRINT O GRAFIX PVT. LTD

3.2.282 M/s ANA PRINT O GRAFIX PVT. LTD. submitted that they have requested permanent disconnection on 01.09.2023, however despite completing all the formalities they haven't received the refund of electricity duty till date.

B. Petitioner's Response

3.2.283 In regard to objections of ANA Paint O Graphix Pvt. Ltd., the Petitioner has submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25.

3.2.284 However, it is submitted that on the basis of exemption in electricity duty allowed under Para 3.4.2.9 of the Uttar Pradesh Industrial and Service Sector Policy-2004 to all new units for a period of 10 years and Para 4.5 to all units declared as pioneer units for a period of 15 years, the Department of Energy by issuing notification No. 1765/24-3-2009-2000 (124)109, dated 21.01.2010 created a provision for exemption in electricity duty to all new industrial units and all units declared as pioneer units for a period of 10 years and 15 years respectively. Based on the U.P. Government Order No. 246/24-P-32018 dated 5th February 2018, the exempted industrial units must submit their claims in the prescribed format to the Director, Electricity Safety, along with required certificates/documents for exemption. Accordingly, the consumer approached to the Directorate of the Electrical Safety, Govt. of UP and vide letter dated 04.04.2024 has requested them that it is entitled to the benefits of the aforesaid Government Order. Accordingly, the Directorate of

Electrical Safety vide letter no. 1177/ED/Adjustment/Reimbursement/Ana Print/2024-25 dated 22.04.2024 has directed the Petitioner to provide the necessary details of Electricity Duty deposited by the consumer.

3.2.285 The Petitioner vide its letter dated NPCL/Comm./2024-25/090 dated 06.05.2024 has replied to the Directorate of Electrical Safety, Govt. of UP providing the details of electricity duty deposited by the Consumer i.e. Rs. 10,22,000.89/- from February 2010 to January 2020. However, no further order or direction is received yet from the Directorate of the Electrical Safety, Govt. of UP for the refund of the Electricity Duty amount to the consumer. Thus, the concern raised by the consumer regarding the refund of Electricity Duty is pending before the Directorate of Electrical Safety, Govt. of UP and the Petitioner is extending all possible help and support to the consumer by providing all relevant information to the Directorate of Electrical Safety, Govt. of UP in order to fasten the refund process of the consumer. The same process is being followed in many similar cases wherein the Refunds have been processed upon receipt of directions from the Directorate of Electrical Safety.

C. Commission's View

3.2.286 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. For refund of Electricity Duty, as may be admissible under the Government policy, the consumer is required to follow up with the Department of MSME, GoUP.

A. Comments / Suggestions of NHPC Executive Sehkari Awas Samiti

3.2.287 NHPC Executive Sehkari Awas Samiti raised the concern of re-routing of 11 KV underground cable feeding the society. NPCL has raised an estimate of approx. 10 lacs. NHPC ESAS submitted that the infrastructure for the supply of power to the society including transformers stands handed over by the society to NPCL, therefore NPCL is responsible for assets as well as liabilities arising from such arrangements. In view of cable wrongly laid by NPCL, NHPC ESAS requested that no cost should be levied on Society.

B. Petitioner's Response

3.2.288 In regard to objections of NHPC Executive Sahkari Awas Samiti (NHPCESAS), the

Petitioner has submitted that the matter does not pertain to the current tariff proceedings or tariff determination exercise for FY 2024-25. However, the Petitioner would like to inform that the cable is now being rerouted as per the request raised by the consumer. It is also pertinent to note that though the cable was laid by the NPCL on receipt of the payment of estimate for releasing the new connection to the NHPC society, the ROW for the cable laying inside the society campus was provided by the then representatives of NHPC society and the cable was laid accordingly. Since the cable had become faulty due to the construction work inside the NHPC society and was found to be in the vicinity of under construction house / private land, it necessitates to re-route the cable with cost to be borne by NHPC society at an alternative route free from private property within the society as agreed by the NHPC society in order to avoid future damages to the cable and for sustaining the supply to the society. Further, it is pertinent to mention that as per the provisions of U.P. Electricity Supply Code 2005, the cost of re-routing of the cable has to be borne by the consumer.

C. Commission's View

3.2.289 The Commission has taken note of the objections/suggestions made by the stakeholders and the Petitioner's response. Consumer is required to follow up with the Discom.

3.2.290 If the issue is still not resolved, the aggrieved consumer can reach out to CGRF for redressal of his/her Grievance.

A. Comments / Suggestions of Sh. Rama Shanker Awasthi

3.2.291 Sh. Rama Shanker Awasthi pointed out anomalies in the Number of Consumers and their details on record placed by NPCL and submitted the following points:

a. List of live Unmetered Consumer
b. Increase in Bad and Doubtful debt due to sudden decrease of fake consumers that were created by NPCL.
c. Non- compliance with the act and the supply code while recovering the security deposit from the consumer at the time of connection and load enhancement.

3.2.292 He further submitted that it is necessary for the Commission to verify the amounts that NPCL claims to have incurred. The Commission must direct NPCL to provide details of vendors - on the basis of the Invoice Submitted and the Amount paid.

3.2.293 He further requested to provide the following employee details:

a. Month-wise total number of employees, distinguishing between regular and contractual employees.

b. The retirement age for normal employees, and if different retirement ages apply to some employees, details of the same.

c. The number of employees who received service extensions at the same or enhanced salary after reaching retirement age.

d. Whether board approval is required for service extensions, and if obtained for all relevant employees.

e. The number of employees re-engaged as "professionals" after retirement, along with their monthly remuneration.

f. The number of employees who have been continuously employed on "Contract Employment" for more than three years, even with short breaks between contracts.

g. The names of employees who worked as contractual or professional staff in FY 2022-23 and FY 2023-24 and were paid more than Rs. 10 lakh in the respective fiscal year, along with the total amount paid to them.

B. Petitioner's Response

3.2.294 It is submitted that the matter does not pertain to the current tariff proceedings and tariff determination for FY 2024-25.

3.2.295 Concerning the objection raised by Shri Rama Shankar Awasthi, it is respectfully submitted that the objection pertains to Petition No. 780 of 2012, which is currently sub judice before the Commission. Therefore, it would not be appropriate, from a standpoint of judicial prudence, to comment on a matter that is sub judice.

3.2.296 The Petitioner further submitted that the Commission, through its deficiency notes, raised queries regarding details of vendors, including invoices and amount paid which has since been provided vide our replies from time to time.

3.2.297 Regarding employee details, the Petitioner submitted that it has already provided a detailed explanation in Chapter 5 of Appendix-III, titled 'Text of True-up FY 2022-23,' in support of its claim for O&M expenses for FY 2022-23, along with the RTF forms as prescribed by the Commission. This explanation was included in the tariff petition dated 29.11.2023, to ensure transparency and accuracy in reflecting the true operational costs for the period.

C. Commission's View

3.2.298 The Commission has taken note of the objections/suggestions made by the stakeholder and the Petitioner's response. The Commission has sought all the details from the Petitioner that were considered relevant for the finalisation of True up or determination of ARR. The alleged irregularities relating to the security deposit are the subject matter of Petition No. 780 of 2012 in which the proceedings are ongoing before the Commission. Further actions in this matter, if required will be taken accordingly.

4 INDEPENDENT AUDIT FOR FY 2022-23

4.1.1 As regarding the demand of the stakeholders for a Comptroller & Auditor General (CAG) Audit or any third-party audit, the Commission, in its Tariff Order for FY 2014-15, had directed the Petitioner to get its accounts audited by an independent auditor from FY 2014-15 onwards. Such auditor should be appointed with the prior approval of the Commission. Apart from auditing of the financial accounts, the power purchase and the energy sales of the Licensee should also be audited on the regular basis so that deficiencies, if any, can be identified and removed. In accordance with this, the Commission (vide Appointment Letter No UPERC/Director (Tariff)/2023-926 dated September 20, 2023) appointed an independent auditor M/s. Avanish K. Rastogi & Associates (hereinafter referred to as 'Auditor').

4.1.2 Based on the comments on the draft report submitted by the Auditor to the Commission, the final report was submitted by the Auditor on August 21, 2024.

4.1.3 The main observations made in the report are discussed in the following paras and cover the following aspects:

1. Audit of Energy Sales
2. Audit of Power Purchase
3. Other critical factors affecting the approved ARR
4. Audit of Financial Accounts with special emphasis to ARR
5. Any other matter/issue which the Commission directs to scrutinise.

4.1.4 Major observations by the Auditor in the Report are as discussed below:

1. Energy Sales

Bills for energy sales are raised by NPCL as per the rates approved by UPERC. The Company (NPCL) uses various applications (i.e. AMR, BLE, CMRI, Mobile App) for taking the meter reading of the consumers and Bills are raised by the ERP system (SAP) as per the meter reading obtained at each billing cycle except for the unmetered connections.

a. Comparison of Approved number of consumers vs Actual number of Consumers:

Category-wise details of number of approved and actual consumers are as given below:

Sl No	Category	Approved Consumer	Actual Consumer	Variation	Variation %
1	LMV-1: Domestic Light, Fan & Power	1,40,385	1,22,861	-17,524	-12.48
2	LMV-2: Non-Domestic Light & Fan & Power	4,339	4,238	-101	-2.33
3	LMV-3: Public Lamps	377	421	44	11.67
4	LMV-4: Institutions	552	527	-25	-4.53
5	LMV-5: Private Tube Wells	1,292	1,025	-267	-20.67
6	LMV-6: Small and Medium Power	3,983	3,601	-382	-9.59
7	LMV-7: Public Water Works	265	302	37	13.96
8	LMV-8: STW and Pumped Canals	8	0	-8	-100.00
9	LMV-9: Temporary Supply	797	1,006	209	26.22
10	LMV-11: Electric Vehicle Charging	62	2	-60	-96.77
11	HV-1: Non-Industrial Bulk Power	275	259	-16	-5.82
12	HV-2: Large and Heavy Power	955	972	17	1.78
	Total	**1,53,290**	**1,35,214**	**-18,076**	**-11.79**

- Overall consumers are 11.79 % less than the approved consumers.
- There is a negative variance in case of LMV 1, LMV 2, LMV 4, LMV 5, LMV 6, LMV 8, LMV 11, & HV 1.
- Actual consumers are more than approved in case of LMV 3, LMV 7, LMV 9 and HV2.

b. Comparison of Approved vs Actual Load

Comparison of category-wise approved and actual connected load is given below:

Sl No	Category	Approved Connected Load (MW)	Actual Connected Load (MW)	Variance (MW)	Variance %
1	LMV-1: Domestic Light, Fan & Power	534.79	619.92	85.13	15.92
2	LMV-2: Non-Domestic Light & Fan & Power	40.67	40.27	-0.40	-0.98
3	LMV-3: Public Lamps	11.80	10.98	-0.82	-6.95
4	LMV-4: Institutions	7.14	7.49	0.35	4.90
5	LMV-5: Private Tube Wells	6.50	5.21	-1.29	-19.85
6	LMV-6: Small and Medium Power	95.10	87.78	-7.32	-7.70
7	LMV-7: Public Water Works	10.46	14.59	4.13	39.48
8	LMV-8: STW and Pumped Canals	0.10	0.00	-0.10	-100.00
9	LMV-9: Temporary Supply	20.14	20.31	0.17	0.84
10	LMV-11: Electric Vehicle Charging	4.38	0.05	-4.33	-98.86
11	HV-1: Non-Industrial Bulk Power	160.60	145.62	-14.98	-9.33
12	HV-2: Large and Heavy Power	518.89	496.74	-22.15	-4.27

Sl No	Category	Approved Connected Load (MW)	Actual Connected Load (MW)	Variance (MW)	Variance %
	Total	**1410.57**	**1448.96**	**38.39**	**2.72**

- Actual load is 2.72% above the approved load.
- Connected load in each category is less than approved load except for LMV 1, LMV 4 and LMV 7 in which actual load are higher than approved load.

c. **Comparison of Approved ABR vs Actual ABR:** Details of category-wise approved ABR and actual ABR is given below:

Sl No	Category	Approved ABR (Rs / Kwh)	Actual ABR (Rs /Kwh)	Variance	Variation %
1	LMV-1: Domestic Light, Fan & Power	6.25	6.37	0.12	1.92
2	LMV-2: Non-Domestic Light & Fan & Power	10.19	10.07	-0.12	-1.18
3	LMV-3: Public Lamps	9.08	8.73	-0.35	-3.85
4	LMV-4: Institutions	8.96	8.17	-0.79	-8.82
5	LMV-5: Private Tube Wells	1.84	2.71	0.87	47.28
6	LMV-6: Small and Medium Power	7.52	9.13	1.61	21.41
7	LMV-7: Public Water Works	8.59	10.45	1.86	21.65
8	LMV-8: STW and Pumped Canals		-	-	-
9	LMV-9: Temporary Supply	9.33	11.48	2.15	23.04
10	LMV-11: Electric Vehicle Charging	6.57	6.73	0.16	2.44
11	HV-1: Non-Industrial Bulk Power	8.73	9.85	1.12	12.83
12	HV-2: Large and Heavy Power	7.23	7.61	0.38	5.26
	Total	**7.22**	**7.69**	**0.47**	**6.55**

- Overall ABR is 6.55 % higher than the approved rates, particularly in the case of LMV 5, LMV 6 and LMV 7 in which ABR is higher than actual by more than 20%. Verification of bills on sample basis revealed that ABR is high because the bills primarily comprise of fixed charges with low consumption of energy units.
- ABR is below the approved rate in the case of LMV 2, LMV 3 and LMV 4.
- Tariff Order dated 20th July 2022 for ARR of FY 2022-23 provides a Regulatory Discount of 10% with effect from 4th August 2022.

d. Unmetered Connection: The status of unmetered connection for the last 5 years is as given below :

	2018-19	2019-20	2020-21	2021-22	2022-23
Domestic (LMV-1)	**2426**	**2208**	**2141**	**2074**	**891**
Converted to Metered (Nos)		218	67	67	1183

	2018-19	2019-20	2020-21	2021-22	2022-23
Converted to Metered (%)		8.99%	3.03%	3.13%	57.04%
Private Tube Wells (LMV-5)	**706**	**691**	**662**	**416**	**381**
Converted to Metered (Nos)		15	29	246	35
Converted to Metered (%)		2.12%	4.20%	37.16%	8.41%
Total Unmetered	**3132**	**2899**	**2803**	**2490**	**1272**

From the above table, it was observed that total unmetered connections have reduced from 2490 in 2021-22 to 1272 in 2022-23 i.e. reduction of 48.91 % is observed over the previous year.

Total unmetered connections stand at 0.94% of total consumers. In this regard, it is pertinent to mention that **Section 55 of Electricity Act 2003- Use, etc., of meters-** states that:

"…..(1) No licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority:

> **PROVIDED that** the Licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:
>
> **PROVIDED FURTHER that** the State Commission may, by notification, extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.
>
> (2) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Authority may direct the installation of meters by a generating company or Licensee at such stages of generation, transmission or distribution or trading of electricity and at such locations of generation, transmission or distribution or trading, as it may deem necessary.
>
> (3) If a person makes default in complying with the provisions contained in this section or the regulations made under sub-section (1), the Appropriate Commission may make such order as it thinks fit for requiring the default to be made good by the generating company or Licensee or by any officers of a company or other association or any other person who is responsible for its default..........."

In this context, it is suggested that the unmetered connections should be converted to metered connection as expeditiously as possible for adherence to the aforesaid provisions and to ensure control and reduction of distribution losses.

e. Comparison of Category-wise approved Sales (MU), Revenue, and ABR with actual figures for 2022-23 (Rs. Cr.)

	Approved			**Actual**			**Variations**					
Category	**Sales (MU)**	**Revenue**	**ABR (Rs / Kwh)**	**Sales (MU)**	**Revenue**	**ABR (Rs /Kwh)**	**Sales (MU)**	**%**	**Revenue**	**%**	**Rate**	**%**
LMV-1: Domestic Light, Fan & Power	852.78	532.83	6.25	883.71	562.56	6.37	30.93	3.63	29.73	5.58	0.12	1.92
LMV-2: Non-Domestic Light & Fan & Power	47.57	48.49	10.19	60.15	60.54	10.07	12.58	26.45	12.05	24.85	-0.12	-1.18
LMV-3: Public Lamps	37.87	34.40	9.08	28.90	25.22	8.73	-8.97	-23.69	-9.18	-26.69	-0.35	-3.85
LMV-4: Institutions	16.97	15.21	8.96	16.50	13.48	8.17	-0.47	-2.77	-1.73	-11.37	-0.79	-8.82
LMV-5: Private Tube Wells	20.45	3.77	1.84	11.70	3.17	2.71	-8.75	-42.79	-0.60	-15.92	0.87	47.28
LMV-6: Small and Medium Power	116.96	87.90	7.52	118.04	107.82	9.13	1.08	0.92	19.92	22.66	1.61	21.41
LMV-7: Public Water Works	26.69	22.99	8.59	29.99	31.35	10.45	3.30	12.36	8.36	36.36	1.86	21.65
LMV-8: STW and Pumped Canals	0.07	-	-	-	-	-	-	-	-	-	-	-
LMV-9: Temporary Supply	52.29	48.81	9.33	57.01	65.47	11.48	4.72	9.03	16.66	34.13	2.15	23.04
LMV-11: Electric Vehicle Charging	5.19	3.41	6.57	0.01	0.01	10.00	-5.18	-99.81	-3.40	-99.71	3.43	52.21
HV-1: Non-Industrial Bulk Power	333.37	291.16	8.73	317.67	313.00	9.85	-15.70	-4.71	21.84	7.50	1.12	12.83
HV-2: Large and Heavy Power	1,269.96	917.91	7.23	1,346.74	1,025.19	7.61	76.78	6.05	107.28	11.69	0.38	5.26
Total	**2,780.17**	**2,006.88**	**7.22**	**2,870.42**	**2,207.81**	**7.69**	**90.25**	**3.25**	**200.93**	**10.01**	**0.47**	**6.51**

- Actual ABR is higher than the approved ABR by 6.51% whereas nos. of consumers is 11.79% below the approved consumers
- Sales units are 3.25% above the approved quantity and revenue is 10.01% above the approved revenue.

f. **Distribution Losses:** A statement of distribution losses as compared to approved losses is given below:

Year	Approved Losses	Actual	Variance%
2014-15	8.00%	8.10%	1.25%
2015-16	8.00%	8.04%	0.50%
2016-17	8.00%	8.01%	0.13%
2017-18	8.00%	7.99%	-0.13%
2018-19	8.00%	8.15%	1.88%
2019-20	8.00%	8.23%	2.88%
2020-21	7.92%	8.39%	5.93%
2021-22	7.80%	7.95%	1.92%
2022-23	7.70%	7.63%	-0.91%

a. Actual distribution losses at 7.63% are lower than approved losses by 0.91%.

b. Some of the observations noted from the Energy Audit report of the Petitioner are as under:

- NPCL is not maintaining feeder-wise losses for all the feeders due to its ring arrangement for feeders. However, they are maintaining voltage level-wise losses. Hence, it has been recommended to start maintaining feeder-wise losses for all the feeders for comprehensive reporting.

c. Statement of approved losses as compared to actual distribution losses as detailed below reveals that distribution losses are at 7.63 % as against an approved loss of 7.70%.

Year	Approved Losses	Actual Losses	Power purchased (MU)	Approved Dist Loss (MU)	Actual Distribution loss (MU)	Extra loss unit/(surplus)	total purchase cost Rs. Cr.	Loss / (Gain) Rs. In Cr.
A	**B**	**C**	**D**	**E =DxB**	**F=DxC**	**G =F-E**	**H**	**I =(H x G) / D**
2019-20	8.00%	8.23%	2,267.28	181.38	186.60	5.21	1,307.28	3.01
2020-21	7.92%	8.39%	2,196.36	173.95	184.27	10.32	1,157.13	5.44
2021-22	7.80%	7.95%	2,542.00	198.28	202.09	3.81	1,525.07	2.29
2022-23	7.70%	7.63%	3,107.00	239.24	237.06	(2.17)	1797.70	(1.26)

d. Statement of Distribution Losses in HT & LT System is given below, which reveals that there is an overall reduction in average Distribution Loss in HT & LT System as compared to previous years.

S.No.	Particulars	FY 2019-20 Audited	FY 2020-21 Audited	FY 2021-22 Audited	FY 2022-23 Audited
A	**UHT**				
1	Energy received into the system	-	-	-	53.15
2	Energy sold at this voltage level	-	-	-	53.08
3	Energy transmitted to the next (lower) voltage level	-	-	-	0.00
4	Energy Lost	-	-	-	0.07
5	**% Loss**	-	-	-	**0.13**
A	**System Losses At 33 KV**				
1	Energy received into the system	2,267.28	2,196.36	2,540.05	3054.46
2	Energy sold at this voltage level	1,037.87	964.90	1,130.15	1305.48
3	Energy transmitted to the next (lower) voltage level	1,203.51	1,207.34	1,383.19	1720.3
4	Energy Lost	25.90	24.12	26.71	28.68
5	**% Loss**	**1.14**	**1.10**	**1.05**	**0.94**
B	**Losses At 11 KV**				
1	Energy received into the system	1,203.51	1,207.34	1,383.19	1720.30
2	Energy sold at this voltage level	568.47	588.37	702.66	886.43
3	Energy transmitted to the next (lower) voltage level	597.62	581.06	636.15	780.73
4	Energy Lost	37.42	37.91	44.38	53.14
5	**% Loss**	**3.11**	**3.14**	**3.21**	**3.09**
C	**LT System Losses**				
1	Energy received into the system	597.62	581.06	636.15	780.73
2	Energy sold at this voltage level	474.31	458.78	505.23	625.45
3	Energy Lost (includes Energy Expended for supplying)	123.31	122.27	130.92	155.28
4	**% Loss**	**20.63**	**21.04**	**20.58**	**19.89**
D	**Overall Losses**				
1	Energy In (A1)	2,267.28	2,196.36	2,540.05	3107.61
2	Energy Out (A2+B2+C2)	2,080.65	2,012.05	2,338.04	2870.43
3	**Total Loss in the system**	**186.63**	**184.31**	**202.01**	**237.18**
4	% Loss	**8.23**	**8.39**	**7.95**	**7.63**

% share of Energy Sold & Distribution losses in different potential of electricity

Particulars	Energy sold at this level	% share in Energy Sales	Losses %
UHT	53.08	1.85	0.13

Particulars	Energy sold at this level	% share in Energy Sales	Losses %
33 KV	1,305.48	45.48	0.94
11 KV	886.43	30.88	3.09
LT System	625.45	21.79	19.89
Total	**2,870.44**	**100.00**	**7.63**

2. Purchase of Power for FY 2022-23

a. **Approved vs Actual Purchase:** Detail of power purchased from various sources and actual purchases made during FY 2022-23 is given below along with our observations:

	Approved MU's	% share of Power purchase	Approved Rs / kWh	Approved Amount	Actual MU (NPCL bus)	% share of Power purchase	Actual Rate	Actual Amount	Actual qty in approved ratio	Variance (MU)
Long Term – M/s DIL	1,192.46	39.59%	5.16	615.00	1,278.01	41.13%	5.27	673.84	1,230.26	-47.75
Medium Term	486.41	16.15%	4.94	240.52	414.86	13.35%	4.33	179.76	501.83	86.97
RE Power	401.72	13.34%	4.84	194.46	**355.3**	11.43%	**5.07**	**180.31**	414.45	59.15
RE Power Exchange	181.91	6.04%	4.39	79.88	146.64	4.72%	8.23	120.75	187.68	41.04
Short term		0.00%				0.00%			0.00	-
Power Exchange	640.35	21.26%	5.25	335.92	725.30	23.34%	7.97	577.81	660.65	-64.65
Short Term Competitive bidding	109.28	3.63%	6	65.59	172.10	5.54%	6.18	106.4	112.74	-59.36
UI		0.00%			15.40	0.50%	12.27	18.9	0.00	-15.40
Total	**3,012.13**		**5.08**	**1,531.37**	**3,107.61**	**100.00%**	**5.98**	**1857.77**	**3,107.61**	
DIL Additional Coal								73.25		
DIL Change In Law								5.25		
CG Environment Cess								1.76		
Incentive								6.64		
Arrear LTPPA Upheld by UPERC								173.91		
Carrying Cost								39.36		
Additional Coal, Carrying Cost and Change in Law for 2019-20 &								18.83		

	Approved MU's	% share of Power purchase	Approved Rs / kWh	Approved Amount	Actual MU (NPCL bus)	% share of Power purchase	Actual Rate	Actual Amount	Actual qty in approved ratio	Variance (MU)
2021-22										
UPPTCL Application Fees								0.16		
Other Bills/ Claim raise by Supplier								18.38		
Other Bills/ Claim raise by CTU								5.62		
One time Exchange Fee								0.44		
Total	**3,012.13**	**-**	**5.08**	**1,531.37**	**3,107.61**	**100.00%**	**7.08**	**2,201.37**	**3,107.61**	

Some of the observations noted on this account are as under:

(i) Power is purchased during FY 2022-23 at an average rate of Rs. 5.98/kWh as against approved rate of Rs. 5.08 / kWh. Further, power purchased from LTPPA from M/s DIL exceeds the approved rate by 2.13%.

(ii) Total power purchased during the year is 3107.61 MU as compared to 2540.05 MU in the previous year i.e. an increase of 22.34% over the previous year whereas the arrangement from the long-term sources is fixed / constant, therefore, necessitating increased dependence on medium-term/ short term/exchanges etc. Hence, the auditor is of the view that the management / Regulatory Commission may consider the possibility of enhancing power purchases from long-term/medium terms to reduce dependence on short-term / exchanges at a higher cost.

(iii) Procurement from the medium term was less by 71.55 MU as compared to the quantity in the approved plan. Month-wise detail of power purchases, as detailed in Annexure-1, shows that the total purchases from medium term aggregated to 22.17% and 0.56% against the approved plan of 28.39% and 1.47% during the first & second half of the year respectively. Further, total purchases from the medium term for the first & second half of the financial year 2022-23 stood at 98.28% and 1.72% respectively. From the said details, it is evident that the arrangement for power requirement for 2nd half of the financial year from medium-term agreement was practically insufficient owing to the lack of approved agreements as well as non-supply of power as per PPA which resulted in purchases from Power exchange, UI & Short-term sources at market rates. Under the circumstances, meticulous planning needs to be made for the purchase of power from medium-term/long-term sources particularly for the 2nd half of the financial year to avoid the purchase of power from exchanges/short-term sources.

(iv) Month-wise details of power purchase as detailed in Annexure -1 reveal that 17% & 33.95% of total purchases were made from IEX in 1st half & 2nd half of the year respectively, which is primarily on account of the non-availability of power from the medium sources. In this context, we were explained that the overall approved purchases under various short-term sources (including purchases from exchanges) is 39.52% and 49.85% in 2nd half of the year respectively. As such, the purchase of power from short-term sources is within the overall approved limit on this account. However, it is felt that proper planning is required to ensure the purchase of power as per approved limits under various sources.

(v) Purchase from power exchange includes a sum of Rs. 76.62 lakh (including GST) paid to M/s APPCL towards trading margin and Rs. 1.77 Cr. towards exchange fee.

(vi) Purchases from exchange at market rates (as shown in Annexure 2) are primarily on account of the unavailability of scheduled power from short-term/medium-term sources as dealt in point no. (iii) & (iv) above and to meet consumer demand.

(vii) During the current year, 15.40 MU of power at Rs. 18.90 Cr. (i.e. 0.5% of total power) is from Unscheduled Interchange as compared to 41.21 MU of power at Rs. 28.11 Cr. for the previous year. In this regard, it was observed that as per the actual bill, DSM charges stand at Rs. 15.08 Cr. and are in excess of Rs. 3.82 Cr.

(viii) Difference of Input Energy as compared with SLDC: It was observed that the actual drawl of energy as per UPSLDC / UPPTCL stands at 3103.02 MU against 3107.61 MU reported by NPCL i.e. withdrawal of energy as per NPCL is in excess by 4.59 MU.

b. **Renewable Purchase Obligation:** Details of purchases made under RPO obligation against approved norms are given below:

Actual (FY 2022-23)				
	Opening Unfulfilled Obligation	**Obligation for the year**	**Obligation met during the year**	**Balance Obligation Carried Forward**
Solar	23.48	122.78	131.34	14.92
Non-Solar	92.60	147.33	276.63	-36.70
Hydro Power	43.65	73.67	126.95	-9.63
Total	**159.73**	**343.78**	**534.92**	**-31.41**

Approved (FY 2022-23)				
	Opening Unfulfilled	**Obligation for the year**	**Obligation met during the year**	**Closing unfulfilled**
Solar	110.94	134.61	107.79	137.76
Non-Solar	59.66	161.53	236.25	-15.06
HPO	58.77	80.76	80.33	59.2
Total	**229.38**	**376.90**	**424.37**	**181.90**

c. **Details of Energy Purchased & Energy Received & Loss of energy**

A review of energy exported, and energy received at NPCL Bus (as detailed below) reveals that overall loss of energy stands at 5.65% i.e. 6.72% in long-term, NIL% in the medium term, 6.58% in the short term, and 5.76% in the renewable power.

	Supplier's Name	**MU Exported**	**MU Imported at NPCL bus**	**Loss (MU)**	**Loss %**
A	**Long-Term Power**				
	Long-Term Power from DIL	1,370.12	1,278.01	92.11	6.72
	Subtotal	**1,370.12**	**1,278.01**	**92.11**	**6.72**
B	**Medium Term Power**				
	APPCPL-Govt. of AP	167.80	167.80	-	-

	Supplier's Name	MU Exported	MU Imported at NPCL bus	Loss (MU)	Loss %
	APPCPL-Govt. of Nagaland	84.07	84.07	-	-
	APPCPL-Goodwill, HP	4.98	4.98	-	-
	TPTCL- Govt of Himachal Pradesh	158.02	158.02	-	-
	Subtotal	**414.86**	**414.86**	-	-
C	**Short Term Power**				
	TPTCL (Source-PPGCL)	27.84	26.93	0.91	3.27
	TPTCL (Source-JPL, Chhattisgarh)	43.87	41.02	2.85	6.50
	APPCPL (Source-DBPL)	12.00	11.22	0.78	6.48
		17.38	16.81	0.57	3.27
	APPCPL (Source-SEIL)	18.33	17.14	1.20	6.52
	APPCPL (Source-Adhunik)	32.03	29.95	2.09	6.52
	MPL (Source-BLAPPL)	31.07	29.04	2.03	6.55
	Power Exchange	778.07	725.30	52.78	6.78
	Subtotal	**960.60**	**897.40**	**63.20**	**6.58**
D	**Renewable Power**				
	GNIDA (Solar)	1.08	1.08	-	-
	APPCPL (Solar)	0.31	0.31	-	-
	Adani (Solar)	54.49	52.71	1.78	3.27
	Tata (Solar)	35.51	34.35	1.16	3.27
	NPCL (Solar)	0.01	0.01	-	-
	Net Metering	5.69	5.69	-	-
	PTC (Wind)	35.36	34.21	1.16	3.27
	PTC (Bannari Amman Sugar Ltd.)	33.18	30.85	2.33	7.03
	PTC(NSL Sugars Ltd.)	48.41	45.01	3.40	7.02
	Kreate (Source-DoP, Govt of Sikkim) (Non-Solar)	67.93	63.41	4.52	6.66

	Supplier's Name	MU Exported	MU Imported at NPCL bus	Loss (MU)	Loss %
	APPCPL (Source-MePDCL, Meghalaya) (Non-Solar)	13.50	12.60	0.89	6.61
	Power Exchange (Renewable)	156.87	146.64	10.23	6.52
	PTC (Source-Singoli) (Hydro)	80.29	75.06	5.23	6.51
	Subtotal	**532.64**	**501.94**	**30.70**	**5.76**
	Total				
	Unscheduled Interchange / DSM/Sale of Power	15.40	15.40	-	-
	Total	**3,293.62**	**3,107.61**	**186.01**	**5.65**

3. Lease Hold Land

(i) It was observed that 60 nos. of land parcels (as detailed below) have been capitalized in the books of account by NPCL. Out of these, 15 nos. of land parcels are unused/ vacant as on 31.03.2023. The cost of this unused/vacant land had been disallowed by UPERC in earlier years.

S. No	Land Description	Area of land in Sqr. Meter	Date of Registration	Value as per FAR	Asset Number as per FAR
1	Leasehold Land	1,500.00	31-07-2003	25,84,687	10000001
2	Leasehold Land	1,482.50	31-07-2003	25,51,704	10000002
3	LAND FOR EPIP SUB/STN	2,104.75	06-10-2004	2,57,730	10000003
4	Leasehold Land Delta SubStation	1,516.54	27-12-2006	24,95,011	10000004
5	COST OF LAND FOR 33/11KV ELECTRIC SUB/STN AT BUIL	1,471.50	27-12-2006	26,61,765	10000005
6	COST OF LAND FOR 33/11KV ELECTRIC SUB/STN AT SECTO	1,500.00	27-12-2006	27,26,957	10000006
7	COST OF LAND FOR KNOWLEDGE PARK-II G.NOIDA	1,500.20	09-01-2008	28,44,766	10000007
8	COST OF LAND FOR KNOWLEDGE PARK-III G.NOIDA	1,500.00	09-01-2008	28,44,696	10000008
9	COST OF LAND FOR ELECTRIC SUB/STN AT XU-I, GR NOID	2,400.00	15-03-2013	58,67,420	10000009
10	COST OF LAND FOR ELECTRIC SUB/STN AT ECOTECH-II, G	2,400.00	05-03-2012	48,35,420	10000011
11	COST OF LAND FOR ELECTRIC SUB/STN AT CHI-IV, GR NO	2,207.55	15-09-2012	51,87,110	10000013
12	COST OF LAND FOR ELECTRIC SUB/STN AT GHARBARA, GR	35,000.00	14-12-2012	8,20,03,420	10000015

S. No	Land Description	Area of land in Sqr. Meter	Date of Registration	Value as per FAR	Asset Number as per FAR
13	COST OF LAND FOR ELECTRIC SUB/STN AT OMEGA-II, GR	1,500.00	25-09-2012	35,29,670	10000016
14	COST OF LAND FOR ELECTRIC SUB/STN AT SIGMA-IV, GR	2,400.00	14-09-2012	56,37,920	10000017
15	COST OF LAND FOR ELECTRIC SUB/STN AT ZETA-I, GR NO	2,628.05	29-05-2013	61,73,418	10000018
16	COST OF LAND FOR ELECTRIC SUB/STN AT PI-II, GR NOI	1,547.17	16-02-2012	24,84,675	10000019
17	COST OF LAND FOR ELECTRIC SUB/STN AT R C GREEN, GR	64,000.00	03-12-2012	14,99,35,920	10000021
18	COST OF LAND AT SITE B FOR 33/11kV SUB/STN	1,215.00	24-03-2009	61,04,868	10000022
19	Leasehold Land	1,500.48	17-08-1996	18,09,165	10000023
20	Leasehold Land	2,020.00	31-03-2002	9,60,100	10000024
21	Land at Village Hatewa (Near Bilaspur) for 33/11	843.00	11-10-2010	24,00,830	10000025
22	Land at Jalpura, Greater Noida for 33/11KV	2,508.00	02-11-2010	1,49,41,230	10000026
23	Land at village lakhnawali for 33/11 KV SUBSTATION	2,508.30	16-12-2010	1,62,55,460	10000027
24	Land at village kheri for 33/11 KV SUBSTATION	1,421.37	29-12-2010	57,95,640	10000028
25	Land at industrial area SURAJPUR SITE-C HOUSING	3,400.28	20-06-2011	3,16,91,539	10000029
26	Land at plot no. ESS-6, SECTOR-KP-V	1,500.00	29-05-2013	1,40,68,145	10000034
27	LAND AT PLOT NO. ESS-2, SECTOR-KP-V	1,500.00	29-05-2013	1,40,68,145	10000035
28	LAND AT PLOT NO. ESS-10, SECTOR-KP-V	1,500.00	29-05-2013	1,40,68,145	10000036
29	LAND AT PLOT NO.-ESS, ECOTECH-6	2,400.00	16-01-2014	2,29,96,421	10000037
30	LAND AT PLOT NO. 37/A, KP-I	2,560.00	25-03-2014	1,46,68,056	10000038
31	LAND AT PLOT NO. ESS, KP-IV	2,400.00	25-03-2014	1,36,96,392	10000039
32	33/11 K.V S.STN OMICRON-3	2,400.00	06-02-2015	1,70,62,904	10000043
33	33/11KV ELECTRIC SUB/STN AT KHERI	120.00	10-06-2015	5,16,020	10000044
34	LAND FOR 33/11KV ELECTRIC SUB/STN AT DELTA-III	1,630.00	24-07-2016	1,03,23,401	10000045
35	LAND AT PLOT NO. ESS, SECTOR-XU-III	2,400.00	22-01-2016	2,95,09,194	10000047
36	LAND AT PLOT NO. ESS, SECTOR – 16	2,400.00	22-01-2016	2,95,09,194	10000049
37	LAND AT PLOT NO. ESS, ECOTECH – 15	1,500.00	22-01-2016	1,84,52,861	10000050
38	LAND AT PLOT NO. ESS, TECHZONE – IV	1,500.00	22-01-2016	1,84,52,861	10000051
39	LAND AT PLOT NO. ESS, BETA – II	1,469.37	22-01-2016	1,72,05,479	10000052
40	LAND FOR ELECTRIC SUB/STN AT KP-IV	1,640.00	27-11-2015	1,84,18,681	10000053
41	Land for 33/11 KV ElecSubtation Sector-2, G.Noida	1,500.00	26-09-2016	1,81,11,965	10000054
42	Land for 33/11 KV ElecSubtation Sector-3, G.Noida	1,500.00	26-09-2016	1,72,22,824	10000055
43	Plot No 33/11 KV ESS, Sector Ecotech-11	3,000.00	14-02-2019	3,51,92,439	10000057
44	Land for ESS, Sector Ecotech-1, Extension-1	3,000.00	22-01-2020	3,48,20,800	10000058
45	Land for ESS, Sector Ecotech-III (Phase-2)	2,400.00	22-01-2020	2,89,47,530	10000061
46	Land for ESS, Sector-01 Greater Noida	2,400.00	29-12-2021	4,32,88,035	10000064
47	Plot No 33/11 KV ESS, Sector-10	2,400.00	14-02-2019	2,67,75,050	10000056

S. No	Land Description	Area of land in Sqr. Meter	Date of Registration	Value as per FAR	Asset Number as per FAR
48	LAND AT PLOT NO. ESS, OMICRON - 1A	3,616.74	22-01-2016	4,44,56,631	10000048
49	Land for ESS, Sector Techzone 2 Greater Noida	3,000.00	22-01-2020	3,48,20,800	10000063
50	LAND AT PLOT NO. ESS-I, KP-5	37,281.17	27-06-2014	23,72,39,565	10000041
51	COST OF LAND FOR ELECTRIC SUB/STN AT ETA-I, GR NOI	2,423.74	15-09-2012	56,93,323	10000010
52	COST OF LAND FOR ELECTRIC SUB/STN AT PI-I, GR NOID	1,500.00	27-01-2012	24,09,420	10000012
53	LAND FOR ELECTRIC SUB/STN AT PHI-II/III, GR No	837.00	29-11-2013	20,86,671	10000014
54	COST OF LAND FOR ELECTRIC SUB/STN AT BZP, GR NOIDA	2,487.50	16-03-2012	50,21,994	10000020
55	LAND AT PLOT NO. POWER PLANT, ECOTECH-16 (JAUN	1,09,000.00	29-12-2013	16,97,20,283	10000040
56	220 KV S.STN - BZP AREA	16,806.76	06-02-2015	10,92,64,246	10000042
57	Land for ESS, Sector 16B	1,500.00	22-01-2020	1,74,23,901	10000059
58	Land for ESS, Sector Ecotech-III (Phase-1)	2,400.00	22-01-2020	2,78,62,030	10000060
59	Land for ESS, Sector Techzone (IT City)	10,004.00	22-01-2020	11,60,52,809	10000062
60	Leasehold Land for ESS, Sector P-5, Builders Area	1,414.00	08-07-2022	2,28,00,880	10000065

Depreciation on unused land: The Petitioner submitted that Depreciation /Amortization of Rs. 95,26,146.71 has been charged during the year 2022-23 on the said unused land as detailed below:

S. No	Land Description	Asset Number as per FAR	Remarks	Date of COD of project	Dep. Amount
1	COST OF LAND FOR ELECTRIC SUB/STN AT ETA-I, GR NOI	10000010	Vacant	N/A	63,259.14
2	COST OF LAND FOR ELECTRIC SUB/STN AT PI-I, GR NOID	10000012	Vacant	N/A	26,771.33
3	LAND FOR ELECTRIC SUB/STN AT PHI-II/III, GR No	10000014	Vacant	N/A	23,185.23
4	COST OF LAND FOR ELECTRIC SUB/STN AT BZP, GR NOIDA	10000020	Vacant	N/A	55,799.93
5	LAND AT PLOT NO. POWER PLANT, ECOTECH-16 (JAUN	10000040	Vacant	N/A	18,85,780.93
6	LAND AT PLOT NO. ESS-I, KP-5	10000041	Part of the land to be utilised for the construction of a 33kV Switching Station in FY 24-25 as detailed in Petition No. 1950/2023	FY 24-25	26,35,995.17
7	220 KV S.STN - BZP AREA	10000042	Vacant	N/A	12,14,047.18
8	LAND AT PLOT NO. ESS, OMICRON - 1A	10000048	33kV Switching Station to be constructed in FY 24-25 as detailed in Petition No. 1950/2023	FY 24-25	4,93,962.57

S. No	Land Description	Asset Number as per FAR	Remarks	Date of COD of project	Dep. Amount
9	Plot No 33/11 KV ESS, Sector-10	10000056	33kV Switching cum 33/11 kV Substation to be constructed in FY 23-24 as detailed in Petition No. 1950/2023	FY 23-24	2,97,500.56
10	Land for ESS, Sector 16B	10000059	Vacant	N/A	1,93,598.90
11	Land for ESS, Sector Ecotech-III (Phase-1)	10000060	Vacant	N/A	3,09,578.11
12	Land for ESS, Sector Techzone (IT City)	10000062	Vacant	N/A	12,89,475.66
13	Land for ESS, Sector Techzone 2 Greater Noida	10000063	33kV Switching cum 33/11 kV Substation to be constructed in FY 24-25 as detailed in Petition No. 1950/2023	FY 24-25	3,86,897.78
14	Land for ESS, Sector-01 Greater Noida	10000064	33kV Switching cum 33/11 kV Substation to be constructed in FY 23-24 as detailed in Petition No. 1950/2023	FY 23-24	4,64,972.00
15	Leasehold Land for ESS, Sector P-5, Builders Area	10000065	Construction of Safety Training centre	FY 23-24	1,85,322.22
Total					95,26,146.71

The following observations, as made in the Audited Financial statement for 2022-23, are given below for reference:

- During the year, Distribution assets of Rs. 873 Lakh (Previous Year Rs. 367 lakh) are handed over by Greater Noida Industrial Development Authority (GNIDA) & other entities. Total assets of Rs. 36687.00 (Previous Year Rs. 35946) lakh, handed over by the authority/ entities, are in the possession of Petitioner for distribution of electricity and resulting maintenance thereof. Hence, these assets are not capitalized.

- RC Green EHV S/stn Constructed by GNIDA on the land of NPCL was transferred to NPCL on payment of actual cost, however, it is not in the physical possession of the Petitioner owing to a dispute with UPPTCL.

- The Petitioner, in earlier years, had applied for connectivity of its 220kV Gharbara Substation to UPPTCL (STU), which was constructed by GNIDA on the land owned by the Petitioner. During construction, GNIDA, after taking approval from its Board of Directors, handed over the said substation to NPCL on payment of cost incurred. The Petitioner subsequently completed the construction on its own. Meanwhile, STU did not grant the connectivity as applied by NPCL, hence, a petition was filed before UPERC on 11 May 2015 for seeking directions to STU for granting connectivity and to sign Bulk Power Transmission Agreement (BPTA) with the Petitioner. UPERC, vide its interim order dated 30 June 2016, directed the STU to grant connectivity to the Petitioner, however, STU didn't comply with the same. UPERC finally disposed off the petition on 31 October 2018 stating that UPPTCL as STU and Transmission Licensee shall own, operate, and maintain the 220 KV substation at Gharbara and the Petitioner shall claim a refund of the amount deposited with GNIDA towards the cost of the substation. The Petitioner filed an appeal against the above order before APTEL on 11 December 2018 and the same was admitted on 12 February 2019. The appeal is pending for decision.

- 132 KV Line for OPPO Mobile India Private Limited - as per UPERC order ownership of 132 KV line - is with UPPTCL as STU and not with the Petitioner.

4. Capital Expenditure

a. Approved vs Actual: Details of approved and actual capital expenditure incurred during 2022-23 are given as under:

Sl. No.	Nature of Works	Approved	Actual (Rs. Cr.)
1	New Connections, Replacement Stock & Metering	**157.22**	61.57
2	Substations, Transformers, 33kV, 11 kV & LT Network		57.08
3	Process System Automation		2.97
4	IT Projects		3.96
5	Civil Works & Office Infrastructure Facility		3.61
6	Tools & Testing Equipment		0.56
7	Vehicles		1.23
8	Lease Hold Land		2.91
8	**Sub-Total**		**133.90**
9	Interest Capitalization	Included above	Included above
10	Salary Capitalization	14.00	Included above
11	**Sub-Total**	**171.22**	**133.90**
12	Less: Consumer Contribution	44.49	64.44
13	Less: Assets Retired	7.75	3.63
14	**Net Capital Expenditure**	**118.98**	**65.83**

- Overall capital expenditure at Rs. 65.83 Cr. (including leasehold land of Rs. 2.91 Cr.) is 44.67% less than approved capital expenditure.

b. Head-wise comparative of capital expenditure during 2019-20, 2020-21, 2021-22, and 2022-23 is given below:

(Rs. Cr.)

		Past Years			CY	Variation 2020-21		Variation 2021-22		Variation 2022-23	
Sl.No.	**Particulars**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1	New Connection	18.11	25.56	97.00	47.25	7.45	41.14%	71.44	279.50%	(49.75)	-51.29%
2	Replacement Stock	4.50	2.03	2.75	2.14	-2.47	-54.89%	0.72	35.47%	(0.61)	-22.02%
3	Metering	0.59	2.52	1.95	12.18	1.93	327.12%	-0.57	-22.62%	10.23	524.70%
4	33/11 KV Substation	25.57	5.01	6.81	10.07	-20.56	-80.41%	1.80	35.93%	3.26	47.92%
5	33 KV Network Development	18.87	17.30	21.64	9.11	-1.57	-8.32%	4.34	25.09%	(12.53)	-57.92%
6	11 KV Network Development	19.60	14.31	21.44	20.93	-5.29	-26.99%	7.13	49.83%	(0.51)	-2.37%
7	LT Network Development	21.62	8.45	17.10	16.47	-13.17	-60.92%	8.65	102.37%	(0.63)	-3.66%
8	Network Renovation	1.00	0.53	0.42	0.50	-0.47	-47.00%	-0.11	-20.75%	0.08	19.05%
9	Process System Automation	7.44	5.16	2.80	2.97	-2.28	-30.65%	-2.36	-45.74%	0.17	5.92%
10	Civil Work & Office Infrastructure Facility	16.78	9.37	9.52	3.61	-7.41	-44.16%	0.15	1.60%	(5.91)	-62.05%
11	IT Projects	7.06	9.81	11.05	3.96	2.75	38.95%	1.24	12.64%	(7.09)	-64.14%
12	Tool & Testing Equipment	0.02	0.03	1.06	0.56	0.01	50.00%	1.03	3433.33%	(0.50)	-46.75%
13	Vehicles	1.92	0.14	1.58	1.23	-1.78	-92.71%	1.44	1028.57%	(0.35)	-22.36%
14	Demand Side Management		0	-	-	-		-		-	
15	Leasehold Land	25.99	0	3.70	2.91	-25.99	-100.00%	3.70		(0.79)	-21.46%
16	Payment to UPPTCL for construction of 5 Nos. 33 KV Bay at 400/220/132/33 KV UPPTCL substation at sector 148 Noida	20.48	0	0.33	-	-20.48	-100.00%	0.33		(0.33)	-100.00%
17	Payment to UPPTCL for construction of 220 KV LILO at 220/132/33 KV R C Green Substation at	19.12	0	-	-	-19.12	-100.00%	-		-	

		Past Years			CY	Variation 2020-21		Variation 2021-22		Variation 2022-23	
Sl.No.	Particulars	2019-20	2020-21	2021-22	2022-23	No.	%	No.	%	No.	%
	Pali, Greater Noida										
18	Mis./Contingent Work	0	0	-		-		-		-	
19	Interest / Expenses Capitalised	0	0	-	Nil	-		-		-	
20	Captalisation done for Loss Reduction							-		-	
21	Salary Capitalised	Included in above			Included Above					-	
	Total	**208.67**	**100.22**	**199.15**	**133.90**	**-108.45**	**-51.97%**	**98.93**	**98.71%**	**(65.25)**	**-32.77%**

- As per details provided by NPCL, overall capex decreased by 32.77% as compared to the previous year.
- Capex, in the case of metering, increased by 524.70% as compared to the previous year.

c. Capital Expenditure on projects of value exceeding Rs. 10 Cr. In FY 2022-23

(i) During review of the aspect of capital incurrence of capital expenditure of value exceeding Rs. 10 Cr. with prior approval of UPERC, it was observed that the Petitioner has filed a Petition No. 1823/2022 dated January 19, 2022, for approval of projects (above Rs. 10 Cr.) amounting to Rs. 23.84 Cr. for construction of two (2) nos. of 33/11 kV substation cum 33kV switching stations. Subsequently, the petition was withdrawn through letter no. P77A/2022/077 dated February 17, 2023, due to prolonged delay by GNIDA in allotment of land for the projects. Due to the delay in land allotment, the project could not be executed in FY 2022-23.

(ii) A review of the procedure followed by the Petitioner for undertaking capital expenditure revealed that a project is undertaken on the basis of CAPEX requirement for a new S/stn, strengthening of existing S/stn at various locations, metering new connections, system automation etc. Further, a project report detailing various aspects (technical requirements/specifications, project cost under various heads i.e. civil cost, electrical equipment, erection & testing, commissioning, line network, automation etc.) is prepared by the respective department and approved by the competent authority before undertaking the project by respective departments/ sections for facilitating proper monitoring & control on the project activities. However, the cost of land is not taken into account to determine the project cost as the same is generally available with the Petitioner and separately capitalized in the books of account at the time of land acquisition. Separate project code is allotted on the basis of nature, period, & location of activity for purposes of capitalization in SAP. However, the cost incurred on various components is classified in books of account depending upon the nature of fixed assets required for disclosure in the annual accounts as per the statutory requirement under the Companies Act, Ind AS, and charging of depreciation as per applicable rates for respective assets. In this context, details of various projects submitted by the Petitioner in the tariff petition for FY 2022-23 are given as under:

Sl. No.	Nature of Works	Actual (Rs. Cr.)	No of Projects
I	New Connections, Replacement Stock, & Metering	61.57	116
II	Substations, Transformers, 33kV, 11kV, & LT n/w	57.08	37
III	Process System Automation	2.97	31
IV	IT Projects	3.96	22
V	Civil Works & Office Infrastructure Facility	3.61	10
VI	Tools & Testing Equipment	0.56	2
VII	Vehicles	1.23	-
VIII	Leasehold Land	2.91	-
IX	**Sub-Total**	**133.90**	

The procedure adopted for undertaking above-mentioned projects was reviewed on a random basis and it was found that the project report (detailing various activities and corresponding cost estimates) duly approved by the competent authority is undertaken and capitalised in the books of account. However, in this context it is relevant to mention that:

- Auxiliary items estimated under various sub-heads in the project cost could not be shown separately in the Fixed Assets Register since they became part of the main assets in the books of account.

- Although separate records for each sanction scheme were kept by the respective department, statement showing the number of projects undertaken during a given period was not in a collective /systematic manner at one place. Accordingly, the auditor is of the view that the Petitioner may consider maintaining project-wise details in a systematic manner to facilitate referencing and linking of the same with fixed assets appearing in the books of account.

- Regarding the number of projects undertaken during FY 2022-23 (as mentioned in the table above), the auditor was explained that most of the undertaken projects are with respect to the construction of new 33/11 KV substations and the extension of existing substations. The investment is required to be undertaken for various locations as per the emerging requirements and the same have varying financial implications. Based on the total cost of the project, the Petitioner submits the petition with the Regulator in case the project value exceeds Rs. 10 Cr.

(iii) During review of procurement procedures, it was observed that the Petitioner has formulated a process of procurement and process flow chart for procurement of goods and services required for CAPEX, maintenance requirement etc. As per the laid down procedure, procurement is made by the Petitioner from approved vendors through the SRM module provided in the SAP system. The procedure provides for receipt of indents from respective departments, sending of RFX to vendors, receipt of offers, evaluation of received offers through competitive statements generated by SRM, seeking of revised offers, reverse auction for IT & Cables, approvals as per delegated powers, placement of orders, inspection of material, dispatch instruction, monitoring of supplies, updating of inventory, closure of PO after receipt of material etc. Purchases made were reviewed on a test basis and were found to be as per the laid down procedure. However, considering the size of the procurements, we are of the view that the aspect of enlarging the base of approved vendors from different locations as well as procurement through competitive bidding (in respect of large-size procurements) is imperative for optimization of the procurement.

(iv) Capital expenditure for 9 vehicles (aggregating to Rs. 1.23 Cr.) was undertaken during FY 2022-23.

5. O&M expense

A. Comparison of Approved Vs Actual expenses incurred during 2022-23

					(Rs. Cr.)
Sl. No	**Particulars**	**Approved**	**Actual**	**Variance (Rs.)**	**Variance (%)**
1	Repair & Maintenance Expenses	41.31	63.26	21.95	53.13 %
2	Employees Expenses including retiral benefits	33.08	73.27*	40.19	121.49 %
3	Administrative & General Expenses	14.10	29.86	15.76	111.77 %
	Total O&M Expenses	**88.49**	**166.39**	**77.90**	**88.03 %**
	Employee Cost Capitalised	(14.00)	(6.52)	7.48	-53.43 %
	Net O&M Expenses	**74.49**	**159.88**	**85.39**	**114.63**

*Includes post-employment benefit obligations of Rs. 0.42 Cr through OCI.

- Actual Expenses are 114.63% more than the approved expenses and there is variance of 121.49% and 111.77 % in the Employee expenses and administrative expenses respectively.

B. Head-wise comparison of O&M expenditure in FY 2022-23 with respect to expenditure in the previous year is given as under:

(Rs. Cr.)

Particulars	**FY 20-21**	**FY 21-22**	**FY 2022-23**	**Increase in 2021-22**	**% Increase in 2021-22**	**Increase in 2022-23**	**% Increase in 2022-23**
Employees Expenses including retiral benefits							
Salaries, wages and bonus	51.87	62.43	60.90	10.56	20.36%	-1.53	-2.45%
Contribution to provident and other funds	3.09	3.59	3.86	0.50	16.18%	0.27	7.52%
Gratuity [refer note 24]	1.01	1.09	5.57	0.08	7.92%	4.48	411.01%
Staff welfare expenses	1.07	1.19	2.52	0.12	11.21%	1.33	111.76%
Total	**57.04**	**68.31**	**72.85**	**11.27**	**19.76%**	**4.54**	**6.65%**
Less: Capitalisation of expenses	-9.82	-8.98	-6.52	0.84	-8.55%	2.46	-27.39%
Sub Total	**47.22**	**59.33**	**66.33**	12.11	25.65%	7.00	**11.80%**

Particulars	FY 20-21	FY 21-22	FY 2022-23	Increase in 2021-22	% Increase in 2021-22	Increase in 2022-23	% Increase in 2022-23
	-	-					
Repair & Maintenance Expenses	-	-					
Repairs and maintenance - transmission and distribution system	32.69	34.74	44.06	2.05	6.27%	9.32	26.83%
Repairs and maintenance - others	5.81	9.12	10.31	3.31	56.97%	1.19	13.05%
Security expenses	6.53	8.41	6.82	1.88	28.79%	-1.59	-18.91%
Insurance	1.39	1.59	1.94	0.20	14.39%	0.35	22.01%
Power and fuel	0.10	0.12	0.14	0.02	20.00%	0.02	16.67%
Sub Total	**46.52**	**53.97**	**63.27**	7.45	16.01%	9.30	17.23%
Administrative & General Expenses (A& G)	-	-					
Rent	0.10	0.08	0.10	-0.02	-20.00%	0.02	25.00%
Rates and taxes	0.03	0.01	0.02	-0.02	-66.67%	0.01	100.00%
Travelling and conveyance	0.49	0.64	1.03	0.15	30.61%	0.39	60.94%
Legal and professional charges	8.98	9.09	21.60	0.11	1.22%	12.51	**137.62%**
Directors fees	0.11	0.08	0.08	-0.03	-27.27%	0.00	0.00%
Payment to auditors	0.72	0.68	0.72	-0.04	-5.56%	0.04	5.88%
Miscellaneous expenses	2.95	3.96	5.29	1.01	34.24%	1.33	33.59%
Other borrowing costs	1.23	1.12	1.46	-0.11	-8.94%	0.34	30.36%
Sub Total	**14.60**	**15.67**	**30.30**	1.07	7.33%	14.63	93.36%
Total	**108.35**	**128.97**	**159.90**	**20.62**	**19.03%**	**30.93**	**23.98%**

- Overall O&M expenditure increased by 23.98% over the previous year. In this regard it was observed as under:

  a. Expenditure under legal & professional charges increased by 137.62% during the year primarily owing to the payment of consultancy charges of Rs. 769.95 lakh (equivalent to the last drawn salary) to its Retired Managing director for providing services to facilitate the Petitioner during the transitory period of one year (starting 1st July 2022) particularly relating to various managerial, operational, on-going regulatory issues etc.

b. Substantial increase in payment of fees to legal professionals was observed due to various pending matters relating to regulatory affairs at various levels, criminal cases towards theft of electricity, cases before consumer forum etc. and the same are being contested by the Petitioner.

c. Increase in the provision of gratuity as per actuarial valuation owing to change in the policy of abolishing the maximum limit as per The Payment of Gratuity Act, 1972.

d. A&G expenses include payment of Rs. 283.20 lakh to M/s Khaitan & Co. (also a related party) for Advisory Service. In this regard, it was observed that the said arrangement has been continuing since earlier years.

- Other borrowing cost should be excluded as the same is provided on normative basis.

- It was observed that employee cost has increased by 11.80% over the previous year particularly owing to an increase in the gratuity provisions, new recruitments etc. Details of the number of employees and the average salary for the last 3 years are given below for reference.

Particulars	U.o.M.	2019-20	2020-21	2021-22	2022-23
Gross Emp. Exp.	Rs. Lakh	5,685.93	5,629.42	6,826.43	7326.51
Average No. of Employees	Nos.	425.00	448.00	468.00	507.00
% increase in Number of Employee	%	-	5.41%	4.46%	8.33%
Average Salary	Rs. Lakh	13.38	12.57	14.59	14.45
Increment over Avg. Salary of PY	%	-	-6.00%	16.00 %	-0.95%

C. Year-wise detail of employee cost capitalized in the book of accounts (as given below) reveals that % of employee cost capitalized is low as compared to that in previous years. In this context, we are of the view that Petitioner should formulate a policy to ensure consistency in charging overheads for capitalization.

Year	Employee Cost (Rs. Cr.)	Employee cost Capitalized (Rs. Cr.)	Net Cost after Capitalization (Rs. Cr.)	%
2015-16	26.95	6.90	20.05	25.60

Year	Employee Cost (Rs. Cr.)	Employee cost Capitalized (Rs. Cr.)	Net Cost after Capitalization (Rs. Cr.)	%
2016-17	34.13	12.32	21.81	36.10
2017-18	41.55	10.34	31.21	24.89
2018-19	48.73	8.99	39.74	18.45
2019-20	56.44	10.32	46.12	18.28
2020-21	57.04	9.82	47.22	17.22
2021-22	68.31	8.98	59.33	13.15
2022-23	73.27 (includes OCI 0.42)	6.52	66.75	8.89

D. **Increase in Minimum Wages**: Details of Minimum wages as revised by the Government of Uttar Pradesh under the Payment of Minimum Wage Act are given below and the same reveals that minimum wages have increased by approximately 32% as compared to minimum wages as on 1st April 2017.

Minimum Wages in State of U.P. (in Rs.)				
Class of labour	As on 1st Apr'17	w.e.f. 1st Apr'22	w.e.f. 1st Oct'22	% increase in C over A
	A	B	C	D
Skilled	9,119	11,743	12,005	31.65%
Semi-skilled	8,141	10,483	10,717	31.64%
Unskilled	7,400	9,530	9,743	31.66%

E. **Summary of Captive consumption**

Details of location-wise captive consumption during FY 2022-23 (as detailed below) reveal that 3180742 kWh were captively consumed by NPCL as against 2785471 kWh in 2021-22 i.e., captive consumption has increased by 11.20%. We were explained that Captive consumption is adjusted against sold units at NIL value. In this context, the auditor is of the view that the policy/practice followed for captive consumption may be suitably disclosed in financial statements of Petitioner.

Sr No.	Location	Total (kWh) (2021-22)	Total (kWh) (2022-23)
1	ALPHA-1	26199	30076
2	BUILDERS AREA	78755	91824
3	CHI-3	19720	16048
4	CONTAINER	13568	14330
5	DELTA-2	52889	55421
6	DM AWAS	18875	19581
7	EPIP	19468	15779
8	ETA	4673	5829
9	GIRDHARPUR	17731	15401
10	HATEWA	12565	12756
11	JALPURA	22136	19334

Sr No.	Location	Total (kWh) (2021-22)	Total (kWh) (2022-23)
12	KASNA	2445	26058
13	KNOWLEDGE PARK-2	142278	149814
14	KNOWLEDGE PARK-3	237295	249655
15	LAKHNAWALI	14688	21401
16	SECTOR-37	61527	76554
17	SIGMA-4	66651	65030
18	SITE-B	34224	30759
19	SITE-C STORE	20679	7662
20	SUNPURA	10754	14365
21	SURAJPUR	71096	72718
22	SURAJPUR SOUTH	2104	4017
23	UDYOG KENDRA	19218	19492
24	SAWRAN NAGRI SUBSTATION	13952	15880
25	CHI-4 SUBSTATION	49636	50480
26	BETA-1 SUBSTATION	18054	15353
27	GAMA SUBSTATION	12680	13102
28	P-3 SUBSTATION	17465	19051
29	LUKSAR JAIL	12304	9908
30	DELTA-1	10796	14201
31	BIRONDI	26713	30685
32	XU-I	36832	34563
33	ESS-10	29797	25974
34	ESS-2	22977	16231
35	ECOTECH -EXT1	9544	9698
36	IT CITY-1	10223	13640
37	ECOTECH-6	27589	27759
38	OMICRON-3	18806	16005
39	Sector 36 (Pocket Substation)	15903	19109
40	KP-1 (Pocket Substation)	32961	97316
41	KP-4	964434	1009166
42	Zeta-1	29601	37496
43	KP-1 (Customer Care Centre)	180606	337432
44	GHARBARA - 220 kV	20952	11820
45	MARIPAT POWER PLANT	9489	8435
46	ECOTECH-15	23631	26545
47	ECOTECH-2	83781	93685
48	BETA-2	19030	26165
49	SECTOR-16	18658	15606
50	XU-3	1430	3192
51	SECTOR-2	13560	7579
52	SECTOR-3	16180	22754
53	TECHZONE-4	55490	63945
54	ESS-6	12859	19622
55	DELTA-3	-	2310
56	ECOTECH-11	-	9428
57	ECOTECH-1 -EXT1	-	6689
58	OMEGA-2	-	1922
59	HONDA	-	7888

Sr No.	Location	Total (kWh) (2021-22)	Total (kWh) (2022-23)
60	CGEWHO	-	6206
	TOTAL	**2785471**	**3180742**

e. **Payment of Income tax:** As per audited financial statements, current tax expense stands at Rs. 27.35 Cr. Details of advance tax paid during the year by the Petitioner are given below:

Advance Tax 2022-23	Amount
15-06-2022	2,25,00,000.00
15-09-2022	5,50,00,000.00
15-12-2022	1500,00,000.00
14-03-2023	4,50,00,000.00
Total Advance Tax Payment	**27,25,00,000.00**
TDS	4,33,14,590.00
TCS	1,13,194.00
Total Tax Payment	**31,59,27,784.00**

f. Bad debts: The status of Bad debts reveals that the debts written off during the year are Rs. 8.73 Cr. (Net) i.e. 0.38% of total receivables. There is an increase of 16% in the bad debts as compared to the previous year.

(Rs. Cr.)

Particulars	2019-20	2020-21	2021-22	2022-23
Bad Debts w/off (net)	**8.56**	**6.80**	**7.48**	**8.73**
Increase		-1.76	0.68	1.25
% Increase		-20.56	10.00	16.71
Energy Charges Current Year	**1,786.89**	**1,761.06**	**2,017.59**	**2304.47**
Increase		-25.83	256.53	286.88
% Increase		-1.45	14.57	14.22
Bad & Doubtful debt as % of revenue during the year	**0.48%**	**0.39%**	**0.37%**	**0.38%**

g. Detail of Interest on Term Loan for FY 2022-23 on the normative basis as approved by the Commission and actual provided in the tariff petition shows that the actual interest at Rs. 52.30 Cr. is 19.35 % higher than the approved value.

Sl. No.	Loan Computation	Ref.	Approved	Actual Rs. in Cr.
1	**Net Normative loan – Opening**	**A**	**424.12**	**535.65**
2	Increase/Decrease due to ACE during the Year	B	83.28	46.08
3	Repayments of Normative Loan during the year	C	47.42	62.09
4	**Net Normative loan – Closing**	**d=a+b-c**	**459.98**	**519.64**

Sl. No.	Loan Computation	Ref.	Approved	Actual Rs. in Cr.
5	Average Normative Loan*	e=(a+d)/2	442.05	527.65
6	Weighted average Rate of Interest on actual Loans	F	9.91%	9.91%
7	**Interest on Normative loan**	**g=e x f**	**43.82**	**52.30**

Commission's Analysis

A presentation on the report was made on August 20, 2024, at the Office of the Commission. The Commission has taken note of the report/observations made by the external auditor.

5 TRUE UP OF FY 2022-23

5.1 BACKGROUND

5.1.1 The Petitioner has filed the truing up of expenditures and revenue for FY 2022-23 based on the expenditures and revenue as per Annual Audited Accounts and applicable Regulations. In this section, the Commission has analyzed all the elements of expenditures and revenue for FY 2022-23 and has undertaken the truing up of expenses and revenue after a prudence check of the data made available by the Petitioner as per Regulations.

5.1.2 The Petitioner has submitted that Regulation 6 of MYT Regulations, 2019, states about the True Up of the Aggregate Revenue Requirement of the Distribution Licensee.

5.1.3 The Petitioner based on the Accounting Statements, actual operational data and Regulations for the Financial Year 2022-23, has submitted this petition for Truing-up ARR for FY 2022-23 for the approval of the Commission in the prescribed formats as per MYT Regulations, 2019.

5.1.4 Further, Regulation 2.1 of the MYT Regulations, 2019 defines the “Accounting Statement”

5.1.5 The Petitioner has submitted its “Accounting Statement” for FY 2022-23 which comprises the following:

I. Balance sheet, prepared in accordance with the form contained in Part I of Schedule III to the Companies Act 2013;

II. Statement of Profit and loss, complying with the requirements contained in Part II of Schedule III to the Companies Act 2013;

III. Cash flow statement, prepared in accordance with the applicable accounting standard on cash flow statement;

IV. Report of statutory auditors of the Licensee together with notes on Audited Accounts;

V. Cost accounts and records prepared in accordance with provisions of Section 148 of the Companies Act, 2013 duly verified and audited by a qualified Cost Accountant.

VI. Together with notes thereto.

5.1.6 The Petitioner further submitted the details of True-up of ARR for FY 2022-23, and operational results as per the Accounting Statement for FY 2022-23 for perusal and approval of the Commission. The Petitioner also submitted the Annual Energy Audit Report for FY 2022-23.

5.2 NUMBER OF CONSUMERS, CONNECTED LOAD AND SALES

Petitioner's Submission

5.2.1 The Petitioner has submitted that during FY 2022-23, the Commission vide its Tariff Order dated July 20, 2022, approved the Energy Sales and Revenue for FY 2022-23. The details are given in the Table below:

TABLE 5-1: APPROVED ENERGY SALES & REVENUE FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sl. No	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs/kWh)
1	LMV-1: Domestic Light, Fan & Power	852.78	532.83	6.25
2	LMV-2: Non-Domestic Light & Fan & Power	47.57	48.49	10.19
3	LMV-3: Public Lamps	37.87	34.40	9.08
4	LMV-4: Institutions	16.97	15.21	8.96
5	LMV-5: Private Tube Wells	20.45	3.77	1.84
6	LMV-6: Small and Medium Power	116.96	87.90	7.52
7	LMV-7: Public Water Works	26.69	22.99	8.59
8	LMV-8: STW and Pumped Canals	0.07		
9	LMV-9: Temporary Supply	52.29	48.81	9.33
10	LMV-11: Electric Vehicle Charging	5.19	3.41	6.57
11	HV-1: Non-Industrial Bulk Power	333.37	291.16	8.73
12	HV-2: Large and Heavy Power	1,269.96	917.91	7.23
Total		**2,780.19**	**2,006.88**	**7.22**

5.2.2 The Petitioner further submitted that the Commission in its Tariff Order dated July 20, 2022, has approved the Number of Consumers and Connected Load for FY 2022-23 as 1,53,290 and 1,410.58 MW, whereas the same as per Annual Audited Accounts are 1,35,214 Nos. and 1,448.95 MW respectively. The details of the same is shown in the Table below:

TABLE 5-2: APPROVED NO. OF CONSUMERS & CONNECTED LOAD (FY 2022-23) AS SUBMITTED BY THE PETITIONER

Sl. No	Category	No. of Consumers	Connected Load (MW)
1	LMV-1: Domestic Light, Fan & Power	1,40,385	534.79

Sl. No	Category	No. of Consumers	Connected Load (MW)
2	LMV-2: Non-Domestic Light, Fan & Power	4,339	40.67
3	LMV-3: Public Lamps	377	11.80
4	LMV-4: Institution	552	7.14
5	LMV-5: Private Tube Wells	1,292	6.50
6	LMV-6: Small and Medium Power	3,983	95.10
7	LMV-7: Public Water Works	265	10.46
8	LMV-8: STW and Pumped Canals	8	0.10
9	LMV-9: Temporary Supply	797	20.14
10	LMV-11: Electric Vehicle Charging	62	4.38
11	HV-1: Non-Industrial Bulk Power	275	160.60
12	HV-2: Large and Heavy Power	955	518.89
Total		**1,53,290**	**1,410.58**

TABLE 5-3: ACTUAL NO. OF CONSUMERS & CONNECTED LOAD (FY 2022-23) AS SUBMITTED BY THE PETITIONER

Sl. No.	Category	No. of Consumers	Connected Load (MW)
1	LMV-1: Domestic Light, Fan & Power	1,22,861	619.92
2	LMV-2: Non-Domestic Light, Fan & Power	4,238	40.27
3	LMV-3: Public Lamps	421	10.98
4	LMV-4: Institution	527	7.49
5	LMV-5: Private Tube Wells	1,025	5.21
6	LMV-6: Small and Medium Power	3,601	87.78
7	LMV-7: Public Water Works	302	14.59
8	LMV-8: STW and Pumped Canals	0	0.00
9	LMV-9: Temporary Supply	1,006	20.31
10	LMV-11: Electric Vehicle Charging	2	0.05
11	HV-1: Non-Industrial Bulk Power	259	145.62
12	HV-2: Large and Heavy Power	972	496.74
	Total	**1,35,214**	**1,448.95**
13	Actual as on 31st March 2022	1,17,753	1,250.23
14	Growth over the previous year	**14.83%**	**15.89%**

5.2.3 The Petitioner has submitted that the projections of number of consumers and the connected load were based on certain assumptions regarding various factors such as forthcoming development in the area, the Master Plan of GNIDA, Central/State Govt. schemes like "Saubhagya" scheme, conversion of Single point to multi-point connections etc., however, the actual number of consumers and connected load may vary because of variations in the aforesaid parameters.

5.2.4 Based on the above details of Connected Load and Consumer Numbers as per the Audited Accounting Statements for FY 2022-23, the Petitioner has requested the Commission to approve the same.

5.2.5 Further, the Commission vide Tariff Order dated July 20, 2022, has also approved the rate schedule applicable within 7 days from the date of publication i.e. Aug 4, 2022. The Commission has also introduced a regulatory discount of 10% applicable to all the consumers of Greater Noida along with the new Rate Schedule.

5.2.6 Accordingly, the Petitioner has stated that during FY 2022-23, consumers were billed on the basis of the Tariff Schedule approved in then prevailing Tariff Order dated August 26, 2021, from 01.04.2022 to 03.08.2022 and as per the revised Tariff Schedule approved vide Tariff Order dated July 20, 2022, for the remaining period from 04.08.2022 to 31.03.2023.

5.3 ENERGY SALES

Petitioner's Submission

5.3.1 The Petitioner has submitted the actual category-wise sales, revenue and average realization for FY 2022-23 duly audited and presented as per Accounting Statements in the Table below for approval of the Commission:

Table 5-4: DETAILS OF ACTUAL CATEGORY-WISE SALES SUBMITTED BY THE PETITIONER FOR FY 2022-23 (MU)

Sl. No	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs./kWh)
1	LMV-1: Domestic Light, Fan & Power	883.71	562.56	6.37
2	LMV-2: Non-Domestic Light, Fan & Power	60.15	60.54	10.07
3	LMV-3: Public Lamps	28.90	25.22	8.73
4	LMV-4: Institutions	16.50	13.48	8.17
5	LMV-5: Private Tube Wells	11.70	3.17	2.71
6	LMV 6: Small and Medium Power	118.04	107.82	9.13
7	LMV-7: Public Water Works	29.99	31.35	10.45
8	LMV-8: STW and Pumped Canals	-	-	-
9	LMV-9: Temporary Supply	57.01	65.47	11.48
10	LMV-11: Electric Vehicle Charging	0.01	0.01	6.73
11	HV-1: Non-Industrial Bulk Power	317.67	313.00	9.85
12	HV-2: Large and Heavy Power	1,346.74	1,025.19	7.61

Sl. No	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs./kWh)
	Total	**2,870.43**	**2,207.78**	**7.69**

5.3.2 The Petitioner has submitted that the Commission vide Tariff Order dated July 20, 2022, has included the deemed revenue against the Captive Consumption of the Petitioner at the rate of LMV-4(B) and Sales (MU) at the time of True up for FY 2020-21. Aggrieved by the aforesaid treatment, the Petitioner has filed Appeal No 398 of 2022 before the Hon'ble APTEL, which is pending adjudication.

5.3.3 The Petitioner also submitted that the aforesaid matter is still pending before the Hon'ble APTEL and the Petitioner has considered the captive consumption for FY 2022-23 under Category 4(B) as per the directions of the Commission, however, the revenue has been considered at NIL as per the past practices. The Petitioner further submitted that if the Captive Consumption is not included in overall energy sales, then the same will result in incorrect computation of the Distribution Losses. Therefore, it is very much required to include Captive Consumption in the overall energy sales. The Petitioner also submitted that the units consumed captively were earlier undertaken by them in the LMV-4 (A) category. The Petitioner submitted the details of the Captive Consumption and corresponding amount, as per the LMV-4(B) Tariff Schedule, which is detailed in the Table given below:

TABLE 5-5: CAPTIVE CONSUMPTION REVENUE AS SUBMITTED BY THE PETITIONER

Particulars	FY 2022-23	Remarks
Sales (MU)	3.18	Included in Sales
Revenue (Rs. Cr.)	3.03	Normative Value of Revenue

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

5.3.5 The Petitioner also submitted that the Hon'ble Tribunal has dealt a similar issue related to the self/ captive consumption by a Distribution Licensee in the matter of Arun Kumar Datta Vs. DERC & Anr. in Appeal No.195 of 2013 [Judgement dated 09th February, 2015] wherein it was observed as:

Quote

13.4 We feel that the Appellant should have installed meters for self-

consumption in all its offices, call centers, substations, etc. The Respondent no.2 does not need specific instructions for the same. When the Respondent no.2 is including self-consumption in its energy sale figures, then it was legally bound to supply electricity for own consumption only through correct meters. ***We feel that the State Commission should have allowed self-consumption only to the extent of actual consumption for metered installations****. The formula proposed by the Respondent no. 2 for calculating own consumption in its installations is for calculating energy consumption for consumers in case of faulty/tempered meters.* ***Accordingly, we direct the State Commission to redetermine the self-consumption based on the metered data only.*** *We also do not feel that this would result in change in procedure in true up with respect to the MYT order dated 23.02.2008. In the MYT order the consumption is based on the projections. In the MYT order the State Commission has not approved that the self consumption would not be metered and would only be assessed by a formula considering the load, number of days/hours, load factor, etc.*

13.5 As regards contention of the Appellant for determination of AT&C loss, ***we feel that if the self consumption is deducted from energy sales figures then corresponding reduction has to be effected in the energy input into the distribution system also****. In view of our directions in para 13.4, we do not want to give any direction with regard to procedure for determination of AT&C loss in the true-up of FY 2010-11.*

Unquote

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

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

5.3.8 Additionally, the Petitioner has submitted that if Captive Consumption (MU) both in Revenue (Rs.) and Sales (MU) are considered, then the corresponding actual expenses in A&G expenses should also be allowed, as the base A&G expenses do not include expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in Revenue of FY 2020-21 being the first year of new MYT control period.

5.3.9 The Petitioner has submitted that the Commission in its Tariff Order dated May 24, 2023, while Truing-up ARR for FY 2021-22 has considered the captive consumption observing as follows-

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

In view of the above, Petitioner requested to approve the actual sales and revenue for FY 2022-23 as per the Audited Annual Accounts considering captive consumption at NIL value.

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

5.3.11 The Petitioner has submitted that the above treatment of accounting for assessed consumption in theft cases is in sync with the judgment of the Hon'ble APTEL as held in the matter of Reliance Infrastructure Limited Vs. MERC & Ors. in Appeal No. 85 of 2012 wherein the Hon'ble APTEL held as follows:

Quote

"….

7.11 We find that the assessment of electricity charges is made by the Assessing Officer as per the procedure laid down in the 2003 Act, after giving opportunity to the concerned person to file objection, if any, as against the provisional assessment. Only after affording opportunity of hearing to such person, the Assessing Officer passes the final order of assessment of the electricity charges payable by such person. The assessed electricity charges are made by the assessing officer after inspection of the premises or after inspection of equipment's, gadgets machines, etc., connected at the premises or after inspection of records. The assessed electricity charges are based on the assessed power/energy consumption and is charged at twice the tariff applicable for the relevant category. Thus, the assessed energy has to be considered as supplied by the distribution licensee to the concerned person.

7.12 According to the State Commission, only the energy recorded in the meter is required to be considered for computation of distribution loss. We are not in agreement with the contention of the State Commission. A large number of agriculture consumers in the country are still being supplied electricity without meters. The consumption of such unmetered consumers are being assessed by the State Commission and considered as sale to agriculture consumers. The unauthorized use of electricity assessed by the Assessing Officer as per Section 126 of the Act is nothing but consumption of electricity supplied by the distribution licensee.

……………..

7.14 If the distribution licensee has plugged the energy "leakages" in the system through vigilance initiative, it has not only ensured that the recorded consumption would increase in future but has also ensured that the consumption not recorded in the meter in the past is also retrieved by charging the concerned person for such energy.

7.15 There is no dispute that the pilfered electricity has also been consumed *and has been procured by the distribution licensee for distributing in its licensed area. The pilfered energy has not been recorded in the meter and can only be assessed. Section 126 of the 2003 Act specifically provides for assessment of charges for unauthorized use of electricity. The rate for such charges is at twice the tariff applicable for the relevant category as approved by the State Commission. The charges will have to be worked out by assessment of the electricity consumption by inspection of place or premises, inspection of equipment's, gadgets, etc., found connected or used or after inspection of records, etc. as specified in Section 126 (1) of the Act. Therefore, the assessed energy has to be considered as consumed. If the licensee has been able to reduce the distribution losses with vigilance drive, it should be given the credit for efficiency gain if it helps in reducing the loss below the target level. Therefore, we hold that the assessed energy as a result of vigilance drive should be accounted for while computing the distribution loss………….”*

Unquote

5.3.12 The Petitioner mentioned that the details of the sales booked based on the assessment carried in accordance with the provisions of the U.P. Electricity Supply Code 2005 as amended and sales booked against theft cases are as shown in the Table below:

TABLE 5-6: DETAILS OF UNMETERED SALES AS SUBMITTED BY THE PETITIONER

Month	Number of Consumers	Connected Load (MVA)	Power Factor	Connected Load (MW)	Norms per KW per month	Sales as per Norms (MU)	Theft Cases (MU)	Actual Sales (MU)
	a	b	c	d=b*c	e	f=d*e/1000	g	h=f+g
LMV-1: Domestic Light, Fan & Power (Unmetered)								
Apr-22	2,072	5.18	0.90	4.66	144	0.67	-	0.67
May-22	2,062	5.15	0.90	4.63	144	0.67	-	0.67
Jun-22	2,055	5.13	0.90	4.62	144	0.66	-	0.66
Jul-22	2,048	5.12	0.90	4.60	144	0.66	-	0.66
Aug-22	2,025	5.06	0.90	4.55	144	0.66	-	0.66
Sep-22	1,918	4.82	0.90	4.34	144	0.62	-	0.62
Oct-22	1,819	4.60	0.90	4.14	144	0.60	-	0.60
Nov-22	1,793	4.54	0.90	4.09	144	0.59	-	0.59
Dec-22	1,460	3.76	0.90	3.38	144	0.49	-	0.49
Jan-23	1,333	3.46	0.90	3.12	144	0.45	-	0.45
Feb-23	1,245	3.42	0.90	3.08	144	0.44	-	0.44
Mar-23	891	2.33	0.90	2.10	144	0.30	-	0.30
Total						**6.81**	**-**	**6.81**
LMV-5: Private Tube Wells (Unmetered)								
Apr-22	397	1.82	0.90	1.64	140	0.23	0.01	0.24
May-22	396	1.82	0.90	1.64	140	0.23	0.02	0.25
Jun-22	393	1.80	0.90	1.62	140	0.23	0.01	0.23

Month	Number of Consumers	Connected Load (MVA)	Power Factor	Connected Load (MW)	Norms per KW per month	Sales as per Norms (MU)	Theft Cases (MU)	Actual Sales (MU)
	a	b	c	d=b*c	e	f=d*e/1000	g	h=f+g
Jul-22	391	1.79	0.90	1.61	140	0.23	0.02	0.25
Aug-22	390	1.79	0.90	1.61	140	0.23	-	0.23
Sep-22	390	1.79	0.90	1.61	140	0.23	-	0.23
Oct-22	386	1.77	0.90	1.59	140	0.22	-	0.22
Nov-22	385	1.77	0.90	1.59	140	0.22	0.02	0.24
Dec-22	383	1.76	0.90	1.58	140	0.22	-	0.22
Jan-23	382	1.74	0.90	1.57	140	0.22	-	0.22
Feb-23	382	1.75	0.90	1.58	140	0.22	-	0.22
Mar-23	381	1.75	0.90	1.57	140	0.22	-	0.22
Total						**2.69**	**0.08**	**2.76**

Table 5-7: REVENUE FROM SALES BOOKED UNDER UNMETERED CATEGORY (FY 2022-23)

Category	MU	Revenue (Rs. Cr.)
LMV-1		
Sales on normative consumption	6.81	2.17
Sales against theft	-	-
Total LMV-1	**6.81**	**2.17**
LMV-5		
Sales on normative consumption	2.69	0.29
Sales against theft	0.07	0.01
Total LMV-5	**2.76**	**0.30**

5.3.13 The Petitioner has requested to true-up the actual number of consumers, connected load, sales and revenue for FY 2022-23 including the unmetered sales for LMV-1 and LMV-5 categories on the basis of the Accounting Statement.

5.3.14 The Petitioner has submitted that the Commission had approved the sales and revenue at 2,780.19 MU and Rs. 2,006.88 Cr. respectively, based on various assumptions with respect to various factors like uninterrupted import of power, supply hours, load shedding hours, power factor, consumption under various time blocks etc., however, the actual sales and revenue vary because of variations in the parameters, based on actual consumption and supply conditions.

5.3.15 The Petitioner has submitted that the prevailing Rate Schedule largely comprises two components viz. demand charge based on connected load irrespective of actual consumption and energy charge which varies directly in proportion to the actual consumption of the consumers. Due to power supply, load factor of consumers, and various other reasons, which are beyond the control of the Petitioner, the actual sales, revenue, and Average Billing Realization (ABR) as per Accounting Statements have varied as compared to the amount approved in Tariff Order dated July 20, 2022.

5.3.16 The Petitioner also submitted that it maintains its books of accounts including billing register in SAP-ERP system which is one of the best ERP software and is now being used by many of the distribution companies apart from other business sectors. All billing parameters viz. the details of category/sub-category, rate schedule of the respective category/subcategory, other parameters applicable under each category, general clauses of rate schedule and provisions of U.P Electricity Supply Code 2005 are configured in the SAP-ERP only. More than 95% of the meter reading is done through AMR, LPR and CMRI with no manual intervention, hence, the sales and revenue are automatically recorded/computed by the SAP-ERP system. The SAP-ERP generates the billing register for the purpose of preparation of bills, printing thereof, sales & consumers' ledgers and the Petitioner prepares its Accounting Statements on the basis of such system-generated sales register only.

5.3.17 The Petitioner has requested the Commission to true-up the actual sales and revenue for FY 2022-23 on the basis of Annual Audited Accounts.

Commission's Analysis

5.3.18 The Commission directed the Petitioner to provide details of the SAUBHAGYA Scheme along with the financial details. The Commission also directed the Petitioner to provide details of consumers under the SAUBHAGYA Scheme year-wise for FY 2022-23, FY 2023-24, & FY 2024-25. In response to the query the Petitioner has submitted the details as shown in the Table below:

TABLE 5-8: SUMMARY OF SAUBHAGYA SCHEME CONNECTIONS AS SUBMITTED BY THE PETITIONER

FY	Particulars	No. of consumers	Connected load/ contracted demand	Total Energy Sales
		(Nos.)	(KW)	(MU)
2022-23	Rural	4361	7448	7.3
	Urban	1644	3047	4.2

FY	Particulars	No. of consumers	Connected load/ contracted demand	Total Energy Sales
		(Nos.)	(KW)	(MU)
2023-24 (Estimated)	Rural	4333	7408	8.0
	Urban	1609	3003	4.6
2024-25 (Projected)	Rural	4333	7408	8.8
	Urban	1609	3003	5.1

5.3.19 The Commission observes that the Petitioner under the "Other Metered" Category of LMV-1 has considered 101878 consumers and has submitted slab-wise energy consumption (MU)/ Contract Demand/ Connected Load (KW /KVA /HP) details but has not submitted slab-wise revenue. Similar issues were observed with other categories having slab-wise subcategories also. In this regard, the Commission directed the Petitioner to provide justification for the same. In reply, the Petitioner has submitted the revised format capturing slab-wise, sub-category-wise Revenue against slab-wise, sub-category-wise Consumption for FY 2022-23.

5.3.20 The Commission sought the reasons for the disproportionate increase in billing determinants in various consumer categories like LMV-1, LMV-2, LMV-7, LMV-9, and HV-1 etc. In reply, the Petitioner submitted that the No. of Consumers and Connected Load provided by the Petitioner is as per actuals, duly audited by the Auditors.

5.3.21 The Commission further directed the Petitioner, to provide reasons for sales growth of 22% in FY 2022-23, on account of exorbitant sales growth in LMV-1, LMV-2, LMV-4, LMV-9, and HV-1. In reply, the Petitioner submitted that the increase in Sales in FY 2022-23 is due to a sudden rise in the number of Consumers and Connected Load post-COVID. Furthermore, these are actual numbers and may vary from the projections. The Petitioner is duty-bound to provide connections to all the applicants.

5.3.22 The Commission observed that the Petitioner has not followed the proper slabs under LMV-1 "other metered category". Hence, the Petitioner was directed by the Commission to provide billing determinants in correct slabs as per the Rate Schedule and provide the justification for deviating from the Rate Schedule. The Petitioner was also directed to confirm whether the billing for FY 2022-23 was done as per the Rate schedule approved by the Commission. The Petitioner in its reply submitted that for FY 2022-23, the Commission's Tariff Order dated August 26, 2021, was applicable from 01.04.2022 to 03.08.2022. Subsequently, from 04.08.2022 to 31.03.2023, the Tariff Order dated July 20, 2022, of the Commission was in effect. In the Tariff Order dated August 26, 2021, for the LMV-1 (other metered domestic consumer), the consumption range for all loads is provided as "For first 150 kWh / month", "For next 151 - 300 kWh / month", "For next 301 – 500 kWh / month" & "For above 500 kWh / month". In the subsequent Tariff Order dated 20.07.2022, the Commission revised these consumption slabs for the LMV-1 (other metered domestic consumer) as "up to 100 kWh / month", "101 - 150 kWh / month", "151 – 300 kWh / month" & "above 300 kWh / month".

5.3.23 Accordingly, the Petitioner provided consumption slab based on the Tariff Order dated August 26, 2021, which was applicable from 01.04.2022 to 03.08.2022. The Petitioner confirmed that it has billed the consumer in FY 2022-23 according to the Rate Schedule as approved by the Commission in various Tariff Orders applicable from time to time. Further, the Petitioner submitted the revised billing determinants of LMV-1 "other metered category" in the slabs based on the two different applicable tariff orders.

5.3.24 The Commission also observes that the overall actual energy sales for FY 2022-23 are more than the approved energy sales in the Tariff Order for FY 2022-23 dated July 20, 2022. The overall energy sales for FY 2022-23 have increased by 19% from the approved energy sales in the True Up of ARR for FY 2021-22 in the Tariff Order dated May 24, 2023. The Commission approves the category-wise energy sales for FY 2022-23 as given in the Table below:

TABLE 5-9: CATEGORY-WISE SALES APPROVED BY THE COMMISSION FOR FY 2022-23

Sl. No.	Particulars	Tariff Order dated July 20, 2022, for FY 2022-23	Claimed in Petition	Approved Upon Truing Up
1	LMV-1: Domestic Light, Fan & Power	852.78	883.71	883.71
2	LMV-2: Non-Domestic Light, Fan & Power	47.57	60.15	60.15
3	LMV-3: Public Lamps	37.87	28.90	28.90
4	LMV-4: Institutions	16.97	16.50	16.50

Sl. No.	Particulars	Tariff Order dated July 20, 2022, for FY 2022-23	Claimed in Petition	Approved Upon Truing Up
5	LMV-5: Private Tube Wells	20.45	11.70	11.70
6	LMV 6: Small and Medium Power	116.96	118.04	118.04
7	LMV-7: Public Water Works	26.69	29.99	29.99
8	LMV-8: STW and Pumped Canals	0.07	-	-
9	LMV-9: Temporary Supply	52.29	57.01	57.01
10	LMV-11: Electric Vehicle Charging	5.19	0.01	0.01
11	HV-1: Non-Industrial Bulk Power	333.37	317.67	317.67
12	HV-2: Large and Heavy Power	1,269.96	1,346.74	1,346.74
Sub Total		**2,780.19**	**2,870.43**	**2,870.43**

5.3.25 The Category-wise number of consumers, connected load and energy sales approved/Trued up for FY 2022-23 by the Commission are shown in the Table below:

TABLE 5-10: CATEGORY WISE NO. OF CONSUMERS, CONNECTED LOAD, & ENERGY SALES OF NPCL AS APPROVED FOR FY 2022-23

Sl. No.	Category	No. of Consumers	Connected Load (MW)	Sales (MU)
1	LMV-1: Domestic Light, Fan & Power	122,861	619.92	883.71
2	LMV-2: Non-Domestic Light, Fan & Power	4,238	40.27	60.15
3	LMV-3: Public Lamps	421	10.98	28.9
4	LMV-4: Institutions	527	7.49	16.5
5	LMV-5: Private Tube Wells	1,025	5.21	11.7
6	LMV 6: Small and Medium Power	3,601	87.78	118.04
7	LMV-7: Public Water Works	302	14.59	29.99
8	LMV-9: Temporary Supply	1,006	20.31	57.01
9	LMV-11: Electric Vehicle Charging	2	0.05	0.01
10	HV-1: Non-Industrial Bulk Power	259	145.62	317.67
11	HV-2: Large and Heavy Power	972	496.74	1,346.74
	Sub Total	**135,214**	**1,448.96**	**2,870.43**

5.3.26 The Commission observes that the Petitioner claimed the captive consumption as part of energy sales of the LMV 4(B) category. However, the corresponding revenue is considered as NIL for FY 2022-23. The Commission, though in the case of State Discoms observed that self / captive consumption is billed under LMV-4(A) / HV-1 category according to the Rate Schedule. The same approach is also applied for the self / captive consumption of the Petitioner. Further, the treatment of the revenue from self- consumption is detailed in the revenue section of this order.

5.3.27 **The Commission observes this as multiple non-compliance of the directives. The Commission directs the Petitioner to strictly comply with the terms and conditions of the tariff and accordingly bill its own consumption. The Commission further directs the Petitioner to submit the details of its own consumption and treatment of the same in the True-Up of subsequent years**.

5.3.28 The Petitioner has submitted the details of the sales booked based on the assessment carried out in accordance with the provisions of the U.P. Electricity Supply Code 2005 as amended and sales booked against theft cases. Accordingly, the Petitioner requested the Commission to true-up the actual number of consumers, connected load, sales and revenue for FY 2022-23 including the unmetered sales for LMV-1 and LMV-5 categories on the basis of the Accounting Statement

5.3.29 Thus, the Commission based on the data submitted by the Petitioner, recalculated the excess sales of LMV 1 and LMV-5 Unmetered Category for FY 2022-23 as under:

Table 5-11: APPROVED SALES FOR LMV-1 UNMETERED CONSUMERS AS PER NORMS FOR NPCL

Particulars	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
Number of Consumers	2072	2062	2055	2048	2025	1918	1819	1793	1460	1333	1245	891	891
Connected Load (MW)	5.18	5.15	5.13	5.12	5.06	4.82	4.60	4.54	3.76	3.46	3.42	2.33	2.33
Sales as per Norms (MU) (as submitted by Petitioner)	0.67	0.67	0.66	0.66	0.66	0.62	0.60	0.59	0.49	0.45	0.44	0.30	6.81
Normative Consumption (kWh/KW/Month)	144	144	144	144	144	144	144	144	144	144	144	144	144
Sales as per Norms (MU)	0.75	0.74	0.74	0.74	0.73	0.69	0.66	0.65	0.54	0.50	0.49	0.34	**7.57**
Excess Sales with respect to Norms (MU)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Excess Sales against theft (MU)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Excess Sales (MU)	-	-	-	-	-	-	-	-	-	-	-	-	**0.00**

Table 5-12: APPROVED SALES FOR LMV-5 UNMETERED CONSUMERS AS PER NORMS FOR NPCL

Particulars	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
Number of Consumers	397.00	396.00	393.00	391.00	390.00	390.00	386.00	385.00	383.00	382.00	382.00	381.00	381.00
Connected Load (MW)	1.82	1.82	1.80	1.79	1.79	1.79	1.77	1.77	1.76	1.74	1.75	1.75	1.75
Sales as per Norms (MU) (as submitted by Petitioner)	0.24	0.25	0.23	0.25	0.23	0.23	0.22	0.24	0.22	0.22	0.22	0.22	2.76
Normative Consumption (kWh/KW/Month)	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00
Sales as per Norms (MU)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.25	0.24	**2.99**
Excess Sales with respect to Norms (MU)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Excess Sales against theft (MU)	-	-	-	-	-	-	-	-	-	-	-	-	**0.08**
Total Excess Sales (MU)	-	-	-	-	-	-	-	-	-	-	-	-	**0.08**

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

5.3.31 It is further observed by the Commission that no separate Billing Determinants for lifeline consumers (in rural as well as urban areas) were provided by Petitioner in its past submissions due to which the condition of power supply and other norms cannot be verified. The Commission in past had directed the Petitioner in Tariff Order for FY 2021-22 dated August 26, 2021, Tariff Order for FY 2022-23 dated July 20, 2022, and Tariff order for FY 2023-24 dated May 24, 2023, to provide month-wise, category wise & sub-category wise Billing Determinants & Revenue (actual/projected) details of each year along with their ARR Petition. However, the same has been non-complied with by the Petitioner, consistently. The Commission sought this information from the Petitioner, however, the information submitted by the Petitioner is not found satisfactory. The Petitioner has provided the details as per below Table:

TABLE 5-13: DETAILS OF LIFELINE CONSUMERS

Year	Particulars	No. of Consumers	Connected load/ Contracted demand	Total Energy Sales
		(Nos.)	(KW)	(MU)
FY 2022-23	Rural	1289	1289	0.7
	Urban	867	867	0.4

5.3.32 It is once again directed by the Commission that the Billing Determinants in future proceedings having category/sub-category/slab / month-wise details shall be provided without any fail, otherwise a stringent penal action will be taken against the Petitioner for repetitive non-compliance of the directive.

5.4 ENERGY BALANCE AND DISTRIBUTION LOSS

Petitioner's Submission

5.4.1 The Petitioner has submitted that a Distribution Loss Trajectory for approval of the Commission has been submitted in the Business Plan Petition No. 1526 of 2019, the same is shown in the Table below:

TABLE 5-14: DISTRIBUTION LOSSES SUBMITTED IN BUSINESS PLAN PETITION NO. 1526 OF 2019 BY THE PETITIONER

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Distribution losses (%)	9.03%	8.35%	8.35%	8.35%	8.35%

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

TABLE 5-15: DISTRIBUTION LOSSES APPROVED IN THE BUSINESS PLAN ORDER AS SUBMITTED BY THE PETITIONER

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Distribution losses (%)	7.92%	7.80%	7.70%	7.63%	7.57%

5.4.3 The Petitioner highlighted that various obstacles/hurdles are faced by it in achieving the Regulatory approved Distribution losses.

5.4.4 The Petitioner also mentioned that the visits of various outfits of the Kisan Unions at its offices demanding waiver in the energy bills/electricity theft bills of consumers have been increasing. Not meeting their expectations has led to frequent Dharnas. This also led to people starting to avoid paying their bills. The Kisan Union leaders were also in the forefront seeking high power supply in the villages, fixed billing (unmetered tariff) for all rural consumer premises, waiver of all electricity theft cases booked against the farmers residing in big Kothis in the villages and having all luxurious electrical amenities installed in their houses. The recent announcement of 50% and then 100% subsidy on agricultural consumers has further fueled their demands and agitation.

5.4.5 Additionally, the Petitioner has submitted that they are bound to mandatorily provide electricity for increased no. of hours in the rural areas which resulted in increased demand but lower sales as most of the areas where supply hours were increased already had high distribution losses.

5.4.6 The Petitioner also mentioned that it is facing stiff opposition from consumers for the conversion of unmetered connections to metered connections as people are habituated to paying lower bills as per their contractual load instead of their actual connected load at the site. They resort to threatening the Petitioner's staff & restrain them from installing meters on their premises.

5.4.7 Moreover, the Petitioner has submitted that there is no Special Electricity Court for fast resolution of the electricity theft Complaint Cases. As a result, the consumers resort to blatant theft of electricity without any fear of judicial consequences.

5.4.8 Further, the Petitioner has submitted that it has been striving to implement/emulate efficient, resilient, robust, inclusive and tailor-made initiatives to tackle the ever-rising menace of high commercial loss, which all distribution utilities are struggling hard to chain. While many initiatives tendered significant results, sometimes most worthy models failed due to the volatile environment, which is beyond the control of the Distribution Licensee. The Petitioner submitted and highlighted various issues that are giving rise to pilferage.

5.4.9 The Petitioner has requested the Commission to agree that the following are the pre-requisites for effectively controlling T&D Losses:

a. On the part of the Licensee:

i. Robust Distribution Network;

ii. Identification of theft-prone areas;

iii. Educating/spreading awareness/information about social, environmental, safety and legal consequences of power theft

iv. Periodical Loss control Drives

v. Registering FIRs / Court Cases

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

c. **Speedy action by Police and Special Court:** In this regard, it is pertinent to mention that as on June 30, 2023, 13434 cases are pending in the special courts. Also, 3904 FIRs are pending for investigation by the Police apparently due to insufficient police staff. Due to these issues, the loss control drives conducted by the Petitioner do not yield desired results.

5.4.10 The Petitioner further submitted that if any one of the above prerequisites is not working appropriately, whatever number of efforts the Petitioner makes, it would not yield the desired results. In addition to the above, the ground realities such as low density of load per square kilometre, falling HT: LT ratio, absence of separate Police Station and dedicated Special Court to deal with the Electricity Theft Cases and rampant political interference have come in the way of containing the distribution losses by the Petitioner. However, due to the best efforts put in by the Petitioner for the reduction of distribution Losses, the Distribution Losses of 7.63% for FY 2022-23 have been achieved and the same is lower than the normative distribution loss of 7.70% approved by the Commission vide order dated November 26, 2020. Accordingly, the Petitioner has claimed that it is entitled to receive an incentive for the over-achievement of distribution losses.

5.4.11 The Petitioner has summarised the Energy Balance for FY 2022-23 in the format prescribed by the Commission as below:

Table 5-16: ENERGY BALANCE AS SUBMITTED BY THE PETITIONER

Particulars	U.o.M.	Ref.	Approved in T.O dt. 20.07.2022	Actual
Energy Sales	MU	a	2,780.19	2,870.43
Distribution Loss	%	b	7.70%	7.63%
Distribution Loss	MU	c=a*(1/(1-b))	231.93	237.17
Energy Requirement at NPCL	MU	**d=a+c**	**3,012.12**	**3,107.61**
Energy Available/Delivered at NPCL Bus	MU	e	-	437.36
Net Energy requirement at NPCL Bus	MU	**f=d-e**	**3,012.12**	**2,670.25**
Intra State Losses	%	g	3.27%	3.27%
Energy Requirement at STU/UP Periphery	MU	**h=f/(1-g)**	**3,113.89**	**2,760.52**
Energy from sources connected at STU Bus	MU	i	-	170.58
Net Energy Requirement at STU Bus	MU	**j=h-i**	**3,113.95**	**2,589.93**
Inter-State Losses	%	k	3.05%	3.56%
Energy Requirement at CTU Bus	MU	**l=j/(1-k)**	**3,211.82**	**2,685.66**
Total Energy Requirement	MU	**m=e+i+l**	**3,211.82**	**3,293.62**

5.4.12 The Petitioner requested the Commission to acknowledge the strenuous efforts in bringing down the Distribution Losses to a level below the Target set by the Commission. The Petitioner also requested to retain the additional revenue generated from the reduction in Distribution Losses beyond the specified target as efficiency gains in True-up ARR for FY 2022-23 as given below:

Table 5-17: COMPUTATION OF EFFICIENCY GAIN ON LOSS REDUCTION AS SUBMITTED BY THE PETITIONER

Sl. No.	Particulars	U.O.M	Ref.	Actual
1	Energy Imported	MU	a	3,107.61
2	Energy available for sale assuming 7.70% Dist. Losses	MU	b=a*92.3%	2,868.32
3	Actual energy sold	MU	c	2,870.43
4	Additional energy available for sale due to reduction in Dist. Loss	MU	d=c-b	2.11
5	Revenue from total energy sold	Rs. Cr.	e	2,207.78
6	Average realization from energy sold	Rs. /kWh	f=e*10/c	7.69
7	Additional revenue due to lesser T & D Losses	Rs. /kWh	g=d*f/10	1.63
8	**Efficiency Gains earned**	**Rs. Cr.**	**h=g**	**1.63**

Commission's Analysis

5.4.13 The Commission observes that the Energy Drawl at the Distribution Periphery and

Intra-State Transmission losses claimed by the Petitioner for FY 2022-23 do not match with the Monthly Energy Account submitted by UPPTCL. A statement showing the comparative of both is shown in the Table below:

TABLE 5-18: COMPARATIVE OF ENERGY DRAWL AT NPCL (MU) (FY 2022-23)

Particulars	Ref.	UPPTCL	NPCL	Variance
Actual Drawl at NPCL Bus	**a**	**3,109.86**	**3,114.40**	**(4.55)**
Less: Open Access Consumer's Drawl	b	13.93	13.89	0.04
Net Drawl at NPCL Bus	**c=a-b**	**3,095.93**	**3,100.51**	**(4.59)**
Add: Energy Drawn within NPCL Bus	d	7.09	7.09	-
Total Energy Drawn at NPCL	**e=c+d**	**3,103.02**	**3,107.61**	**(4.59)**

5.4.14 The Commission sought justification and reconciliation of the energy statement from the Petitioner. The Petitioner, in its reply, submitted that the quantum of energy drawn as per the Audited Accounts and that verified by the Energy auditor varies from the quantum as per UPSLDC by 4.50 MU.

5.4.15 The Petitioner further submitted that the bills raised by UPSLDC are more often erroneous and prone to revision multiple times. During FY 2022-23, UPSLDC has revised its bills not less than 4 times and despite so many revisions, bills still need to be corrected in respect of accounting of scheduled energy by NPCL/ Open Access consumers as well as meter data of their feeders. UPSLDC has been revising its bills even in the past e.g. during FY 2015-16 to FY 2021-22, UPSLDC revised its bills more than 45 times including revisions for multiple weeks of preceding periods. In view of the same, the Petitioner has relied on the Regional Energy Account (REA) published by NRLDC which is more accurate and stable for accounting of DSM Charges.

5.4.16 Accordingly, the Petitioner reconciles the Energy Scheduled with data of the implemented schedule published by NRLDC and finalises its statutory accounts. The Power so scheduled is further reduced by the intra-state transmission losses as approved by the Commission from time to time to arrive at energy delivered at NPCL Bus. The Energy Accounting of the Petitioner is duly audited and also vetted by the Accredited Energy Auditor as per Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations, 2021. The energy audit report for FY 2022-23 has already been provided by the Petitioner. The Petitioner requested the Commission to consider the Energy drawl and DSM charges as per the Audited Accounts of the Petitioner.

5.4.17 The Commission has considered the total energy drawal of 3107.61 MU based on the Regional Energy Account (REA) published by NRLDC and also vetted by the Accredited Energy Auditor as per Bureau of Energy Efficiency.

5.4.18 The Commission finds that the actual distribution loss as claimed by the Petitioner is inclusive of the captive consumption consumed at different locations.

5.4.19 The Commission observes that the actual Distribution Losses claimed by the Petitioner is lower than the distribution losses approved in the Business Plan Order. Thus, for the purpose of truing up the distribution losses, the Commission has considered the distribution losses claimed by the Petitioner. The approved energy balance is shown in the Table below:

TABLE 5-19: APPROVED ENERGY BALANCE FOR FY 2022-23

Particulars	Unit	Approved vide T.O. 20.07.2022	Claimed in Petition	Approved Upon Truing Up
Energy Sales (MU)	MU	2,780.19	2,870.43	2,870.43
Distribution Loss %	%	7.70%	7.63%	7.63%
Distribution Loss	MU	231.93	237.17	237.17
Energy Requirement at NPCL Periphery	**MU**	**3,012.12**	**3,107.61**	**3,107.61**
Energy purchase from Sources connected to NPCL network	MU	-	437.36	431.82*
Energy available at NPCL Periphery	MU	3,012.12	**2,670.25**	**2,675.78**
Intra State Losses	%	3.27%	3.27%	3.27%
Energy Available at network connected at Intra-State Network (UPPTCL)	MU	**3,113.89**	**2,760.53**	**2,766.24**
Energy from the sources connected at UPPTCL network	MU	-	170.58	170.58
Balance Energy requirement from sources outside the State Periphery	MU	**3,113.89**	**2,589.95**	**2,595.66**
Inter-State Losses	%	3.05%	3.56%	3.56%
Energy Purchase at network connected @ Inter-State Network (Ex-bus/PGCIL)	MU	-	2,685.68	2,691.59
Total Power Procurement from all sources	**MU**	**3,211.82**	**3,293.62**	**3,293.62**

Table 5-20: ENERGY PURCHASE FROM SOURCES CONNECTED AT NPCL NETWORK (MU)

Particulars	Claimed	Approved
APPCPL- Govt. of AP (Hydro)	167.80	167.80
APPCPL- Govt. of Nagaland (Hydro)	84.07	84.07
TPTCL- Govt of Himachal Pradesh (Hydro)	158.02	158.02
APPCPL- Goodwill, HP (Hydro)	4.98	4.98
GNIDA (Solar)	1.08	1.08
APPCPL (Solar)	0.31	0.31
NPCL (Solar)	0.01	0.01
Net Metering	5.69	0.15*
DSM/UI	15.40	15.40
Energy purchase from sources connected at NPCL network	**437.36**	**431.82**

**The Petitioner has treated monthly net injection by Rooftop consumers as power purchase. As per UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019, these units (except balance units at the end of March of the financial year-0.15 MU for FY 2022-23 as submitted by the Petitioner, which are adjusted in the bills at the Rate of Rs.2/Unit) should have been adjusted with export units of next month. The Commission has treated 5.54 MU (5.69-0.15) as deemed purchase from G-DAM segment of Power Exchange.*

5.4.20 Intrastate transmission loss has been reported as 3.30% for FY 2022-23 as per data submitted by UPPTCL in its Petition for ARR/Tariff for FY 2024-25. In the energy balance tables submitted by all the Discoms in the State, they have considered Intrastate transmission losses as 3.27% as the power scheduled has also been considered at these losses. The same has been considered by the Commission while truing up of the Discoms for FY 2022-23.

5.4.21 The Petitioner is directed to make the submission as per the above format for the purpose of all future filings in Energy Balance.

5.4.22 Further, the Petitioner's claim of Rs. 1.63 Cr. towards efficiency gain on loss reduction is disallowed as there are no provisions for sharing of efficiency gains in MYT Distribution Regulations 2019.

5.5 POWER PURCHASE

Petitioner's submission

5.5.1 The Petitioner has procured 3107.61 MU in FY 2022-23 to meet the demand of the consumers. The Petitioner submitted source-wise details of the actual power purchase cost in the subsequent paragraphs.

Power Procurement from LTPPA

5.5.2 The Petitioner has submitted that during FY 2022-23, it procured the majority of its power requirement from duly approved LTPPA with Dhariwal Infrastructure Limited (Genco) for the supply of 187 MW power.

5.5.3 The Petitioner has submitted that Genco's plant availability during the year was 96.35% and based on the consumer's load profile and demand in its license area, the Petitioner has drawn 1,370.12 MU at Ex-Generation Bus and 1,278.01 MU at NPCL Bus.

5.5.4 The Commission vide its Tariff Order dated September 21, 2022, in Genco's MYT Petition No. 1531 of 2019 has determined the tariff for the control period starting from FY 2019-20 to FY 2023-24 in accordance with UPERC Generation Tariff Regulations 2019 wherein for FY 2022-23 it has approved the Fixed Cost @ Rs. 1.772/unit and Energy Cost @ Rs. 2.471/unit.

5.5.5 Accordingly, the Petitioner has claimed the cost for the power procured during FY 2022-23 under LTPPA on the basis of rates approved by the Commission vide Tariff Order dated September 21, 2022. The same is summarised below:

TABLE 5-21: LONG-TERM POWER FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sl.No	Description	UoM	Actual
1	Contracted Quantum at ex-Genco Bus	MW	170
2	No. of Days	-	365
3	Hours	-	24
4	Normative Availability	%	85.00%
5	***Units at Normative Availability***	***MU***	***1265.82***
6	Plant Availability	%	96.35%
7	Actual Utilisation	%	92.00%
8	***Units at Ex-Bus***	MU	1,370.12
9	Inter-State Losses	%	3.57%
10	***Units at UP Periphery***	***MU***	***1,321.22***
11	Intra-State Losses	%	3.27%
12	***Units at NPCL***	***MU***	***1,278.01***
13	Fixed Cost @ *Rs. 1.772 /unit*	Rs. Cr.	224.30
14	Variable Cost @ *Rs. 2.471 /unit*	Rs. Cr.	338.55
15	Rebate on Fixed & Variable Charges	Rs. Cr.	(15.03)
16	Inter-State Trans. Charges	Rs. Cr.	96.18
17	Intra-State Trans. Charges	Rs. Cr.	31.53
18	Rebate on Fixed & Variable Charges	Rs. Cr.	(1.70)

Sl.No	Description	UoM	Actual
19	***Total Cost***	***Rs. Cr.***	***673.84***

5.5.6 The Petitioner has submitted that full Fixed Charges have been paid on the basis of plant availability being more than the normative value of 85% as per Regulation-24 (a) & 26(i) of UPERC's Generation Tariff Regulations, 2019.

5.5.7 The Petitioner has submitted that the above provision is also in sync with the terms of the Long Term PPA which is duly approved by the Commission vide its Order dated April 20, 2016. The relevant extract of the mentioned PPA is reproduced below:

Quote

Article 7.3.9 (a)

………The recovery of full Fixed Charge (Capacity Charge) will be allowed at Target Availability as per UPERC Regulations. Recovery of Fixed Charge below the level of Target Availability shall be on pro rata basis. ….

Unquote

5.5.8 The Petitioner has submitted that since actual plant availability during the year was 96.35%, it raised the bills for full fixed cost @ 85% and the same has been duly considered in the Accounting Statement for FY 2022-23.

5.5.9 The Petitioner further submitted that the Commission, in Regulation 35 of UPERC MYT Generation Tariff Regulations 2019, approved the payment of incentive to Genco for energy made available to the Discom more than 85% normative availability.

5.5.10 Accordingly, the Petitioner has submitted that based on the aforesaid Regulations, Genco has also billed incentives as the dispatched power based on actual drawl was 92% being 7% higher than normative availability. The summary of incentive as claimed by Genco and paid by the Petitioner is shown in the Table below:

TABLE 5-22: INCENTIVE FOR GENCO (FY 2022-23) AS SUBMITTED BY THE PETITIONER

Seller	Contracted Units (MU)	85% of Contracted Capacity (MU)	Despatched Units (MU)	Incentive Units (MU)	Incentive Rate (Rs./kWh)	Gross Amount (Rs. Cr.)
	a	b=a*85%	c	d=c-b	e	f=d*e
Genco	1,489.20	1,265.82	1370.12	104.30	0.65	6.79

5.5.11 The Petitioner has submitted that the Commission, in its MYT Generation Tariff Order dated September 21, 2022, approved the Fixed Charges at Rs. 1.772/kWh and Energy Charges at Rs.2.471/kWh at ex-bus excluding the inter-state and intra-state transmission charges and losses.

5.5.12 Accordingly, the inter-state transmission charges & losses of PGCIL and intra-state transmission charges & losses of UPPTCL have been paid on the actual basis.

5.5.13 The Petitioner mentioned that the variance in approved power is uncontrollable in nature as the same has been incurred in accordance with the terms of approved PPAs, which is in line with Regulation 8.1 (d) of MYT Regulations, 2019.

5.5.14 The Petitioner also submitted that apart from the fixed cost and Incentives, the Genco also raised bills towards the following components of the tariff:

a. Bills of Rs. 74.74 Cr towards additional coal for FY 2022-23 in line with the Order dated May 6, 2020, in Petition No. 1438 of 2019.

b. Bills of Rs. 5.36 Cr. towards Change in Law for FY 2022-23 in line with Order dated May 29, 2020, in Petition No. 1440 of 2019.

c. Bills of Rs. 1.79 Cr towards CG Environment Cess and Development Cess along with Carrying Cost for FY 2019-20 to FY 2021-22 approved vide Order dated Aug 2, 2022

5.5.15 The Petitioner has considered all the above-referred costs in its Accounting Statements and has also claimed the same in its instant True-up Petition summarized below:

TABLE 5-23: LONG-TERM POWER PURCHASE COST AS SUBMITTED BY THE PETITIONER

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Transmission Charges (Rs. Cr.)	Total Rebate (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
Long-Term Power from Genco	1,278.01	224.30	338.56	127.71	(16.73)	673.84	5.27
Incentive		6.79	-	-	(0.14)	6.64	
Additional Coal (FY 2022-23)	-	-	74.74	-	(1.49)	73.25	
Change in Law (FY 2022-23)	-	-	5.36	-	(0.11)	5.25	
CG Env. & Dev. CESS with Carrying Cost			1.79	-	(0.04)	1.76	

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Transmission Charges (Rs. Cr.)	Total Rebate (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
Total	**1,278.01**	**231.09**	**420.45**	**127.71**	**(18.50)**	**760.74**	**5.95**

5.5.16 The Petitioner has submitted that the above expenses have been incurred in compliance with the relevant Regulations, Orders and provisions of the approved PPA and requested to approve the same.

5.5.17 The Petitioner further submitted that the Genco has filed a few more petitions before the Commission and the same are pending for disposal. The details of the same are as follows:

i. Petition No. 1651/2020 for approval of capital expenditure on account of the installation of FGD system as a 'Change in Law' event.

ii. Petition No. 1830/2022 for seeking approval of capital expenditure on account of the installation of the DE-NOx system as a 'Change in Law' event.

iii. Petition No. 2004/2023 for truing-up of the 'Change in Law' claims of FY 2022-23

iv. Petition No. 2005/2023 for Prudence Check and use of Additional Coal in FY 2022-23

5.5.18 The Petitioner has submitted that any impact on the power purchase cost pursuant to the orders of the Commission in the above petitions would be consequently claimed by the Petitioner in the ARR / APR/ Truing-up petitions as the case may be.

Impact of GENCO's Tariff Orders and Other Orders approving impact of Change in Law and Additional Coal

5.5.19 The Petitioner has submitted that the Commission approved the LTPPA vide its order dated April 20, 2016, wherein it approved a levelized Tariff @ Rs. 4.79/unit comprising Fixed Cost, Energy Charges and Inter-state transmission charges and losses for a period of 25 years.

5.5.20 The Commission vide the aforesaid order also approved the Genco to raise invoices as per approved Escalation Indices as referred below:

Quote

……… Similarly, the component of variable charge also requires to be as per the

*commitment of levelized tariff of Rs. 4.79/kwh for the period of 25 years **except for the variation due to CERC escalation rates, over and above the escalation rates taken in calculation of levelized tariff of Rs. 4.79/kwh, which would be additionally allowed in variable charge.***

Unquote

5.5.21 The Petitioner has submitted that subsequent to approval of LTPPA and grant of LTOA by PGCIL and UPPTCL, the Petitioner started receiving power under the LTPPA w.e.f. November 2016 and the Genco billed for the power supplied during FY 2019-20 and FY 2020-21 and the Petitioner claimed the same in its ARR True-up Petitions after netting off the rebate availed by it on prompt payment. However, as per Petitioner's claim, and out of the total amount billed by the GENCO, Commission has duly approved a certain amount in NPCL's Truing up Orders dated August 26, 2021, and July 20, 2022, as summarized in below Table:

TABLE 5-24: LTPPA BILLS AND CLAIM FOR FY 2019-20 AND FY 2020-21 (RS. CR.) AS SUBMITTED BY THE PETITIONER

Particulars	Ref.	FY 2019-20			FY 2020-21			Total		
		Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total
Amount Billed by Genco	A	292.14	237.36	**529.50**	370.26	236.71	**606.97**	662.40	474.07	**1,136.47**
Less: Rebate	B	3.47	3.56	**7.03**	1.32	3.55	**4.87**	4.79	7.11	**11.90**
Net Amount Claimed in NPCL True-up ARR	**C=A-B**	**288.67**	**233.80**	**522.47**	**368.94**	**233.16**	**602.10**	**657.61**	**466.95**	**1,124.56**
Amount approved in NPCL True-up Orders based on Genco's Order dt. 05.02.2019	D	195.41	206.26	**401.67**	233.16	254.80	**487.96**	428.57	461.06	**889.63**
Remaining Amount Billed by Genco but not approved in NPCL True-up Orders	**E=C-D**	**93.26**	**27.53**	**120.80**	**135.78**	**(21.64)**	**114.14**	**229.04**	**5.89**	**234.93**

5.5.22 The Petitioner has submitted that the Commission disallowed the amount claimed to the extent of Rs. 234.93 Cr as shown above while truing up Petitioner's ARR for FY 2019-20 and FY 2020-21 due to pending disposal of Genco's MYT Petition No. 1531 of 2019.

5.5.23 The Petitioner further submitted that the Commission during FY 2022-23 vide its

Tariff Order dated September 21, 2022, in Genco's MYT Petition No. 1531 of 2019 has determined the tariff for the control period starting from FY 2019-20 to FY 2023-24 in accordance with UPERC Generation Tariff Regulations 2019 wherein it has approved the Fixed Cost @ Rs. 1.891/unit and Energy Cost @ Rs. 2.471/unit for FY 2019-20 and Fixed Cost @ Rs. 1.854/unit and Energy Cost @ Rs. 2.471/unit for FY 2020-21. Further, the Commission has approved the above tariffs after passing of FY 2019-20 and FY 2020-21 the impact of the revised tariff for FY 2019-20 to FY 2020-21 pursuant to the aforesaid Genco's Tariff Order dated September 21, 2022, is being claimed in this True-up ARR for FY 2022-23.

5.5.24 The Petitioner has submitted the power purchase cost for FY 2019-20 and FY 2020-21 payable to Genco and the same is as summarised in the Table below:

TABLE 5-25: TARIFF PAYABLE TO GENCO VIDE ORDER DT. 21.09.2022 AS SUBMITTED BY THE PETITIONER

Period	Energy Supply	Energy Chg. Rate	Energy Charges	Fixed Chg. Rate	Fixed Charges	Total Cost
	MU	Rs. / kWh	Rs. Cr.	Rs. / kWh	Rs. Cr.	Rs. Cr.
FY 2019-20						
Apr-19	104.22	2.47	25.75	1.89	20.00	**45.75**
May-19	98.35	2.47	24.30	1.89	20.00	**44.30**
Jun-19	104.24	2.47	25.76	1.89	20.00	**45.76**
Jul-19	95.77	2.47	23.66	1.89	20.00	**43.67**
Aug-19	98.50	2.47	24.34	1.89	20.00	**44.34**
Sep-19	94.76	2.47	23.41	1.89	20.00	**43.42**
Oct-19	109.80	2.47	27.13	1.89	20.00	**47.13**
Nov-19	44.74	2.47	11.05	1.89	20.00	**31.06**
Dec-19	94.78	2.47	23.42	1.89	20.00	**43.42**
Jan-20	110.74	2.47	27.36	1.89	20.00	**47.37**
Feb-20	97.09	2.47	23.99	1.89	20.00	**43.99**
Mar-20	77.49	2.47	19.15	1.89	20.00	**39.15**
Total	**1,130.46**	**2.47**	**279.34**	**1.89**	**240.02**	**519.36**
FY 2020-21						
Apr-20	55.16	2.47	13.63	1.85	19.56	**33.19**
May-20	93.67	2.47	23.15	1.85	19.56	**42.70**
Jun-20	105.76	2.47	26.13	1.85	19.56	**45.69**
Jul-20	111.59	2.47	27.57	1.85	19.56	**47.13**
Aug-20	112.01	2.47	27.68	1.85	19.56	**47.24**
Sep-20	117.31	2.47	28.99	1.85	19.56	**48.54**
Oct-20	121.24	2.47	29.96	1.85	19.56	**49.51**

Period	Energy Supply	Energy Chg. Rate	Energy Charges	Fixed Chg. Rate	Fixed Charges	Total Cost
	MU	Rs. / kWh	Rs. Cr.	Rs. / kWh	Rs. Cr.	Rs. Cr.
Nov-20	111.80	2.47	27.63	1.85	19.56	**47.18**
Dec-20	125.02	2.47	30.89	1.85	19.56	**50.45**
Jan-21	124.98	2.47	30.88	1.85	19.56	**50.44**
Feb-21	113.12	2.47	27.95	1.85	19.56	**47.51**
Mar-21	109.03	2.47	26.94	1.85	19.56	**46.50**
Total	**1,300.69**	**2.47**	**321.40**	**1.85**	**234.68**	**556.08**

5.5.25 In view of the above order, the Petitioner has requested the Commission to give effect to the GENCO's Tariff Order dated September 21, 2022, and allow the arrears along with carrying cost for FY 2019-20 and FY 2020-21. The Summary of amounts billed, claimed and approved in NPCL Truing-up and Genco's Truing-up is provided in the Table below:

TABLE 5-26: SUMMARY OF BILLED AND APPROVED LONG TERM POWER COST (Rs. Cr.) AS SUBMITTED BY THE PETITIONER

Particulars	Ref.	FY 2019-20			FY 2020-21			Total		
		Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total
Amount Billed by Genco	A	292.14	237.36	**529.50**	370.26	236.71	**606.97**	662.40	474.07	**1,136.47**
Less: Rebate	B	3.47	3.56	**7.03**	1.32	3.55	**4.87**	4.79	7.11	**11.90**
Net Amount Claimed in NPCL True-up ARR	**C=A-B**	**288.67**	**233.80**	**522.47**	**368.94**	**233.16**	**602.10**	**657.61**	**466.95**	**1,124.56**
Amount approved in NPCL True-up Orders based on Genco's Order dt. 05.02.2019	D	195.41	206.26	**401.67**	233.16	254.80	**487.96**	428.57	461.06	**889.63**
Remaining Amount Billed by Genco but not approved in NPCL True-up Orders	**E=C-D**	**93.26**	**27.53**	**120.80**	**135.78**	**(21.64)**	**114.14**	**229.04**	**5.89**	**234.93**
Amount payable as per Genco Order dt. 21.09.2022	F	279.34	240.02	**519.36**	321.40	234.68	**556.08**	600.74	474.71	**1,075.44**
Less: Rebate	G=B	3.47	3.56	**7.03**	1.32	3.55	**4.87**	4.79	7.11	**11.90**
Net Amount payable as per Genco Order dt. 21.09.2022	**H=F-G**	**275.86**	**236.46**	**512.33**	**320.08**	**231.13**	**551.21**	**595.94**	**467.59**	**1,063.54**
Amount to be allowed in NPCL True-up based on Genco's Order dt.	**I=H-D**	**80.46**	**30.20**	**110.66**	**86.92**	**(23.67)**	**63.25**	**167.38**	**6.53**	**173.91***

Particulars	Ref.	FY 2019-20			FY 2020-21			Total		
		Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total	Energy Charge	Fixed Charge	Total
21.09.2022										

**The Petitioner has revised the amount of 173.91 Cr to Rs. 145.56 Cr due to Inadvertent linking error vide letter dated 01.07.2024.*

5.5.26 Accordingly, the Petitioner has requested to approve the impact of Rs. 173.91 Cr arising from the Tariff Order dated September 21, 2022, of Genco in True-up ARR of the Petitioner for FY 2022-23 against Rs. 234.93 Cr disallowed in earlier Truing-up Orders.

5.5.27 Further, since as per the Commission's order for Genco dated September 21, 2022, the Petitioner has incurred the aforesaid amount of Rs. 173.91 Cr to GENCO for FY 2019-20 and FY 2020-21, the Petitioner requested the Commission to approve the carrying cost thereon as computed in the Table below:

TABLE 5-27: CARRYING COST ON GENCO'S ARREAR SUBMITTED BY THE PETITIONER (Rs. Cr.)

Particulars	FY 2019-20	FY 2020-21	Total
Amount yet to be allowed in NPCL True-up based on Genco's Order dt. 21.09.2022	**110.66**	**63.25**	**173.91#**
Carrying Cost for FY 2019-20 @ 14.46%	8.00	-	8.00
Carrying Cost for FY 2020-21 @ 9.57%	10.59	3.03	13.62
Carrying Cost for FY 2021-22 @ 10.20%	11.29	6.45	17.74
Total Carrying Cost	**29.88**	**9.48**	**39.36**

#The Petitioner in its reply to 3rd deficiency submitted that due to an inadvertent linking error in MS/ Excel file the arrear claim was determined as Rs. 173.91 Cr. during the preparation of True-up Petition for FY 2022-23 as against the correct arrear amount of Rs. 145.56 Cr.

5.5.28 The Petitioner has submitted that apart from the above-referred Order dated September 21, 2022, the Commission also approved various costs with respect to Additional Coal and Change in Law for earlier years vide following orders in the Petitions filed by Genco:

a. Order dated 8th Jun'22 in Petition No. 1630 of 2020 for true-up of Additional Coal Charges of Rs. 7.24 Cr. for FY 2019-20 after prudence check

b. Order dated 20th Mar'23 in Petition No. 1794 of 2020 for true-up of Additional Coal Charges of Rs. 0.41 Cr. for FY 2020-21 after prudence check

c. Order dated 13th Jun'23 in Petition No. 1873 of 2022 for true-up of Additional Coal Charges of recoverable of Rs. 7.03 Cr. for FY 2021-22 after prudence check

d. Order dated 28th Jun'22 in Petition No. 1654 of 2020 for true-up l of Change in Law Charges of Rs. 3.66 Cr. for FY 2019-20 after prudence check

e. Order dated 12th May'23 in Petition No. 1798 of 2021 for true-up of Change in Law Charges of Rs. 4.86 Cr. for FY 2020-21 after prudence check

f. Order dated 13th Jun'23 in Petition No. 1879 of 2022 for true-up of Change in Law Charges of Rs. 5.12 Cr. for FY 2021-22 after prudence check

5.5.29 The Petitioner has submitted that the Commission in its Order dated May 6, 2020, for Additional Coal and Order dated May 29, 2020, for Changes in Law had allowed Genco to bill and recover Additional Coal (up to 90%) and Change in Law charges from the Petitioner on a provisional basis. Accordingly, the Petitioner made payment of provisional bills for Additional Coal and Change in Law and claimed these charges in its ARR for True-up, however, the Commission did not approve the same stating that the same would be allowed after it is trued-up in Genco's petitions.

5.5.30 The Petitioner has submitted that, since it had claimed aforesaid charges as billed by Genco in respective years but the same were not approved by the Commission in NPCL's True-up Orders and as now, the Commission has trued-up the aforesaid charges in Genco's Petition, the Petitioner further requested the Commission to approve these charges along-with the carrying cost for the period till FY 2021-22 as summarised in the Table below:

TABLE 5-28: SUMMARY OF CARRYING COST ON ADDNL. COAL & CHANGE IN LAW CHARGES AS SUBMITTED BY THE PETITIONER (Rs. Cr)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	Total
RoI for Carrying Cost as per prevailing Distribution Tariff Regulations	14.46%	9.57%	10.20%	
Approved Additional Coal Charges	**7.24**	**0.41**	**(7.03)**	**0.62**
Carry. Cost on Addnl. Coal Chg. for FY-20	1.05	-		1.05
Carry. Cost on Addnl. Coal Chg. for FY-21	0.69	0.04	-	0.73
Carry. Cost on Addnl. Coal Chg. for FY-22	0.74	0.04	(0.72)	0.06
Subtotal	**2.48**	**0.08**	**(0.72)**	**1.84**
Approved Change in Law Charges	**3.66**	**4.86**	**5.12**	**13.64**
Carry. Cost on Change in Law Chg. for FY-20	0.53	-		0.53
Carry. Cost on Change in Law Chg. for FY-21	0.35	0.47	-	0.82
Carry. Cost on Change in Law Chg. for FY-22	0.37	0.50	0.52	1.39
Subtotal	**1.25**	**0.96**	**0.52**	**2.73**
Total Carrying Cost on Addnl. Coal & Change in Law Charges	**3.73**	**1.04**	**(0.19)**	**4.58**

5.5.31 Accordingly, the Petitioner requested to allow the aforesaid claims for Additional Coal and Change in Law along with Carrying cost as summarised in the Table below:

TABLE 5-29: SUMMARY OF GENCO'S APPROVED CHARGES WITH CARRYING COST (Rs. Cr.) AS SUBMITTED BY THE PETITIONER

Particulars	Approved Amount	Carrying Cost till FY-22	Total
	A	B	C=A+B
Addnl. Coal Chg. for FY-20 vide Order dt. 08.06.22	7.24	2.48	**9.72**
Addnl. Coal Chg. for FY-21 vide Order dt. 20.03.23	0.41	0.08	**0.49**
Addnl. Coal Chg. for FY-22 vide Order dt. 13.06.23	(7.03)	(0.72)	**(7.75)**
Change in Law Chg. for FY-20 vide Order dt. 28.06.22	3.66	1.25	**4.91**
Change in Law Chg. for FY-21 vide Order dt.12.05.23	4.86	0.96	**5.82**
Change in Law Chg. for FY-22 vide Order dt. 13.06.23	5.12	0.52	**5.64**
Total	**14.26**	**4.58**	**18.83**

5.5.32 The Petitioner has submitted the summary of the impact of Genco's Order as claimed in True-up ARR for FY 2022-23 as follows in Table:

TABLE 5-30: SUMMARY OF THE IMPACT OF GENCO'S ORDERS AS SUBMITTED BY THE PETITIONER

Particulars	Amount (Rs. Cr)
Arrear against Tariff approved for Genco vide Order dt. 21.09.2022	173.91#
Carrying Cost on above arrear	39.36
Additional Coal Charges for FY-20 to FY-22	0.62
Carrying Cost on Additional Coal Charges	1.84
Change in Law Charges for FY-20 to FY-22	13.64
Carrying Cost on Change in Law Charges	2.73
Total	**232.10**

#The Petitioner in its reply to 3rd deficiency submitted that due to an inadvertent linking error in MS/ Excel file the arrear claim was determined as Rs. 173.91 Cr. during the preparation of True-up Petition for FY 2022-23 as against the correct arrear amount of Rs. 145.56 Cr.

5.5.33 The Petitioner has requested that the above expenses have been incurred in compliance with the relevant Regulations, Orders of the Commission and provisions of the approved PPA and the same may be allowed.

Power Purchase from Medium-Term Sources:

5.5.34 The Petitioner has submitted that it has tied up following Medium Term Power through Competitive Bidding on the DEEP Portal in accordance with the Guidelines of Central Government as given in the Table below:

TABLE 5-31: MEDIUM TERM PPAs DATED 23.01.2020 AS SUBMITTED BY THE PETITIONER

Seller	Capacity	Duration	Period	Composite Tariff at NPCL (Rs./kWh)	Nature
APPCPL (DoP, GoAP)	50 MW	RTC	Apr-Sep	5.46*	Large Hydro
	25MW	4 Hrs	Oct-Nov		
	25MW	2 Hrs	Dec-Mar		
APPCPL (DoP, GoN)	25 MW	RTC	Apr-Sep		
	25MW	4 Hrs	Oct-Nov		
	25MW	2 Hrs	Dec-Mar		

*Note: Composite tariff of APPCPL (DoP, GoAP) comprises cost of fixed and variable charges of Rs. 2.09 per kWh, Cost of Transmission Charges of Rs. 1.00 per kWh and cost of Transmission Losses of Rs. 0.28 per kWh while Composite tariff of APPCPL (DoP, GoN) comprises cost of fixed and variable charges of Rs. 2.085 per kWh, cost of Transmission Charges of Rs. 0.99 per kWh and cost of Transmission losses of Rs. 0.30 per kWh.

TABLE 5-32: MEDIUM TERM PPAs DATED 23.01.2020 AS SUBMITTED BY THE PETITIONER

Seller	Capacity	Duration	Period	Composite Tariff at NPCL (Rs./kWh)	Nature
TPTCL (GoHP, H.P.)	45 MW	RTC	May-Sep	4.43*	Large Hydro
APPCPL (GEL, H.P.)	15 MW	RTC	May-Sep		

*Note: Composite tariff of TPTCL (GoHP) comprises cost of fixed and variable charges of Rs. 1.661 per kWh, cost of Transmission Charges of Rs. 0.7978 per kWh and cost of Transmission Losses of Rs. 0.31 per kWh while Composite tariff of APPCPL (GEL) comprises cost of fixed and variable charges of Rs. 1.695 per kWh, cost of Transmission Charges of Rs. 0.79 per kWh and cost of Transmission losses of Rs. 0.25 per kWh.

5.5.35 The Petitioner has submitted that the tariff discovered through bidding shown in the above Table i.e. Rs. 5.46 per unit landed at NPCL Periphery based on then prevailing transmission charges and losses, was duly approved by the Commission vide Order February 28, 2020, along with respective medium-term power purchase agreements. Similarly, the tariff discovered through bidding shown in the above Table i.e. Rs. 4.43 per unit landed at NPCL Periphery was also based on the then prevailing transmission charges and losses in terms of the bid documents. The above tariff along with the PPAs dated December 30, 2020, and December 31, 2020, were duly approved by the Commission vide Order dated May 10, 2021.

5.5.36 The Petitioner has submitted that for transmission charges and losses, components of the tariffs quoted by APPCPL and TPTCL were based on the prevailing transmission charges and losses, however, the same has to be paid on actuals in accordance with Articles 5.5 and 5.6 of the above-approved PPAs dated January 23, 2020, December 30, 2020, and December 31, 2020. The relevant extract of the MTPPA is reproduced below:

Quote

5.5 Obligations relating to transmission charges

The Supplier shall be liable for payment of all charges, due and payable under Applicable Laws, for inter-state and intra-state transmission of electricity from the Point of Grid Connection to the Delivery Point. For the avoidance of doubt, the Parties expressly agree that inter-state and intra-state transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any failure of inter-state and intra-state transmission shall, subject to the provisions of Clause 11.4.4, be borne by the Supplier. ***The Parties further agree that the obligation of the Supplier to pay the regulated charges for transmission of electricity shall be restricted to the tariffs and rates applicable on the Bid Date for and in respect of the Contracted Capacity and any differential arising from revision of the regulated tariffs and rates thereafter shall be payable or recoverable, as the case may be, by the Utility…***

….

5.6 Obligations relating to transmission losses

5.6.1 The Supplier shall be liable for the transmission losses in all inter-state and intra- state transmission of electricity from the Point of Grid Connection to the Delivery Point. For the avoidance of doubt, the Parties expressly agree that transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any transmission losses on inter-state and intra-state transmission lines shall be borne by the Supplier. ***The Parties further agree that the obligation of the Supplier to bear the transmission losses shall be restricted to the level of losses determined by the Central Commission as on the Bid Date for this Project and any differential (higher or lower) arising from revision in the level of losses thereafter by the Central Commission shall be borne by the Utility…….***

Unquote

5.5.37 Accordingly, the Petitioner has submitted that based on the applicable transmission charges and losses for Inter-State and Intra-State Transmission Utilities, the Petitioner procured 414.86 MU power in aggregate through the above sources at the landed cost of Rs 4.44/kWh at NPCL Periphery as summarized in below Tables:

TABLE 5-33: MEDIUM TERM POWER PURCHASE COST FROM GOVT. of AP FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sl. No.	Description	UoM	Actual
1	Contracted Quantum at NPCL		
	a. Apr-Sep	*MW*	*50*
	b. Oct-Nov	*MW*	*25*
	c. Dec-Mar	*MW*	*25*
2	No of Days	-	
	a. Apr-Sep	*Days*	*183*
	b. Oct-Nov	*Days*	*61*
	c. Dec-Mar	*Days*	*121*
3	Hours	-	
	a. 00 to 24 hrs from Apr-Sep	*Hrs*	24
	b. 18 to 22 hrs from Oct-Nov	*Hrs*	4
	c. 18 to 20 hrs from Dec-Mar	*Hrs*	2
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	***196.99***
6	***Declared Availability***	***%***	***72%***
7	Utilisation of Capacity	%	72%
8	***Units at Ex-Bus***	***MU***	***167.80***
9	Inter-State Losses	%	N.A.
10	***Units at UP Periphery***	***MU***	***167.80***
11	Intra-State Losses	%	N.A.
12	***Units at NPCL***	***MU***	***167.80***
13	Fixed Cost	Rs. Cr.	36.51
14	Variable Cost	Rs. Cr.	44.49
15	Inter-State Trans. Charges	Rs. Cr.	Included in VC
16	Intra-State Trans. Charges	Rs. Cr.	Included in VC
17	***Total Cost***	***Rs. Cr.***	***81.00***

TABLE 5-34*:* MEDIUM-TERM POWER PURCHASE COST FROM GOVT. of NAGALAND FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sl. No.	Description	UoM	Actual
1	Contracted Quantum at NPCL	MW	
	a. Apr-Sep	*MW*	*25*
	b. Oct-Nov	*MW*	*25*

Sl. No.	Description	UoM	Actual
	c. Dec-Mar	*MW*	*25*
2	No of Days	-	
	a. Apr-Sep	*Days*	*183*
	b. Oct-Nov	*Days*	*61*
	c. Dec-Mar	*Days*	*121*
3	Hours	-	
	a. 00 to 24 hrs from Apr-Sep	*Hrs*	24
	b. 18 to 22 hrs from Oct-Nov	*Hrs*	4
	c. 18 to 20 hrs from Dec-Mar	*Hrs*	2
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	***103.66***
6	***Declared Availability***	***%***	***69%***
7	Actual Utilisation	%	69%
8	***Units at Ex-Bus***	***MU***	***84.07***
9	Inter-State Losses	%	N.A.
10	***Units at UP Periphery***	***MU***	***84.07***
11	Intra-State Losses	%	N.A.
12	***Units at NPCL***	***MU***	***84.07***
13	Fixed Cost	Rs.Cr.	18.10
14	Variable Cost	Rs.Cr.	22.80
15	Inter-State Trans. Charges	Rs.Cr.	Included in VC
16	Intra-State Trans. Charges	Rs.Cr.	Included in VC
17	***Total Cost***	***Rs.Cr.***	***40.89***

TABLE 5-35: MEDIUM TERM POWER PURCHASE COST FOR M/S GOODWILL FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sl. No.	Description	UoM	Actual
1	Contracted Quantum at NPCL (May-Sep)	*MW*	*15*
2	No of Days (May-Sep) *	*Days*	*153*
3	Hours	*Hrs*	24
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	***46.82***
6	***Declared Availability***	***%***	***9%***
7	Actual Utilisation	%	9%
8	***Units at Ex-Bus***	***MU***	***4.98***
9	Inter-State Losses	%	N.A.
10	***Units at UP Periphery***	***MU***	***34.37***
11	Intra-State Losses	%	N.A.
12	***Units at NPCL***	***MU***	***33.22***
13	Fixed Cost	Rs.Cr.	0.87
14	Variable Cost*	Rs.Cr.	1.12

Sl. No.	Description	UoM	Actual
15	Inter-State Trans. Charges	Rs.Cr.	Included in VC
16	Intra-State Trans. Charges	Rs.Cr.	Included in VC
17	***Total Cost***	***Rs.Cr.***	***1.99***
** Net of rebate*			

TABLE 5-36: MEDIUM-TERM POWER PURCHASE COST FOR M/S GOHP FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

S. No.	Description	UoM	Actual
1	Contracted Quantum at NPCL (May-Sep)	*MW*	*45*
2	No of Days (May-Sep) *	*Days*	*153*
3	Hours	*Hrs*	24
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	***140.45***
6	***Declared Availability***	***%***	***96%***
7	Actual Utilisation	%	96%
8	***Units at Ex-Bus***	***MU***	***158.02***
9	Inter-State Losses	%	N.A.
10	***Units at UP Periphery***	***MU***	***158.02***
11	Intra-State Losses	%	N.A.
12	***Units at NPCL***	***MU***	***158.02***
13	Fixed Cost	Rs. Cr.	24.10
14	Variable Cost*	Rs. Cr.	34.74
15	Inter-State Trans. Charges	Rs. Cr.	Included in VC
16	Intra-State Trans. Charges	Rs. Cr.	Included in VC
17	***Total Cost***	***Rs. Cr.***	***58.85***
** Net of rebate.*			

5.5.38 The Petitioner has submitted that the variance in the above-approved power is uncontrollable in nature as the same has been incurred in accordance with the terms of the approved PPA, which is in line with Regulation 8.1 (d) of MYT Regulations, 2019.

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

of fixed charges.

5.5.40 The Petitioner has submitted that based on Article 11.6.1 of the approved PPA, M/s TPTCL (Source: GoHP) has claimed incentives of Rs. 1.51 Cr for FY 2022-23 as the dispatched power towards the availability was 95.63%. Accordingly, the amount has been paid by the Petitioner as shown in the Table below:

TABLE 5-37: INCENTIVE CLAIMED BY THE PETITIONER FOR M/S TPTCL (GoHP) FOR FY 2022-23

Sellers	Contracted Units at NPCL (MU)	85% of Contracted Capacity (MU)	Despatched Units at NPCL (MU)	Incentive Units (MU)	Fixed Charge (Rs./kWh)	Incentive @ 50% of Fixed Charge (Rs./kWh)	Amount (Rs. Cr.)
TPTCL-GoHP	165.25	140.45	158.02	17.56	1.716	0.858	1.51

5.5.41 The Petitioner further has submitted that based on Article 11.6.2, M/s APPCPL (Source: GoAP, GoN, Goodwill HP), it has claimed damages of Rs. 1.51 Cr for FY 2022-23 as the dispatched power towards their availability was below 85%. Since the invoices for these damages were raised after the end of FY 2022-23 in accordance with the terms of PPA, the same has been accounted for in the books of accounts of the Petitioner in FY 2023-24. However, as the damage claimed pertains to the power supplied during FY 2022-23, the same is being considered and reduced from the power purchase cost for the True-up ARR of FY 2022-23. The Petitioner has mentioned that it would make necessary suitable adjustments for this purpose in its True-up Petition for FY 2023-24. The summary of Damages claimed from suppliers in terms of the MTPPA is provided below:

TABLE 5-38: DAMAGES CLAIMED BY THE PETITIONER FOR M/S APPCPL FOR FY 2022-23

Sellers	Contracted Units at NPCL (MU)	85% of Contracted Capacity (MU)	Despatched Units at NPCL (MU)	Damage Units (MU)	Fixed Charges (Rs./kWh)	Damage Rate (Rs./kWh)	Damage Amount (Rs. Cr.)
APPCPL (GoAP)	231.75	196.99	167.8	29.19	2.18	0.54	1.59
APPCPL (GoN)	121.95	103.66	84.07	19.59	2.17	0.54	1.06
APPCPL (Goodwill, HP)	55.08	46.82	4.98	41.84	1.75	0.44	1.83
Total	**408.78**	**347.46**	**256.85**	**90.62**	**6.1**	**1.52**	**4.48**

5.5.42 Accordingly, the Petitioner has submitted the summary of power procured from approved Medium-Term Sources during FY 2022-23 as provided in the Table below:

TABLE 5-39: MEDIUM-TERM POWER PURCHASE COST FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Seller	Units at NPCL (MU)	Fixed Charges, Incentive, and damages (Rs. Cr.)	Energy Charge (Rs. Cr.)	Rebate (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
APPCPL- Govt. of AP	167.80	36.51	45.33	(0.84)	81.00	4.83
APPCPL- Govt. of Nagaland	84.07	18.10	23.21	(0.41)	40.89	4.86
TPTCL- Govt of HP	158.02	24.10	35.35	(0.61)	58.85	3.72
APPCPL- Goodwill, HP	4.98	0.87	1.14	(0.02)	1.99	4.00
Incentive Paid	-	1.51	-	-	1.51	-
Damages claimed	-	(4.48)	-	-	(4.48)	-
Total	**414.86**	**76.61**	**105.03**	**(1.88)**	**179.76**	**4.33**

Power Procurement from Short-Term Sources

5.5.43 The Petitioner has submitted that, for the purpose of procurement of power for FY 2022-23 to meet the demand of the consumers, the Petitioner conducted competitive bidding on the DEEP portal from time to time and submitted the results thereof to the Commission for adoption of tariff and approval of PPA. The summary of Short Term PPAs approved by the Commission is provided in the Table below:

TABLE 5-40: APPROVED SHORT-TERM POWER PURCHASE AGREEMENTS FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Seller	Period	Duration	MW	Rate at CTU Periphery of Seller (Rs./kWh)	Petition No.	Approval Date
TPTCL - (PPGCL, Uttar Pradesh)	Apr-22	00-04 Hrs.	25	4.03	1819	01.04.2022
	May-22	00-04 Hrs.	25	4.64		
	Jun-Aug-22	00-04 Hrs.	25	4.68		
	1-20 Oct-22	00-24 Hrs.	25	4.86		
	1-20 Oct-22	00-04 Hrs.	25	4.78		
TPTCL - (JPL, Chhattisgarh)	Apr-22	00-04 Hrs.	40	4.03		
	May-22	00-04 Hrs.	10	4.64		
	Jun-Aug-22	00-04 Hrs.	30	4.68		
	1-20 Oct-22	00-04 Hrs.	25	4.78		
	1-20 Oct-22	00-24 Hrs.	55	4.86		

Seller	Period	Duration	MW	Rate at CTU Periphery of Seller (Rs./kWh)	Petition No.	Approval Date
APPCPL - (DBPL, Chhattisgarh)	1-20 Oct-22	00-24 Hrs.	25	4.86		
TPTCL - (PPGCL, Uttar Pradesh)	Apr-22	18-24 Hrs.	80	5.49	1829	21.04.2022
	1-20 Oct-22	18-24 Hrs.	25	5.5		
APPCPL - (SEIL, Andhra Pradesh)	May-22	18-24 Hrs.	20	8		
	Jun-Aug-22	18-24 Hrs.	25	8		
	Sep-22	18-24 Hrs.	15	8		
APPCPL- (Adhunik)	18 Jul-22 - 30 Sep-22 (excl. Sunday)	00-24 Hrs.	25	6.31	1855	22.07.2022
MPL - (BLAPPL, Madhya Pradesh)	18 Jul-22 - 30 Sep-22 (excl. Sunday)	00-24 Hrs.	25	6.31		

5.5.44 The Petitioner has submitted that in aggregate it procured 172.10 MU at Rs. 6.18 per unit from approved short-term PPAs as detailed in the below Table:

TABLE 5-41: SHORT-TERM POWER PURCHASE FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Sellers	Units at NPCL (MU)	Energy Charges (Rs. Cr.)	Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr)	Landed Rate at NPCL Bus (Rs./kWh)
TPTCL (Source- PPGCL)	26.93	12.79	0.54	13.33	4.95
TPTCL (Source- JPL, Chhattisgarh)	41.02	20.33	1.16	21.48	5.24
TPTCL (Source- PPGCL)	16.81	9.36	0.66	10.01	5.95
APPCPL (Source- DBPL)	11.22	5.72	0.30	6.02	5.36
APPCPL (Source- SEIL)	17.14	14.37	0.50	14.87	8.68
APPCPL (Source- Adhunik)	29.95	19.81	0.82	20.63	6.89
MPL (Source- BLAPPL)	29.04	19.21	0.83	20.05	6.90
Total	**172.10**	**101.58**	**4.81**	**106.40**	**6.18**

5.5.45 The Petitioner submitted that in line with the direction of the Commission, it met its remaining power requirement of 725.30 MU through purchase from Power Exchange at an average cost of Rs. 7.97 per unit.

5.5.46 The Petitioner further submitted that the overall procurement of power from short-term sources during FY 2022-23 was 897.40 MU at an average cost of Rs. 7.62 per unit as per the below Table:

TABLE 5-42: SHORT-TERM POWER PURCHASE FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Particulars	Approved in T.O 20.07.2022			Actual		
	Units (MU)	Rs./kWh	Amount (Rs. Cr)	Units (MU)	Rs./kWh	Amount (Rs. Cr)
TPTCL (Source- PPGCL)	28.34	5.09	14.44	26.93	4.95	13.33
TPTCL (Source- JPL, Chhattisgarh)	42.57	5.83	24.83	41.02	5.24	21.48
TPTCL (Source- PPGCL)	16.83	5.92	9.97	16.81	5.95	10.01
APPCPL (Source- DBPL)	11.23	5.98	6.71	11.22	5.36	6.02
APPCPL (Source- SEIL)	10.30	9.35	9.63	17.14	8.68	14.87
Subtotal	**109.28**	**6.00**	**65.59**	**113.11**	**5.81**	**65.71**
APPCPL (Source- Adhunik)	Approved after release of T.O. dt. 20.07.2022			29.95	6.89	20.63
MPL (Source- BLAPPL)				29.04	6.90	20.05
Subtotal (Approved Power)	**109.28**	**6.00**	**65.59**	**172.10**	**6.18**	**106.40**
Power Purchase from Exchange	640.35	5.25	335.92	725.30	7.97	577.81
Total	**749.63**	**5.36**	**401.51**	**897.40**	**7.62**	**684.21**

Power Procurement from Renewable Sources

5.5.47 The Petitioner has submitted that during FY 2022-23, it procured 501.94 MU power from Long-Term and Short-Term renewable sources.

5.5.48 The Petitioner has submitted that 1.08 MU @ Rs. 6.92 per kWh were procured from LTTPA for 1 MWp Solar power with GNIDA as per the PPA approved by the Commission vide its order dated July 14, 2015. Further, 32.21 MU @ Rs. 3.81 per kWh were procured from LTTPA for 10 MW Wind power with PTC India Limited. The LTPPA was signed on June 27, 2017, duly approved by the Commission vide its Order Dated January 05, 2018.

5.5.49 The Petitioner further has submitted that 5.69 MU @ Rs. 7.51 per kWh were procured from the net-metered consumers having net-metering agreements for around 24 MW solar power. It is submitted that for the purpose of true and fair presentation of the financial statements of the Petitioner, in accordance with the matching principle of accounting, it is imperative to show the impact of 5.69 MU received from the rooftop solar PV system in total power purchased by the Petitioner as well as to show the value of 5.69 MU energy supplied from NPCL's Grid to such consumers billed on net basis in the subsequent period in Revenue. Therefore, the Petitioner has determined the value of 5.69 MU supplied to the consumers from the NPCL Grid (which were not billed pursuant to RSPV

Regulations, 2019) at the Quarterly Average Energy Charges of the respective consumer's tariff category. Accordingly, based on above, the Petitioner has considered Rs. 4.27 Cr. as cost of 5.69 MU power purchased from Net-metering and also included in Sales the corresponding value of 5.69 MU energy supplied by the Petitioner to such consumers from the NPCL Grid (which were billed on net basis pursuant to RSPV Regulations, 2019) in the respective consumer's tariff category. Thus, based on the above accounting treatment of Net-Metered Energy Injected to NPCL Grid, the Petitioner has essentially included in the Power Purchase cost as well as the Billed Revenue with the same value of Rs. 4.27 Cr. keeping the net impact on ARR and Revenue as neutral.

5.5.50 The Petitioner also submitted that in order to meet its RPO obligation, it entered into an agreement on 06.01.2017 with M/s APPCPL for procurement of the entire power generated from the Rooftop Solar Generating Plant of 370 KWp (+/-20%) at the Rooftops of the Appellant's 33/11 kV Substations located in Greater Noida. The Tariff agreed between the parties was based on the then-discovered rate in UP State's tender for setting up of 500 MW Rooftop Solar PV Project by Solar Energy Corporation of India Ltd (SECI). Accordingly, the Petitioner vide its letter no. P-77A/ 249 dated 27.10.2016 submitted to the Commission that the installation of rooftop Solar PV projects on its various sub-stations / office buildings will also enable the Petitioner to execute its DSM Plan. Subsequently, the Petitioner vide letter no. P-77A/314 dated 17.03.2017 duly intimated the Commission after execution of the agreement as well as reiterated the same during various Suo-moto proceedings held by the Commission for fulfilment of RPO Obligations by DISCOMs in UP. Further, aforesaid power procurement was also duly approved by the Commission while approving the Business Plan vide its MYT Order dated 30.11.2017 and also while approving ARR for FY 2018-19 and ARR for FY 2019-20 vide Tariff Orders dated 22.01.2019 and 03.09.2019 respectively. It was also approved while truing-up ARR for FY 2016-17, ARR for FY 2017-18 and ARR for FY 2018-19 vide Tariff Orders dated 22.01.2019, 03.09.2019 and 04.12.2020 respectively. During FY 2022-23, the Petitioner procured 0.31 MU@Rs. 5.38/ kWh.

5.5.51 LTTPA for 25 MW Solar power each have been signed with M/s Tata Power and M/s

Adani Energy which have been duly approved by the Commission vide its order dated September 18, 2019 and the Petitioner has estimated to procure long-term solar power of 34.35 MU @Rs 3.29/ kWh from Tata Power w.e.f November 27, 2021 and 52.71 MU@Rs 3.22/kwh from Adani Solar for FY 2022-23.

5.5.52 However, Petitioner has mentioned that during FY 2022-23, M/s Tata Power having LTPPA with the Petitioner failed to make the availability of their plant up to 85% Capacity. Therefore, the Petitioner has claimed the Damages in terms of Article 11.6.2 of the PPA from these suppliers. Since the invoice for these damages was raised after the end of FY 2022-23 in accordance with the terms of PPA, the same has been accounted for in the books of accounts of the Petitioner in FY 2023-24. However, as the damage claimed pertains to the power supplied during FY 2022-23, the same is being considered and reduced from the power purchase cost for the True-up ARR of FY 2022-23. The Petitioner has also mentioned that necessary suitable adjustments would be made for this purpose in its True-up Petition for FY 2023-24. The summary of Damages claimed from suppliers in terms of the MTPPA is provided in the Table below:

TABLE 5-43: DAMAGE FROM M/S TATA POWER SOLAR AS SUBMITTED BY THE PETITIONER

Particulars	U.o.M	Ref.	Amount
Contracted Units at NPCL	MU	A	52.56
85% of Contracted Units	MU	B=A*85%	44.68
Despatched Units at NPCL	MU	C	36.32
Damage Units	MU	D=C-B	(8.35)
Fixed Charges	(Rs./kWh)	E	3.08
Damage Rate (Rs./kWh)	(Rs./kWh)	F=E*25%	0.77
Damage Amount	(Rs. Cr.)	G=D*F/10	(0.64)

5.5.53 The Petitioner has submitted that based on the requirement of power to meet the demand of the consumers as well as RPO Obligation, the Petitioner conducted competitive bidding on the DEEP portal and submitted the results thereof to the Commission for adoption of tariff and approval of PPA. The summary of Short Term PPAs approved by the Commission is provided in the Table below:

TABLE 5-44: APPROVED SHORT-TERM NON-SOLAR RE-POWER AGREEMENTS FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Seller	Period	Duration	MW	Rate at CTU Periphery of Seller (Rs./kWh)	Petition No.	Approval Date
KEIPL - (PD, Govt of Sikkim)	May-Sep-22	00-07 & 10-24 Hrs.	25	5.20	1820 & 1845	12.04.2022 & 17.05.2022
APPCPL- (MePDCL, Meghalaya)	Jul-22	00-07 & 10-24 Hrs.	25	5.20	1845	17.05.2022
PTC- (Singoli Bhatwari HEP, Uttarakhand)	May-Jun-22	00-07 & 10-24 Hrs.	25	5.20	1818	12.04.2022
	Jul-22	00-07 & 10-24 Hrs.	25	5.10		
	Aug-Sep-22	00-07 & 10-24 Hrs.	25	5.20		
PTC - (NSL, Karnataka)	Nov'22-Mar'23	00-24 Hrs.	15	5.60	1871	28.10.2022
PTC - (BASL, Karnataka)	Nov'22-Mar'23	00-24 Hrs.	10	6.00		

5.5.54 The Petitioner has submitted that subsequent to receiving approval from the Commission, the Petitioner procured 226.94 MU power from the above-referred PPAs as summarized in the Table below:

TABLE 5-45: RENEWABLE POWER AGREEMENTS FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Description	Actual		
	Units (MU)	Rs./kWh	Amount (Rs. Cr)
Kreate (DoP, Govt of Sikkim) (Non-Solar)	63.41	5.73	36.33
APPCPL (MePDCL, Meghalaya) (Non-Solar)	12.60	5.62	7.08
PTC (BASL)	30.85	6.63	20.44
PTC (NSL Sugars Ltd)	45.01	6.19	27.85
PTC (Source - Singoli) (Hydro)	75.06	5.69	42.74
Subtotal	**226.94**	**5.92**	**134.45**

5.5.55 In line with the directions of the Commission in the Tariff Order dated July 20, 2022, the Petitioner has purchased 146.64 MU non-solar renewable power at Rs. 8.23 per kWh landed at NPCL Periphery from Green Term Ahead Market (GTAM) of Power Exchanges for meeting its RPO.

5.5.56 The Petitioner has submitted that during FY 2022-23, it procured 501.94 MU renewable power as summarized in the Table below:

TABLE 5-46: RENEWABLE POWER PROCURED FOR FY 2022-23

Description	Actual		
	Units (MU)	Rs./kWh	Amount (Rs. Cr.)
GNIDA (Solar)	1.08	6.92	0.75
APPCPL (Solar)	0.31	5.38	0.17
Adani (Solar)	52.71	3.22	16.99
Tata (Solar)	34.35	3.29	11.29
Damages Claimed from Tata (Solar)	-	-	(0.64)
NPCL (Solar)	0.01	0.00	0.00
Net Metering	5.69	7.51	4.27
PTC (Wind)	34.21	3.81	13.04
Kreate (DoP, Govt of Sikkim) (Non-Solar)	63.41	5.73	36.33
APPCPL MePDCL, Meghalaya) (Non-Solar)	12.60	5.62	7.08
PTC (BASL)	30.85	6.63	20.44
PTC (NSL Sugars Ltd)	45.01	6.19	27.85
PTC (Source- Singoli) (Hydro)	75.06	5.69	42.74
Subtotal	**355.30**	**5.07**	**180.31**
Power Exchange	146.64	8.23	120.75
Total	**501.94**	**6.00**	**301.06**

5.5.57 The Petitioner, based on the above-referred procurement of renewable power, submitted the status of RPO computed in accordance with RPO Regulations as at the end of FY 2022-23 as provided in Table below:

TABLE 5-47: RPO (in MU) STATUS FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year	Balance Obligation Carried Forward
	A	B	C	D=A+B-C
Solar	23.48	122.78	131.34	**14.92**
Non-Solar	92.60	147.33	276.63	**(36.70)**
Hydro Power	43.65	73.67	126.95	**(9.64)**
Total	**159.73**	**343.78**	**534.93**	**(31.42)**

5.5.58 The Petitioner also submitted the status for RPO compliance for FY 2022-23 along with actual MU purchased from each power source viz., solar, non-solar and hydro as shown in Table below:

TABLE 5-48: RPO CALCULATION SUBMITTED BY NPCL FOR FY 2022-23 (MU)

S.No	Particulars	Reference	FY 2022-23 Quantum (MU)
1	Energy Consumption (Sales) (Excluding Inter-State sales)	A	2,870.43
2	Distribution Loss (%)	I	7.63%
3	Energy Consumption at Discom Periphery	B	3,107.61
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e. before March 08, 2019)	C=C1+C2	430.09
4.1	Hydro Purchase from Inter-State Sources (MU)	C1	430.09
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	49.10
4.3	Hydro Purchase from Intra-State Sources (MU)	C2	-
4.4	Hydro Purchase from Intra-State Sources (MW)	C2'	-
4.5	Inter-State Transmission Loss (%)	D	3.54%
4.6	Hydro Purchased at State Periphery (MU)	E=C1*(1-D)	428.89
4.7	Intra-State Transmission Loss (%)	F	3.27%
4.8	Hydro Purchase at Distribution Periphery (MU)	G=(B2+D)*(1-F)	414.86
5	**Net Power Sale for RPO computation**	**H=A-G**	**2,455.57**
5.1	**Total Obligation for the year (%)**		
5.2	Solar (%)	J	5%
5.3	Non-Solar (%)	K	6%
5.4	HPO Obligation for the year (%)	L	3%
6	**Total Obligation for the year**		
6.1	Solar (MU)	M=H*J	122.78
6.2	Non-Solar (MU)	N=H*K	147.33
6.3	HPO Obligation for the year (MU)	O=H*L	73.67
7	**Total Obligation for the year (MU)**	**P=M+N+O**	**343.78**
8	**Total RPO Fulfilled during the year**		
9	Solar Purchase (MU)	Q=Q1+Q2	101.68
9.1	Solar Purchase from Inter-State Sources (MU)	Q1	-
9.2	Solar Purchase from Inter-State Sources (MW)	Q1'	-
9.3	Solar Purchase from Intra-State Sources (MU)	Q2	101.68
9.3A	Solar Generation Net Metered Consumers (Self Consumption) (MU)	Q2A	34.11*
9.4	Solar Purchase from Intra-State Sources (MW)	Q2'	11.61
9.5	Inter-State Transmission Loss (%)	C	3.54%
9.6	Solar Purchased at State Periphery (MU)	R=Q1*(1-C)	-
9.7	Intra-State Transmission Loss (%)	F	3.27%
9.8	**Solar Purchase at Distribution Periphery (MU)**	**S=(Q2+Q2A+R)*(1-F)**	**131.34**
10	Non-Solar (MU)	T=T1+T2	286.79

S.No	Particulars	Reference	FY 2022-23 Quantum (MU)
10.1	Non-Solar Purchase from Inter-State Sources (MU)	T1	286.79
10.2	Non-Solar Purchase from Inter-State Sources (MW)	T1'	32.74
10.3	Non-Solar Purchase from Intra-State Sources (MU)	T2	-
10.4	Non-Solar Purchase from Intra-State Sources (MW)	T2'	-
10.5	Inter-State Transmission Loss (%)	C	3.54%
10.6	Non-Solar Purchased at State Periphery (MU)	U=T1*(1-C)	285.99
10.7	Intra-State Transmission Loss (%)	F	3.27%
10.8	**Non-Solar Purchase at Distribution Periphery (MU)**	**V=(T2+U)*(1-F)**	**276.63**
11	HPO (MU)	W=W1+W2	131.61
11.1	HPO from Inter-State Sources (MU)	W1	131.61
11.2	HPO from Inter-State Sources (MW)	W1'	15.02
11.3	HPO from Intra-State Sources (MU)	W2	-
11.4	HPO from Intra-State Sources (MW)	W2'	-
11.5	Inter-State Transmission Loss (%)	C	3.54%
11.6	HPO Purchased at State Periphery (MU)	X=W1*(1-C)	131.24
11.7	Intra-State Transmission Loss (%)	F	3.27%
11.8	**HPO at Distribution Periphery (MU)**	**Y=(W2+X)*(1-F)**	**126.95**
12	**Total RPO to be fulfilled (MU)**	Z=S+V+Y	**534.93**
13	Balance Obligation to be fulfilled for the year (MU)	**ZY=AA+AB+AC**	**(191.15)**
13.1	Solar (MU)	AA	(8.56)
13.2	Non-Solar (MU)	AB	(129.30)
13.3	HPO Obligation for the year (MU)	AC	(53.28)
14	**Opening Obligation to be fulfilled for the year (MU)**	**AD**	**159.72**
15	**Closing Obligation to be fulfilled for the year (MU)**	**AE=ZY+AD**	**(31.42)**

**The Petitioner has submitted that it has claimed gross generation from net metering consumers in RPO as per Regulation 12.2 of Rooftop Solar PV Grid Interactive Systems Gross/Net Metering Regulations, 2019. The Petitioner has estimated the gross generation from such consumers by assuming 17% Capacity Utilization Factor (CUF).*

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

Quote

4.5.100 Till, FY 2019-20, the Commission had been computing the RPO *compliance considering the sales. The Commission is of the view that RPO compliance has to be computed on total consumption of energy at ex-bus and not on sales as done till FY 2019-20. Therefore, from FY 2020-21 onwards, the Commission deems it fit to revise methodology of computing RPO by considering the ex-bus energy purchased by NPCL. As the true-ups for the previous years' upto FY 2019-20 had already been carried out, the RPO compliance computed by the Commission for the period upto FY 2019-20 shall not be revised on account of the change in methodology.*

Unquote

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

UI/ DSM Power

5.5.61 **Uncertain Demand:** The Petitioner has submitted that it is highly uncertain or in fact not feasible to exactly estimate the day-ahead power requirement as the demand is highly volatile, uncertain and dependent on a number of factors which are beyond the control of the Petitioner e.g. volatile weather conditions, long intermittent holidays on account of various festivals, Govt. holidays etc. There can be certain time blocks wherein the power tied-up may remain unutilised and thus, need to be settled in accordance with the DSM Regulations as per the rates prevailing in the power exchange during that particular time block and respective frequency.

5.5.62 **Increase in Demand volatility due to RE Power:** Further, the Petitioner has mentioned that the Petitioner has tied up 86 MW of power from Renewable Sources viz. 10 MW from Wind and 76 MW from Solar apart from almost 26 MW from Roof-top Solar connections. Also, the Petitioner has already granted Open

Access for ~27.5 MW capacity who are sourcing power from Solar Sources and many more consumers are in the process of arranging cheaper power from renewable sources. All this has further aggravated the uncertainty in the actual flow of power vis-à-vis scheduled power resulting in an increased volume of such variations being settled under the DSM mechanism.

5.5.63 **Procurement through RTM:** The Petitioner has taken various initiatives including participation in the Real-time Power Exchange platform which started its operations w.e.f. 01.06.2020, as per direction by the Commission. The Petitioner has procured power from RTM of Power Exchange which is being included under total procurement from Power Exchange. In this regard, it is pertinent to mention that scheduling of power from Power Exchange-RTM ideally takes 1.15 Hrs from the time of bidding apart from another 15-30 minutes for planning and bid formulation etc. for example, if a bid is placed at 22:45 Hrs for purchase of power it will get dispatched from 00:30 Hrs For such period before commencement of scheduling, the Petitioner has no other option but to avail power from DSM to manage its distribution system. Further, adequate power in the RTM market is also not available many times for various reasons e.g. lack of sufficient sellers, IT/ technical reasons on Power Exchange Platform etc. leading to variation in schedule vis-à-vis actual drawl."

Therefore, there are time blocks wherein the power tied up may remain unutilised and thus, need to be sold on Power Exchanges. Similarly, at times, the Petitioner may over-draw power within safe limits as provided in the DSM Regulations.

5.5.64 The Petitioner has mentioned that MYT Regulations, 2019 also provides for power drawl under the DSM mechanism to be a pass-through as mentioned in Regulation 14.7 of the MYT Regulations, 2019.

5.5.65 Accordingly, the Petitioner has submitted that the Commission issued the (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 on March 14, 2022, and the same were implemented w.e.f. December 05, 2022, wherein the deviation norms were tightened and associated DSM charges were simplified and de-linked with the frequency bands. It provided that every Grid Connected Regional Entity shall adhere to its schedule as per the Grid Code and shall not deviate from its schedule and stipulated that Overdrawl for a time block shall attract the "Normal Charges" which is the highest of Weighted average ACP of the DAM /RTM or Average Ancillary Service Charge of all the regions.

5.5.66 The Petitioner has submitted that the Commission vide Suo-moto order dated November 24, 2022, has adopted the provisions of CERC DSM Regulations,2022. Thus, based on prevailing DSM Regulations, the Petitioner has incurred Rs. 18.90 Cr towards 15.40 MU power settled under DSM Regulations, which is approximately 0.50% of the power purchase quantum and 0.86% of the power purchase cost. It is pertinent to mention that the DSM above is net-off under-draw and overdraw.

5.5.67 Regulation 14.7 (b) provides that the cost of power purchased through DSM shall be restricted to 10% of the total Power Purchase Cost. PPC from DSM is just 0.86% which is well within the limit.

Other Charges/ Bills / Claims

5.5.68 Apart from the above, the Petitioner has submitted that some of the power suppliers have raised invoices towards Fixed Charges, Energy Charges, Inter-State Transmission Charges, and Carrying Cost after the closure of books for FY 2022-23 by the Petitioner. Since these expenses pertain to FY 2022-23, the Petitioner has claimed these bills in True-up of ARR for FY 2022-23.

5.5.69 The Petitioner had envisaged that some of these claims arising from the terms of PPA will be raised by the Supplier(s) and accordingly made corresponding provisions in its books of accounts for FY 2020-21 and FY 2021-22. Petitioner also had claimed the same in its True-up ARR Petition for FY 2020-21 and FY 2021-22. The Commission didn't allow the same citing the absence of corresponding bills/claims from the supplier. Subsequently, during FY 2022-23 and FY 2023-24, these suppliers have raised the invoices.

5.5.70 Accordingly, the summary of various claims raised by the Supplier(s) related to the supply of power for FY 2022-23 and earlier years is provided by the Petitioner as below:

TABLE 5-49: ADDITIONAL BILLS / CLAIMS RAISED BY SUPPLIERS AS SUBMITTED BY THE PETITIONER

Bills /Claims	Supplier	Type of PPA	Year	Amount (Rs. Cr.)	Remarks
A. Raised by Supplier during FY 2022-23					
Safeguard duty claimed by supplier based on the Commission's Order dt. 02.01.23	Adani Power (Solar)	LTPPA-RE	FY 22-23	10.14	As per the Commission's Order dt. 02.01.23
B. Raised by Supplier/CTU/STU after FY 2022-23					
Fixed Charges billed by Supplier vide Letter dt. 04.09.23.	APPCPL - Govt. of AP	MTPPA	FY 20-21	0.35	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now claimed as billed by the Supplier.
Fixed Charges billed by Supplier vide Letter dt. 04.09.23.	APPCPL - Govt. of AP	MTPPA	FY 21-22	2.48	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now claimed as billed by the Supplier.
Fixed Charges billed by Supplier vide Letter dt. 04.09.23.	APPCPL - Govt. of Nagaland	MTPPA	FY 20-21	0.35	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now claimed as billed by the Supplier.
Fixed Charges billed by Supplier vide Letter dt. 04.09.23.	APPCPL - Govt. of Nagaland	MTPPA	FY 21-22	2.00	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now claimed as billed by the Supplier.
Intra-state Transmission charges billed by Supplier	TPTCL (Source-PPGCL)	STPPA	FY 21-22	0.27	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now

Bills /Claims	Supplier	Type of PPA	Year	Amount (Rs. Cr.)	Remarks
					claimed as billed by the Supplier.
Intra-State Charges billed by Supplier vide Invoice No. 94000186047 dt. 01.06.23	TPTCL (Source-PPGCL)	STPPA	FY 22-23	0.41	The Petitioner had claimed the amount as per the terms of PPA but the Commission didn't allow in the absence of bill, now claimed as billed by the Supplier.
50% Cost of Energy generated during period 06.01.21 to 04.04.21 being approved vide Commission Order dt.15.03.23 along-with LPS	Adani Power (Solar)	LTPPA-RE	FY 20-21	2.39	Raised based on the Order of the Commission and claim of the supplier.
Total				**18.38**	

5.5.71 Apart from the above, the CTU and UPPTCL also raised additional bills/claims as summarised in the Table below:

TABLE 5-50: ADDITIONAL BILLS / CLAIMS RAISED BY CTU/STU AS SUBMITTED BY THE PETITIONER

Bills /Claims	CTU/STU	Type of PPA	Year	Rs. Cr.	Remarks
Inter-State Charges claimed by CTUIL vide Email dt. 13.07.2023	CTUIL	N.A.	FY 2022-23	1.75	Claimed on the basis of the claim raised by PGCIL
Transmission Charges Arrear for FY 2020-21 based on Commission's order dt. 20.07.2022	UPPTCL	N.A.	FY 2020-21	3.87	Claim Raised based on the UPPTCL's True-up and UPPTCL Bill dt. 30.07.2022
Total				**5.62**	

5.5.72 The Petitioner in preceding petitions had informed the Commission that since 2008 (i.e. the time since when the power exchange came into operations), it has been procuring power through Trader and the Commission has been approving the same without any observation/qualification. It was also informed that as a trader member, the Petitioner is not required to pay various membership fee to Power Exchanges i.e. Admission Fees, Annual Processing & Subscription Fees and Interest-Free Security Deposit. In addition to the above the Petitioner would require employing additional round-the-clock manpower as well for the purpose of submitting bids at various exchanges and scheduling of power which is currently being managed by the trader. However, the Commission in its Tariff Order dated July 20, 2022, directed the Petitioner to procure power directly from Power Exchange observing as follows:

Quote

"4.5.90…. The Petitioner as a Distribution Licensee is deemed Trader as per 9th proviso of Section 14 (Grant of licence) of EA 2003 which states that a distribution licensee shall not require a licence to undertake trading in electricity. Thus, the Commission is of the view that NPCL can purchase power directly from the exchange.

Unquote

5.5.73 The Petitioner further submitted that in view of the above direction of the Commission, the Petitioner has taken direct membership of the Indian Energy Exchange (IEX) and Hindustan Power Exchange (HPX) for the purpose of procurement of power from exchange and the Petitioner has paid following amount as "One Time Membership Fee" to the both the Power Exchange, which has been claimed by the Petitioner under power purchase for FY 2022-23:

TABLE 5-51: MEMBERSHIP CHARGES FOR POWER EXCHANGE (RS. CR.)

Sl. No.	Particulars	IEX	HPX	Total
1	Admission / Membership Fee/Processing Fee	0.13	0.25	0.38
2	Goods and Services Tax	0.02	0.04	0.06
	Total	**0.15**	**0.29**	**0.44**

5.5.74 Accordingly, the Petitioner has submitted that based on the Audited Annual Accounts for FY 2022-23 and aforesaid submissions with respect to Impact of Genco's Tariff Orders, the summary of Power Purchase Cost for FY 2022-23 as claimed by the Petitioner in True-up ARR for FY 2022-23 vis-à-vis approved by the Commission vide Tariff Order dated July 20, 2022, is given in Table below:

TABLE 5-52: TOTAL POWER PURCHASE COST (FY 2022-23) AS SUBMITTED BY THE PETITIONER

Item	Approved			Actual		
Retail Sales (MU)	2,780.19			2,870.43		
Source of Power Purchase	**MU's**	**Rs. / kWh**	**Amount Rs. Cr.**	**MU's**	**Rs. / kWh**	**Amount Rs. Cr.**
Long Term -Genco	1,192.46	5.16	615.00	1,278.01	5.95	760.74
Genco's T.O. Impact	-	-	-	-	-	232.10
Medium Term	486.41	4.94	240.52	414.86	4.33	179.76
Short Term (Approved Sources)	109.28	6.00	65.59	172.10	6.18	106.40
Power Exchange	640.35	5.25	335.92	725.30	7.97	577.81
Renewable Energy	583.62	4.70	274.33	501.94	6.00	301.06
UI/Sale	-	-	-	15.40	12.27	18.90
UPPTCL App Fees	-	-	-	-	-	0.16
Other Bills/Claims raised by Suppliers	-	-	-	-	-	18.38
Additional Bills/Claims raised by CTU/STU	-	-	-	-	-	5.62
One-Time Power Exchange Membership Charges	-	-	-	-	-	0.44
Total Power Purchase Cost	**3,012.12**	**5.08**	**1,531.36**	**3,107.61**	**7.08**	**2,201.37**
**Total may not tally due to rounding offs*						

5.5.75 Accordingly, the Petitioner has submitted that the total Power Purchase Cost considered for True-up includes Inter-State and Intra-State Transmission charges and requested the Commission to approve the same in full for FY 2022-23 based on the Audited Accounts.

Commission's Analysis

5.5.76 The Commission observed that the Petitioner has claimed Rs. 2,031.67 Cr. towards Power Purchase & Rs. 167.70 Cr. towards Transmission and Load Dispatch Charges, however, in the Audited Financial Statements these are Rs. 1,630.88 Cr. & Rs. 166.82 Cr. The Commission directed the Petitioner to provide a detailed reconciliation of both the above components with reasons for differences in each of the components.

5.5.77 The reconciliation of the total power purchase cost claimed by the Petitioner for True-Up of ARR for FY 2022-23 with the Audited Accounts is shown in the Table below:

TABLE 5-53: RECONCILIATION OF POWER PURCHASE COST FOR FY 2022-23

Particulars	Total power Purchase cost (Rs. Cr)
Cost as per Audited Accounts	**1,797.70**
Add: Arrears of LTPPA claimed in respective ARR by the Company for the period from FY 20 to FY 22 and upheld by the Commission in Order dt. 21.09.2022	173.91
Add: Carrying Cost on above	39.36
Add: Additional Coal Charges for FY 2019-20 approved in Petition 1630/2020 vide Order dt.08.06.22	7.24
Add: Additional Coal Charges for FY 2020-21 approved in Petition 1794/2021 vide Order dt.20.03.23	0.41
Less: 10% of Additional Coal Charges for FY-21 billed by Genco in FY-23	(0.04)
Add: Additional Coal Charges for FY 2021-22 approved in Petition 1873/2022 vide Order dt. 13.06.23	(7.03)
Carrying Cost on Additional Coal for FY 2019-20 of Rs. 7.24 Cr. from 07.05.2020 to 31.03.2022	2.48
Carrying Cost on Additional Coal for FY 2020-21 of Rs. 0.41 Cr. from 01.04.2020 to 31.03.2022	0.08
Carrying Cost on Additional Coal for FY 2021-22 of Rs. (7.03) Cr. from 01.04.2021 to 31.03.2022	(0.72)
Change in Law for FY 2019-20 approved in Petition 1654/2020 vide Order dt.28.06.22	3.66
Change in Law for FY 2020-21 approved in Petition 1798/2021 vide Order dt.12.05.23	4.86
Change in Law for FY 2021-22) approved in Petition 1879/2022 vide Order dt.13.06.23	5.12
Carrying Cost on Change in Law for FY 2019-20 of Rs. 3.66 Cr. from 30.05.2020 to 31.03.2022	1.25
Carrying Cost on Change in Law for FY 2020-21 of Rs. 4.86 Cr. from 01.04.2020 to 31.03.2022	0.96
Carrying Cost on Change in Law for FY 2021-22 of Rs. 5.12 Cr. from 01.04.2021 to 31.03.2022	0.52
Less: Carrying Cost & charges paid to Genco. Based on Generation Regulations for period till approval order	(0.95)
Damages claimed from MTPPA Supplier	(4.48)
APPCPL - Govt. of AP Fixed Cost Provision (FY-21)	0.35
APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)	0.35
APPCPL - Govt. of AP Fixed Cost Provision (FY-22)	2.48
APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)	2.00
Inter-State Charges claimed by CTUIL vide Email dt. 13.07.2023	1.75
Intra-state Transmission charges billed by Supplier (TPTCL-PPGCL)	0.28
Intra-State Charges billed by Supplier dt. 01.06.23 (TPTCL-PPGCL)	0.41

Particulars	Total power Purchase cost (Rs. Cr)
Adani Power (Solar) Cost for period 06.01.21 to 04.04.21 vide Commission Order dt.15.03.23 (50%) with carrying Cost	2.39
Damages claimed from RE LTPPA Supplier	(0.64)
Add: Reversal of Billed / Claimed Amount pursuant to Genco's Tariff Order dt. 21.09.22	146.07
Add: PTC/SKS Claim booked in Audited Accounts in preceding years to be claimed based on CERC's order	21.17
Add: Membership Fee for power exchange shown under "Other expense" in Audited Accounts FY23	0.44
Cost as per True-up Petition	**2,201.37**

5.5.78 Further, the Commission directed the Petitioner to submit the auditor's certificate to depict the total power purchase from each source at ex-Bus and NPCL periphery for FY 2022-23. The Petitioner has submitted that the compliance to the same has been furnished as part of the Cost Audit Report (duly certified by the Chartered Accountant) along with the ARR Petition.

5.5.79 The Commission directed the Petitioner to provide the details of any prior period expense claimed in the Power Purchase & to confirm that the same has not been approved in previous Tariff Orders. The Petitioner in its reply provided the details of the aforesaid expenses based on the bills raised by power purchase suppliers and relevant Orders of the Commission along with their justification and reconciliation with Audited Accounts.

5.5.80 The Commission further directed the Petitioner to confirm that it has availed all the discounts & rebates on all the Power Purchase sources in the FY 2022-23. The Petitioner in its reply confirmed that it has availed all the discounts & rebates on all eligible power purchase bills. The total rebate availed by the Petitioner during FY 2022-23 is Rs. 25.94 Cr.

5.5.81 The Commission also directed the Petitioner to provide the details of LPS paid during the year, if any. The Petitioner replied that it has not paid any LPS during the years except Rs. 0.61 Cr paid to M/s Adani Solar under protest with respect to 50% payment for energy injected prior to April 5, 2021, made pursuant to the Commission's order dated March 15, 2023. The Petitioner has challenged the Order at APTEL vide Appeal no. 535/2023 which is pending for decision.

5.5.82 The Commission directed the Petitioner to provide approvals for cost claimed on the receipt of Invoice/Claims post closure of Accounts for FY 2022-23. The Petitioner replied that it has claimed an amount of Rs. 2,201.37 Cr towards PPC for FY 2022-23 for the approval of the Commission. The details of the aforesaid expenses based on the bills raised by power purchase suppliers and relevant Orders of the Commission along with their justification and reconciliation with Audited Accounts are provided.

5.5.83 The Commission further directed the Petitioner to provide details of the Provision booked in the Energy Bill for DIL. In reply, the Petitioner has submitted that it has claimed the cost of power procured from M/s DIL only as per tariff approved by the Commission vide its Order dated September 21, 2022.

5.5.84 The Petitioner has submitted that the Commission, vide DIL's MYT Order dated February 05, 2019 (Petition No. 1235/2017), also approved the provisional tariff for the period FY 2016-17 to FY 2018-19 wherein it approved the tariff comprising Fixed Cost, Energy Charges and allowable variation in CERC escalation rates as per UPERC Generation Tariff Regulations, 2014. The Commission also mentioned that this order shall remain effective till further orders.

5.5.85 M/s DIL submitted its MYT ARR Petition No. 1531/2019 for FY 2019-20 to FY 2023-24 and the same has been disposed-off vide Order dated September 21, 2022, wherein the Commission has provisionally determined tariff for the entire period of FY 2019-20 to FY 2023-24.

5.5.86 Accordingly, for the period FY 2019-20 to FY 2021-22 and FY 2022-23 (Apr-Aug'2022 only), M/s DIL raised invoices for the power supplied under LTPPA based on their last available Tariff Order viz. Tariff Order dated February 05, 2019, wherein it billed Energy Charges at variable tariff considering allowable variation in CERC escalation rates as per UPERC Generation Tariff Regulations, 2014.

5.5.87 The Petitioner, in compliance with Accounting Standards and as explained above, has made provisions in books of accounts on the basis of bills raised by M/s DIL. However, the Commission approved M/s DIL LTPPA tariff at Rs. 1.90/unit for Fixed Charges and Rs. 1.80/unit for Energy Charges in the Tariff order dated February 05, 2019.

5.5.88 Therefore, amounts being variance between tariff billed by DIL and tariff as approved by the Commission are appearing with remarks "Provision booked Energy Bill for the month".

5.5.89 Subsequently, the Commission, vide its Tariff Order dated September 21, 2022, in DIL's MYT Petition No. 1531 of 2019, has determined the tariff for the control period starting from FY 2019-20 to FY 2023-24 in accordance with UPERC Generation Tariff Regulations 2019 wherein for the entire control period (i.e. FY 2019-20 to FY 2023-24) it has approved Energy Cost @ Rs. 2.471/unit.

5.5.90 Accordingly, based on the aforesaid order, the Petitioner has reversed the provisions made in its books of account with respect to the variance in tariff as described above for the period FY 2019-20 to FY 2021-22 and FY 2022-23 (Apr-Aug'2022 only). Therefore, all the provisions in the books with respect to the abovementioned variance are reduced to NIL. The detailed computation of reversal made is provided in the below Table:

Table 5-54: REVERSAL MADE BY THE PETITIONER (Rs. Cr.)

Particulars	Ref.	FY-2019-20	FY-2020-21	FY-2021-22	Total
Amount as Billed and Booked	a	522.47	602.10	616.28	**1,740.85**
Amount Trued up	b	401.67	516.32	531.24	**1,449.23**
Billed & Booked remaining after True-up	**c=a-b**	**120.80**	**85.78**	**85.04**	**291.62**
Amount As per Genco's MYT Order (net)	d	512.33	551.22	531.24	1,594.79
Amount Trued-up	e=b	401.67	516.32	531.24	1,449.23
Net Arrear Claimed	**f=d-e**	**110.65**	**34.91**	**-**	**145.56**
Billed & Booked remaining after Arrear Claim (Reversed in Books of FY 2022-23)	g=c-f	**10.14**	**50.87**	**85.04**	**146.06**

5.5.91 Hence, the aforesaid provision and its subsequent reversal in books of account has no impact on the Power Purchase Cost considered in NPCL's True-up Petition for FY 2022-23 as the Petitioner has claimed the DIL's LTPPA Power cost only on the basis of approved tariff only.

5.5.92 The Commission has accordingly analyzed and approved the power purchase cost individually for each source and the left-over energy after fulfilling the power purchase requirement has been dealt with separately.

Power Procurement from Long-Term Sources

5.5.93 The Petitioner has claimed the power purchase cost from Dhariwal Infrastructure Limited (DIL) for FY 2022-23 as per the details mentioned in the Petitioner's submission earlier.

5.5.94 The Petitioner has claimed the actual plant availability of DIL for FY 2022-23 as 96.35% and booked full fixed cost @ 85% in the Audited Accounting for FY 2022-23. In this regard, the Commission is of the view that power purchase from DIL for FY 2022-23 shall be calculated based on the actual energy availability of DIL for FY 2022-23 and approved fixed Charges and energy charges of DIL for FY 2022-23 determined in the Order dated September 21, 2022, in Petition No. 1531 of 2019.

5.5.95 The Commission directed the Petitioner to provide the monthly availability of the plant. The Petitioner, in its reply submitted, that the month-wise declared Availability of the Plant, as reported by the Genco, is provided in their invoice for FY 2022-23 enclosed and the same is reproduced as below.

TABLE 5-55- MONTH-WISE DECLARED AVAILABILITY OF DIL PLANT FOR FY 2022-23 SUBMITTED BY THE PETITIONER

Month	Contracted Capacity (MW)	Contracted Capacity (MU)	Declared Capacity (MU)_As per Bills issued by DIL	Plant Availability
Apr-22	170.00	122.40	122.40	100%
May-22	170.00	126.48	121.16	96%
Jun-22	170.00	122.40	122.40	100%
Jul-22	170.00	126.48	124.21	98%
Aug-22	170.00	126.48	95.81	76%
Sep-22	170.00	122.40	121.54	99%
Oct-22	170.00	126.48	123.48	98%
Nov-22	170.00	122.40	110.16	90%
Dec-22	170.00	126.48	126.48	100%
Jan-23	170.00	126.48	126.48	100%
Feb-23	170.00	114.24	114.24	100%
Mar-23	170.00	126.48	126.48	100%
		1489.20	**1434.83**	**96%**

5.5.96 The Tariff (Fixed and Energy Charges) of DIL for FY 2022-23 are as approved in section 2.5.1 of the Order dated September 21, 2022, in Petition No 1531 of 2019, the relevant excerpt of the Order is reproduced below:

Quote

"2.5 ARR and Generation Tariff for FY 2019-20 to FY 2023-24

2.5.1 Based on the discussion above, the ARR and Generation Tariff for the Tariff period FY 2019-20 to FY 2023-24 for supply of power from unit 2 of DIL (187 MW) to NPCL as approved by the Commission is as shown in the table below:

Table 23: ARR and Generation Tariff for FY 2019-20 to FY 2023-24 approved by the Commission (Excluding the cost of Additional Coal and Change in Law events)

Particulars	***UoM***	***2019-20***	***2020-21***	***2021-22***	***2022-23***	***2023-24***
Operationalized Contracted Capacity(Gross)	*MW*	*187*	*187*	*187*	*187*	*187*
Normative Auxiliary Power Consumption	*%*	*8.50%*	*8.50%*	*8.50%*	*8.50%*	*8.50%*
Normative Annual Plant Availability Factor (NAPAF)	*%*	*85%*	*85%*	*85%*	*85%*	*85%*
Operationalized Contracted Capacity(Net)	*MW*	*171*	*171*	*171*	*171*	*171*
Ex-bus Generation	*MUs*	*1277.54*	*1274.05*	*1274.05*	*1274.05*	*1277.54*
Annual Fixed Charges for Operationalized Contracted Capacity for NPCL	*Rs. Crores*	*241.60*	*236.23*	*230.95*	*225.72*	*220.58*
Ex-bus Fixed Charge Rate at NAPAF	*Rs./kWh*	*1.891*	*1.854*	*1.813*	*1.772*	*1.727*
Ex- bus Energy Charge Rate at Scheduled Generation	***Rs./kWh***	***2.471***	***2.471***	***2.471***	***2.471***	***2.471***
Total Ex-bus Energy Charges	*Rs. Crore*	*315.68*	*314.82*	*314.82*	*314.82*	*315.68*
Application and Statutory Charges	*Rs. Crore*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*

Particulars	***UoM***	***2019-20***	***2020-21***	***2021-22***	***2022-23***	***2023-24***
Total Annual Revenue Requirement for FY 2019-24 for supply to NPCL	***Rs. Crore***	***557.27***	***551.05***	***545.77***	***540.54***	***536.26***
Ex-bus Generation Tariff for FY 2019-24 for supply to NPCL	***Rs./kWh***	***4.362***	***4.325***	***4.284***	***4.243***	***4.198***

Unquote

5.5.97 Therefore, the Commission has considered the approved per unit rate of Fixed & Energy Charges of DIL to calculate the power purchase cost from DIL for FY 2022-23. The impact of True Up of DIL for FY 2022-23 shall be allowed to the Petitioner in Tariff Order of the appropriate year, as the case may be.

Incentive

5.5.98 It is observed that the Petitioner has claimed an incentive of Rs. 6.64 Cr as Genco has billed incentives because the dispatched power (based on the actual drawl) was 92% i.e., 7% higher than the normative availability. The Commission shall deal with the claim after True up of DIL for FY 2019-20 to FY 2023-24.

5.5.99 The Commission has considered the lower of the two values viz. claimed vs computed for each of the components of tariff. The approval of power purchase cost from DIL for FY 2022-23 is shown in the Table below:

TABLE 5-56-POWER PURCHASE FROM LONG-TERM SOURCE (DIL) APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	**MU at Ex-Bus**	**Inter-State Loss (%)**	**MU at UP State Bus**	**Intra-State Loss (%)**	**MU at NPCL Bus**	**Fixed Charges (Rs. Cr.)**	**Energy Charges (Rs. Cr.)**	**Amount (Rs. Cr.)***	**PGCIL Charges (Rs. Cr.)**	**UPPTCL charges (Rs. Cr.)**	**Total Transmission Charge* (Rs. Cr.)**	**Total (Rs. Cr.)**	**Total (Rs. /kWh)**
Dhariwal Infrastructure Limited (DIL)	1370.12	3.57%	1321.21	3.27%	1278.01	224.30	338.56	547.83	96.18	31.53	126.01	673.84	5.27

**Net of rebate*

Impact of GENCO's and other Tariff Orders

5.5.100 The Petitioner has also claimed the impact of GENCO's Tariff Orders and other Orders approving the impact of Change in Law and Additional Coal in Power Purchase Cost from DIL for FY 2022-23.

5.5.101 The Summary of amounts billed, claimed, and approved in NPCL Truing-up and Genco's Truing-up has been provided earlier by the Petitioner. However, the Petitioner has revised the amount of 173.91 Cr submitted earlier to Rs. 145.56 Cr due to an inadvertent linking error and submitted the data vide letter dated 01.07.2024. The revised summary of the billed and approved LT power cost as submitted by the Petitioner is as shown below:

Table 5-57: REVISED SUMMARY OF BILLED AND APPROVED LONG-TERM POWER COST CLAIMED BY THE PETITIONER (Rs. Cr.)

Fin. Year	Amount Billed by Genco	Amount Claimed by NPCL (net of Rebate)	Amount Approved in NPCL True-up	NPCL True-up Order	Genco's Order prevailing and considered in NPCL True-up Orders	Amount based on the approved rate as per DIL MYT Order dt. 21.09.22	Amount based on the approved rate as per DIL MYT Order dt. 21.09.22 (Net of Rebate)	Variance
	A	**B**	**C**			**D**	**E**	**F=(E-C)**
FY 2019-20	529.62	522.47	401.67	26-Aug-21	MYT Order dt. 5-Feb-19 for FY-16 to FY-19	519.48	512.33	110.65
FY 2020-21	606.96	602.10	516.32	20-Jul-22	True-up Order dt. 22-Nov-21 for FY-16 to FY-19	556.09	551.22	34.91
Total	**1,136.58**	**1,124.56**	**917.99**			**1,075.57**	**1,063.55**	**145.56**

5.5.102 Accordingly, the Petitioner has requested the Commission to approve the impact of Rs. 145.56 Cr arising from the Tariff Order of Genco dated September 21, 2022, in True-up ARR of the Petitioner for FY 2022-23 against Rs. 234.93 Cr disallowed in earlier True-up Orders.

5.5.103 As per Genco's Order dated September 21, 2022, the Petitioner has incurred the aforesaid amount of Rs. 145.56 Cr to GENCO for FY 2019-20 and FY 2020-21, the

Petitioner requested the Commission to approve the carrying cost thereon as computed in the Table below:

TABLE 5-58- REVISED CARRYING COST ON GENCO'S ARREAR CLAIMED (Rs. Cr.)

Particulars	FY 2019-20	FY 2020-21	Total
Amount yet to be allowed in NPCL True-up based on Genco's Order dt. 21.09.2022	**110.66**	**34.91**	**145.56**
Carrying Cost for FY 2019-20 @ 14.46%	8.00	-	8.00
Carrying Cost for FY 2020-21 @ 9.57%	10.59	1.67	12.26
Carrying Cost for FY 2021-22 @ 9.50%	10.51	3.32	13.83
Total Carrying Cost	**29.10**	**4.99**	**34.09**

5.5.104 The Commission, vide its Tariff Order dated September 21, 2022, in Genco's MYT Petition No. 1531 of 2019 has determined the tariff for the control period starting from FY 2019-20 to FY 2023-24 in accordance with the UPERC Generation Tariff Regulations 2019 wherein it has approved the Fixed Cost @ Rs. 1.891/unit and Energy Cost @ Rs. 2.471/unit for FY 2019-20 and Fixed Cost @ Rs. 1.854/unit and Energy Cost @ Rs. 2.471/unit for FY 2020-21. Therefore, in view of the above Tariff Order, the Commission has approved the claim of the Petitioner as per the below Table:

Table 5-59: ARREARS APPROVED DUE TO IMPACT OF GENCO's TARIFF ORDER (Rs. Cr.)

Particulars	FY-2019-20	FY-2020-21	Total
Amount as Billed and Booked	522.47	602.10	1,124.56
Amount Trued up	401.67	516.32	917.99
Billed & Booked remaining after True-up	**120.80**	**85.78**	**206.58**
Amount As per Genco's MYT Order (net)	512.33	551.22	1,063.55
Amount Trued-up	401.67	516.32	917.99
Net Arrear Approved (A)	**110.65**	**34.91**	**145.56**
Carrying Cost for FY 2019-20 on Differential Amount @ 13.80%	7.64	-	7.64
Carrying Cost for FY 2020-21 on Differential Amount @ 9.57%	10.59	1.67	12.26
Carrying Cost for FY 2021-22 on Differential Amount @ 9.50%	10.51	3.32	13.83
Carrying Cost approved on Arrears (B)	**28.74**	**4.99**	**33.72**
Total Arrear Approved (A+B)			**179.28**

Change in Law and Additional Coal Charges:

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

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

a) Order dated June 8, 2022, in Petition No. 1630 of 2020 for true-up of Additional Coal Charges of Rs. 7.24 Cr. for FY 2019-20

b) Order dated March 20, 2023, in Petition No. 1794 of 2020 for true-up of Additional Coal Charges of Rs. 0.41 Cr. for FY 2020-21

c) Order dated June 13, 2023, in Petition No. 1873 of 2022 for true-up of Additional Coal Charges of recoverable of Rs. 7.03 Cr. for FY 2021-22

d) Order dated May 2, 2024, in Petition No. 2005 of 2023 for true-up of Additional Coal Charges of recoverable of Rs. 74.74 Cr. for FY 2022-23

e) Order dated June 28, 2022, in Petition No. 1654 of 2020 for true-up of Change in Law Charges of Rs. 3.66 Cr. for FY 2019-20

f) Order dated May 12, 2023, in Petition No. 1798 of 2021 for true-up of Change in Law Charges of Rs. 4.86 Cr. for FY 2020-21

g) Order dated June 13, 2023, in Petition No. 1879 of 2022 for true-up of Change in Law Charges of Rs. 5.12 Cr. for FY 2021-22

h) Order dated April 4, 2024, in Petition No. 2004 of 2023 for true up of Change in Law Charges of 5.36 Cr for FY 2022-23

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

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

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

	Claimed		Approved		Order Date	Audit Year
Additional Coal	**Amount**	**Carrying Cost**	**Amount**	**Carrying Cost**		
Total	**73.87**	**1.84**	**7.65**	**2.46**		
Change in Law	**Amount**	**Carrying Cost**	**Amount**	**Carrying Cost**	**Order Date**	**Audit Year**
2019-20	3.66	1.25	3.66	1.20*	Order dt.28.06.22	2022-23
2020-21	4.86	0.96	Shall be considered in True up of FY 2023-24		Order dt.12.05.23	2023-24
2021-22	5.12	0.52			Order dt.13.06.23	2023-24
2022-23	5.25	-	Shall be considered in True up of FY 2024-25		Order dt.12.04.24	2024-25
CG Environment Cess and Development Cess	1.76	-	1.76	-	Order dt.02.08.22	2022-23
Total	**20.65**	**2.73**	**5.42**	**1.20**		

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

*** Net of rebate*

5.5.107 The Commission approves the power purchase cost of the Petitioner from the Long-Term source DIL (including Transmission Charges) for FY 2022-23 as shown in the Table below:

TABLE 5-61-POWER PURCHASE FROM LONG TERM SOURCE (DIL) APPROVED BY THE COMMISSION FOR 2022-23 (Rs. Cr.)

Particulars	MU at Ex-bus	Inter-State Loss (%)**	MU at UP State Bus	Intra-State Loss (%)	MU at NPCL Bus	Fixed Charges (Rs. Cr	Energy Charges (Rs. Cr)	Amount (Rs. Cr)*	PGCIL Charges (Rs. Cr)	UPPTCL charges (Rs. Cr	Total Transmission charge* (Rs. Cr)	Total (Rs. Cr)	Total (Rs. /kWh)
Dhariwal Infrastructure Limited (DIL)	1,370.12	3.57%	1,321.21	3.27%	1,278.01	224.30	338.56	547.83	96.18	31.53	126.01	673.84	5.27
Incentive as per Approved PPA	-	-	-	-	-	-	-	0	-	-	-	0	-
LTPPA Arrears claimed (for FY 2019-20 to FY 2020-21 along with Carrying cost	-	-	-	-	-	-	-	179.28	-	-	-	179.28	-
Additional Coal Charges FY 20 to FY 21 along with Carrying cost	-	-	-	-	-	-	-	10.11	-	-	-	10.11	-
For Change in Law (FY 20) along with Carrying cost	-	-	-	-	-	-	-	4.86	-	-	-	4.86	-

Particulars	MU at Ex-bus	Inter-State Loss (%)**	MU at UP State Bus	Intra-State Loss (%)	MU at NPCL Bus	Fixed Charges (Rs. Cr	Energy Charges (Rs. Cr)	Amount (Rs. Cr)*	PGCIL Charges (Rs. Cr)	UPPTCL charges (Rs. Cr	Total Transmission charge* (Rs. Cr)	Total (Rs. Cr)	Total (Rs. /kWh)
Incentive & CG Environment cess along with Carrying cost	-	-	-	-	-	-	-	1.76	-	-	-	1.76	-
Total	**1,370.12**	**3.57%**	**1,321.21**	**3.27%**	**1,278.01**	**224.30**	**338.56**	**743.84**	**96.18**	**31.53**	**126.01**	**869.85**	**5.27**

**Net of rebate*
*** This is computed figure*

Medium-Term Power Purchase

5.5.108 The Commission, vide Order dated February 28, 2020, in Petition No. 1552 of 2020 approved the tariff of power purchase for NPCL from the sources such as M/s APPCPL (Source: Department of Power & Source: Govt. of Arunachal Pradesh) and M/s APPCPL (Source: Department of Power & Source: Govt. of Nagaland). The relevant extract of the aforesaid Order is reproduced below:

Quote

Source		***Department of Power, Govt of Arunachal Pradesh***	***Department of Power, Govt. of Nagaland***
Quantum at NPCL Bus		*a) April-September: 50 MW during 00:00-24:00 Hrs.,* *b) October-November: 25MW during 18:00-22:00 Hrs. and* *c)December -March: 25 MW during 18:00-20:00 Hrs.*	*a) April-September: 50 MW during 00:00-24:00 Hrs.,* *b) October-November: 25MW during 18:00-22:00 Hrs. and c) December -March: 25 MW during 18:00-20:00 Hrs.*
Cost of Generation (Rs./kWh)	*A*	*2.090*	*2.085*
Cost of Transmission Charges (Rs./kWh)	*B*	*1.000*	*0.990*
Cost of Transmission losses (Rs./kWh)	*C*	*0.280*	*0.300*

Total Tariff at NPCL Bus(Rs./kWh)	*D=(A*2)+B+C*	*5.460*	*5.460*

..

Therefore, the Commission in view of the submissions made by the Petitioner during the hearing and further during the presentation held at Commission's office on 24.02.2020, adopts the power procurement as per the Table 4 above and approves the PPAs dated 23.01.2020 between the Petitioner and M/s APPCPL for (a) Source: Department of Power, Govt. of Arunachal Pradesh and (b) Department of Power, Govt. of Nagaland.

Unquote

5.5.109 The Commission considered the above-approved tariff to determine the power purchase cost for NPCL from the sources such as M/s APPCPL (Source: Department of Power & Govt. of Arunachal Pradesh) and M/s APPCPL (Source: Department of Power, Govt. of Nagaland in True Up of ARR for FY 2022-23.

5.5.110 Similarly, the Commission, vide Order dated May 10, 2021, in Petition No. 1671 of 2021 approved the tariff of power purchase for NPCL from the sources such as M/s APPCPL (Source: Goodwill Energy, HP) and M/s TPTCL (Source: Department of Power, Govt. of Himachal Pradesh). The relevant extract of the aforesaid Order is reproduced below:

Quote

Source	_	***Goodwill Energy, H.P.***
Quantum at NPCL Bus		*a) May'21-September'21: 15 MW during 00:00-24:00 Hrs.,* *b) May'22-September'22: 15 MW during 00:00-24:00 Hrs. and* *c) May'23-September'23: 15 MW during 00:00-24:00 Hrs.*
Cost of Generation (Rs./kWh)	*A*	*1.695*
Cost of Transmission Charges (Rs./kWh)	*B*	*0.790*
Cost of Transmission losses (Rs./kWh)	*C*	*0.250*
Total Tariff at NPCL Bus(Rs./kWh)	*D=(A*2)+B +C*	*4.43*

Source	_	***Govt. of Himachal Pradesh***
Quantum at NPCL Bus		*a) May'21-September'21: 45 MW during 00:00-24:00 Hrs., b) May'22-September'22: 45 MW during 00:00-24:00 Hrs. and c) May'23-September'23: 45 MW during 00:00-24:00 Hrs.*
Cost of Generation (Rs./kWh)	*A*	*1.6610*
Cost of Transmission Charges (Rs./kWh)	*B*	*0.7978*
Cost of Transmission losses (Rs./kWh)	*C*	*0.3100*
Total Tariff at NPCL Bus(Rs./kWh)	*D=(A*2)+B +C*	*4.43*

Unquote

5.5.111 Further, the Commission is of the view that any charges over and above the tariff approved by the Commission to source power from the Medium-Term sources at NPCL periphery (vide Order dated February 28, 2020, in Petition No. 1552 of 2020) cannot be allowed to be passed on to the consumers. Relevant excerpts from the order are reproduced below:

Quote

"18. The Commission has also gone through Minutes of meeting dated 17.12.2019, wherein all bidders including M/s APPCPL with whom the Petitioner has signed APP dated 23.01.2020, the Petitioner has clarified that the bidders are required to quote firm tariff for the entire tenure of the contract. The Petitioner has also clarified that it shall not bear/reimburse any additional cost related to all direct and indirect taxed, duties and cess etc. and the clause 5.9 and 11.8.2 and all other relevant provisions of the APP shall be interpreted accordingly."

Unquote

5.5.112 Hence, the Commission, based on the submission of the Petitioner, has considered the lower of the two values i.e. claimed vis-a-vis approved for each of the components of tariff to calculate the power purchase cost of the Petitioner from the Medium-Term sources for FY 2022-23. The Transmission charges, losses, and rebate amount have been taken from the bills. Further, provisions made by NPCL have also been taken into account. The detailed calculations are shown in the

Tables below:

TABLE 5-62: APPROVED COST FROM M/S APPCPL DEPARTMENT OF POWER, GOVT. OF AP FOR FY 2022-23

Particulars	Government of A.P (Medium-Term)			
	Reference	Approved in Order dated 28.02.2020	Claimed in Petition	Approved Upon Truing Up
MU at NPCL Periphery	A		167.80	167.80
Fixed Charges (Rs. Cr.)	B=A*C		36.51	35.07
Fixed Charges (Rs./kWh)	C	2.090	-	2.090
Energy Charges (Rs. Cr.)	D=A*E		44.49	35.07
Energy Charges (Rs./kWh)	E	2.090	-	2.09
Total (Rs. Cr.)	F=B+D		-	70.14
Total (Rs./kWh)	G=F/A*10	4.18	-	4.18
Total Transmission (Rs. Cr.)	H		Included in VC	4.37
Total Transmission (Rs./kWh)	I=H/A*10	1.00		0.26
Transmission Loss (Rs. Cr.)	J			4.70
Transmission Loss (Rs./kWh)	K=J/A*10	0.280		0.280
Rebates (Rs. Cr.)	L		-	-0.83
Provisions of Fixed Cost (Rs. Cr.)	M		-	-1.11
Total (Rs. Cr.)	N=F+H+J-L-M		**81.00**	**77.27**
Per Unit Cost (Rs./kWh)	**Q=N/A*10**	**5.46**	**4.83**	**4.60**

TABLE 5-63: APPROVED COST FROM M/S APPCPL- DEPARTMENT OF POWER, GOVT. OF NAGALAND FOR FY 2022-23

Particulars	Government of Nagaland (Medium-Term)			
	Reference	Approved in Order dated 28.02.2020	Claimed in Petition	Approved Upon Truing Up
MU at NPCL Periphery	A		84.07	84.07
Fixed Charges (Rs. Cr.)	B=A*C		18.10	17.53
Fixed Charges (Rs./kWh)	C	2.085	-	2.085
Energy Charges (Rs. Cr.)	D=A*E		22.80	17.53
Energy Charges (Rs./kWh)	E	2.085	-	2.085
Amount (Rs. Cr.)	F=B+D		-	35.06
Amount (Rs./kWh)	G=F/A*10	4.17	-	4.17
Total Transmission (Rs. Cr.)	H		Included in VC	2.19
Total Transmission (Rs./kWh)	I=H/A*10	0.99		0.26

Particulars	Government of Nagaland (Medium-Term)			
	Reference	Approved in Order dated 28.02.2020	Claimed in Petition	Approved Upon Truing Up
Transmission Loss (Rs. Cr.)	J			2.35
Transmission Loss (Rs./kWh)	K=J/A*10	0.30		0.28
Rebates (Rs. Cr.)	L		-	-0.41
Provisions of Fixed Cost (Rs. Cr.)	M		-	-0.18
Total (Rs. Cr.)	N=F+H+J-L-M		**40.89**	**39.01**
Per Unit Cost (Rs./kWh)	**Q=N/A*10**	**5.46**	**4.86**	**4.64**

TABLE 5-64: APPROVED COST FROM M/S TPTCL DEPARTMENT OF POWER, GOVT. OF HIMACHAL PRADESH FOR FY 2022-23

Particulars	TPTCL-Government of Himachal (Medium-Term)			
	Reference	Approved in Order dated 10.05.2021	Claimed in Petition	Approved Upon Truing Up
MU at NPCL Periphery	A		158.02	158.0
Fixed Charges (Rs. Cr.)	B=A*C		24.10	23.33*
Fixed Charges (Rs./kWh)	C	1.6610	-	1.48
Energy Charges (Rs. Cr.)	D=A*E		34.74	26.25
Energy Charges (Rs./kWh)	E	1.6610	-	1.66
Amount (Rs. Cr.)	F=B+D		-	49.58
Amount (Rs./kWh)	G=F/A*10	3.32	-	3.14
Total Transmission (Rs. Cr.)	H		Included in VC	4.13
Total Transmission (Rs./kWh)	I=H/A*10	0.7978		0.26
Transmission Loss (Rs. Cr.)	J			4.08
Transmission Loss (Rs./kWh)	K=J/A*10	0.3100		0.26
Rebates (Rs. Cr.)	L		-	-0.61
Provisions of Fixed Cost (Rs. Cr.)	M		-	0.00
Total (Rs. Cr.)	N=F+H+J-L-M		**58.85**	**57.17**
Per Unit Cost (Rs./kWh)	**Q=N/A*10**	**4.43**	**3.72**	**3.62**

**The fixed charges have been calculated based on the 85% availability factor. An incentive on excess units has been claimed separately by the Petitioner which is dealt in the subsequent section.*

TABLE:5-65: APPROVED COST FROM M/S APPCPL GOODWILL ENERGY, HIMACHAL PRADESH FOR FY 2022-23

Particulars	APPCPL- Goodwill, HP (Hydro)			
	Reference	Approved in Order dated 10.05.2021	Claimed in Petition	Approved Upon Truing Up
MU at NPCL Periphery	A		4.98	4.98
Fixed Charges (Rs. Cr.)	B=A*C		0.87	0.84
Fixed Charges (Rs./kWh)	C	1.695	-	1.695
Energy Charges (Rs. Cr.)	D=A*E		1.12	0.84
Energy Charges (Rs./kWh)	E	1.695	-	1.695
Amount (Rs. Cr.)	F=B+D		-	1.69
Amount (Rs./kWh)	G=F/A*10	3.39	-	3.39
Total Transmission (Rs. Cr.)	H		Included in VC	0.14
Total Transmission (Rs./kWh)	I=H/A*10	0.790		0.27
Transmission Loss (Rs. Cr.)	J			0.12
Transmission Loss (Rs./kWh)	K=J/A*10	0.250		0.25
Rebates (Rs. Cr.)	L		-	-0.02
Provisions of Fixed Cost (Rs. Cr.)	M		-	0.00
Total (Rs. Cr.)	N=F+H+J-L-M		**1.99**	**1.93**
Per Unit Cost (Rs./kWh)	**Q=N/A*10**	**4.43**	**4.00**	**3.87**

5.5.113 The Commission further observes that the Petitioner has included charges like Operating Charges and Application Fee in the Transmission charges. However, as per Clause 5.7 of PPA (dated January 23, 2020) between APPCL-Govt. of AP and the Petitioner, these charges shall be paid by the supplier. Relevant extract of the PPA is reproduced below:

> ***"5.7 Obligations relating to SLDC and RLDC charges***
>
> *The Supplier shall be liable for payment of all the charges, due and payable under applicable laws by the Supplier to the SLDC and RLDC for and in respect of all its supplies to the Utility"*

5.5.114 Therefore, the Commission, taking the same approach for all the Medium-Term sources of Power, has disallowed the cost claimed towards Operating Charges and Application Fees. The Licensee should be more vigilant and not claim any amount that is not as per Regulations/PPA.

Incentive claimed by M/s TPTCL (GoHP)

5.5.115 The Petitioner has submitted that as per the relevant articles of the above approved Medium-Term Agreements with M/s APPCPL and M/s TPTCL, the dispatched power towards declared availability of M/s TPTCL (Source: GoHP) was 95.63%, TPTCL claimed incentives of Rs. 1.51 Cr for FY 2022-23.

5.5.116 The Commission observes that the Petitioner availed 1% rebate on the amount paid to the supplier. However, while claiming the same in this true-up Petition, the Petitioner has not considered 1% rebate. Therefore, the Commission allows an incentive of Rs.1.49 Cr after deducting the rebate.

Damages claimed from Supplier

5.5.117 The Petitioner has submitted that during FY 2022-23, other suppliers having MTPPA with the Petitioner failed to make the availability of their plant up to 85% Capacity. Therefore, the Petitioner has claimed the Damages in terms of Article 11.6.2 of the respective PPAs and provided the summary as in the Petitioner Submission section.

5.5.118 The Commission observes that the invoices for these damages were raised after the end of FY 2022-23 in accordance with the terms of PPA, however, the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred. However, the same shall be dealt with at the time of truing up of FY 2023-24 after prudence check.

Provisions of Fixed cost

5.5.119 The Commission observes that the Petitioner has claimed Fixed Cost Provisions for FY 2020-21 and FY 2021-22 as per the Table below:

TABLE:5-66: PROVISIONS CLAIMED FOR FY 2022-23

Sr. No	Source	Total Charges (Rs.Cr.)
1	APPCPL - Govt. of AP Fixed Cost Provision (FY-21)	0.35
2	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)	0.35

Sr. No	Source	Total Charges (Rs.Cr.)
3	APPCPL - Govt. of AP Fixed Cost Provision (FY-22)	2.48
4	APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)	2.00
	Total	**5.18**

5.5.120 The Petitioner, in its past Petitions, had claimed the amount as per the terms of PPA but the Commission in previous Tariff orders has not allowed the claims in the absence of the bills. The Petitioner has now submitted the bills from the Supplier.

5.5.121 The Commission observes that the invoices for these damages were raised after the end of FY 2022-23 in accordance with the terms of PPA, however, the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred till the true up FY 2023-24 subject to prudence check.

5.5.122 The Commission, taking the above into consideration, approves the power purchase of the Petitioner from the Medium-Term Sources for FY 2022-23 as under:

TABLE 5-67: MEDIUM-TERM PURCHASE APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Source	MU at NPCL Bus	Fixed Charges	Energy Charges	Amount	Other Charges	Total	Per Unit cost (Rs./kWh)
APPCPL- Govt. of AP	167.80	35.07	35.07	70.14	9.07	77.27	4.60
APPCPL- Govt. of Nagaland	84.07	17.53	17.53	35.06	4.55	39.01	4.64
TPTCL- Govt of Himachal Pradesh	158.02	23.33	26.25	49.58	8.20	57.17	3.62
APPCPL- Goodwill, HP	4.98	0.84	0.84	1.69	0.26	1.93	3.87
Incentive	-	1.49	-	1.49	-	1.49	-
Total	**414.86**	**78.26**	**79.69**	**157.95**	**22.08**	**176.87**	**4.26**

Power Procurement from Renewable Sources:

5.5.123 The Petitioner has submitted the power purchase cost from the Renewable sources for FY 2022-23 (available in the Petitioner Submission section).

5.5.124 The Commission's approval for the submitted renewable sources along with approval Orders is enclosed below:

Source	Approved by the Commission (Yes/No)	Link
Solar Power (GNIDA)	Yes	https://www.uperc.org/App_File/1012-2015NoidaPowerCompanyLtd-pdf715201533327PM.pdf
Solar Power (APPCPL)	No	-
Solar Power (Adani)	Yes	https://www.uperc.org/App_File/1479order18-9-2019-pdf9242019111547AM.pdf
Solar Power (Tata)	Yes	https://www.uperc.org/App_File/1479order18-9-2019-pdf9242019111547AM.pdf
Solar Power (Net Metering)	-	Deemed approved
Wind Power (PTC)	Yes	https://www.uperc.org/App_File/Pt1228of2017orderdt-05-01-18-pdf152018124349PM.pdf
PTC-Hydro singoli	Yes	https://www.uperc.org/App_File/Pt-no-1818of2022NPCL-12-04-2022(1)-pdf4132022105817AM.pdf
Non-Solar (PTC BASL)	Yes	https://www.uperc.org/App_File/Pt-no-1871of2022NPCL-28-10-2022-pdf417202342113AM.pdf
Non-Solar (PTC NSL)	Yes	https://www.uperc.org/App_File/Pt-no-1871of2022NPCL-28-10-2022-pdf417202342113AM.pdf
Non-Solar (Exchange-RE)	-	Deemed approved
APPCPL- (Source- DoP, GoAP)	Yes	https://www.uperc.org/App_File/OrderinPet1692of2021-pdf420202150824PM.pdf
APPCPL- (Source- DoP, Nagaland)	Yes	https://www.uperc.org/App_File/OrderinPet1692of2021-pdf420202150824PM.pdf
APPCPL- (Source- MePDCL, Meghalaya)	Yes	https://www.uperc.org/App_File/OrderinPet1692of2021-pdf420202150824PM.pdf
KREATE- (Source- E&PD, Govt of Sikkim)	Yes	https://www.uperc.org/App_File/OrderinPet1692of2021-pdf420202150824PM.pdf

5.5.125 The Commission, vide Order dated July 14, 2015, in Petition No. 1012 of 2015, has approved tariff for NPCL to procure power from Solar Power (GNIDA). The relevant excerpt of the Order is reproduced below:

Quote

8. the Commission approves the Power Purchase Agreement (PPA) for purchase of 1 MWp solar PV power for a period of 10 years commencing from 01.03.2015.

9. *Regarding the tariff, the Commission considers the provisions made under schedule –I (E) of UPERC (Captive and Renewable Energy Generating Plants) Regulations, and therefore allows the tariff of Rs. 7.06/kWh.*

10. *For any further extension of PPA, the matter shall be brought to the Commission for its approval. However, in any case, the tariff for extended period shall not exceed present allowed rate of Rs. 7.06/kWh.*

Unquote

5.5.126 The Commission further observes that the Petitioner has claimed power procurement from Solar Power (GNIDA) at approved rates. Therefore, the Commission has considered the actual value as claimed by the Petitioner for truing up for FY 2022-23.

5.5.127 The Commission observes that the Petitioner procured solar power of 0.31 MU @ Rs. 5.38/ kWh from M/s APPCPL and the same is not approved by the Commission. However, the same is used to fulfil the RPO obligation of the Petitioner. Hence, the Commission considered the average GTAM (Solar) rate of FY 2022-23 for the solar power procured from M/s APPCPL. The Commission computed the GTAM (Solar) rate as shown in the Table below:

Table 5-68: AVERAGE GTAM (SOLAR) RATE CONSIDERED BY THE COMMISSION FOR 2022-23

Month	Total Price Paid (Rs. Cr.)	Total Traded Volume (MU)	Average Price (Rs/kWh)
Apr-22	30.11	35.07	8.59
May-22	17.87	33.30	5.37
Jun-22	5.20	13.33	3.90
Jul-22	8.76	24.65	3.56
Aug-22	5.97	17.97	3.32
Sep-22	6.59	16.04	4.11
Oct-22	10.53	24.74	4.26
Nov-22	1.73	3.44	5.03
Dec-22	2.38	4.58	5.19
Jan-23	Data not available		
Feb-23			
Mar-23			
Total	**89.14**	**173.12**	**5.15**

Source: IEX

5.5.128 The Commission observed that the GTAM (Solar) data for January 2023 to March

2023 was not available on the website of IEX. The Commission vide email dated September 2, 2024, enquired with IEX about the unavailability of data, however, no response was received, therefore, the Commission considered the Average Price till December 2022.

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

Quote

In view of all the submissions placed on record of the Commission, the commission adopts the tariffs as below:

S. No.	***Name of Bidders***	***Allotted Project Capacity (MW)***	***Final Tariff after e-reverse auctioning (Tariff for 25 years) in Rs./kWh***
9	*TATA Power Renewable Energy Ltd Mumbai (PPA Signed with NPCL)*	*25*	*3.08*
10	*Mahoba Solar (UP) Pvt Ltd, Ahmedabad (PPA Signed with NPCL)*	*25*	*3.08*

Unquote

5.5.130 With respect to the Power procured from Adani (Solar) and Tata Power Solar, the Commission directed the Petitioner to submit the reconciliation of the invoice submitted. The Commission further observes that the tariff rate claimed by the Petitioner for power procurement from M/s Adani Energy (Mahoba Solar (UP) Pvt. Ltd., Ahmedabad) and M/s Tata Power is as per the approved tariff in the aforesaid Order. Therefore, the Commission has considered the actual value as claimed by the Petitioner for truing up of FY 2022-23.

5.5.131 The Commission observes that the Petitioner has shown 0.01 MU billed under the head of NPCL (Solar) for True-up of FY 2022-23 however, the Petitioner has not claimed any cost against the above-said Power Purchase Cost. The Commission directed the Petitioner to provide justification for the same and provide an invoice for the same.

5.5.132 In reply, the Petitioner has submitted that the power purchase units claimed under NPCL (Solar) for the True-up of FY 2022-23 belong to the electricity generated by rooftop solar panels installed at NPCL premises. These solar panels were installed during FY 2011-12 and for which the associated capital expenditure was duly approved by the Commission. Further, during FY 2022-23, the Petitioner has not incurred any additional expenditure for the generation of energy from these solar panels. Consequently, they have not claimed any additional cost for the power purchase units reported under NPCL (Solar). Accordingly, the necessity of an invoice for Power purchase is not applicable.

5.5.133 Further, with regards to power procured from Solar power (Net Metering), the Commission observes that the energy rate claimed by the Petitioner is on the higher side. As per the third proviso of Regulations 10.4(iii) and 10.4(iv) of UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 (hereafter referred to as UPERC RSPV Net Metering Regulations 2019) reproduced as below:

Quote

10.4(iii)

Provided also that in Net Metering arrangement, at the end of each settlement period, any electricity credits, which remain unadjusted, shall be paid at a Net Metering Rate of Rs 2/kWh by the Distribution Licensee or as notified by the Commission from time to time.

10.4(iv) When an eligible consumer leaves the system, the unused electricity credits for that consumer in case of Net Metering arrangement shall be paid at Net Metering Rate of Rs 2/kWh by the Distribution Licensee or as notified by the Commission from time to time.

Unquote

5.5.134 The Commission sought clarification from the Petitioner regarding the quantum of the energy settled at the end of FY 2022-23 as per the above Regulations. The Petitioner submitted the following details:

Category	HV-1		HV-2		LMV-1M		LMV-3M		LMV-4		LMV-6		TOTAL	
Month	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**	**MU**	**Rs. Cr.**
Apr-22	0.31	0.26	0.30	0.21	0.07	0.04	0.01	0.01	0.00	0.00	0.01	0.01	**0.70**	**0.52**
May-22	0.22	0.19	0.21	0.14	0.05	0.03	0.01	0.01	0.00	0.00	0.00	0.00	**0.50**	**0.38**
Jun-22	0.24	0.21	0.20	0.14	0.06	0.04	0.01	0.01	0.00	0.00	0.00	0.00	**0.52**	**0.40**
Jul-22	0.20	0.16	0.16	0.11	0.04	0.03	0.01	0.01	0.00	0.00	0.00	0.00	**0.41**	**0.31**
Aug-22	0.18	0.15	0.15	0.10	0.05	0.03	0.01	0.01	0.00	0.00	0.00	0.00	**0.40**	**0.30**
Sep-22	0.15	0.12	0.22	0.15	0.05	0.03	0.01	0.01	0.00	0.00	0.01	0.00	**0.43**	**0.32**
Oct-22	0.12	0.10	0.13	0.09	0.05	0.03	0.01	0.01	0.00	0.00	0.00	0.00	**0.32**	**0.24**
Nov-22	0.22	0.18	0.21	0.15	0.05	0.03	0.01	0.01	0.00	0.00	0.00	0.00	**0.50**	**0.37**
Dec-22	0.12	0.10	0.19	0.13	0.04	0.02	0.00	0.00	0.00	0.00	0.00	0.00	**0.35**	**0.26**
Jan-23	0.10	0.09	0.22	0.15	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.00	**0.35**	**0.26**
Feb-23	0.29	0.25	0.24	0.16	0.07	0.04	-	-	0.01	0.00	0.00	0.00	**0.60**	**0.46**
Mar-23	0.25	0.22	0.26	0.18	0.08	0.05	0.00	0.00	0.01	0.01	0.00	0.00	**0.61**	**0.46**
TOTAL*	**2.41**	**2.03**	**2.48**	**1.72**	**0.64**	**0.38**	**0.08**	**0.07**	**0.03**	**0.03**	**0.05**	**0.03**	**5.69**	**4.27**
Energy Settled at the end of FY	**0.02**	**0.00**	**0.04**	**0.01**	**0.08**	**0.02**	**-**	**-**	**0.00**	**0.00**	**0.02**	**0.00**	**0.15**	**0.03**

* Based on the Audited Accounting Statement, the Petitioner has included Rs. 4.27 Cr in both, i.e. The Power Purchase cost as well as the Billed Revenue keeping the net impact on ARR and Revenue as neutral.

5.5.135 The Commission observes that the energy banked by the consumers is utilised in the same financial year for which no bill is generated by the Petitioner. In other words, the energy banked, which is considered as a “purchase” by the Petitioner, is returned in the following month. The energy in turn is considered as sales by the Petitioner and hence no treatment is required for any adjustment. Therefore, the energy that remains unadjusted at the end of the year is the quantum of energy that has been banked and considered as a “purchase” by the Petitioner at Tariff approved in the third proviso of Regulations 10.4(iii) and 10.4(iv) in the UPERC RSPV Net Metering Regulations 2019.

5.5.136 As explained in the Energy Balance section, the Petitioner has treated monthly net injected units by Rooftop consumers as power purchase in that month. As per UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019, only the balance unutilized units at the end of the financial year (the settlement period), need to be shown as purchase by the Licensee and payment made to the consumer at a net metering Rate of Rs. 2/Unit. In case of NPCL, 0.15 MU unadjusted at the end of FY 2022-23 only should have been shown as energy purchase from net metering consumers. As the Licensee has not followed the RSPV Regulations for accounting of net metering units, the Commission has treated these units (5.69-0.15=5.54 MUs) as deemed purchase from G-DAM segment of power purchase. The Commission has considered the yearly weighted MCP of Rs. 5.643/unit of GDAM segment of IEX for FY 2022-23 as available on the website of IEX as below:

INDIAN ENERGY EXCHANGE

Market Snapshot

Yearly prices are simple average of non-zero prices in (No of days in an year*24*4) no of 15 minutes time block of respective

Yearly volume are simple average of volume in (No of days in an year*24*4) no of 15 minutes time block of respective year.

Financial Year: 2022 - 2023

Financial Year	Purchase Bid (MWh)	Sell Bid (MWh)				MCV (MWh)				Final Scheduled Volume (MWh)				MCP (Rs/MWh)	Weighted MCP (Rs/MWh)
		Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)	Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)	Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)		
2022 - 2023	17205579.60	5883802.94	2879976.96	3002004.55	1831.43	3817305.2	1584355.4	2231730.87	1229.24	3816616	1583670.6	2231726.72	1229.24	6487.74	5643.45

Summary	Purchase Bid (MWh)	Sell Bid (MWh)				MCV (MWh)				Final Scheduled Volume (MWh)				MCP (Rs/MWh)	Weighted MCP (Rs/MWh)
		Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)	Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)	Total (MWh)	Solar (MWh)	Non-Solar (MWh)	Hydro (MWh)		
Total	17205579.60	5883802.94	719994.24	750501.14	457.86	954326.29	396088.85	557932.72	307.31	954154.06	395917.66	557931.68	307.31	-	-
Max	6698.48	4775.10	32442.09	58217.60	228.51	45751.16	21979.32	24500.53	219.76	45751.16	21979.32	24500.53	219.76	20000.00	20000.00
Min	312.90	35.10	177.80	1217.40	0.00	2852.53	177.80	819.75	0.00	2852.53	177.80	819.75	0.00	2582.98	2582.98
Average	1964.11	671.67	7890.35	8224.67	5.02	10458.37	4340.70	6114.33	3.37	10456.48	4338.82	6114.32	3.37	6487.74	6474.73

5.5.137 The Commission directs the Petitioner to strictly follow UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 in future. In case of non-compliance, the Commission may take necessary corrective actions.

5.5.138 The Commission, vide Order dated January 23, 2018, in Petition No. 1228 of 2017, approved the tariff for NPCL to procure Wind Power from PTC India Limited. The relevant excerpts of the Order are reproduced below:

Quote

"6. In the hearing the Petitioner informed that to meet their renewable purchase obligations, this is the most reasonable rate on which the company is proposing to purchase 10MW wind power. Further, in this case the interstate transmission charges and losses are also not to be paid, as per the Government of India directives.

7. The Commission does not find any objection in this proposal therefore the Commission adopts the tariff of Rs.3.53 per unit including a trading margin of Rs.0.07 per unit. The purchase will be strictly as per the Power Purchase Agreement approved by M/s SECIL."

Unquote

5.5.139 The Commission directed the Petitioner to provide supporting documents for Energy at NPCL periphery from PTC(Wind) source. The Petitioner, in its reply, submitted the Energy Accounts for FY 2022-23 to reconcile Wind energy delivered at UP State / NR Periphery from approved PPA with PTC. Further, Energy at the NPCL periphery has been derived by applying Intra-State Transmission Loss of 3.27% to the Energy at the State Periphery as shown in the Table below:

Energy Procured from PTC Wind (MU)			
Month	**Energy at Ex-NR/ State Periphery as per REA**	**Energy Billed**	**Energy at NPCL after Intra-State Losses @3.27%**
April	4.09770	4.097700	3.96371
May	5.82533	5.825330	5.63484
June	4.65143	4.651425	4.49932
July	3.88185	3.881853	3.75492
August	3.81634	3.816340	3.69155
September	2.76568	2.765675	2.67524
October	1.45471	1.454705	1.40714
November	0.91049	0.910490	0.88072
December	1.97643	1.976433	1.91180
January	2.91642	2.916415	2.82105
February	1.45556	1.455563	1.40797
March	1.61457	1.614570	1.56177
TOTAL	**35.36649**	**35.36649**	**34.21001**

5.5.140 The Commission observes that the Petitioner claimed the approved tariff rate for the procurement of wind power from PTC India Limited ex-bus as approved in the aforesaid Order, therefore the claim of the Petitioner is allowed by the Commission.

5.5.141 The Commission vide Order dated October 28, 2022, in Petition No. 1871 of 2022, approved the tariff for NPCL to procure Non-Solar Power from PTC (NSL Sugar Ltd) and PTC (Bannari Amman Sugars Limited). The relevant excerpts of the Order are reproduced below:

Quote

"

Period	*Bidder Name (Source)*	*Quantum at Delivery Point*	*Rate (Rs/kWh)*
01.11.2022 to 31.03.2023	*PTC (NSL Sugars limited, Karnataka (NSL))*	*15*	*5.60*
	PTC (Bannari Amman Sugars Limited, Karnataka (BASL))	*10*	*6.00*

Accordingly, the Commission approves the Power Purchase Agreements dated 04.08.2022 signed with M/S PTC India Ltd for respective sources for power supply of 25 MW from 01.11.2022 to 31.03.2023".

Unquote

5.5.142 The Commission directed the Petitioner to provide energy accounts for PTC (Bannari Amman Sugar Ltd.), NSL (ALAND) and Singoli. The Petitioner in its reply submitted the summary of power procured from PTC (Bannari Amman Sugar Ltd.), PTC (NSL Sugar Ltd.) and PTC (Singoli) along with details of STOA Acceptance. Further, an Energy Account comprising details of the energy schedule with reference to STOA Acceptance was also provided.

5.5.143 The Commission further observes that the Petitioner claimed the approved tariff rate for the procurement of power from PTC (Bannari Amman Sugar Ltd-BASL) and PTC (NSL Sugars Ltd) against the Commission approved rate at Ex-bus in aforesaid Order and the same is approved by the Commission.

5.5.144 The Commission, vide Order dated April 12, 2022, in Petition No. 1818 of 2022, approved the tariff for NPCL to procure power from M/s PTC (Singoli Bhatwari, HEP Uttarakhand). The relevant excerpts of the Order are reproduced below:

Quote

*"**Commission's View***

31. In view of the recommendations of the internal committee and pursuance of the records available on record, the Commission, under Section 63 of the Electricity Act, 2003 read with Clause 11.4 of the Short-Term Bidding.

Guidelines, approves the tariff as discovered in the bidding by the Petitioner:

SR. No.	*Bidder Name (Source)*	*Period*	*Duration (Hrs)*	*Quantum (MW)*	*Quoted Rate at CTU Periphery of Seller (Rs/kWh)*
1	*PTC (Singoli*	*01st May 2022 to 30th June 2022*		*25*	*5.20*

SR. No.	*Bidder Name (Source)*	*Period*	*Duration (Hrs)*	*Quantum (MW)*	*Quoted Rate at CTU Periphery of Seller (Rs/kWh)*
	Bhatwari HEP, Uttarakhand)	*01st July 2022 to 31st July 2022*	*00:0007:00 & 10:0024:00*	*25*	*5.10*
		01st August 2022 to 30th September 2022		*25*	*5.20*

The Commission accordingly approves the Power Purchase Agreements dated 13.01.2022 between the Petitioner and M/S PTC India Ltd".

Unquote

5.5.145 The Commission observes that the Petitioner has claimed Rs 40,12,178 as Transmission Charges twice for PTC (Source Singoli) and, therefore, sought an explanation from the Petitioner. The Petitioner replied that as a part of prudent practice at the close of the financial period, the cost of power is initially recorded on a provisional basis in cases in which receipt of invoice is pending so that none of the cost is missed from being recorded. Subsequently, after receipt of the invoice, the cost is properly accounted for with compliance of TDS etc. and provisional entries are simultaneously reversed. In the present case, as noted by the Commission, an inadvertent error occurred where the provisional entry was mistakenly not reversed, resulting in a double claim. The Petitioner requested the Commission to condone the inadvertent error and consider Rs. 40,12,178/- towards transmission charges for PTC (Source Singoli) only once.

5.5.146 The Commission further observes that the Petitioner claimed (as per approved tariff) the procurement of power from PTC (Source-Singoli) (Hydro) at ex-bus as approved in aforesaid Order. The same is approved by the Commission after deducting Rs. 40,12,178/- claimed inadvertently by the Petitioner.

5.5.147 Further, it has also been observed that in the Non-Solar Power procured from Exchange-RE, the Petitioner claimed a trading margin of Rs. 0.53 Cr. The Petitioner, as a Distribution Licensee, is a deemed Trader as per the 9th proviso of Section 14 (Grant of licence) of EA 2003, which states that a Distribution Licensee shall not require a licence to undertake trading in electricity. Thus, the Commission is of the view that NPCL can purchase power directly from the exchange. Therefore, the Commission is disallowing the trading margin on the purchase of Non-Solar Power (Exchange-RE).

5.5.148 The Commission approved the power procurement cost from M/s APPCPL (Sources: Department of Power, Govt. of Arunachal Pradesh, Department of Power, Govt. of Nagaland and MePDCL, Govt. of Meghalaya) and M/s Kreate Energy (Source: Energy & Power Department, Govt. of Sikkim) under Short-Term power at CTU periphery vide order dated April 20, 2021 (Petition No. 1692 of 2021). The relevant extract of aforesaid Order is reproduced below:

Quote

"Table-5:

S. No.	***Bidder (Source)***	***Period***	***Duration (Hrs.)***	***Quantum (MW)***	***Rate at CTU Periphery of Seller (Rs./kWh)***
1	*M/s Arunachal Pradesh Power Corporation Pvt Ltd (Department of Power, Govt of Nagaland)*	*1st April, 2021 to 30th September, 2021 (Except Sundays)*	*00:00 to 04:00*	*12*	*4.3*
2	*M/s Arunachal Pradesh Power Corporation Pvt Ltd (Department of Power, Govt of Arunachal Pradesh)*	*1st April, 2021 to 30th September, 2021 (Except Sundays)*	*19:00 to 24:00*	*10*	*4.44*
3	*M/s Arunachal Pradesh Power Corporation Pvt Ltd (MePDCL, Meghalaya)*	*1st April, 2021 to 30th September, 2021 (Except Sundays)*	*00:00 to 04:00*	*15*	*4.3*
		1st May, 2021 to 30th September, 2021 (Except Sundays)	*12:00 to 17:00*	*15*	*4.32*
		1st April, 2021 to 30th April, 2021 (Except Sundays)	*19:00 to 24:00*	*15*	*4.44*

S. No.	Bidder (Source)	Period	Duration (Hrs.)	Quantum (MW)	Rate at CTU Periphery of Seller (Rs./kWh)
		1st May, 2021 to 30th September, 2021 (Except Sundays)	19:00 to 24:00	15	4.44
4	M/s Kreate Energy Pvt Ltd (E&PD, Govt. of Sikkim)	1st April, 2021 to 30th September, 2021 (Except Sundays)	00:00 to 04:00	5	4.3
		1st May, 2021 to 30th September, 2021 (Except Sundays)	12:00 to 17:00	10	4.31
		1st April, 2021 to 30th April, 2021 (Except Sundays)	19:00 to 24:00	10	4.44
		1st May, 2021 to 30th September, 2021 (Except Sundays)	19:00 to 24:00	10	4.44
5	**Wt. Average Tariff (Rs. /kWh)**		-	-	**4.36**

Unquote

5.5.149 It has been observed that the Petitioner has purchased power from sources that are not approved by the Commission. For example, in invoice "Invoice: M-OA-104", the source is Adani Wind Energy. The Commission directed the Petitioner to provide an explanation for purchasing power from various sources other than approved Power Sources.

5.5.150 The Petitioner, in its reply, submitted that it has procured power only under the PPA approved by the Commission. The PPA for KEIPL has also been approved by the Commission vide its Order dated 12-04-2022 in Petition No. 1820/2022 and Order dated 17-05-2022 in Petition No. 1845/2022.

5.5.151 The Petitioner further submitted that it has signed PPA with M/s KEIPL and it is obliged to supply the agreed quantum of power to the Petitioner. Therefore, in case of exigencies when the original source plant is not available, M/s KEIPL is obligated to supply/schedule power from alternate sources at the same rate as agreed in PPA. This has also been provided in the approved PPA as shown in the extract here-in-below:

" 3. Tariff :

> *The tariff should be fixed and there shall be no escalation during the contractual period. If the non-solar renewable power is being supplied through alternative source due to any reason, any additional charges and losses if any, due to cancellation of existing corridor and booking of new corridor etc., shall be to the account of KEIPL. "*

5.5.152 The Petitioner has submitted that M/s KEIPL has scheduled some power from various sources during exigencies as observed by the Commission in the aforementioned "Invoice :M-OA-104". Providing power from an alternate source has no financial impact on the cost of power procurement as the tariff paid for power supplied is in accordance with the approved PPA.

5.5.153 The Commission observes that some units purchased through M/s IPCL are from non-green sources of energy. Therefore, the Commission while computing RPO compliance has not considered 2.09 MU purchased through M/s IPCL.

5.5.154 Accordingly, the Commission has considered the lower of the two values i.e., the amount claimed by the Petitioner and that approved by the Commission vide order dated April 20, 2021 (Petition No. 1692 of 2021) for truing-up for FY 2022-23 for approval of power procurement from aforesaid sources.

5.5.155 The Commission observes that CTU / PGCIL waived inter-state transmission charges & losses transmission for procurement of power from solar and wind power on a long-term basis. In this regard, Para 4 (i) of the Order dated 13.02.2018 of the Ministry of Power, GoI (later replaced by Para 3(a) of the notification dated 05.08.2020) provides as under:

Quote

4.0 In supersession of Ministry of Power's earlier order No. 23/12/2016-R&R dated 30th September, 2016 and Order No. 23/12/2016-R&R dated 14th June, 2017, it is hereby notified that –

For generation projects based on solar and wind resources, no interstate transmission charges and losses will be levied on transmission of the electricity through the inter-state transmission system for sale of power by such projects commissioned till 31st March 2020.

Provided that the above waiver will be available for a period of 25 years from the date of commissioning of such projects.

Unquote

5.5.156 Further, the Hon'ble CERC has amended its Sharing Regulations, 2010 as follows:

Quote

(aa) No transmission charges and losses for the use of ISTS network shall be payable for the generation based on solar and wind power resources for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:

(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government;

(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 till 31.3.2022;

Unquote

5.5.157 Also, the Commission notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 (CRE Regulations, 2019) in which the Intra-State Transmission charge for RE sources is exempted as per Regulation 26.

5.5.158 In light of the above-mentioned Regulation, the Commission considered the Inter-State transmission losses & charges as NIL for solar and wind Renewable sources and intrastate transmission charges as 50% of the approved value for FY 2022-23 for solar sources for determining the transmission charges of Renewable sources for FY 2022-23. However, the Application Fees and Scheduling Charges paid by the Petitioner for scheduling renewable power from inter & intrastate transmission network is considered by the Commission.

5.5.159 Further, the Commission once again reiterates that in the future, the Petitioner should strictly follow the Central Government Guidelines namely 'Guidelines for short term (i.e. for a period more than one day to one year) Procurement of power by Distribution Licensees through Tariff based bidding process' dated March 30, 2016, and any amendments of the same. In addition, the Petitioner must take prior approvals of the Commission.

5.5.160 Based on the above observations, the Commission approves the power purchase from renewable sources as shown in the Table below:

TABLE 5-69: RENEWABLE POWER PURCHASE APPROVED BY THE COMMISSION FOR FY 2022-23

Source	MU at ex bus	Inter State Loss (%)	Intra State Loss (%)	MU at NPCL Bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Rebate (Rs. Cr)	Amount (Rs. Cr.)	Total Transmission (Rs. Cr.)	Total (Rs. Cr.)	Avg rate NPCL-bus (Rs./kWh)
Solar Power (GNIDA)	1.08	0.00%	0.00%	1.08	-	0.76	0.02	0.75	0.00	0.75	6.92
Solar Power (APPCPL)	0.31	0.00%	0.00%	0.31	-	0.16	0.00	0.16	0.00	0.16	5.04
Solar Power (Adani)	54.49	0.00%	3.27%	52.71	-	16.68	0.34	16.34	0.65	16.99	3.22
Solar Power (Tata)	35.51	0.00%	3.27%	34.35	-	11.09	0.22	10.87	0.42	11.29	3.29
Solar power (NPCL)	0.01	0.00%	0.00%	0.01	-	0.00	0.00	0.00	0.00	0.00	0.00
Solar Power (Net Metering)	0.15	0.00%	0.00%	0.15	-	0.00	0.00	0.00	0.00	0.03	2.00
Net metering units allowed at G-DAM Rates	5.54	0.00%	0.00%	5.54	-	3.12	0.00	3.12	0.00	3.12*	5.64
PTC (Wind)	35.36	0.00%	3.27%	34.21	-	12.45	0.25	12.20	0.84	13.04	3.81
PTC (Bannari Amman Sugar Ltd.)	33.18	3.89%	3.27%	30.85	-	19.91	0.40	19.51	0.93	20.44	6.63
PTC(NSL Sugars Ltd.)	48.41	3.88%	3.27%	45.01	-	27.11	0.54	26.57	1.29	27.85	6.19
Kreate (Source-DoP, Govt of Sikkim) (Non-Solar)	67.93	3.50%	3.27%	63.41	-	35.32	0.71	34.62	1.71	36.33	5.73
APPCPL (Source-MePDCL,	13.50	3.46%	3.27%	12.60	-	6.88	0.14	6.75	0.33	7.08	5.62

Source	MU at ex bus	Inter State Loss (%)	Intra State Loss (%)	MU at NPCL Bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Rebate (Rs. Cr)	Amount (Rs. Cr.)	Total Transmission (Rs. Cr.)	Total (Rs. Cr.)	Avg rate NPCL-bus (Rs./kWh)
Meghalaya) (Non-Solar)											
Power Exchange (Renewable)	156.87	3.36%	3.27%	146.64	-	116.23	-	116.23	3.98	120.22	8.20
PTC (Source-Singoli) (Hydro)	80.29	3.35%	3.27%	75.06	-	41.59	0.83	40.76	1.58	42.34	5.64
Total	**532.64**	**2.62%**	**3.23%**	**501.94**	**0.00**	**291.32**	**3.44**	**287.88**	**11.73**	**299.64**	**5.97**

TABLE 5-70: APPROVED POWER PURCHASE FROM RENEWABLE SOURCES FOR FY 2022-23

Particulars	Claimed in Petition			Approved Upon Truing Up		
	Energy at NPCL Periphery (MU)	Avg rate at NPCL periphery (Rs. /kWh)	Power Purchase Cost (Including Trans. Charges) (Rs. Cr.)	Energy at NPCL Periphery (MU)	Avg rate at NPCL periphery (Rs./kWh)	Power Purchase Cost (Including Trans. Charges) (Rs. Cr.)
Solar Power (GNIDA)	1.08	6.92	0.75	1.08	6.92	0.75
Solar Power (APPCPL)	0.31	5.38	0.17	0.31	5.04	0.16
Solar Power (Adani)	52.71	3.22	16.99	52.71	3.22	16.99
Solar Power (Tata)	34.35	3.29	11.29	34.35	3.29	11.29
Solar power (NPCL)	0.01	-	-	0.01	-	-
Solar Power (Net Metering)	5.69	7.51	4.27	0.15	2.00	0.03
Net metering units allowed at G-DAM Rates	0.00	-	-	5.54	5.64	3.12
PTC (Wind)	34.21	3.81	13.04	34.21	3.81	13.04
PTC (Bannari Amman Sugar Ltd.)	30.85	6.63	20.44	30.85	6.63	20.44
PTC(NSL Sugars Ltd.)	45.01	6.19	27.85	45.01	6.19	27.85
Kreate (Source- DoP, Govt of Sikkim) (Non-Solar)	63.41	5.73	36.33	63.41	5.73	36.33
APPCPL (Source-MePDCL, Meghalaya) (Non-Solar)	12.60	5.62	7.08	12.60	5.62	7.08
Power Exchange (Renewable)	146.64	8.23	120.75	146.64	8.20	120.22
PTC (Source- Singoli) (Hydro)	75.06	5.69	42.74	75.06	5.64	42.34

<table>
<tr><th rowspan="3">Particulars</th><th colspan="3">Claimed in Petition</th><th colspan="3">Approved Upon Truing Up</th></tr>
<tr><th rowspan="2">Energy at NPCL Periphery (MU)</th><th>Avg rate at NPCL periphery</th><th>Power Purchase Cost (Including Trans. Charges)</th><th rowspan="2">Energy at NPCL Periphery (MU)</th><th>Avg rate at NPCL periphery</th><th>Power Purchase Cost (Including Trans. Charges)</th></tr>
<tr><th>(Rs. /kWh)</th><th>(Rs. Cr.)</th><th>(Rs./kWh)</th><th>(Rs. Cr.)</th></tr>
<tr><td>Power Procurement from Renewable source</td><td>501.94</td><td>6.01</td><td>301.70</td><td>501.94</td><td>5.97</td><td>299.64</td></tr>
</table>

**As explained in the above Sections, 5.54 MU purchased from net metering consumers have been treated as deemed power purchase from G-DAM segment of the IEX*

Other Claims

5.5.161 It is observed that the Petitioner has claimed certain other amounts as given below:

i. **Safeguard duty paid to Adani (Solar):** The Petitioner has claimed 10.14 Cr against Safeguard duty paid to Adani (Solar). The Commission, in its tariff order dated January 2, 2023, in Petition No. 1741 of 2021, has allowed a claim on account of Safeguard duty. However, it is observed that the carrying cost claimed by the Petitioner is not correct. Accordingly, the Commission has recomputed the carrying cost and approved the amount as below:

<table>
<tr><th>Principal Amount</th><th>From</th><th>To</th><th>Days</th><th>SBI MCLR</th><th>Carrying cost (in Rs.)</th></tr>
<tr><td rowspan="10">Rs. 8,77,41,144</td><td>11/03/2021</td><td>15/04/2022</td><td>401</td><td>7%</td><td>67,47,655</td></tr>
<tr><td>15/04/2022</td><td>15/05/2022</td><td>30</td><td>7.10%</td><td>5,12,024</td></tr>
<tr><td>15/05/2022</td><td>15/06/2022</td><td>31</td><td>7.20%</td><td>5,36,543</td></tr>
<tr><td>15/06/2022</td><td>15/07/2022</td><td>30</td><td>7.40%</td><td>5,33,658</td></tr>
<tr><td>15/07/2022</td><td>15/08/2022</td><td>31</td><td>7.50%</td><td>5,58,899</td></tr>
<tr><td>15/08/2022</td><td>15/09/2022</td><td>31</td><td>7.70%</td><td>5,73,803</td></tr>
<tr><td>15/09/2022</td><td>15/10/2022</td><td>30</td><td>7.70%</td><td>5,55,293</td></tr>
<tr><td>15/10/2022</td><td>15/11/2022</td><td>31</td><td>7.95%</td><td>5,92,433</td></tr>
<tr><td>15/11/2022</td><td>15/12/2022</td><td>30</td><td>8.05%</td><td>5,80,534</td></tr>
<tr><td>15/12/2022</td><td>31/12/2022</td><td>16</td><td>8.30%</td><td>3,19,234</td></tr>
<tr><td colspan="5">Carrying cost (in Rs.)</td><td>1,15,10,076</td></tr>
<tr><td colspan="5">Grand Total (in Rs.)</td><td>9,92,51,220</td></tr>
<tr><td colspan="5">Approved Grand Total (in Rs. Cr)</td><td>9.93</td></tr>
</table>

ii. **Adani Power (Solar) Cost for the period 06.01.21 to 04.04.21**

The Commission in its order dated March 15, 2023, has approved the cost of Adani Power (Solar) Cost for the period 06.01.21 to 04.04.21. The Commission observes that the invoice for the Adani Power (Solar) Cost for the period was raised on 18.03.2023. Therefore, the Commission allows Rs. 1.78 Cr. claimed by the Petitioner. The Commission observes that Petitioner has also claimed LPS of Rs. 0.61 Cr, Commission sought details of LPS paid during the year from the Petitioner, in reply, the Petitioner has submitted that it has not paid any LPS during the year except Rs. 0.61 Cr. paid to M/s Adani Solar under protest with respect to 50% payment for energy injected prior to 5th Apr'21 made pursuant to Commission's order dated March 15, 2023. The Petitioner further has submitted that it has challenged the Order at APTEL vide Appeal no. 535/2023 which is pending for decision. The Commission in its order has not allowed any LPS. The Commission issued the order on March 15, 2023, and Adani raised the bill on March 18, 2023, the question of late payment arises only after the issuance of the invoice. LPS cannot be claimed for the period before the order of the Commission. Further, since NPCL is provided with working capital as per MYT Regulations,2019 any cost of delayed payment by NPCL cannot be passed on to the consumers. Hence, the claim of LPS is disallowed.

iii. Damages claimed from RE LTPPA Supplier

The Commission observes that the invoice for the Damages claimed from RE LTPPA Supplier were raised after the end of FY 2022-23 and the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred. However, the same shall be dealt with at the time of truing up of FY 2023-24 after prudence check.

TABLE 5-71: OTHER CLAIMS APPROVED FOR FY 2022-23

Particulars	Amount claimed (Rs. Cr.)	Amount approved (Rs. Cr.)
Safeguard duty paid to Adani (Solar) based on Order dated 02.01.2023	10.14	9.93
Adani Power (Solar) Cost for period 06.01.21 to 04.04.21 vide Commission Order dt.15.03.23 (50%)	1.78	1.78
LPS paid on the above	0.61	0

Particulars	Amount claimed (Rs. Cr.)	Amount approved (Rs. Cr.)
Damages claimed from RE_LTPPA Supplier	(0.64)	Shall be considered in True up of FY 2023-24

5.5.162 The Commission, in UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019, provided the Renewable Purchase Obligation (RPO) to be met by the Licensee for FY 2022-23 as shown in the Table below:

Table 5-72: RPO TARGET FOR FY 2022-23

Year	Minimum quantum of purchase from renewable energy sources as % of total energy consumed (in kWh)			
	Non-Solar		Solar (%)	Total (%)
	Other Non-Solar (%)	HPO (%)		
	1	2	3	4=1+2+3
FY 2022-23	6.00	3.00	5.00	14.00

5.5.163 The Commission is of the view that RPO Compliance is to be computed by considering the energy at the Discom periphery. The RPO compliance computed by the Commission for FY 2022-23 is as shown in the Table below:

TABLE 5-73: RPO COMPUTED BY THE COMMISSION FOR FY 2022-23

S.No	Particulars	Formula	Claimed	Approved
			Quantum (MU)	Quantum (MU)
1	Energy Consumption (Sales)	A	2,870.43	2,870.43
2	Distribution Loss (%)	B	7.63%	7.63%
3	Energy Consumption at Discom Periphery	C=A/(1-B)	3,107.61	3107.61
4	Hydro Purchase at Distribution Periphery (MU)	D	414.86	414.86
5	**Net Power Sale for RPO computation**	E=C-D	2,455.57	2,692.74
5.1	**Total Obligation for the year (%)**			
5.2	Solar (%)	F	5%	5%
5.3	Non-Solar (%)	G	6%	6%
5.4	HPO (%)	H	3%	3%
6	**Total Obligation for the year (MU)**			
6.1	Solar (MU)	I=E*F	122.78	134.64
6.2	Non-Solar (MU)	J=E*G	147.33	161.56
6.3	HPO (MU)	K=E*H	73.67	80.78
7	**Total Obligation for the year(MU)**	L=I+J+K	**343.78**	**376.98**
	Total RPO Fulfilled during the year			
8	Solar (MU)	L	131.34	131.34

S.No	Particulars	Formula	Claimed Quantum (MU)	Approved Quantum (MU)
9	Non-Solar (MU)	M	276.63	274.61
10	HPO (MU)	N	126.95	126.95
11	**Total RPO fulfilled**	**O=L+M+N**	**534.93**	**532.90**
12	**Balance Obligation to be fulfilled for the year**	**P=Q+R+S**	**(191.15)**	**(155.92)**
12.1	Solar (MU)	Q=I-L	(8.56)	3.29
12.2	Non-Solar (MU)	R=J-M	(129.30)	(113.05)
12.3	HPO Obligation for the year (MU)	S=K-N	(53.28)	(46.17)
13	**Opening Obligation to be fulfilled for the year**	**T**	**159.72**	**258.93**
14	**Closing Obligation to be fulfilled for the year**	**U=P+T**	**(31.43)**	**103.01**

TABLE 5-74: RPO STATUS COMPUTED UP TO FY 2022-23 BY THE COMMISSION (MU)

RE Power	Opening Unfulfilled Obligation (FY 2022-23)	Obligation for the year	Obligation met during the year	Closing Unfulfilled Obligation (FY 2022-23)
Solar	83.45	134.64	131.34	86.74
Non-Solar	120.72	161.56	274.61	7.67
HPO	54.75	80.78	126.95	8.58
Total	**258.93**	**376.98**	**532.90**	**103.01**

5.5.164 The Commission directs the Petitioner to follow the RPO Trajectory as set by the Commission in its first Amendment dated August 16, 2019, to the RPO Regulations, 2010 and submit RPO compliance along with Tariff Filings.

Power Procurement from Short-Term Sources:

5.5.165 The Commission, vide its order dated April 01, 2022, in Petition No. 1819 of 2022, approved power procurement from short-term sources such as TPTCL - (PPGCL, Uttar Pradesh) TPTCL - (JPL, Chhattisgarh) and APPCPL - (DBPL, Chhattisgarh). The relevant extract of the order is reproduced below:

Quote

27.In view of the recommendations of the standing committee and pursuance of the records available on record, the Commission, under Section 63 of the Electricity Act, 2003 read with Clause 11.4 of the Short-Term Bidding Guidelines, approves the tariff as claimed by the Petitioner:

Night Power Slot (00:00- 04:00 Hrs)

SR. No.	Period	Bidder Name (Source)	Quantum	Rate at CTU/STU Periphery of Seller (Rs/kWh)
1	01 st April 2022 to 30th April 2022	TPTCL (Prayagraj Power Generation Company Limited, Uttar Pradesh (PPGCL))	25	4.03
2		TPTCL (Jindal Power Limited Chhattisgarh	40	4.03
3	01 st May 2022 to 31 st May 2022	TPTCL (Prayagraj Power Generation Company Limited, Uttar Pradesh (PPGCL))	25	4.64
4		TPTCL (Jindal Power Limited, Chhattisgarh (JPL))	10	4.64
5	01st June 2022 to 31st August 2022	TPTCL (Prayagraj Power Generation Company Limited, Uttar Pradesh (PPGCL))	25	4.68
6		TPTCL (Jindal Power Limited, Chhattisgarh (JPL))	30	4.68
7	01st October 2022 to 20th October 2022	TPTCL (Prayagraj Power Generation Company Limited, Uttar Pradesh (PPGCL))	25	4.78
8		TPTCL (Jindal Power Limited, Chhattisgarh (JPL))	25	4.78

RTC Power Slot (00:00-24:00 hrs)

SR. No.	Period	Bidder Name (Source)	Quantum	Rate at CTU/STU Periphery of Seller (Rs/kWh)
1	01st October 2022 to 20th October 2022	TPTCL (Prayagraj Power Generation Company Limited, Uttar Pradesh (PPGCL))	25	4.86

2		*APPCPL (D. B. Power Limited, Chhattisgarh (DBPL))*	*25*	*4.86*
3		*TPTCL (Jindal Power Limited, Chhattisgarh (JPL))*	*55*	*4.86*

The Commission accordingly approves the Power Purchase Agreements dated 13.01.2022 between the Petitioner and M/S TPTCL and PPA dated 18.01.2022 between the Petitioner and M/S APPCPL.

Unquote

5.5.166 Further, the Commission, vide Order dated April 21, 2022, in Petition No. 1829 of 2022, approved power procurement from short-term sources such as TPTCL - (PPGCL, Uttar Pradesh) and APPCPL - (SEIL, Andhra Pradesh). The relevant extract of the order is reproduced below:

Quote

"27. In view of the recommendations of the standing committee and pursuance of the records available on record, the Commission, under Section 63 of the Electricity Act, 2003 read with Clause 11.4 of the Short-Term Bidding Guidelines, approves the tariff as claimed by the Petitioner:

SR. No.	*Period*	*Bidder Name (Source)*	*Quantum at Delivery Point (MW)*	*Rate at Delivery Point (Rs/kWh)*
1	*01.04.2022 to 30.04.2022*	*TPTCL (Prayagraj Power Generation Company Limited Uttar Pradesh (PPGCL))*	*80*	*5.49*
2	*01.05.2022 to 31.05.2022*	*APPCL(Sembcorp Energy India Limited, Andhra Pradesh (SEIL))*	*20*	*8.00*
3	*01.06.2022 to 31.08.2022*	*APPCL (Sembcorp Energy India Limited, Andhra Pradesh (SEIL))*	*25*	*8.00*

4	*01.09.2022 to 30.09.2022*	*APPCL (Sembcorp Energy India Limited, Andhra Pradesh (SEIL))*	*15*	*8.00*
5	*01.10.2022 to 20.10.2022*	*TPTCL (Prayagraj Power Generation Company Limited Uttar Pradesh (PPGCL))*	*25*	*5.50*

28. The Commission accordingly approves the Power Purchase Agreements dated 26.02-2022 between the Petitioner & M/S TPTCL and Petitioner & M/S APPCPL.

Unquote

5.5.167 Further, the Commission, vide Order dated July 22, 2022, in Petition No. 1855 of 2022 approved power procurement from short-term sources such as APPCPL (Source- Adhunik) and MPL (Source- BLAPPL). The relevant extract of the order is reproduced below:

Quote

23.In view of the recommendations of the internal standing committee and pursuance of the details available on record, the Commission, under Section 63 of the Electricity Act, 2003, adopts the Tariff as discovered by the Petitioner:

S. No.	*Period*	*Bidder Name (Source)*	*Quantum at Delivery Point*	*Rate at Delivery Point* (Rs/kWh)*
1	*18.07.2022 to 30.09.2022 (excluding Sundays)*	*APPCPL (Adhunik Power & Natural Resources Ltd., Jharkhand (APNRL)*	*25*	*6.31*
2		*MPL (BLA Power Private Limited, Madhya Pradesh (BLA))*	*25*	*6.31*

The Commission, accordingly, also approves the PPA dated 14.06.2022 signed with APPCPL and MPL for power supply from APNRL and BLA respectively.

Unquote

5.5.168 It is observed that in the case of MPL, the Petitioner has paid Rs. 3.47 lacs to MPSLDC & MPSTU (MPL/DBT/046/22-23). However, as per the terms of Clause 5 of the PPA, these charges are to be paid by MPL. Hence, the amount is disallowed.

5.5.169 Regarding power purchase from the exchange, the Commission observes that the Petitioner included the trading margin of IEX. The Commission allows IEX margin and GST, however, APPCL's trading margin and GST are disallowed.

5.5.170 After approving the above sources, the remaining energy requirement is assumed to be procured from power exchange based on the corresponding rate approved by the Commission. The Inter-State and Intra-State transmission charges are approved in proportion to the actual value of power procured through power exchange.

5.5.171 Based on the above, the power purchase cost from short-term sources approved for FY 2022-23 is as shown in the Table below:

TABLE 5-75: POWER PROCUREMENT FOR SHORT TERM APPROVED BY THE COMMISSION FOR FY 2022-23

Source	MU at Ex-bus	Inter State Loss (%)	Intra State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Rebate (Rs. Cr)	Amount (in Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL charges (Rs. Cr)	Total Transmission (Rs. Cr)	Total (Rs. Cr)	Per Unit Cost at NPCL bus (Rs./kWh)
TPTCL (Source- PPGCL)	27.84	0.00%	3.27%	26.93	-	13.05	0.26	12.79	-	0.54	0.54	13.33	4.95
TPTCL (Source- JPL, Chhattisgarh)	43.87	3.34%	3.27%	41.02	-	20.74	0.41	20.33	0.02	1.13	1.16	21.48	5.24
APPCPL (Source- DBPL)	12.00	3.32%	3.27%	11.22	-	5.83	0.12	5.72	0.00	0.30	0.30	6.02	5.36
TPTCL (Source- PPGCL)	17.38	0.00%	3.27%	16.81	-	9.55	0.19	9.36	-	0.66	0.66	10.01	5.96
APPCPL (Source- SEIL)	18.33	3.36%	3.27%	17.14	-	14.66	0.29	14.37	0.03	0.46	0.50	14.87	8.68
APPCPL (Source- Adhunik)	32.03	3.36%	3.27%	29.95	-	20.21	0.40	19.81	0.01	0.81	0.82	20.63	6.89
MPL (Source- BLAPPL)	31.07	3.39%	3.27%	29.04	-	19.61	0.39	19.21	0.02	0.82	0.83	20.01	6.89
Exchange	778.07	3.63%	3.27%	725.30	-	554.43	-	557.21#	0.30	19.54	19.84	577.04	7.96
Total	**960.60**	**3.42%**	**3.27%**	**897.40**	**-**	**659.09**	**2.07**	**658.79**	**0.39**	**24.27**	**24.65**	**683.40**	**7.62**

 # includes trading margin

TABLE 5-76: POWER PROCUREMENT FOR SHORT TERM APPROVED BY THE COMMISSION FOR FY 2022-23

Source	Claimed in Petition for FY 2022-23			Approved Upon Truing Up for FY 2022-23		
	Energy at NPCL Periphery (MU)	Avg rate at NPCL periphery (Rs. /kWh)	Power Purchase Cost (Including Trans. Charges) (Rs. Crore)	Energy at NPCL Periphery (MU)	Avg rate at NPCL periphery (Rs./kWh)	Power Purchase Cost (Including Trans. Charges) (Rs. Crore)
TPTCL (Source- PPGCL)	26.93	4.95	13.33	26.93	4.95	13.33
TPTCL (Source- JPL, Chhattisgarh)	41.02	5.24	21.48	41.02	5.24	21.48
APPCPL (Source- DBPL)	11.22	5.36	6.02	11.22	5.36	6.02
TPTCL (Source- PPGCL)	16.81	5.95	10.01	16.81	5.95	10.01
APPCPL (Source- SEIL)	17.14	8.68	14.87	17.14	8.68	14.87
APPCPL (Source- Adhunik)	29.95	6.89	20.63	29.95	6.89	20.63
MPL (Source- BLAPPL)	29.04	6.90	20.05	29.04	6.89	20.01
Exchange	725.30	7.97	577.81	725.31	7.96	577.04
Total	**897.40**		**684.21**	**897.41**		**683.40**

5.5.172 It is observed that the quantum of power (MW) submitted by the Petitioner is lower in comparison to the approved/tied-up quantum (MW) from Generating Sources. The Petitioner is directed to ensure that the Generating Sources supply the minimum quantum as per their obligation in accordance with the respective PPA/Contract and the Petitioner should also maximize its offtake to minimize its power procurement cost. Further, in case minimum obligation as per PPAs/Contracts is not achieved, the settlements need to be done as per the provisions of PPAs/Agreements/Contracts with the Generators/Traders. The Petitioner is required to provide the details of the same along with the Tariff Petition.

Other Charges/Bills/Claims

5.5.173 The Petitioner has claimed amounts as per the below Table:

Particulars	Amount (Rs. Cr)
TPTCL (Source- PPGCL) Trans. Charge Provision Not Paid (FY 21-22)	0.28
Claim for PGCIL past bill in PPC	1.75
TPTCL (Source- PPGCL) Trans. (for FY-23 billed in FY-24) Paid	0.41

5.5.174 The Commission observes that the invoices for the above-mentioned amounts were raised after the end of FY 2022-23 and the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred. However, the same shall be dealt with at the time of truing up of FY 2023-24 after prudence check.

Unscheduled Interchange:

5.5.175 It has been observed that the Petitioner has incurred Rs. 18.90 Cr towards 15.40 MU of power settled under DSM which is approximately 0.50% of the power purchase quantum and 0.86% of the power purchase cost. The Petitioner further submitted that it has purchased power from real-time market as well, however, at times it is not possible to accurately estimate the exact power requirement as the demand is highly volatile, uncertain and dependent on several factors that are beyond its control.

5.5.176 The Commission observes that the Petitioner did not submit any documentary evidence for DSM charges and directed the Petitioner to submit the same along with summary details of the bills and the respective amounts. In reply, the Petitioner submitted that the Petitioner reconciles the DSM with data published by NRLDC from time to time. Accordingly, the Petitioner finalised its statutory accounts based on the energy Implementation Schedule being published by NRLDC, which is further reduced by the intra-state transmission losses as approved by the Commission from time to time to arrive at the energy delivered at NPCL Periphery. The aforesaid Statement is duly verified by the Statutory Auditors of the Petitioner.

5.5.177 The Petitioner further submitted that the bills raised by UPSLDC are more often erroneous and prone to multiple revisions. During FY 2022-23, UPSLDC has revised its bills not less than 4 times and despite so many revisions, they still need to be corrected with respect to accounting of scheduled energy by NPCL/ Open Access consumers as well as meter data of their feeders. Petitioner mentioned that UPSLDC has been revising its bills even in the past e.g. during FY 2015-16 to FY 2021-22, UPSLDC revised its bills more than 45 times including revisions for multiple weeks of preceding periods. In view of the same, the Petitioner relies on the Regional Energy Account (REA) published by NRLDC, which is more accurate and stable for accounting of DSM Charges.

5.5.178 The Commission has gone through the Petitioner's submissions regarding the claim of UI/DSM charges. Despite repeated directions to not indulge in UI, the Petitioner has again indulged in UI during FY 2022-23. However, the Commission has allowed the units purchased through UI/DSM at the rate of Rs. 5.94/unit discovered in the RTC market for FY 2022-23.

5.5.179 The Commission has considered the RTC rate of FY 2022-23 available on the website of IEX and the same is presented below:

Prices at IEX INR / MWh

Yearly prices are simple average of non-zero prices in (No of days in an year*24*4) no of 15 minutes time block of respective year.

Financial Year: 2022 - 2023

Financial Year	N2
2022 - 2023	5941.00

Summary	N2
RTC	5941.00
Evening	7732.78
Day	4783.24
Night	5442.44
Morning	6151.92

https://www.iexindia.com/marketdata/areaprice.aspx

5.5.180 Further, other claims related to Transmission Charges Arrear for FY 2020-21 based on Commission's order dated July 20, 2022, UPPTCL-SLDC application fee and Power exchange application fee is also allowed.

5.5.181 Accordingly, the Commission has approved the Power purchase cost and corresponding transmission charges as discussed in the source-wise sections above. The Total power purchase approved for FY 2022-23 is shown in the Table below:

TABLE 5-77: POWER PURCHASE COST AND QUANTUM APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	Claimed in Petition for FY 2022-23						Approved upon Truing-up of FY 2022-23					
Sources of Power Purchase	Energy (MU) at NPCL bus	Avg cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)
Long-Term Power (Conventional Sources)												
Dhariwal Infrastructure Limited (DIL)	1,278.01	5.27	547.83	96.18	31.53	673.84	1,278.01	5.27	547.83	96.18	31.53	673.84
Incentive as per Article-xxx of Approved PPA			6.64			6.64			-			-
Additional Coal for FY 2022-23 (Claim @ 90% being paid)			73.25			73.25			-			-
Change in Law for FY 2022-23			5.25			5.25			-			-
CG Environment Cess and Development Cess approved vide Order dt. 02.08.2022 along with Carrying Cost for FY 2019-20 to FY 2021-22			1.76			1.76			1.76			1.76
Arrears of LTPPA claimed in respective ARR by the Company for the period from FY 20 to FY 22 and upheld by the Commission in Order dated 21.09.2022			145.56*			145.56*			145.56			145.56
Carrying Cost on above			34.09*			34.09*			33.72			33.72
Additional Coal Charges for FY 2019-20 approved in Petition 1630/2020 vide Order dt.08.06.22			7.24			7.24			7.24			7.24
Additional Coal Charges for FY 2020-21 approved in Petition 1794/2021			0.41			0.41			0.41			0.41

Particulars	Claimed in Petition for FY 2022-23						Approved upon Truing-up of FY 2022-23					
Sources of Power Purchase	**Energy (MU) at NPCL bus**	**Avg cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Cr)**	**PGCIL Charges (Rs. Cr)**	**UPPTCL Charges (Rs. Cr)**	**Total Cost (Rs. Cr)**	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Cr)**	**PGCIL Charges (Rs. Cr)**	**UPPTCL Charges (Rs. Cr)**	**Total Cost (Rs. Cr)**
vide Order dt.20.03.23												
Additional Coal Charges for FY 2021-22 approved in Petition 1873/2022 vide Order dt. 13.06.23			(7.03)			(7.03)			-			-
Carrying Cost on Additional Coal for FY 2019-20 of Rs. 7.24 Cr. from 07.05.2020 to 31.03.2022			2.48			2.48			2.38			2.38
Carrying Cost on Additional Coal for FY 2020-21 of Rs. 0.41 Cr. from 01.04.2020 to 31.03.2022			0.08			0.08			0.08			0.08
Carrying Cost on Additional Coal for FY 2021-22 of Rs. (7.03) Cr. from 01.04.2021 to 31.03.2022			(0.72)			(0.72)			-			-
Change in Law for FY 2019-20 approved in Petition 1654/2020 vide Order dt.28.06.22			3.66			3.66			3.66			3.66
Change in Law for FY 2020-21 approved in Petition 1798/2021 vide Order dt.12.05.23			4.86			4.86			-			-
Change in Law for FY 2021-22) approved in Petition 1879/2022 vide Order dt.13.06.23			5.12			5.12			-			-
Carrying Cost on Change in Law for FY 2019-20 of Rs. 3.66 Cr. from			1.25			1.25			1.20			1.20

Particulars	Claimed in Petition for FY 2022-23						Approved upon Truing-up of FY 2022-23					
Sources of Power Purchase	Energy (MU) at NPCL bus	Avg cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)
30.05.2020 to 31.03.2022												
Carrying Cost on Change in Law for FY 2020-21 of Rs. 4.86 Cr. from 01.04.2020 to 31.03.2022			0.96			0.96			-			-
Carrying Cost on Change in Law for FY 2021-22 of Rs. 5.12 Cr. from 01.04.2021 to 31.03.2022			0.52			0.52			-			-
Subtotal	**1,278.01**	**7.51**	**833.21**	**96.18**	**31.53**	**959.22**	**1,278.01**	**6.81**	**743.84**	**96.18**	**31.53**	**869.85**
Medium Term Power (Renewable Sources)												
APPCPL-Govt. of AP (Hydro)	167.80	4.83	81.00	-	-	81.00	167.80		77.27	-	-	77.27
APPCPL-Govt. of Nagaland (Hydro)	84.07	4.86	40.89	-	-	40.89	84.07		39.01	-	-	39.01
TPTCL- Govt of Himachal Pradesh (Hydro)	158.02	3.72	58.85	-	-	58.85	158.02		57.18	-	-	57.18
APPCPL-Goodwill, HP (Hydro)	4.98	4.00	1.99	-	-	1.99	4.98		1.93	-	-	1.93
Incentive claimed by MTPPA Supplier			1.51			1.51			1.49	-	-	1.49
Damages claimed from MTPPA Supplier			(4.48)			(4.48)			-			-
APPCPL - Govt. of AP Fixed Cost Provision (FY-21)			0.35			0.35			-			-
APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)			0.35			0.35			-			-
APPCPL - Govt. of AP Fixed Cost Provision (FY-22)			2.48			2.48			-			-
APPCPL - Govt. of Nagaland Fixed Cost			2.00			2.00			-			-

Particulars	Claimed in Petition for FY 2022-23						Approved upon Truing-up of FY 2022-23					
Sources of Power Purchase	Energy (MU) at NPCL bus	Avg cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL Charges (Rs. Cr)	Total Cost (Rs. Cr)
Provision (FY-22)												
Subtotal	**414.86**	**4.46**	**184.94**	**-**	**-**	**184.94**	**414.86**	**4.26**	**176.88**	**-**	**-**	**176.88**
Short Term Power (Conventional Sources)												
TPTCL (Source-PPGCL)	26.93	4.95	12.79	-	0.54	13.33	26.93	4.95	12.79	-	0.54	13.33
TPTCL (Source- JPL, Chhattisgarh)	41.02	5.24	20.33	0.02	1.13	21.48	41.02	5.24	20.33	0.02	1.13	21.48
APPCPL (Source-DBPL)	11.22	5.36	5.72	0.00	0.30	6.02	11.22	5.36	5.72	0.00	0.30	6.02
TPTCL (Source-PPGCL)	16.81	5.95	9.36	-	0.66	10.01	16.81	5.95	9.36	-	0.66	10.01
APPCPL (Source- SEIL)	17.14	8.68	14.37	0.03	0.46	14.87	17.14	8.68	14.37	0.03	0.46	14.87
APPCPL (Source-Adhunik)	29.95	6.89	19.81	0.01	0.81	20.63	29.95	6.89	19.81	0.01	0.81	20.63
MPL (Source-BLAPPL)	29.04	6.90	19.21	0.02	0.82	20.05	29.04	6.89	19.21	0.02	0.82	20.01
TPTCL (Source-PPGCL) Trans. Charge Provision Not Paid (FY 21-22)					0.28	0.28					-	-
Claim for PGCIL past bill in PPC				1.75		1.75				-		-
TPTCL (Source-PPGCL) Trans. (for FY-23 billed in FY-24) Paid					0.41	0.41					-	-
Power Exchange	725.30	7.97	557.97	0.30	19.54	577.81	725.30	7.96	557.21	0.30	19.54	577.04
Subtotal	**897.40**	**7.65**	**659.56**	**2.13**	**24.96**	**686.64**	**897.40**	**7.62**	**658.79**	**0.39**	**24.27**	**683.40**
Renewable Power												
GNIDA (Solar)	1.08	6.92	0.75	-	-	0.75	1.08	6.92	0.75	-	-	0.75
APPCPL (Solar)	0.31	5.38	0.17	-	-	0.17	0.31	5.04	0.16	-	-	0.16
Adani (Solar)	52.71	3.22	16.34	-	0.65	16.99	52.71	3.22	16.34	-	0.65	16.99
Tata (Solar)	34.35	3.29	10.87	-	0.42	11.29	34.35	3.29	10.87	-	0.42	11.29
NPCL (Solar)	0.01	-	-	-	-	-	0.01	-	-	-	-	-
Net Metering	5.69	7.51	4.27	-	-	4.27	0.15	2.00	-	-	-	0.03
Net Metering units allowed at GDAM	-	-	-	-	-	-	5.54	5.64	3.12	-	-	3.12
Safeguard duty paid to Adani (Solar) based on	-	-	10.14	-	-	10.14			9.93	-	-	9.93

Particulars	Claimed in Petition for FY 2022-23						Approved upon Truing-up of FY 2022-23					
Sources of Power Purchase	**Energy (MU) at NPCL bus**	**Avg cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Cr)**	**PGCIL Charges (Rs. Cr)**	**UPPTCL Charges (Rs. Cr)**	**Total Cost (Rs. Cr)**	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Cr)**	**PGCIL Charges (Rs. Cr)**	**UPPTCL Charges (Rs. Cr)**	**Total Cost (Rs. Cr)**
Order dated 02.01.2023												
Adani Power (Solar) Cost for period 06.01.21 to 04.04.21 vide Commission Order dt.15.03.23 (50%)	-	-	1.78	-	-	1.78			1.78	-	-	1.78
LPS paid on the above	-		0.61	-	-	-			-	-	-	-
Damages claimed from RE_LTPPA Supplier	-		(0.64)	-	-	(0.64)			-	-	-	-
PTC (Wind)	34.21	3.81	12.20	-	0.84	13.04	34.21	3.81	12.20	-	0.84	13.04
PTC (Bannari Amman Sugar Ltd.)	30.85	6.63	19.51	0.05	0.88	20.44	30.85	6.63	19.51	0.05	0.88	20.44
PTC(NSL Sugars Ltd.)	45.01	6.19	26.57	0.05	1.23	27.85	45.01	6.19	26.57	0.05	1.23	27.85
Kreate (Source- DoP, Govt of Sikkim) (Non-Solar)	63.41	5.73	34.62	0.01	1.70	36.33	63.41	5.73	34.62	0.01	1.70	36.33
APPCPL (Source-MePDCL, Meghalaya) (Non-Solar)	12.60	5.62	6.75	0.00	0.33	7.08	12.60	5.62	6.75	0.00	0.33	7.08
Power Exchange (Renewable)	146.64	8.23	116.77	0.12	3.86	120.75	146.64	8.20	116.23	0.12	3.86	120.22
PTC (Source-Singoli) (Hydro)	75.06	5.69	40.76	0.02	1.96	42.74	75.06	5.64	40.76	0.02	1.56	42.34
Subtotal	**501.94**	**6.25**	**301.45**	**0.26**	**11.87**	**313.58**	**501.94**	**6.20**	**299.58**	**0.26**	**11.47**	**311.34**
Total Power Procurement	**3,092.20**	**6.93**	**1,979.16**	**98.57**	**68.36**	**2,144.38**	**3,092.22**	**6.60**	**1,879.09**	**96.82**	**67.27**	**2,041.48**
Others												
UPPTCL SLDC Application Fee					0.16	0.16					0.16	0.16
UPPTCL Trans. Charges-ST					3.87	3.87					3.87	3.87
Power Exchange Application Fee				0.44		0.44				0.44		0.44
Subtotal				**0.44**	**4.03**	**4.47**				**0.44**	**4.03**	**4.47**
Net Power Procurement	**3,092.20**	**6.95**	**1,978.16**	**99.01**	**72.39**	**2,148.86**	**3,092.20**	**6.62**	**1,879.09**	**97.27**	**71.30**	**2,045.95**
DSM/UI	15.40	12.27	18.90	-	-	18.90	15.40		9.15	-	-	9.15
Grand Total	**3,107.61**	**6.98**	**1,998.05**	**99.01**	**72.39**	**2,167.75**	**3,107.61**	**6.61**	**1,888.24**	**97.27**	**71.30**	**2,055.10**

**The Petitioner has revised the amount of 173.91 Cr to Rs. 145.56 Cr and Rs. 39.36 Cr to Rs. 34.09*

Cr due to Inadvertent linking error vide letter dated 01.07.2024.

5.6 O&M EXPENSES

Petitioner's Submission

5.6.1 The Petitioner has submitted that the Operation and Maintenance (O&M) expenses comprise Employee related costs, Administrative and General (A&G) Expenses, and Repair and Maintenance (R&M) expenditure.

5.6.2 The Petitioner has submitted that the Commission, while approving the O&M Expenses in ARR for FY 2022-23 in its Tariff Order dated July 20, 2022, has computed the normative O&M expenses based on the Trued-Up O&M expenses of FY 2015-16 to FY 2019-20 and has done some inadvertent arithmetical errors while computing normative O&M Expenses for this control period and the same are as submitted by the Petitioner :

i) **Error in the computation of Employee Expenses for FY 2022-23:** Based on net trued-up employee expenses for FY 2015-16 & FY 2016-17 i.e. after deduction of employee expenses capitalized instead of gross trued-up employee expenses;

ii) **Error in the computation of A&G Expenses for FY 2022-23**: Based on trued-up expenses for FY 2015-16 to FY 2019-20 without considering the following:

(a) Expenses incurred for compliance with directives of the State Commission,
(b) Impact of Service Tax
(c) Impact of Goods & Service Tax and
(d) Cost of Borrowing of DPS

5.6.3 The Petitioner has further submitted that the O&M Expenses up to FY 2016-17 were trued-up by the Commission in accordance with the UPERC Distribution Tariff Regulations 2006. As per Regulation 4.3 of the Distribution Tariff Regulations 2006, the methodology for computation of normative O&M expense was as follows:

Quote

4.3 Operation & Maintenance Expenses (O&M):

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

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

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

3. Incremental O&M expenses for the ensuing financial year shall be 2.5% of capital addition during the current year. O&M charges for the ensuing financial year shall be sum of incremental O&M expenses so worked out and O&M charges of current year escalated on the basis of predetermined indices as indicated in regulation 4.3 (1).

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

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

Unquote

5.6.4 The Petitioner also submitted that as per the above-mentioned MYT Regulations, 2006, the Commission was computing the O&M expenses in a consolidated manner without bifurcating the same into A&G, R&M, and Employee cost. Accordingly, the O&M expenses, in a consolidated manner, were approved by the Commission for FY 2015-16 and FY 2016-17.

5.6.5 The Petitioner further submitted that for the purpose of computation of normative R&M Expenses, A&G Expenses, and Employee expenses for the MYT Period

FY 2020-21 to FY 2024-25, the Commission bifurcated the consolidated O&M

expenses for FY 2015-16 & FY 2016-17 in proportion to the trued-up R&M Expenses, A&G Expenses, and Employee expenses for FY 2017-18.

5.6.6 The Petitioner has submitted that the Commission, vide Tariff Order dated November 30, 2017, trued up the O&M Expenses of Rs. 45.20 Cr. for FY 2015-16 and the same were net of Employee Cost Capitalization of Rs. 6.90 Cr. Accordingly, the Gross O&M Expenses trued-up for FY 2015-16 were Rs. 52.10 Cr.

5.6.7 The Petitioner further submitted that the Commission, vide Tariff Order dated January 22, 2019, trued up the O&M Expenses of Rs. 51.44 Cr. for FY 2016-17 and the same were net of Employee Cost Capitalization of Rs. 12.32 Cr. Accordingly, the Gross O&M Expenses trued-up for FY 2016-17 were Rs. 63.76 Cr.

5.6.8 The Petitioner also submitted that the Commission vide Tariff Order dated September 03, 2019, trued up the O&M Expenses Rs. 66.36 Cr. for FY 2017-18 and the same were net of Employee Cost Capitalization of Rs. 10.34 Cr., accordingly the Gross O&M Expenses trued-up for FY 2017-18 were Rs. 76.70 Cr. The same gross Employee Cost was considered by the Commission for FY 2017-18 for computation of the normative Employee Cost. Further, gross Employee Cost was also considered by the Commission for FY 2018-19 and FY 2019-20.

5.6.9 However, while calculating the proportionate components of A&G, R&M, and Employee Expenses for FY 2015-16 and 2016-17, the Commission erroneously considered net Trued-up O&M expenses of Rs. 45.20 Cr. and Rs. 51.44 Cr. in FY 2015-16 and FY 2016-17 respectively (after deduction of Employee Cost Capitalized) instead of gross trued-up O&M Expenses of Rs. 52.10 Cr. (FY 2015-16) and Rs.63.76 Cr. (FY 2016-17). The Petitioner has submitted the details of the computation done by the Commission as given in the Table below:

TABLE 5-78: COMPUTATION OF O&M EXPENSES AS PER TARIFF ORDER DATED 20.07.2022 (Rs. Cr.)

Particulars	Emp	R&M	A&G	O&M Excl. Fin. Chg.	Fin. Chg.	Gross O&M
FY 2015-16	15.54	22.86	6.80	**45.20**	3.07	**48.27**
FY 2016-17	17.69	26.01	7.74	**51.44**	1.71	**53.15**
FY 2017-18	26.37	38.78	11.54	**76.69**	1.64	**78.33**
FY 2018-19	29.61	39.89	12.32	**81.82**	1.58	**83.40**

Particulars	Emp	R&M	A&G	O&M Excl. Fin. Chg.	Fin. Chg.	Gross O&M
FY 2019-20	35.92	38.58	13.43	**87.93**	1.74	**89.67**
Average FY 2017-18	**25.03**	**33.22**	**10.37**	**68.62**	**1.95**	**70.56**
Indices for FY 2018-19 (%)	5.20%	5.20%	5.20%		5.20%	
FY 2018-19	**26.33**	**34.95**	**10.91**	**72.19**	**2.05**	**74.24**
Indices for FY 2019-20 (%)	6.30%	6.30%	6.30%		6.30%	
FY 2019-20	**27.99**	**37.15**	**11.59**	**76.73**	**2.18**	**78.91**
Indices for FY 2020-21 (%)	5.35%	2.96%	2.96%		2.96%	
FY 2020-21	**29.49**	**38.25**	**10.82**	**78.55**	**2.24**	**80.80**
Indices for FY 2021-22 (%)	6.00%	2.37%	2.37%		2.37%	
FY 2021-22	**31.25**	**39.16**	**12.22**	**82.63**	**2.30**	**84.93**
Indices for FY 2022-23 (%)	5.83%	5.50%	5.50%		5.50%	
FY 2022-23	**33.08**	**41.31**	**11.68**	**86.07**	**2.42**	**88.49**

5.6.10 The Petitioner has submitted that in view of the above, the Employee Expenses capitalized are necessarily required to be deducted from the Gross Employee Expenses to arrive at the Net Employee Expenses after the determination of normative employee expense, therefore, Gross Employee Expenses need to be considered while computing the normative Employee Expenses.

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

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

5.6.12 The Petitioner has submitted the details of the expenses approved by the Commission as below:

- The Commission, while Truing up ARR for FY 2015-16 *vide* the MYT Tariff Order dated November 30, 2017, approved the expenses incurred for compliance of the Commission's directives as Rs. 0.82 Cr. and impact of Service Tax of Rs. 1.41 Cr. separately in addition to the normative O&M Expenses. It also trued up the Cost of Borrowing for DPS of Rs. 1.44 Cr. for FY 2015-16 in the MYT Tariff Order dated November 30, 2017.
- The Commission while Truing-up the ARR for FY 2016-17 vide Tariff Order dated January 22, 2019, approved the Expenses incurred for compliance of directives of Rs.1.12 Cr. and Impact of Service Tax of Rs. 2.05 Cr. separately in addition to the normative O&M Expenses. The Commission also trued up the Cost of Borrowing for DPS of Rs.3.02 Cr. for FY 2016-17 in the Tariff Order dated January 22, 2019.
- The Commission, while Truing up the ARR for FY 2017-18 *vide* Tariff Order dated September 03, 2019, approved the Impact of Goods & Service Tax of Rs. 2.22 Cr. separately in addition to the O&M Expenses. The Commission also trued up the Cost of Borrowing for DPS of Rs.3.33 Cr. for FY 2017-18 in the Tariff Order dated September 03, 2019.

5.6.13 The Petitioner has submitted that since the Commission has approved the above-referred legitimate expenses incurred by the Petitioner in compliance with the change in law/direction of the Commission, the same need to be considered as part of the Trued-up O&M Expenses for determination of Normative O&M Expenses for Base Year as per Regulation 45. The Petitioner has submitted that the Commission, while approving the O&M Expenses for FY 2022-23 vide its Tariff Order dated July 20, 2022, has inadvertently not considered the above-mentioned additional O&M expenses being trued-up but had approved the same in the preceding years.

5.6.14 The Petitioner further submitted that in view of the provisions of MYT Regulations, 2019, the above-stated additional O&M expenses incurred on account of compliance of directives, service tax and GST are required to be considered in the determination of normative O&M Expenses for Base Year, and the Petitioner has accordingly included the same in the computation of Average O&M Expenses for Base Year.

5.6.15 The Petitioner also submitted that it is pertinent to mention that while truing up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the cost of borrowing for DPS vide the Tariff Orders dated December 04, 2020, and August 26, 2021. Aggrieved by this, the Petitioner has challenged the same by way of Appeal No. 98 of 2021 and Appeal No. 343 of 2021 (since remanded back vide judgement dated 24.11.2022) respectively. Therefore, for the purpose of computation of Normative O&M Expenses, the Petitioner has considered the cost of borrowing for DPS for FY 2018-19 and FY 2019-20 on the basis of claims in respective True-Up Petition pending the outcome of the above appeals.

5.6.16 The Petitioner further submitted, while Truing Up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the impact of GST vide the Tariff Orders dated December 04, 2020, and August 26, 2021. Aggrieved by this, the Petitioner has challenged both the Tariff Orders in Appeal No.98 of 2021 and Appeal No.343 of 2021 (since remanded back vide judgment dated November 24, 2022) respectively. Hence, for the purpose of computation of normative O&M Expenses, the Petitioner has considered the impact of GST for FY 2018-19 and FY 2019-20 on the basis of its claims in the respective true-up Petition pending the outcome of the above appeals.

5.6.17 The Petitioner has requested the Commission that the O&M Expenses should be approved after considering gross Employee Cost and expenses approved by the Commission towards (i) Expenses incurred for compliance of directives of the Commission; (ii) Impact of Service Tax; (iii) Impact of Goods & Service Tax; and (iv) Cost of Borrowing of DPS for FY 2020-21 and FY 2021-22.

5.6.18 The Petitioner, based on the above discussion and methodology provided in Regulation 45 (a) to (e) of MYT Regulations 2019, has considered the average corrected trued-up values of O&M Expenses including additional O&M expenses (as enumerated above) incurred during the last five (5) financial years i.e. FY 2015-16 to FY 2019-20 to determine the Employee, A&G, and R&M Expenses for the middle year i.e. FY 2017-18 and provided the same in the below Table :

TABLE 5-79: NORMATIVE O&M EXPENSES FOR MID YEAR (Rs. Cr.)

Sl. No	Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average Normative (FY 2017-18)
1	Emp. Exp.	18.20	22.31	26.38	29.62	35.92	**26.49**
2	R&M Exp.	26.76	32.80	38.78	43.29	48.22	**37.97**
3	A&G Exp.	7.97	9.76	11.54	12.32	13.43	**11.00**
4	**Subtotal**	**52.92**	**64.88**	**76.70**	**85.23**	**97.57**	**75.46**
5	Finance Charges	3.07	1.71	1.64	1.58	1.74	**1.95**
6	S. Tax / GST	1.41	2.05	2.22	3.56	4.01	**2.65**
7	Fin. Cost of DPS	1.44	3.02	3.33	3.28	2.85	**2.78**
8	**Subtotal**	**5.92**	**6.78**	**7.19**	**8.42**	**8.61**	**7.38**
9	**Total O&M Expenses**	**58.84**	**71.66**	**83.89**	**93.65**	**106.18**	**82.84**

5.6.19 Further, the Petitioner has submitted that in line with the norms mentioned in Regulation 45 (c), the values of each component of O&M expenses arrived at the middle year (i.e. FY 2017-18) values are further escalated to determine the normative expenses till base year i.e. FY 2019-20 as shown in Table below:

TABLE 5-80: COMPUTATION OF NORMATIVE O&M EXPENSES FOR BASE YEAR (Rs. Cr.)

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

5.6.20 Accordingly, the Petitioner has submitted that based on the above determined O&M normative expenses for the Base Year i.e. FY 2019-20, the normative component-wise O&M Expenses for FY 2021-22 and further for FY 2022-23 have been computed as shown below:

Normative Employee Expenses:

5.6.21 Regulation 45.1 of the MYT Regulations, 2019 provides for the determination of normative employee expenses.

5.6.22 Based on the above Regulation, the Petitioner submitted that the normative employee expenses for FY 2022-23 have been worked out and shown in the Table below:

TABLE 5-81: EMPLOYEE EXPENSES (Rs. Cr.)

Particulars	Formula	Normative Emp. Expense
Normative Emp. Exp. for Base Year (FY 2019-20)	**A**	**29.62**
CPI Inflation (FY 2020-21)	B	5.35%
Normative Emp. Exp. for FY 2020-21	**C=A*(1+B)**	**31.20**
CPI Inflation (FY 2021-22)	D	6.00%
Normative Emp. Exp. for FY 2021-22	**E=C*(1+D)**	**33.08**
CPI Inflation (FY 2022-23)	F	5.89%
Normative Emp. Exp. for FY 2022-23	**G=E*(1+F)**	**35.03**

Administrative & General Expenses:

5.6.23 The Petitioner has submitted that Regulation 45.3 of MYT Regulations, 2019 provides the methodology for the determination of normative A&G expenses.

5.6.24 Accordingly, considering the norms as mentioned above, the Petitioner has worked normative A&G expenses for FY 2022-23 as shown in the Table below:

TABLE 5-82: A&G EXPENSES (Rs. Cr.)

Particulars	Formula	Normative A&G Expense
A&G Exp. for Base Year (FY 2019-20)	**A**	**20.56**
WPI Inflation (FY 2020-21)	B	2.96%
A&G Exp. for FY 2020-21	**C=A*(1+B)**	**21.17**
WPI Inflation (FY 2021-22)	D	2.42%
A&G Exp. for FY 2021-22	**E=C*(1+D)**	**21.68**
WPI Inflation (FY 2022-23)	F	5.32%
A&G Exp. for FY 2022-23	**G=E*(1+F)**	**22.84**

5.6.25 Further, the Petitioner has requested that if the Commission decides to include Captive Consumption both Revenue (Rs.) and Sales (MU) as part of sales, then corresponding actual expenses in the A&G should also be allowed as the base A&G expenses did not include expenses on account of Captive Consumption due to the reason that the Commission has for the first time decided to include the same in Revenue of FY 2020-21. Accordingly, the Petitioner requested to approve an additional amount of Rs. 3.03 Cr. on account of Captive Consumption under A&G Expenses.

Repair and Maintenance Expense

5.6.26 Regulation 45.2 provides the methodology for determining normative Repair and

Maintenance expenses.

5.6.27 Accordingly, considering the norms as mentioned in Regulation 45.2, the normative R&M expenses for FY 2022-23 works out as shown in the following Table:

TABLE 5-83: R&M EXPENSES (Rs. Cr.)

Particulars	Formula	Normative R&M Expense
R&M Exp. for Base Year (FY 2019-20)	**A**	**42.46**
WPI Inflation (FY 2020-21)	B	2.96%
R&M Exp. for FY 2020-21	**C=A*(1+B)**	**43.72**
WPI Inflation (FY 2021-22)	D	2.42%
R&M Exp. for FY 2021-22	**E=C*(1+D)**	**44.77**
WPI Inflation (FY 2022-23)	F	5.32%
R&M Exp. for FY 2022-23	**G=E*(1+F)**	**47.16**

5.6.28 The summary of normative O&M Expenses as computed on the basis of methodology provided in Regulation 45 of MYT Regulations, 2019 as compared to preceding years is provided in the Table below:

TABLE 5-84: SUMMARY OF O&M EXPENSES (Rs. Cr.)

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

5.6.29 The Petitioner has submitted that the Commission vide Tariff Order dated July 20, 2022, has approved the O&M expenses at Rs. 74.49 Cr. (net of employee cost capitalized) for FY 2022-23.

5.6.30 Also, the Petitioner has submitted that from the above table, it can be seen that normative O&M expenses as per MYT Regulations, 2014 for FY 2019-20 should be Rs. 106.18 Cr. whereas the normative O&M expenses as per MYT Regulations, 2019 for the same year i.e. FY 2019-20 is allowed to Rs. 92.64 Cr. The Petitioner has submitted that this gap would increase in subsequent years, therefore O&M Expenses as determined on the basis of norms provided in Regulation-45 of MYT Regulations, 2019 is highly insufficient, skewed as compared to MYT Regulations, 2014.

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

1. **Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulations, 2019:** The Commission issued the UPERC (Standard of Performance) Regulations, 2019 [“SOP Regulations, 2019”] which is applicable on all the Distribution Licensees, their franchisee and the consumers in the State of Uttar Pradesh. The Commission in these regulations have made the performance parameters more stringent and has considerably reduced timelines to resolve Consumer Complaints.

2. **Electricity (Rights of Consumers) Rules, 2020:** The Ministry of Power has introduced the Electricity (Rights of Consumers) Rules, 2020. These rules have made the Performance parameters more stringent and timelines to resolve Consumer Complaints have been reduced considerably.

3. **Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019**: Ministry of Power published the guidelines vide Notification Dated August 17, 2021, in pursuance to the provisions made in clause 4(1) (b) of the Central Electricity Authority (Installation and Operation of Meters) (Amendment) Regulations, 2019 in regard to timelines for the replacement of existing meters with smart meters with prepayment feature. The Relevant para is reproduced below:

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

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

(ii) All DTs in electrical divisions having more than 50% consumers in urban areas with AT&C losses more than 15% in financial year 2019-20, and in all other electrical divisions with AT&C losses more than 25% in financial year 2019-20, shall be metered by December, 2023.

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

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

4. **Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021:** Bureau of Energy Efficiency vide notification no. 18/1/bee/discom/2021 dated 6th October 2021 has made the "The Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021". The said Regulations have defined the times lines for Feeder & DT Metering, Energy Accounting and Process of Energy Audit. The following are the key directions and timelines mentioned in the above-mentioned Regulations;

   a) Every electricity distribution company shall conduct an annual energy audit for every financial year and submit the annual energy audit report to the Bureau and respective State Designated Agency and also made available on the website of the electricity distribution company within a period of four months from the expiry of the relevant financial year

   b) Every electricity distribution company shall ensure that all feeder-wise, circle and division-wise periodic energy accounting shall be conducted by the energy manager of the electricity distribution company for each quarter of the financial year and submit the periodic energy accounting report to the Bureau and respective State Designated Agency and also made available on the website of electricity distribution company within forty-five days from the date of the periodic energy accounting.

c) The electricity distribution company shall establish an information technology-enabled system to create energy accounting reports without any manual interference.

d) The electricity distribution company shall create a centralized energy accounting and audit cell comprising of:

   i) Every electricity distribution company shall designate a nodal officer, who shall be a full-time employee of the electricity distribution company in the rank of the Chief Engineer or above, for the purpose of reporting of the annual energy audit and periodic energy accounting and communicate the same to the Bureau.

   ii) a nodal officer, an energy manager and an information technology manager having professional experience of not less than five years;

   iii) a financial manager having professional experience of not less than five years.

e) The energy accounting and audit system and software shall be developed to create monthly, quarterly and yearly energy accounting reports.

f) Every electricity distribution company shall provide the details of the information technology system in place as specified in clause (f) of regulation 5 which ensures minimal manual intervention in creating the energy accounting reports and any manual intervention of any nature, in respect of the period specified therein, shall be clearly indicated in the periodic energy accounting report.

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

6. Cyber Security related Regulations and Directions:

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

i) Central Electricity Authority (CEA)

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

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

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

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

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

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

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

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

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

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

5.6.34 The Petitioner mentioned that in order to comply the above-mentioned new / amended regulations, it will require to recruit additional competent manpower leading to additional expenses on employee cost, A & G expenses and R&M Expenses. Therefore, such additional O&M expenses required to be incurred to comply with the above Regulations promulgated subsequent to the MYT Regulations 2019, need to be allowed as additional O&M expenses over and above the normative O&M expenses determined under MYT Regulations 2019.

5.6.35 In this regard, the Petitioner mentioned Regulation-25(e) of the MYT Regulations, 2014, and the same are being reproduced below –

"*25. Operation & Maintenance Expenses*

(e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check."

5.6.36 The Petitioner has submitted that expenses incurred for compliance with the above rules and regulations constitute a "Change in Law" event as defined in Regulation 2(9) of MYT Regulations, 2019.

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

Quote

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

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

Unquote

5.6.38 In view of the above, the Petitioner has considered the impact of such additional O&M expenses @50% of the R&M Expenditure for the purpose of compliance with the new/amended Regulations and Directions as described above. The Petitioner has prayed to the Commission to approve the additional expenses equivalent to 50% of the normative R&M Expenses over and above the normative O&M Expenses Normative O&M Expenses as being allowed to UPPCL's Discoms.

5.6.39 The Petitioner further submitted that as per the Accounting Statements, the actual O&M Expenses for FY 2022-23 are Rs. 166.39 Cr. Details of the O&M Expenses for FY 2022-23 along with the amount provisionally approved by the Commission in Tariff Order dated July 20, 2022, are provided in the Table below.

TABLE 5-85: O&M EXPENSES FOR FY 2022-23 AS PER ACCOUNTS (Rs. Cr.)

Sl. No.	Particulars	Approved	Normative	Actual
1	Repair & Maintenance Expenses	41.31	47.16	63.26
2	Employees Expenses including retiral benefits	33.08	35.03	73.27
3	Administrative & General Expenses	14.10	22.84	29.86
4	Exp. for SOP & Other Compliances	-	23.58	-
5	**Total O&M Expenses**	**88.49**	**128.60**	**166.39**

5.6.40 The Petitioner has submitted that the O&M Expenses as determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 are highly insufficient, skewed and are not reflective of the actual expenses in accordance with the business parameters as there is a huge gap between the actual O&M expenses and the amount approved by the Commission on normative basis in accordance with the Regulation 45 of MYT Regulations, 2019.

5.6.41 The Petitioner has submitted that the above referred A&G Expenses include Finance Charges of Rs.1.46 Cr. comprising expenses as detailed here-in-below:

i) **Loan Processing Charges:** The Petitioner has incurred expenses on renewal of the existing Working Capital Facilities including LC facilities for payment security of Power Purchase Agreements in accordance with their respective terms of agreement and issuance of Commercial Paper to facilitate short-term funding of regulatory asset and working capital requirement.

ii) **Credit Rating Charges:** Credit rating of banking (Fund / Non-Fund based) facilities has become imperative under the Basel II Norms. As per these norms, unrated facilities will be financed at least 4.50% higher as per credit adequacy requirements in comparison with rated facilities. In order to comply with the above requirement of RBI and also to save additional 4.50% p.a. interest cost, the Petitioner has been getting its credit rating from India Rating & Research (P) Limited.

iii) **Collection facilitation charges:** Continuing its efforts to provide the maximum possible facilities to the consumers, the Petitioner implemented various facilities for enabling consumers to make payments via the Internet, Virtual Account, National Automated Clearing House, Bharat Bill Pay System, Bharat QR, UPI, NEFT / RTGS etc. the Commission has also vide its order dated 29th May 2015 directed the Petitioner to provide more avenues to the consumers for payment of electricity dues through Online Mode and has also directed it to bear charges for such service up to an amount of Rs. 4,000/- per transaction. Provisions of these facilities require some expenditure which has been included in Collection Facilitation Charges. Apart from being the cost of the new initiative, these charges are directly related to revenue and with the increase in tariff and revenue and increasing preference for Digital Payment modes by consumers, there is an increase in these charges.

iv) **Other Finance Charges:** There are other bank charges as well like loan documentation charges, LC Issue Charges, banking charges and other miscellaneous charges etc. It is pertinent to mention here that the Ministry of Power vide its order no. 23/22//2019-R&R dated June 28, 2019, mandated every Distribution Company to open a letter of credit for the desired quantum of power in favour of the Generating Company. The relevant extract of the order is reproduced below for reference of the Commission.

" i .In accordance with Section 28 (3) (a) the NRLDC & RLDC shall despatch power only after it is intimated by the Generating Company and /Distribution Companies that a Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned Generating Company."

5.6.42 The Petitioner has requested that the O&M expenses for FY 2022-23 at actuals owing to the following enlisted factors be considered by the Commission, as the same is beyond the control of the Petitioner:

Increase In Minimum wages

5.6.43 All enterprises, associations, partnerships, body corporates etc. are bound by the provisions of the Minimum Wages Act 1948 and Govt. of Uttar Pradesh under the provisions of the Minimum Wages Act, 1948 revises minimum wages twice in a year (i.e. with effect from April and October). The comparative revised minimum wages of the U.P. during FY 2022-23 were as provided in the Table below:

TABLE 5-86: MINIMUM WAGES IN STATE OF U.P. (Rs.)

Class of labour	As on 1st Apr'17	w.e.f. 1st Apr'22	w.e.f. 1st Oct'22	% increase in C over A
	A	B	C	D
Skilled	9,119	11,743	12,005	31.65%
Semi-skilled	8,141	10,483	10,717	31.64%
Unskilled	7,400	9,530	9,743	31.66%

5.6.44 The Petitioner has submitted that the wages applicable from April 1, 2022, were higher by 31% as compared to wages prevailing on April 2017 (i.e. mean financial year considered for determination of norms). Thus, the wages applicable for full FY 2022-23 have been significantly higher as compared to the norms.

5.6.45 The Petitioner further has submitted that its license area is situated in the National Capital Region (i.e. NCR) and the cost of living in this area is equivalent to the cost of living in the National Capital Territory (i.e. Delhi). Thus, the impact of changes in minimum wages and other labour welfare schemes is echoed in the NCR region as well. Accordingly, the changes in the minimum wage rate of NCT Delhi also affect the cost at which labour is available in Delhi-NCR. The minimum wages prevailing during FY 2022-23 in NCT-Delhi were higher by 70%-73% as compared to the State of UP as shown in the Table below:

TABLE 5-87: COMPARATIVE OF MINIMUM WAGES IN STATE OF U.P. AND NCT-DELHI WAGES (In Rs.)

Period	Particulars	Ref.	Skilled	Semi-skilled	Unskilled
Apr-22 to Sep-22	NCT-Delhi	A	20,019	18,187	16,506
	State of U.P.	B	11,743	10,483	9,530
	Variation	c=a-b	8,276	7,704	6,976
	Variation (%)	d=c/b	70%	73%	73%
Oct-22 to Mar-23	NCT-Delhi	E	20,357	18,499	16,792
	State of U.P.	F	12,005	10,717	9,743
	Variation	g=e-f	8,352	7,782	7,049
	Variation (%)	h=g/e	70%	73%	72%

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

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

5.6.48 The Petitioner further submitted that although the MYT Regulations, 2019 provides for escalation of normative Employee Cost on the basis of the Consumer Price Index (i.e. CPI), the resultant escalation is quite insufficient and more importantly the increase in minimum wages is not covered in CPI. Hence, the impact of the increase in minimum wages does not get compensated through incremental CPI.

5.6.49 The Petitioner has submitted that Regulation-46 of the MYT Regulations, 2019 provides admissibility of Bad and Doubtful Debts as a legitimate business expense with the ceiling limit of 2% of the revenue receivables in the Tariff. However, the Petitioner has been able to contain the same to 0.38% during the FY 2022-23. This has resulted in huge savings in the Bad and Doubtful Debts which will ultimately pass on to the Consumers. The saving is depicted in the following Table:

TABLE 5-88: SAVINGS IN PROVISION FOR BAD DEBTS FOR FY 2022-23

Sl. No.	Particulars	UOM	Reference	Actual
1	Revenue billed for the year	Rs. Cr.	a	2,207.78
2	Actual Provision for Bad & Doubtful Debts	Rs. Cr.	b	8.73
3	Provision as % of Revenue billed	%	c= b/a	0.40%
4	Normative Provision for Bad & Doubtful Debt @2%	Rs. Cr.	d=a x 2%	44.16
5	**Saving in provision for Bad & Doubtful debts**	**Rs. Cr.**	**e=d-b**	**35.42**

5.6.50 The Petitioner has submitted that it has been able to limit Bad & Doubtful Debts at 0.38% against normative 2% on account of the fact that it has deployed additional manpower for recovery of dues from the consumers, prompt billing, aggressive actions against theft, timely action against the defaulters etc. In case, the Petitioner opts to reduce its manpower to align actual employee cost with the normative employee cost as per MYT Regulations, 2019, it may lead to higher bad debts and will ultimately burden the diligent Consumers. Therefore, the Petitioner has claimed that it should be allowed to recover its employee cost at actual.

5.6.51 **Recommendation of Sixth /Seventh Pay Commission:**

With the implementation of the Seventh Pay Commission, the average pay of government employees has gone up more than 25% approx. including that of State Governments' employees. This will lead to a considerable raise in salary package at entry level as well as higher level of employees in private sector also. In this backdrop, the Petitioner has submitted that it has been facing an uphill task to retain a talented and motivated workforce and minimize attrition in the increasingly competitive market with more and more participation of the private sector in the utility segment including electricity distribution. Hence, it is necessary that the compensation structure on the one hand meets the expectations of the employees and on the other hand motivates them to strive for superior performance through congruence of individual and organization goals. Therefore, any increase in emoluments given by the Central Pay Commission will have a direct bearing on the salary and emoluments of the Petitioner's employees so as to retain and motivate them appropriately.

5.6.52 The Petitioner has submitted that the Commission has been approving the impact of change in pay scales as recommended and approved by various Pay Commissions to all State Discoms on an actual basis. Also, the MYT Regulations 2019 provides for separate approval of such expenses over and above normative employee costs. The Petitioner refers to Regulation-45 (d) of the MYT Regulations 2019 in this respect as reproduced herein below:

" 45. …

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

……."

[Emphasis Supplied]

5.6.53 The Petitioner has prayed the Commission to approve the O&M expenses on actuals considering the significant increase in salaries and minimum wages.

Other Drivers Affecting the O&M Expenses:

5.6.54 The Petitioner has submitted that the Commission, in its various orders, has acknowledged the performance standards of the Petitioner. The Commission also has observed (in the Order dated January 29, 2019) that NPCL is the best-performing utility in Uttar Pradesh. The Petitioner, having regard to the observation of the Commission, has been striving hard to control and optimize its O&M Expenses primarily keeping the consumers interest in view.

5.6.55 The Petitioner has submitted that regarding the distribution losses, due to weak and inefficient manpower with local administration, the law-and-order situation is very poor in the Greater Noida area with frequent and violent incidents occurring. The administration or police personnel seldom find time to attend to complaints of pilferages/manhandling of the equipment's like transformer, cable etc. of the Petitioner. This in turn alleviates the expenditure on frequent breakdown and repair, resulting in more Repair and Maintenance expenses.

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

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

5.6.57 The Petitioner has submitted that based on the above, the Commission in its Tariff Order dated October 14, 2010, directed the Petitioner to conduct a study to benchmark its O&M Cost and accordingly ICRA Management Consultancy Services Private Limited was appointed to conduct the study through process of competitive bidding with prior approval of the Commission. Some of the important observations of their report are given below for the kind perusal and consideration of the Commission–

"Executive Summary- Clause 1.3 (Page 8):

Benchmarking of O&M expenses

The estimated expenses for each of the O&M expense components based on the econometric method is compared with the actual expenses in the Table below. The detailed discussion of each of the components follows.

TABLE 5-89: ACTUAL O&M EXPENSES OF NPCL COMPARED WITH BENCHMARKED EXPENSES (PAISE PER KWH) FOR FY 2011-12

Expenses	*R&M*	*Employee*	*A&G*	*Total*
Econometric method	*18.09*	*24.08*	*7.96*	*50.13*
Actual	*12.37*	*7.76*	*7.65*	*27.78*
Actual/Econometric	*68%*	*32%*	*96%*	*55%*

Executive Summary-Clause 1.7 (Page 12):

Conclusions

The analysis of O&M costs using both the approaches i.e. Peer Group and Econometric approach; reveals that NPCL has one of the lowest component wise O&M expenses. It can be concluded that NPCL has been the cost leader so far in respect of O&M cost but in future to continue to maintain its performance and system reliability, NPCL has to reorganize its maintenance policy such as preventive maintenance, regular health check-up of Transformers, continuous re-organization of network to meet the load dynamics efficiently, introduction of more departments/divisions for better and focused supervision and enhancing the level of automation.

The above measures would lead to increase in the O&M expenses in the short run but would ensure better and reliable power supply in future."

Chapter 12 - Conclusions (Page 95)

The O&M expenditure per unit of sales for NPCL as ***estimated based on econometric benchmarking method is significantly higher than the actual expenditure because of relatively higher level of operational efficiency and cost cutting being done by NPCL****. Such cost cutting includes:*

More than optimal utilization on the employees especially the breakdown teams

Higher dependence on reactive maintenance instead of preventive maintenance approach

Inadequate employee strength in areas such as legal and regulatory. For example, NPCL requires specialists to meet the requirements of changing regulatory context.

It is to be noted that ***such cost cutting is not sustainable in the future because of requirement of sustaining the operational performance standards.***

In the near future, NPCL is expected to have significantly higher O&M expenditure essentially as a consequence of increasing urbanization in its geographical area and other reasons as listed below:

1. *Integration with Higher voltage to directly connect to National Grid*
2. *NPCL will have characteristics of Urban utilities leading to higher O&M expenditure due to reasons such as higher input cost and higher reliability requirements as explained earlier.*
3. *Need to additional manpower in Operations, Safety and Security of equipment's, Loss control cells, commercial to deal with large number of consumers etc.*
4. *Shifting from reactive maintenance to preventive maintenance practices*
5. *To continue to meet all the standards of performance laid out by UPERC, NPCL has to commit additional resources*
6. *Higher R&M and Employee expenses due to aging of equipment*
7. *Uncontrollable legal expenses to defend the interests of NPCL*
8. *Administrative factors specific to the utility. These factors include the need for strengthening the team in legal, administration / Public Relations and Regulatory areas to meet the growing demands."*

[Emphasis Supplied]

5.6.58 The Petitioner has submitted that the above discussion significantly points out that it is no more feasible for the Petitioner to sustain the previous low-cost operation without compromising with service and safety standards. Therefore, the denial of justified expenses allowable to the Petitioner would jeopardise the operational efficiency achieved by the Petitioner over past 29 years. There is an urgent need for imminent allocation of higher O&M Cost to enable the Petitioner to maintain and improve upon the service standards and prepare itself for the growing requirement of the consumer servicing.

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

5.6.60 The Petitioner has submitted that their O&M Expenses are much lower than the other Distribution Utilities of U.P as well as Discoms of other States including KESCO, which is similar in operational size of the Petitioner as shown in the Table below:

TABLE 5-90: COMPARISON OF APPROVED O&M COST Per kWh SOLD

Discom	Volume – Latest	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
MAHARASHTA									
MSEDCL	1,19,217	0.67	0.72	0.68	0.73	0.68	0.63	0.69	0.69
R-Infra – D	11,035	1.29	1.15	1.25	1.25	1.26	1.28	1.30	1.33
BEST	4,787	1.19	1.09	1.09	1.26	1.22	1.24	1.27	1.38
KARNATAKA									
BESCOM	23,695	0.51	0.57	0.58	0.66	0.70	0.87	0.90	0.99
HESCOM	12,531	0.69	0.79	0.73	0.89	0.95	1.16	1.22	1.32
MESCOM	5,596	0.85	1.02	0.92	1.18	1.26	1.40	1.48	1.61
GESCOM	8,489	0.64	0.89	0.68	0.93	0.98	1.15	1.32	1.37
CESCOM	7,159	0.74	0.95	0.77	1.05	1.11	1.30	1.38	1.52
WEST BENGAL									
CESC	10,064	1.01	1.01	1.08	1.12	1.45	1.43	1.38	NA
HARYANA									
UHBVNL	17,001	0.56	NA	0.90	NA	0.79	NA	0.82	1.07
DHBVNL	19,141	0.41	NA	0.64	NA	0.65	NA	0.70	1.15
ODISHA									
NESCO	4,915	1.06	NA	NA	0.88	NA	1.03	1.45	NA
WESCO	7,477	0.92	NA	NA	1.23	0.61	0.77	1.12	NA
SOUTHCO	3,293	1.38	NA	NA	1.45	1.35	1.54	1.92	NA
CESCO/CESU	7,545	1.13	NA	NA	1.02	1.31	1.16	1.67	NA
DELHI									
BYPL	6,411	0.74	0.86	1.05	0.96	1.08	1.21	NA	NA
BRPL	12,362	0.56	0.66	0.76	0.77	0.83	0.97	NA	NA
NDPL	9,205	0.65	0.82	0.82	0.71	0.84	0.89	NA	NA
NDMC	1,218	1.41	1.37	1.40	1.52	2.17	2.09	NA	NA
UTTAR PRADESH									
DVVNL	22,717	0.31	0.38	0.43	0.50	0.39	0.57	0.38	0.60
MVVNL	24,334	0.41	0.56	0.63	0.53	0.49	0.59	0.45	0.68
PVVNL	35,672	0.24	0.26	0.31	0.40	0.36	0.43	0.37	0.42
PuVVNL	27,768	0.40	0.49	0.58	0.63	0.61	0.65	0.76	0.72
KESCO	4,177	0.56	0.54	0.53	0.92	0.71	0.84	0.78	0.75
NPCL (Claimed)	3,316	0.44	0.52	0.52	0.55	0.52	0.59	0.55	0.58
NPCL (approved)	3,316	0.34	0.40	0.39	0.37	0.35	0.30	0.29	0.31

5.6.61 The Petitioner has submitted that the Benchmarking study is conducted by M/s Feedback Infra and it also confirms that the Petitioner is operating with a very low O&M cost. The relevant extract of their observation is reproduced below in the Table:

TABLE 5-91: O&M COST PER UNIT OF SALE (Rs./Kwh)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Private utilities			
NPCL	0.31	0.30	0.33
BRPL	0.50	0.48	0.52
BYPL	0.67	0.65	0.72
TPDDL	0.58	0.58	0.59
TPL (Surat)	0.29	0.32	0.32
CESC	0.81	0.94	0.99
State utilities			
NMDC	1.16	1.19	1.21
DVVNL	0.37	0.45	0.35
MVVNL	0.53	0.60	0.49
PVVNL	0.26	0.30	0.27
PuVVNL	0.53	0.51	0.51
KESCO	0.70	0.64	0.64
UHBVNL	0.81	0.49	0.76
JVVNL	0.35	0.37	0.40
PGVCL	0.28	0.23	0.31
BESCOM	0.42	0.44	0.48
WBDESCL	0.55	0.70	0.74
MSEDCL	0.68	0.74	0.77
NBPDCL	0.59	0.65	0.57
MePDCL	0.78	1.10	1.35
TSECL	1.15	0.91	-

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

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

5.6.62 The Petitioner has submitted that from the table above it can be concluded that the O&M expenses of the Petitioner are one of the lowest in the country with considerable growth in the area and aging of assets. It has become imperative for the Petitioner to make additional and timely efforts to meet the upcoming demand growth and to maintain a reliable and efficient power supply in the area. The Petitioner has taken the initiative in this regard which has also been acknowledged by the consultant viz. IMaCS. Therefore, the Petitioner has submitted that the O&M expenses be allowed in full as per Accounting Statements for FY 2022-23.

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

5.6.64 The Petitioner also submitted that the O&M expenses approved by the Commission in its Tariff Order dated July 20, 2022, on normative basis in accordance with the Regulations-45 of MYT Regulations, 2019 which are grossly insufficient as compared to actual expenses incurred by the Petitioner. Therefore, the Petitioner requested the Commission to approve the O&M expenses for FY 2022-23 as actually incurred and owing to various factors like minimum wages, High IT & automation expenses, increase in volumes, consumer numbers, office infrastructure etc.

Capitalization of Employee Cost:

5.6.65 The Petitioner has submitted that it has capitalized an amount of Rs. 6.52 Cr. out of the total employee cost of Rs. 73.27 Cr. incurred during FY 2022-23, as per past practice duly approved by the Commission. The Petitioner further submitted that for the purpose of capitalization of employee costs, the Petitioner at the time of execution of projects, records actual man hours spent by each engineer/ executive into the system / SAP Software. These hours are then matched with the cost per hour of that employee by the software itself and the actual employee cost so incurred, is capitalized along with the specific project. The Petitioner further submitted that the entire process of its project/financial accounting is through SAP, and there is the least manual intervention in the computation of expenses to be capitalized.

5.6.66 Further the Petitioner submitted that these man-hours and cost are duly verified by the Statutory Auditors of the Petitioner in detail and is approved by the Board of Directors of the Petitioner subsequently.

5.6.67 The Petitioner also submitted that on the basis of the aforesaid policy, approved and followed consistently over the years, the Petitioner submits to the Commission to approve the capitalization of employee cost at Rs. 6.52 Cr. during FY 2022-23.

5.6.68 Thus, the Petitioner, in view of the above, requested the Commission to approve the net O&M expenses at Rs. 159.88 Cr. incurred by the Petitioner during FY 2022-23 as summarized in the Table below:

TABLE 5-92: O&M EXPENSES (FY 2022-23) (RS. CR.)

Sl. No.	Particulars	Approved	Normative	Actual
1	Repair & Maintenance Expenses	41.31	47.16	63.26
2	Employees Expenses including retiral benefits	33.08	35.03	73.27
3	Administrative & General Expenses	14.10	22.84	29.86
4	Exp. for SOP & Other Compliances @50% of R&M	-	23.58	-
5	**Total O&M Expenses**	**88.49**	**128.60**	**166.39**
6	Employee Cost Capitalised	(14.00)	(6.52)	(6.52)
7	**Net O&M Expenses**	**74.49**	**122.08**	**159.88**

Commission's Analysis

5.6.69 With regard to O&M expenses, the Commission sought head-wise details of Smart Metering / DT Metering / SOP implementation from the Petitioner in a prescribed format. In reply, the Petitioner submitted that in order to comply with the UPERC (Standard of Performance) Regulations, 2019, Electricity (Rights of Consumers) Rules, 2020, Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019, directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021, directions of Commission for 100% Feeder Metering/ Cyber Security related Regulations, and directions regarding Smart

Metering/ DT Metering, it has recruited additional manpower and enhanced its infrastructure wherever required leading to additional employee cost, A&G expenses and R&M Expenses. Additional manpower has been employed across the organisation viz in commercial & metering, handling consumer complaints, site visits, CRM, and call center to handle the larger volume of calls in a time-bound manner. Further, the SOP regulations require various information to be captured through IT Systems for the calculation of claims and also for reporting purposes. For this purpose, more skilled manpower has been recruited in Information Technology and Automation along with associated infrastructure.

5.6.70 The Petitioner has further submitted that the cost has increased all across the organization. The impact of such additional measures for compliance and enhancing the consumer experience can be seen from the increase in the expenses being directly affected by such initiatives. The Petitioner has highlighted the fact that in Consumer Services and DT Metering, there is a significant increase in OPEX by 165% and 179% respectively between FY 18 to FY 23. Petitioner also mentioned that the mentioned expenses are just a few examples of the impact of earlier mentioned Regulations on the O&M expenses of the Petitioner, and these are not the exhaustive list of expenses which are incurred due to compliance of the above-mentioned Regulations. The Petitioner further requested the Commission to approve the O&M expenses on an actual basis or alternatively allow 50% of additional R&M expenses over and above the normative expenses as additional expenses towards compliance of SOP Regulations.

5.6.71 The Commission sought a summary of the details of the compensation paid to the consumers affected as per the UPERC (Standard of Performance) Regulations, 2019 and also asked in which head the same is clubbed in the Audited Accounts. In reply, the Petitioner submitted that it has been complying with the provisions of UPERC (Standard of Performance) Regulations 2019 and has not received any tenable claim for compensation under the SOP Regulations, 2019 during the year.

5.6.72 The Commission sought the reason for claiming O&M Expenses on an actual basis instead of normative as per the Regulations. In reply, the Petitioner has submitted that the reason has been provided by it in the True-up of Tariff Petition No. 2039 of 2023 dated November 29, 2023, and the same has been captured in the Petitioner submission section above.

5.6.73 The Commission further sought the breakup of R&M expenses from the Petitioner. In reply, the Petitioner has submitted the below Table:

TABLE 5-93: PETITIONER'S SUBMISSION OF SUMMARY OF BREAKUP OF R&M EXPENSES (IN RS. LAKH)

S. No.	Particulars	Formula	FY 2022-23	FY 2023-24
1	Cost of Material	a	1,001.68	7,042.10
2	Cost of Works	b	4,435.38	
3	**Any other Head:**			
	Security Expenses	c	681.55	
	Insurance	d	194.23	
	Power and Fuel	e	13.62	
Total R&M Expenses		**f = a+b+c+d+e**	**6,326.46**	**7,042.10**

5.6.74 The Commission sought the list of materials used in R&M expense from the Petitioner. In reply, the Petitioner has submitted the details in the prescribed format. Additionally, the Petitioner has mentioned that it has considered the "Date of issue" in place of "Invoice No. and Date". The "Date of issue" refers to the date when materials were issued from the Stores for R&M purposes. It is pertinent to mention that certain items/materials can be utilized for both CAPEX and R&M Expense activities, making it impractical to provide specific Invoice Numbers and Dates, solely for R&M-related materials.

5.6.75 The Commission sought the details of the Cost of Work for FY 2022-23 along with work order details, quantity of work done, rates and final amounts booked. The Commission has also asked for Copies of Work Orders used in R&M activities. In reply, the Petitioner has submitted that there are a considerable number of Work Orders (over 5,000 in number) for FY 2022-23. In order to meet the objective and facilitate timely submission, the Petitioner submitted copies of Work Orders for R&M expenses aggregating to Rs.2,221.79 Lakh. A summary of the Work Orders is provided here in the Table below:

TABLE 5-94: PETITONER'S SUBMISSION OF DETAILS OF WORK ORDERS

Particulars	FY 2022-23
Total number of Work Orders	~ 5,000
Cost of Works (Rs. Lakh)	4,435.38

Particulars	FY 2022-23
Information Attached	
Numbers of Work Orders	**42**
Cost of Works (Rs. Lakh)	**2,221.79**

5.6.76 The Commission sought the details of Computer Software and Computer Peripherals bought in O&M. In reply, the Petitioner has submitted that the Computers, Software and its Peripherals being utilised over their useful life are capitalised in books of accounts and not charged to O&M Expenses.

5.6.77 The Petitioner submitted that the Commission has disallowed the O&M Expenses due to an error in the computation of normative O&M expenses based on trued-up O&M expenses of FY 2015-16 to FY 2019-20 and has made some inadvertent arithmetical errors.

5.6.78 The Petitioner also claimed that up to FY 2016-17, the O&M Expenses were trued up by the Commission in accordance with Regulation 4.3 of the UPERC Distribution Tariff Regulations 2006.

5.6.79 The Petitioner further submitted that the Commission had considered net Trued-up O&M expense of Rs.45.20 Cr. and Rs.51.44 Cr. in FY 2015-16 and FY 2016-17 respectively (after deduction of Employee Cost Capitalized) instead of gross trued-up O&M Expenses of Rs.52.10 Cr. (FY 2015-16) and Rs.63.76 Cr. (FY 2016-17).

5.6.80 In this regard, the Commission has considered the gross value of Trued-up O&M Expenses for the last five years i.e. From FY 2015-16 to FY 2019-20. In the case of Trued-up values of FY 2015-16 & FY 2016-17, both years were covered under the UPERC (Terms and Conditions for Determination of Distribution Tariff) Regulation – 2006. In these Regulations, the O&M Expenses were approved taking into consideration the Proceeding Years' Trued-Up values and % age increment on the GFA addition, which included the capitalization of Employee & other costs. Therefore, the effect of expenses capitalized is already built in the trued-up O&M expenses for FY 2015-16 & FY 2016-17. Further, the Petitioner has already preferred an Appeal on the same issue and hence the issue is sub-judice before the Hon'ble APTEL in Appeal No. 343 of 2022.

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

5.6.82 Accordingly, the finance charges have been considered as a part of the A&G expenses.

5.6.83 Further, the Commission is of the view that the UPERC MYT Regulations, 2019 do not provide any methodology/provision of computing the quantum of DPS & its financing cost, therefore, it cannot be taken as normative. Further, seeing the genuineness of the need of financing of the DPS, if the Petitioner has actually incurred any financing cost to fund the DPS and if the Petitioner can clearly demonstrate the same through records, the same can be allowed to the Petitioner. If the Petitioner has put in its equity in financing the DPS, it is to be noted that any excess equity (more than 30%) has already been considered as normative loan and interest has been given on it. Hence, Licensee has already received the return of the financing cost. Furthermore, the Petitioner has already preferred an Appeal on the same issue and the issue is sub-judice before the Hon'ble APTEL in Appeal No. 98 of 2021 (Tariff Order for the FY 2020-21).

5.6.84 With regards to the claim of the Petitioner to include the additional O&M expenses i.e., expenses incurred for the compliance of directive of the State Commission, impact of Service Tax, impact of GST and Cost of Borrowing of DPS, it has been observed that the Petitioner, for the first time, started claiming these expenses as a part of normative O&M expenses. The Petitioner had claimed these expenses separately in the previous tariff filings. The Commission disallowed these expenses in the previous Tariff Orders hence these claims have not been considered for approving the norms of O&M Expenses. The Commission has already disallowed the financing cost of DPS & additional claim of the impact of GST; hence, these claims have not been considered for approving the norms of O&M expenses for FY 2022-23.

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

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

5.6.87 The inflation indices considered by the Commission for FY 2022-23 are shown in the Table below:

TABLE 5-95: CPI & WPI INFLATION INDICES CONSIDERED BY THE COMMISSION FOR FY 2022-23

Particulars	Wholesale Price Index			Consumer Price Index		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2020-21	FY 2021-22	FY 2022-23
	A	B	C	D	E	F
April	119.20	132.00	152.30	329.0	345.9	367.8
May	117.50	132.90	155.00	330.0	347.3	371.5
June	119.30	133.70	155.40	332.0	350.5	372.1
July	121.00	135.00	154.00	336.0	353.7	374.1
August	122.00	136.20	153.20	338.0	354.2	375.0
September	122.90	137.40	151.90	340.1	355.1	378.1
October	123.60	140.70	152.90	344.2	359.7	381.6
November	125.10	143.70	152.50	345.3	362.0	381.6
December	125.40	143.30	150.50	342.1	361.2	381.0
January	126.50	143.80	150.70	340.4	360.3	382.5
February	128.10	145.30	150.90	342.7	360.0	382.2
March	129.90	148.90	151.00	344.4	362.9	383.9
Average	**123.38**	**139.41**	**152.53**	**338.7**	**356.1**	**377.6**
Calculation of Inflation (G=(F-E)/E)*100	**1.29%**	**13.00%**	**9.41%**	**5.02%**	**5.13%**	**6.05%**

FY	CPI		WPI	
	Index	Inflation	Index	Inflation
FY 2017-18	284.42	3.08%	114.88	2.92%
FY 2018-19	299.92	5.45%	119.79	4.28%
FY 2019-20	322.50	7.53%	121.80	1.68%
FY 2020-21	338.69	5.02%	123.38	1.29%
FY 2021-22	356.06	5.13%	139.41	13.00%
FY 2022-23	377.62	6.05%	152.53	9.41%

Source for CPI: *https://labourbureau.gov.in/all-india-general-index-1*

***Source for WPI:** https://eaindustry.nic.in/display_data_201112.asp*

5.6.88 Further, Normative O&M expenses for FY 2022-23 are escalated with the escalation factor considering CPI and WPI of the corresponding year. Accordingly, the Commission has computed the Normative O&M expenses for FY 2022-23 as depicted in the Table below:

TABLE 5-96: NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION FOR NPCL FOR FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	True-up FY 2021-22	CPI and WPI		True-up FY 2022-23
		Normative	WPI	CPI	Normative
1	Employee Expenses	31.00		6.05%	32.87
2	R&M Expenses	43.22	9.41%		47.29
3	A&G Expenses	16.02	9.41%		17.53
4	**Gross O&M Expenses (1+2+3)**	**90.24**			**97.69**
5	Expenses Capitalised	8.98			6.52
6	**Net O&M Expenses (4-5)**	**81.26**			**91.18**

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

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

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

TABLE 5-97: O&M EXPENSES AS APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	FY 2022-23				
	Approved in TO for FY 2022-23 dated 20.07.2022	Audited	Claimed in Petition	Normative (Computed)	Approved Upon Truing Up
Employee Expenses	33.08	73.27	73.27	32.87	32.87
R&M Expenses	41.31	63.26	63.26	47.29	47.29
A&G Expenses	14.10	29.86	29.86	17.53	17.53
Gross O&M Expenses	**88.49**	**166.39**	**166.39**	**97.69**	**97.69**
Less: Employee Expenses capitalized	14.00	6.52	6.52	6.52	6.52
Net O&M Expenses	**74.49**	**159.88**	**159.88**	**91.18**	**91.18**

5.7 CAPITAL EXPENDITURE

Petitioner's Submission

5.7.1 The actual capital expenditure (as per Audited Accounts) incurred by the Petitioner vis-a-vis the capital expenditure approved by the Commission vide its Tariff Order dated July 20, 2022, are as given in the Table below:

TABLE 5-98: DETAILS OF CAPITAL EXPENDITURE SUBMITTED BY THE PETITIONER FOR FY 2022-23 (Rs. Cr.)

Particulars	Ref.	Approved in T.O 20.07.2022	Actual	
Total Additions to Assets	a	**171.22**		**133.90**
Assets Retired	b	7.75	6.99	
Add: Retired Assets funded from Consumer Contribution	c	-	3.36	
Net Assets Retired	d=b-c	7.75		3.63
Net Capex	**e=a-d**	**163.47**		**130.26**
Consumer Contribution	f	44.49		64.44
Net Capex	**g=e-f**	**118.98**		**65.82**
Note: Total may not tally due to rounding-off				

5.7.2 The Petitioner also submitted the summary of the Projects executed during FY 2022-23, the minimum and maximum amount of one project, and the total amount against a single major head of Capex i.e. total number of projects executed during FY 2022-23 is given below in the Table:

TABLE 5-99: SUMMARY OF PROJECTS

Sl. No.	Particulars	No. of Projects	Minimum Cost of One Project (Rs.)	Maximum Cost of One Project (Rs.)	Total Amount (Rs. Cr.)
1	New Connections, Replacement Stock & Metering	116	6,016	8,27,07,264	61.57
2	Substations, Transformers, 33kV, 11 kV & LT Network	37	3,753	5,39,72,092	57.08
3	Process System Automation	31	1,064	41,49,743	2.97
4	IT Projects	22	20,247	1,00,13,298	3.96
5	Civil Works & Office Infrastructure Facility	10	1,41,884	1,05,02,287	3.61
6	Tools & Testing Equipment	2	5,71,535	50,73,056	0.56
7	Vehicles	NA			1.23
8	Lease Hold Land	NA			2.91
	Total	**218**			**133.90**

5.7.3 Further, Regulation 44.2 of the MYT Regulations, 2019 provides as under:

Quote

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

Unquote

5.7.4 The Petitioner accordingly submitted the major head-wise details of capital expenditure of value exceeding Rs. 10 Cr. and the capital expenditure of value not exceeding Rs. 10 Cr., in a format provided by the Commission.

Capital Expenditure Projects of value exceeding Rs. 10 Cr.

5.7.1 The Petitioner has submitted that it has filed a Petition for projects above Rs. 10 Cr. through Petition No. 1823/2022 dated January 19, 2022. The total cost of such projects amounted to Rs. 23.84 Cr and was for the construction of two (2) nos. of 33/11 kV substation cum 33kV Switching Stations. Subsequently, the Petition was withdrawn due to prolonged delay by GNIDA in allotment of land for the projects due to which the project can't be executed in FY 2022-23 through Letter No. P77A/2022/077 dated February 17, 2023. Further, the aforementioned substations are included under the subsequent Petition "Power Evacuation Plan from upcoming 220 kV & 132 kV Grid Substations being constructed in Greater Noida during FY 2023-24 & 2024-25" through Petition No. 1950/2023 dated January 6, 2023, and are being included the capital projects for FY 2023-24 and FY 2024-25 accordingly.

5.7.2 The Petitioner has submitted that it has incurred the above capital expenditure solely for the purpose of developing its Distribution Network and supporting facilities to meet its service obligation as defined in Clause 4.1 and 4.2 of UP Electricity Supply Code, 2005 and also to meet growth in demand of electricity from its existing and future consumers.

Capital Expenditure Projects of value not exceeding Rs. 10 Cr.

5.7.3 The Petitioner has submitted the details of capital expenditure projects of value not exceeding Rs. 10 Cr. as per the Table below:

TABLE 5-100: CAPITAL EXPENDITURE PROJECTS OF VALUE NOT EXCEEDING RS. 10 CR. (FY 2022-23) AS SUBMITTED BY THE PETITIONER (Rs. Cr.)

Sl. No.	Nature of Works	Approved	Actual
1	New Connections, Replacement Stock & Metering	**157.22**	61.57
2	Substations, Transformers, 33kV, 11 kV & LT Network		57.08
3	Process System Automation		2.97
4	IT Projects		3.96
5	Civil Works & Office Infrastructure Facility		3.61
6	Tools & Testing Equipment		0.56
7	Vehicles		1.23
8	Lease Hold Land		2.91
8	**Sub-Total**		**133.90**
9	Interest Capitalization	Included above	Included above
10	Salary Capitalization	14.00	Included above
11	**Sub-Total**	**171.22**	**133.90**
12	Less: Consumer Contribution	44.49	64.44
13	Less: Assets Retired	7.75	3.63
14	**Net Capital Expenditure**	**118.98**	**65.83**

Note:

1. *Total may not tally due to rounding-off.*

Sl. No.	Nature of Works	Approved	Actual
2.	*Assets worth Rs. 8.73 Cr have been received from GNIDA and Other Agencies Free of cost for distribution of power and maintenance thereof not included above.*		

5.7.4 The Petitioner has submitted the details of the above capital expenditure of Rs. 133.90 Cr. (Rs. 69.46 Cr. net of consumer contribution) incurred during FY 2022-23 are given below:

A. NEW CONNECTIONS, REPLACEMENT STOCK & METERING

The Petitioner has incurred an amount aggregating to Rs. 61.57 Cr. on 116 different/independent projects which were undertaken in different time periods during FY 2022-23 and at different locations across Greater Noida on New Connections, Replacement Stock & Metering. The following Table summarises project-wise details of capital expenditure incurred under the head New Connection:

TABLE 5-101: PROJECT WISE SUMMARY FOR NEW CONNECTION, REPLACEMENT & METERING

S. No.	Project No.	Project Description	Amount in Rs.
New Connection			
1	NS33KV21Q4LA	Load Augment of 33KV Service	1,39,03,230
2	NS33KV21Q4NC	33 kV New Service Connection	1,65,445
3	NS33KV22Q1NC	New 33KV Service April to June-2022	59,73,043
4	NS33KV22Q2NC	New 33 KV Service July to September-22	31,75,426
5	NS33KV22Q3LA	33KV Svc Load Augment Oct-22 to Dec-22	5,04,229
6	NS33KV22Q3NC	New 33KV Service Oct-22 to Dec-22	1,51,32,793
7	NS33KV22Q4NC	New 33KV Service Jan-23 to Mar-23	1,64,88,109
8	PR21CGEWHOESS	Const of 33/11KV S/Stn at CGEWHO, GN for CGEWHO Society Connection	6,54,699
9	AUTSOPPO22	Telemetry Data of OPPO at SLDC Lucknow	5,56,547
10	NS11KV21Q4LA	Load Augment of 11KV Service	3,88,234
11	NS11KV21Q4NC	New 11KV Service Connection	6,11,781
12	NS11KV22Q1LA	11KV Load Augment Svc April to June-22	71,49,842
13	NS11KV22Q1NC	New 11 KV Service April to June-	97,53,712

S. No.	Project No.	Project Description	Amount in Rs.
		2022	
14	NS11KV22Q2LA	11KV Load Augment Svc July to Sept-22	30,31,569
15	NS11KV22Q2NC	New 11 KV Service July to September-22	83,98,939
16	NS11KV22Q3LA	11KV Load Augment Svc Oct-22 to Dec-22	45,70,069
17	NS11KV22Q3NC	New 11KV Service Oct-22 to Dec-22	1,26,56,178
18	NS11KV22Q4LA	11KV Load Augment Svc Jan-23 to Mar-23	57,01,822
19	NS11KV22Q4NC	New 11KV Service Jan-23 to Mar-23	1,32,61,363
20	NSLMV21Q4LA	Load Augment of LMV Service	2,75,573
21	NSLMV21Q4LR	Load Reduction of LMV Svc	25,861
22	NSLMV21Q4NC	New LMV Service Con	26,16,873
23	NSLMV22Q1LA	LMV6 Load Augment Svc April to June-22	59,27,986
24	NSLMV22Q1LR	LMV6 Load Reduc Svc April to June-22	76,829
25	NSLMV22Q1NC	New LMV6 Connection April to June-22	1,59,38,355
26	NSLMV22Q2LA	LMV6 Load Augment Svc July to Sept-22	70,75,599
27	NSLMV22Q2LR	LMV6 Load Reduc Svc July to Sept-22	79,223
28	NSLMV22Q2NC	New LMV6 Connection July to Sept-22	2,08,14,947
29	NSLMV22Q3LA	LMV6 Load Augment Svc Oct-22 to Dec-22	57,19,151
30	NSLMV22Q3LR	LMV6 Load Reduc Svc Oct-22 to Dec-22	58,953
31	NSLMV22Q3NC	New LMV6 Connection Oct-22 to Dec-22	1,23,88,175
32	NSLMV22Q4LA	LMV6 Load Augment Svc Jan-23 to Mar-23	40,38,113
33	NSLMV22Q4LR	LMV6 Load Reduc Svc Jan-23 to Mar-23	1,65,039
34	NSLMV22Q4NC	New LMV6 Connection Jan-23 to Mar-23	1,33,36,690
35	STRLIGMET21	Street Light Metering	64,455
36	STRTLIGHTMET22	Street Light Metering FY 2022-23	11,052
37	NSLMVMP21Q4	New Multipoint Connection	23,17,073
38	NSLMVMP22Q1	Multipoint Svc of Society April-June-22	1,14,64,680
39	NSLMVMP22Q2	Multipoint Svc of Society July-Sept-22	1,58,20,092
40	NSLMVMP22Q3	Single & Multipoint Meter	1,05,95,495

S. No.	Project No.	Project Description	Amount in Rs.
		Service	
41	NSLMVMP22Q4	Multipoint Svc of Society Jan-23-Mar-23	1,10,53,708
42	NSLMVSP21Q4	Convert Single to Multipoint	2,07,245
43	NSLMVSP22Q1	Single to Multipoint Svc April to June22	9,01,239
44	NSLMVSP22Q2	Single to Multipoint Svc July to Sept-22	36,45,021
45	NSLMVSP22Q3	Single to Multipoint Svc Oct-22 - Dec-22	39,86,020
46	NSLMVSP22Q4	Single to Multipoint Svc Jan-23 - Mar-23	90,44,371
47	MPSCOMMAGFY22	Comm Infra for AMI at Aims Green Avenue	17,82,592
48	MPSCOMMATFY22	Comm Infra for AMI at ATS Happy Trails	1,13,92,702
49	MPSCOMMBEFY22	Comm Infra for AMI at Bank Employee SAS	2,23,897
50	MPSCOMMDSFY22	Comm Infra for AMI at DevSai SportsHome	17,95,849
51	MPSCOMMEIFY22	Comm Infra for AMI at Enticement Infras	43,39,175
52	MPSCOMMFHFY22	Comm Infra for AMI at Flora Heritage	23,90,411
53	MPSCOMMFRAFY22	Comm Infra AMI at Floral Realcon (ph-2)	34,430
54	MPSCOMMGAAFY22	Comm Infra for AMI at Gaur Atulyam	19,359
55	MPSCOMMGWFY22	Comm Infra for AMI at Greenwoods Societ	2,46,432
56	MPSCOMMJKFY22	Comm Infra for AMI at JKG Palm (Ph-1)	19,54,923
57	MPSCOMMJMFY22	Comm Infra for AMI at JM Florence Comme	80,513
58	MPSCOMMKLFY22	Comm Infra for AMI at Kendriya LN SAS	9,25,173
59	MPSCOMMLGFY22	Comm Infra for AMI at La Galaxia (Ph-1)	40,28,161
60	MPSCOMMLSFY22	Comm Infra for AMI at La Solara	26,51,149
61	MPSCOMMMEFY22	Comm Infra for AMI at MEA SAS, Sector P	11,99,362
62	MPSCOMMMMFY22	Comm Infra for AMI at Mahagun Mantra-1	45,71,138
63	MPSCOMMMSFY22	Comm Infra for AMI at Meenakshi SAS	13,58,249
64	MPSCOMMPG2FY22	Comm Infra for AMI at Panchsheel G P2	58,64,404
65	MPSCOMMPGFY22	Comm Infra for AMI at	1,19,51,437

S. No.	Project No.	Project Description	Amount in Rs.
		Panchsheel Greens	
66	MPSCOMMRCFY22	Comm Infra for AMI at Strategic Royal	1,49,904
67	MPSCOMMRIFY21	Comm Infra for AMI at Rajhans Infratech	32,44,312
68	MPSCOMMSGCFY22	Comm Infra for AMI at Samridhi Grand Av	2,83,202
69	MPSCOMMSGFY22	Comm Infra for AMI at Samridhi Grand	84,42,016
70	MPSCOMMSKFY22	Comm Infra for AMI at SKA Metroville	25,70,418
71	MPSCOMMSKOCFY22	Comm Infra AMI at SKA Metroville (ph-2)	21,68,633
72	MPSCOMMSZFY22	Comm Infra for AMI at Saya Zion	64,96,009
73	ITFY22AMI	Impl of Advanced Metering Infra 2022-23	2,52,71,857
74	VILMTR21Q4NC	Rural Service of Village	44,21,851
75	VILMTR22Q1LA	Load Aug of Village Svc April to June-22	21,59,613
76	VILMTR22Q1LR	Load Red of Village Svc April to June-22	17,135
77	VILMTR22Q1NC	New Connec of Village April to June-22	2,10,26,595
78	VILMTR22Q2LA	Load Augm of Village Svc July to Sept-22	18,49,981
79	VILMTR22Q2NC	New Connection of Village July to Sept22	2,54,18,848
80	VILMTR22Q3LA	Load Augm of Village Svc Oct-22-Dec-22	6,80,159
81	VILMTR22Q3LR	Load Redu of Village Svc Oct-22-Dec-22	23,804
82	VILMTR22Q3NC	New Connection of Village Oct-22-Dec-22	1,40,96,547
83	VILMTR22Q4LA	Load Augm of Village Svc Jan-23 - Mar-23	6,39,939
84	VILMTR22Q4NC	New Connection of Village Jan-23-Mar-23	93,38,779
85	RUUNMTMTR22	Conversion Unmetered to Metered FY- 22	26,48,331
86	NETMETER21	Net Metering	6,016
87	AUTMNETMETER22	Net Metering FY 2022-23	80,116
88	AUTMNETMETER22M7	Installation of Net Meters 22M7	33,501
89	AUTMNETMETER22M8	Installation of Net Meters 22M8	4,37,073
90	AUTMNETMTR22M5	Net Metering FY2022-23_M5	6,403
91	AUTMNETMTR22M6	Net Metering FY2022-23_M6	11,807
92	AUTMPSHTM22	Intelligent Modems on HT Meters	3,68,286

S. No.	Project No.	Project Description	Amount in Rs.
93	AUTMIMR22	Intelligent 4G modems	1,34,378
94	NIDP Consumer	New 33kV bay cost from R C Green 220/132/33kV Substation for NIDP Consumer	39,27,000
Replacement			
95	REPMETER21Q1	Replacement of Meter EqiptM1	1,21,582
96	REPMETER21Q3	Replacement of Meter EquiptM2	8,01,533
97	REPMETER21Q4	Replacement of Meter Equipt	21,78,841
98	REPMETER22Q1	Replacement of Meter Equipt April-June22	1,00,65,723
99	AUTMREPMETER22Q1	Replacement of Meter Equip Apr-Jun22	6,76,947
100	AUTMREPMETER22Q2	Replacement of Meter Equip Jul-Sep22	61,87,169
101	AUTMREPMTR22M6	Replacement of Meter EquipM6	14,12,132
Metering			
102	AMDTMS21	Impl of DT Metering, HA & EA	8,27,07,264
103	AMDTMS22	Impl of DT Metering, HA & EA FY 2022-23	18,36,018
104	AUTMBPNL22	Strengthening of Meter Board Panel	10,67,004
105	AUTMMPNLBO22M5	Strengthening of Meter Board PanelM5	3,16,765
106	AUTMMPNLBO22M6	Strengthening of Meter Board PanelM6	14,17,653
107	AUTMMPNLBO22M7	Strengthening of Meter Board PanelM7	10,78,364
108	AUTMMPNLBO22M8	Strengthening of Meter Board PanelM8	11,00,677
109	UPGRADEMETER21	Upgradation of Meters	13,380
110	UPGRADEMETER22Q1	Upgradation of Meters April-June-22	15,82,007
111	AUTMUPGMTR22M5	Upgradation of Meters FY2022-2023M5	27,42,050
112	AUTMUPGMTR22M6	Upgradation of Meters FY2022-2023M6	78,19,276
113	AUTMUPGMTR22M7	Upgradation of Meters FY2022-2023M7	20,62,361
114	AUTMUPGMTR22M8	Upgradation of Meters FY2022-2023M8	68,52,572
115	AUTMUPGRADEMETER22	Upgradation of Meters FY 2022-2023	1,09,26,256
116	METPADLMS21	DLMS Protocol Analyser	2,95,000
TOTAL			**61,57,47,286**

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

The Petitioner has submitted that it has incurred an amount aggregating to Rs.

57.08 Cr. on 37 different/ independent projects which were undertaken in different time periods during FY 2022-23 and at different locations across Greater Noida on Substations, Transformers, 33kV, 11 kV & LT Network. The project-wise details of the capital expenditure incurred under the Head "Substations, Transformers & Networks" are given in the Table below:

TABLE 5-102: PROJECT WISE SUMMARY FOR SUBSTATIONS, TRANSFORMERS & NETWORKS

S. No.	Project No.	Project Description	Amount in Rs.
33/11kV Substation			
1	MISELSS22	Miscellaneous Electrical Sub-Station-22	10,85,741
2	PR21ECO1EXT1ESS	Const of 33/11KV Ecot-1 Ext-1 S/Stn	3,36,47,767
3	PR21SSECO11	Const of 33/11KV S/Stn at Ecotech-11	3,18,49,624
4	PR22ECO3PH2ESS	Const of 33/11KV S/Stn Ecot-3,Phase-2	3,41,48,266
33KV Network			
5	33KVNET22Q1	Const of 33KV Network April to June-22	49,14,177
6	33KVNET22Q2	Const of 33KV Network July to Sept-22	1,21,21,408
7	33KVNET22Q3	Const of EHT Network Oct-22 to Dec-22	51,78,164
8	33KVNET22Q4	Const of EHT Network Jan-23 to Mar-23	70,82,389
9	PR2233KVNETECOT3	Const of 33KV Network Ecot-3,Phase-2	1,18,24,459
10	PR2233KVNETSEC1	Const of 33KV Network for Sector-1	2,56,24,392
11	PR2233KVNETZ2	Const of 33KV UG mains at Zone-2 Area	2,43,08,514
11kV Network			
12	11KVNET21Q3	Construction of HT Network	10,69,410
13	11KVNET21Q4	Construction of HT Network	19,00,917
14	11KVNET22Q1	Const of 11KV Network April to June-22	3,85,99,527
15	11KVNET22Q2	Const of 11KV Network July to Sept-22	2,21,51,899
16	11KVNET22Q3	Const of HT Network Oct-22 to Dec-22	3,03,69,610
17	11KVNET22Q4	Const of HT Network Jan-23 to Mar-23	3,27,98,443
18	NEWTXR22Q1	Install of New Transformer April-June-22	1,40,87,084
19	NEWTXR22Q2	Install of New Transformer July-Sept-22	2,76,34,236
20	NEWTXR22Q3	Install of New Transformer Oct-22-Dec22	1,87,25,808
21	NEWTXR22Q4	Install of New Transformer Jan-23-Mar23	1,43,01,376
22	PR2211KVNTEC1EX1	11KV Fdr Evacuation from Ecot1 Ext1 S/S	42,90,441
23	PR2211KVNTECOT3	11KV Fdr Evacuation from Ecotech-3 S/S	33,83,057
LT Network			
24	LTNET22Q1	Const of LT Network April to June-22	2,29,36,803
25	LTNET22Q2	Const of LT Network July to Sept-22	1,54,35,151
26	LTNET22Q3	Const of LT Network Oct-22 to Dec-22	2,63,81,412
27	LTNET22Q4	Const of LT Network Jan-23 to Mar-23	2,08,98,330
28	LTNT21Q4	Construction of LT Network	8,36,251

S. No.	Project No.	Project Description	Amount in Rs.
29	DTCLWORK21Q4	Re-Organi of Existing Network	12,77,029
30	DTCLWORK22Q1	Re-Org of Existing LT Net April-June-22	28,97,849
31	DTCLWORK22Q2	Re-Orgof Existing LT Network July-Sep22	94,12,843
32	NETREVAMLCC21	Network Revamping Existing Svc	17,06,952
33	NETREVAMLCC22	Revamping of LT Network FY 2022-23	5,39,72,092
34	EXTLTNET22	Extension of LT Network Exit Svc 22-23	83,27,534
35	AUREPELTMECMET22	Replacement of Electromechanical Meter	6,64,310
Network Safety			
36	NETWORKSAFETY21	Network Safety related Work	3,753
37	NETWORKSAFETY22	Fencing of Isolators/RMU/Transfor/Panel	49,96,171
TOTAL			**57,08,43,192**

C. PROCESS / SYSTEM AUTOMATION

The Petitioner has incurred an amount aggregating to Rs. 2.97 Cr. on 31 different/independent projects being undertaken in different time periods during FY 2022-23 and at different locations across Greater Noida on Process & System Automation. The project-wise summary is given in the Table below:

TABLE 5-103: PROJECT WISE SUMMARY FOR AUTOMATION

S. No.	Project No.	Project Description	Amount in Rs.
1	ADRN20	DGCA Drone	29,70,316
2	AUTGCGDET21	ERDAS Imagine Ext Pack	8,32,490
3	AUTGDRFL	Drone Pilot licence training	1,35,818
4	AUTGTFTDET21	ArcGIS Pro Ext	16,99,200
5	AUTGVTS22	PROCUREMENT OF VTS22-23	6,008
6	AUTS3PBHT22	SAS at 3-Panel Board HT Consumer	7,62,095
7	AUTS8TBHDD	8 TB External HDD in SAS	19,470
8	AUTSASE3P22	SAS at Ecotech-3 Phase-2 Substation	7,82,648
9	AUTSASECE22	SAS at Ecotech-1 Ext-1 Substation	7,79,783
10	AUTSASECT22	SAS at Ecotech-11 Substation	7,79,783
11	AUTSCADA14	Implemen of SCADA,DMS & OMS	1,064
12	AUTSCCTVE3P2S22	CCTVV System at Ecotech-3 Phase-2 Substa	3,39,278
13	AUTSCCTVECE21	CCTV System at Ecotech-1 Ex1 Substation	2,71,102
14	AUTSCCTVECT21	CCTV System at Ecotech-11 Substation	2,86,058
15	AUTSCCTVKPIV22	CCTV Camera at KP-4 office	19,738
16	AUTSCOM22NIDP	OFC COMMUNICATION WORKS FOR NIDP22	3,50,567
17	AUTSCOM22Q2	OFC COMMUNICATION WORKS FOR 2022Q2	12,71,237
18	AUTSCOM22Q3	OFC COMMUNICATION WORKS FOR 2022Q3	32,53,770
19	AUTSCOM22Q4	OFC COMMUNICATION WORKS FOR 2022Q4	31,66,492
20	AUTSCOMXUIII22	OFC COMMUNICATION SPLICING WORK AT	5,05,108

S. No.	Project No.	Project Description	Amount in Rs.
		XU-3	
21	AUTSFMMS21	Fiber Monitoring and Management System	27,99,625
22	AUTSFPM22	Implementation of Feeder Pillar Monitori	1,49,980
23	AUTSMETL22	Substation Meter Data over LAN	6,23,040
24	AUTSRMU22Q1	RMU Automation Upgradation Q1	47,200
25	AUTSRMU22Q2	RMU Automation Upgradation Q2	3,99,572
26	AUTSRMUA22Q4	RMU Automation Upgradation Q4	41,49,743
27	AUTSSAS22Q1	Substation Upgradation Work Q1 FY22	7,65,568
28	AUTSSAS22Q2	Substation Upgradation Work Q2 FY22	8,18,688
29	AUTSSAS22Q3	Substation Upgradation Work Q3 FY22	12,98,851
30	AUTSSAS22Q4	Substation Upgradation Work Q4 FY22	3,02,826
31	AUTSSIP22	SIP IP Phone for KP-4 office	70,623
TOTAL			**2,96,57,740**

D. IT PROJECTS

The Petitioner has submitted that it has incurred an amount aggregating to Rs. 3.96 Cr. on 22 different/independent projects being undertaken in different time periods during FY 2022-23 and at different locations across Greater Noida on IT Projects. The project-wise summary is given as under:

TABLE 5-104: PROJECT WISE SUMMARY FOR IT INFRA

S. No	Project No.	Project Description	Amount in Rs.
1	ITFY19HWS4	Purchase of Server Hardware	59,000
2	ITFY21AV	Implementation of AudioVisual Setup	1,50,054
3	ITFY21DTMT	Interface development of DT Metering Pro	33,77,264
4	ITFY21OFNW	Implementation of Office Network	22,25,803
5	ITFY21PCPA	Purch of Computers, Perip, Accesso	10,94,704
6	ITFY21SSNW	Imple of Sub-Station Network	10,68,903
7	ITFY21WSRD	NPCL Web Site Re-Development	3,70,720
8	ITFY22ATS	Implement of Automatic Transfer Switch	1,79,360
9	ITFY22CVEB	Commvault End-Point Backup Licenses	1,62,368
10	ITFY22ESA	Enhancement of SAP Application FY2022-23	34,55,608
11	ITFY22GSA	Purchase of GSA Licenses	4,35,441
12	ITFY22KIWI	Implementation of Kiwi Syslog Server	31,836
13	ITFY22MSA	Purchase of Microsoft Licenses	54,97,059
14	ITFY22NHD	NetHelpDesk Technician Licenses	20,247
15	ITFY22NTRO	Purchase of Nitro Software	29,028
16	ITFY22PCPA	Purch of Computers, Perip, Accesso FY22-23	1,00,13,298
17	ITFY22SAPL	Augment of SAP Licenses	69,22,133
18	ITFY22UHIC	Upgrade of Hardware Infra Capacity	28,32,000

S. No	Project No.	Project Description	Amount in Rs.
19	ITFY22UPS	Purchase of UPS	12,13,620
20	ITFY22VC	Implement of Video Conference Setup	1,62,840
21	IYFY22CVMA	Purch of Commvault Email Archival License	1,27,086
22	Computers Software	Computers Software	1,98,559
TOTAL			**3,96,26,931**

E. CIVIL WORKS AND OFFICE INFRASTRUCTURE FACILITY

The Petitioner has incurred an amount aggregating to Rs. 3.61 Cr. on 10 different/ independent projects being undertaken in different time periods during FY 2022-23 and at different locations across Greater Noida on Civil Works and Office Infrastructure. The project-wise summarized Table is given as under:

TABLE 5-105: PROJECT WISE SUMMARY FOR CIVIL WORK SUBSTATION & OFFICE

S. No.	Project No.	Project Description	Amount in Rs.
1	MISCIVIL22	Miscellaneous Civil Works FY 2022-23	42,74,254
2	MISCOFFICE22	Other Office facilities FY 2022-23	5,78,504
3	PR22BWP5SBA	Const of Boundary Wall P5 Builders Area	23,45,606
4	PCIVIL1354	Const of Civil Work 33/11KV ECOTECH-2	2,23,708
5	PR21CIVILECOEXT1	Const of Civil Work 33/11KV Eco EX1 S/S	47,49,224
6	PR21CIVILECOT3	Const of Civil Work 33/11KV Ecot-3 S/St	1,05,02,287
7	PR22CIVILTPLKJ	Const of 12.5MVA Txr Plinth Luksar Jail	23,81,818
8	PRBWPKTSSFY22	Const of Pocket S/Stn Boundary Wall	52,98,557
9	Furniture & Fixtures	Furniture & Fixtures	1,41,884
10	Office Equipment	Office Equipment	56,37,095
TOTAL			**3,61,32,937**

F. TOOLS AND TESTING EQUIPMENT

The Petitioner has incurred an amount aggregating to Rs. 0.56 Cr. on 2 different/ independent projects being undertaken in different time periods during FY 2022-23. The project-wise summarized Table is given as under:

TABLE 5-106: PROJECT WISE SUMMARY FOR TOOLS & TESTING EQUIPMENT

S. No.	Project No.	Project Description	Amount in Rs.
1	AUTMTEQUIPT22	Meter Testing Equipment FY 2022-23	5,71,535
2	Plant & Machinery	Plant & Machinery	50,73,056
TOTAL			**56,44,591**

G. VEHICLES

a) The Petitioner has submitted that it is required to provide vehicles to its officers/ staff for various official work including loss control drives, field duties i.e. visiting Substations, transporting heavy materials etc., shift-based duties in call centre, control room etc. and inter-office movement to provide 24X7 reliable power supply in its licensed area and many other office related assignments including attending meetings/ court proceedings/ inspection of materials / vendor-verifications etc. in NCR and nearby States. The provision of vehicles not only ensures efficient and prompt services in an economical manner but also necessary to ensure the safety of its employees being working even in the odd hours/night time. The Commission will appreciate that no power distribution utility can work without vehicles that are as basic & necessary as furniture, and office equipment such as computers, printers etc.

b) The vehicles are essential for the smooth movement of Petitioner's officials for efficiently providing services to the consumers in the licensed area which is spread over 335 Sq. Kms and the distance from east to west ranges from 45 – 50 Kms approx. The vehicles are purchased after a detailed evaluation of the requirements and as per the policy of the Petitioner. It is submitted that such requirement comprises of replacement of old and inefficient vehicles as well as new requirements to service the fast-increasing load as well as consumer base of the Petitioner in the most economical and efficient manner. Details of vehicles submitted by the Petitioner is given in the Table below:

TABLE 5-107: DETAILS OF VEHICLE (FY 2022-23)

Asset No.	Asset Description	Purpose of purchase	Remarks
30000120	Bolero (UP16HT6980)	The cost towards fabrication and installation of one underground Cable fault machine purchased during the year and installed on the chassis of Mahindra Bolero Pick up for operational purposes.	For Day-to-Day Operations
30000135	Force Traveller - T1 DV 3050 (UP16JT2511)	An existing underground Cable fault machine was dismantled from Tata 407 which has outlived its life and was reinstalled on the chassis of Force traveller for operational purposes.	For Day-to-Day Operations

<table>
<tr><th>Asset No.</th><th>Asset Description</th><th>Purpose of purchase</th><th>Remarks</th></tr>
<tr><td>30000139</td><td>TATA Nexon EV XM with Electric Power Train</td><td rowspan="2">These Electric Vehicles has been purchased to promote Green initiative and convert its operations fleet into environmentally friendly fleet. The vehicles are being used for the movement of its engineers / the support staff for attending various complaints and operational related work.</td><td>For Day-to-Day Operations</td></tr>
<tr><td>30000140</td><td>TATA Nexon EV XM with Electric Power Train</td><td>For Day-to-Day Operations</td></tr>
<tr><td>30000136</td><td>Honda City ZX CVT Petrol - UP16DL1500</td><td rowspan="5">The vehicle is provided to the officials of the company for the purpose of facilitating their movement from office to field/ sites, within offices, for attending various hearings, legal conferences, official meetings, trainings, seminars etc. at Delhi NCR and other locations for official commutation purposes. These vehicles are being purchased and maintained by the Company during their useful life strictly for Company's official work.

It is further clarified that officials are only allowed to use such vehicles provided by the Company and the Company do not provide any other vehicle/cab for any office work.</td><td>Provided to MD & CEO in accordance with terms of appointment approved by Board of Directors (Comprising of Chairman and 2 Directors from GNIDA)</td></tr>
<tr><td>30000133</td><td>KIA Seltos HTX 1.5 (D) - UP16DH9220</td><td>Provided to DGM Commercial under "NPCL Vehicle Policy 2018"</td></tr>
<tr><td>30000134</td><td>Honda City V MT (P) - UP16DH5943</td><td>Provided to DGM LCC under "NPCL Vehicle Policy 2018"</td></tr>
<tr><td>30000137</td><td>XL6 Zeta MT Petrol</td><td>Provided to Sr. Manager – IT under "NPCL Vehicle Policy 2018"</td></tr>
<tr><td>30000138</td><td>KIA Seltos HTX MT</td><td>Provided to DGM Corporate Communication under "NPCL Vehicle Policy 2018".</td></tr>
</table>

c) The Petitioner has incurred the aforesaid amount aggregating to Rs. 1.23 Cr on 9 different vehicles during FY 2022-23.

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

The Petitioner has purchased one ESS land at Sector P5, Builders Area during FY 2022-23 for which Rs. 2.28 Cr. has been incurred in respect of cost of land, registration charges, Stamp Duty, one-time Lease Rent etc. (as per current approved rates of GNIDA). Further in FY 2023-24, the Petitioner has a plan to construct the outdoor safety training yard for skill development and requisite training of supervisors/engineers for enhancing the safety & quality at the workplace.

Some additional cost has been incurred during FY 2022-23 for the ESS land cost of Sector-01, Greater Noida (W) with respect to GST, on one-time Lease rent, land being capitalized in FY 2021-22. GST on leasehold charges is payable by the seller, however, despite numerous requests, GNIDA didn't raise the invoice. Hence, the Petitioner with no other alternative deposited the same under reverse charge. The cost being related to the land capitalised in FY 2021-22, is now added to the same asset.

In view of the above, the Petitioner mentioned that none of the individual projects has cost exceeding Rs. 10 Cr., therefore, the provisions of Regulation 44.2 of the MYT Regulations, 2019 regarding prior approval are not applicable.

I. ASSETS TAKEN OVER FROM GNIDA

a) Petitioner has submitted that GNIDA, DMIC, UPSIDC, EPIP, Private Developers etc. are the local development bodies responsible for the development and upkeep of residential and infrastructure properties in the Greater Noida area. These bodies develop the basic electrical network in the newly developed sectors and every year such basic electric LT network developed by these bodies is handed over to the Petitioner for facilitation of distribution of power to the consumers of Greater Noida and operation and maintenance thereof without transferring the ownership of the same. Hence, for the purpose of accounting, upkeep and insurance, the Petitioner considers these assets at the value declared by such agencies which is accordingly considered for the purpose of determination of tariff. Since the ownership of these assets is not transferred to the Petitioner, they are not considered in addition to fixed assets. Hence, there is no impact on the computation of ROE, interest on Term Loans and depreciation with respect to these assets.

b) Since GNIDA and other bodies only provide the possession of these assets for the purpose of distribution of electricity without transferring the ownership, the Petitioner does not claim ROE, Interest or Depreciation on such assets being handed over by GNIDA.

c) The details of assets taken over from GNIDA and Others during FY 2022-23 is provided in the table below:

TABLE 5-108: ASSETS HANDED OVER BY GNIDA & OTHERS (FY 2022-23)

Asset Description	Amount (Rs. Cr.)
High-Tension Conductors & Devices	0.24
High-Tension Earthing with GI Earth Pipe	0.08
High-Tension Tower, Poles, Fixtures & Devices	1.43
High-Tension Underground Cable & Ducts	0.73
Low-Tension Underground Cable & Ducts	1.29
Civil Construction	1.66
Meter Board Panel etc.	0.90
Transformer	2.40
Total	**8.73**

5.7.5 The Petitioner has submitted as per Regulation 20.1 of the MYT Regulations, 2019, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after the deduction of consumer contribution from total capital expenditure. During FY 2022-23, the Petitioner received Consumer Contributions of Rs. 64.44 Cr. against the total Capital Expenditure of Rs. 133.90 Cr.

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

5.7.7 Further, the Petitioner mentioned that since the Debt and Equity are allowed only on Net Capital Expenditure, it is necessary that for reducing the Debt and Equity w.r.t. Retired Assets, the value of such retired assets shall also be considered net of corresponding Consumer Contribution instead of gross value.

5.7.8 During FY 2022-23, the assets having a gross value of Rs. 6.99 Cr. were retired out of which Rs. 3.36 Cr. were funded from consumer contributions.

5.7.9 Thus, the net Capital Expenditure for FY 2022-23 was Rs. 69.46 Cr. (i.e. Rs. 133.90 Cr minus Rs. 64.44 Cr.) and against this net Capital Expenditure, the net value of Retired Assets was Rs. 3.63 Cr. (i.e. Rs. 6.99 Cr minus Rs. 3.36 Cr.).

5.7.10 Accordingly, the Capital Expenditure incurred by the Petitioner after adjustment of consumer contributions for FY 2022-23 was only Rs. 65.82 Cr and, the details of the funding of the aforesaid capital expenditure are given in the Table below:

TABLE 5-109: CAPITAL EXPENDITURE FUNDING FOR FY 2022-23 (Rs. Cr.)

Particulars	Ref.	Approved	Actual
Total Additions to Assets	a	171.22	133.90
Assets Retired	b	7.75	6.99
Add: Retired Assets funded from Consumer Contribution	c	-	3.36
Net Assets Retired	d=b-c	7.75	3.63
Net Capex	**e=a-d**	**163.47**	**130.26**
Consumer Contribution	**f**	44.49	64.44
Net Capex	**g=e-f**	**118.98**	**65.82**
Debt - 70%	h=g x 70%	83.28	46.08
Equity- 30%	i=g x 30%	35.69	19.75

5.7.11 As detailed above, the Petitioner requested the Commission to approve the capital expenditure of Rs. 133.90 Cr. for FY 2022-23 as well as funding thereof as submitted above.

Commission's Analysis

5.7.12 The Commission as per the provisions specified under the Regulation 18, 19 & 44 of MYT Regulations, 2019 has approved the Capital Expenditure as per Regulations for FY 2022-23.

5.7.13 The Commission observes that the claimed CAPEX is lesser than the approved by the Commission. Regarding the lesser CAPEX during FY 2022-23, the Petitioner has submitted that the actual execution of projects is highly volatile and is dependent on various external factors such as growth in occupancy of premises by consumers, consumer demand, availability of Substation land, availability of right of way (ROW) for the proposed distribution lines from competent authorities, availability of transmission capacity from UPPTCL along with pending legal issues etc. which are beyond the control of the Petitioner.

5.7.14 The Commission sought the details of capitalised transformers from the Petitioner. In reply, the Petitioner submitted the following Table:

TABLE 5-110: DETAILS OF TRANSFORMER CAPITALIZED IN FY 2022-23

Category LT/HT/EHT	Voltage Rating	Power Rating	No of Capitalised Transformers
High Tension	11/.440 kV	25 KVA	30
High Tension	11/.440 kV	100 KVA	101
High Tension	11/.440 kV	250 KVA	26
High Tension	11/.440 kV	400 KVA	16

Category LT/HT/EHT	Voltage Rating	Power Rating	No of Capitalised Transformers
Extra High Tension	33/11 kV	12.5 MVA	3
Total			**176**

5.7.15 The Commission sought the details and current running status of all computer software in the books as given in FAR with GL No-21604 and Category as Computer Software. In reply, the Petitioner submitted the requisite detail in a prescribed format of MS Excel.

5.7.16 The Commission sought the project reports along with work orders along with a Project-wise summary for Substations, Transformers & Networks from the Petitioner. In reply the Petitioner mentioned that there are a considerable number of documents including Work Orders, Invoices, Material Issued Statements etc. for FY 2022-23 and submitted the documents for those projects associated with higher-value projects as well as of different type of nature of work in a prescribed format of MS Excel.

5.7.17 The Commission directed the Petitioner to submit a list of all items in FAR that have completed their useful life along with their current status and reason for not decapitalising them. In reply, the Petitioner submitted the requisite details of items/assets in a prescribed format of MS Excel. However, the Petitioner has also mentioned that though these assets have been fully depreciated as per Tariff Regulations, these continue to function effectively and therefore the same have not been decapitalized.

5.7.18 The Commission, with reference to Regulation-44.2 of the MYT Regulations, 2019, directed the Petitioner, repeatedly, in Tariff Order of previous years that the capital investment plan must be submitted along with the exhibits demonstrating the prior approval of the Commission for the schemes/projects having value greater than Rs. 10 Cr. In this regard, the Petitioner in the instant ARR Petition submitted that the capital investment claimed for FY 2022-23 is only towards the projects/schemes having a value less than Rs. 10 Cr. The Commission directs Petitioner that in future Tariff filings, the details of Scheme/Project-wise physical and financial progress should also be submitted along with the Capital Investment Plan for the audited year.

5.7.19 The Petitioner has submitted that the claimed capex exceeding Rs. 10 Cr. is only for Projects above Rs. 10 Cr. through Petition No. 1823/2022 dated January 19, 2022, amounting to Rs. 23.84 Cr. for construction of two (2) nos. of 33/11 kV substation cum 33kV Switching Stations. But subsequently, the Petition was withdrawn due to prolonged delay by GNIDA in allotment of land for the projects due to which the project can't be executed in FY 2022-23 through Letter No. P77A/2022/077 dated February 17, 2023. Further, the aforementioned substations are included under the subsequent Petition "Power Evacuation Plan from upcoming 220 KV & 132 KV Grid Substations being constructed in Greater Noida during FY 2023-24 & FY 2024-25" through Petition No. 1950/2023 dated January 6, 2023, and are being included the capital projects for FY 2023-24 and FY 2024-25 accordingly.

5.7.20 Since the Petitioner has taken the Commission's approval for Projects costing greater than Rs. 10 Cr., the Commission allows all the Capex of these projects.

5.7.21 Regarding the cost claimed towards Land, the Commission sought the cost of construction and other expenses incurred on this Leasehold land and line items in the Fixed Asset Register (FAR) where these costs have been booked. The Petitioner in its reply has submitted that during FY 2022-23, GNIDA allotted a plot at ESS, Sector P-5, Builders Area, Greater Noida. The registration for the land was done in July 22 and, therefore, the same was capitalised during FY 2022-23. Accordingly, the Capital Expenditure of Rs. 2.28 Cr incurred during FY 2022-23 comprises the cost in respect of cost of land, registration charges, Stamp Duty, one-time Lease Rent etc. (as per current approved rates of GNIDA).

5.7.22 Further, the Petitioner proposed to build an outdoor safety training yard for skill development and requisite training of supervisors/engineers for enhancing the safety & quality at the workplace on this land in FY 2023-24. The same has been built and put to use on 31st December 2023. The following is the extract from FAR in which the expenses incurred for construction and other activities on this leasehold land are mentioned.

TABLE 5-111: PETITIONER'S SUBMISSION OF EXPENSE INCURRED ON LEASEHOLD LAND

Project Number	Asset	Asset Description	Capitalized On	Location	Quantity	UOM	Amount in Rs.
PR23SAF	1200014	Porta Cabin of	31-12-	P5	1	LOC	2,73,100.00

Project Number	Asset	Asset Description	Capitalized On	Location	Quantity	UOM	Amount in Rs.
ETYTRACNT	9	Safety Training Centre P5	2023				
	12000150	Civil Work of Safety Training Centre P5	31-12-2023	P5	1	LOC	14,68,347.22
	19005634	Electrical Work of Safety Training Centre	31-12-2023	P5	1	LOC	10,68,413.85
TOTAL							**28,09,861.07**

5.7.23 The Commission is of the view that since the Land is not put to use during FY 2022-23, the capex towards land is disallowed.

5.7.24 The Petitioner has claimed Rs. 1.23 Cr towards capitalization of vehicles. The Commission sought the details of these vehicles. The Petitioner in its reply submitted the details regarding the purpose for which vehicles were purchased in FY 2022-23. The Petitioner further submitted that the Petitioner bears only the cost of the vehicle as per the eligibility of the employee as provided in the "Vehicle Policy". The amount over and above such eligibility amount is borne by the Employee and not capitalized in the books of account. The Break-up of the cost of the above-mentioned vehicles capitalized in FY 2022-23 and the amount borne by employees is provided in the Table below:

TABLE 5-112: COST BREAK-UP OF VEHICLES PURCHASED IN FY 2022-23 AS SUBMITTED BY THE PETITIONER (in Rs.)

Asset No.	Asset Description	Ex. Showroom*	Registration	Insurance	Total Amount Capitalised	Employee Contribution	Total Vehicle Cost
		a	b	c	d=a+b+c	e	f=d+e
30000120	Bolero (UP16HT6980)				2,95,000	-	2,95,000
30000135	Force Traveller - T1 DV 3050 (UP16JT2511)	14,75,294	31,522	37,051	15,43,867	-	15,43,867
30000139	TATA Nexon EV XM with Electric Power Train	14,14,350	1,47,172	55,150	16,16,672	-	16,16,672
30000140	TATA Nexon EV XM with	14,14,350	1,47,172	55,150	16,16,672	-	16,16,672

Asset No.	Asset Description	Ex. Showroom*	Registration	Insurance	Total Amount Capitalised	Employee Contribution	Total Vehicle Cost
		a	b	c	d=a+b+c	e	f=d+e
	Electric Power Train						
30000136	Honda City ZX CVT Petrol - UP16DL1500	15,80,772	1,80,680	40,767	18,02,219	-	18,02,219
30000133	KIA Seltos HTX 1.5 (D) - UP16DH9220	13,01,200	1,30,000	35,052	14,66,252	3,02,462	17,68,714
30000134	Honda City V MT (P) - UP16DH5943	9,92,224	1,02,137	29,948	11,24,309	1,63,710	12,88,019
30000137	XL6 Zeta MT Petrol	10,00,600	1,03,189	28,971	11,32,760	1,46,094	12,78,854
30000138	KIA Seltos HTX MT #	14,86,665	1,47,100	35,064	16,68,829	*2,25,168#*	16,68,829
	Total	**1,06,65,455**	**9,88,972**	**3,17,153**	**1,22,66,580**	**6,12,266**	**1,28,78,846**

** Ex-showroom cost is inclusive of other items including Fast Tag, handling charges, basic kit, others etc.*

 # Rs. 16,68,829 capitalized in FY 2022-23 is inclusive of Rs. 2,25,168 (Employee Contribution). The same has been paid by the Employee in May'23 and accordingly reduced from Rs. 16,68,829 in FY 2023-24.

5.7.25 The Commission has gone through the vehicle policy of NPCL. The Commission observes that NPCL provides vehicles to its officers for mobility purposes. It is further observed that different levels of employees have different eligibility for vehicles. Employees have an option to buy vehicles of higher value than their eligible amount up to a certain limit as per the policy. Further, the employees have the option to purchase the vehicle at the end of 5 years or at the time of separation whichever is earlier at the depreciated value of the vehicle.

5.7.26 The Commission is of the view that vehicles are necessary for day to day operations and movement of its officers. The Commission, taking into consideration the Vehicle Policy of the Petitioner allows the capitalization of Rs. 1.23 Cr. towards vehicles for FY 2022-23.

5.7.27 The Commission had disallowed the capitalization towards vehicles in its previous True up Orders, however, the Commission would not like to re-open the issue pertaining to previous years for which True-up has already been done.

Financing of Capital Investment:

5.7.28 The Commission has approved capital investment and financing in the True Up of

FY 2022-23 considering the provisions of MYT Regulations,2019, wherein capitalisation (GFA addition during the year based on 'Put to Use' philosophy) and its funding has been considered.

5.7.29 Regarding Financing of Capital Investment, Regulation 20 of MYT Regulation, 2019 specifies and governs the corresponding details.

5.7.30 The Commission observes that out of the total capitalisation during FY 2022-23, some portion has been financed through consumer contributions received during FY 2022-23 and the balance has been funded through debt and equity. Further for Retired Assets funded from Consumer Contribution, the Commission has considered the submission of the Petitioner and therefore has not considered the amount against Retired Assets funded from Consumer Contribution in the net deletion. However, the Commission is not inclined to open previous year Tariff orders. Accordingly, the Commission has considered capitalisation net of consumer contributions, received during the year. Considering the debt-equity ratio of 70:30, 70% of the capitalisation is approved to be funded through debt and 30% through equity.

5.7.31 The portion of capitalisation financed through consumer contributions has been deducted from the depreciation, interest on loans & RoE thereon should not be charged to the consumers. The Commission has also verified the same from the Audited Accounts of the Petitioners.

TABLE 5-113: NET IMPACT OF DISALLOWANCE CONSIDERED IN GFA FOR FY 2022-23 (Rs. Cr.)

Particulars	Ref	Approved
Addition / Capitalization (Claimed during the year)	A	133.90
Less: Capitalisation of Land	B	2.91
GFA Addition	**C=(A-B)**	**130.99**
Deletion from GFA	D	6.99
Less: Retired Assets funded from Consumer Contribution	E	3.36
Less: Retirement of Vehicles	**F**	0.35
Net deletion from GFA	**G=(D-E-F)**	**3.28**
Net Capitalisation	**H=C-G**	**127.72**
Consumer Contribution	**I**	64.44
Capitalisation to be funded	**J=H-I**	**63.27**

Particulars	Ref	Approved
Debt Addition	K=(J*70%)	44.29
Equity Addition	L=(J*30%)	18.98

5.7.32 The Commission has considered the closing gross fixed assets for FY 2021-22 approved in the Tariff Order for FY 2023-24 dated May 24, 2023, as opening gross fixed assets for FY 2022-23. Accordingly, based on the capex addition during the year the closing of the gross fixed assets for FY 2022-23 is shown in the Table below:

TABLE 5-114: APPROVED GFA FOR FY 2022-23 (Rs. Cr.)

Particulars	Approved in TO dated 20.07.2022	Claimed	Approved
Opening GFA	**1580.14**	**1966.06**	**1505.71**
Addition to GFA	**171.22**	**133.90**	**133.90**
Less: Capitalisation of Land			**2.91**
GFA Addition (Claimed vis-à-vis Approved)	**171.22**	**133.90**	**130.99**
Deletion from GFA	7.75	6.99	6.99
add: Retirement of Vehicles			0.35
Closing GFA	**1743.61**	**2092.97**	**1630.07**

5.8 INTEREST AND FINANCE CHARGE

5.8.1 The Petitioner has submitted that the Interest and Finance Charges covers the following cost elements:

a) Interest on Long Term Loans

b) Interest on Working Capital

c) Interest on Security Deposits

5.8.2 These components are discussed in detail in subsequent paragraphs:

5.9 INTEREST ON LONG-TERM LOANS

Petitioner's Submission

5.9.1 The Petitioner has submitted that the Commission in its Tariff Order dated July 20, 2022, has approved the interest on term loans at Rs. 43.82 Cr. based on the additional debt requirement of Rs. 83.28 Cr. for FY 2022-23.

5.9.2 The Petitioner also submitted that based on the above said Regulations, the Debt and Equity at the end of FY 2021-22 shall be considered as Opening Debt and Equity for FY 2022-23. Further, the Petitioner had filed appeals against the Tariff Orders dated December 4, 2020, and August 26, 2021, before the Hon'ble APTEL, therefore the Petitioner has considered the opening balances of Debt and Equity as per its True-up Petition/submission for determination of Interest on Term Loan for FY 2022-23.

5.9.3 Based on the actual net capital expenditure of Rs. 140.20 Cr. and Rs. 77.17 Cr. for FY 2019-20 and FY 2020-21 respectively as well as stipulated debt equity of 70:30, the opening normative net debt for FY 2021-22 works out to Rs. 515.07 Cr. The Petitioner further submitted that based on the actual net capital expenditure of Rs. 109.93 Cr. for FY 2021-22 and stipulated debt equity of 70:30, the opening normative net debt for FY 2022-23 works out to Rs. 535.65 Cr.

5.9.4 The Petitioner has submitted the summary of Interest on Term Loan (normative) for FY 2022-23 based on the above referred Opening Debt and Additional Debt Requirement of Rs. 46.08 Cr. for FY 2022-23 and the same is as given below:

TABLE 5-115: COMPUTATION OF INTEREST ON TERM LOAN FOR FY 2022-23 (Rs. Cr.)

Sl. No.	Loan Computation	Ref.	Approved in T.O 20.07.2022	Actual
1	**Net Normative Loan – Opening**	A	**424.12**	**535.65**
2	Increase/Decrease due to Additional Capital Expenditure during the Year	B	83.28	46.08
3	Repayments of Normative Loan during the year	C	47.42	62.09
4	**Net Normative Loan – Closing**	D=A+B-C	**459.98**	**519.64**
5	Average Normative Loan	E=(A+D)/2	442.05	527.65
6	Weighted average Rate of Interest on actual Loans	F	9.91%	9.91%
7	**Interest on Normative loan**	G=E x F	**43.82**	**52.30**

5.9.5 The Petitioner has submitted that the repayment of Normative Term Loans has been considered equivalent to depreciation being computed per Regulation-23.5 of the MYT Regulations, 2019.

5.9.6 The Petitioner has submitted that they do not have any actual Term Loan outstanding during FY 2022-23, therefore in accordance with the above regulation, the last available weighted average rate of interest for the term loan has been considered for determination of normative interest on the term loans for FY 2022-23. The Petitioner therefore submitted that the normative interest on Term Loans is Rs. 52.30 Cr. for True-up ARR of FY 2022-23 and requested the Commission for the approval of the same.

Commission's Analysis

5.9.7 The Commission has considered debt-equity ratio for the assets capitalized as 70:30 in line with Regulation 23 of the MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for the determination of tariff. The same approach was considered for approval of ARR in its previous Tariff Orders.

5.9.8 The closing balance of normative loans of FY 2021-22 as approved by the Commission in the Tariff Order dated May 24, 2023, has been considered as opening normative loan as on April 1, 2022. Further, 70% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution) has been considered as normative loan addition during the year.

5.9.9 The portion financed through Consumer Contributions has been separated as the depreciation on it would not be charged to the consumers. Further, the allowable depreciation for the year has been considered for normative loan repayment. Since there is no actual loan, the interest rate allowed is considered as allowed by the Commission in True-Up of ARR for FY 2021-22.

TABLE 5-116: INTEREST ON LONG TERM LOAN FOR FY 2022-23 (Rs. Cr.)

Particulars	Ref	FY 2022-23 (True up)		
		Tariff Order for FY 2022-23 dated 20.08.2022	Claimed in True up	Approved Upon Truing Up
Opening Balance of Normative Loan	A	**424.12**	**535.65**	**395.70***
Net Increase/Decrease due to Additional Capital Expenditure during the Year (70% of Net GFA Addition after deducting Consumer contribution and asset deletion)	B	83.28	46.08	44.29
Repayment of Normative Loan during the year	C	47.42	62.09	42.92
Closing Balance of Normative Loan	D=A+B-C	459.98	519.64	397.07
Average Balance of Normative Loan	E=(A+D)/2	442.05	527.65	396.38

Particulars	Ref	FY 2022-23 (True up)		
		Tariff Order for FY 2022-23 dated 20.08.2022	Claimed in True up	Approved Upon Truing Up
Weighted average Rate of Interest on actual Loans (%)	F	9.91%	9.91%	9.91%
Interest on Long-Term loan	**G=E*F**	**43.81**	**52.30**	**39.28**

**Closing balance of normative loan as approved in true up of FY 2021-22 considered as opening of FY 2022-23*

5.10 INTEREST ON WORKING CAPITAL

Petitioner's Submission

5.10.1 The Petitioner has submitted that Regulation 25.2 of the MYT Regulations, 2019 provides the methodology for the determination of Working Capital for the Control Period.

5.10.2 The Petitioner has submitted further that as per the U.P. Electricity Supply Code, 2005

(as amended), the power supply bill for a month (30/31 days) needs to be raised within the next 7 days with 15 15-day period (due date) for payment of the same. Thereafter, the Distribution Licensee must wait for another 15 days period before disconnecting the supply of power in case of non-payment (disconnection date). Thus, it would take almost 67 days for a Distribution Licensee to recover payment of its electricity bills, assuming all the consumers pay their bills in time. However, the MYT Regulations 2019 considers debtors equivalent to 45 days only while in MYT Regulations 2014, debtors equivalent to two months (60 days) of the expected revenue were considered as a part of the working capital requirement. Therefore, the reduction of receivables from two months to one and a half months is inadequate and is also not in sync with the payment cycle as per the provisions of the U.P. Electricity Supply Code, 2005.

5.10.3 The Petitioner also submitted that the Commission in the Tariff Order dated July 20, 2022, has not considered the Electricity Duty as part of receivables, thereby, reduction in Working Capital amount leads to disallowance of interest on working capital. The Commission observed in the above Order as follows:

Quote

3.12.11 The Commission is of the view that the UPERC (MYT for Distribution Tariff) Regulations, 2014 provides for only revenue for two months and not the electricity duty. The Commission allowed Electricity duty in IoWC for FY 2017-18 under the same regulation inadvertently. The Commission is not inclined to conduct the True Up of the True Up of FY 2017-18 and so for True-Up of FY 2018-19 wherein the Electricity duty would not be considered while determining revenue for two months. Also, Electricity Duty is the domain of GoUP and is not a part of the ARR or Revenue of the Petitioner in its regulatory accounts.

Unquote

5.10.4 The Petitioner also submitted excerpts of Section 4A of the U. P. Electricity (Duty) Act, 1952, which provides as follows:

Quote

4-A. Reimbursement of electricity duty from consumers

……….

(2) For the purpose of recovering the amount of electricity duty from the consumer, the licensee or the appointed authority, as the case may be, may without prejudice to any other mode of recovery, exercise the power conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910), as if the duty were a charge or sum due in respect of energy supplied to such consumer.

………..

Unquote

5.10.5 The Petitioner has submitted that as per the above provisions of Section 4A of the U. P. Electricity (Duty) Act, RPO 1952, the Electricity Duty is considered at par with the charges for energy supplied to a consumer and therefore, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and receivables of the Petitioner.

5.10.6 The Petitioner has submitted that disallowance of working capital interest by not considering Electricity Duty as part of Receivables is against the commercial principles, the provisions of The Electricity (Duty) Act, 1952 as well as the Commission's own earlier practice.

5.10.7 The Petitioner, in accordance with the above, submitted the computation of interest on working capital for FY 2022-23 as shown below:

TABLE 5-117: INTEREST ON WORKING CAPITAL FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER

Particulars	Ref	Approved in T.O 20.07.2022	Claimed in True Up
O&M expenses for 1 month	a	6.21	13.46
One and half month equivalent of expected revenue from distribution tariff	b	250.86	289.03
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	2.75	4.22
Gross Total	**d=a+b+c**	**259.82**	**306.70**
Security Deposits from Consumers			
Opening Balance	e	288.96	289.96
Received during the year (Net of Refunds)	f	10.64	34.93
Closing Balance	g=e+f	299.59	324.88
Average Security Deposit	**h=(e+g)/2**	**294.28**	**307.42**
Security Deposit with UPPCL	i	11.28	11.28
Net Security Deposits from Consumers	**j=h-i**	**283.00**	**296.14**
Net Working Capital	**k=d-j**	**-**	**10.56**
Applicable Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	10.20%	10.29%
Interest on Total Working Capital	**m=k*l**	**-**	**1.09**

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

5.10.9 The Petitioner also submitted that the above Table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of Commission and Hon'ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional power by UPPCL.

Commission's Analysis

5.10.10 The Commission as per the provisions specified under Regulation 25.2 of MYT Regulations, 2019, calculated the working capital to approve the interest of working capital for FY 2022-23. The aforesaid regulation stipulates that the revenue for one and half months shall be considered for assessing the working capital and such revenue shall exclude Electricity duty.

5.10.11 The Commission sought the reason for considering the O&M Expenses and Maintenance Spares at actual values and the cause of increasing one & half month's revenue by a multiplying factor of 1.0473 from the Petitioner. In reply, the Petitioner mentioned that Note-27 of the Audited Accounts shows Revenue excluding Electricity Duty as Rs. 2,207.78 Cr. In this regard, the Petitioner requested the Commission to refer the Section 4A of the U. P. Electricity (Duty) Act, 1952 which provides as under:

Quote

"4-A. Reimbursement of electricity duty from consumers

……….

(2) ***For the purpose of recovering the amount of electricity duty from the consumer, the licensee*** *or the appointed authority, as the case may be, may without prejudice to any other mode of recovery,* ***exercise the power*** *conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910),* ***as if the duty were*** *a charge or* ***sum due in respect of energy supplied to such consumer****. ……….."*

Unquote

5.10.12 In view of the above, the Petitioner has submitted that the above provisions of the Section 4A, the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along-with the other charges for electricity. Therefore, the same is an integral part of the revenue and hence, the receivables of the Petitioner.

5.10.13 Therefore, the Petitioner has requested the Commission to consider the Electricity Duty as part of Receivable for determination of Interest on Working Capital for True-up of ARR for FY 2022-23.

5.10.14 Accordingly, the Petitioner has considered the Revenue including Electricity Duty by multiplying the net Revenue with a multiplying factor for the purpose of determining working capital. However, inadvertently, the Factor has been typed as 1.0473 instead of 1.0437 as computed here-in-below in Table:

TABLE 5-118: PETITIONER'S SUBMISSION OF COMPUTATION OF MULTIPLYING FACTOR

Particulars	U.o.M.	Ref.	Amount
Electricity Duty as per Note-27 of Audited Accounts	Rs. Cr.	a	96.69
Net Revenue as per Note-27 of Audited Accounts	Rs. Cr.	b	2,207.78
Gross Revenue as per Note-27 of Audited Accounts	Rs. Cr.	c=a+b	2,304.47
Ratio of Gross Revenue to Net Revenue	**Number**	**d=c/b**	**1.0437**

5.10.15 Therefore, the Petitioner has requested the Commission to consider the Interest on Working Capital for FY 2022-23 as provided in the Table below:

TABLE 5-119: REVISED SUBMISSION OF INTEREST ON WORKING CAPITAL (FY 2022-23) (RS. CR.)

Particulars	Ref	Approved	Actual @1.0473	Revised @1.0437
O&M expenses for 1 month	a	6.21	13.46	13.46
One-and-a-half-month equivalent of expected revenue from distribution tariff	b	250.86	289.03	288.03
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	2.75	4.22	4.22
Gross Total	**d=a+b+c**	**259.82**	**306.70**	**305.71**
Security Deposits from Consumers				
Opening Balance	e	288.96	289.96	289.96
Received during the year (Net of Refunds)	f	10.64	34.93	34.93
Closing Balance	g=e+f	299.59	324.88	324.88
Average Security Deposit	**h=(e+g)/2**	**294.28**	**307.42**	**307.42**
Security Deposit with UPPCL	i	11.28	11.28	11.28
Net Security Deposits from Consumers	**j=h-i**	**283.00**	**296.14**	**296.14**
Net Working Capital	**k=d-j**	**-**	**10.56**	**9.57**
Applicable Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	10.20%	10.29%	10.29%
Interest on Total Working Capital	**m=k*l**	**-**	**1.09**	**0.98**

5.10.16 Further, the Electricity duty is the domain of GoUP and is not a part of ARR or Revenue Requirement for the Petitioner in the regulatory accounts and Regulations 25.2 specifically excludes ED from Revenue. Therefore, the Commission considered the revenue for FY 2022-23 net of Electricity Duty for the purpose of computation of interest on working capital.

5.10.17 As per the aforesaid provisions, the Commission for the purpose of computing

Interest on Working Capital for FY 2022-23 considered the SBI MCLR (1 Year) plus 250 basis points i.e., 10.30%. (Source: https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data).

5.10.18 For estimation of working capital requirement in accordance with Regulation 25.2 of MYT Regulations 2019, the Commission has considered one-month equivalent of approved O&M expenses, maintenance spares equivalent to 40% of R&M expenses for two months, one and a half month equivalent of approved revenue (excl. Electricity Duty) for the Petitioner minus net consumer security deposit available with the Petitioner.

5.10.19 The Commission has worked out the Working Capital and Interest on Working Capital for FY 2022-23 as given in the Table below:

TABLE 5-120: INTEREST ON WORKING CAPITAL AS APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	FY 2022-23 (True up)		
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in True Up	Approved Upon Truing Up
One month's O&M Expenses	6.21	13.46	7.60
Maintenance spares @ 40% of R&M expenses for two months	2.75	4.22	3.15
One and half month equivalent of the expected revenue from charges for use of Distribution systems at the prevailing Tariff (excluding electricity duty)	250.86	288.03	275.97
Gross Total	**259.82**	**305.71**	**286.72**
Less: Total Security Deposits by the Consumers			
Opening Balance	288.96	289.96	289.96
Received during the year	10.64	34.93	34.93
Closing Balance	299.60	324.88	324.89
Average Balance for Security Deposit	**294.28**	307.42	307.42
Less: Security Deposit with UPPCL	11.28	11.28	11.28
Net Security Deposits by the Consumers reduced by Security Deposits	288.32	296.14	296.14
Net Working Capital	(28.50)	9.57	(9.42)
Rate of Interest for Working Capital	**9.50%**	**10.29%**	**10.30%**
Interest on Total Working Capital	**0.00**	**0.98**	**0.00**

5.11 INTEREST ON CONSUMER SECURITY DEPOSITS

Petitioner's Submission

5.11.1 The Petitioner has submitted that Regulation 25.2(c) of the MYT Regulations, 2019 provides that the Licensee shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Commission. The Commission through Tariff Order dated August 26, 2021, approved the Interest on Security Deposit @ 4.25% per annum being RBI's Bank Rate prevailing on April 01, 2021. The Petitioner further added that actual interest on consumer security deposit for FY 2022-23 is computed on the basis of each individual customer's outstanding security deposit on a daily balance basis and the tenure, which works out to be Rs. 13.47 Cr. as summarized in Table below:

TABLE 5-121: INTEREST ON SECURITY DEPOSIT SUBMITTED BY THE PETITIONER FOR FY 2022-23 (Rs. Cr.)

Month	Opening (A)	Net Addition (B)	Closing (C)	RoI	Interest Paid
Apr-22	289.96	5.40	295.35	4.25%	1.06
May-22	295.35	8.73	304.08	4.25%	1.10
Jun-22	304.08	0.19	303.89	4.25%	1.09
Jul-22	303.89	0.99	304.88	4.25%	1.10
Aug-22	304.88	2.92	307.80	4.25%	1.12
Sep-22	307.80	1.11	308.91	4.25%	1.13
Oct-22	308.91	1.33	310.24	4.25%	1.13
Nov-22	310.24	1.48	311.72	4.25%	1.13
Dec-22	311.72	4.60	316.32	4.25%	1.15
Jan-23	316.32	0.56	316.88	4.25%	1.15
Feb-23	316.88	0.83	317.71	4.25%	1.16
Mar-23	317.71	7.18	324.88	4.25%	1.16
Total	**289.96**	**34.93**	**324.88**	**4.25%**	**13.47**
Approved in T.O dt 20.07.2022	**288.96**	**10.64**	**299.59**	**4.25%**	**12.51**

5.11.2 The Petitioner has submitted that the interest on consumer security deposit is computed on the outstanding balance of each individual customer for the period during which their security deposit was available with the Petitioner and such computation is done in the ERP System of the Petitioner (viz. SAP) automatically without any human intervention. Hence, the computation of interest on the basis of the average Consumer Security Deposit might not tally with the amount of interest on Security Deposit actually paid. Further, the aforesaid interest on security deposit has been duly audited by the Statutory Auditors of the Petitioner with respect to its provision and computation and requested the Commission to consider the interest on security deposit actually paid to consumers. Therefore, the Petitioner has requested the Commission to consider 100% of the interest on Security Deposit amounting to Rs. 13.47 Cr. actually paid to consumers.

5.11.3 The summary of total interest and finance charges incurred during FY 2022-23 are given in the Table below as submitted by the Petitioner:

TABLE 5-122: TOTAL INTEREST CHARGES (FY 2022-23) (Rs. Cr.)

Sl. No.	Description	Approved	Actual
1	Interest on Long term loans	43.82	52.30
2	Interest on working capital facilities	-	1.09
3	Interest on security deposit	12.51	13.47
4	**Total Interest & Finance Charge**	**56.33**	**66.86**

Commission's Analysis

5.11.4 The Commission as per Regulation 25.2 of Distribution Business of UPERC (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 computed the interest on the consumer security deposit. The relevant extract of the aforesaid regulations is reproduced below:

Quote

Interest shall be allowed on consumer security deposits as per the provisions of the Electricity Supply Code, 2005 and its subsequent amendments/ addendums and the new Regulations made after repeal of the same.

Unquote

5.11.5 The Commission, based on the MYT Regulations, 2019 and the submission given by the Petitioner, approves the interest on consumer security deposits as shown in the Table below:

TABLE 5-123: INTEREST ON CONSUMER SECURITY DEPOSIT APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	Approved in TO dated 20.07.2022	Claimed in True up	Approved Upon Truing Up
Interest payable on Security Deposit	**12.51**	**13.47**	**13.47**

5.11.6 The summary of Interest Charges Trued-Up by the Commission for FY 2022-23 is given in the Table below:

TABLE 5-124: TOTAL INTEREST & FINANCE CHARGES APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in True up	Approved Upon Truing Up
Interest on Long-Term loans	43.81	52.30	39.28
Interest on Short-Term loans/working capital	0.00	0.98	0.00
Interest on security deposit	12.51	13.47	13.47
Total Interest & Finance charges	**56.32**	**66.75**	**52.75**

5.12 GROSS FIXED ASSETS (GFA) AND DEPRECIATION

Petitioner's Submission

5.12.1 The Petitioner has submitted that in accordance with the Capital Expenditure submitted in the Petition, the Petitioner has commutated the GFA as given below for approval of the Commission as shown below:

TABLE 5-125: GROSS FIXED ASSETS FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER (Rs. Cr.)

Sl. No.	Description	Approved	Actual		
			GFA till 01.04.2020	GFA added after 01.04.2020	Closing GFA FY 2022-23
1	Opening Balance	1,580.14	1,666.73#	299.34	1,966.06
2	Addition during the Year	171.22	-	133.90	133.90
3	Retirement during the Year	7.75	6.93	0.05	6.99
4	Closing Balance	1,743.60	1,659.79	433.18	2,092.97

Note: Excluding assets taken over from GNIDA & DMIC etc.
As per Petitioner's True-up Petitions/submissions

5.12.2 The Petitioner has submitted that the above-said GFA does not include the assets handed over by other agencies such as GNIDA, UPSIDC, DMIC and other state agencies for the distribution of electricity to its consumers and maintenance thereof.

5.12.3 Further, the Commission through its Tariff Order dated December 04, 2020, had directed the Petitioner to maintain separate individual asset-wise FAR for assets capitalised after 01.04.2020 so that the Gross Block and Depreciation may be computed separately for Gross Block before 01.04.2020. In this respect, the Petitioner has submitted that it maintains its Fixed Asset Register in the renowned SAP-ERP system. The details of each individual fixed asset have been entered into the SAP-ERP and the applicable Depreciation Rate, Method & Extent as provided in MYT Regulations, 2014 and MYT Regulation, 2019 been defined as a parameter in the SAP-ERP. Hence, the Depreciation is computed by the SAP-ERP system strictly as per the rates and method defined in UPERC Multi-Year Tariff Regulations, 2019 up to the maximum limit of 90%. The SAP-ERP generates the FAR comprising the Gross Block, Date of Acquisition, Rate of Depreciation, Addition to Gross Block, Assets Retired, Depreciation for the year, Accumulated Depreciation etc. The Petitioner prepares its accounting statement on the basis of such system-generated FAR only. The depreciation so arrived at, is being sample checked manually for accuracy. Thus, the Depreciation is computed by SAP-ERP on the basis of defined parameters which meet the direction of the Commission for separate computation of Depreciation on Gross Block. Based on the above GFA, the Petitioner submitted the summary of Depreciation as given in the Table below:

TABLE 5-126: DEPRECIATION FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER (Rs. Cr.)

Sl. No.	Description	Ref	Approved	Actual
1	Depreciation on Gross Block till 01.04.2020	a	63.24	56.80
2	Depreciation on Gross Block after 01.04.2020	b		20.84
3	**Gross Depreciation for the Year**	c=a+b	**63.24**	**77.63**
4	Less: Depreciation on Consumer Contribution	d	15.82	15.54
5	**Total**	e=c-d	**47.42**	**62.09**

5.12.4 The Petitioner has submitted that it has considered the depreciation at the rates as prescribed in Annexure-A of the MYT Tariff Regulation, 2019 on the SLM method for finalization of its Accounting Statements for FY 2022-23. The above-mentioned depreciation of Rs. 77.63 Cr. may not tally with the depreciation amount as shown in the Accounting Statements for FY 2022-23 as the same has been computed as per the methodology followed by the Commission in its tariff order dated July 20, 2022, with GFA bases as per the Petitioner's submissions for Truing up and requested the Commission to approve the depreciation expenses as computed above for FY 2022-23.

5.12.5 Petitioner further submitted that the Commission in its Tariff Order dated July 20, 2022, while determining the depreciation for Truing-up of FY 2020-21 has considered Written Down Value (WDV) of Fixed Assets as on 31.03.2020 (i.e. Closing WDV of FY 2019-20) as the Opening Gross Fixed Assets as on 01.04.2020 (i.e. Opening GFA of FY 2020-21).

5.12.6 Thus, in this process, for computation of depreciation for FY 2020-21 onwards, the Commission has replaced the Original Gross Value of Fixed Assets as on 01.04.2020 with WDV of Fixed Assets as on 01.04.2020. Therefore, when any asset retires out of the block of Fixed Assets existing as on 01.04.2020, the retirement value of such asset needs to be considered equivalent to the WDV of the same asset as on 01.04.2020 instead of the Gross Value of the asset for computation of Depreciation in line with the methodology followed by the Commission in its Tariff Order dated July 20, 2022.

5.12.7 Therefore, while computing the Depreciation for FY 2022-23, the Petitioner has considered the gross value for those assets retired during FY 2022-23 equivalent to the WDV of such assets as on 01.04.2020 instead of their original gross value.

5.12.8 Accordingly, the Petitioner has requested the Commission to approve the depreciation expenses as computed above for FY 2022-23.

Commission's Analysis:

5.12.9 The Commission has approved the GFA for FY 2022-23 as discussed in the Capital Expenditure section for truing-up and the same is shown below:

TABLE 5-127: GROSS FIXED ASSETS AS APPROVED BY THE COMMISSION FOR TRUE-UP FOR FY 2022-23 (Rs. Cr.)

Particulars	Approved in TO dated 20.07.2022	Claimed	Approved
Opening GFA	**1580.14**	**1966.06**	**1505.71**
Addition to GFA (Claimed)	**171.22**	**133.90**	**133.90**
Less: Capitalisation of Land	-	-	**2.91**
GFA Addition(Claimed vis-à-vis Approved)	**171.22**	**133.90**	**130.99**
Deletion from GFA	7.75	6.99	6.99
Add: Retirement of Vehicles	-	-	0.35
Closing GFA	**1743.61**	**2092.97**	**1630.07**

5.12.10 The Commission, as per the provisions stipulated under Regulation 21 of the MYT

Regulations, 2019 has calculated the Depreciation for FY 2022-23.

5.12.11 The Commission directed the Petitioner to maintain a separate individual asset-wise FAR for assets capitalized after April 01, 2020, and the Gross Blo[ck and Depreciation may be computed separately from the Gross Block before April 01, 2020. Accordingly, from FY 2020-21 onwards, the Petitioner has maintained two separate Gross Blocks (one for assets up to March 31, 2020 (Part-A) and a second for assets after April 01, 2020 (Part B) and two separate FAR's depicting addition of Assets details from April 01, 2020, onwards for the purpose of depreciation computation.

5.12.12 In compliance with the above, the Petitioner submitted gross depreciation separately for Part-A & Part-B and combined them later to derive the gross depreciation for FY 2022-23. The Petitioner has not considered the opening Gross Block for Part-A & Part-B as per the closing gross bock approved in True-Up of ARR for FY 2021-22 in Tariff Order dated May 24, 2023. Thus, the Commission, for the purpose of calculating the depreciation, has considered the opening Gross block for Part-A & Part-B as the approved closing Gross Block for FY 2021-22 in the Tariff Order dated May 24, 2023.

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

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

5.12.15 With regard to the disposal/retirement of the assets, the Commission has taken retirement/disposal of assets in Part-A & Part-B as per the submission given by the

Petitioner in the Fixed Assets Register for FY 2022-23 and other subsequent submissions. Therefore, the detailed calculation of depreciation for FY 2022-23 is shown in the Tables below:

TABLE 5-128: GROSS ALLOWABLE DEPRECIATION FOR FY 2022-23 FOR ASSETS UPTO MARCH 31, 2020 (Rs. Cr.) (PART- A)

S. No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land	42.60	0.00	0.00	42.60	42.60	3.34%	1.29
2	Buildings	150.81	0.00	0.00	150.81	150.81	3.34%	5.04
3	Plant & Machinery	34.15	0.00	0.05	34.10	34.12	5.28%	1.80
4	Lines & Cables	490.26	0.00	1.03	489.23	489.75	5.28%	25.86
5	Vehicles	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
6	Furniture & Fixtures	15.83	0.00	0.00	15.83	15.83	6.33%	1.00
7	Office Equipments	8.10	0.00	0.01	8.09	8.10	6.33%	0.51
8	Metering Equipment	31.64	0.00	1.14	30.50	31.07	5.28%	1.64
9	Communication Equipment	9.59	0.00	0.37	9.22	9.40	5.28%	0.50
10	Intangible Assets	21.95	0.00	0.00	21.95	21.95	15.00%	3.29
11	Assets taken over & pending for final valuation	0.74	0.00	0.00	0.74	0.74	15.00%	0.11
12	Solar Power Generation Equipment	0.17	0.00	0.00	0.17	0.17	5.28%	0.01
13	**Total Fixed Assets**	**805.84**	**0.00**	**2.60**	**803.24**	**804.54**	**-**	**41.05**
14	Non-depreciable assets (Land & Land Rights)	3.92	0.00	0.00	3.92	3.92	-	
15	**Depreciable assets**	**801.92**	**0.00**	**2.60**	**799.32**	**800.62**	**5.13%**	**41.05**

TABLE 5-129: GROSS ALLOWABLE DEPRECIATION FOR FY 2022-23 FOR ASSETS APRIL 01, 2020 ONWARDS (Rs. Cr.) (PART – B)

S.No	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
2	Buildings	13.51	4.37	0.00	17.88	15.69	3.34%	0.52
3	Plant & Machinery	15.01	3.11	0.00	18.12	16.56	5.28%	0.87
4	Lines & Cables	177.57	79.96	0.00	257.53	217.55	5.28%	11.49
5	Vehicles	0.00	1.23	0.00	1.23	0.61	9.50%	0.06

S.No	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
6	Furniture & Fixtures	0.43	0.07	0.00	0.50	0.46	6.33%	0.03
7	Office Equipment	0.38	2.74	0.00	3.12	1.75	6.33%	0.11
8	Metering Equipment	22.50	26.59	0.05	49.04	35.77	5.28%	1.89
9	Communication Equipment	5.26	7.80	0.00	13.06	9.16	5.28%	0.48
10	Intangible Assets	12.47	5.14	0.00	17.61	15.04	15.00%	2.26
11	Assets taken over & pending final valuation	0.00	0.00	0.00	0.00	0.00	15.00%	0.00
12	Solar Power Generation Equipment	0.00	0.00	0.00	0.00	0.00	5.28%	0.00
13	Total Fixed Assets	**245.12**	**130.99**	**0.05**	**378.07**	**312.60**		
14	Non-depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00		
15	**Depreciable assets**	**245.12**	**130.99**	**0.05**	**378.07**	**312.60**	**5.68%**	**17.71**

TABLE 5-130: NET APPROVED DEPRECIATION FOR FY 2022-23 (Rs. Cr.)

S. No.	Particulars	Claimed	Allowable
1	Gross allowable Depreciation (Part-A)	56.80	41.05
2	Gross allowable Depreciation (Part-B)	20.84	17.71
3	Gross allowable Depreciation (Part-A+Part-B)	**77.63**	**58.77**
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	15.54	15.84*
5	**Net allowable Depreciation (for the year)**	**62.09**	**42.92**

**Taken from Fixed asset register for FY 2022-23*

5.13 RETURN ON EQUITY

Petitioner's Submission

5.13.1 The Petitioner has submitted that as per Regulation 22 of the MYT Regulations, 2019, Return on Equity shall be allowed @15% on the equity base determined in accordance with the MYT Regulations, 2019. The Petitioner further submitted that FY 2020-21 being the first year of the Control Period FY 2020-21 to FY 2024-25 is governed by MYT Regulations, 2019, therefore, based on Regulation 20.2, the Debt and Equity at the end of FY 2019-20 is considered as Opening Debt and Equity for FY 2020-21. The Petitioner has filed appeals against the Tariff Orders dated December 04, 2020, August 26, 2021, and July 20, 2022, before the Hon'ble APTEL, therefore, it has considered the opening balance of Debt and Equity as per its True-up Petition/submission for determination of return on equity for FY 2020-21. Based on the actual net capital expenditure of Rs. 109.05 Cr. and Rs. 140.20 Cr. for FY 2018-19 and FY 2019-20 respectively as well as stipulated debt equity of 70:30, the opening normative Equity for FY 2020-21 works out to Rs. 437.99 Cr.

5.13.2 The Petitioner has submitted that based on actual net capital expenditure of Rs. 109.93 Cr for FY 2022-23 and stipulated debt equity of 70:30, the opening normative Equity for FY 2022-23 works out to Rs. 494.12 Cr.

5.13.3 The summary of Return on Equity for FY 2022-23 based on above referred Opening Equity and equity portion of Assets Capitalized during FY 2022-23 of Rs. 19.75 Cr as submitted by the Petitioner is shown in the Table below:

TABLE 5-131: COMPUTATION OF RETURN ON EQUITY FOR FY 2022-23 AS SUBMITTED BY THE PETITIONER (Rs. Cr.)

Particulars	Ref.	Tariff Order for FY 2022-23 dated 20.07.2022	Actual
Regulatory Equity Base at the beginning of the year	a	369.47	494.12
Asset Capitalized during the year net of retirement and consumer contribution	b	118.98	65.82
Equity portion of Assets Capitalised during the year	c=b*30%	35.69	19.75
Regulatory Equity Base at the end of the year	d=a+c	405.16	513.87
Return on Opening Regulatory Equity Base @ 15%	e=a*15%	55.42	74.12
Return on Addition to Equity Base during the year @15%	f=c*15%/2	2.68	1.48
Total Return on Equity	g=e+f	**58.10**	**75.60**

Commission's Analysis:

5.13.4 The closing balance of equity of FY 2021-22 as approved by the Commission in the Tariff Order dated May 24, 2023, has been considered as opening equity for FY 2022-23 (as on April 1, 2022). Further, 30% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution) has been considered as equity addition during the year.

5.13.5 The Commission has considered the debt-equity ratio for the assets capitalized as

70:30 in line with MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for the determination of tariff. The same approach was considered for approval of ARR in the Tariff Order for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24. Further, 30% of net asset capitalized (after considering deduction / de-capitalization and consumer contribution) has been considered as equity addition during FY 2022-23.

5.13.6 Regulation 22 of MYT Regulations, 2019 provides for RoE @15% for the Distribution Utilities.

5.13.7 The Commission has considered the rate of Return on Equity as per the provisions of the above-mentioned Regulation. Accordingly, the RoE claimed by the Petitioner and approved by the Commission for FY 2022-23 is shown below:

TABLE 5-132: RETURN ON EQUITY FOR FY 2022-23 APPROVED BY THE COMMISSION (Rs. Cr.)

Particulars	Approved in TO dated 20.07.2022	Claimed in Petition	Approved Upon Truing up
Equity (Opening Balance)	369.47	494.12	355.89*
Net additions during the year	35.69	19.75	18.98
Equity (Closing Balance)	405.16	513.87	374.87
Average Equity	**387.32**	**503.99**	**365.38**
Rate of Return on Equity(%)	15.00%	15.00%	15.00%
Return on Equity	**58.10**	**75.60**	**54.81**

**Closing balance approved for FY 2021-22 considered as opening balance of FY 2022-23*

5.14 INCOME TAX

Petitioner's submission

5.14.1 The Petitioner has submitted that Regulation 26 of MYT Regulations, 2019 provides for determination of Income Tax to be considered in ARR for the Control period.

5.14.2 The Petitioner has submitted that the Central Government on September 20, 2019, introduced the "Taxation Laws (Amendment) Act, 2019" wherein a new Corporate Tax Rate of 25.17% including Surcharge and Cess has been introduced under newly inserted Section 115BAA. However, the new rate U/s 115 BAA can be availed only by foregoing some specified exemption/deduction/allowance otherwise available in the Income Tax Act, 1961 as evident from the extract of the Amendment Act reproduced below:

Quote

115 BAA (2) For the purposes of sub-section (1), the total income of the company shall be computed—

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of 80b[Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA];

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable - to any of the deductions referred to in clause (i);

(iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable - to any of the deductions referred to in clause (i); and

(iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss and depreciation referred to in clause (ii) and clause (iii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year

Unquote

5.14.3 The Petitioner has considered the lower tax rate available under the Income Tax Act and the interest of the Consumers in mind has adopted the new tax rate and accordingly has paid Income Tax for FY 2022-23 at the rate of 25.17% as against normal tax rate of 34.94%. The Petitioner accordingly computed the Income Tax expense for FY 2022-23 by grossing up aggregate of tax expense i.e., tax on Return on equity at the current tax rate as shown below:

TABLE 5-133: INCOME TAX SUBMITTED BY THE PETITIONER FOR FY 2022-23 (Rs. Cr.)

Sl. No.	Nature of Tax	Ref.	Approved	Actual
1	Return on Equity	A	58.10	75.60
2	Income Tax Rate	B	25.17%	25.17%
3	**Total Tax Expense**	**C=A x B/(1-B)**	**19.54**	**25.43**

Commission's Analysis

5.14.4 The Commission verified the computations for Income tax claimed for FY 2022-23 and observed that the Petitioner has claimed the normative Income tax based on the return on equity. The Commission has computed the normative Income tax based on the Return on Equity approved for FY 2022-23 which comes out to be the lowest in comparison to the Income Tax shown in the Audited accounts, the Challans, and as per Petitioner's submission. Accordingly, the Commission approves the income tax for FY 2022-23 based on the approved Return on Equity in this Petition as shown below:

TABLE 5-134: INCOME TAX AS APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	Reference	Approved in TO dated 20.07.2022	As per Audited Accounts	As per Challans submitted	Claimed in True up	Approved Upon Truing Up
Return on Equity	a	58.10	-	-	75.60	54.81
Income Tax Rate	b	25.17%	-	-	25.17%	25.17%
Total Tax Expense	**c=a*b/(1-b)**	**19.54**	**26.76**	**27.25**	**25.43**	**18.43**

5.15 OTHER MISCELLANEOUS EXPENSES

i. Loss on Retirement/ Impairment of Asset:

Petitioner's submission

5.15.1 The Petitioner has submitted that it has incurred an actual loss on sale/retirement of these Fixed Assets during FY 2022-23 amounting to Rs. 1.04 Cr. The Petitioner further added that the Commission in the past was approving such expenses on an actual basis. The relevant extract of the Tariff Order dated September 3, 2019, is reproduced below:

"3.22.2 The Commission is of the view that due to fast obsolescence and normal

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

5.15.2 However, the Commission, in its Tariff Order dated December 4, 2020, while truing up loss on the Sale of Fixed Assets under Miscellaneous expenses stated as follows:

Quote

3.21.4 As regards to the Miscellaneous Expenses, the Commission noticed that the Petitioner has claimed Rs. 0.74 Cr. as Loss on sale of Fixed Assets in Miscellaneous expenses. In this regard the Commission sought the following details:

- i. *Name of the Asset.*
- ii. *Asset Installation date.*
- iii. *Useful Life of the Asset.*
- iv. *Depreciation claimed on the asset till date.*
- v. *Whether depreciation claimed till 90%.*

The Petitioner submitted the reconciliation for the same as shown in the Table - 67 below:

Table - 67: Reconciliation of Loss on Sale of Asset as submitted by the Petitioner for FY 2018-19

Sl. No.	***Description***	***Amount (Rs. Cr.)***	***Remark***
1	*Gross value of Assets disposed/retired*	*4.30*	*Please refer to Note-3 of Audited Accounts*
2	*Less: Accumulated Depreciation on Assets retired*	*3.23*	*Please refer to Note-31 of Audited Accounts*
3	***WDV of Assets Retired***	***1.07***	
4	*Less: Sale Proceeds*	*0.33*	
5	***Loss on Sale of Assets***	***0.74***	

3.21.5 The MYT Regulations, 2014 provides that:

Quote

33 Non-Tariff Income

(a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.

Unquote

3.21.6 The Regulation provides for consideration of profit derived from disposal of assets to be considered under Non Tarif Income. Hence the loss derived on disposal of asset is not the part of ARR effectively. Also whenever an asset is retired / scrapped before there useful life, the Commission approves the decapitalisation and also the additional capex for replacement of such asset in the GFA and the same is approved in the ARR. Hence the allowance of such loss on sale of fixed asset will be an additional burden on the consumers. The Commission allowed the said expenditure in True Up of FY 2017-18; however, the Commission does not intend to disturb the True Up of FY 2017-18. Hence the Commission for the True Up of FY 2018-19 disallows the loss on sale of fixed asset."

Unquote

5.15.3 The Petitioner has submitted that the cycle of assets creation, retirement and funding thereof is illustrated below:

(i) A new fixed asset is capitalized say at Rs.100/-

(ii) For funding this Asset Rs. 70 is borrowed (i.e. 70% Debt)

(iii) Remaining funds are invested by Licensee (i.e. 30% Equity)

(iv) During the lifecycle of the asset the Debt is serviced through Interest on Term Loan and Equity is serviced through RoE both of which are included in ARR

(v) Correspondingly, during the life cycle of the asset a Depreciation Reserve of Rs. 90 (i.e. maximum allowed 90%) is charged in ARR

(vi) Out of the remaining unrecovered equity of Rs.10 say Rs. 7 is realized from sale of scrap and the remaining Rs. 3 is charged/claimed in ARR as Loss on Sale of Retired Assets.

(vii) After the completion of the life cycle such Asset's original values (i.e. Rs.

100) is reduced from GFA leading to a corresponding reduction in Debt by Rs. 70 and Equity by Rs. 30. Hence, no further Interest and RoE is allowed with respect to such asset.

(viii) Licensee utilizes the recovered Equity of Rs. 30 (i.e. Dep. Rs. 20, Scrap Sale Rs. 7 and Loss of Sale Rs. 3) for funding of new Fixed Asset along with fresh Debt to repeat the above cycle.

(ix) Licensee utilizes the recovered Equity of Rs. 30 (i.e. Depreciation Rs. 20, Scrap Sale Rs. 7 and Loss of Sale Rs. 3) for funding of new Fixed Asset along with fresh Debt to repeat the above cycle.

5.15.4 Thus, based on the above example in the form of Loss on Sale of Asset, the Petitioner has mentioned that it has only claimed its hard-earned money which it has already invested in the creation of Distribution Network in its license area for servicing its consumers as against erroneous presumption for the same being an additional burden to consumers. In fact, by allowing loss on the sale of asset, the Licensee is claiming to only reimburse the cost incurred by it earlier and already approved by the Commission. Hence, the cost towards loss of sale of assets is compensation towards the unrecovered cost of asset and should not be treated as an additional burden on consumers. The allowance of cost is also offset by the simultaneous reduction in cost of debt and equity by reduction of the value of such asset from Gross Fixed Asset.

5.15.5 The Petitioner further elaborated from the above example that when an asset is retired in ARR computation, the original value of the Asset (i.e. Rs. 100) is also reduced from GFA and correspondingly Rs. 30 from Equity even though it has only allowed Licensee to recover Rs. 27 (i.e. Rs. 20 through Depreciation and Rs. 7 through Sale of scrap). Thus, the decapitalization of asset actually leads to cessation of servicing of unrecovered equity of the Licensee and thus, compensates the allowance of loss by reduction in Return on Equity.

5.15.6 The Petitioner also submitted that the contention additional capex is approved for replacement of such asset in the GFA and the same is approved in the ARR is completely not valid because even Additional / Replacement Capex is funded afresh by the Licensee/appellant in Debt Equity ratio of 70:30 and therefore, need to be legitimately allowed. Such fresh asset has its own life cycle and cannot be compared with the older one which is retired. In fact, since the value of assets of retired asset is reduced in full from both Debt and Equity, the Commission is not allowing the value of replacement of assets at all.

5.15.7 Further, the Petitioner has submitted that denial of its claim of Loss on Sale of Assets would leave the Licensee with less money to reinvest in Additional/Replacement Capex as well as the lesser capacity to borrow, which if continued will adversely affect the consumers as the Licensee may not be able to timely replace/create necessary distribution infrastructure. The retirement/sale of non-reparable / damaged/inefficient fixed assets is necessary for safety as well as efficient power distribution operations. Thus, the Petitioner requested the Commission to allow the loss on sale of Fixed Assets under Miscellaneous Expenses as claimed in the Petition.

Commission's Analysis

5.15.8 The Commission observes that the Petitioner has claimed Rs 1.04 Cr. towards loss on sale of Fixed Assets under Miscellaneous Expenses.

5.15.9 The Commission took a considered view on the above said matter in past True-up Orders of FY 2019-20, FY 2020-21 and FY 2021-22. The Commission is of the view that the MYT Regulations provisioned that 90% of the asset value be covered through deprecation, whereas the remaining 10% will be scrap value to be recovered through the sale of the assets. Further, the Commission emphasises that the deprecation rate is defined in the MYT Regulations, 2019 to recover 90% of the asset value only when the asset is put to use for its useful life. In case the asset is removed from the system before its useful life due to any reason and not put to use, the Commission is of the view that the consumer is not liable to pay for the same. Thus, any loss or gain on the part of the sale of assets for the assets that are removed from the system before serving the useful life is on the part of the Petitioner. Accordingly, the Commission is not approving any loss on retirement/impairment of assets for FY 2022-23.

ii. Goods and Service Tax on ancillary services

Petitioner's Submission

5.15.10 The Petitioner has submitted that CBEC vide Circular No. 34/8/2018-GST dated 1st March'18 has clarified that the services as stated below when provided by DISCOMS to the consumers are taxable.

i. Application fee for releasing connection of electricity
ii. Rental Charges against metering equipment
iii. Charges for duplicate bill
iv. Testing fee for meter/transformer, capacitors etc.
v. Labour charges from the customer for shifting of service lines

5.15.11 Consequently, the Directorate General of GST Intelligence (DGGSTI), New Delhi issued a summon u/s 70 of CGST Act on 29th May'18, requesting the Petitioner to produce information on the amounts collected by the Petitioner from 1.7.2017 to 30.4.2018 towards abovementioned five services or any other charges collected from the customers over and above the electricity charges for the period.

5.15.12 The Petitioner has submitted that it filed the detailed reply in response to the summon and also filed a writ Petition before Hon'ble Allahabad High Court on July 24, 2018, and challenged the above Circular issued by Department of Revenue and summon issued by DGGSTI. Since, the matter before the Hon'ble Allahabad High Court is still pending, the Petitioner in the meantime has filed an intervention Petition on November 13, 2019, in respect of the same matter already pending before the Hon'ble Supreme Court in the case of Torrent Power Ltd. wherein the Department has filed an appeal against the judgement of Hon'ble Gujarat High Court being given in favour of Torrent Power Ltd.

5.15.13 Further taking abundant precaution and without prejudice to the Petitioner's rights and contentions with respect to the above writ and intervention Petitions, the Petitioner has started to levy GST on the above services from October 2018 onwards.

5.15.14 Therefore, depending on the outcome of the above-mentioned writ and intervention Petitions, the Petitioner in future may become liable to pay GST on the above services in respect of the duration when GST was not levied on such service.

5.15.15 However, pending final adjudication of the matter, the amount payable cannot be ascertained at this stage, therefore, the Petitioner has not claimed the same in this ARR Petition and it shall claim so on an actual basis at an appropriate time.

Commission's Analysis

5.15.16 The Commission observes that as the matter is pending final adjudication, the amount payable cannot be ascertained at this stage, and the Petitioner has not claimed the same in this ARR Petition. The Commission shall review the same at a later stage.

5.16 PROVISION FOR BAD AND DOUBTFUL DEBTS

Petitioner's submission

5.16.1 The Petitioner has submitted that the expenses for Provision for Bad and doubtful debts actually incurred are as mentioned below:

TABLE 5-135: PROVISION FOR BAD & DOUBTFUL DEBTS FOR FY 2022-23 SUBMITTED BY THE PETITIONER (Rs. Cr.)

Sl. No.	Description	Approved	Actual
1	Opening Receivable	2,229.86	89.00
2	Revenue billed for the year		2,312.21
3	Collection for the year		2,303.51
4	Closing Receivable		97.70
5	Provision for Bad & Doubtful Debts	**22.51**	**8.73**
6	Provision as % of Revenue billed	1.01%	0.38%

5.16.2 The Petitioner has submitted that the aforesaid bad debts have been determined in accordance with its policy for the provision and write-off of receivables. The Petitioner further states that the dues from consumers which are long outstanding but could not be disconnected because of political or other reasons. These debtors are older than two-three years and recovery thereof has become costlier and uneconomical. Further, a prolonged litigation process for the purpose of recovery culminates in very high legal costs and a colossal waste of precious time of its officials which otherwise could be used for productive purposes. Thus, after reviewing each and every debtor on a case-to-case basis, these debtors are also provided for based on their chances of recovery, cost-benefit etc.

5.16.3 The Petitioner further submitted that the electricity distribution business is not only the most challenging segment among generation, transmission and distribution but also exposed to maximum business risks, because on one hand the purchase of electricity is from few sources and that too through Letter of Credit or Bank Guarantee, on the other hand, the sales thereof is on credit to the thousands of customers in various segments from industry to rural and unmetered consumers. Therefore, while converting "electricity" into cash, it is the distribution Company that bears the maximum brunt in terms of bad debts and the problem of recovery further gets compounded in the prevailing socio-political and economic environment, law and order situation and power deficit scenario.

5.16.4 In view of the above, any recovery of around 97-98% of sales should undoubtedly be considered as efficient collection and therefore, the remaining 2-3% should be provided as bad and doubtful debts. The provision for Bad Debts considered by the Petitioner is still lower.

5.16.5 The Petitioner further submitted that the amount of Rs. 8.73 Cr. provided as bad debts in FY 2022-23 is well within the norms of 2% specified in Regulation 46.1 of the MYT Regulations, 2019, thus, it is requested to approve the bad debts of Rs. 8.73 Cr., which is only 0.38% of the revenue for True-up of ARR for FY 2022-23.

5.16.6 The Petitioner has submitted that the Commission, while approving the provision for Doubtful Debt for FY 2021-22 vide its Tariff Order dated August 26, 2022, excluded the amount of bad debts with respect to electricity duty. In this respect, it is relevant here to refer to Section 4A of the U. P. Electricity (Duty) Act, 1952 as provided here under:

Quote

4-A. Reimbursement of electricity duty from consumers

……….

(2) For the purpose of recovering the amount of electricity duty from the consumer, the licensee or the appointed authority, as the case may be, may without prejudice to any other mode of recovery, exercise the power conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910), as if the duty were a charge or sum due in respect of

energy supplied to such consumer.

……….

Unquote

5.16.7 It may be observed from the above provisions of Section 4A, that the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner. Accordingly, the Commission in the past has been allowing the same as a part of the revenue receivables. In view of the above, the Petitioner considered the bad debts of Rs. 8.73 Cr. for FY 2022-23 including Rs. 0.39 Cr. towards electricity duty.

Commission's Analysis

5.16.8 Regulation 46.1 of the MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables.

5.16.9 The Petitioner has submitted that it has been providing Bad Debts in its books of accounts in accordance with the aforesaid policy and so far, has been able to contain the same below the norms of 2% of Revenue as per the MYT Regulations, 2014 and MYT Regulations, 2019.

5.16.10 The Commission observes that the Licensee has claimed an amount of Rs. 8.73 Cr. towards bad debts including bad debts on Electricity Duty of Rs. 0.39 Cr.

5.16.11 The Commission is of the view that since Electricity Duty is not a part of ARR, thus, bad debt on electricity duty should also not be part of ARR. Thus, the Commission has considered the Bad debt (after the deduction of bad debt on Electricity Duty) on an actual basis (0.38%), which is less than the norm of 2% of Revenue as per MYT Regulations, 2019.

Table 5-136: BAD AND DOUBTFUL DEBTS APPROVED BY THE COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	FY 2022-23 (True up)		
	Approved in TO dated 20.07.2022	Claimed in Petition	Approved Upon Truing Up
Provision of bad and doubtful debt	22.51	8.73	8.73
Less: Electricity Duty		-	**0.39**

Particulars	FY 2022-23 (True up)		
	Approved in TO dated 20.07.2022	Claimed in Petition	Approved Upon Truing Up
Net-Provision of Bad & doubtful debt	**22.51**	**8.73**	**8.34**
Revenue billed during the year	2,049.03	2,312.21	2,207.78*
Provision as % revenue billed claimed	1.01%	0.38%	0.38%

**Excluding electricity duty*

5.17 NON-TARIFF INCOME

Petitioner's Submission

5.17.1 The Petitioner has submitted that Regulation 47 of MYT Regulations, 2019 provides for the consideration of Non-Tariff Income (NTI) in ARR.

5.17.2 Accordingly, Non-Tariff Income comprising income from delayed payment surcharge and other miscellaneous receipts incidental to the business of electricity supply during FY 2022-23 is summarized below:

TABLE 5-137: NON-TARIFF INCOME FOR FY 2022-23 (Rs. Cr.)

Sl. No.	Particulars	Approved in T.O dt. 20.07.2022	Actual
1	Income from Contingency Reserves Investments	22.29	0.13
2	Miscellaneous Receipts from Consumers		1.72
3	Miscellaneous Receipts from other sources		3.21
4	Delayed Payment Surcharge		6.70
5	**Total Non-Tariff Income**	**22.29**	**11.76**

5.17.3 The Petitioner has submitted that Other Income as shown above excludes income from treasury operations amounting to Rs. 38.07 Cr. as this Income is generated upon the funds accrued through internal resources over earlier years.

5.17.4 The Petitioner has mentioned that the Commission in its Tariff Order dated May 24, 2023, while truing up the ARR for FY 2021-22 has included Treasury Income (i.e. Income from Investment) as part of non-tariff income. It is pertinent to mention here that all investments done by the Petitioner from the shareholder funds cannot be said to be part of the regulatory business of the Petitioner, therefore, income earned on the same also cannot be considered as part of the Non-Tariff Income.

5.17.5 The Petitioner has referred to Regulation 47 of MYT Regulations, 2019 which provides that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not be included in Non-Tariff Income.

5.17.6 Based on the above, Petitioner has highlighted that income earned from the licensed business other than from tariff can only be considered as non-tariff income. Accordingly, the income from the interest on fixed deposits created from the Shareholders' Funds cannot be considered as income from licensed business.

5.17.7 Therefore, as the above-referred income of Rs. 38.07 Cr has been generated out of the utilisation of internal funds of the Petitioner which are not part of the licensed business, the Petitioner requested Commission to not consider the same as part of True-up ARR for FY 2022-23.

5.17.8 Apart from the above, the Petitioner has further mentioned that other income also excludes interest of Rs. 2.47 Cr received on refund of "Balance with Govt. Authorities" w.r.t. TDS Demand paid under protest. These TDS demands, being Balance Sheet items (as against P&L items), were never claimed as part of True-up ARR. Therefore, the Petitioner requested the Commission to not consider this in the True-Up ARR for FY 2022-23.

5.17.9 Accordingly, the Petitioner requested the Commission to consider the Non-Tariff Income as Rs. 11.76 Cr. for FY 2022-23.

Commission's Analysis

5.17.10 The Commission observes that the Petitioner claimed Non-Tariff Income of Rs. 11.76 Cr. instead of Rs. 53.01 Cr. (Refer: Note: 28 (Other Income) & Note: 27 (Revenue from Operations)) specified in the Audited Accounts of FY 2022-23.

5.17.11 The Petitioner has submitted that other income excludes income from treasury operations amounting to Rs. 38.07 Cr. as this Income is generated upon the funds accrued through internal resources over earlier years.

5.17.12 The Commission is of the view that the Petitioner has only one business i.e. distribution in Greater Noida, hence all income in the Balance Sheet comes under the ambit of the True-Up. Further, in case, the Appellant has some other business the same would have been covered as per relevant provision / Regulation of other business.

5.17.13 The Commission has verified the Audited Accounts of the Petitioner and observed the Non-Tariff Income of the Petitioner as per Note 27 and Note 28 and the same is tabulated below:

TABLE 5-138: DETAILS OF NON-TARIFF INCOME AS PER AUDITED ACCOUNTS FOR FY 2022-23

Sl. No.	Description	Amount (Rs. Cr.)	Remarks
1	Processing Charges	0.53	Note-27 of Audited Accounts
2	Disconnection and reconnection fees	1.12	Note-27 of Audited Accounts
3	Meter Testing Charges	0.88	Note-27 of Audited Accounts
4	Open Access and wheeling charges	0.72	Note-27 of Audited Accounts
5	On Non-Current investments	0.11	Note-28 of Audited Accounts
6	On Bank deposits	33.02	Note-28 of Audited Accounts
7	Other	2.47	Note-28 of Audited Accounts
8	Dividend Income	0.02	Note-28 of Audited Accounts
9	Gain on sale of Short-Term investments	5.05	Note-28 of Audited Accounts
10	Liquidated damages recovery	0.83	Note-28 of Audited Accounts
11	Supervision charges	0.55	Note-28 of Audited Accounts
12	Gain on fair value investment	0	Note-28 of Audited Accounts
13	Miscellaneous Income	1.01	Note-28 of Audited Accounts
14	Delayed Payment Surcharge	6.70	Note-28 of Audited Accounts
15	**Total**	**53.01**	

5.17.14 Regulation 47 of MYT Regulations, 2019 details the components to be considered as a part of Non-Tariff Income. After reviewing the Audited Accounts and further prudence check, the Commission has approved the Non-Tariff Income for FY 2022-23 as per Audited Accounts. The same is as shown below:

TABLE 5-139: NET NON-TARIFF INCOME FOR FY 2022-23 APPROVED BY THE COMMISSION (Rs. Cr.)

Particulars	FY 2022-23		
	Approved in TO dated 20.07.2022	Claimed in Petition	Approved Upon Truing Up
Net Non-Tariff Income	**22.29**	**11.76**	**53.01**

5.18 REVENUE FROM SALE OF POWER

Petitioner's Submission

5.18.1 The Petitioner's submission has already been captured in the 'Energy Sales' section above. So, it has not been repeated here for the sake of brevity.

Commission's Analysis

5.18.2 The category-wise approved revenue from the sale of power for FY 2022-23 is provided in the Table below:

TABLE 5-140: REVENUE AS APPROVED BY THE COMMISSION FOR FY 2022-23

Sl. No.	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs./kWh)
1	LMV-1: Domestic Light, Fan & Power	883.71	562.56	6.37
2	LMV-2: Non-Domestic Light, Fan & Power	60.15	60.54	10.07
3	LMV-3: Public Lamps	28.90	25.22	8.73
4	LMV-4: Institutions	16.50	13.48	8.17
5	LMV-5: Private Tube Wells	11.70	3.17	2.71
6	LMV 6: Small and Medium Power	118.04	107.82	9.13
7	LMV-7: Public Water Works	29.99	31.35	10.45
8	LMV-8: STW and Pumped Canals	-	-	-
9	LMV-9: Temporary Supply	57.01	65.47	11.48
10	LMV-11: Electric Vehicle Charging	0.01	0.01	6.73
11	HV-1: Non-Industrial Bulk Power	317.67	313.00	9.85
12	HV-2: Large and Heavy Power	1,346.74	1,025.19	7.61
13	**Total**	**2,870.43**	**2,207.78**	**7.69**

5.18.3 The Petitioner further submitted the judgement of the Hon'ble Tribunal which dealt with the issue of self/ captive consumption by a Distribution Licensee in the matter of Arun Kumar Datta Vs. DERC & Anr. in Appeal No.195 of 2013 [Judgement dated 09th February 2015]. The Commission observes that the said judgement is regarding BYPL simply taking its own consumption arbitrarily without metering its own consumption and has been including its own consumption in energy sales figures for calculating AT&C loss, thus inflating the energy sales. Additionally in that judgement, APTEL felt that BYPL should have installed meters for self-consumption in all its offices, call centers, substations and when BYPL included self-consumption in its energy sale figures, then it was legally bound to supply electricity for its own consumption only through correct meters. The Commission thus concluded that the above judgement is irrelevant in the present context.

5.18.4 The Commission observes that the Petitioner has claimed captive consumption as part of energy sales towards the LMV 4(B) category and the revenue corresponding to such sales has been considered NIL for FY 2021-22. The Commission observes that the self / captive consumption in the case of State Discoms is billed under the LMV-4(A)/ HV-1 category according to Connected

Load. The same approach is also applied to NPCL.

5.18.5 The Commission directed the Petitioner to clarify whether its captive consumption is metered along with captive consumption and normative value of revenue from FY 2016-17. Further, the Commission directed the Petitioner to also explain the detailed treatment of its captive consumption in its energy balance as well as in its accounts. The Petitioner in its reply confirmed that the captive consumption is fully metered. Details of captive consumption as submitted by the Petitioner are given below:

Table 5-141: CAPTIVE CONSUMPTION DATA FROM FY 2016-17 TILL FY 2022-23

Months	Captive Consumption in MU							Estimated Revenue in Rs. Cr.						
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY17	FY18	FY19	FY20	FY21	FY22	FY23
April	0.15	0.17	0.23	0.26	0.15	0.20	0.27	0.13	0.16	0.23	0.27	0.17	0.22	0.28
May	0.18	0.20	0.28	0.31	0.18	0.21	0.31	0.16	0.18	0.28	0.31	0.19	0.22	0.32
June	0.19	0.19	0.29	0.31	0.24	0.28	0.42	0.17	0.18	0.29	0.31	0.25	0.29	0.41
July	0.19	0.21	0.29	0.30	0.26	0.29	0.32	0.16	0.19	0.29	0.29	0.26	0.30	0.32
August	0.18	0.21	0.27	0.27	0.25	0.28	0.27	0.17	0.20	0.27	0.27	0.25	0.29	0.24
September	0.18	0.22	0.24	0.27	0.27	0.27	0.30	0.17	0.20	0.24	0.27	0.27	0.28	0.26
October	0.16	0.17	0.23	0.25	0.23	0.24	0.23	0.15	0.16	0.23	0.25	0.23	0.25	0.21
November	0.12	0.14	0.18	0.20	0.18	0.18	0.20	0.12	0.14	0.19	0.21	0.19	0.20	0.18
December	0.13	0.15	0.19	0.24	0.19	0.20	0.21	0.13	0.16	0.20	0.24	0.19	0.21	0.19
January	0.14	0.18	0.21	0.23	0.19	0.21	0.22	0.14	0.19	0.22	0.24	0.20	0.22	0.20
February	0.12	0.15	0.18	0.20	0.16	0.18	0.19	0.12	0.17	0.19	0.21	0.18	0.20	0.18
March	0.15	0.20	0.21	0.20	0.16	0.24	0.25	0.14	0.20	0.22	0.21	0.17	0.26	0.23
Total	**1.88**	**2.20**	**2.78**	**3.05**	**2.47**	**2.79**	**3.18**	**1.78**	**2.14**	**2.85**	**3.06**	**2.54**	**2.94**	**3.03**

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

5.19 CARRYING COST OF REGULATORY ASSET

5.19.1 Regulation 28.5 of MYT Regulations, 2019 provides for the allowance of carrying cost on regulatory assets as follows:

Quote

28 Rebate, Incentive, Penalties and Miscellaneous

…

28.5 Carrying cost for the gap / surplus of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.

Unquote

5.19.2 Based on the above Regulation, the Petitioner submitted the carrying cost of Regulatory Asset /Liability till FY 2022-23 as given in the Table below:

TABLE 5-142: CARRYING COST FOR FY 2022-23 SUBMITTED BY THE PETITIONER (RS. CR.)

Sl. No.	Particulars	Ref.	Approved	Actual
1	**Regulatory Assets at the Beginning of Year - Gap / (Surplus)**	a	(951.03)	(365.61)
2	Addition of Regulatory Assets during the year - Gap / (Surplus)	b	(220.13)	387.26
3	**Closing Regulatory Assets (before Carrying cost for the year)**	**c=a+b**	**(1,171.16)**	**21.65**
4	Average Regulatory Asset	d=(a+c)/2	(585.58)	(171.98)
5	Applicable Interest Rate	e	9.50%	10.29%
6	**Carrying Cost of Regulatory Asset - Gap / (Surplus)**	**f=d x e**	**(50.40)**	**(17.70)**

5.19.3 The above computation is based on the following premises:

i. Carrying cost has been computed at SBI – 1Yr. MCLR + 2.50% as considered for Working Capital Facility i.e. 10.29%.

ii. As directed by the Hon'ble Tribunal, the surplus amount of Rs. 19.64 Cr. for FY 2006-07 approved by the Commission, being not available with the Petitioner, has not been adjusted in the determination of cumulative deficit.

5.19.4 On the basis of the above, the Petitioner requested the Commission to consider carrying the cost of Regulatory Surplus for FY 2022-23 at Rs. 17.70 Cr.

5.20 TRUE-UP OF ARR AND REVENUE GAP

5.20.1 The Petitioner has submitted the following summary of Aggregate Revenue

Requirement for FY 2022-23:

TABLE 5-143: SUMMARY OF ARR FOR TRUE-UP SUBMITTED BY THE PETITIONER FOR FY 2022-23 (Rs. Cr.)

Sl. No.	Particulars	Approved vide T.O. dt. 20.07.2022	Actual
1	Power Purchase Expenses for the Year	1,323.80	2,031.67
2	Transmission Charges	207.56	169.69
3	Net Employee cost (Incl. Retiral Benefits)	19.08	66.75
4	A&G expenses	14.10	29.86
5	R&M expenses	41.31	63.26
6	Smart Metering / DT Metering / SOP implementation OPEX	-	0.00
7	Interest Charges	56.32	66.86
8	Depreciation	47.42	62.09
9	Taxes (Income Tax & MAT)	19.54	25.43
10	Provision for Bad & Doubtful Debts	22.51	8.73
11	Loss on sale of Asset	-	1.04
12	Efficiency Gains on Loss Reduction	-	1.63
13	Contingency Reserve	-	4.92
14	Return on Equity	58.10	75.60
15	**Annual Revenue Requirement**	**1,809.74**	**2,607.52**
16	Less: Revenue from Existing Tariff	2,006.87	2,207.78
17	Less: Revenue from Open Access Charges	-	0.72
18	Less: Non-Tariff Income	22.99	11.76
19	**Revenue Gap / (Surplus)**	**(220.13)**	**387.26**
20	Revenue Gap / (Surplus) from Prev. Year	(951.03)	(365.61)
21	Carrying Cost of Regulatory Asset	(50.40)	(17.70)
22	**Total Revenue Gap / (Surplus) carried forward**	**(1,221.56)**	**3.95**
Note: The sum and deduction may not match due to rounding off.			

5.20.2 The Petitioner has requested the Commission to true-up the expenses for FY 2022-23 as claimed above in full and approve the ARR for FY 2022-23 at Rs. 2,607.52 Cr (before Non-Tariff Income) as provided in the Table above.

Commission's Analysis:

5.20.3 Based on the above approvals, the summary of ARR and Revenue Gap / (Surplus) for the Petitioner for FY 2022-23 is summarized in the paragraphs below.

5.20.4 With regard to the Contingency reserve claimed by the Petitioner, the Commission has been disallowing the contribution to contingency reserve in the past Tariff Orders as the same would put an additional burden on the consumers. Also, the Petitioner has not contributed any money to the reserve. Therefore, continuing the same approach, the Commission for FY 2022-23 has not approved any fund for contingency reserve.

TABLE 5-144: SUMMARY OF ARR APPROVED BY COMMISSION FOR FY 2022-23 (Rs. Cr.)

Particulars	Tariff Order for FY 2022-23 dated 20.07.2022	Claimed in True up	Approved Upon Truing Up
Power Purchase Expenses	1,323.80	1,998.05	1,888.24
Transmission Charges (UPPTCL+PGCIL)	207.56	169.70	166.86
Employee cost	33.08	73.27	32.87
A&G expenses	14.10	29.86	17.53
R&M expenses	41.31	63.26	47.29
Gross O&M Expenses	**88.49**	**166.39**	**97.69**
Interest charges	56.32	66.86	52.75
Depreciation	47.42	62.09	42.92
Contingency Reserve	0.00	4.92	0.00
Income Tax	19.54	25.43	18.43
Gross Expenditure	**1,743.13**	**2,493.43**	**2,266.90**
Less: Employee cost capitalized	14.00	6.52	6.52
Less: Interest capitalized	0	0	0
Less: A&G expenses capitalized	0	0	0
Net Expenditure	**1,729.13**	**2,486.92**	**2,260.38**
Provision for Bad & Doubtful debts	22.51	8.73	8.34
Miscellaneous Expenses	0.00	1.04	0.00
Total net expenditure with provisions	**1,751.64**	**2,498.31**	**2,268.72**
Add: Reasonable Return / Return on Equity	58.10	75.60	54.81
Less: Non-Tariff Income + Revenue from OA	22.99	12.48	53.01
Add: Efficiency Gains	0	1.63	0
Annual Revenue Requirement (ARR)	**1,786.75**	**2,561.42**	**2,270.52**
Revenue from approved Tariffs	**2,229.86**	**2,207.78**	**2,207.78**
Revenue Gap/ (Surplus)	**(220.13)**	**353.65**	**62.74**

5.20.5 Analysis of a few parameters is depicted below:

TABLE 5-145: SUMMARY OF ARR APPROVED BY THE COMMISSION FOR FY 2022-23

Parameters	FY 2021-22 (Approved)	FY 2022-23 (Approved)	% Change
Total Sales (MU)	2,338.04	2,870.43	23%
Revenue from Tariff (Rs. Cr.)	1,939.66	2,207.78	14%
Total Power Purchase (MU)	2,711.39	3,294.00	21%
Total Power Purchase (Rs. Cr.)	1,535.23	2,055.04	34%
ARR (Rs. Cr.)	1,755.18	2,270.32	29%
APPC (Rs./kWh)	**5.11**	**6.08**	**19%**
APPC including Transmission (Inter + Intra) (Rs./kWh)	**5.66**	**6.61**	**17%**
ABR (Rs. /kWh)	**8.30**	**7.69**	**-7%**
ACoS (Rs./kWh)	**7.51**	**7.91**	**5%**

6 ANNUAL PERFORMANCE REVIEW OF FY 2023-24

6.1 INTRODUCTION

6.1.1 In this Chapter the Commission has carried out the Annual Performance Review for FY 2023-24 in line with the provisions of the MYT Regulations, 2019. Regulation 7 of the MYT Regulations, 2019 specifies that under the MYT framework, the performance of the Licensee shall be subject to APR accordingly.

6.1.2 The Commission, in this Order has not carried out the detailed analysis of various components of the APR for FY 2023-24. The Commission has compared each component of APR as claimed by the Petitioner with that approved in the Tariff Order for FY 2023-24. The Commission will carry out the detailed prudence check of various components of ARR for FY 2023-24 while carrying out the truing up for FY 2023-24.

6.2 NUMBER OF CONSUMERS AND CONNECTED LOAD

Petitioner's Submission

6.2.1 The Petitioner has estimated that the number of Consumers & Connected load for FY 2023-24 are 1,68,359 and 1,606.75 MW, respectively, as given in the Table below:

TABLE 6-1: NO. OF CONSUMERS AND CONNECTED LOAD SUBMITTED BY THE PETITIONER FOR FY 2023-24 (APR)

Category	No. of consumers (No.)	Connected Load (MW)
LMV-1: Domestic Light, Fan & Power	1,54,407	643.32
LMV-2: Non-Domestic Light & Fan & Power	5,060	47.77
LMV-3: Public Lamps	499	12.58
LMV-4: Institutions	620	8.30
LMV-5: Private Tube Wells	1,292	6.50
LMV 6: Small and Medium Power	3,880	100.24
LMV-7: Public Water Works	320	13.88
LMV-8: STW and Pumped Canals	-	-
LMV-9: Temporary Supply	933	19.69
LMV-11: Electric Vehicle Charging	23	1.81
HV-1: Non-Industrial Bulk Power	285	192.60
HV-2: Large and Heavy Power	1,040	560.06
Total	**1,68,359**	**1,606.75**

6.2.2 The Petitioner has submitted its sales estimations for FY 2023-24 as per Regulation 42 of MYT Regulations, 2019 and submitted the same to the Commission vide its

Petition No. 1526/2019 for Business Plan of Control Period FY 2020-21 to FY 2024-25.

6.2.3 The Petitioner further submitted that the Commission vide its Order dated November 22, 2022, has approved the no. of consumers, connected load and sales for FY 2023-24.

Commission's Analysis

6.2.4 The Commission observes that the Petitioner has claimed the No. Of consumers and connected load as approved in the business plan order dated November 22, 2022. The Commission directed the Petitioner to submit actual Billing determinants for FY 2023-24.

6.2.5 The Commission has made a comparison of the number of consumers as submitted by the Petitioner in True-Up for FY 2022-23 with the revised number of consumers submitted for FY 2023-24 and the same is as shown in the Table below:

TABLE 6-2: REVISED (ACTUAL) CATEGORY-WISE NO. OF CONSUMERS FOR FY 2023-24 SUBMITTED BY THE PETITIONER (NOS.)

Category	Claimed in True-up of FY 2022-23	Claimed in APR of FY 2023-24	Percentage Increase/Decrease
LMV-1: Domestic Light, Fan & Power	122,861	147,935	20.41%
LMV-2: Non-Domestic Light, Fan & Power	4,238	5,050	19.16%
LMV-3: Public Lamps	421	921	118.76%
LMV-4: Institutions	527	527	0.00%
LMV-5: Private Tube Wells	1,025	971	-5.27%
LMV 6: Small and Medium Power	3,601	3,708	2.97%
LMV-7: Public Water Works	302	315	4.30%
LMV-9: Temporary Supply	1,006	1,123	11.63%
LMV-11: Electric Vehicle Charging	2	7	250.00%
HV-1: Non-Industrial Bulk Power	259	289	11.58%
HV-2: Large and Heavy Power	972	1,068	9.88%
Sub Total	**135,214**	**161,914**	19.75%

6.2.6 The Commission has also made a comparison of Energy Demand (in MW) as submitted by the Petitioner in True-Up of FY 2022-23 along with the Energy Demand as submitted by the Petitioner in APR for FY 2023-24 and the same is as shown in the Table below:

TABLE 6-3: REVISED (ACTUAL) CATEGORY WISE CONNECTED LOAD (MW) SUBMITTED BY THE PETITIONER FOR FY 2023-24

Category	Connected Load for FY 2022-23	Connected Load for FY 2023-24	Percentage Increase/Decrease
LMV-1: Domestic Light, Fan & Power	619.92	747.30	20.55%
LMV-2: Non-Domestic Light, Fan & Power	40.27	49.18	22.13%
LMV-3: Public Lamps	10.98	9.65	-12.09%
LMV-4: Institutions	7.49	7.78	3.86%
LMV-5: Private Tube Wells	5.21	5.06	-2.86%
LMV 6: Small and Medium Power	87.78	94.68	7.86%
LMV-7: Public Water Works	14.59	15.71	7.69%
LMV-9: Temporary Supply	20.31	20.56	1.21%
LMV-11: Electric Vehicle Charging	0.05	0.35	600.00%
HV-1: Non-Industrial Bulk Power	145.62	169.75	16.57%
HV-2: Large and Heavy Power	496.74	538.59	8.43%
Sub Total	**1,448.96**	**1,658.61**	**14.47%**

6.2.7 Further analysis of billing determinants for FY 2023-24 would be carried out during True-Up proceedings of FY 2023-24, subject to prudence check by the Commission.

6.3 ENERGY SALES

Petitioner's Submission

6.3.1 The Petitioner has submitted that its sales estimations for FY 2023-24 are forecasted as per the Regulations of the Commission and submitted the same to the Commission vide its Petition No. 1526/2019 for Business Plan of Control Period FY 2020-21 to FY 2024-25.

6.3.2 The Commission vide its Business Plan Order dated November 22, 2022, has approved the sales for FY 2023-24 as given in the Table below:

TABLE 6-4: SALES APPROVED BY THE COMMISSION FOR FY 2023-24 AS SUBMITTED BY THE PETITIONER

Category	Sales (MU)
LMV-1: Domestic Light, Fan & Power	980.70
LMV-2: Non-Domestic Light & Fan & Power	59.28
LMV-3: Public Lamps	37.76
LMV-4: Institutions	18.89
LMV-5: Private Tube Wells	20.45
LMV 6: Small and Medium Power	130.94
LMV-7: Public Water Works	30.48
LMV-9: Temporary Supply	54.58
LMV-11: Electric Vehicle Charging	1.01

Category	Sales (MU)
HV-1: Non-Industrial Bulk Power	435.50
HV-2: Large and Heavy Power	1,546.00
Total	**3,315.59**

Commission's Analysis

6.3.3 The Petitioner submitted that the Commission vide its Tariff Order dated May 24, 2023, approved the Energy Sales for FY 2023-24 at 3315.59 MU and the same has been claimed by the Petitioner. The Commission directed the Petitioner to submit actual sales for FY 2023-24. In reply, the Petitioner submitted the actual sales for FY 2023-24.

6.3.4 The Commission has made a comparison of Energy Sales (in MU) as submitted by the Petitioner in True-Up of FY 2022-23 along with the Energy Sales as submitted by the Petitioner in APR for FY 2023-24, as shown in the Table below:

TABLE 6-5: REVISED (ACTUAL) ENERGY SALES SUBMITTED BY THE PETITIONER FOR FY 2023-24 (MU)

Category	Submitted for FY 2022-23	Submitted for FY 2023-24	Percentage increase/ decrease
LMV-1: Domestic Light, Fan & Power	883.71	983.98	11.35%
LMV-2: Non-Domestic Light, Fan & Power	60.15	76.65	27.42%
LMV-3: Public Lamps	28.90	27.90	-3.46%
LMV-4: Institutions	16.50	17.76	7.66%
LMV-5: Private Tube Wells	11.70	10.68	-8.74%
LMV 6: Small and Medium Power	118.04	130.34	10.42%
LMV-7: Public Water Works	29.99	32.69	8.99%
LMV-9: Temporary Supply	57.01	58.32	2.30%
LMV-11: Electric Vehicle Charging	0.01	0.03	241.89%
HV-1: Non-Industrial Bulk Power	317.67	372.12	17.14%
HV-2: Large and Heavy Power	1,346.74	1,425.44	5.84%
Total	**2,870.43**	**3,135.91**	**9.25%**

6.3.5 From the above Table, the Commission observes that the Energy Sales for all the categories have increased except for LMV-3 and LMV-5.

6.3.6 The top 3 categories in which energy sales have increased are LMV-11, LMV-2 and HV-1.

6.3.7 Further, the Commission directed the Petitioner to provide copies of bills of consumers as per the following details:

1) All other consumers: 5 bills each of different months for each category/ sub-category of consumers.
2) Open Access Consumers: 5 bills each of different months for 10 different consumers (5 connected on 132kV & 5 connected on 33 kV)
3) Roof Top Solar:
   A. Residential: 5 bills each of different months of different consumers.
   B. Others: 5 bills each of different months of different consumers.

6.3.8 The Petitioner in its reply submitted the copies of bills with respect to each category/ sub-category of consumers, Open Access Consumers & Roof Top Solar Consumers.

6.3.9 The Petitioner submitted that while filing the APR for FY 2023-24 and ARR of FY 2024-25 in the recent Petition the Petitioner had carried out the analysis of Demand Estimate and not found any major deviation and therefore adopted the same numbers as approved by the Commission.

6.3.10 Further analysis of Energy Sales for FY 2023-24 would be carried out during the True-Up of FY 2023-24 proceedings subject to prudence check by the Commission.

6.4 ENERGY BALANCE AND DISTRIBUTION LOSSES

Petitioner's Submission

6.4.1 The Petitioner submitted that the Commission vide its Business Plan Order dated November 26, 2020, and Tariff Order dated May 24, 2023, approved the distribution loss for FY 2022-23 as 7.63%.

6.4.2 The Petitioner submitted that it is making all efforts to achieve the Distribution Loss of 7.63% for FY 2023-24 based on the various initiatives undertaken for loss reduction.

6.4.3 Accordingly, the Energy Balance for FY 2023-24, as submitted by the Petitioner, is shown in the Table below:

TABLE 6-6: ENERGY SALES SUBMITTED BY THE PETITIONER FOR FY 2023-24

Particulars	U.o.M	Approved in T.O dt 24.05.2023	Estimated
Proposed Energy Sales	MU	3,315.59	3,315.59
Distribution Loss	%	7.63%	7.63%
Distribution Loss	MU	273.88	273.87
Energy Requirement at NPCL	MU	**3,589.47**	**3,589.46**
Energy Available/Delivered at NPCL Bus	MU	115.81	122.21
Net Energy Requirement at NPCL Bus	MU	**3,473.66**	**3,467.25**
Intra State Losses	%	3.13%	3.22%
Energy Requirement at STU/UP Periphery	MU	**3,597.21**	**3,582.61**
Energy from sources connected at STU Bus	MU	35.16	142.72
Net Energy Requirement at STU Bus	MU	**3,562.05**	**3,439.88**
Inter-State Losses	%	3.61%	3.59%
Energy Requirement at CTU Bus	MU	**3,705.28**	**3,567.97**
Total Energy Requirement	MU	**3,844.04**	**3,832.91**

Commission's Analysis

6.4.4 The Commission observes that in the APR, Energy Balance for FY 2023-24, the Petitioner has shown a Distribution Loss of 7.63%, which is as per the approved loss of 7.63%.

6.4.5 Further analysis of Energy Balance and Distribution Loss for FY 2023-24 would be carried out during True-Up proceedings subject to prudence check by the Commission.

6.5 POWER PROCUREMENT QUANTUM AND COST

Petitioner's Submission

6.5.1 The Petitioner submitted that considering the above referred Energy Balance and power purchased during the period April 2023 to September 2023, the Petitioner has estimated the power purchase requirement for FY 2023-24 at 3,589.46 MU at an aggregate cost of Rs. 2,129.75 Cr as detailed here-in the below sections:

Power Procurement from LTPPA

6.5.2 The PPA with M/s Dhariwal Infrastructure Ltd. (DIL) was approved by the Commission vide its order dated April 20, 2016. During FY 2023-24, the drawl under the aforesaid LTPPA is estimated at 1276.90 MU which is equivalent to the normative Availability of 85% specified in Regulation 26 of the Generation Tariff

Regulations, 2019 of UPERC.

6.5.3 The Petitioner submitted that the Commission vide Tariff Order dated September 21, 2022, approved the tariff for the LTPPA for the control period FY 2019-20 to FY 2023-24 as shown in the Table below:

TABLE 6-7: LTPPA TARIFF IN ORDER DATED 21.09.2022 (Rs./unit)

Financial Year	Fixed Cost	Energy Cost	Total
FY 2019-20	1.891	2.471	**4.362**
FY 2020-21	1.854	2.471	**4.325**
FY 2021-22	1.813	2.471	**4.284**
FY 2022-23	1.772	2.471	**4.243**
FY 2023-24	1.727	2.471	**4.198**
** Excluding charges for Additional Coal and Change in Law*			

6.5.4 The Petitioner has estimated the cost of power procured from DIL which is provided in the Table for approval of the Commission.

TABLE 6-8: DETAILS LONG-TERM POWER SUBMITTED BY THE PETITIONER FOR FY 2023-24

S.No	Description	UoM	Approved T.O 24.05.2023	Estimated
1	Contracted Quantum at ex-DIL	MW	171	171
2	No of Days	Nos.	365	365
3	Hours	Nos.	24	24
4	Normative Availability	%	-	85%
5	***Units at Normative Availability***	***MU***	***-***	***1274.05***
6	Forecasted Availability	%	85%	85%
7	Estimated Utilisation	%	-	100%
8	Units at Ex-Bus (Forecast Schedule)	MU	1277.54	1276.90
9	Inter-State Losses	%	3.75%	3.75%
10	***Units at UP Periphery***	***MU***	***1229.63***	***1231.06***
11	Intra-State Losses	%	3.22%	3.22%
12	**Units at NPCL**	**MU**	**1190.04**	**1191.42**
13	Fixed Cost	Rs. Cr.	220.58	217.73
14	Variable Cost	Rs. Cr.	315.68	326.33
15	Inter-State Trans. Charges	Rs. Cr.	79.09	43.85
16	Intra-State Trans. Charges	Rs. Cr.	31.43	31.08
17	***Total Cost#***	**Rs. Cr.**	**646.78**	**618.99**
18	Per Unit Cost @ NPCL Bus	Rs./kWh	5.43	5.20
# Total may not tally due to rounding offs				

6.5.5 The Petitioner has submitted that the above-mentioned fixed cost and variable cost have been estimated considering the tariff as approved by the Commission vide Tariff Order dated September 21, 2022, for DIL.

6.5.6 The Petitioner submitted that as can be seen from the referred order, the tariffs approved vide Order dated September 21, 2022, are ex-Bus DIL's plant and transmission charges and losses from Genco's plant to NPCL Bus i.e. Inter-state injection charges and losses, Inter-state withdrawal charges and losses, Intra-state transmission charges and losses are applicable over and above such approved tariff along with coal escalation charges.

6.5.7 The Petitioner, accordingly, has considered the Inter-State & Losses and Intra-State transmission losses and charges and GNA & TGNA charges as applicable for the purpose of estimation of the power purchase cost for FY 2023-24.

6.5.8 The Petitioner has submitted that apart from the above, the claim towards Additional Coal raised by Genco in line with Order dated May 6, 2020, in Petition No. 1438 of 2019 for FY 2023-24 (till Sep'23) of Rs. 9.96 Cr has been considered in APR for FY 2023-24. Similarly, the claim towards Change in Law charges raised by Genco in line with Order dated May 29, 2020, in Petition No. 1440 of 2019 for FY 2023-24 (till Sep'23) of Rs. 2.69 Cr has been considered in APR for FY 2023-24. It is pertinent to mention here that the impact of additional coal and change in law for the period Oct-Mar'23 has not been considered and the same will be claimed based on actuals at the time of true-up.

6.5.9 The Petitioner has submitted that it has duly considered all the above-referred costs in APR for FY 2023-24 as summarized below in the Table:

TABLE 6-9: LONG-TERM POWER PURCHASE COST SUBMITTED BY THE PETITIONER FOR FY 2023-24

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs./kWh)
Long-Term Power from Genco	1,191.42	217.73	326.33	74.93	618.99	5.20
Additional Coal (FY 2023-24 till Sep'23)	-	-	9.96	-	9.96	
Change in Law (FY 2023-24 till Sep'23)	-	-	2.69	-	2.69	

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs./kWh)
Total	**1,191.42**	**217.73**	**338.98**	**74.93**	**631.64**	**5.30**

6.5.10 The Petitioner submitted that the following Petitions filed by Genco are pending before the Commission for disposal:

- Petition No. 1651/2020 for approval of capital expenditure on account of the installation of FGD system as a 'Change in Law' event
- Petition No. 1830/2022 for seeking approval of capital expenditure on account of the installation of the DE-NOx system as a 'Change in Law' event
- Petition No. 2004/2023 for truing-up of the 'Change in Law' claims of FY 2022-23
- Petition No. 2005/2023for Prudence Check and use of Additional Coal in FY 2022-23

6.5.11 The Petitioner has submitted that any impact on the power purchase cost pursuant to the orders of the Commission in the above Petitions would be consequently claimed by the Petitioner in the ARR / APR/ Truing-up Petitions as the case may be.

Power Procurement from MTPPA:

6.5.12 The Petitioner has submitted that in preceding years, based on the load profile, the Petitioner tied up following Medium Term Power through Competitive Bidding held on the DEEP Portal in accordance with the Guidelines of Central Government as summarised in the Table below:

TABLE 6-10: DETAILS OF MEDIUM TERM PPAs DATED 07.12.2022

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

Source	Capacity	Duration	Period	Composite Tariff at NR (Rs./kWh)	Nature
per kWh and Cost of Transmission losses of Rs. 0.25 per kWh.					
TPTCL (JITPL, Orissa)	100 MW	RTC	Apr-Mar	4.05*	Thermal
**Note: Composite tariff of TPTCL (JITPL, Orissa) comprises Cost of fixed and variable charges of Rs. 2.025 per kWh.*					

6.5.13 The Petitioner submitted that the transmission charges and losses components of the tariffs quoted by APPCPL and TPTCL were based on the then prevailing transmission charges and losses, however, the same has to be paid at actuals in accordance with Articles 5.5 and 5.6 of the above-approved PPAs dated January 23, 2020, December 30, 2020, and December 31, 2020. The relevant extract of the MTPPA is already presented by the Petitioner in the true-up section and is not reproduced here again.

6.5.14 The Petitioner further submitted that the variance in approved power is uncontrollable in nature as the same has been incurred in accordance with the terms of approved PPAs and is in line with Regulation 8.1 (d) of MYT Regulations, 2019.

6.5.15 The Petitioner submitted that the full fixed charges are to be paid if the actual availability of the plant is more than the Normative Availability of 85% and if the availability by the suppliers is more than normative availability @ 85% then the supplier becomes eligible for incentives as per Article 11.6.1 of the PPA. Similarly, if the scheduled availability by the suppliers is less than 85% then the buyer is eligible to claim damage as per Article 11.6.2.

6.5.16 Further, as per Article 11.6.3 of the PPA the claim for Incentive and Damages are adjusted after the closing of the accounting year, therefore, the Petitioner at present has not considered the Incentive / Damage in APR for FY 2023-24 and would be considering the same in Truing up Petition for FY 2023-24 based on the final availability and utilization of the plant.

6.5.17 The Petitioner submitted that apart from the above as per Article 11.3 and Article 12.3 of the PPA with MTPPA suppliers provide for escalation of Base Fixed Charges and Base Variable Charges on the basis of WPI movement between the dates of Base Year (i.e. Bid Receiving Year) and Financial Year.

6.5.18 Accordingly, based on the above, the Petitioner submitted the summary of estimated power procurement from Medium-Term sources in the Table below:

TABLE 6-11: SUMMARY OF MEDIUM-TERM POWER FOR FY 2023-24

Seller	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Total Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
TPTCL- Govt. of HP	147.02	24.11	29.15	4.10	57.36	3.90
APPCPL- Govt. of HP (Goodwill)	13.32	2.33	2.69	0.39	5.41	4.06
TPTCL- JITPL	692.53	151.55	152.89	19.60	324.05	4.68
Total	**852.88**	**178.00**	**184.73**	**24.03**	**386.82**	**4.54**

Power Procurement from Short-Term Sources:

6.5.19 The Petitioner submitted that for the purpose of procurement of power for FY 2023-24 to meet the rising demand of the consumers, the Petitioner procured power from the power exchange. The Petitioner has estimated the cost of power to be procured from Power Exchange / DEEP Portal on the basis of average prices discovered at IEX during the same period Oct’22 to Mar’23 in the preceding year as provided in the Table below:

TABLE 6-12: RATE OF POWER PURCHASE

Type	Hrs	Average Rate Oct’22 to Mar’23
Peak	18-23 hrs	7.496
Off-peak	07-19 hrs	5.229
RTC	00-24 hrs	5.218

6.5.20 The Petitioner submitted that the overall procurement of power from short-term sources during FY 2023-24 is estimated at 1,242.67 MU at an average cost of Rs. 6.72 per unit which is given in the Table below:

TABLE 6-13: ESTIMATED SHORT TERM POWER (FY 2023-24)

Description	Units	Rs./kWh	Amount
Power Exchange (Apr-Sep’23)	640.55	6.56	419.89
Competitive Bidding (DEEP)/Power Exchange (Oct-23-Mar’24)	602.12	6.90	415.17
Total	**1,242.67**	**6.72**	**835.06**

Power Procurement from Renewable Sources:

6.5.21 The Petitioner submitted that during FY 2023-24, it has estimated to procure 342.38 MU power from long-term and short-term renewable sources as per the following details:

- 1.26 MU @ Rs. 7.33 per kWh is estimated to be procured from LTTPA for 1 MWp Solar power with GNIDA as per the PPA approved by the Commission vide its order dated 14th July 2015.

- 35.59 MU @ Rs. 3.85 per kWh is estimated to be procured from LTTPA for 10 MW Wind power with PTC India Limited signed on 27th June 2017 duly approved by the Commission vide its Order Dated 05.01.2018.

6.5.22 The Petitioner submitted that it has also granted several connections under the net-metering policy approved by the Commission in its Roof-top Solar PV Regulation 2015. The Petitioner would receive energy from such net metering consumers during FY 2023-24 but the same cannot be ascertained at present, therefore, it will consider the same at the time of True-up in its power purchase quantum for FY 2023-24.

6.5.23 The Petitioner further submitted that in order to meet its RPO obligation entered into an agreement on 06.01.2017 with M/s APPCPL for procurement of the entire power generated from the Rooftop Solar Generating Plant of 370 +/-20% KWp at the Rooftops of the Appellant’s 33/11 kV Substations located in Greater Noida. The Tariff agreed between the parties was based on the then-discovered rate in UP State’s tender for setting up of 500 MW Rooftop Solar PV Project by Solar Energy Corporation of India Ltd (SECI). Accordingly, the Petitioner vide its letter no. P-77A/ 249 dated 27.10.2016 submitted to the Commission that the installation of rooftop Solar PV projects on its various sub-stations / office buildings will also enable the Petitioner to execute its DSM Plan. Subsequently, the Petitioner vide Letter No. P-77A/314 dated 17.03.2017 duly intimated the Commission after execution of the agreement as well as reiterated the same during various Suo-moto proceedings held by the Commission for the fulfilment of RPO Obligations by DISCOMs in UP. Further, aforesaid power procurement was also duly approved by the Commission while approving the Business Plan vide its MYT Order dated 30.11.2017 and also while approving ARR for FY 2018-19 and ARR for FY 2019-20 vide Tariff Orders dated 22.01.2019 and 03.09.2019 respectively. It was also approved while truing-up ARR for FY 2016-17, ARR for FY 2017-18 and ARR for FY 2018-19 vide Tariff Orders dated 22.01.2019, 03.09.2019 and 04.12.2020 respectively.

6.5.24 The Petitioner has submitted that LTTPA for 25 MW Solar power each have been signed with M/s Tata Power and M/s Adani Energy which have been duly approved by the Commission vide its order dated 18th Sept 2019 and the Petitioner has estimated to procure long-term solar power of 49.85 MU @ Rs 3.28/ kWh from Tata power and 52.69 MU @ Rs 3.26/kWh from Adani Solar during FY 2023-24.

6.5.25 The Petitioner has submitted that based on the requirement of power to meet the demand of the consumers as well as RPO Obligation, the Petitioner conducted competitive bidding on the DEEP portal and submitted the results thereof to the Commission for adoption of tariff and approval of PPA. The summary of Short Term PPAs approved by the Commission is provided in the Table below:

TABLE 6-14: APPROVED SHORT-TERM RE NON-SOLAR & HYDRO POWER PURCHASE AGREEMENTS

Seller	Period	Duration	MW	Rate at NPCL Bus (Rs./kWh)	Approval Date
PTC (Singoli)	01 Jul'23 to 31 Aug'23	00-24	25	7.10	12.04.2022
PTC (NSL)	01 Aug’23 to 30 Sep’23	00-24	8	7.11	28.10.2022

6.5.26 The Petitioner submitted that after receiving approval from the Commission, the Petitioner estimated procurement of 36.37 MU power from the above-referred PPAs.

6.5.27 Further, the Petitioner submitted that in line with the directions of the Commission in the Tariff Order dated 26.08.2021, the Petitioner also estimated to purchase 166.13 MU non-solar renewable power at Rs. 7.49 per kWh landed at NPCL bus from Green Term Ahead Market (GTAM) of Power Exchanges for meeting its RPO.

6.5.28 The Petitioner during FY 2023-24, summarised the overall estimates to procure 342.38 MU renewable power in the Table below:

TABLE 6-15: RENEWABLE POWER (FY 2023-24)

Description	Estimated		
	Units	Rs./kWh	Amount (Rs Cr.)
Solar Power (GNIDA)	1.26	7.33	0.92
Solar Power (Adani Solar ECOL)	52.69	3.72	17.19
Solar Power (Tata Power)	49.85	3.28	16.37
Solar Power (APPCPL)	0.49	5.45	0.27
Wind Power (PTC)	35.59	3.85	13.71
Non-Solar Power (PTC - NSL)	10.61	7.11	7.54
PTC Hydro Power (Singoli)	25.76	7.10	18.30
Subtotal	**176.25**	**4.22**	**74.31**
Power Exchange	166.13	7.49	124.38
Total	**342.38**	**5.80**	**198.69**

6.5.29 The Petitioner has submitted that it has not assumed any power from Net metering in the current APR Petition and the same will be considered at the time of True-up based on actuals.

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

TABLE 6-16: RPO STATUS (MU) (FY 2023-24)

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year*	Balance Obligation Carried Forward
	a	b	c	d=a+b-c
Solar	14.92	157.76	(142.97)	**29.70**
Non-Solar	(36.70)	220.87	(212.33)	**(28.16)**
Hydro Power	(9.64)	94.66	(25.76)	**59.26**
Total#	**(31.42)**	**473.29**	**(381.06)**	**60.81**

** Including gross generation under net-metering arrangements*
 # Total may not tally due to rounding offs

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

6.5.32 The Petitioner further submitted that in the aforesaid order, the Commission has changed the methodology of RPO computation from “consumption units” to "power purchase units" at ex-bus contrary to its own UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time. On this aspect, the Petitioner has filed an Appeal No. 398 of 2022, and therefore, for the purpose of computation of RPO, the Petitioner has considered the methodology as adopted by the Commission in its preceding Tariff Orders.

Sale of Power for Load Management and UI/DSM

6.5.33 The Petitioner made the below submission w.r.t Sale of Power for Load Management and UI/DSM

1. **Uncertain Demand:** The Petitioner submitted that it is highly uncertain or in fact not feasible to exactly estimate the day-ahead power requirement as the demand is highly volatile, uncertain and dependent on a number of factors that are beyond the control of the Petitioner e.g. volatile weather conditions, long intermittent holidays on account of various festivals, Govt. holidays etc. There can be certain time blocks wherein the power tied-up may remain unutilised and thus, need to be settled in accordance with the DSM Regulations as per the rates prevailing in the power exchange during that particular time block and respective frequency.

2. **Increase in Demand volatility due to RE Power:** The Petitioner submitted that it has tied up 86 MW of power from Renewable Sources viz. 10 MW from Wind and 76 MW from Solar apart from almost 26 MW from Roof-top Solar connections. Also, it has already granted Open Access for ~27.5 MW capacity who are sourcing power from Solar Sources and many more consumers are in the process of arranging cheaper power from renewable sources. All this has further aggravated the uncertainty in the actual flow of power vis-à-vis scheduled power resulting into the increased volume of such variations being settled under the DSM mechanism.

3. **Procurement through RTM:** The Petitioner submitted that as directed by the Commission, it has taken various initiatives including participation in the Real-time IEX platform which started its operations w.e.f. 01.06.2020. It has procured power from RTM of IEX which is being included under total

procurement from IEX. In this regard, it is pertinent to mention that scheduling of power from IEX-RTM ideally takes 1.15 Hrs from the time of bidding apart from another 15-30 minutes for planning and bid formulation etc. for example, if a bid is placed at 22:45 Hrs. for purchase of power it will get dispatched from 00:30 Hrs. For such a period before the commencement of scheduling, it has no other option but to avail power from DSM to manage its distribution system. Further, adequate power in the RTM market is also not available many times for various reasons e.g. lack of sufficient sellers, IT/ technical reasons on the IEX Platform etc. leading to variation in schedule vis-à-vis actual drawl.

6.5.34 The Petitioner has submitted that there are time-blocks wherein the power tied-up may remain unutilised and thus, need to be sold on Power Exchanges. Similarly, at times, the Petitioner may over-draw power within safe limits as provided in the DSM Regulations.

6.5.35 The Petitioner further submitted that Regulation 14.7 of the MYT Regulations also provides for power drawl under the DSM mechanism.

6.5.36 Thus, based on aforesaid dynamics the Petitioner has estimated to recover Rs. 10.96 Cr towards 39.88 MU power net of Underdrawl / Overdrawl settled under DSM Regulations which is approximately 1.04% of the power purchase quantum and 0.58% of the power purchase cost.

6.5.37 The Petitioner has submitted that from the above, it can be stated that the power procurement cost from DSM is well within the overall limit of 10% of the power purchase cost and is just 0.58 % of the overall power purchase cost.

6.5.38 The Petitioner requested the Commission to approve the cost of power settled under the DSM mechanism.

General Network Access Charges

6.5.39 The Petitioner submitted that the Hon’ble Central Electricity Regulatory Commission (CERC) notified the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) on 07.06.2022. The GNA Regulations seek to do away with the prevailing procedure of predetermined point-to-point transmission access.

6.5.40 The Petitioner submitted that Regulation 18.1 (a) of the GNA Regulations provides as under:

Quote

GNA for a State including intra-State entities shall be the average of "A‟ for the FY 19 to FY 21: where,

"A‟ = {0.5 X maximum ISTS drawal in a time block during the year} +

{0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}

Unquote

6.5.41 The Petitioner has submitted that as per the above Regulation 18.1 (a), the state of UP has been granted the GNA of 10165 MW by the Hon'ble CERC. Further, as per Regulation 18.1(e), the segregation of GNA among the intrastate entities was the responsibility of the respective SLDCs. Accordingly, the Petitioner has been granted the Deemed GNA of 351 MW.

6.5.42 The Petitioner has submitted that CERC vide notification dated 03.08.2023 provided that GNA Regulations including its First Amendment shall come into effect from 01.10.2023.

6.5.43 The Petitioner has submitted the major highlights post this implementation as under-

i. Long-term and Medium-Term transactions can be scheduled under GNA. If post-scheduling from Long-Term & Medium Term transactions, there is spare capacity in GNA, the STOA transactions can be scheduled under that balance GNA. Further, if the total demand is less than the allotted GNA, the Petitioner will have to bear the ISTS charges for at least 351 MVA irrespective of actual utilisation. Thus, the ISTS charges for GNA capacity will be in the nature of Fixed cost irrespective of actual utilisation/schedule.

ii. The term "Short term open access" has been replaced with Temporary GNA (T-GNA). A GNA applicant shall be eligible to apply for T-GNA over and above the GNA granted to it. T-GNA applications shall be applied and processed through the National Open Access Registry (NOAR). T-GNA can be applied for any period from 1-time block and up to 11 months. It is pertinent to mention that all power over and above GNA will be subjected to T-GNA charges irrespective of the GNA allocated to the State as a whole.

iii. In the earlier regime of POC charges, the Petitioner was many times not liable to pay STOA charges as the total power scheduled including the same by the other State discoms of UP was within the LTA granted to UP State. Hence, if the total demand of the State of UP is within the overall of LTA of the State of UP, the STOA charges were not levied.

iv. **Revision-** T-GNA granted under the Exigency category or under the Advance application category for a period not exceeding one month cannot be revised. T-GNA granted under the Advance category for a period of more than one month may be reduced for the balance period with prior notice of one month by the T-GNA grantee.

v. **Transmission charges for T-GNA-** Transmission charges for all drawee DICs located in the State, for the billing month shall be 1.10 times of GNA charges.

6.5.44 The Petitioner has submitted that based on the implementation of GNA Regulations w.e.f. 01.10.2023, it has considered the ISTS Charges as below Table:

TABLE 6-17: CAPACITY FOR GNA CHARGES (FY 2023-24)

Sl. No.	Period	Description	ISTS Charges
1	Apr'23 to Sep'23	LTA of 170 MW	As billed by CTU
		STOA above 170 MW	Nil
2	Oct'23 to Mar'24	GNA of 351 MW	GNA Charges @ 351 MW irrespective of actual utilisation
		STOA above 351 MW	T-GNA Charges as per Application

6.5.45 The Petitioner further submitted that as per current estimates, the transmission charges have gone up substantially. The Petitioner submitted that it is awaiting the final bill for GNA to ascertain the exact impact of the same.

6.5.46 The Petitioner has submitted the summary of the estimated Power Purchase Cost for FY 2023-24 as claimed in APR for FY 2023-24 vis-à-vis provisionally approved by the Commission vide Tariff Order dated May 24, 2023, as per the below Table:

TABLE 6-18: SUMMARY OF TOTAL POWER PURCHASE COST SUBMITTED BY THE PETITIONER FOR FY 2023-24

Sl. No.	Item	Approved in T.O dt 24.05.2023			Actual		
1	Retail Sales (MU's)	3,315.59			3,315.59		
	Source of Power Purchase	**MU's**	**Rs. / kWh**	**Amount Rs. Cr.**	**MU's**	**Rs. / kWh**	**Amount Rs. Cr.**
2	Long Term -Genco	1190.04	5.43	646.78	1191.42	5.20	618.99
3	Addnl coal & change in law	-	-	-	-	-	12.65
4	Medium Terms	881.56	5.10	449.40	852.88	4.54	386.82
5	Power Exchange	916.63	7.19	659.36	1242.67	6.72	835.06
6	Renewable Energy	601.25	5.67	340.92	342.38	5.80	198.69
7	UI/Sale	-	-	-	(39.88)	2.75	(10.96)
8	GNA and TGNA Charges	-	-	-	-	-	88.51
9	**Total Power Purchase Cost**	**3589.47**	**5.84**	**2096.47**	**3589.46**	**5.93**	**2129.75**

6.5.47 The Petitioner has submitted that the total Power Purchase Cost considered for APR FY 2023-24 is Rs. 2,129.75 Cr which includes Inter-State and Intra-State Transmission charges of Rs. 141.53 Cr and GNA & TGNA Charges of Rs. 88.51 Cr.

6.5.48 The Petitioner has requested the Commission to approve the estimated Power Purchase Cost of Rs. 2,129.75 Cr in full for FY 2023-24.

Commission’s Analysis

6.5.49 The Commission observed some deficiency in the submission made by the Petitioner and directed the Petitioner to provide the reason for the difference in Ex Bus power as per DIL MYT Order dated September 21, 2022, and in number submitted by the Petitioner.

6.5.50 The Petitioner in its reply dated March 07, 2024, submitted that in the DIL MYT Order dated September 21, 2022, the Ex-Bus Power for FY 2023-24 is provided as 1,277.54 MU. Since, FY 2023-24 includes Leap Year, the Ex-Bus power is higher as compared to 1,274.05 MU in FY 2024-25.

6.5.51 The Petitioner submitted that the header quoted in Table no. 6 of Vol. III inadvertently mentioned as FY 2023-24 whereas the same is FY 2024-25. The Commission has not approved the Ex-bus power of DIL for FY 2024-25 till now and has only approved the power up to FY 2023-24 vide its above DIL MYT Order dated September 21, 2022.

6.5.52 The Commission observes that the power purchase projected from Renewable sources has decreased by approx. 50% in FY 2023-24 as compared to FY 2022-23.

6.5.53 The Commission further observes that the Petitioner has submitted a higher quantum of power purchase under Short-Term through exchange (excluding Power Exchange {Renewable}), which is approx. 35% of the total Power procurement projected by the Petitioner.

6.5.54 The Commission will carry out the detailed analysis of Power purchase expenses for FY 2023-24 at the time of Truing-Up, subject to prudence check by the Commission.

6.6 OPERATION AND MAINTENANCE EXPENSES (O&M EXPENSES)

Petitioner's Submission

6.6.1 Operation and Maintenance (O&M) expenses comprises of Employee related costs, Administrative and General (A&G) expenses and Repair and Maintenance (R&M) expenditure and the same are governed by Regulation 45 of the UPERC MYT Regulations, 2019.

6.6.2 The Petitioner submitted that the Commission, while approving the O&M Expenses in ARR for FY 2023-24 in its Tariff Order dated May 24, 2023, computed the normative O&M expenses for base year on the basis of trued-up O&M expenses of FY 2015-16 to FY 2019-20 and has done some inadvertent arithmetical errors while computing the normative O&M Expenses for this control period and the same are as follows:

i. Error in the computation of Employee Expenses based on net trued-up employee expenses for FY 2015-16 & FY 2016-17 i.e. after deduction of employee expenses capitalized instead of gross trued-up employee expenses;

ii. Error in the computation of A&G Expenses based on trued-up expenses for

FY 2015-16 to FY 2019-20 without considering the following:

(e) Expenses incurred for compliance with directives of the State Commission,

(f) Impact of Service Tax

(g) Impact of Goods & Service Tax and

(h) Cost of Borrowing of DPS

6.6.3 The Petitioner further submitted that up to FY 2016-17, the O&M Expenses were trued-up by the Commission in accordance with Regulation 4.3 of the UPERC Distribution Tariff Regulations 2006.

6.6.4 The Petitioner further submitted that the Commission as per the MYT Regulations 2006, the O&M Expenses were computed in a consolidated manner without bifurcating the same into the A&G, R&M and Employee costs. Accordingly, the Commission approved the O&M expense for FY 2015-16 and FY 2016-17 in a consolidated manner.

6.6.5 For the purpose of computation of normative R&M Expenses, A&G Expenses and Employee expenses for the MYT Period FY 2020-21 to FY 2024-25, the Commission bifurcated the consolidated O&M expenses for FY 2015-16 & FY 2016-17 in proportion to Trued-up R&M Expenses, A&G Expenses and Employee expenses for FY 2017-18.

6.6.6 The Petitioner further submitted that the Commission, vide Tariff Order dated November 30, 2017, trued up the O&M Expenses of Rs. 45.20 Cr. for FY 2015-16 which was net of Employee Cost Capitalization of Rs. 6.90 Cr. Accordingly, the Gross O&M Expenses Trued-up for FY 2015-16 was Rs. 52.10 Cr.

6.6.7 The Petitioner also submitted that the Commission, vide Tariff Order dated January 22, 2019, trued up the O&M Expenses of Rs. 51.44 Cr. for FY 2016-17 which was net of Employee Cost Capitalization of Rs. 12.32 Cr. Accordingly, the Gross O&M Expenses Trued-up for FY 2016-17 was Rs. 63.76 Cr.

6.6.8 The Petitioner also submitted that the Commission vide its Tariff Order dated September 03, 2019, trued up the O&M Expenses of Rs. 66.36 Cr. which was net of Employee Cost Capitalization of Rs. 10.34 Cr., accordingly the Gross O&M Expenses trued-up for FY 2017-18 was Rs. 76.70 Cr. The same gross Employee Cost was considered by the Commission for FY 2017-18 for the computation of normative Employee Cost. Further, gross Employee Cost was also considered by the Commission for FY 2018-19 and FY 2019-20.

6.6.9 The Petitioner submitted that while calculating the proportionate components of A&G Exp., R&M Exp. and Employee Exp. for FY 2015-16 and FY 2016-17, the Commission, erroneously considered net Trued-up O&M expense of Rs. 45.20 Cr. and Rs. 51.44 Cr. in FY 2015-16 and FY 2016-17 respectively (after deduction of Employee Cost Capitalized) instead of gross trued-up O&M Expenses of Rs. 52.10 Cr. (FY 2015-16) and Rs. 63.76 Cr. (FY 2016-17). The Petitioner submitted the details of the computation done by the Commission as per the Table below:

TABLE 6-19: COMPUTATION OF O&M EXPENSES AS PER TARIFF ORDER DATED AUGUST 26, 2021 (Rs. Cr.)

Particulars	FY 16	FY 17	FY 18	FY 19	FY 20	Avg FY 18	Indices for FY 19 (%)	FY 19	Indices for FY 20 (%)	FY 20	Indices for FY 21 (%)	FY 21	Indices for FY 21 (%)	FY 22
Emp Exp.	15.5	17.7	26.4	29.6	35.9	25.03	5.2	26.3	6.3	28.0	5.35	29.5	6.00	31.25
R&M Exp.	22.9	26	38.8	39.9	38.6	33.22	5.2	35	6.3	37.2	2.96	38.3	2.37	39.16
A&G Exp.	6.8	7.74	11.5	12.3	13.4	10.37	5.2	10.9	6.3	11.6	2.96	10.8	2.37	12.22
O&M Excl. Fin. Chg.	**45.2**	**51.4**	**76.7**	**81.8**	**87.9**	**68.62**		**72.2**		**76.7**		**78.6**		**82.63**
Fin. Chg.	3.07	1.71	1.64	1.58	1.74	1.95	5.2	2.05	6.3	2.18	2.96	2.24	2.37	2.29
Gross O&M	**48.3**	**53.2**	**78.3**	**83.4**	**89.7**	**70.57**		**74.2**		**78.9**		**80.8**		**84.92**

6.6.10 The Petitioner has submitted that the Employee Expenses capitalized by the Petitioner are necessarily required to be deducted from the Gross Employee Expenses to arrive at the Net Employee Expenses after the determination of normative employee expense, therefore, Gross Employee Expenses need to be considered while computing the normative Employee Expenses.

6.6.11 The Petitioner further submitted that Regulation 45 of MYT Regulations, 2019 provides that the O&M expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain/loss) for the last five (5) financial years ending March 31, 2019, subject to prudence check by the Commission. In this regard, the Commission had in addition to the normative O&M expenses determined in accordance with as Distribution Tariff Regulations, 2006 and MYT Regulations, 2014 allowed additional O&M expenses incurred by the Petitioner which were not included in Normative O&M expenses as enumerated below –

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

6.6.12 The details of the expenses approved by the Commission are given below:

- The Commission, while Truing up ARR for FY 2015-16 vide the MYT Tariff Order dated November 30, 2017, approved the Expenses incurred for compliance with directives of the Commission of Rs. 0.82 Cr. and Impact of Service Tax of Rs. 1.41 Cr. separately in addition to the normative O&M Expenses. It also trued up the Cost of Borrowing for DPS of Rs. 1.44 Cr. for FY 2015-16 in its MYT Tariff Order dated November 30, 2017.

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

- The Commission, while Truing up the ARR for FY 2017-18 vide Tariff Order dated September 03, 2019, approved the Impact of Goods & Service Tax of Rs. 2.22 Cr. separately in addition to the O&M Expenses. The Commission also trued up the Cost of Borrowing for DPS of Rs. 3.33 Cr. for FY 2017-18 in the Tariff Order dated September 03, 2019.

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

6.6.14 The Petitioner also submitted that in view of the provisions of MYT Regulations 2019, the above additional O&M expenses on Compliance of directives of the State Commission, Impact of Service Tax and Impact of GST are required to be considered in the determination of normative O&M Expenses for Base Year. Accordingly, it has included the same in the computation of Average O&M Expenses for the Base Year.

6.6.15 The Petitioner has submitted that while truing up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the cost of borrowing for DPS vide the Tariff Orders dated December 04, 2020, and August 26, 2021. Aggrieved by this, it challenged the same by way of the Appeal No. 98 of 2021 and the Appeal No. 343 of 2021 respectively. Therefore, for the purpose of computation of Normative O&M Expenses, it has considered the cost of borrowing for DPS for FY 2018-19 and FY 2019-20 on the basis of claims in respective true-up Petition pending the outcome of the above appeals.

6.6.16 The Petitioner further submitted that truing up the ARR for FY 2018-19 and FY 2019-20, the Commission has not allowed the Impact of GST vide the Tariff Orders dated December 04, 2020, and August 26, 2021. Aggrieved by this, it challenged the same by way of the Appeal No.98 of 2021 and the Appeal No.343 of 2021 respectively. Therefore, for the purpose of computation of normative O&M Expenses, the Petitioner has considered the impact of GST and the cost of borrowing of DPS for FY 2018-19 and FY 2019-20 on the basis of its claims in respective true-up Petition pending outcome of the above appeals.

6.6.17 The Petitioner has requested to approve the O&M Expenses after considering gross Employee Cost and expenses approved by the Commission towards (i) Expenses incurred for compliance of directives of the Commission; (ii) Impact of Service Tax; (iii) Impact of Goods & Service Tax; and (iv) Cost of Borrowing of DPS for FY 2020-21 and FY 2021-22.

6.6.18 The Petitioner further submitted based on the above discussion and methodology as provided in Regulation 45 (a) to (e) of MYT Regulations 2019, the average of corrected trued-up values of O&M Expenses including additional O&M expenses, as enumerated above, during the last five (5) financial years i.e. FY 2015-16 to FY

2019-20 for determining values of employee costs, A&G Expenses and R&M Expenses for the middle year i.e. FY 2017-18 is provided in the below Table:

TABLE 6-20: NORMATIVE O&M EXPENSES (Rs. Cr.)

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

6.6.19 The Petitioner has submitted that in line with the norms mentioned in Regulation 45 (c), the values of each component of O&M expenses arrived in the middle year (i.e., FY 2017-18) values are further escalated to determine the normative expenses till base year i.e., FY 2019-20 as shown in the Table below:

TABLE 6-21: COMPUTATION OF NORMATIVE O&M EXPENSES FOR BASE YEAR (Rs. Cr.)

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

6.6.20 The Petitioner based on the above determined normative O&M Expenses for Base Year i.e. FY 2019-20, submitted the computation of normative O&M Expenses for FY 2023-24.

Normative Employee Expenses

6.6.21 Regulation 45.1 of the MYT Regulations, 2019 governs the determination of normative employee expenses.

6.6.22 The Petitioner has submitted that based on the above Regulation, the normative employee expenses for FY 2023-24 work out as shown in the Table below:

TABLE 6-22: EMPLOYEE EXPENSES FOR FY 2023-24 (Rs. Cr.)

Particulars	Formula	Normative Emp. Expense
Emp. Exp. for Base Year (FY 2019-20)	A	**29.62**
CPI Inflation (FY 2020-21)	B	5.35%
Emp. Exp. for FY 2020-21	C=A*(1+B)	**31.20**
CPI Inflation (FY 2021-22)	D	6.00%
Emp. Exp. for FY 2021-22	E=C*(1+D)	**33.08**
CPI Inflation (FY 2022-23)	F	5.89%
Emp. Exp. for FY 2022-23	G=E*(1+F)	**35.03**
CPI Inflation (FY 2023-24)	H	5.40%
Emp. Exp. for FY 2023-24	I=G*(1+H)	**36.92**

Administrative & General Expenses

6.6.23 Regulation 45.3 of MYT Regulations, 2019 governs the methodology for the determination of normative A&G expenses.

6.6.24 The Petitioner considering the norms as mentioned above, submitted the normative A&G expenses for FY 2023-24 as shown in the Table below:

TABLE 6-23: A&G EXPENSES FOR FY 2023-24 (Rs. Cr.)

Particulars	Formula	Normative A&G Expense
A&G Exp. for Base Year (FY 2019-20)	A	20.56
WPI Inflation (FY 2020-21)	B	2.96%
A&G Exp. for FY 2020-21	C=A*(1+B)	21.17
WPI Inflation (FY 2021-22)	D	2.42%
A&G Exp. for FY 2021-22	E=C*(1+D)	21.68
WPI Inflation (FY 2022-23)	F	5.32%
A&G Exp. for FY 2022-23	G=E*(1+F)	22.84
WPI Inflation (FY 2023-24)	H	7.90%
A&G Exp. for FY 2023-24	I=G*(1+H)	24.64

6.6.25 The Petitioner further requested in the Paragraph above on “Revenue from Sale of Electricity”, that if the Commission decides to include the Captive Consumption of both Revenue (Rs.) and Sales (MU) as part of sales, then corresponding expenses in the A&G should also be allowed as the base A&G expenses does not include expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in Revenue of FY 2020-21.

Repair and Maintenance Expenses

6.6.26 Regulation 45.2 of UPERC MYT Regulations 2019 governs the methodology for determining normative Repair and Maintenance expenses.

6.6.27 The Petitioner submitted considering the norms as mentioned above, the normative R&M expenses for FY 2023-24 work out as shown in the Table below:

TABLE 6-24: R&M EXPENSES FOR FY 2023-24 (Rs. Cr.)

Particulars	Formula	Normative R&M Expense
R&M Exp. for Base Year (FY 2019-20)	A	42.46
WPI Inflation (FY 2020-21)	B	2.96%
R&M Exp. for FY 2020-21	C=A*(1+B)	43.72
WPI Inflation (FY 2021-22)	D	2.42%
R&M Exp. for FY 2021-22	E=C*(1+D)	44.77
WPI Inflation (FY 2022-23)	F	5.32%
R&M Exp. for FY 2022-23	G=E*(1+F)	47.16
WPI Inflation (FY 2023-24)	H	7.90%
R&M Exp. for FY 2023-24	I=G*(1+H)	50.88

6.6.28 The Petitioner submitted the summary of normative O&M Expenses as computed on the basis of methodology provided in Regulation 45 of MYT Regulations, 2019 as compared to preceding years is provided in the Table below:

TABLE 6-25: SUMMARY OF O&M EXPENSES (Rs. Cr.)

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

6.6.29 The Petitioner submitted that the normative O&M expenses as per MYT Regulations, 2014 for FY 2019-20 were Rs. 106.18 Cr. whereas normative O&M expenses as per MYT Regulations, 2019 for the same FY 2019-20 is Rs. 92.64 Cr., this gap will increase in subsequent years, therefore O&M Expenses as determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 is highly insufficient, skewed as compared to MYT Regulations, 2014.

6.6.30 The Petitioner further submitted that the Commission has been pioneering in the implementation of various new regulations in the State of Uttar Pradesh. Further, the Ministry of Power has also issued several rules and regulations which are to be followed by it.

1. Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulations, 2019
2. Electricity (Rights of Consumers) Rules, 2020
3. Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019
4. Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021
5. Directions of Commission for 100% Feeder Metering
6. Cyber Security related Regulations and Directions

6.6.31 The Petitioner has given details about the above Regulations and has submitted that in order to comply with the above-mentioned Regulations and Guidelines, the Petitioner is required to purchase new hardware, software and tools and also required to recruit additional competent manpower leading to additional expenses O&M Expenses.

6.6.32 The Petitioner submitted that it would require to create infrastructure for compliance of the above regulations therefore DT and Feeder metering project is being proposed to facilitate compliance of the Directions of the Commission, Ministry of Power and Bureau of Energy Efficiency. The overall project comprises of installation and commissioning Energy Meters, LTCTs, Meter Boxes, and associated communication devices along with HES application, Software

Applications, IT Hardware, Data exchange and integration to fulfil the reporting requirements.

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

6.6.34 The Petitioner also submitted that in order to comply with the above new / amended Regulations, it required to recruit additional competent manpower leading to additional expenses on employee cost, A&G expenses and R&M Expenses. Therefore, such additional O&M expenses required to be incurred to comply with the above Regulations promulgated subsequent to the MYT Regulations 2019, need to be allowed as additional O&M expenses over and above the normative O&M expenses determined under MYT Regulations 2019.

6.6.35 The Petitioner also submitted that expenses incurred for compliance with the above rules and regulations are constituted as a "Change in Law" event as defined in Regulation 2(9) of MYT Regulations, 2019.

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

Quote

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

Unquote

6.6.37 The Petitioner submitted that it has considered the impact of such additional O&M expenses @ 50% of the R&M Expenditure for the purpose of compliance with the new/amended Regulations and Directions as described above and requested Commission to approve additional expenses equivalent to 50% of the normative R&M Expenses over and above the Normative O&M Expenses as being allowed to UPPCL's Discoms.

6.6.38 The Petitioner also submitted that the Commission vide Tariff Order dated May 24, 2023, has approved the O&M expenses at Rs. 101.92 Cr. for FY 2023-24 against which it has estimated O&M Expenses for FY 2023-24 at Rs. 191.19 Cr. which includes the additional expenditure incurred by the Petitioner for compliance of above referred additional Regulatory / SOP compliances.

6.6.39 The Petitioner submitted the approved, normative and estimated O&M Expenses for FY 2023-24 in below Table:

TABLE 6-26: O&M EXPENSES FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	Approved in T.O 24.05.2023	Normative	Estimated
1	Repair & Maintenance Expenses	49.12	50.88	70.42
2	Employees Expenses	34.60	36.92	84.12
3	Administrative & General Expenses	18.21	24.64	36.65
4	Additional R&M for SOP Compliance etc.	-	25.44	Included above
5	**Total O&M Expenses**	**101.92**	**137.88**	**191.19**
Note: Total may not tally due to rounding offs				

6.6.40 The Petitioner has submitted that the above-shown A&G Expenses of Rs. 36.65 Cr. include Finance Charges of Rs. 3.18 Cr. in line with Regulation 45 of MYT

Regulations, 2019.

6.6.41 The Petitioner also submitted that the above Table that the O&M Expenses as determined on the basis of norms provided in Regulation-45 of MYT Regulations, 2019 is highly insufficient, skewed and is not reflective of the actual expenses in accordance with the business parameters as there is a huge gap between the estimated O&M expenses and the amount approved by the Commission on normative basis in accordance with the Regulation 45 of MYT Regulations, 2019.

6.6.42 The Petitioner also submitted that the above referred A&G Expenses include Finance Charges of Rs.3.18 Cr. comprising expenses as detailed here-in-below:

1) **Loan Processing Charges:** The Petitioner has negotiated a number of facilities in preceding years and also estimated the requirement for the ensuing year. During, FY 2023-24, the Petitioner would be incurring expenses on renewal of the existing Working Capital Facilities including LC facilities for payment security of Power Purchase Agreements in accordance with their respective terms of agreement and issuance Commercial Paper to facilitate short-term funding of regulatory asset and working capital requirement.

2) **Credit Rating Charges:** Credit rating of banking (Fund / Non-Fund based) facilities has become imperative under the Basel II Norms. As per these norms, unrated facilities will be financed at least 4.50% higher as per credit adequacy requirements in comparison with rated facilities. In order to comply with the above requirement of RBI and also to save additional 4.50% p.a. interest cost, the Petitioner has been getting its credit rating from India Rating & Research (P) Limited.

3) **Collection facilitation charges:** Continuing its efforts to provide the maximum possible facilities to the consumers, the Petitioner started various new initiatives for enabling consumers to make payments via the Internet, Virtual Accounts, National Automated Clearing House, Bharat Bill Pay System, Bharat QR, UPI, NEFT / RTGS etc. The Commission has also vide its Order dated May 29, 2015 directed the Petitioner to provide more

avenues to the consumers for payment of electricity dues through Online Mode and has also directed it to bear charges for such service up to an amount of Rs. 4,000/- per transaction. Provisions of these facilities require some expenditure which has been included in Collection Facilitation Charges. Apart from being the cost of the new initiatives, these charges are directly related to revenue and with the increase in tariff and revenue and increasing preference for Digital Payment modes by consumers, there is an increase in these charges.

4) **Other Finance Charges:** There are other bank charges as well like loan documentation charges, LC Issue Charges, banking charges and other miscellaneous charges etc. It is pertinent to mention here that the Ministry of Power vide its Order No. 23/22//2019-R&R dated June 28, 2019, mandated every Distribution Company to open a letter of credit for the desired quantum of power in favour of the Generating Company. The relevant extract of the Order is reproduced below for reference of the Commission.

Quote

" i. In accordance with Section 28 (3) (a) the NRLDC & RLDC shall despatch power only after it is intimated by the Generating Company and /Distribution Companies that a Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned Generating Company.

Unquote

6.6.43 The Petitioner has submitted that since the O&M expenses determined on the normative basis in accordance with Regulations 45 of MYT Regulations, 2019, are grossly insufficient as compared to likely expenses estimated by it and requested to consider O&M expenses for FY 2023-24 as estimated by it which are commensurate with its size of the business and also necessary to run operations efficiently owing to various factors which are beyond its control.

Capitalization of Employee Cost

6.6.44 The Petitioner has estimated to capitalize an amount of Rs. 12.00 Cr. out of the total employee cost of Rs. 84.12 Cr. estimated to be incurred during FY 2023-24, as per past practice duly approved by the Commission. In brief, for the purpose of capitalization of employee costs, the Petitioner at the time of execution of projects, records actual man hours spent by each engineer/ executive into the system / SAP Software. These hours are then matched with the cost per hour of that employee by the software itself and the actual employee cost so incurred, is capitalized along with the specific project. It is pertinent to mention that the entire process of its project/financial accounting is through SAP, and there is the least manual intervention in the computation of expenses to be capitalized. These man-hours and costs are duly verified by its Statutory Auditors in detail and are approved by the Board of Directors of the Petitioner subsequently.

6.6.45 The Petitioner has requested the Commission to approve the capitalization of employee cost at Rs. 12.00 Cr. during FY 2023-24.

6.6.46 The Petitioner has requested the Commission to approve the net O&M expenses at Rs. 179.19 Cr. for FY 2023-24 estimated by subject to truing up in future as provided in the Table below:

TABLE 6-27: O&M EXPENSES FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	Approved in T.O 24.05.2023	Normative	Estimated
1	Repair & Maintenance Expenses	49.12	50.88	70.42
2	Employees Expenses	34.60	36.92	84.12
3	Administrative & General Expenses	18.21	24.64	36.65
4	Additional R&M for SOP Compliance etc.	-	25.44	Incl. above
5	**Total O&M Expenses**	**101.92**	**137.88**	**191.19**
6	Employee Cost Capitalised	(12.00)	(12.00)	(12.00)
7	**Net O&M Expenses**	**89.92**	**125.88**	**179.19**
Note: Total may not tally due to rounding offs				

Commission's Analysis

6.6.47 Regulation 45 of MYT Regulations, 2019, stipulates the detailed methodology for the determination of O&M expenses for the Control Period from FY 2020-21 to FY

2024-25.

6.6.48 With regard to the Petitioner's claim towards additional expenses for compliance with newly promulgated Regulations over and above the normative expenses as being allowed to UPPCL's Discoms also, the Commission is of the view that there is no comparison in the operations of the 5 State Discoms & the Petitioner. The State Discoms cover almost the full state & have a vast network with high losses & also a non-favourable consumer mix as compared to the Petitioner. Taking the same into consideration the Commission does not approve the claim of the Petitioner in regard to allowing the additional cost (O&M), as done for State Discoms.

6.6.49 With regard to Employee expenses, A&G expenses and R&M expenses, the Commission has provisionally computed normative value considering the normative employee expenses, A&G expenses and R&M expenses as computed for True-Up and inflation index as per the provisions of MYT Regulations, 2019. The normative employee expenses, A&G expenses and R&M expenses computed for FY 2023-24 will be considered as the base value for FY 2024-25, detailed computation is shown in the subsequent Chapter.

Table 6-28: O&M EXPENSES COMPUTED BY THE COMMISSION FOR FY 2023-24

Sl No	Particulars	FY 2023-24			
		Approved in TO for FY 2023-24 dated 24.05.23	Normative (Petitioner)	Claimed	Computed by Commission
1	Employee Expenses	34.60	36.92	84.12	34.65
2	Repair & Maintenance Expenses	49.12	50.88	70.42	51.03
3	Administrative & General Expenses	18.21	24.64	36.65	18.91
5	**Gross O&M Expenses**	**101.93**	**112.44**	**191.19**	**104.59**
6	Less: Employee Expenses capitalized	12.00	12.00	12.00	12.00
7	Add: Additional R&M for SOP Compliance	0.00	25.44	-	-
8	**Net O&M Expenses**	**89.93**	**125.88**	**179.19**	**92.59**

6.6.50 Further, the analysis of actual O&M expenses for FY 2023-24 will be carried out at the time of True-Up proceedings based on actual data & Annual Audited Accounts of the Petitioner.

6.7 CAPITAL EXPENDITURE

Petitioner's Submission

6.7.1 The Petitioner submitted considering various existing and upcoming Government & Private projects in and around Greater Noida and based on the Demand Estimates for FY 2023-24, the Petitioner had submitted a total capital expenditure for Rs. 326.42 Cr vide Petition No. 1919 of 2022. The Commission vide Order dated 24.05.2023 has approved an overall capital expenditure of Rs. 268.61 Cr. Based on the current developments, land availability and various stages of project execution, the Petitioner hereby submits its revised capital expenditure plan for FY 2023-24 at Rs. 216.99 Cr. (excluding assets handed over by GNIDA & Other and without reducing Capital Contribution).

6.7.2 The Petitioner submitted that power evacuation from new/upcoming 220 kV & 132 kV Grid Substations being constructed at Greater Noida during FY 2023-24 & FY 2024-25.

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

ii) Subsequently, the Petitioner filed the Petition for the approval of the aforesaid scheme through Petition No. 1950 of 2023 dated January 6, 2023, before the Commission.

iii) The Commission vide its Order dated June 19, 2023, has approved the cost of the scheme as follows in the Table below:

TABLE 6-29: APPROVED CAPITAL EXPENDITURE FOR FY 2023-24 & FY 2024-25 ABOVE RS 10 CR IN ORDER DATED JUNE 19, 2023

S. No.	Particulars	Amount in Rs. Cr.	
		FY 2023-24	FY 2024-25
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	10.38

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

iv) The Petitioner submitted that it has floated the tenders for Civil work on 6th July 2023 and for Major Equipment (GIS, AIS, Transformer, Cables etc.) on 10th July 2023.

v) The Petitioner has also acquired 3 no. of lands required for construction of proposed substations in FY 2023-24 but the cost varies due to revision of rates by GNIDA. The approved cost for the same and the actual amount incurred by the Petitioner are given in the below Table.

TABLE 6-30: ACQUIRED LAND DETAILS FOR THE POWER EVACUATION SCHEME

Sl. No.	Land Details	Area in Sq. Mtr.	Approved Amount in Rs. Cr.	Estimated amount in Rs. Cr.
1	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at **Sector 4**, Greater Noida West	2,057	4.06	5.94
2	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at **Sector Ecotech-8**, Greater Noida	1,500	2.04	4.53
3	Land for 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at **Sector Ecotech-10**, Greater Noida	1,500	2.04	4.53
	TOTAL		**8.15**	**15.00**

vi) The Petitioner submitted that the Commission may please observe that the cost has increased by Rs. 6.85 Cr. solely due to an increase in the cost of land based on the notified rates of GNIDA.

vii) The proposed civil work has been started on 3 sites and only 80% of the work will be completed by the end of FY 2023-24, due to restrictions in the 'Graded Response Action Plan (GRAP)' imposed by the Commission of Air Quality Management for Delhi and adjoining areas (including the Licensee area of the

Petitioner). Further, evacuation work from 220kV and 132 kV substations has also been started.

viii) In Cluster 1, the Petitioner proposed to evacuate new 33kV feeders from under-construction 220kV Grid Substations at Jalpura and KP-5 area of Greater Noida with connectivity to existing and new 33/11kV Substations or 33kV Switching Stations of the Petitioner in FY 20223-24 & FY 2024-25. Out of the proposed 33kV cable length planned to be laid for Cluster-1 i.e. from 220kV Jalpura & KP-5 Grid Substations of UPPTCL in FY 2023-24, approx. 10 km of circuit length will be laid independently for connectivity to existing 33/11kV Substations for catering the load of current & future consumers and will be energized & put to use by the Petitioner at the end of FY 2023-24. Further, the remaining work of laying of cable circuit length will also be started in the current FY for the proposed and new 33/11kV Substation cum Switching Stations in Cluster-1, but the same shall be carried forwarded and put to use in FY 2024-25 along with its energization and load flow. Further, the work for the installation of 33kV isolators and 33kV import feeder metering will also be carried out at the site for evacuation of power from above said 220kV Grid Substations of UPPTCL during the current FY 2023-24 and will be capitalized in the FY 2023-24 itself considering the energization of feeder in the current year itself. The details of the construction of the 33kV network to be capitalized in FY 2023-24 are given below:

TABLE 6-31: 33KV NETWORK CONSTRUCTION IN FY 2023-24

Sl. No.	Particulars	UOM	Approved		Proposed to be Capitalized in FY 2023-24		Carried forward to FY 2024-25	
			Qty	Rs. Cr.	Qty	Rs. Cr.	Qty	Rs. Cr.
1	Laying of 33kV 3CX400 sq. mm XLPE Cable for Network Development and Power Evacuation from new 220/33kV GIS Substation at Jalpura	KM	19	7.06	6	2.23	13	4.83
2	Laying of 33kV 3CX400 sq. mm XLPE Cable for Network Development and Power Evacuation from new 220/33kV GIS Substation at KP-5	KM	6	2.23	4	1.49	2	0.74
3	Isolator Installation with Chair Structure	Nos.	30	0.82	9	0.25	21	0.57
4	33 KV Import Feeder Metering	Nos.	9	0.27	9	0.27	0	-

Sl. No.	Particulars	UOM	Approved		Proposed to be Capitalized in FY 2023-24		Carried forward to FY 2024-25	
			Qty	Rs. Cr.	Qty	Rs. Cr.	Qty	Rs. Cr.
	TOTAL			**10.4**		**4.23**		**6.15**

ix) The Petitioner submitted that the Commission may please note that the above capitalization of Rs. 4.23 Cr. proposed in FY 2023-24 will be put to use in FY 2023-24 itself.

x) The Petitioner submitted that the balance electrical & substation construction work will only commence once the civil construction is completed. Therefore, the substations planned to be constructed in FY 2023-24 will only be commissioned in Q1 / Q2 of FY 2024-25. Hence, the capitalization of the same is carried forward from FY 2023-24 to FY 2024-25.

xi) The Petitioner also floated the tender for the rest of the proposed substations and estimated that all substations under the aforesaid scheme will be commissioned by the end of FY 2024-25.

xii) The Petitioner requested the Commission to allow it to capitalize the substations in FY 2024-25 which were earlier proposed in FY 2023-24.

6.7.3 The Petitioner submitted that Regulation 44.2 of the MYT Regulations, 2021 provides as under:

Quote

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

Unquote

6.7.4 The Petitioner further submitted the item-wise details of the capital expenditure projects of value exceeding Rs. 10 Cr. and the capital expenditure projects of value not exceeding Rs. 10 Cr. are given in the Tables below:

6.7.5 The Petitioner submitted that the part of capital expenditure projects of value exceeding Rs. 10 Cr. already approved by the Commission in its Order dated June 19, 2023, passed in Petition No. 1950 of 2023 (FY 2023-24) is 19.23 Cr.

TABLE 6-32: CAPITAL EXPENDITURE PROJECTS OF VALUE NOT EXCEEDING RS. 10 CR. (FY 2023-24) (RS. CR.)

Sl. No.	Nature of Works	Approved in T.O 24.05.2023	Estimated
1	New Connections, Replacement Stock & Metering	181.28	83.34
2	Substations, Transformers, 33kV, 11 kV & LT Network		59.94
3	Loss Control Activity		10.57
4	Process System Automation		4.38
5	IT Projects		9.62
6	Civil Works & Office Infrastructure Facility		7.70
7	Tools & Testing Equipment		1.70
8	Vehicles		2.99
9	Demand Side Management & Sustainability		2.10
10	Lease Hold Land		3.41
11	**Sub-Total**	**181.28**	**185.76**
Note: Total may not tally due to rounding-off			

TABLE 6-33: TOTAL CAPITAL EXPENDITURE PROJECTS (FY 2023-24) (RS. CR.)

Sl. No	Nature of Works	Approved in T.O 24.05.2023	Projected
1	Capital Expenditure Projects of value exceeding Rs. 10 Cr.	87.33	19.2
2	Capital Expenditure Projects of value not exceeding Rs. 10 Cr.	181.28	186
3	**Subtotal**		**205**
4	Add: Salary Capitalisation		12
5	**Total**	**268.61**	**217**
6	Less: Consumer Contribution	59.42	52.8
7	Less: Asset Retirement (net of consumer contribution funded assets)	8.6	6.2
8	**Net Capital Expenditure**	**200.59**	**158**
9	Add: Assets taken over from GNIDA & Other Agencies	1	1
10	**Grand Total**	**201.59**	**159**
Note: Total may not tally due to rounding-off			

6.7.6 The Petitioner submitted the details of the above-proposed capital expenditure during FY 2023-24 as below:

Capital Expenditure Projects of value exceeding Rs. 10 Cr.

6.7.7 The Petitioner proposed to capitalize an amount of Rs. 19.23 Cr. (Rs. 15 Cr. towards the cost of Land & Rs. 4.23 Cr. towards the cost of 33kV Network) during FY 2023-24 from the overall cost approved for the aforesaid project. The remaining value will be carried forward and capitalized in FY 2024-25 as and when completed.

Capital Expenditure Projects of value not exceeding Rs. 10 Cr.

6.7.8 The Petitioner submitted that the capital expenditure projects of value not exceeding Rs. 10 Cr. are proposed for developing and augmenting the Distribution Network and supporting facilities of the Petitioner to meet its service obligation as defined in Code no. 4.1 and 4.2 of U.P. Electricity Supply Code, 2005 and also to meet growth in demand of electricity from its existing and future consumers.

6.7.9 The Petitioner has also submitted detailed information on other factors affecting the Capital Expenditure of value not exceeding Rs. 10 Cr. capital during FY 2023-24. The same is almost a similar submission as presented in the true-up section and is not repeated here for brevity purposes as the Commission shall do a detailed analysis of each ARR component during the true-up of FY 2023-24. A summary of the capex submitted by the Petitioner is given in the Table below:

Table 6-34: CAPEX PROJECTED FOR FY 2023-24

Sr. No	Brief Description	Amount (Rs. Cr.)
1.	New Connections, Replacement Stock & Metering	83.34
2.	Substations, Transformers, 33kV, 11 kV & LT Network	59.94
3.	Network improvement initiative, Loss Control Activities	10.57
4.	Process System Automation	4.38
5.	IT projects	9.62
6.	Civil Works & Office Infrastructure Facility	7.70
7.	Tools & Testing Equipment	1.70
8.	Vehicles	2.99
9.	DSM & Sustainability	2.10
10.	Leasehold land	3.41

6.7.10 The Petitioner gave a brief description of the above projects and submitted that none of the abovementioned CAPEX will exceed Rs. 10 Cr. and therefore, the provisions of Regulation 44.2 of the MYT Regulations, 2019 regarding prior approval is not applicable.

6.7.11 The Petitioner has submitted that Regulation 20.1 of the MYT Regulations, 2019 provides the treatment for financing the Capital Expenditure incurred by the Licensee.

6.7.12 As per Regulation 20.1 of the MYT Regulations, 2019, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after the deduction of consumer contribution from total capital expenditure. During FY 2023-24, the Petitioner has estimated to receive Consumer Contributions of Rs. 52.82 Cr. against the total Capital Expenditure of Rs. 216.99 Cr.

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

6.7.14 Since the Debt and Equity are allowed only on Net Capital Expenditure, it is necessary that for reducing the Debt and Equity w.r.t. Retired Assets, the value of such retired assets shall also be considered net of corresponding Consumer Contribution instead of gross value.

6.7.15 The Petitioner has submitted that during FY 2023-24, it is estimated that assets having a gross value of Rs. 10.70 Cr. would retire out of which Rs. 4.50 Cr. is estimated to be assets funded from consumer contribution.

6.7.16 Thus, the net Capital Expenditure for FY 2023-24 is estimated to be Rs. 164.17 Cr. (i.e. Rs. 216.99 Cr minus Rs. 52.82 Cr.) and against this net Capital Expenditure, the net value of Retired Asset would be Rs. 6.20 Cr. (i.e. Rs. 10.70 Cr minus Rs. 4.70 Cr.)

6.7.17 Thus, the Capital Expenditure as estimated by the Petitioner after adjustment of consumer contributions for FY 2023-24 is only Rs. 157.97 Cr is given below:

TABLE 6-35: CAPITAL EXPENDITURE (FY 2023-24) (RS. CR.)

Particulars	Ref.	Approved in T.O 24.05.2023	Actual	
Total Additions to Assets	a	268.61		216.99
Assets Retired	b	8.60	10.70	
Less: Retired Assets funded from Consumer Contribution	c	-	4.50	
Net Assets Retired	d=b-c	8.60		6.20
Net Capex	**e=a-d**	**260.01**		**210.79**
Consumer Contribution	f	59.42		52.82

Particulars	Ref.	Approved in T.O 24.05.2023	Actual	
Net Capex	**g=e-f**	**200.59**		**157.97**
Debt - 70%	h=g x 70%	140.41		110.58
Equity- 30%	i=g x 30%	60.18		47.39
Note: Total may not tally due to rounding-off				

6.7.18 The Petitioner requested the Commission to approve the above Capital Expenditure plan.

Commission's Analysis

6.7.19 The Commission observes that the Net Capital expenditure estimated by the Petitioner for FY 2023-24 is Rs. 157.97 Cr. as against Rs. 200.59 Cr. approved by the Commission in its Order dated July 20, 2022.

6.7.20 The Commission observes that the Petitioner has claimed Rs. 2.28 Cr. for the purchase of Leasehold Land for the construction of Outdoor Safety Training Yard in FY 2023-24. In this regard, the Commission directed the Petitioner to submit the cost of construction and other expenses incurred on this Leasehold land and provide line items in the Fixed Asset Register (FAR) where these costs have been booked.

6.7.21 The Petitioner in its reply submitted that during FY 2022-23, GNIDA allotted a plot at ESS, Sector P-5, Builders Area, Greater Noida. The registration for the land was done in July-22 and, therefore, the same was capitalised during FY 2022-23. Accordingly, the Capital Expenditure of Rs. 2.28 Cr incurred during FY 2022-23 comprises the cost in respect of cost of land, registration charges, stamp duty, one-time Lease Rent etc. (as per current approved rates of GNIDA).

6.7.22 Further, the Petitioner has proposed to build an outdoor safety training yard for skill development and requisite training of supervisors/engineers for enhancing the safety & quality at the workplace on this land in FY 2023-24. The same has been built and put to use on 31st December 2023. The following is the extract from FAR in which expenses incurred for construction and other activities on this leasehold land are mentioned:

TABLE 6-36: EXPENSE ON LEASEHOLD LAND

Project Number	Asset	Asset Description	Capitalized On	Location	Quantity	UOM	Amount in Rs.
PR23SAFETYTRACNT	12000149	Porta Cabin of Safety Training Centre P5	31-12-2023	P5	1	LOC	2,73,100.00
	12000150	Civil Work of Safety Training Centre P5	31-12-2023	P5	1	LOC	14,68,347.22
	19005634	Electrical Work of Safety Training Centre	31-12-2023	P5	1	LOC	10,68,413.85
TOTAL							**28,09,861.07**

6.7.23 The closing CWIP of FY 2022-23 as approved in True-Up has been considered as opening CWIP for FY 2023-24. The Commission has provisionally considered the investment as submitted by the Petitioner. Moreover, considering the approach taken in the True-Up of this Order, the Commission has provisionally considered capitalization (asset addition during the year) for FY 2023-24 as submitted by the Petitioner to arrive at the closing CWIP for FY 2023-24. Closing CWIP computed for FY 2023-24 will be the opening CWIP for FY 2024-25, detailed computation of CWIP is shown in the subsequent Chapter.

6.7.24 Further analysis of Capital Investment for FY 2023-24 will be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner and as per Regulation 44 of MYT Regulations, 2019.

6.8 INTEREST & FINANCE CHARGE

6.8.1 Interest and Finance Charges covers the following cost elements

- Interest on Long Term Loans
- Interest on Working Capital
- Interest on Security Deposits
- Finance Charges

6.9 INTEREST ON LONG-TERM LOANS

Petitioner's Submission

6.9.1 The Petitioner has submitted that in its ARR Petition No. 1919/2022 submitted a total capital expenditure of Rs. 326.42 Cr. against which the Commission approved

Rs. 268.61 Cr in its Tariff Order dated May 24, 2023. Accordingly, the Commission approved the interest on term loans at Rs. 45.81 Cr based on the approved debt requirement of Rs. 140.41 Cr for FY 2023-24.

6.9.2 The Petitioner has submitted that since FY 2020-21 is the first year of the Control Period FY 2020-21 to FY 2024-25 governed by MYT Regulations, 2019, it is relevant to refer to Regulation 20.2 and Regulation 23.2 which provides methodology for determination of Opening Debt and Equity for the Control Period.

6.9.3 The Petitioner further submitted that as it can be seen from the above and also in Petitioner's earlier submissions on True-up for FY 2021-22 and FY 2022-23, based on Regulation 20.2 of the MYT Regulations, the Debt and Equity as at end of FY 2020-21 shall be considered as Opening Debt and Equity for FY 2021-22. However, as the Commission is aware that the Petitioner has filed appeals against Tariff Orders dated December 4, 2020, August 26, 2021, July 20, 2022, and May 24. 2023 before the Hon'ble APTEL, it has considered the Debt and Equity as per its True-up Petition/submission for determination of Interest on Term Loan for FY 2023-24.

6.9.4 The Petitioner has submitted that on the basis of Capital Expenditures for FY 2019-20 to FY 2022-23 as claimed by the Petitioner as well as stipulated debt equity of 70:30, the opening normative net debt for FY 2023-24 works out to Rs. 519.64 Cr.

6.9.5 The Petitioner has submitted the summary of Interest on Term Loan (normative) for FY 2023-24 based on above referred Opening Debt and Additional Debt Requirement of Rs. 110.58 Cr for FY 2023-24 is given in the Table below:

TABLE 6-37: COMPUTATION OF INTEREST ON TERM LOAN (RS CR.)

Sl No	Loan Computation	Ref.	Approved in T.O 24.05.2023	Estimated
1	**Net Normative Loan – Opening**	**a**	**418.35**	**519.64**
2	Increase/Decrease due to Additional Capital Expenditure during the Year	b	140.41	110.58
3	Repayments of Normative Loan during the year	c	52.50	68.39
4	**Net Normative Loan – Closing**	**d=a+b-c**	**506.26**	**561.83**
5	Average Normative Loan	e=(a+d)/2	462.30	540.74
6	Weighted average Rate of Interest on actual Loans	F	9.91%	9.91%
7	**Interest on Normative loan**	**g=e x f**	**45.81**	**53.60**

6.9.6 The Petitioner submitted that since they do not have any actual term loan outstanding during FY 2023-24, therefore in accordance with the above regulation, the last available weighted average rate of interest for the term loan has been considered for determination of normative interest on the term loan for FY 2023-24.

6.9.7 The Petitioner submitted that the total normative interest on Term Loans comes at Rs. 53.60 Cr for APR of FY 2023-24, which is submitted for the kind approval of the Commission.

Commission's Analysis

6.9.8 The Commission observes that the Petitioner has considered the weighted average interest rate as approved by the Commission in the Tariff Order for FY 2023-24 dated May 24, 2023.

6.9.9 The Commission has discussed the detailed approach taken for the computation of opening loan balance while doing True Up for FY 2022-23. The opening loan balance for FY 2023-24 is considered as the closing normative loan balance of FY 2022-23 as approved in this Order. Subsequent normative loan addition during the FY 2023-24 is considered as 70% of net GFA addition excluding Consumer Contribution to derive the closing loan balance for FY 2023-24. The interest rate is considered as 9.91% as approved while truing up for FY 2022-23. Further, the allowable net depreciation for the year has been considered for normative loan repayment. Accordingly, the interest on Long Term-Loan provisionally considered by the Commission for FY 2023-24 is shown in the Table below:

Table 6-38: INTEREST ON LONG-TERM LOAN COMPUTED BY THE COMMISSION FOR FY 2023-24 (Rs. Cr.)

Particulars	Approved in Tariff Order dated May 24, 2023	Claimed	Computed by Commission
Opening Loan	**418.35**	**519.64**	**397.07**
Loan Additions (70% of Capitalisation)	140.41	110.58	97.69
Less: Repayments (Depreciation allowable for the year)	52.50	68.39	49.18
Closing Loan Balance	**506.26**	**561.83**	**445.58**
Average Balance of Normative Loan	**462.30**	**540.74**	**421.33**
Rate of Interest	9.91%	9.91%	9.91%
Interest on Long-Term loans	**45.81**	**53.60**	**41.75**

6.9.10 The Commission has considered the normative closing loan balance of APR year FY

2023-24 derived above as the opening loan balance for FY 2024-25.

6.9.11 Further, the detailed analysis of the Interest on Long Term Loans for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.10 INTEREST ON WORKING CAPITAL

Petitioner's Submission

6.10.1 Regulation 25.2 of the MYT Regulations, 2019 specifies and governs the Interest on Working Capital.

6.10.2 The Petitioner has submitted that as per the U.P. Electricity Supply Code, 2005 (as amended), the power supply bill for a month (30/31 days) needs to be raised within the next 7 days with 15 days period (due date) for payment of the same. Thereafter, the Distribution Licensee MU wait for another 15 days before disconnecting the supply of power in case of non-payment (disconnection date). Thus, it would take almost 67 days for a Distribution Licensee to recover payment of its electricity bills, assuming all the consumers pay their bills in time. However, the MYT Regulations, 2019 considers debtors equivalent to 45 days only while in MYT Regulations, 2014, debtors equivalent to two months of the expected revenue were considered as a part of the working capital requirement. Therefore, the reduction of receivables from two months to one and half months is not justified and in fact is contrary to the provisions of U.P. Electricity Supply Code, 2005.

6.10.3 The Petitioner has submitted that the Commission in its Tariff Order dated May 24, 2023, has also not considered the Electricity Duty as part of the Receivables thereby reducing the amount of Working Capital leading to disallowance of interest on working capital based on Regulation 25.2 of the MYT Regulations, 2019.

6.10.4 The Petitioner has submitted relevant excerpts of Section 4A of the U. P. Electricity (Duty) Act, 1952 which provides as under:

> *""4-A. Reimbursement of electricity duty from consumers*
>
> *……….*
>
> *(2) **For the purpose of recovering the amount of electricity duty from the consumer, the licensee** or the appointed authority, as the case may be, may*

without prejudice to any other mode of recovery, ***exercise the power*** *conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910),* ***as if the duty were*** *a charge or* ***sum due in respect of energy supplied to such consumer. ……….."***

6.10.5 The Petitioner submitted that the Commission may appreciate that in view of the above provisions of Section 4A, the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner.

6.10.6 Accordingly, disallowance of working capital interest by not considering Electricity Duty as part of Receivables is against the commercial principles and the provisions of The Electricity (Duty) Act, 1952. Therefore, the Petitioner has considered Electricity Duty as part of Receivables to determine normative Interest on Working Capital.

6.10.7 The Petitioner has submitted that the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner. Accordingly, the disallowance of working capital interest by not considering Electricity Duty as part of Receivables is against the commercial principles and the provisions of The Electricity (Duty) Act, 1952. Therefore, the Petitioner has considered Electricity Duty as part of Receivables to determine normative Interest on Working Capital.

6.10.8 Accordingly, the computation of Interest on Working Capital for FY 2023-24 submitted by the Petitioner is shown in the Table below:

TABLE 6-39: INTEREST ON WORKING CAPITAL SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Particulars	Ref	Approved in T.O 24.05.2023	Estimated
O&M expenses for 1 month	a	7.49	14.93
One-and-a-half-month equivalent of expected revenue from distribution tariff	b	301.65	311.42
Maintenance spares @ 40% of the R&M Expense for 2 Months	c	3.27	4.69
Gross Total	**d=a+b+c**	**312.42**	**331.05**

Particulars	Ref	Approved in T.O 24.05.2023	Estimated
Security Deposits from Consumers			
Opening Balance	e	322.56	324.88
Received during the year (Net of Refunds)	f	31.87	20.30
Closing Balance	g=e+f	354.43	**345.19**
Average Security Deposit	**h=(e+g)/2**	**338.49**	**335.04**
Security Deposit with UPPCL	I	11.28	11.28
Net Security Deposits from Consumers	**j=h-i**	**327.21**	**323.76**
Net Working Capital	**k=d-j**	(14.79)	7.29
Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	10.20%	10.29%
Interest on Total Working Capital	**m=k*l**	**-**	**0.75**

6.10.9 The Petitioner has submitted that as per the practice followed by the Commission in its various Tariff Orders of the Petitioner, latest being dated May 24, 2023, the security deposit of Rs. 11.28 Cr passed on to UPPCL till FY 2005-06 in accordance with past arrangement, has been deducted from the total Security Deposit available with the Petitioner while computing working capital requirement as the same are not available at the disposal of the Petitioner for meeting its working capital requirements.

6.10.10 The Petitioner has submitted that the above Table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of Commission and Hon'ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional power by UPPCL which is pending before the Hon'ble Supreme Court of India.

Commission's Analysis

6.10.11 The Commission has computed the Interest on working capital as per the below Table:

Particulars	FY 2023-24			
	Formulae	**Approved in TO dated 24.05.2023**	**Claimed**	**Computed**
One month's O&M Expenses	A	7.49	14.93	7.72
Maintenance spares @ 40% of R&M expenses for two months	B	3.27	4.69	3.40
One and half month equivalent of the expected revenue from charges for use of Distribution systems at the prevailing Tariff (excluding electricity duty)	C	301.65	311.42	297.35

Particulars	FY 2023-24			
	Formulae	Approved in TO dated 24.05.2023	Claimed	Computed
Gross Total	**D=A+B+C**	**312.41**	**331.05**	**308.47**
Less: Total Security Deposits by the consumers				
Opening Balance	E	322.56	324.89	324.89
Received during the year	F	31.87	20.30	20.30
Closing Balance	G=E+F	354.43	345.19	345.19
Average Balance of Security Deposit	**H=(E+G)/2**	**327.22**	**335.04**	**335.04**
Less: Security Deposit with UPPCL	I	11.28	11.28	11.28
Net Security Deposits by the Consumers	J=H-I	327.21	323.76	323.76
Net Working Capital	**K=D-J**	**(14.79)**	**7.29**	**(15.28)**
Rate of Interest for Working Capital	L	**10.20%**	**10.29%**	**10.20%**
Interest on Total Working Capital	**M=K*L**	**0.00**	**0.75**	**0.00**

6.10.12 The analysis of the Interest on Working Capital for FY 2023-24 would be carried out during True-Up proceedings based on actual data and the Annual Audited Accounts of the Petitioner.

6.11 INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

6.11.1 The Petitioner has submitted that Regulation 25.2 (c) of the MYT Regulations, 2019 provides that the Licensee shall pay interest equivalent to the bank rate or more on the consumer security deposits, as may be specified by the Commission. The Commission vide its Tariff Order dated May 24, 2023, has approved the Interest on Security Deposit @ 4.25% p.a. Accordingly, based on the RBI's Bank Rate prevailing on April 01, 2023, i.e., 6.75% p.a. as also approved by the Commission, the interest payable on security deposit from consumers during FY 2023-24 is given below:

TABLE 6-40: INTEREST ON SECURITY DEPOSIT (2023-24) (RS. CR.)

Particulars	Ref.	Approved in T.O 24.05.2023	Estimated
Opening Balance of Security Deposit	a	322.56	324.88
Addition During the year	b	31.87	20.30
Closing Balance for Security Deposit	c=a+b	354.43	345.19
Average Balance for Security Deposit	**d=(a+c)/2**	**338.50**	**335.04**
Rate of Interest	e	4.25%	6.75%

Interest payable on Security Deposit	**f = d x e**	**14.39**	**22.61**

Commission's Analysis

6.11.2 The Commission observes that the Petitioner has considered the RBI's Bank Rate of 6.75% per annum, for the computation of rate of interest payable on security deposit from consumers during FY 2023-24.

6.11.3 Further, the analysis of the interest on Security Deposit for FY 2023-24 would be carried out during True-Up proceedings based on the annual audited balance sheet of the Petitioner.

6.12 TOTAL INTEREST COST

Petitioner's Submission

6.12.1 As discussed above, the details of total interest and finance charges estimated for FY 2023-24 are given in the Table below:

TABLE 6-41: TOTAL INTEREST AND FINANCE CHARGES SUBMITTED FOR FY 2023-24 (RS. CR.)

Sl. No.	Description	Tariff Order for FY 2023-24 dated 24.05.2023	Claimed in APR
1	Interest on Long-Term loans	45.81	53.60
2	Interest on working capital facilities	-	0.75
3	Interest on security deposit	14.39	22.61
4	**Total Interest & Fin. Charges**	**60.20**	**76.96**

Commission's Analysis

6.12.2 The Commission observes that the total Interest and finance cost for FY 2023-24 is higher than that approved by the Commission vide Tariff Order dated May 24, 2023, for FY 2023-24.

6.12.3 The analysis of finance charges if any for FY 2023-24 will be carried out as per Regulations 34, MYT Regulations, 2019 during True-Up proceedings after receipt of actual data and Annual Audited Accounts of the Petitioner.

6.13 GROSS FIXED ASSETS (GFA) AND DEPRECIATION

Petitioner's Submission

6.13.1 The Petitioner has submitted that the computation of GFA for FY 2023-24 is shown in the Table below:

TABLE 6-42: GROSS FIXED ASSETS SUBMITTED BY THE PETITIONER FOR FY 2023-24 (RS. CR.)

Sl. No.	Description	Approved	Estimated		
			GFA till 01.04.2020	GFA added after 01.04.2020	Closing GFA FY 2023-24
1	Opening Balance	1,636.93	1,659.79	433.18	**2,092.97**
2	Addition during the Year	268.61	-	216.99	**216.99**
3	Retirement during the Year	8.60	10.70	-	**10.70**
4	**Closing Balance**	**1,896.94**	**1649.09**	**650.17**	**2,299.26**
** Excluding assets taken over from GNIDA, UPSIDC & Otherwise*					

6.13.2 The Petitioner has submitted that the above additions to the GFA do not include the assets handed over by other agencies GNID, UPSIDC, DIMC etc. for distribution of electricity to its consumers and maintenance thereof.

6.13.3 The Petitioner further submitted that the Commission vide its Tariff Order dated December 04, 2020, directed the Petitioner to maintain separate individual asset-wise FAR for assets capitalised after April 01, 2020, so that the Gross Block and Depreciation may be computed separately from the Gross Block before April 01, 2020. In this regard, the Petitioner submitted that it maintains its Fixed Asset Register in the renowned SAP-ERP system. The details of each fixed asset have been entered into the SAP-ERP and the applicable Depreciation Rate, Method & Extent as provided in MYT Regulations, 2014 and MYT Regulations, 2019 been defined as a parameter in the SAP-ERP. Hence, the Depreciation is computed by the SAP-ERP system strictly as per the rates and method defined in MYT Regulations, 2019 up to the maximum limit of 90%. The SAP-ERP generates the FAR comprising the Gross Block, Date of Acquisition, Rate of Depreciation, Addition to Gross Block, Assets Retired, Depreciation for the year, Accumulated Depreciation etc. The Petitioner submitted that it prepares its Audited Financial Statement on the basis of such system-generated FAR only. The depreciation so arrived at, is being sample checked manually for accuracy. Thus, the Depreciation is computed by the SAP-ERP on the basis of defined parameters which meet the direction of the Commission for separate computation of Depreciation on Gross Block.

6.13.4 The Petitioner has submitted that the Commission in Tariff Order dated May 24, 2023, while approving the ARR for FY 2023-24 has computed the Depreciation on the basis of the average of Gross Block as against individual assets, therefore, the Petitioner has claimed the Depreciation as per the methodology followed by the Commission.

6.13.5 The summary of Depreciation as submitted by the Petitioner for FY 2023-24 is shown in the Table below:

TABLE 6-43: DEPRECIATION SUBMITTED BY THE PETITIONER FOR FY 2023-24 (RS. CR.)

Sl. No.	Description	Approved in T.O. dt. 24.05.2023	Estimated
1	Depreciation on Gross Block till 01.04.2020	69.87	56.43
2	Depreciation on Gross Block after 01.04.2020		30.44
3	**Gross Depreciation for the Year**	**69.87**	**86.87**
4	Less: Depreciation on Consumer Contribution	17.36	18.48
5	**Net Depreciation**	**52.50**	**68.39**

Commission's Analysis

6.13.6 The Commission observes that the closing balance of GFA as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated May 24, 2023, for FY 2023-24.

6.13.7 The Commission has considered the opening GFA for FY 2023-24 equal to the closing GFA of FY 2022-23 as approved in the True-Up of FY 2022-23. Moreover, considering the approach taken in the True-Up of this Order, the Commission has provisionally considered GFA addition for the year FY 2023-24 as submitted by the Petitioner. Furthermore, the closing value of GFA for FY 2023-24 has been considered as the opening GFA for FY 2024-25.

Table 6-44: GFA COMPUTED BY COMMISSION FOR FY 2023-24 (Rs. Cr.)

Particulars	FY 2023-24		
	Approved in TO dated 24.05.2023	Claimed	Computation
Opening GFA	**1621.78**	**2092.97**	**1630.07**
Addition to GFA (Claimed)	326.42	216.99	216.99
Less: Capitalisation of Land			*18.41*
GFA Addition(Claimed vis-à-vis Approved)	**326.42**	**216.99**	**198.58**
Deletion from GFA	11.60	10.70	10.70

Particulars	FY 2023-24		
	Approved in TO dated 24.05.2023	**Claimed**	**Computation**
Add: Retired Assets funded from Consumer Contribution		4.50	4.50
Net deletion from GFA	**11.60**	**6.20**	**6.20**
Closing GFA	**1936.60**	**2299.26**	**1817.95**
Net Capitalisation	**314.82**	**210.79**	**192.38**
Consumer Contribution	59.42	52.82	52.82
Total consumer contribution(Incl. Adj.)	**59.42**	**52.82**	**52.82**
Capitalisation to be funded (A)	**255.40**	**157.97**	**139.55**
Debt Addition (70% of A)	178.78	110.58	97.69
Equity Addition (30% of A)	76.62	47.39	41.87

Table 6-45: DEPRECIATION COMPUTED BY COMMISSION FOR FY 2023-24 (Rs. Cr.)

S. No.	Particulars	Claimed	Computed
1	Gross allowable Depreciation	86.87	67.66
2	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	18.48	18.48
3	**Net allowable Depreciation (for the year)**	**68.39**	**49.18**

6.13.8 Further, analysis of the depreciation for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.14 MISCELLANEOUS EXPENSE

Petitioner's Submission

Loss on Retirement/ Impairment of Asset:

6.14.1 The Petitioner submitted that it has estimated to incur a loss on sale/retirement of Fixed Assets during FY 2023-24 as Rs. 2.16 Cr. The Petitioner has submitted that the Commission had been approving such expenses on an actual basis.

6.14.2 The Petitioner submitted that the Commission in its Tariff Order dated December 04, 2020, while truing up the loss on the Sale of Fixed Assets under Miscellaneous expenses, stated as follows:

" 3.21.4 As regards to the Miscellaneous Expenses, the Commission noticed that the Petitioner has claimed Rs. 0.74 Cr. as Loss on sale of Fixed Assets in Miscellaneous expenses. In this regard the Commission sought the following

details:

i. Name of the Asset.
ii. Asset Installation date.
iii. Useful Life of the Asset.
iv. Depreciation claimed on the asset till date.
v. Whether depreciation claimed till 90%.

The Petitioner submitted the reconciliation for the same as shown in the Table 38 below:

Table 38 : Reconciliation of Loss on Sale of Asset as submitted by the Petitioner for FY 2018-19

Sl. No.	Description	Amount (Rs. Cr.)	Remark
1	Gross value of Assets disposed/retired	4.30	Please refer to Note-3 of Audited Accounts
2	Less: Accumulated Depreciation on Assets retired	3.23	Please refer to Note-31 of Audited Accounts
3	**WDV of Assets Retired**	**1.07**	
4	Less: Sale Proceeds	0.33	
5	**Loss on Sale of Assets**	**0.74**	

3.21.5 The MYT Regulations, 2014 provides that:

Quote

33 Non-Tariff Income

(a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.

Unquote

3.21.6 The Regulation provides for consideration of profit derived from disposal of assets to be considered under Non Tarif Income. Hence the loss derived on disposal of asset is not the part of ARR effectively. Also whenever an asset is retired / scrapped before there useful life, the Commission approves the decapitalisation and also the additional capex for replacement of such asset in the GFA and the same is approved in the ARR. Hence the allowance of such loss on sale of fixed asset will be an additional burden on the consumers. The Commission allowed the said expenditure in True Up of FY 2017-18; however, *the Commission does not intend to disturb the True Up of FY 2017-18. Hence the Commission for the True Up of FY 2018-19 disallows the loss on sale of fixed asset."*

6.14.3 The Petitioner has submitted that the approach has been continued by the Commission in Tariff Order dated 26th August 2021, 20th July 2022 and May 24, 2023.

6.14.4 The Petitioner further submitted that in view of the above observation, the Commission while approving ARR for FY 2023-24 vide Tariff Order dated May 24, 2023, did not approve the Loss on sales of Asset for FY 2023-24 as claimed by the Petitioner.

6.14.5 In reference to the above observations of the Commission, the Petitioner submitted the cycle of assets creation, retirement, and funding thereof as below:

Example:

(i) A new fixed asset is capitalized say at Rs.100/-

(ii) For funding this Asset Rs. 70 is borrowed (i.e. 70% Debt)

(iii) Remaining funds are invested by Licensee (i.e. 30% Equity)

(iv) During the lifecycle of the asset the Debt is serviced through Interest on Term Loan and Equity is serviced through RoE both of which are included in ARR

(v) Correspondingly, during the life cycle of the asset a Depreciation Reserve of Rs. 90 (i.e. maximum allowed 90%) is charged in ARR

(vi) Out of the remaining unrecovered equity of Rs.10 say Rs. 7 is realized from the sale of scrap and the remaining Rs. 3 is charged/claimed in ARR as Loss on Sale of Retired Assets.

(vii) After the completion of the life cycle such Asset's original values (i.e. Rs. 100) is reduced from GFA leading to a corresponding reduction in Debt by Rs. 70 and Equity by Rs. 30. Hence, no further Interest and RoE is allowed with respect to such asset.

(viii) Licensee utilizes the recovered Equity of Rs. 30 (i.e. Dep. Rs. 20, Scrap Sale Rs. 7 and Loss of Sale Rs. 3) for funding of new Fixed Asset along with fresh Debt to repeat the above cycle.

6.14.6 The Petitioner further submitted that it may be seen from the above example that in the form of Loss on the Sale of Asset, the Licensee is only claiming its hard-earned money which it has already invested in the creation of the Distribution Network in its license area for servicing its consumers as against erroneous presumption for the same being an additional burned to consumers. In fact, by allowing loss on the sale of asset, the Licensee is claiming to only reimburse the cost incurred by it earlier and already approved by the Commission. Hence, the cost towards loss of sale of assets is compensation towards the unrecovered cost of asset and should not be treated as an additional burden on consumers. The allowance of cost is also offset by the simultaneous reduction in cost of debt and equity by reduction of the value of such asset from Gross Fixed Asset.

6.14.7 The Petitioner has submitted that when as Asset is retired, in ARR computation the original value of the Asset (i.e. Rs. 100) is also reduced from GFA and correspondingly Rs. 30 from Equity even though it has only allowed the Licensee to recover Rs. 27 (i.e. Rs. 20 through Dep. and Rs. 7 through Sale of scrap). Thus, the decapitalization of assets actually leads to the cessation of servicing of unrecovered equity of the Licensee and thus, compensates the allowance of loss by reduction in Return on Equity.

6.14.8 Further, it may also be seen from the above example that the contention additional capex is approved for replacement of such asset in the GFA and the same is approved in the ARR is completely not valid because even Additional / Replacement Capex is funded afresh by the Licensee/Appellant in Debt Equity ratio of 70:30 and therefore, need to be legitimately allowed. Such a fresh asset has its own life cycle and cannot be compared with the older one which is retired. In fact, since the value of the retired asset is reduced in full from both Debt and Equity, the Commission is not allowing the value of replacement of assets at all.

6.14.9 Further, denial of its claim of Loss on the Sale of Assets, leaves the Licensee with less money to reinvest in Additional/Replacement Capex as well as lesser capacity to borrow, which if continued will adversely affect the consumers as the Licensee may not be able to timely replace/create necessary distribution infrastructure.

6.14.10 The Petitioner has submitted that the retirement/ sale of non-reparable/ damaged/ inefficient fixed assets is also necessary for safety as well as efficient power distribution operations. Accordingly, the Petitioner requested the Commission to approve the loss on the sale of fixed assets.

Goods and Service Tax on ancillary services

6.14.11 The Petitioner has submitted that the CBEC vide Circular No. 34/8/2018-GST dated

1st March'18 has clarified that the services as stated below when provided by DISCOMS to consumers are taxable.

i. Application fee for releasing connection of electricity
ii. Rental Charges against metering equipment
iii. Charges for duplicate bill
iv. Testing fee for meter/transformer, capacitors etc.
v. Labour charges from customers for shifting of service lines

6.14.12 Consequently, the Directorate General of GST Intelligence (DGGSTI), New Delhi issued a summon u/s 70 of CGST Act on 29th May'18, requesting the Petitioner to produce information on the amounts collected by the Petitioner from 1st July 2017 to 30th April 2018 towards abovementioned five services or any other charges collected from the customers over and above the electricity charges for the period.

6.14.13 The Petitioner filed the detailed reply in response to the summon and also filed a writ Petition before Hon'ble Allahabad High Court on 24th July'18 and challenged the above Circular issued by the Department of Revenue and summon issued by DGGSTI. Since, the matter before the Hon'ble Allahabad High Court is still pending, the Petitioner in the meantime has filed an intervention Petition on November 13, 2019, in respect of the same matter already pending before the Hon'ble Supreme Court in the case of Torrent Power Ltd. wherein the Department has filed an appeal against the judgement of Hon'ble Gujrat High Court being given in favour of Torrent Power Ltd.

6.14.14 The Petitioner has submitted that further taking abundant precaution and without prejudice to the Petitioner's rights and contentions with respect to the above writ and intervention Petitions, the Petitioner has started to levy GST on the above services from October 2018 onwards.

6.14.15 The Petitioner has submitted that depending on the outcome of the above-mentioned writ and intervention Petitions, the Petitioner in future may become liable to pay GST on the above services in respect of the duration when GST was not levied on such service.

6.14.16 The Petitioner has submitted that due to pending final adjudication of the matter, the amount payable cannot be ascertained at this stage, therefore, the Petitioner has not claimed the same in this ARR Petition and it shall claim so on an actual basis at an appropriate time.

Total Other Miscellaneous Items

6.14.17 Thus, based on the above discussion, the Petitioner requested the Commission to approve the Other Items provided below:

TABLE 6-46: OTHER MISCELLANEOUS ITEMS AS SUBMITTED BY THE PETITIONER (RS. CR.)

Sl. No.	Description	Approved in T.O 24.05.2023	Estimated
1	Loss on sales of assets	-	2.16
2	Impact of GST on ancillary services	-	-
	Total	**-**	**2.16**

Commission's Analysis

6.14.18 The Commission observes that the Petitioner for FY 2023-24 has claimed Rs. 2.16 Cr. as a loss on sale of Fixed Assets and has not ascertained any amount as of now for the impact of GST on ancillary services.

6.14.19 The Commission has not approved any miscellaneous expense for FY 2023-24 vide Tariff Order dated May 24, 2023. Further, analysis of Miscellaneous expenses for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.15 PROVISION FOR BAD AND DOUBTFUL DEBTS

Petitioner's Submission

6.15.1 The Petitioner has submitted that the estimated sales, and collection efficiency as projected in the Business Plan and in view of the debtor's profile, prudent analysis, impending political scenario affecting the collections drives and ageing analysis of receivables for FY 2023-24 and past periods the Petitioner has estimated the Provision for Write-off of Bad and Doubtful Debts for FY 2023-24.

6.15.2 The estimate of the bad debts in accordance with the policy of the Petitioner for FY 2023-24 is as provided in Table Below:

TABLE 6-47: PROVISION FOR BAD & DOUBTFUL DEBTS SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Description	Approved in T.O 24.05.2023	Claimed
1	Revenue billed for the year	2,413.23	2,378.83
2	Add: Electricity Duty @ 4.75%	0.00	112.52
3	**Gross Revenue billed for the year**	**2,413.23**	**2,491.35**
4	**Provision for Bad & Doubtful debts**	**21.75**	**49.83**
5	Provision as % of Revenue billed	0.90%	2.00%

6.15.3 The Petitioner has submitted that the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner.

6.15.4 Accordingly, the above provision for Bad & Doubtful Debts has been considered including the Electricity Duty component.

6.15.5 Since, the Petitioner's estimated provision for the Write-off of Bad and Doubtful Debts is within the norm as provided in MYT Regulations, 2019, the Commission is requested to approve and consider the same for the determination of ARR for FY 2023-24.

Commission's Analysis

6.15.6 The Commission observes that the Provision for Bad & Doubtful Debts as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated May 24, 2023, for FY 2023-24.

6.15.7 The analysis of the Provision of bad debts for FY 2023-24 would be carried out during True-Up proceedings based on actual data and the Annual Audited Accounts of the Petitioner.

6.16 INCOME TAX

Petitioner's Submission

6.16.1 The Petitioner submitted that Regulation 26 of MYT Regulations, 2019 provides for the determination of Income Tax to be considered in ARR for Control period FY 2020-21 to FY 2024-25.

6.16.2 The Petitioner submitted that, on September 20, 2019, the Central Government introduced "Taxation Laws (Amendment) Act, 2019" wherein a new Corporate Tax Rate of 25.17% including surcharge and cess has been introduced under newly inserted Section 115BAA. However, the new rate U/s 115 BAA can be availed only by foregoing some specified exemption/deduction/allowance otherwise available in the Income Tax Act, 1961 as evident from the extract of the Amendment Act reproduced below:

Quote

…..

115 BAA (2) For the purposes of sub-section (1), the total income of the company shall be computed—

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of 80b [Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA];

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and

(iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss and depreciation referred to in clause (ii) and clause (iii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year

……

Unquote

6.16.3 Considering the lower tax rate available under the Income Tax Act, the Petitioner keeping the interest of the Consumers in mind, has adopted the new tax rate and accordingly has paid Income Tax for FY 2023-24 at the rate of 25.17% as against normal tax rate of 34.94%.

6.16.4 Considering the above Regulation, the Petitioner has computed the income tax liability for FY 2023-24 as shown in the Table below:

TABLE 6-48: INCOME TAX SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Nature of Tax	Reference	Approved in T.O 24.05.2023	Claimed in APR
1	Return on Equity	a	62.17	80.63
2	Income Tax Rate	b	25.17%	25.17%
3	**Total Tax Expense**	**c=a x b/(1-b)**	**20.91**	**27.12**

6.16.5 The Petitioner has submitted that since the Income Tax Liability as shown above has been computed in accordance with MYT Regulations, 2019, the Petitioner requested the Commission to approve and consider the same for APR for FY 2023-24.

Commission's Analysis

6.16.6 The Commission observes that the Total Tax Expense as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated May 24, 2023, for FY 2023-24. Further analysis of Income Tax for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.17 CONTINGENCY RESERVE

Petitioner's Submission

6.17.1 The Petitioner submitted that Regulation 27 of the MYT Regulations, 2019 provides for and governs the appropriation of Contingency Reserve.

6.17.2 The Petitioner submitted that the Commission in its Tariff Order dated December 04, 2020, has not allowed the provision of contingency reserve to reduce the extra burden on the consumers. However, the contingency reserve is created to meet the eventualities in the nature of major calamities, Acts of God etc. thereby, causing huge losses to the network. In any case, the amount so allocated can be used with prior permission of the Commission only. Therefore, the Petitioner has considered the creation of a contingency reserve at a lower limit of 0.25% of the Opening Gross Fixed Asset as per the MYT Regulations, 2019 as shown in the Table below:

TABLE 6-49: CONTINGENCY RESERVE SUBMITTED BY THE PETITIONER FOR FY 2023-24

(Rs. Cr.)

Sl. No.	Particulars	Estimated
1	Opening GFA (at original value)	2,092.97
2	% of Opening GFA	0.25%
3	Contribution to Contingency Reserve	5.23

6.17.3 Thus, as a matter of prudent practice, the Petitioner requested the Commission to allow the provision of contingency reserve in ARR for FY 2023-24 as claimed above.

Commission's Analysis

6.17.4 The Commission has noted the same. Further analysis of the Contingency Reserve for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.18 RETURN ON EQUITY (ROE)

Petitioner's Submission

6.18.1 The Petitioner has submitted that as described above in submissions on True-up for FY 2022-23, based on Regulation 20.2 of the MYT Regulation, the Debt and Equity as at the end of FY 2021-22 shall be considered as Opening Debt and Equity for FY 2022-23. However, as the Commission is aware that the Petitioner has filed appeals against the Tariff Orders dated 4th December 2020, 26th August 2021, 20th July 2022 and 24th May 2023 before the Hon'ble APTEL, it has considered the opening balances of Debt and Equity as per its True-up Petition/submission for determination of Return on Equity for FY 2023-24.

6.18.2 The Petitioner further submitted that on the basis of Capital Expenditures for FY 2019-20 to FY 2022-23 as claimed by the Petitioner as well as stipulated debt equity of 70:30, the opening normative net Equity for FY 2023-24 works out to Rs. 513.87 Cr.

6.18.3 The Petitioner has submitted the summary of Return on Equity for FY 2023-24 based on above referred Opening Equity and equity portion of Assets Capitalised during FY 2023-24 of Rs. 157.97 Cr as below:

TABLE 6-50: COMPUTATION OF RETURN ON EQUITY SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	Ref.	Tariff Order for FY 2023-24 dated 24.05.2023	Claimed in APR
1	Regulatory Equity Base at the beginning of the year	a	384.38	513.87
2	Asset Capitalized during the year net of Consumer Contribution and Retirement	b	200.59	157.97
3	Equity portion of Assets Capitalised during the year	c	60.18	47.39
4	**Regulatory Equity Base at the end of the year**	**d=a+c**	**444.56**	**561.26**
5	Return on Opening Regulatory Equity Base @ 15%	e=ax15%	57.66	77.08
6	Return on Addition to Equity Base during the year @15%	f=cx15%/2	4.51	3.55
7	**Total Return on Equity**	**g=e+f**	**62.17**	**80.63**

Commission's Analysis

6.18.4 The Commission observes that the computation on Return on Equity as shown by the Petitioner is higher than that approved by the Commission vide Tariff Order dated May 24, 2023, for FY 2023-24.

6.18.5 The Commission has discussed the detailed approach taken for the computation of opening equity considered for FY 2022-23. The opening equity balance for FY 2023-24 is considered as the closing equity balance of FY 2022-23 as approved by the Commission in this Order. The equity addition during the FY 2023-24 is considered as 30% of net GFA addition (after considering deduction / de-capitalization and Consumer Contribution in GFA) to derive the closing base of equity for FY 2023-24.

Table 6-51: ROE COMPUTED BY THE COMMISSION FOR FY 2023-24 (RS. CR.)

Particulars	Approved in TO dated 24.05.2023	ARR Petition	Computed by Commission
Equity (Opening Balance)	384.38	513.87	374.87
Net additions during the year	60.18	47.39	41.87
Equity (Closing Balance)	444.56	561.26	416.74

Particulars	Approved in TO dated 24.05.2023	ARR Petition	Computed by Commission
Average Equity	**414.47**	**537.56**	**395.81**
Rate of Return on Equity	15.00%	15.00%	15.00%
Return on Equity	**62.17**	**80.63**	**59.37**

6.18.6 The provisionally derived closing equity base of FY 2023-24 is considered as opening equity for FY 2024-25

6.18.7 The values of APR will form the basis of the determination of ARR. The Commission has not done a prudence check of the submission made for APR, however, for determination of Return on Equity, the closing loan value approved in True-up and the equity addition during the year has been provisionally considered, detailed computation is shown in the subsequent Chapter.

6.18.8 Further, analysis of Return on Equity for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.19 NON-TARIFF INCOME

Petitioner's Submission

6.19.1 The Petitioner submitted that the non-tariff income includes income from statutory investments, miscellaneous receipts from consumers, delayed payment surcharge and various other non-tariff incomes generated by the Petitioner from other businesses. The details of such income estimated for FY 2023-24 are given in the Table below:

TABLE 6-52: NON-TARIFF INCOME AS SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. CR.)

Sl. No.	Particulars	Approved in T.O 24.05.2023	Actual
1	Income from Contingency Reserves Investments	36.90	0.14
2	Miscellaneous Receipts from Consumers		0.50
3	Miscellaneous Receipts from other sources		2.44
4	Delayed Payment Surcharge		6.80
5	Income from Telecommunication Business[#]	NA	0.04
6	**Total Non-Tariff Income**	**36.90**	**9.93**
**Total may not tally due to rounding offs*			

6.19.2 The Petitioner submitted that the Commission has issued "UP Electricity Regulatory Commission (Facilitation of Telecommunication Network) Regulations, 2022" dated November 17, 2022. As per Regulation 3.1, the Petitioner is required to inform the Commission regarding the installation of a telecommunication network on its distribution assets and income derived from such activities on an annual basis through ARR. In the said Regulations the Commission has also provided provisions regarding the Treatment of Gross Revenue from such activities.

6.19.3 Extract from the above-mentioned Regulations is provided below for the ready reference:

Quote

3. Intimation of other business :–

3.1. A distribution licensee shall inform the Commission regarding installation of telecommunication network on its distribution assets and income derived from such activities on annual basis through ARR……

4. Treatment of Gross Revenue :–

4.1. Distribution licensee can rent out its distribution assets and provide related services to telecommunication company for installation of telecommunication network including 5G network.

……..

4.5. Income from renting & related services of distribution assets shall be claimed by distribution licensee towards non-tariff income in respective tariff order in accordance with the classification given under MYT Tariff Regulations.

4.6. An amount equal to 30% from the Gross Revenue as received from the telecommunication company from renting & related services of distribution assets, in a given financial year shall be retained by the distribution licensee whereas, the remaining 70% shall be included as non-tariff income of corresponding ARR with the classification given under Multi Year Tariff Regulation.

Unquote

6.19.4 The Petitioner has submitted that in addition to the above, the Commission in its Tariff Order dated May 24, 2023, directed the Licensee to develop a business plan for upcoming opportunities from the broadband and 5G telecom companies for installation of their equipment on the electric poles and infrastructure of the Licensee.

6.19.5 In pursuance to the Commission's direction, the Petitioner submitted that it has been successful in executing a rental agreement with M/s Indian Cable Net Company Limited a registered Internet Service Provider by virtue of registration with the Department of Telecommunications (DOT), Ministry of Communications, Government of India] for installation of their network equipment in the sub-stations of the Petitioner.

6.19.6 For this purpose, M/s Indian Cable Net Company Limited using NPCL's 33kV NPCL pocket substation space by installing communication assets at 10 nos. of location. Through this collaboration Petitioner is getting Rs, 5,000 monthly rental per location excluding GST, from Apr'23 onwards and with this the Petitioner will get the revenue of Rs. 6,00,000/- in FY 2023-24.

6.19.7 Accordingly, the Petitioner has considered an amount of Rs. 4,20,000 (Rs. 0.04 Cr.) i.e. 70% of Gross revenue in the Non-Tariff Income as per provisions of the Regulation 4.6.

6.19.8 In addition to the above, the Petitioner has submitted that it is exploring other avenues for rental income from the installation of Telecom Network / 5G infrastructure.

6.19.9 The Petitioner has submitted that the other income as shown above excludes income from treasury operations as such income is generated upon the funds accrued through internal resources over earlier years. Since such income is generated out of the utilisation of internal funds of the Petitioner which are not the part of licensed business the same has not been considered as part of APR.

Commission's Analysis

6.19.10 The Commission observes that the total Non-Tariff Income as submitted by the

Petitioner is lower than that approved by the Commission vide Tariff Order dated May 24, 2023.

6.19.11 Further, analysis of Non-Tariff Income for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.20 REVENUE FROM SALE OF POWER

Petitioner's Submission

6.20.1 The Petitioner further submitted the revised estimated Revenue and average realization for FY 2023-24 based on the above approved Billing Determinants, as per the below Table:

TABLE 6-53: REVISED SALES AND REVENUE AS SUBMITTED BY THE PETITIONER FOR FY 2023-24

Category	Sales (MU's)	Revenue (Rs. Cr.)	ABR (Rs/kWh)
LMV-1: Domestic Light, Fan & Power	984	599	6.09
LMV-2: Non-Domestic Light & Fan & Power	77	73	9.56
LMV-3: Public Lamps	28	24	8.54
LMV-4: Institutions	18	14	7.70
LMV-5: Private Tube Wells	11	3	2.74
LMV 6: Small and Medium Power	130	110	8.46
LMV-7: Public Water Works	33	33	10.18
LMV-9: Temporary Supply	58	67	11.49
LMV-11: Electric Vehicle Charging	0.03	0.02	6.62
HV-1: Non-Industrial Bulk Power	372	349	9.39
HV-2: Large and Heavy Power	1,425	1052	7.38
Total	**3,136**	**2,325***	**7.41**

**Net of rebate*

6.20.2 The Petitioner has submitted that the aforesaid revenue has been computed based on the Tariff Schedule approved in the Tariff Order dated July 20, 2022, and Tariff Order dated May 24, 2023, after deducting 10% Regulatory Discount.

6.20.3 The Petitioner has submitted that it is pertinent to mention here that the Commission vide its Tariff Order dated July 20, 2022, had included the deemed revenue against the Captive Consumption of the Petitioner at the rate of LMV-4

(B) and Sales (MU) at the time of True up for FY 2020-21. Aggrieved by the aforesaid treatment, the Petitioner has filed an Appeal No. 398 of 2022 before the APTEL, which is pending adjudication.

6.20.4 Since the matter was pending with the APTEL, the Commission has not considered the deemed revenue against the Captive Consumption of the Petitioner while Truing-up ARR for FY 2021-22 vide Tariff Order dated May 24, 2023, observing as follows-

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

6.20.5 The Petitioner submitted that as the aforesaid matter is still pending before the APTEL, the Petitioner has considered the captive consumption for FY 2023-24 under Category 4(B) as per the directions of the Commission, however, the revenue has been considered at NIL value as per past practices. The Captive Consumption in MU is not included in the Sales, the same will result in incorrect computation of the Distribution Losses. The Petitioner further submitted that it is very much necessary to include the Captive Consumption in MU in the Sales. It is pertinent to mention here that earlier the Petitioner was considering the units consumed captively under the LMV-4 (A) category.

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

6.20.7 Thus, given the above, the Petitioner submitted to continue the treatment of captive consumption at NIL value as has been considered by the Commission in the Tariff Order dated May 24, 2023.

6.20.8 The Petitioner submitted that without prejudice to the above, if the Commission decides to include the Captive Consumption both in Revenue (Rs.) and Sales (MU), then the corresponding actual expenses in the A&G should also be allowed as the base A&G expenses do not include expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in the Revenue of FY 2022-23.

6.20.9 The Petitioner requested to approve the sales and revenue for FY 2023-24 as per the submissions considering captive consumption at NIL value.

Commission's Analysis

6.20.10 The analysis of Sales and Revenue for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

6.21 ARR SUMMARY & REVENUE GAP

Petitioner's Submission

6.21.1 Based on the above-mentioned Expenditure and Revenue, the Aggregate Revenue Requirement for FY 2023-24 as computed on the basis of the MYT Regulations, 2019 is given in the Table below:

TABLE 6-54: SUMMARY OF ARR SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Sl. No.	Particulars	Approved in T.O 24.05.2023	Estimate
1	Power Purchase Expenses for the Year	1,816.45	1,899.71
2	Transmission Charges	280.02	230.04
3	Net Employee cost (Incl. Retiral Benefits)	22.60	72.12
4	A&G expenses	18.21	36.65
5	R&M expenses	49.12	70.42
6	Smart Metering / DT Metering / SOP implementation OPEX	-	Incl. above
7	Interest Charges	60.20	76.96
8	Depreciation	52.50	68.39
9	Taxes (Income Tax & MAT)	20.91	27.12
10	Provision for Bad & Doubtful Debts	21.75	49.83
11	Loss on Sale of Fixed Asset	-	2.16

Sl. No.	Particulars	Approved in T.O 24.05.2023	Estimate
12	Contingency Reserve	-	5.23
13	Return on Equity	62.17	80.63
14	**Annual Revenue Requirement**	**2,403.92**	**2,619.27**
15	Less: Revenue from Existing Tariff	2,413.22	2,378.83
16	Less: Revenue from Open Excess Charges		3.19
17	Less: Non-Tariff Income	36.90	9.93
18	**Revenue Gap / (Surplus)**	**(46.20)**	**227.32**
19	Revenue Gap/ (Surplus) from Prev. Year	(1,161.62)	3.95
20	Carrying Cost of Regulatory Asset	(120.84)	12.10
21	**Total Revenue Gap /(Surplus) carried forward**	**(1,328.66)**	**243.38**

Commission's Analysis

6.21.2 The Commission observes that the claimed Aggregate Revenue Requirement for FY 2023-24 as submitted by the Petitioner is higher than that approved by the Commission vide Tariff Order dated May 24, 2023. Further, the analysis of the Aggregate Revenue Requirement (ARR) for FY 2023-24 would be carried out during True-Up proceedings based on actual data and the Annual Audited Accounts of the Petitioner.

6.22 CARRYING COST

Petitioner's Submission

6.22.1 The Petitioner has submitted that Regulation 28.5 of MYT Regulations, 2019 provides for allowance of carrying cost on regulatory assets.

6.22.2 Based on the same principles, the carrying cost of Regulatory Asset created and subsequent recoveries till FY 2023-24 is given in the Table below:

TABLE 6-55: CARRYING COST SUBMITTED BY THE PETITIONER FOR FY 2023-24 (Rs. Cr.)

Sl. No	Particulars	Ref.	Approved in T.O 24.05.2023	Estimated
1	**Regulatory Assets/(Surplus) at the beginning of the Year**	a	(1,161.62)	3.95
2	Addition to Regulatory Assets during the year	b	(46.20)	227.32
3	Closing Regulatory Assets (before Carrying cost for the year)	c=a+b	(1,207.82)	231.27
4	Average Regulatory Asset	d=(a+c)/2	(1,184.72)	117.61

Sl. No	Particulars	Ref.	Approved in T.O 24.05.2023	Estimated
5	Applicable Interest Rate for Working Capital Finance	e	10.20%	10.29%
6	**Carrying Cost of Regulatory Asset**	**f=e*d**	**(120.84)**	**12.10**

6.22.3 The Petitioner has submitted that as directed by the Hon'ble Appellate Tribunal for Electricity (APTEL), the surplus amount of Rs. 19.64 Cr. for FY 2006-07 approved by the Commission, being not available with the Petitioner, has not been adjusted in the determination of cumulative deficit.

Commission's Analysis

6.22.4 The analysis of Aggregate Revenue Requirement (ARR), Revenue Gap and corresponding carrying cost for FY 2023-24 would be carried out during True-Up proceedings based on actual data and Annual Audited Accounts of the Petitioner.

7 AGGREGATE REVENUE REQUIREMENT (ARR) OF FY 2024-25

7.1 INTRODUCTION

7.1.1 The Commission, in earlier Chapters of this Order, has undertaken Truing-Up for FY 2022-23 based on the Audited Accounts and APR for FY 2023-24. The Petitioner submitted that as per the timeline specified in Regulation 4.1 of the MYT Regulations, 2019, the Distribution Licensee was required to submit Petition for True-up for FY 2022-23, APR for FY 2023-24, and ARR for FY 2024-25 by November 30, 2023. The Petitioner filed the Petition for determination of True-Up for FY 2022-23, APR for FY 2023-24, and ARR & Tariff for FY 2024-25 on November 29, 2023.

7.1.2 In this Chapter, the Commission has discussed in detail each component of the ARR for FY 2024-25.

7.1.3 Regulation 5.6 of the MYT Regulations, 2019 specifies as under:

Quote

Based on the approved Business Plan the ARR Petition shall be filed by the Licensee that shall include forecast of ARR and expected revenue from existing Tariff. Further, the Licensee shall also submit the category/ sub-category wise proposed Tariff, that would meet the gap in the ARR, including unrecovered revenue gaps of previous years to the extent proposed to be recovered.

Unquote

7.1.4 The components of the ARR have been specified in Regulation 41 of the MYT Regulations, 2019 and the same is reproduced below:

Quote

41 Components of ARR for Distribution licensee

41.1 The wheeling charges and Tariff for retail supply of the distribution licensee shall provide for the recovery of the ARR, as approved by the commission and comprising the following components:

a) Power purchase expenses;

b) Inter-state Transmission charges;

c) Intra-state Transmission charges

d) SLDC fees & Charges

e) Operation and Maintenance expenses;

f) Depreciation;

g) Interest on Loan capital;

h) Interest on Working Capital ;

i) Provision for Bad and Doubtful Debts ;

k) Contribution to Contingency Reserves;

l) Return on Equity;

m) Income Tax;

minus:

n) Non-Tariff Income; and

o) Income from Other Business, to the extent stipulated in these regulations

Unquote

7.1.5 In the following sections, the assessment and computation of each of these components have been discussed in detail by the Commission after considering the corresponding submission made by the Petitioner.

7.2 BILLING DETERMINANTS

Petitioner's Submission

7.2.1 The Petitioner has submitted that Regulation 5.5 and Regulation 42 of MYT Regulations 2019 specify and govern the determination of billing determinants.

7.2.2 Accordingly, the Petitioner has submitted its sales estimations for FY 2024-25 forecasted as per the above-referred Regulations and submitted the same to the Commission vide its Petition No. 1526/2019 for Business Plan of Control Period FY 2020-21 to FY 2024-25. The Petitioner further submitted that the Commission vide Mid Term Review of Business Plan Order dated November 22, 2022, has approved the no. of consumers, connected load, and sales for FY 2024-25 as given in the Table below:

TABLE 7-1: SUMMARY OF BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2024-25 VIDE MID-TERM REVIEW OF BUSINESS PLAN ORDER DATED 22.11.2022 AS SUBMITTED BY THE PETITIONER

Sl. No.	Category	No. of Consumers (No.)	Connected Load (MW)	Sales (MU)
1	LMV-1: Domestic Light, Fan & Power	1,86,564	712.34	1,075.86
2	LMV-2: Non-Domestic Light & Fan & Power	5,861	54.68	67.42

Sl. No.	Category	No. of Consumers (No.)	Connected Load (MW)	Sales (MU)
3	LMV-3: Public Lamps	547	12.92	37.97
4	LMV-4: Institutions	656	8.46	23.35
5	LMV-5: Private Tube Wells	1,292	6.50	20.45
6	LMV 6: Small and Medium Power	4,123	111.38	145.22
7	LMV-7: Public Water Works	344	14.81	33.09
9	LMV-9: Temporary Supply	945	19.89	57.08
10	LMV-11: Electric Vehicle Charging	36	2.81	1.61
11	HV-1: Non-Industrial Bulk Power	309	232.58	552.13
12	HV-2: Large and Heavy Power	1,124	624.29	1,709.59
13	**Total**	**2,01,801**	**1,800.65**	**3,723.76**

7.2.3 The Petitioner has submitted that there are 118 villages in its licensed area, which has a lot of migrant labour/encroachers who often are found indulging in the theft of electricity. Apart from the above, due to ongoing development activities, the land (though acquired by GNIDA) continues to be utilised for farming activities by the encroachers / earlier occupants, who indulge in the pilferage of electricity. Therefore, in order to curb theft of power and distribution Losses, the Petitioner regularly conducts loss control drives in those areas to remove unauthorized tapping. This helps in the recovery of sales through penalty assessment under Section 126 read with Section 135 of the Act for unauthorized use/theft of electricity otherwise such theft cannot be accounted for. The amount so recovered against such cases is accounted under the same category. Since these are unauthorized connections, the amount assessed and recovered against electricity theft from such consumers under Section 126 read with Section 135 of the Act does not get reflected in the number of consumers and their consumption when computed based on only authorized consumer numbers and connected load as mentioned in the forms prescribed by the Commission.

7.2.4 Further, the Petitioner has mentioned that the Commission vide its Tariff Order dated July 20, 2022, had included the deemed revenue against the Captive Consumption of the Petitioner at the rate of LMV-4 (B) and Sales (MU) at the time of True up for FY 2020-21. Aggrieved by the aforesaid treatment, the Petitioner has filed an appeal no 398 of 2022 before the Hon'ble APTEL, which is pending for adjudication.

7.2.5 The Petitioner further submitted that since the matter was pending with the Hon'ble APTEL, the Commission has not considered the deemed revenue against the Captive Consumption of the Petitioner while Truing-up ARR for FY 2021-22 vide Tariff Order dated May 24, 2023, observing as follows:

Quote

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

Unquote

7.2.6 Accordingly, as the aforesaid matter is still pending before the Hon'ble APTEL, the Petitioner has considered the captive consumption for FY 2024-25 under Category 4(B) as per the directions of the Commission. However, the revenue has been considered at NIL value as per past practice. The Petitioner requested the Commission to appreciate that if the Captive Consumption in MU is not included in the Sales, the same will result in incorrect computation of the Distribution Losses. Therefore, it is very much necessary to include the Captive Consumption in MU in the Sales. It is pertinent to mention that earlier the Petitioner was considering the unit consumed captively under the LMV-4 (A) category.

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

7.2.8 Thus, in view of the above, the Petitioner has further submitted to continue the treatment of captive consumption at NIL value as has been considered by the Commission in the Tariff Order dated May 24, 2023.

7.2.9 Alternatively, without prejudice to the above, Petitioner has mentioned if the Commission decides to include the Captive Consumption both in Revenue (Rs.) and

Sales (MU), then the corresponding actual expenses in the A&G should also be allowed as the base A&G expenses do not include expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in the Revenue of FY 2022-23.

7.2.10 Further, the Commission, in its Tariff Order dated May 24, 2023, while Truing-up ARR for FY 2021-22, has considered the captive consumption observing as follows:

Quote

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

Unquote

7.2.11 In view of the above, the Petitioner has requested the Commission to approve the sales and revenue for FY 2024-25 considering captive consumption at NIL value.

7.2.12 The details of the Captive Consumption and corresponding amount as per the tariffs of LMV-4(B) category as submitted by the Petitioner are given in the Table below:

TABLE 7-2: CAPTIVE CONSUMPTION REVENUE AND SALES AS SUBMITTED BY THE PETITIONER

Particulars	FY 2024-25	Remarks
Sales (MU)	3.58	Included in Sales
Revenue (Rs. Cr.)	3.47	Not included in Revenue

7.2.13 Based on the aforesaid Order dated November 22, 2022, the summarised category-wise projected sales, revenue, and ABR for FY 2024-25 (based on the rates approved vide Tariff Order dated May 24, 2023) are given in the Table below:

TABLE 7-3: PROJECTED ENERGY SALES & REVENUE FOR FY 2024-25 AS SUBMITTED BY THE PETITIONER

Sl. No.	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs/kWh)
1	LMV-1: Domestic Light, Fan & Power	1,075.86	644.65	5.99

Sl. No.	Category	Sales (MU)	Revenue (Rs. Cr.)	ABR (Rs/kWh)
2	LMV-2: Non-Domestic Light & Fan & Power	67.42	67.99	10.09
3	LMV-3: Public Lamps	37.97	32.13	8.46
4	LMV-4: Institutions	23.35	17.59	7.53
5	LMV-5: Private Tube Wells	20.45	4.44	2.17
6	LMV 6: Small and Medium Power	145.22	124.43	8.57
7	LMV-7: Public Water Works	33.09	30.52	9.22
8	LMV-8: STW and Pumped Canals			
9	LMV-9: Temporary Supply	57.08	51.51	9.02
10	LMV-11: Electric Vehicle Charging	1.61	1.03	6.38
11	HV-1: Non-Industrial Bulk Power	552.13	480.49	8.70
12	HV-2: Large and Heavy Power	1,709.59	1,217.68	7.12
13	**Total**	**3,723.76**	**2,672.47**	**7.18**

7.2.14 In view of the above, the Petitioner has requested the Commission to consider the above-estimated sales and revenue for Aggregate Revenue Requirement for FY 2024-25.

Commission's Analysis

7.2.15 The Commission observed that the Petitioner has claimed the Billing Determinants for FY 2022-23 on an actual basis & for FY 2023-24 and FY 2024-25, it has claimed the same as approved in the Business Plan Order. In this regard, the Commission has sought clarification on how the projections be the same as in the Business Plan Order. In reply, the Petitioner submitted that the Billing Determinants (No. of Consumers, Connected Load & Sales) submitted for FY 2022-23 (True-up) are based on the audited accounts, which may vary from the numbers approved by the Commission in the Business Plan. However, for FY 2023-24 (APR) & FY 2024-25 (ARR), the Petitioner has submitted the Billing Determinates (No. of Consumers, Connected Load & Sales) as approved by the Commission vide its Order dated November 22, 2022, for Mid Term Review of Business Plan Order for the control period from FY 2020-21 to FY 2024-25.

7.2.16 The Commission found the reply of the Petitioner unsatisfactory and directed to submit revised billing determinants for FY 2024-25 based on projections with proper justification of such projections and details associated with them.

7.2.17 Also, the Commission observed that the Petitioner has not submitted the projections of LMV 1-other metered category in the correct slabs as approved by the Commission. Only data for FY 2022-23 has been submitted as per the slabs whereas for FY 2023-24 and FY 2024-25, the billing determinants are still not in slabs as approved by the Commission. The Petitioner was directed to resubmit the data for FY 2023-24 and FY 2024-25 in the correct slabs.

TABLE 7-4: REVISED BILLING DETERMINANTS SUBMITTED BY THE PETITIONER FOR FY 2024-25

Sr. No	Category	Consumers	Connected Load	Sales
		(No.)	(MW)	(MU)
1	LMV-1: Domestic Light, Fan & Power	183,865	865.89	1,262.06
2	LMV-2: Non-Domestic Light & Fan & Power	5,942	54.62	92.63
3	LMV-3: Public Lamps	1,973	10.44	24.72
4	LMV-4: Institutions	580	8.76	20.90
5	LMV-5: Private Tube Wells	1,021	5.49	11.98
6	LMV 6: Small and Medium Power	3,886	105.19	144.19
7	LMV-7: Public Water Works	334	16.78	35.42
8	LMV-9: Temporary Supply	1,226	21.48	59.31
9	LMV-11:Electric Vehicle Charging	15	0.95	1.20
10	HV-1: Non-Industrial Bulk Power	316	189.93	428.58
11	HV-2: Large and Heavy Power	1,155	586.41	1,623.12
12	**Total**	**200,313**	**1,865.94**	**3,704.10**

7.2.18 The Commission further observed that the Petitioner has claimed captive consumption as part of energy sales towards the LMV 4(B) category and the revenue corresponding to such sales has been considered at NIL. Also, the Petitioner has submitted that all the connections used for captive consumption purposes are metered in nature. The Commission observed that the self / captive consumption in the case of State Discoms is billed under the LMV-4(A) / HV-1 category according to the Rate Schedule. The same approach is also being applied for Petitioner.

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

7.2.20 The Petitioner has not projected any excess sales under unmetered categories of LMV-1 and LMV-5 in ARR of FY 2024-25, however, any excess sale found under LMV-1 and LMV-5 at the time of the true-up of FY 2024-25 will be dealt with appropriately as detailed in the True-up chapter. Accordingly, the billing determinants for FY 2024-25 are approved as claimed by the Petitioner as shown in the Table below. This shall be subject to prudence check at the time of truing up.

TABLE 7-5: APPROVED BILLING DETERMINANTS FOR FY 2024-25

Sr. No	Category	Consumers	Connected Load	Sales
		(No.)	(MW)	(MU)
1	LMV-1: Domestic Light, Fan & Power	183,865	865.89	1,262.06
2	LMV-2: Non-Domestic Light & Fan & Power	5,942	54.62	92.63
3	LMV-3: Public Lamps	1,973	10.44	24.72
4	LMV-4: Institutions	580	8.76	20.90
5	LMV-5: Private Tube Wells	1,021	5.49	11.98
6	LMV 6: Small and Medium Power	3,886	105.19	144.19
7	LMV-7: Public Water Works	334	16.78	35.42
8	LMV-9: Temporary Supply	1,226	21.48	59.31
9	LMV-11:Electric Vehicle Charging	15	0.95	1.20
10	HV-1: Non-Industrial Bulk Power	316	189.93	428.58
11	HV-2: Large and Heavy Power	1,155	586.41	1,623.12
12	**Total**	**200,313**	**1,865.94**	**3,704.10**

7.3 ENERGY BALANCE AND DISTRIBUTION LOSSES

Petitioner's Submission

7.3.1 The Petitioner has submitted that the Commission, vide its Order dated November 26, 2020, has approved the Distribution losses of 7.57% for FY 2024-25 against the approved Distribution losses of 7.63% for FY 2023-24. The reduction in Distribution losses beyond a particular limit in the Licensee area of the Petitioner is quite difficult due to various reasons as given below, however, the Petitioner is committed to achieving the Distribution losses as desired by the Commission.

7.3.2 The Petitioner further submitted that the visit of various outfits of the Kisan Unions at our offices for a waiver in the energy bills/electricity theft bills of consumers has been increasing. Not meeting their expectations leads to frequent Dharnas. This also led people to avoid paying their bills. The Kisan Union leaders were also at the forefront of seeking high power supply in the villages, fixed billing (unmetered tariff) for all rural consumer premises, waiver of all electricity theft cases booked against the farmers who ironically reside in big Kothis in the villages having all luxurious electrical amenities installed in their houses. The recent announcement of 50% and then 100% subsidy on agricultural consumers has further fueled their demands and agitation.

7.3.3 The Petitioner had to mandatorily provide electricity for increased no. of hours in the rural areas which resulted in increased demand but lower sales as most of such areas, where supply hours were increased, already had high Distribution losses.

7.3.4 The Petitioner has mentioned that it has to face stiff opposition from consumers for conversion of un-metered connections to metered as people are habituated to paying lesser bills as per their historical contractual load instead of their actual connected load at the site. They resort to threatening the staff of the Petitioner & restrain them from installing meters on their premises.

7.3.5 There is no Special Electricity Court for fast resolution of electricity theft Complaint Cases. As a result, the consumers resort to blatant theft of electricity without any fear of judicial consequences.

7.3.6 Further, the Petitioner again submitted to the Commission that it has been striving to implement/emulate efficient, resilient, robust, inclusive, tailor-made initiatives to tackle the ever-rising menace i.e. commercial loss, which all distribution utilities are struggling hard to chain while many initiatives tendered significant results, but sometimes most worthy models failed due to the volatile environment, which is beyond the control of the Distribution Licensee. Some of these issues significantly giving rise to pilferage are as follows:

a. Local Authority restraining the Petitioner from providing electricity connection in unplanned and unauthorised colonies leading to unauthorized tapping of energy. The menace has been quite high in the Doob area of Greater Noida which is witnessing rapid build-up of colonies considering growing urbanization and all-round development.

b. Greater Noida being a developing city with many vacant residential premises, has attracted unauthorized occupants in urban areas who also indulge in hooking and tapping of electricity.

c. In villages and unauthorised colonies, due to a lack of planned development and no authority for approving "Naksha", at many places, the electrical network is being exploited to such a level where even the electrical poles / transformers are being covered within the boundary / four wall of the houses leading to theft/ pilferage. Due to widespread land acquisition in Greater Noida, allocation of a certain percentage of land to farmers and development of private colonies and allocation, the above practice is quite frequent and widespread in the Greater Noida Area.

7.3.7 The Petitioner further submitted that the following are the pre-requisites for effectively controlling T & D Losses:

a) **On the part of the Licensee:**

I. Robust Distribution Network;

II. Identification of theft-prone areas;

III. Educating/spreading awareness/information about social, environmental, safety and legal consequences of power theft

IV. Periodical Loss control Drives

V. Registering FIRs / Court Cases

b) **Active support of Village Pradhans, RWAs & Local leaders (Society):** While the Petitioner is diligently performing its duties for loss control as stated above, however, for a variety of reasons, societal support is often found missing and many times, rather working contrary i.e. involving in theft by themselves, putting undue pressure/threats on the officials of the Petitioner to just let-off such wrongdoers or blatantly helping them.

c) **Speedy action by Police and Special Court**: In this regard, it is pertinent to mention that as on June 30, 2023, 13434 cases are pending in the special courts. Also, 3904 FIRs are pending investigation by the Police apparently due to highly overburdened and insufficient police staff. Due to the above challenge, the loss control drives being conducted by the Petitioner do not yield the desired results.

7.3.8 Further, the Petitioner submitted that if any one of the above prerequisites is not working appropriately, whatever number of efforts the Petitioner makes, would not yield the desired results. In addition to the above, the ground realities such as sparse population hence the low density of load per square kilometre, falling HT: LT ratio, absence of separate Police Station, dedicated Special Court to deal with the Electricity Theft Cases, rampant political interference etc. have come in the way of containing the Distribution losses by the Petitioner.

7.3.9 In view of the above, the Petitioner has submitted the Energy Balance and Distribution losses in the format prescribed by the Commission in the Table below:

TABLE 7-6: ENERGY BALANCE FOR FY 2024-25

Particulars	U.o.M.	Ref.	Projected
Proposed Energy Sales	MU	a	3,723.76
Distribution Loss	%	b	7.57%
Distribution Loss	MU	c=a*(1/(1-b))	304.98
Energy Requirement at NPCL	MU	**d=a+c**	**4,028.74**
Energy Available / Delivered at NPCL Bus	MU	e	(19.70)
Net Energy Requirement at NPCL Bus	MU	**f=d-e**	**4,048.45**
Intra State Losses	%	g	3.23%
Energy Requirement at STU/UP Periphery	MU	**h=f/(1-g)**	**4,183.55**
Energy from sources connected at STU Bus	MU	i	141.28
Net Energy Requirement at STU Bus	MU	**j=h-i**	**4,042.27**
Inter-State Losses	%	k	3.80%
Energy Requirement at CTU Bus	MU	**l=j/(1-k)**	**4,202.04**
Total Energy Requirement	MU	**m=e+i+l**	**4,323.62**

Commission's Analysis

7.3.10 The Commission has already deliberated on the Distribution Loss Trajectory of the Petitioner for the Control Period FY 2020-21 to FY 2024-25 and approved the Distribution Loss Trajectory for the Petitioner in its Mid Term Review of Business Plan Order dated November 22, 2022. Accordingly, the Commission approved the distribution loss for FY 2024-25 in line with the Commission's Business Plan Order dated November 22, 2022, as shown below:

TABLE 7-7 : APPROVED ENERGY BALANCE AND DISTRIBUTION LOSS FOR FY 2024-25

S. No.	Category	UOM	ARR Petition for FY 2024-25	Approved for FY 2024-25
1	Energy Sales (MU)	MU	3,723.76	3,704.10
2	Distribution loss %	%	7.57%	7.57%
3	Distribution losses (MU)	MU	281.88	280.40
4	**Energy Purchase at Discom Periphery (MU)**	**MU**	**4,028.74**	**4,007.46**
5	Energy Purchase from Sources connected to NPCL network	**MU**	(19.70)	(20.29)#
6	Energy available at NPCL periphery	MU	**4,048.44**	**4,027.75**
7	Intra State Losses	%	3.23%	3.18%*
8	**Energy Available at network connected to Intra-State Network (UPPTCL)**	**MU**	**4,183.55**	**4,160.04**
9	Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	141.28	141.28
10	Energy available at State Periphery	MU	**4,042.26**	**4,018.76**
11	Inter-State Losses	%	3.80%	3.77%**
12	Energy Purchase at network connected @ Inter-State Network (Ex-bus/PGCIL)	MU	4,202.04	4,176.20
13	**Total Power Purchase Required & Billed**	**MU**	**4,323.62**	**4,297.19**

** Intrastate losses considered the same as approved for UPPTCL for FY 2024-25.*

***Interstate losses approved same as approved for State Discoms for FY 2024-25.*

 # Negative value is due to under drawl projection of UI/DSM by NPCL. Also, purchase from APPCL is disallowed.

7.4 POWER PROCUREMENT

Petitioner's Submission

7.4.1 The Petitioner has submitted that considering the Energy Balance, the Petitioner has prepared its power procurement Plan for FY 2024-25 in line with Demand Estimates and taking into consideration its present and proposed Long Term / Medium Term Contracts for base load and procurement through Short-Term Contracts for meeting requirement over base load/exigencies etc. to optimize its power purchase cost. Accordingly, the Petitioner has planned to procure Power through a mix of sources such as Long Term, Medium Term, Short Term, Power Exchanges, and Renewable Sources etc. to meet its demand as well as RPO

Obligations.

7.4.2 The Petitioner has submitted that based on the demand estimates for FY 2024-25 the Petitioner expected its demand during the FY 2024-25 as shown in the Table below:

Table 7-8: DEMAND ESTIMATES FOR FY 2024-25

Month	RTC (MW)	Peak (MW)
Apr-24	402	422
May-24	453	486
Jun-24	518	554
Jul-24	522	563
Aug-24	545	590
Sep-24	535	577
Oct-24	365	378
Nov-24	344	345
Dec-24	341	341
Jan-25	381	389
Feb-25	365	371
Mar-25	342	368

7.4.3 The Petitioner has submitted that the above-estimated peak power requirement is an average of 19-24 Hours. The instantaneous peak demand (maximum peak) is estimated to be approximately 30% higher than the average peak requirement based on the current trend. The Petitioner submitted that considering, the energy balance, it has planned to meet its energy requirement for FY 2024-25 from the following sources:

Long-Term Power Purchase Agreement

7.4.4 The Petitioner has submitted that it has a LTPPA for 187 MW with M/s Dhariwal Infrastructure Ltd. (Genco) and the LTPPA with M/s DIL was approved by the Commission vide its Tariff Order dated April 20, 2016. During FY 2024-25, the drawl under the aforesaid LTPPA is estimated at 1,274.05 MU at DIL (Ex-Bus) and the same is equivalent to normative availability i.e., 85% NAPAF specified in the Generation Tariff Regulations, 2019.

7.4.5 The Petitioner further submitted that since the UPERC (Terms & Conditions of Generation Tariff) Regulations, 2019 is applicable till FY 2023-24 only and tariff proceedings for the next control period beginning FY 2024-25 have not yet started. Therefore, the proposed/provisional tariff for FY 2024-25 is not available. Hence, in the absence of a proposed/provisional tariff, the Petitioner has computed the cost of power for FY 2024-25 on the basis of the tariff approved for FY 2023-24 by the Commission vide its Order dated September 21, 2022, in Petition No. 1531 of 2019. Accordingly, the summary of power procured from M/s DIL is provided in the Table below:

TABLE 7-9: LONG-TERM POWER PROCUREMENT SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

S. No.	Description	UoM	Estimated
1	Contracted Quantum at ex-DIL	MW	171
2	No of Days	Nos.	365
3	Hours	Nos.	24
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	1,274.05
6	Forecasted Availability	%	85%
7	Estimated Utilisation	%	100%
8	Units at Ex-Bus (Forecast Schedule)	MU	1,274.05
9	Inter-State Losses	%	3.75%
10	***Units at UP Periphery***	***MU***	***1,226.27***
11	Intra-State Losses	%	3.18%
12	***Units at NPCL***	***MU***	**1,187.28**
13	Fixed Cost	Rs. Cr.	220.03
14	Variable Cost	Rs. Cr.	314.82
15	Inter-State Trans. Charges	Rs. Cr.	N.A.
16	Intra-State Trans. Charges	Rs. Cr.	31.36
17	**Total Cost**	**Rs. Cr.**	**566.20**

7.4.6 The Petitioner also submitted that the above cost has been projected assuming 100% utilisation of availability at 85%, which may not be feasible at times considering the off-peak demand/holidays. In this regard, the following provisions of Generation Tariff Regulations and approved LTPPA may be taken into consideration.

7.4.7 The Petitioner further submitted that Regulation-24(a) & 26(i) of UPERC Generation Tariff Regulations, 2019 provides a methodology for payment of Fixed Charges under LTPPA. The same is reproduced below:

Quote

"24 Capacity (Fixed) Charge:

Provided full capacity charges shall be recoverable at target availability specified in these regulations.

26. Norms of Operation for Thermal generating stations:

(i) Target Availability (NAPAF) for recovery of full Capacity (Fixed) charges

(a) All thermal power generating stations, except those covered under clause

(b) 85%.

Unquote

7.4.8 Thus, from the above, it may be seen that Discom has to pay full fixed charges to Genco if the generation plant has achieved NAPAF of 85% and above. The same is also in line with the term of the LTPPA with DIL duly approved by the Commission vide its Order dated April 20, 2016. The relevant extract of the LTPPA is reproduced below:

Quote

Article 7.3.9 (a)

The recovery of full Fixed Charge (Capacity Charge) will be allowed at Target Availability as per UPERC Regulations. Recovery of Fixed Charge below the level of Target Availability shall be on pro rata basis.

Unquote

7.4.9 Thus, based on the above, the Petitioner has computed the Fixed Cost at the normative availability of 85%. The Petitioner further submitted that the above-mentioned Fixed Charges and Energy Charges are also in line with the principles /methodology as approved in DIL's Tariff Order dated September 21, 2022, and the relevant extract of the Order is reproduced herein below:

"………

<u>SUMMARY OF DECISIONS OF THE COMMISSION:</u>

A) Additional Capitalization: To be approved by the Commission for FY 2019-20 to FY 2023-24 at the time of True-up for MYT Period 2019- 24.

B) ***The levelized fixed charge rate works out to Rs. 1.80/kWh against the committed levelized fixed charge rate of Rs. 1.93/kWh ex-bus for 25 years in terms of PPA approval and MYT Order of the Commission with respect to power supply from DIL Unit 2 to NPCL.***

C) *ARR and Generation Tariff approved by the Commission for FY 2019-20 to FY 2023-24 as show table below*

Particulars	Units	2O19-20	2020-21	2021-22	2022-23	2023-24
Annual Fixed Charges for Contracted Capacity (187 MW)	*Rs. Cr.*	*241.60*	*236.23*	*230.95*	*225.72*	*220.58*
Annual Fixed Charges for Contracted Capacity (187 MW)	***Rs. /Unit***	***1.891***	***1.854***	***1.813***	***1.772***	***1.727***
Energy Charge Rate ex-bus (excluding the cost of Additional Coal and Change in Law events)	*Rs. Cr.*	*315.68*	*314.82*	*314.82*	*314.82*	*315.68*
Energy Charge Rate ex- bus (excluding the cost of Additional Coal and Change in Law events)	***Rs. /Unit***	***2.471***	***2.471***	***2.471***	***2.471***	***2.471***
Total of Fixed and Energy Charges	*Rs. Cr.*	*557.27*	*551.05*	*545.77*	*540.54*	*536.26*
Total Tariff Per Unit for Contracted Capacity (187 MW)	*Rs. /Unit*	*4.362*	*4.325*	*4.284*	*4.243*	*4.198*

Notes:

1. *Capital cost of Rs. 1917.88 Crs. as on 31.03.2019 as approved by the Commission in 1st True-up Order dated 22.11.2021 has been considered.*
2. *The levelized fixed charges has been computed based on CERC discounting rate of 13.10% and financial principles (i.e. Escalation in 0&M Expense, Interest on Working Capital, Depreciation, and Interest on Loan) as per Generation Tariff Regulations 2019 and Return on Equity as approved under Para 1.6.35 of this Order.*
3. *Auxiliary Energy Consumption has been considered at 8.5% as prescribed in Regulation 26 (v) of the Generation Tariff Regulations 2019.*
4. ***The aforesaid approved rates for recovery of fixed charges are computed on the basis of NAPAF of 85%, subject to adjustments if any, in terms of Regulation 35 of Generation Tariff Regulations 2019.***

D) In addition to the above tariff, the Petitioner is allowed to recover the payment of statutory charges viz; Tax on Income, water charges, water cess (if any), payment to Pollution Control Board, rates and taxes and Regulatory Fee paid to the Commission, as reimbursement, on production of details of actual payments made and duly supported with the certificate of the Statutory Auditors. For these payments, the amount pertaining to contracted capacity of NPCL will be considered. It is, however, clarified that all such claims and recoveries are subject to prudence check by the Commission and truing-up based on actual payments made at the end of the Tariff Period.

E) Incentive shall be calculated according to Regulations 35 of UPERC (Terms and Conditions of Generation tariff) Regulations, 2019.

…………………"

7.4.10 The Petitioner has submitted that the tariffs approved by the Commission vide Order dated September 21, 2022, are ex-Bus DIL's plant and transmission charges and losses from DIL's plant to NPCL Bus i.e., Inter-state injection charges and losses, Inter-state withdrawal charges and losses, Intra-state transmission charges and losses are applicable over and above approved tariff along with coal escalation charges. Accordingly, the Petitioner has considered the Inter-state injection charges and losses, Inter-state withdrawal charges and losses, Intra-state transmission charges and losses as applicable over and above the approved tariff along with coal escalation charges for estimation of power purchase cost for FY 2024-25 subject to true-up in subsequent years.

7.4.11 The Petitioner has submitted that the claim towards Additional Coal and Change in Law has not been included in the power purchase costs estimated for FY 2024-25 and the same would be claimed subsequently at the time of truing-up based on receipt of Bills from M/s DIL.

7.4.12 The Petitioner further submitted that, in addition to the above, the following Petitions are also pending before the Commission for disposal:

- Petition No. 1651/2020 for approval of capital expenditure on account of the installation of FGD system as a 'Change in Law' event
- Petition No. 1830/2022 for seeking approval of capital expenditure on account of the installation of the DE-NOx system as a 'Change in Law' event
- Petition No. 2004/2023 for truing-up of the 'Change in Law' claims of FY 2022-23
- Petition No. 2005/2023for Prudence Check and use of Additional Coal in FY 2022-23

7.4.13 Any impact on the power purchase cost pursuant to the Orders of the Commission in the above Petitions would be consequently claimed by the Petitioner in the ARR/APR / Truing-up Petitions as the case may be.

Medium Term Power Procurement

7.4.14 The Petitioner has submitted that during FY 2020-21, based on the load profile, the Petitioner had tied up following Medium Term Power through Competitive Bidding held on Deep Portal in accordance with the Guidelines of Central Government as below in Table:

TABLE 7-10: MEDIUM TERM PPA'S DATED 07.12.2022.

Source	Capacity	Duration	Period	Tariff at CTU (Rs./kWh)	Nature
TPTCL (JITPL)	100 MW	RTC	Apr'23-Mar'26	4.05*	Thermal
**Note: Tariff of TPTCL (JITPL) comprises Cost of fixed and variable charges of Rs. 2.025 per kWh each*					

7.4.15 The Petitioner has submitted that the tariff discovered through bidding is Rs. 4.05 /kWh landed at NPCL Bus based on the prevailing transmission charges and losses in terms of the bid documents. The tariff along with the PPA's dated December 12, 2022, was duly approved by the Commission vide Order March 03, 2023. The Petitioner again submitted that the above tariff was based on the then prevailing transmission charges and losses and the same would subsequently be payable at actuals in accordance with Articles 5.5 and 5.6 of the above approved PPA dated December 07, 2022. The relevant extract of the MTPPA is already presented by the Petitioner in the true-up section and is not reproduced herewith again.

7.4.16 Further, Article 11.3 and Article 12.3 of the PPA with MTPPA suppliers provide for escalation of Base Fixed Charges and Base Variable Charges on the basis of WPI movement between the dates of the Base Year (i.e. Bid Receiving Year) and Financial Year. Accordingly, based on the applicable transmission charges and losses for Inter-State and Intra-State Transmission Utilities, during FY 2024-25, the Petitioner estimated to procure 693.89 MU power in aggregate from the above sources at average landed cost as summarised below:

TABLE 7-11: PROPOSED MEDIUM-TERM POWER SUBMITTED BY THE PETITIONER FOR FY 2024-25

Sl. No	Description	UoM	Projected
1	Contracted Quantum	MW	100
2	No of Days	Nos.	365
3	Hours	Nos.	24
4	Normative Availability	%	85%
5	***Units at Normative Availability***	***MU***	744.60
6	Forecasted Availability	%	85%
7	Estimated Utilisation	%	100%
8	Units at Ex-Bus (Forecast Schedule)	MU	744.60
9	Inter-State Losses	%	3.75%

Sl. No	Description	UoM	Projected
10	***Units at UP Periphery***	***MU***	716.68
11	Intra-State Losses	%	3.18%
12	**Units at NPCL**	**MU**	**693.89**
13	Fixed Cost	Rs. Cr.	151.90
14	Variable Cost	Rs. Cr.	154.13
15	Inter-State Trans. Charges*	Rs. Cr.	Provided Separately
16	Intra-State Trans. Charges	Rs. Cr.	18.33
17	***Total Cost***	**Rs. Cr.**	**324.36**
**Inter-State Trans. Charges have been subsumed under General Network Access charges w.e.f. 01.10.2023*			

7.4.17 The Petitioner has submitted that the above power purchase cost from Medium Term Agreements has been estimated based on the applicable tariff, transmission charges, and losses as per the approved PPA. The Petitioner further submitted that the variance in approved power is uncontrollable in nature as the same has been incurred in accordance with the terms of approved PPAs. This is in line with Regulation 8.1 (d) of MYT Regulations, 2019 as reproduced below:

Quote

8.1(d) Variation in the approved cost of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission.

Unquote

7.4.18 The Petitioner has submitted that the full fixed charges are to be paid if the actual availability of the plant is more than the Normative Availability of 85% and if the scheduled availability by the suppliers is more than 85% then the supplier becomes eligible for incentives as per Article 11.6.1. Similarly, if the scheduled availability by the suppliers is less than 85% then the buyer is eligible to claim damage as per Article 11.6.2 of PPA. Further, as per Article 11.6.3 the claim for Incentive and Damages are adjusted after the closing of the accounting year, therefore, at present, the Petitioner has not considered the Incentive / Damage in ARR for FY 2024-25 and would be considering the same in Truing up Petition for FY 2024-25.

7.4.19 The Petitioner further submitted that the power demand of the Greater Noida area is increasing exponentially owing to various initiatives taken by the Central as well as State Governments. The Petitioner submitted that it has planned to purchase the following power on Medium Term (MT) basis along with some additional power through the DEEP Portal in accordance with Competitive Bidding Guidelines of Central Government:

i. 125 MW RTC Thermal power from Apr-Mar for 5 years commencing from April 01, 2024, to meet the base load requirement.

The reverse auction for the aforesaid power was conducted on 31.10.2023 and after the reverse auction, the Petitioner has received a successful bid for 95 MW power at the L1 rate of Rs. 5.19 per kWh at NR-bus excluding inter-state & intra-state transmission charges and losses. Accordingly, the Petitioner has planned to approach the Commission for the adoption of the above referred Tariff.

7.4.20 The Petitioner has mentioned that considering the price discovered for thermal power as referred above, it has considered the rates of thermal power at Rs. 5.19 per kWh excluding inter-state and intra-state transmission charges & losses for the purpose of estimation of ARR for FY 2024-25.

7.4.21 The Petitioner has submitted that based on the above rates, the estimated tentative cost of the power proposed to be procured from above will be as follows in the Table.

Table 7-12: MEDIUM-TERM POWER FROM M/S JITPL

S. No	Description	UoM	Projected
1	Contracted	MW	95
2	Hours	Nos.	24
3	No of Days	Nos.	365
4	Forecasted Utilization of Available Capacity	%	85%
5	Units at Ex-Bus	MU	707.37
6	Inter-State Losses	%	3.75%
7	**Units at UP Periphery**	**MU**	680.84
8	Intra-State Losses	%	3.18%
9	**Units at NPCL**	**MU**	**659.19**
10	Fixed Cost	Rs. Cr.	183.56
11	Energy Cost	Rs. Cr.	183.56
12	Inter-State Trans. Charges*	Rs. Cr.	Provided Separately
13	Intra-State Trans. Charges	Rs. Cr.	17.41
14	**Total Cost**	**Rs. Cr.**	**384.53**
15	**Landed Rate**	**Rs. kWh**	**5.83**
Inter-State Trans. Charges have been subsumed under General Network Access charges w.e.f. 01.10.2023			

7.4.22 The Petitioner has submitted that based on the above rates, the estimated tentative cost of power proposed to be procured from medium-term PPA other than GNA Charges is provided below in Table:

TABLE 7-13: PROPOSED MEDIUM-TERM POWER FOR FY 2024-25

Supplier	Units at NPCL (MU)	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Intra-State Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus	Landed Rate at NPCL Bus (Rs/kWh)
100 MW Thermal Power JITPL	693.89	151.90	154.13	18.33	324.36	4.67
95 MW Thermal Power (JITPL)	659.19	183.56	183.56	17.41	384.53	5.83
Total	**1,353.08**	**335.46**	**337.69**	**35.73**	**708.89**	**5.24**
Inter-state transmission charges have been provided separately under the heading GNA Charges						

Short-Term Power Purchase Agreements

7.4.23 The Petitioner submitted that it has already tied up the majority of power requirements for FY 2024-25 through LTPPA and MTPPA as well as LT RE Power Purchase Agreements. Therefore, to manage its load curve, the Petitioner has not considered any Short-Term Arrangement for FY 2024-25 and keeping in view the directions of the Commission, it is planned to procure the entire remaining power requirement through Power Exchange on the day ahead or real-time basis or through competitive bidding with prior approval of the Commission. Meanwhile, for the purpose of estimation of Short-Term Power Purchase Cost for FY 2024-25, the Petitioner has estimated the cost of procurement of 896.18 MU power at NPCL Bus from various ST Sources including Bidding / IEX. The Petitioner further submitted it has estimated cost of power to be procured from Power Exchange / DEEP Portal on the basis of average prices discovered at IEX during the recent period of Apr’23 to Sep’23 (for Summer Season) and Oct-22 to Mar’23 (for Winter Season) as provided in the Table below:

TABLE 7-14: SUMMARY OF POWER EXCHANGE RATES (Rs./kWh)

Summer Season								
Type	**Hrs**	**Apr-23**	**May-23**	**Jun-23**	**Jul-23**	**Aug-23**	**Sep-23**	**Avg.**
Peak	18-23 hrs	7.61	7.37	7.53	7.60	9.40	8.85	**8.06**
Night	00-04 & 23-24	6.95	5.67	6.00	4.53	7.71	6.22	**6.18**
Off-peak	07-19 hrs	3.15	3.81	3.60	3.24	4.94	4.88	**3.93**
RTC	00-24 hrs	5.29	4.86	4.88	4.58	6.89	6.23	**5.46**

Summer Season								
Winter Season								
Type	**Hrs**	**Oct-22**	**Nov-22**	**Dec-22**	**Jan-23**	**Feb-23**	**Mar-23**	**Avg.**
Peak	18-23 hrs	4.99	4.74	4.78	6.22	6.98	6.88	**5.77**
Night	00-04 & 23-24	3.13	3.32	2.66	2.75	4.39	4.82	**3.51**
Off-peak	07-19 hrs	3.08	4.63	5.93	7.08	6.27	4.39	**5.23**
RTC	00-24 hrs	3.83	4.60	5.24	6.18	6.68	5.43	**5.32**

7.4.24 The estimated cost of the aforesaid short-term power sources is summarized below:

TABLE 7-15: PROPOSED SHORT-TERM POWER FOR FY 2024-25

Supplier	Units at NPCL (MU)	Energy Charges (Rs. Cr.)	Transmission Charges (Rs. Cr.)	Total Cost at NPCL Bus (Rs. Cr.)	Landed Rate at NPCL Bus (Rs./kWh)
Inter-State Power - from Trader / Generator-Peak	166.65	140.75	4.77	145.51	8.73
Inter-State Power - from Trader / Generator-Night	71.53	41.94	2.06	44.01	6.15
Inter-State Power - from Trader / Generator-Off Peak	178.27	88.61	5.09	93.70	5.26
Inter-State Power - from Trader / Generator-RTC	479.73	271.64	13.64	285.28	5.95
Total	**896.18**	**542.94**	**25.56**	**568.50**	**6.34**
The Inter-State charges have been provided separately under the head “GNA Charges”					

7.4.25 The Petitioner has submitted that the variance in approved power is uncontrollable in nature as the same has been incurred in accordance with the terms of approved PPAs. This is in line with Regulation 8.1 (d) of MYT Regulations, 2019.

Banking of Power

7.4.26 The Petitioner has also proposed to undertake banking of power with other Utilities during peak load season in order to avoid procurement of power at a high market price. The return of the power taken under the banking arrangement is proposed in the winter season when it may have surplus power in certain time blocks. The Petitioner further submitted that the Commission is aware that banking is a cashless transaction therefore it has not considered any value for forward and return transactions of power banking and has only considered the transmission charges and losses involved in execution of the power banking transaction. The summary of the proposed Banking of Power is provided in the Table below:

TABLE 7-16: PROPOSED BANKING OF POWER FOR FY 2024-25

Supplier	Units at NPCL	Energy Charges	Intra-State Transmission Charges	Total

	MU	Rs. Cr.	Rs. Cr.	Rs. Cr.
Forward Banking	27.73	0.00	0.74	0.74
Return Banking	(31.94)	0.00	0.72	0.72
Total	**(4.20)**	**0.00**	**1.46**	**1.46**

Power Procurement from Renewable Sources

7.4.27 The Petitioner submitted that it has executed the following Renewable Power Purchase Agreements (PPAs) in order to meet Solar & Non-Solar RPO along with HPO:

i. LTTPA for 1 MWp Solar power with GNIDA is as per the PPA approved by the Commission vide its order dated July 14, 2015. The Petitioner has projected the procurement of 1.43 MU at a landed tariff of Rs. 7.06 per kWh at the NPCL bus. The Contract will expire on February 26, 2025.

ii. LTTPA for 10 MW Wind power with PTC India Limited was signed on June 27, 2017, and approved by the Commission vide its Order dated January 5, 2018. This PPA was under the MNRE scheme for setting up 1000 MW ISTS connected Wind Power Projects for which the Solar Energy Corporation of India Ltd. (SECI) was identified as the "Nodal Agency" for selection of bidder. The Petitioner has projected to procure 33.95 MU at the landed tariff of Rs. 3.91 per kWh at NPCL bus.

iii. The Petitioner, in order to meet its RPO obligation, entered into an agreement on January 06, 2017, with M/s APPCPL for procurement of the entire power generated from the Rooftop Solar Generating Plant of 370 +/-20% KWp at the Rooftops of the Appellant's 33/11 kV Substations located in Greater Noida. The Tariff agreed between the parties was based on the then discovered rate in UP State's tender for setting up of 500 MW Rooftop Solar PV Project by Solar Energy Corporation of India Ltd (SECI). Accordingly, the Petitioner vide its Letter No. P-77A/ 249 dated October 27, 2016, submitted to the Commission that the installation of rooftop Solar PV projects on its various sub-stations / office buildings will also enable the Petitioner in executing its DSM Plan. Subsequently, the Petitioner vide Letter No. P-77A/314 dated March 17, 2017, duly intimated the Commission after execution of the agreement as well as reiterated the same during various Suo-moto proceedings held by the Commission for fulfilment of RPO Obligations by DISCOMs in UP. Further, aforesaid power procurement was also duly approved by the Commission while approving the Business Plan vide its MYT Order dated November 30, 2017, and while approving ARR for FY 2018-19 and ARR for FY 2019-20 vide Tariff Orders dated January 22, 2019, and September 03, 2019, respectively. It was also approved while truing up ARR for FY 2016-17, ARR for FY 2017-18 and ARR for FY 2018-19 vide Tariff Orders dated January 22, 2019, September 03, 2019, and December 04, 2020, respectively. Accordingly, it is estimated to procure 0.59 MU at Rs 5.49 per kWh rooftop solar plants set up by M/s APPCPL at the Petitioner's establishments to help the Petitioner in the execution of the DSM plan under intimation to UPERC vide Petitioner's Letter dated March 17, 2017.

iv. The Petitioner has also granted several connections under the net-metering policy approved by the Commission in its Roof-top Solar PV Regulation 2015. The Petitioner would receive energy from such net metering consumers during FY 2024-25 but the same cannot be ascertained at present, therefore, the Petitioner will consider the same at the time of True-up for FY 2024-25.

v. LTTPA for 25 MW Solar power each have been signed with M/s Tata Power and M/s Adani Energy which have been duly approved by the Commission vide its Order dated September 18, 2019 and the Petitioner has estimated to procure long-term solar power of 50.89 MU at tariff of Rs 3.32/kWh from Tata power w.e.f November 27, 2021 and 51.95 MU at tariff of Rs 3.32/kWh from Adani Solar for FY 2024-25.

vi. The Remaining Non-Solar Renewable Power purchase of 479.32 MU is estimated to be procured from Power Exchange @ Rs. 6.65/kWh based on Rs. 0.50/kWh premium on the rates discovered on IEX for RTC thermal power as described above.

7.4.28 Based on the above, the power procurement plan for FY 2024-25 from RE sources as submitted by the Petitioner is given in the Table below:

TABLE 7-17: RENEWABLE POWER FOR FY 2024-25

Description	Projected		
	MU at NPCL Bus	Rs./kWh	Landed Cost* (Rs. Cr.)
Renewable Power (GNIDA LT Solar Power)	1.43	7.06	1.01
Renewable Power (Solar Power)- Adani Energy	51.95	3.32	17.23
Renewable Power (Solar Power)-Tata Power	50.89	3.32	16.88
Renewable Power (APPCPL LT Solar)	0.59	5.49	0.32
Renewable Power (LT Wind Power)	33.95	3.91	13.28
Subtotal	**138.81**	**3.51**	**48.73**
Power Exchange	479.32	6.65	318.67
Total	**618.13**	**5.94**	**367.40**
**Landed cost includes Energy Charges and Intrastate Transmission Charges only and GNA/T-GNA charges cannot be apportioned*			

7.4.29 Further, the estimated status of RPO in accordance with RPO Regulations is provided in the Table below:

TABLE 7-18: RPO STATUS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (MU)

RE Power	Opening Unfulfilled Obligation	Obligation for the year	Obligation met during the year*	Balance Obligation Carried Forward
	a	b	c	d=a+b-c
Solar	29.70	186.19	(143.54)	**72.35**
Non-Solar	(84.24)	260.66	(513.27)	**(336.85)**
Hydro Power	111.15	111.71	-	**222.86**
Total	**56.61**	**558.56**	**(656.81)**	**(41.64)**
** Including gross generation under net-metering arrangements*				

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

Quote

Till, FY 2019-20, the Commission had been computing the RPO compliance considering the sales. The Commission is of the view that RPO compliance has to be computed on total consumption of energy at ex-bus and not on sales as done till FY 2019-20. Therefore, from FY 2020-21 onwards, the Commission deems it fit to revise methodology of computing RPO by considering the ex-bus energy purchased by NPCL. As the true-ups for the previous years' upto FY 2019-20 had already been carried out, the RPO compliance computed by the

Commission for the period upto FY 2019-20 shall not be revised on account of the change in methodology.

Unquote

7.4.31 The Petitioner has submitted that in the aforesaid Order, the Commission has changed the methodology of RPO computation of RPO from "consumption units" to "power purchase units" at ex-bus contrary to its own UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 as amended from time to time., aggrieved by this, it has challenged the same by way of the Appeal No.398 of 2022, therefore, for computation of RPO, it has not considered the methodology as adopted by the Commission in Tariff Order dated July 20, 2022, and computed the above shown RPO Status based on methodology as followed by the Commission in its preceding Tariff Orders.

Sale of Power for Load Management and UI / DSM

7.4.32 The Petitioner has submitted that it is not feasible to exactly estimate the day-ahead power requirement as the demand is highly volatile, uncertain, and dependent on a number of factors that are beyond its control e.g. volatile weather conditions, long intermittent holidays on account of various festivals, Govt. holidays etc. There can be certain time blocks wherein the power tied up may remain unutilised and thus, need to be sold on Power Exchanges. Therefore, it has been estimated that there will be sale of 8.69 MU power towards load management.

7.4.33 The Petitioner further submitted that it is also required to manage real-time power surplus in accordance with the DSM Regulations for which it has estimated 13.04 MU to be settled DSM mechanism as per the prevailing regulations.

7.4.34 The Petitioner thus, estimated Sale of Power and Under-drawl through DSM aggregating to 21.73 MU power is approximately 0.54% of the power purchase quantum and 0.20% of the power purchase cost.

7.4.35 The Petitioner has submitted that Regulation 14.7 of the MYT Regulations, 2019 also provides for power drawl under the DSM mechanism, with a limit of 10% of Total PPC.

7.4.36 Accordingly, the Petitioner has requested to approve the cost of power settled under the DSM mechanism.

General Network Access Charges

7.4.37 The Petitioner has submitted that Hon'ble CERC notified the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) on 07.06.2022. The GNA Regulations seek to do away with predetermined point-to-point transmission access.

7.4.38 Regulation 18.1 (a) of the GNA Regulations provides as under:

Quote

GNA for a State including intra-State entities shall be the average of "A‟ for the FY 19 to FY 21: where,

"A‟ = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}

Unquote

7.4.39 Accordingly, as per the above Regulation 18.1 (a), the state of UP has been granted the GNA of 10,165 MW by the CERC. Further, as per Regulation 18.1(e), the segregation of GNA among the intrastate entities was the responsibility of the respective SLDCs. Accordingly, the Petitioner has been granted the deemed GNA of 351 MW.

7.4.40 The Petitioner further submitted that the Hon'ble CERC vide notification dated 03.08.2023 provided that GNA Regulations including its First Amendment shall come into effect from 01.10.2023.

7.4.41 Petitioner has highlighted the major points post this implementation as under:

a. Long-Term and Medium-Term transactions can be scheduled under GNA. If post-scheduling from Long-Term & Medium-Term transactions, there is spared capacity in GNA, the STOA transactions can be scheduled under that balance GNA.

b. The term "Short term open access" has been replaced with T-GNA. GNA grantee shall be eligible to apply for T-GNA over and above the GNA granted to it. T-GNA applications shall be applied and processed through (NOAR). T-GNA can be applied for any period from 1-time block and up to 11 months.

c. Revision: T-GNA granted under the Exigency category or under the Advance application category for a period not exceeding one month cannot be revised. T-GNA granted under the Advance category for a period of more than one month may be reduced for the balance period with prior notice of one month by the T-GNA grantee.

d. Transmission charges for T-GNA- Transmission charges for all drawee DICs located in the State, for the billing month shall be 1.10 times of GNA charges.

7.4.42 The Petitioner has considered the ISTS Charges for FY 2024-25, based on the implementation of GNA Regulations w.e.f. 01.10.2023, as shown in the below Table:

TABLE 7-19: CAPACITY FOR GNA CHARGES (FY 2024-25)

Sl. No.	Period	Description	ISTS Charges
1	Apr'24 to Mar'25 (FY 2024-25)	GNA of 351 MW	GNA Charges @ 351 MW irrespective of actual utilisation
		STOA above 351 MW	T-GNA Charges as per Application

7.4.43 The Petitioner has requested the Commission to approve the power purchase plan for the purpose of determination of ARR for FY 2024-25 as discussed above and summarised in the Table below:

TABLE 7-20: TOTAL POWER PURCHASE COST FOR FY 2024-25

Sl. No.	Source of Power Purchase	MU	Per unit Cost (Rs./ kWh)	Amount Rs. Cr.
1	Long Term –DIL	1,187.28	4.77	566.20
2	Medium Term	1,353.08	5.24	708.89
3	Short Term	896.18	6.34	568.50
4	Power Banking	(4.20)	-	1.46
5	Renewable Energy	618.13	5.94	367.40
6	Sale of Power	(8.69)	2.75	(3.56)
7	UI/DSM	(13.04)	1.00	(3.58)
8	GNA & TGNA Charges	-	-	221.75
9	**Total Power Purchase Cost**	**4,028.74**	**6.02**	**2,427.05**
Note: Total may not tally due to rounding offs				

7.4.44 The Petitioner submitted that it is receiving applications from consumers having contract demand >1 MW seeking Open Access. Currently, 16 nos. of consumers having contract demand of 27.41 MW are taking Long-Term power under Open Access while 8 applications of contract demand 20.25 MW are under process. The migration of consumers to Open Access may impact the power purchase plan and the impact of the same will be submitted as per actuals during true-up.

Commission's Analysis

Power Purchase from Long-Term Source

7.4.45 The UPERC (Terms & Conditions of Generation Tariff) Regulations, 2019 is applicable till FY 2023-24 only and tariff proceedings for the next control period beginning FY 2024-25 have not yet started. Therefore, the proposed/provisional tariff for FY 2024-25 is not available. Hence, in the absence of a proposed/provisional tariff, the Petitioner has computed the cost of power for FY 2024-25 on the basis of the tariff approved for FY 2023-24 by the Commission vide its Order dated September 21.,2022 in Petition No. 1531 of 2019.

7.4.46 The Commission vide Order dated September 21, 2022 (MYT Petition No. 1531 of 2019 of DIL), has approved the generation tariff of Dhariwal Infrastructures Limited (DIL) for FY 2019-20 to FY 2023-24. The relevant extract of the aforesaid Order is quoted below:

Quote

TABLE 23: ARR and Generation Tariff for FY 2019-20 to FY 2023-24 approved by the Commission (Excluding the Cost of Additional Coal and Change in Law events)

Particulars	UoM	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operationalized Contracted Capacity (Gross)	*MW*	*187*	*187*	*187*	*187*	*187*
Normative Auxiliary Power Consumption	*%*	*8.50%*	*8.50%*	*8.50%*	*8.50%*	*8.50%*
Normative Annual Plant Availability Factor (NAPAF)	*%*	*85%*	*85%*	*85%*	*85%*	*85%*
Operationalized Contracted Capacity (Net)	*MW*	*171*	*171*	*171*	*171*	*171*
Ex-bus Generation	*Mus*	*1277.54*	*1274.05*	*1274.05*	*1274.05*	*1277.54*
………..						
Annual Fixed Charges for Operationalized Contracted Capacity for NPCL	*Cr*	*241.60*	*236.23*	*230.95*	*225.72*	*220.58*
Ex-bus Fixed Charge Rate at NAPAF	***Rs./kWh***	***1.891***	***1.854***	***1.813***	***1.772***	***1.727***
……….						
Ex-bus Energy Charge Rate at scheduled	***Rs./kWh***	***2.471***	***2.471***	***2.471***	***2.471***	***2.471***

Particulars	UoM	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Generation						
Total Ex-Bus Energy Charges	*Cr*	*315.68*	*314.82*	*314.82*	*314.82*	*315.68*
Application Fees & Statutory Charges	*Cr*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Total Annual Revenue Requirement for FY 2019- 24 for supply to NPCL	***Cr***	***557.27***	***551.05***	***545.77***	***540.54***	***536.26***
Ex-bus Generation Tariff for FY 2019-24 for supply to NPCL	***Rs./kWh***	***4.362***	***4.325***	***4.284***	***4.243***	***4.198***

Unquote

7.4.47 The Commission finds it appropriate to consider the rates of Fixed Charges (Ex-Bus) and Energy Charges (Ex-Bus) as determined by the Commission in the aforesaid Order for FY 2023-24. Any variation in these values shall be considered at the time of true up of FY 2024-25. The Inter-State transmission charges are provisionally approved as claimed by the Petitioner, subject to prudence check, at the time of truing up. The Petitioner has claimed the Intra-State transmission charge in accordance with the Transmission Tariff Order of UPPTCL for FY 2023-24, whereas the Commission in Petition No. 2044 of 2023 had approved the transmission tariff of UPPTCL for FY 2024-25. Thus, the Commission has considered the Intra-State Transmission charge of UPPTCL as approved for FY 2024-25.

7.4.48 The Commission has considered the lower of the two values viz., claimed vs computed, for fixed charge and energy charge components of tariff for approval of procurement of power purchase from DIL for FY 2024-25 as shown below:

TABLE 7-21: POWER PURCHASE FROM LONG-TERM SOURCE APPROVED BY THE COMMISSION FOR FY 2024-25

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra-State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Amount (Rs. Cr)	Transmission charges of PGCIL (Rs. Cr)	Transmission Charges of UPPTCL (Rs. Cr)	Total Trans. Chgs (Rs. Cr)	Total (in Rs. Cr.)	Per Unit Cost at NPCL bus (Rs./ Unit)
DIL	1,274.05	3.77%	1,226.02	3.18%	1,187.03	220.03	314.82	534.85	0.00	27.60	27.60	562.45	4.74

7.4.49 The Commission for projection of quantum for FY 2024-25 has considered the same as projected by the Petitioner. Regarding the Inter-State Transmission Loss, the Commission has considered the same as approved for State Discoms for FY 2024-25, subject to truing up based on actual. The Commission has considered Intra-State Transmission Loss as approved for UPPTCL for Tariff Order of FY 2024-25 in

Petition No. 2044 of 2023.

7.4.50 The CERC notified the Connectivity and General Network Access to the inter-State Transmission System Regulations, 2022 (GNA Regulations) on 07.06.2022. The GNA Regulations seek to do away with predetermined point-to-point transmission access. The Petitioner has claimed GNA charges as per CERC Regulations, the Commission has dealt with these charges in subsequent sections of this Order.

TABLE 7-22: POWER PURCHASE FROM LONG TERM SOURCE SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source - DIL	UoM	Claimed	Approved
MU at Ex-Bus	MU	1,274.05	1,274.05
Inter-State Loss	%	3.75%	3.77%*
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	1,187.28	1,187.03
Fixed Charges	Rs. Cr.	220.03	220.03
Energy Charges	Rs. Cr.	314.82	314.82
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	31.36	27.60**
Total Cost	Rs. Cr.	566.20	562.45
Per Unit Cost @ NPCL Bus	Rs/kWh	4.77	4.74

** Inter State Loss is as per losses approved for State Discoms for FY 2024-25*

** *Intra State Transmission Charges are lower than the claimed value because the Commission has revised the Intra-State Transmission Charges from Rs. 0.2641 /kWh for FY 2023-24 to Rs. 0.2326 /kWh for FY 2024-25. The Commission has considered the charges as per the latest approved value.*

Power Purchase from Medium-Term Source

7.4.51 The Commission for projection of quantum (MU) for FY 2024-25 has considered the same as projected by the Petitioner and the Inter-State Transmission Losses as allowed for State Discoms, subject to truing up based on actual. Further, the Commission has considered Intra-State Transmission Loss as approved for UPPTCL for FY 2024-25.

7.4.52 The Commission observes that the tariff for TPTCL(JITPL) has been adopted by the Commission vide Order dated March 06, 2023, in Petition No. 1926 of 2022. The relevant extract of the above-mentioned Order is reproduced below:

Quote

J) With reference to the Tariff discovered through Competitive bidding, transmission charges & losses are reflected as zero since the delivery point is *considered at the CTU periphery i.e. Interconnection of Seller with CTU, therefore, the transmission charges and losses upto the delivery point i.e. CTU periphery is to be borne by the bidder and beyond delivery point i.e. withdrawal charges and losses of Northern Region and Transmission Charges & Losses of STU (i.e., UPPTCL) are payable by NPCL from the delivery point till NPCL-bus on actuals.*

K) As per the provisions of the RFP, M/s Tata Power Trading Company Ltd. (Source: JITPL, Orissa) had been declared as "L1" for supply of 100 MW at quoted tariff of Rs. 4.05/kWh at delivery point. The details of the tariff quoted by M/s TPTCL is summarized below:

Source	***-***	***Jindal India Thermal Power Limited, Orissa***
Quantum at Delivery Point i.e., CTU Periphery of Seller		*01.04.2023 to 31.03.2026: 100 MW RTC*
Fixed Charges (Rs. /kWh)	*A*	*2.025*
Variable Charges (Rs. /kWh)	*B*	*2.025*
Cost of Transmission Charges (Rs. /kWh)	*C*	*0.000*
Cost of Transmission Losses (Rs. /kWh)	*D*	*0.000*
Total Tariff at Delivery Point (Rs/kWh)	*E=A+B+C+D*	*4.050*

Unquote

7.4.53 The Commission observes that the Petitioner has submitted in para 4.7.2 of Volume III of the Petition that the Tariff of Rs. 4.05 / unit is at NPCL Bus, however, in Table No. 8, Intrastate and interstate transmission losses/charges have been claimed. The Commission sought an explanation for the same along with the PPA along with specific provisions of the PPA.

7.4.54 The Petitioner in its reply submitted that the Tariff of Rs. 4.05/unit is at CTU as mentioned in Table-7 of Appendix-V in Volume-III of the Petition instead of “NPCL Bus” as inadvertently mentioned in para 4.7.2. The Petitioner requested the Commission to ignore the inadvertent error on the part of the Petitioner and may please read the same as “Rs. 4.05 per unit as CTU” in para 4.7.2.

7.4.55 The Commission has considered the quantum (MU) to be the same as projected by the Petitioner, subject to truing up based on actual. The Commission has also considered the approved rate as per the Order dated March 06, 2023, in Petition

No. 1926 of 2022. Further, the Commission has considered the Intra-State Transmission Loss as approved for UPPTCL for FY 2024-25.

7.4.56 The Commission has considered the lower of the two values (i.e., the fixed charges and energy charges submitted by the Petitioner and computed by the Commission based on its Order dated March 6, 2023) for fixed charges and energy charges, and based on these values, the rate has been approved for FY 2024-25 as shown in the Table below:

TABLE 7-23: MEDIUM TERM OF 100 MW APPROVED FOR FY 2024-25 FOR M/s TPTCL (Jindal India Thermal Power Limited)

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra-State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Amount (Rs. Cr.)	PGCIL Charges (Rs. Cr.)	UPPTCL charges (Rs. Cr.)	Total Transmission (Rs. Cr.)	Total (Rs. Cr.)	Unit Cost at NPCL bus (Rs./ Unit
TPTCL (JITPL)	744.60	3.77%	716.53	3.18%	693.74	150.78	150.78	301.56	-	16.13	16.13	317.70	4.58

TABLE 7-24: POWER PURCHASE FROM 100 MW TPTCL - JITPL SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – TPTCL-JITPL	UoM	Claimed	Approved
MU at Ex-Bus	MU	744.60	744.60
Inter-State Loss	%	3.75%	3.77%*
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	693.89	693.74
Fixed Charges	Rs. Cr.	151.90	150.78
Energy Charges	Rs. Cr.	154.13	150.78
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	18.33	16.13**
Total Cost	Rs. Cr.	324.36	317.70
Per Unit Cost @ NPCL Bus	Rs. / kWh	4.67	4.58

** Inter State Loss is as per losses approved for State Discoms for FY 2024-25*

****** *Intra State Transmission Charges are lower than the claimed value because the Commission has revised the Intra-State Transmission Charges from Rs. 0.2641 /kWh for FY 2023-24 to Rs. 0.2660 /kWh for FY 2024-25. The Commission has considered the charges as per the latest approved value.*

7.4.57 In addition to the above, the Petitioner has also proposed to purchase 125 MW RTC

Thermal power from a non-approved source from Apr-Mar for 5 years commencing from 01.04.2024 on a medium-term basis through DEEP Portal in accordance with Competitive Bidding Guidelines of Central Government.

7.4.58 The Petitioner submitted that a reverse auction for aforesaid power was conducted on 31.10.2023 and after the reverse auction, the Petitioner has received a successful bid for 95MW power at L1 rate of Rs. 5.19 per kWh at NR-bus excluding inter-state & intra-state transmission charges and losses.

7.4.59 Considering the price discovered for thermal power as referred above, the Petitioner for the purpose of estimation of ARR for FY 2024-25 has considered the rates of thermal power at Rs. 5.19 per kWh excluding inter-state and intra-state transmission charges & losses.

7.4.60 The Petitioner had filed the Petition No. 2035 of 2023 before the Commission for seeking the adoption of tariff and approval of Agreement of Procurement of Power (APP) dated 15.11.2023 for procurement of 95 MW RTC coal-based power from Jindal India Thermal Power Ltd. (JITPL) under Medium Term from 01.04.2024 to 31.03.2029.

7.4.61 The Commission vide its Order dated January 9, 2024, has adopted the tariff (Rs. 5.19/unit) and approved the PPA for JITPL. Relevant excerpts of the Order are reproduced below:

Quote

> *The Commission, in view of the above, adopts the tariff of Rs. 5.19/ unit for procurement of 95 MW Thermal power M/S JITPL in terms of the Section 63 of the Electricity Act, 2003 read with Medium Term Bidding Guidelines and Standard Bidding Documents issued by Ministry of Power to enable the Petitioner to supply reliable power to its consumers and approve the Agreement for Procurement of Power dated 15th Nov 2023.*

Unquote

7.4.62 It is observed that the Petitioner has claimed the Tariff as approved by the Commission in Petition No. 2035 of 2023.

7.4.63 The Commission has considered the lower of the two values (i.e., the fixed charges and energy charges submitted by the Petitioner and computed by the Commission based on its Order dated January 9, 2024) for fixed charges and energy charges, and based on these values, the rate has been approved for FY 2024-25 as shown in the Table below:

TABLE 7-25: MEDIUM TERM OF 95 MW APPROVED FOR FY 2024-25 FOR M/s TPTCL (Jindal India Thermal Power Limited)

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Amount (Rs. Cr.)	PGCIL Charges (Rs. Cr.)	UPPTCL charges (Rs. Cr.)	Total Transmission (Rs. Cr.)	Total (Rs. Cr.)	Unit Cost at NPCL bus (Rs./ Unit
TPTCL (JITPL)	707.37	3.77%	680.70	3.18%	659.06	183.56	183.56	367.13	0.00	15.33	15.33	382.45	5.80

TABLE 7-26: POWER PURCHASE FROM 95 MW TPTCL - JITPL SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – TPTCL-JITPL	UoM	Claimed	Approved
MU at Ex-Bus	MU	707.37	707.37
Inter-State Loss	%	3.75%	3.77%*
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	659.19	659.06
Fixed Charges	Rs. Cr.	183.56	183.56
Energy Charges	Rs. Cr.	183.56	183.56
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	17.41	15.33**
Total Cost	Rs. Cr.	384.53	382.45
Per Unit Cost @ NPCL Bus	Rs. / kWh	5.24	5.80

** Inter State Loss is as per losses approved for State Discoms for FY 2024-25*

****** *Intra State Transmission Charges are lower than the claimed value because the Commission has revised the Intra-State Transmission Charges from Rs. 0.2641 /kWh for FY 2023-24 to Rs. 0.2326 /kWh for FY 2024-25. The Commission has considered the charges as per the latest approved value*

7.4.64 Accordingly, the medium-term power purchase approved by the Commission for FY 2024-25 is as under:

TABLE 7-27: MEDIUM TERM POWER PURCHASE APPROVED FOR FY 2024-25

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra-State Loss (%)	MU at NPCL bus	Fixed Charge (Rs. Cr)	Energy Charge (Rs. Cr)	Amount (Rs. Cr)	PGCIL Charges (Rs. Cr)	UPPTCL charges (Rs. Cr)	Total Transmission (Rs. Cr)	Total (Rs. Cr)	Unit Cost at NPCL bus (Rs./Unit
100 MW-TPTCL (JITPL)	744.60	3.77%	716.53	3.18%	693.74	150.78	150.78	301.56	0.00	16.13	16.13	317.70	4.58
95 MW-TPTCL (JITPL)	707.37	3.77%	680.70	3.18%	659.06	183.56	183.56	367.13	0.00	15.33	15.33	382.45	5.80

Power Purchase from Renewable Source

7.4.65 The Commission vide Order dated July 14, 2015, in Petition No. 1012 of 2015 has approved the tariff for NPCL to procure power from Solar Power (GNIDA) and consider the same. The relevant extracts of the above-mentioned Order are reproduced below:

Quote

8. the Commission approves the Power Purchase Agreement (PPA) for purchase of 1 MWp solar PV power for a period of 10 years commencing from 01.03.2015.

9. Regarding the tariff, the Commission considers the provisions made under schedule - I (E) of UPERC (Captive and Renewable Energy Generating Plants) Regulations, and therefore allows the tariff of Rs. 7.06/kWh.

10. For any further extension of PPA, the matter shall be brought to the Commission for its approval. However, in any case, the tariff for extended period shall not exceed present allowed rate of Rs. 7.06/kWh.

Unquote

7.4.66 With regards to the wind power procurement from PTC, the Commission vide its Order dated January 23, 2018, approved the procurement of 10 MW wind power through PTC at the rate of Rs. 3.53/kWh including the trading margin of Rs. 0.07/kWh at NPCL Periphery (Petition No. 1228 of 2018) and the same is considered while approving the power procurement from PTC. The relevant excerpts of the Order are reproduced below:

Quote

6. In the hearing the Petitioner informed that to meet their renewable purchase obligations, this is the most reasonable rate on which the company is proposing to purchase 10MW wind power. Further, in this case the interstate transmission charges and losses are also not to be paid, as per the Government of India directives.

7. The Commission does not find any objection in this proposal therefore the Commission adopts the tariff of Rs.3.53 per unit including a trading margin of Rs.0.07 per unit. The purchase will be strictly as per the Power Purchase Agreement approved by M/s SECIL.

Unquote

7.4.67 Further, the Commission vide Order dated September 18, 2019, in Petition No. 1479 of 2019 had approved tariff from M/s Tata Power and M/s Adani Energy (Mahoba Solar (UP) Pvt Ltd, Ahmedabad). The relevant excerpts of the Order are reproduced below:

Quote

In view of all the submissions placed on record of the Commission, the Commission adopts the tariffs as below:

S. No.	***Name of Bidders***	***Allotted Project Capacity (MW)***	***Final Tariff after e-reverse auctioning (Tariff for 25 years) in Rs./kWh***

9	*TATA Power Renewable Energy Ltd Mumbai (PPA Signed with NPCL)*	*25*	*3.08*
10	*Mahoba Solar (UP) Pvt Ltd, Ahmedabad (PPA Signed with NPCL)*	*25*	*3.08*

Unquote

7.4.68 The Commission has considered the above-approved rates while approving the power procurement from M/s Tata Power and M/s Adani Energy.

7.4.69 The Commission observed that the Petitioner has projected APPCPL-Solar, which is not approved by the Commission. Thus, the Commission has not allowed any purchase from APPCPL-Solar.

7.4.70 With regards to the power procurement from the exchange, the Commission observed that the Petitioner has planned to procure the remaining Non-Solar

Renewable Power purchase of 479.32 MU from Power Exchange @ Rs. 6.65/kWh based on Rs. 0.50/unit premium on the rates discovered on IEX for RTC thermal power. The Commission approves the power procurement cost as submitted by the Petitioner. Further, inter-state losses have been considered as approved for the State Discoms in Tariff Order for FY 2024-25 for short-term purchase from the exchange. For intra-state, the UPPTCL Transmission losses and charges as approved in the Tariff Order FY 2024-25 are considered for computing the cost at NPCL Periphery.

Renewable Purchase Obligation (RPO):

7.4.71 Since the Commission vide UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019 dated August 16, 2019, has only notified the RPO Trajectory till FY 2023-24. The Commission has therefore considered the RPO trajectory of FY 2023-24 for FY 2024-25.

7.4.72 Accordingly, the Commission has computed the Solar, Non-Solar, and Hydro cumulative surplus/shortfall in line with the obligation specified in UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019 as shown in the Table below:

TABLE 7-28: RPO COMPUTATION FOR FY 2024-25

S.No	Particulars	Formula	Claimed	Approved
			Quantum (MU)	Quantum (MU)
1	Energy Consumption (Sales)	A	3,723.76	3,704.10
2	Distribution Loss (%)	B	7.57%	7.57%
3	Energy Consumption at Discom Periphery	C=A/(1-B)	4,028.74	4,007.46
4	Hydro Purchase at Distribution Periphery (MU)	D	-	-
5	**Net Power Sale for RPO computation**	E=C-D	3,723.76	4,007.46
5.1	**Total Obligation for the year (%)**			
5.2	Solar (%)	F	5%	5%
5.3	Non-Solar (%)	G	7%	7%
5.4	HPO (%)	H	3%	3%
6	**Total Obligation for the year (MU)**			
6.1	Solar (MU)	I=E*F	186.19	200.37
6.2	Non-Solar (MU)	J=E*G	260.66	280.52
6.3	HPO (MU)	K=E*H	111.71	120.22
7	**Total Obligation for the year(MU)**	L=I+J+K	**558.56**	**601.12**

S.No	Particulars	Formula	Claimed Quantum (MU)	Approved Quantum (MU)
	Total RPO Fulfilled during the year			
8	Solar (MU)	L	143.54	142.95
9	Non-Solar (MU)	M	513.27	513.27
10	HPO (MU)	N	-	-
11	**Total RPO fulfilled**	**O=L+M+N**	**656.81**	**656.22**
12	**Balance Obligation to be fulfilled for the year**	**P=Q+R+S**	**(98.25)**	**(55.10)**
12.1	Solar (MU)	Q=I-L	42.65	57.42
12.2	Non-Solar (MU)	R=J-M	(252.61)	(232.75)
12.3	HPO Obligation for the year (MU)	S=K-N	111.71	120.22
13	**Opening Obligation to be fulfilled for the year**	**T**	**60.80**	**207.14**
14	**Closing Obligation to be fulfilled for the year**	**U=P+T**	**(37.44)**	**152.04**

7.4.73 The Commission is of the view that the Petitioner should fulfil its complete RPO obligation for FY 2024-25. The Commission has computed the RPO details as under:

TABLE 7-29: STATUS OF RPO TO BE MET DURING FY 2024-25

RE Power	Opening Unfulfilled Obligation (FY 2024-25)	Obligation for the year	Obligation met during the year	Closing Unfulfilled Obligation (for FY 2024-25)
Solar	105.50	200.37	142.95	162.92
Non-Solar	21.77	280.52	513.27	(210.98)
HPO	79.86	120.22	-	200.09
Total	**207.13**	**601.12**	**656.22**	**152.04**

7.4.74 Further, the Commission has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 (CRE Regulations, 2019) which exempted the Intra-State Transmission charge for renewable sources. The relevant extract is as below:

Quote

26 Open Access

b) Renewable Energy based Generating Power Plant

I.A Renewable Energy based Generating Power Plant shall have right to ‘open access’ for carrying electricity from its plant to the destination of its use by using transmission and / or distribution system or associated facilities with such lines or system and for that purpose, Rules, Regulations and Orders passed by the

Appropriate Commission shall apply.

II. *The plant seeking 'Open Access' within or outside the State through the grid shall be regulated under Regulations specified by the Appropriate Commission.*

III. *The plant or the consumer, seeking 'Open Access' to the State and / or Inter State Transmission Systems and / or distribution system for carrying the electricity generated by it to the destination of use, shall pay the transmission charges, wheeling charges and such other charges for use of such facilities as determined by the Appropriate Commission(s).*

Provided for large scale stand-alone solar projects set up for sale of power to electricity distribution Company or Third party or Captive use, there shall be exemption of 50% on Wheeling charges/ Transmission charges on Intrastate Sale of Power and 100% exemption on Intrastate Transmission system on Interstate sale of solar power. This exemption is as per the provisions provided in UP Solar Energy Policy, 2017.

IV. *In case, the power generated from RE source based generating plant is supplied to a consumer, then such consumer shall pay charges as per the provisions of UPERC Open Access Regulations. Provided for large scale stand-alone solar projects set up for sale of power to Electricity distribution Company or Third party or Captive use, there shall be 100 % exemption from State cross subsidy surcharge for Interstate sale of solar power. This exemption is as per the provisions provided in UP Solar Energy Policy, 2017.*

Unquote

7.4.75 For Intra-State, the UPPTCL Transmission losses and charges as approved in the Tariff Order FY 2024-25 are considered for computing the cost at NPCL Periphery. The Power purchase from renewable sources approved for FY 2024-25 is as under:

TABLE 7-30: POWER PURCHASE FROM GNIDA- SOLAR SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – (GNIDA - SOLAR)	UoM	Claimed	Approved
MU at Ex-Bus	MU	1.43	1.43
Inter-State Loss	%	-	-
Intra-State Loss	%	-	-
MU at NPCL Bus	MU	1.43	1.43
Fixed Charges	Rs. Cr.	-	-

Source – (GNIDA - SOLAR)	UoM	Claimed	Approved
Energy Charges	Rs. Cr.	1.01	1.01
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	-	-
Total Cost	Rs. Cr.	1.01	1.01
Per Unit Cost @ NPCL Bus	Rs. / kWh	7.06	7.06

TABLE 7-31: POWER PURCHASE FROM ADANI- SOLAR SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – (ADANI - SOLAR)	UoM	Claimed	Approved
MU at Ex-Bus	MU	53.66	53.66
Inter-State Loss	%	-	-
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	51.95	51.95
Fixed Charges	Rs. Cr.	-	-
Energy Charges	Rs. Cr.	16.53	16.53
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	0.71	0.60*
Total Cost	Rs. Cr.	17.23	17.13
Per Unit Cost @ NPCL Bus	Rs. / kWh	3.32	3.30

** The Commission's approved value of Intra-State Transmission Charges of Rs. 0.2326 /kWh for FY 2024-25.*

TABLE 7-32: POWER PURCHASE FROM TATA- SOLAR SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – (TATA - SOLAR)	UoM	Claimed	Approved
MU at Ex-Bus	MU	52.56	52.56
Inter-State Loss	%	-	-
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	50.89	50.89
Fixed Charges	Rs. Cr.	-	-
Energy Charges	Rs. Cr.	16.19	16.19
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	0.69	0.59*
Total Cost	Rs. Cr.	16.88	16.78
Per Unit Cost @ NPCL Bus	Rs. / kWh	3.32	3.30

** The Commission's approved value of Intra-State Transmission Charges of Rs. 0.2326 /kWh for FY 2024-25.*

TABLE 7-33: POWER PURCHASE FROM PTC- WIND SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – (PTC - WIND)	UoM	Claimed	Approved
MU at Ex-Bus	MU	35.07	35.07
Inter-State Loss	%	-	-
Intra-State Loss	%	3.18%	3.18%

Source – (PTC - WIND)	UoM	Claimed	Approved
MU at NPCL Bus	MU	33.95	33.95
Fixed Charges	Rs. Cr.	-	-
Energy Charges	Rs. Cr.	12.38	12.38
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	0.90	0.79*
Total Cost	Rs. Cr.	13.28	13.17
Per Unit Cost @ NPCL Bus	Rs./kWh	3.91	3.88

* *The Commission's approved value of Intra-State Transmission Charges of Rs. 0.2326 /kWh for FY 2024-25.*

Table 7-34: POWER PURCHASE FROM EXCHANGE SUBMITTED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Source – (PTC - WIND)	UoM	Claimed	Approved
MU at Ex-Bus	MU	514.35	514.35
Inter-State Loss	%	3.75%	3.77%
Intra-State Loss	%	3.18%	3.18%
MU at NPCL Bus	MU	479.32	479.22
Fixed Charges	Rs. Cr.	-	-
Energy Charges	Rs. Cr.	305.06	305.06
Transmission Charges of PGCIL	Rs. Cr.	-	-
Transmission Charges of UPPTCL	Rs. Cr.	13.62	11.14*
Total Cost	Rs. Cr.	318.67	316.20
Per Unit Cost @ NPCL Bus	Rs./kWh	6.65	6.60

**The Commission's approved value of Intra-State Transmission Charges of Rs. 0.2326 /kWh for FY 2024-25*

TABLE 7-35: APPROVED RENEWABLE ENERGY PURCHASE FOR FY 2024-25

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra-State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Amount (Rs. Cr.)	PGCIL Charges (Rs. Cr.)	UPPTCL charges (Rs. Cr.)	Total (Rs. Cr.)	Per Unit Cost
GNIDA LT Solar Power	1.43	-	1.43	0.00%	1.43	-	1.01	1.01	-	-	1.01	7.06
Adani Energy (Solar Power)	53.66	-	53.66	3.18%	51.95	-	16.53	16.53	-	0.60	17.13	3.30
Tata Power-Solar Power	52.56	-	52.56	3.18%	50.89	-	16.19	16.19	-	0.59	16.78	3.30
APPCPL LT Solar	-	-	-	0.00%	-	-	-	-	-	-	-	
PTC Wind Power	35.07	-	35.07	3.18%	33.95	-	12.38	12.38	-	0.79	13.17	3.88

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery	Intra-State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Cr.)	Energy Charges (Rs. Cr.)	Amount (Rs. Cr.)	PGCIL Charges (Rs. Cr.)	UPPTCL charges (Rs. Cr.)	Total (Rs. Cr.)	Per Unit Cost
Power Exchange	514.35	3.77%	494.96	3.18%	479.22	-	305.06	305.06	-	11.14	316.20	6.60
Subtotal	**657.06**	**-**	**637.67**	**-**	**617.44**	**-**	**351.16**	**351.16**	**-**	**13.13**	**364.29**	**5.90**

Power Purchase from Short-Term Source

7.4.76 The Commission observes that the Petitioner has not considered any Short-Term Arrangement for FY 2024-25 and is planning to procure the entire remaining power requirement through Power Exchange on day ahead or real-time basis or through competitive bidding.

7.4.77 For the purpose of estimation of Short-Term Power Purchase Cost for FY 2024-25, the Petitioner has estimated procurement of 896.18 MU power at NPCL Bus from various Short Term Sources including Bidding / IEX. The Petitioner has estimated the power purchase as per original sales projections as per the business plan, the Petitioner has submitted the revised sales projections considering actual sales up to FY 2023-24. In the revised submission the energy sales were reduced by 19.67 MU. Consequently, the ex-bus power has been reduced by 26.43 MU. Further, Inter and Intra-State transmission charges have been considered as approved for State discoms and UPPTCL. Further, the cumulative effect of all these factors has led to a reduction of ex-bus power purchase by 26.43 MU. The difference in the units has been adjusted from 'Inter-State Power - from Trader / Generator-RTC'.

7.4.78 The Commission has considered the estimated cost of power to be procured from Power Exchange / DEEP Portal on the basis of average prices discovered at IEX during the period of Apr'23 to Sep'23 (for Summer Season) and Oct-22 to Mar'23 (for Winter Season) as submitted by the Petitioner in Table below:

Table 7-36: SUMMARY OF POWER EXCHANGE RATES

Summer Season								
Type	**Hrs**	**Apr-23**	**May-23**	**Jun-23**	**Jul-23**	**Aug-23**	**Sep-23**	**Avg.**
Peak	18-23 hrs	7.61	7.37	7.53	7.60	9.40	8.85	**8.06**
Night	00-04 & 23-24	6.95	5.67	6.00	4.53	7.71	6.22	**6.18**
Off-peak	07-19 hrs	3.15	3.81	3.60	3.24	4.94	4.88	**3.93**
RTC	00-24 hrs	5.29	4.86	4.88	4.58	6.89	6.23	**5.46**

Winter Season								
Type	**Hrs**	**Oct-22**	**Nov-22**	**Dec-22**	**Jan-23**	**Feb-23**	**Mar-23**	**Avg.**
Peak	18-23 hrs	4.99	4.74	4.78	6.22	6.98	6.88	**5.77**
Night	00-04 & 23-24	3.13	3.32	2.66	2.75	4.39	4.82	**3.51**
Off-peak	07-19 hrs	3.08	4.63	5.93	7.08	6.27	4.39	**5.23**
RTC	00-24 hrs	3.83	4.60	5.24	6.18	6.68	5.43	**5.32**

7.4.79 Based on the above, the short-term power procured from the sources is tabulated below:

TABLE 7-37: POWER PURCHASE FROM SHORT-TERM APPROVED BY THE COMMISSION FOR FY 2024-25

Source	MU at Ex-bus	Inter-State Loss (%)	Quantum at UP Periphery (MU)	Intra-State Loss (%)	MU at NPCL bus	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	PGCIL Charges (Rs. Crore)	UPPTCL charges (Rs. Crore)	Total (Rs. Crore)	Per Unit Cost (Rs./kWh)
Inter-State Power - from Trader / Generator-Peak	178.83	3.77%	172.08	3.18%	166.61	-	140.75	-	3.87	144.62	8.68
Inter-State Power - from Trader / Generator-Night	76.76	3.77%	73.87	3.18%	71.52	-	41.94	-	1.66	43.61	6.10
Inter-State Power - from Trader / Generator-Off Peak	191.30	3.77%	184.09	3.18%	178.23	-	88.61	-	4.14	92.75	5.20
Inter-State Power - from Trader / Generator-RTC	488.95	3.77%	470.52	3.18%	455.56	-	258.00	-	10.59	268.60	5.90
Subtotal	**935.84**	**3.77%**	**900.56**	**3.18%**	**871.92**	**-**	**529.30**	**-**	**20.28**	**549.58**	**6.30**

Table 7-38: POWER PURCHASE FROM SHORT TERM CLAIMED BY THE PETITIONER VS APPROVED BY THE COMMISSION FOR FY 2024-25

Particulars	Claimed			Approved		
Sources of Power Purchase	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh)**	**Total Cost (Rs. Cr.)**	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh)**	**Total Cost (Rs. Cr.)**
Inter-State Power - from Trader / Generator-Peak	166.65	8.73	145.51	166.61	8.68	144.62
Inter-State Power - from Trader / Generator-Night	71.53	6.15	44.01	71.52	6.10	43.61
Inter-State Power - from Trader / Generator-Off Peak	178.27	5.26	93.70	178.23	5.20	92.75
Inter-State Power - from Trader / Generator-RTC	479.73	5.95	285.28	455.56	5.90	268.60
Subtotal	**896.18**	**-**	**568.50**	**871.92**	**-**	**549.58**

Banking of Power

7.4.80 The Commission in the past Tariff Order dated December 04, 2020, for ARR of FY 2020-21, Tariff Order dated August 26, 2021, for ARR of FY 2021-22, Tariff Order dated July 20, 2022, for ARR of FY 2022-23 and Tariff Order dated May 24, 2023, for ARR of FY 2023-24 has disallowed the banking of Power because prior approval for the same was not taken. The Commission is of the view that the Petitioner should plan its power procurement more pragmatically and efficiently to avoid any requirement of banking of power. The Commission for the time being has disallowed the Banking of Power.

Sale of Power for Load Management and UI/DSM

7.4.81 The Commission observed that the Petitioner for FY 2024-25 has estimated to sale of 8.69 MU power towards load management and 13.04 MU to manage real-time power surplus in accordance with the DSM Regulations to be settled through the DSM mechanism as per the prevailing regulations.

7.4.82 The Commission in its Order dated March 11, 2024, in Petition No. 2020 of 2023 has allowed the Petitioner to sell the surplus power in Real Time Market and Day-Ahead Market of the Power Exchange(s) up to 2.5% of the total energy requirement at Discom periphery. Relevant excerpts of the Order are reproduced below:

Quote

19. Therefore, taking into consideration the submission, arguments and claim of UI/DSM/sales in the said true up Petitions, the Commission finds that it would be in order to allow the Petitioner to sale the surplus power (if any) in Real Time Market and Day Ahead Market of the Power Exchange(s) upto 2.5% of total energy requirement at Discom periphery.

Unquote

7.4.83 The Commission observes that the estimated Sale of Power and Under-drawl through DSM aggregating to 21.73 MU power is approximately 0.54% of the power purchase quantum and 0.20% of power purchase cost which is below the approved level of 2.5%. Therefore, the Commission allows the claims of the Petitioner.

TRANSMISSION CHARGES

a. GNA and TGNA charges

7.4.84 The Commission observes that the Petitioner has claimed Rs. 221.75 Cr. towards GNA & TGNA Charges however, no working has been provided. The Commission directed the Petitioner to submit the details of these charges.

7.4.85 The Petitioner in its reply submitted that it has been granted the deemed GNA of 351 MW by UPSLDC based on the provisions of regulation 18.1 (a) of the GNA Regulations. As per Regulation (14)(5)(b) of CERC's Connectivity and General Network Access to the inter-State Transmission System, Regulations 2022 (Hereafter "GNA regulations -2022"), the transmission charges payable by DICs are being notified by the Implementing Agency by 25th day of the month following billing period. The GNA billing was started for billing Month of October 2023 onwards for which the GNA rates for Uttar Pradesh were declared by the Implementing Agency as Rs 122.80/MW/block (i.e. Rs 0.49/kWh). Accordingly, the Petitioner has considered the transmission rates of Rs 0.49/kWh as reference rates for GNA. The T-GNA charges have been calculated based on Clauses (1) to (3) of Regulation 11 of CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023. The Petitioner submitted the computation as given in the Table below:

TABLE 7-39: COMPUTATION OF GNA CHARGES FOR FY 2024-25

Particulars	U.O.M.	Ref.	Amount
GNA Quantum	MW	a	351.00
GNA Rate	Rs./kWh	b	0.49
GNA Cost	Rs. Cr.	c=a*b*24*365/(10^4)	151.03
Estimated TGNA Quantum (Avg.)	MU	d	1,309
TGNA Rate	Rs./kWh	e=b*110%	0.54
TGNA Cost	Rs. Cr.	f=d*e/10	70.71
Total Cost	**Rs. Cr.**	**g=c+f**	**221.75**

7.4.86 Keeping in view the provisions of GNA Regulations 2022, the Commission allows the GNA charges of Rs. 221.75 Cr. for FY 2024-25.

b. Intra-State Transmission charges

7.4.87 The Commission, while computing the Intra- State transmission charges for FY

2024-25, has considered the transmission tariff of Rs 0.2326 / kWh and transmission losses of 3.18% for FY 2024-25 as approved by the Commission vide Tariff Order of UPPTCL for FY 2024-25.

7.4.88 The Commission will carry out the detailed analysis of actual power purchase, inter & intra transmission loss, and transmission charges at the time of truing up of FY 2024-25. Accordingly, the power purchase quantum/cost projected by the Petitioner and that approved by the Commission for FY 2024-25 are as shown in the Table below:

TABLE 7-40: APPROVED POWER PURCHASE FOR FY 2024-25

Particulars	Claimed in Petition for FY 2024-25					Approved for FY 2024-25				
Sources of Power Purchase	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Crore)	UPPTCL Charges (Rs. Crore	Total Cost (Rs. Crore)	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Crore)	UPPTCL Charges (Rs. Crore	Total Cost (Rs. Crore)
Long Term Power										
Dhariwal Infrastructure Limited (DIL)	1,187.28	4.77	534.85	31.36	566.20	1,187.03	4.74	534.85	27.60	562.45
Subtotal	**1,187.28**	**4.77**	**534.85**	**31.36**	**566.20**	**1,187.03**	**4.74**	**534.85**	**27.60**	**562.45**
Medium Term Power										
Medium Term Power (JITPL)	693.89	4.11	306.03	18.33	324.36	693.74	4.05	301.56	16.13	317.70
Medium Term Power (Proposed Thermal)	659.19	5.19	367.13	17.41	384.53	659.06	5.19	367.13	15.33	382.45
Subtotal	**1,353.08**	**4.64**	**673.16**	**35.73**	**708.89**	**1,352.80**	**4.61**	**668.69**	**31.46**	**700.15**
Short Term Power (Conventional Sources)										
Inter-State Power - from Trader / Generator-Peak	166.65	7.87	140.75	4.77	145.51	166.61	7.87	140.75	3.87	144.62
Inter-State Power - from Trader / Generator-Night	71.53	5.46	41.94	2.06	44.01	71.52	5.46	41.94	1.66	43.61
Inter-State Power - from Trader / Generator-Off Peak	178.27	4.63	88.61	5.09	93.70	178.23	4.63	88.61	4.14	92.75

Particulars	Claimed in Petition for FY 2024-25					Approved for FY 2024-25				
Sources of Power Purchase	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Crore)**	**UPPTCL Charges (Rs. Crore**	**Total Cost (Rs. Crore)**	**Energy (MU) at NPCL bus**	**Avg. cost (Rs. /kWh**	**Cost excluding Transmission (Rs. Crore)**	**UPPTCL Charges (Rs. Crore**	**Total Cost (Rs. Crore)**
Inter-State Power - from Trader / Generator-RTC	479.73	5.28	271.64	13.64	285.28	455.56	5.28	258.00	10.59	268.60
Subtotal	**896.18**	**5.65**	**542.94**	**25.56**	**568.50**	**871.92**	**5.66**	**529.30**	**20.28**	**549.58**
Power Banking										
Forward Banking	27.73	-	-	0.74	0.74	-	-	-	-	-
Return Banking	(31.94)	-	-	0.72	0.72	-	-	-	-	-
Total-Banking Power	**(4.20)**	**-**	**-**	**1.46**	**1.46**	**-**	**-**	**-**	**-**	**-**
Renewable Power										
Renewable Power (GNIDA LT Solar Power)	1.43	7.06	1.01	-	1.01	1.43	7.06	1.01	-	1.01
Renewable Power (Solar Power)- Adani Energy	51.95	3.08	16.53	0.71	17.23	51.95	3.08	16.53	0.60	17.13
Renewable Power (Solar Power)-Tata Power	50.89	3.08	16.19	0.69	16.88	50.89	3.08	16.19	0.59	16.78
Renewable Power (APPCPL LT Solar)	0.59	5.49	0.32	-	0.32	-	-	-	-	-
Renewable Power (LT Wind Power)	33.95	3.53	12.38	0.90	13.28	33.95	3.53	12.38	0.79	13.17
Power Exchange (Renewable)	479.32	5.93	305.06	13.62	318.67	479.22	5.93	305.06	11.14	316.20
Subtotal	**618.13**	**5.34**	**351.49**	**15.91**	**367.40**	**617.44**	**5.34**	**351.16**	**13.13**	**364.29**
Sub Total	**4,050.46**	**4.84**	**2,102.42**	**110.02**	**2,212.45**	**4,029.19**	**4.83**	**2,084.00**	**92.47**	**2,176.47**
Sale of Power / Unscheduled Interchange	(13.04)	2.75	(3.58)	-	(3.58)	(13.04)	2.75	(3.58)	-	(3.58)
Sale of Power	(8.69)	4.10	(3.56)	-	(3.56)	(8.69)	4.10	(3.56)	-	(3.56)

Particulars	Claimed in Petition for FY 2024-25					Approved for FY 2024-25				
Sources of Power Purchase	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Crore)	UPPTCL Charges (Rs. Crore	Total Cost (Rs. Crore)	Energy (MU) at NPCL bus	Avg. cost (Rs. /kWh	Cost excluding Transmission (Rs. Crore)	UPPTCL Charges (Rs. Crore	Total Cost (Rs. Crore)
GNA & TGNA Charges					**221.75**					**221.75**
Grand Total	**4,028.74**	**4.85**	**2,095.28**	**110.02**	**2,427.05**	**4,007.46**	**4.83**	**2,076.85**	**92.47**	**2,391.07**

7.5 O&M EXPENSES

Petitioner's Submission

7.5.1 The Petitioner has submitted that the Commission, while approving the O&M Expenses in ARR for FY 2023-24 in its Tariff Order dated May 24, 2023, computed the normative O&M expenses for the base year on the basis of trued-up O&M expenses of FY 2015-16 to FY 2019-20, but had made inadvertent arithmetical errors while computing normative O&M Expenses that are as follows:

i. Error in the computation of Employee Expenses based on net trued-up Employee Expenses for FY 2015-16 & FY 2016-17 i.e. after deduction of employee expenses capitalized instead of gross trued-up employee expenses;

ii. Error in the computation of A&G Expenses based on trued-up expenses of A&G Expenses for FY 2015-16 to FY 2019-20 without considering the following:

a) Expenses incurred for compliance with the directives of the State Commission;

b) Impact of Service Tax;

c) Impact of Goods & Service Tax and;

d) Cost of Borrowing of DPS.

7.5.2 The Petitioner further submitted that while truing up for FY 2018-19 and FY 2019-20 vide the Tariff Orders dated December 04, 2020, and August 26, 2021, respectively, the Commission had disallowed the amount claimed by the Petitioner towards the impact of GST and Borrowing Cost for DPS. Aggrieved by the above disallowance, the Petitioner has challenged the same before the Hon'ble APTEL in Appeal No. 98 of 2021 and Appeal No.343 of 2021 respectively. The Petitioner, therefore, neutralized the impact of the abovementioned errors in computation and has taken into consideration the amount claimed by it towards the Impact of

GST and Borrowing Cost for DPS for FY 2018-19 and FY 2019-20 for the purpose of computation of Normative O&M Expenses of Base Year (FY 2019-20), pending outcome of the above appeals. Thus, based on the above discussion and methodology as provided in Regulation 45 (a) to (e) of MYT Regulations, 2019, the average of trued-up values of O&M Expenses including additional O&M expenses, during the last five (5) financial years i.e. FY 2015-16 to FY 2019-20 for determining values of employee costs, A&G Expenses, and R&M Expenses for the middle year (i.e. FY 2017-18) is provided in the below Table:

TABLE 7-41: NORMATIVE O&M EXPENSES (Rs. Cr.)

Sl. No	Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average Normative (FY 17-18)
1	Employee Expenses	18.20	22.31	26.38	29.62	35.92	**26.49**
2	R&M Expenses	26.76	32.80	38.78	43.29	48.22	**37.97**
3	A&G Expenses	7.97	9.76	11.54	12.32	13.43	**11.00**
4	**Subtotal**	**52.92**	**64.88**	**76.70**	**85.23**	**97.57**	**75.46**
5	Finance Charges	3.07	1.71	1.64	1.58	1.74	**1.95**
6	S. Tax / GST	1.41	2.05	2.22	3.56	4.01	**2.65**
7	Finance Cost of DPS	1.44	3.02	3.33	3.28	2.85	**2.78**
8	**Subtotal**	**5.92**	**6.78**	**7.19**	**8.42**	**8.61**	**7.38**
9	**Total O&M Expenses**	**58.84**	**71.66**	**83.89**	**93.65**	**106.18**	**82.84**

7.5.3 Further, in line with the norms mentioned in Regulation 45 (c), the value of each component of O&M expenses arrived for the middle year (i.e. FY 2017-18) is further escalated to determine the normative expenses till Base Year i.e. FY 2019-20 as shown below:

TABLE 7-42: COMPUTATION OF NORMATIVE O&M EXPENSES FOR BASE YEAR (Rs. Cr.)

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

7.5.4 Based on the above determined normative O&M Expenses for Base Year i.e. FY 2019-20, computation of normative O&M Expenses for FY 2024-25 is as follows:

Normative Employee Expenses:

7.5.5 Regulation 45.1 of the MYT Regulations, 2019 provides for the determination of normative employee expenses as reproduced below:

Quote

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by the provisions for expenses beyond the control of the licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears, Interim Relief, etc.:

$$\boldsymbol{EMP_N = EMP_{N-1} \times (1+CPI\ inflation)}$$

Where:

EMP_N: *Employee expense for the* n^{th} *year;*

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

CPI inflation is the average of the Consumer price Index (CPI) for Immediately preceding three financial years

Unquote

7.5.6 Accordingly, based on the above Regulation, the normative employee expenses for FY 2024-25 workout are shown in the following Table:

TABLE 7-43: EMPLOYEE EXPENSES (NORMATIVE) FOR FY 2024-25 (Rs. Cr.)

Particulars	Formula	Normative Emp. Expense
Emp. Exp. for Base Year (FY 2019-20)	**A**	**29.62**
CPI Inflation (FY 2020-21)	B	5.35%
Emp. Exp. for FY 2020-21	**C=A*(1+B)**	**31.20**
CPI Inflation (FY 2021-22)	D	6.00%
Emp. Exp. for FY 2021-22	**E=C*(1+D)**	**33.08**
CPI Inflation (FY 2022-23)	F	5.89%
Emp. Exp. for FY 2022-23	**G=E*(1+F)**	**35.03**
CPI Inflation (FY 2023-24)	H	5.40%
Emp. Exp. for FY 2023-24	**I=G*(1+H)**	**36.92**
CPI Inflation (FY 2024-25)	J	5.40%
Emp. Exp. for FY 2024-25	**K=I*(1+J)**	**38.91**

Administrative & General Expenses

7.5.7 Regulation 45.3 of MYT Regulations, 2019 provides the methodology for the determination of normative A&G expenses, as shown below:

Quote

A&G expense shall be computed as per the following formula escalated by the

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:

A&Gn= A&G n-1 (1+ WPI inflation)

Where:

A&Gn: A&G expense for the nth year;

A&Gn-1: A&G expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years:

Unquote

Accordingly, considering the norms mentioned above, the normative A&G expenses for FY 2024-25 work out as shown below:

TABLE 7-44: A&G EXPENSES (NORMATIVE) FOR FY 2024-25 (Rs. Cr.)

Particulars	Formula	Normative A&G Expense
A&G Exp. for Base Year (FY 2019-20)	**A**	**20.56**
WPI Inflation (FY 2020-21)	B	2.96%
A&G Exp. for FY 2020-21	**C=A*(1+B)**	**21.17**
WPI Inflation (FY 2021-22)	D	2.42%
A&G Exp. for FY 2021-22	**E=C*(1+D)**	**21.68**
WPI Inflation (FY 2022-23)	F	5.32%
A&G Exp. for FY 2022-23	**G=E*(1+F)**	**22.84**
WPI Inflation (FY 2023-24)	H	7.90%
A&G Exp. for FY 2023-24	**I=G*(1+H)**	**24.64**
WPI Inflation (FY 2024-25)	J	7.90%
A&G Exp. for FY 2024-25	**K=I*(1+J)**	**26.59**

Further, Petitioner has again requested as mentioned in the chapter of "Revenue from Sale of Electricity", that if the Commission decides to include the Captive Consumption, both Revenue (Rs.) and Sales (MU) as part of sales, then corresponding expenses in the A&G should also be allowed as the base A&G expenses do not include expenses on account of Captive Consumption due to the reason that the Commission has first time decided to include the same in Revenue of FY 2020-21.

Repair and Maintenance Expense

Regulation 45.2 provides the methodology for determining normative Repair and Maintenance expenses as shown below:

Quote

Repair and Maintenance expense shall be calculated as per the following formula:

R&Mn= R&M n-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for nth year;

R&Mn-1: Repairs & Maintenance expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years.

Unquote

Accordingly, considering the norms mentioned above, the normative R&M expenses for FY 2024-25 work out as shown below:

TABLE 7-45: R&M EXPENSES AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	Formula	Normative R&M Expense
R&M Exp. for Base Year (FY 2019-20)	**A**	**42.46**
WPI Inflation (FY 2020-21)	B	2.96%
R&M Exp. for FY 2020-21	**C=A*(1+B)**	**43.72**
WPI Inflation (FY 2021-22)	D	2.42%
R&M Exp. for FY 2021-22	**E=C*(1+D)**	**44.77**
WPI Inflation (FY 2022-23)	F	5.32%
R&M Exp. for FY 2022-23	**G=E*(1+F)**	**47.16**
WPI Inflation (FY 2023-24)	H	7.90%
R&M Exp. for FY 2023-24	**I=G*(1+H)**	**50.88**
WPI Inflation (FY 2024-25)	J	7.90%
R&M Exp. for FY 2024-25	**K=I*(1+J)**	**54.90**

7.5.8 The summary of normative O&M Expenses as computed on the basis of methodology provided in Regulation 45 of the MYT Regulations, 2019 as compared to preceding years is provided in the Table below:

TABLE 7-46: SUMMARY OF O&M EXPENSES AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Financial Year	Nature	Employee Expenses	A&G Expense	R&M Expense	Gross O&M Expense
As per Distribution Tariff Regulations, 2006 and MYT Regulations, 2014						
1	FY 2015-16	Trued-up	18.2	13.89	26.76	**58.84**
2	FY 2016-17	Trued-up	22.31	16.55	32.8	**71.66**
3	FY 2017-18	Trued-up	26.38	18.73	38.78	**83.89**
4	FY 2018-19	Claimed Normative	29.62	20.74	43.29	**93.65**
5	FY 2019-20	Claimed Normative	35.92	22.04	48.22	**106.18**
As per MYT Regulations, 2019						
6	FY 2017-18	Normative	26.49	18.39	37.97	**82.84**
7	FY 2018-19	Normative	27.86	19.35	39.95	**87.15**
8	FY 2019-20	Normative	29.62	20.56	42.46	**92.64**
9	FY 2020-21	Normative	31.20	21.17	43.72	**96.09**
10	FY 2021-22	Normative	33.08	21.68	44.77	**99.53**
11	FY 2022-23	Normative	35.03	22.84	47.16	**105.02**
12	FY 2023-24	Normative	36.92	24.64	50.88	**112.44**
13	FY 2024-25	Normative	38.91	26.59	54.90	**120.40**

7.5.9 It can be observed from the above Table that normative O&M expenses as per MYT Regulations, 2014 for FY 2019-20 were Rs. 106.18 Cr. whereas normative O&M expenses as per MYT Regulations, 2019 for the same FY 2019-20 is Rs. 92.64 Cr. and this gap further increases in subsequent years. Therefore, O&M Expenses determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 are highly insufficient and skewed as compared to MYT Regulations, 2014.

7.5.10 The Petitioner apprised that the Commission has been pioneering in the implementation of various Regulations in the State of Uttar Pradesh. Further, the Ministry of Power (MoP) has also issued several Rules and Regulations that are to be followed by the Petitioner and the details of some of the Regulations are as follows:

1. Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulations, 2019
2. Electricity (Rights of Consumers) Rules, 2020
3. Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019
4. Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021

5. Directions of the Commission for 100% Feeder Metering
6. Cyber Security related Regulations and Directions

7.5.11 The Petitioner has given details about the above Regulations and has submitted that in order to comply with the above-mentioned Regulations and Guidelines, the Petitioner is required to purchase new hardware, software and tools and also required to recruit additional competent manpower leading to additional expenses O&M Expenses.

7.5.12 The Petitioner has submitted that it is required to create infrastructure for compliance with the above regulations, therefore, DT and Feeder metering project is being proposed to facilitate compliance with the Directions of the Commission, Ministry of Power and Bureau of Energy Efficiency. The overall project comprises of installation and commissioning of Energy Meters, LTCTs, Meter Boxes, and associated communication devices along with HES application, Software Applications, IT Hardware, Data exchange and integration to fulfil the reporting requirements. Further, the installation and commissioning of DT meters, Feeders and HES and Software will also entail annual maintenance costs thereof and the need to appoint Energy Manager, Financial Manager, IT Manager, Third Party Certified Accredited Energy Auditor etc. which will have additional employee cost and consequently, an additional administrative cost on regular basis.

7.5.13 Thus, in order to comply with the above new / amended Regulations, it requires recruiting additional competent manpower leading to additional expenses on employee cost, A&G expenses, and R&M Expenses. Therefore, such additional O&M expenses required to be incurred to comply with the above Regulations promulgated subsequent to the MYT Regulations 2019, need to be allowed as additional O&M expenses over and above the normative O&M expenses determined under MYT Regulations 2019.

7.5.14 In this regard, the Petitioner submitted that it would like to bring the attention of the Commission towards regulations 25 (e) of the MYT Regulations, 2014, the same are being reproduced below:

Quote

25. Operation & Maintenance Expenses

…………………..

(e) The One-time expenses and the expenses beyond the control of the Distribution Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.

…………………..

Unquote

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

Quote

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

4.7.65. The Petitioners further submitted that the Discoms faced challenges while segregating this amount under the similar duplicate accounting heads, therefore, the amount incurred / to be incurred is booked / provisioned under the various accounting head under O&M expenses as per the existing practice adopted as per Companies Act. The Commission is of the view that although the Petitioners are claiming additional R&M expenses for implementation of SoP Regulations much progress is not being reflected. Moreover, the Petitioners have also failed to substantiate their claim. However, the Petitioners have made progress in development of framework for implementation of SoP Regulations.

Accordingly, the Commission is allowing 50% of additional R&M approved in Tariff Order for FY 2021-22 dated July 29, 2021 on account of implementation of SoP Regulations.

Unquote

7.5.16 The Petitioner has considered the impact of such additional O&M expenses @ 50% of the R&M Expenditure for the purpose of compliance with the New / amended Regulations and directions as mentioned above and requested the Commission to approve additional expenses equivalent to 50% of normative R&M Expenses over and above the normative O&M Expenses as being allowed to UPPCL's Discoms.

7.5.17 The Petitioner has projected O&M Expenses for FY 2024-25 that includes additional expenditure for compliance with the above referred additional Regulatory / SOP obligations. The same is as shown below:

TABLE 7-47: O&M EXPENSES FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Normative	Estimated
1	Repair & Maintenance Expenses	54.90	78.46
2	Employees Expenses	38.91	95.91
3	Administrative & General Expenses	26.59	39.79
4	Additional R&M for SOP Compliance etc.	27.45	Included above
5	**Total O&M Expenses**	**147.85**	**214.16**

7.5.18 The Petitioner submitted that the above-shown A&G Expenses of Rs. 39.79 Cr. include Finance Charges of Rs. 3.60 Cr. in line with Regulation 45 of MYT Regulations, 2019. The O&M Expenses as determined on the basis of norms provided in Regulation 45 of MYT Regulations, 2019 is highly insufficient, skewed, and is not true reflection of actual expenses in accordance with the business parameters as there is huge gap between the estimated O&M expenses and amount approved by the Commission on normative basis in accordance with the Regulation 45 of MYT Regulations, 2019. Thus, the Petitioner requested the Commission to consider the O&M expenses for FY 2024-25 as projected, which are commensurate with the size of its business and necessary to run operations efficiently owing to various factors which are beyond the control of the Petitioner.

Capitalization of Employee Cost

7.5.19 The Petitioner has estimated to capitalize an amount of Rs. 18.00 Cr. out of the total employee cost of Rs. 95.91 Cr. estimated to be incurred during FY 2024-25, as per past practice duly approved by the Commission. For the purpose of capitalization of employee costs, the Petitioner at the time of execution of projects, records actual man-hours spent by each engineer/executive into the system / SAP Software. These hours are then matched with the cost per hour of that employee by the software itself and the actual employee cost so incurred, is capitalized along with the specific project and the entire process of its project / financial accounting is through SAP, and there is least manual intervention in computation of expenses to be capitalized. Further, these man-hours and costs are duly verified by its auditors and also approved by its Board of Directors subsequently. Based on the above submission, the Petitioner requested the Commission to approve the net O&M expenses for FY 2024-25, subject to truing up as shown below:

TABLE 7-48: O&M EXPENSES FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Normative	Estimated
1	Repair & Maintenance Expenses	54.90	78.46
2	Employees Expenses	38.91	95.91
3	Administrative & General Expenses	26.59	39.79
4	Additional R&M for SOP Compliance etc.	27.45	Included above
5	**Total O&M Expenses**	**147.85**	**214.16**
6	Employee Cost Capitalised	(18.00)	(18.00)
7	**Net O&M Expenses**	**129.85**	**196.16**

Commission's Analysis

7.5.20 The Commission observes that in Para No. 5.21 of Volume III of the Petition, the O&M Expenses are claimed as Rs. 202.14 Cr., however, in Table-24 in the same volume, it is shown as Rs. 214.16 Cr. In this regard, the Commission sought the explanation of the same. In reply, the Petitioner submitted that there is an inadvertent error in the Para No. 5.21. The Petitioner requested the Commission to ignore the inadvertent error and consider the estimated O&M Expenses for FY 2024-25 at Rs. 196.16 Cr (net of employee cost capitalised). The Employee expenses capitalization for FY 2024-25 is projected as Rs. 18.00 Cr and the total O&M expenses claimed for FY 2024-25 is Rs. 214.16 Cr.

7.5.21 The Commission directed the Petitioner to clarify the reason for claiming the O&M Expenses on a projected basis instead of normative, as per the Regulations. In reply, the Petitioner has submitted that it has mentioned the reason under the True-Up section in detail, which is reproduced as follows,

> *" 5.37. It may be seen from the above table that the O&M Expenses as determined on the basis of norms provided in Regulation-45 of MYT Regulations, 2019 is highly insufficient, skewed and is not reflective of the actual expenses in accordance with the business parameters as there is huge gap between the actual O&M expenses and the amount approved by the Hon'ble Commission on normative basis in accordance with the Regulations 45 of MYT Regulations, 2019."….*

Further, the Petitioner has added that the wages applicable from 01st April 2022 were higher by 31% as compared to wages prevailing on April 2017 (i.e. mean financial year considered for determination of norms). Thus, the wages applicable for full FY 2022-23 have been significantly higher as compared to the norms.

Additionally, the Petitioner has mentioned that the normative O&M expenditure approved by the Commission ranged between Rs. 0.37 to Rs. 0.40 per unit sold from FY 18 to FY 20 through the Table of Comparison of approved O&M Cost per kWh sold (Rs./kwh). However, this has decreased from Rs. 0.35 per unit sold in FY 21 to Rs. 0.29 per unit sold in FY 24, displaying a continuous decline trend. This consistent decline indicates a concerning trend wherein normative expenses do not align with the growth trajectory. Instead of scaling up in accordance with the Petitioner's expansion, normative expenses are diminishing. If this trend persists, it will pose significant challenges for the Petitioner to maintain the high level of service standards expected from them.

7.5.22 The Commission directed the Petitioner to provide the basis & working of the projections of O&M Expenses by the Commission. In reply, the Petitioner has stated that the O&M Expenses have been estimated on the basis of expenses incurred in preceding years. The actual expenses incurred when duly audited will be submitted to the Commission for True-up in subsequent periods.

7.5.23 The Commission observed that in MYT Format F1, the Petitioner has specified that the cost of Smart Metering / DT Metering / SOP implementation OPEX as '*included above*'. In this regard, the Petitioner was directed to submit head-wise details by the Commission. In reply, the Petitioner submitted that the cost of such manpower and infrastructure are being claimed along with actual O&M expenses being similar in nature and it will be difficult to assign and allocate the same against one or another function. Therefore, as requested in the ARR petition to approve the O&M expenses on actuals and alternatively allow 50% additional R&M expenses over and above the normative expenses as additional expenses towards compliance with SOP Regulations. However, the response of the Petitioner is not found satisfactory.

7.5.24 The Commission sought the details of smart meters to be installed in FY 2024-25 & how much Capex/ Opex has been claimed in the ARR. In reply, the Petitioner submitted that the details of CAPEX projected for the installation of Smart Meter in ARR of FY 2024-25 are given below:

Particulars	CAPEX details of Smart Meter proposed in FY 2024-25	
	Amount (In Rs. Cr.)	Quantity (In No.)
Total	**7.65**	**12,666**

7.5.25 The Petitioner further mentioned that the aforesaid expenditure does not include expenses towards the cost of communication infrastructure, head-end system and other related peripherals.

7.5.26 Further, regarding the OPEX, the Petitioner has submitted that currently the Smart Meters are under warranty and the OPEX on the same will start to incur only after the expiration of the warranty period of 5 years.

7.5.27 Regulation 45.3 of MYT Regulations, 2019, stipulates that the Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges have been considered as a part of A&G expenses. Accordingly, the finance charges have been considered as a part of A&G expenses and not allowed separately as claimed by the Petitioner.

7.5.28 The Commission has already discussed the detailed approach of O&M expenses in the True-Up Chapter of this Order and approved component-wise O&M expenses for FY 2022-23. Considering the normative employee expenses, A&G expenses, and

R&M expenses of FY 2022-23 and inflation indices as per the MYT Regulations, 2019, the Commission has computed normative O&M expenses for FY 2024-25, as shown in the Tables below:

Table 7-49: MONTH-WISE CPI & WPI CONSIDERED BY THE COMMISSION

Particulars	Wholesale Price Index				Consumer Price Index			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
April	119.20	132.00	152.30	151.10	329.0	345.9	367.8	386.5
May	117.50	132.90	155.00	149.40	330.0	347.3	371.5	387.9
June	119.30	133.70	155.40	148.90	332.0	350.5	372.1	392.8
July	121.00	135.00	154.00	152.10	336.0	353.7	374.1	402.3
August	122.00	136.20	153.20	152.50	338.0	354.2	375.0	402.3
September	122.90	137.40	151.90	151.80	340.1	355.1	378.1	400.9
October	123.60	140.70	152.90	152.50	344.2	359.7	381.6	398.6
November	125.10	143.70	152.50	153.10	345.3	362.0	381.6	400.6
December	125.40	143.30	150.50	151.80	342.1	361.2	381.0	399.7
January	126.50	143.80	150.70	151.10	340.4	360.3	382.5	400.0
February	128.10	145.30	150.90	151.20	342.7	360.0	382.2	400.9
March	129.90	148.90	151.00	151.80	344.4	362.9	383.9	400.0
Average	**123.38**	**139.41**	**152.53**	**151.5**	**338.7**	**356.1**	**377.6**	**397.7**
Calculation of Inflation	**1.29%**	**13.00%**	**9.41%**	**-0.70%**	**5.02%**	**5.13%**	**6.05%**	**5.33%**

Table 7-50: INFLATION INDEX CONSIDERED BY THE COMMISSION

FY	INDEX		INFLATION RATE		Average of Last 3 Years	
	WPI	CPI	WPI	CPI	WPI	CPI
FY 2020-21	123.38	338.69	1.29%	5.02%	-	-
FY 2021-22	139.41	356.06	13.00%	5.13%	**5.32%**	**5.89%**
FY 2022-23	152.53	377.62	9.41%	6.05%	**7.90%**	**5.40%**
FY 2023-24	151.45	397.73	-0.70%	5.33%	**7.23%**	**5.50%**

Index file for CPI Source: *https://labourbureau.gov.in/all-india-general-index-1*
Index file for WPI Source: *https://eaindustry.nic.in/download_data_1112.asp*

Table 7-51: NORMATIVE O&M EXPENSES COMPUTED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Formula	Normative Value for FY 2022-23	Inflation Factor for FY 2023-24	Normative Value for FY 2023-24	Inflation Factor FY 2024-25	Normative Value for FY 2024-25
		A	B	C=A*(1+B)	D	E=C*(1+D)
Employee Expenses	a	32.87	5.40%	34.65	5.50%	36.56
R & M Expenses	b	47.29	7.90%	51.03	7.23%	54.72
A&G Expenses (with FC)	c	17.53	7.90%	18.91	7.23%	20.28

Particulars	Formula	Normative Value for FY 2022-23	Inflation Factor for FY 2023-24	Normative Value for FY 2023-24	Inflation Factor FY 2024-25	Normative Value for FY 2024-25
		A	B	C=A*(1+B)	D	E=C*(1+D)
Gross O&M Expenses	d=a+b+c	**97.69**	-	**104.59**	-	**111.55**

7.5.29 The Employee Expenses for FY 2024-25 are computed by escalating the employee expenses for the year FY 2023-24 by average CPI inflation of the last 3 years (5.40%). The A&G expenses (including Finance Charges) and R&M expenses for FY 2024-25 are computed by escalating the respective value of FY 2023-24 by the average WPI inflation of the last 3 years (7.90%). The Commission for FY 2024-25 has considered the employee expense capitalisation the same as claimed by the Petitioner, subject to prudence check at the time of truing up.

7.5.30 With regard to the Petitioner's claim towards additional expenses for compliance with newly promulgated Regulations over and above the normative expenses as being allowed to UPPCL's Discoms also, the Commission is of the view that there is no comparison in the operations of the 5 State Discoms & the Petitioner. The State Discoms cover almost the full state & have a vast network with high losses & also a non-favourable consumer mix as compared to the Petitioner. Taking the same into consideration, the Commission does not approve the claim of the Petitioner in regard to allowing the additional cost (O&M) as done for State Discoms.

7.5.31 Further, the Commission has already disallowed the financing cost of DPS & additional claim of impact of GST therefore these claims have not been considered while approving the norms for O&M expenses for FY 2024-25.

7.5.32 Thus, the O&M Expenses approved by the Commission for FY 2024-25 are as follows:

Table 7-52: NORMATIVE O&M EXPENSES APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Formula	Normative (Petitioner)	Claimed by Petitioner	Normative (Computed)	Approved
Employee Expenses	a	38.91	95.91	36.56	36.56
R & M Expenses	b	54.90	78.46	54.72	54.72
A&G Expenses (with FC)	c	26.59	39.79	20.28	20.28

Particulars	Formula	Normative (Petitioner)	Claimed by Petitioner	Normative (Computed)	Approved
Add: Smart Metering Opex/ Smart Metering/ DT Metering / SOP implementation OPEX	d	27.45	Included Above	0.00	0.00
Gross O&M Expenses	e=a+b+c+d	**147.85**	**214.16**	**111.55**	**111.55**
Less: Employee Expenses Capitalisation	f	18.00	18.00	18.00	18.00
Net O&M Expenses	g=e-f	**129.85**	**196.16**	**93.55**	**93.55**

7.6 CAPITAL EXPENDITURE

Petitioner's Submission

7.6.1 **Proposal of Capital Expenditure:** The Petitioner submitted that taking into account various existing and upcoming Government & Private projects in and around Greater Noida and demand estimates for FY 2024-25, the Petitioner has prepared its capital expenditure plan for FY 2024-25 at Rs. 422.39 Cr (Including Rs. 74.95 Cr towards capital expenditure planned and approved for FY 2023-24 but shifted to FY 2024-25 for various reasons beyond the control of the Petitioner) (excluding assets handed over by GNIDA/Others and without reducing Capital Contribution).

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

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

ii) Subsequently, the Petitioner has filed the Petition for the aforesaid scheme through Petition No. 1950 of 2023 dated January 6, 2023, before the Commission.

iii) The Commission, vide its Order dated June 19, 2023, has approved the cost of the scheme as follows in the Table below:

TABLE 7-53: ALREADY APPROVED CAPITAL EXPENDITURE FOR FY 2023-24 & FY 2024-25 ABOVE RS 10 CR.

Sl. No.	Particulars	Amount in Rs. Cr.	
		FY 2023-24	FY 2024-25
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) (Cluster-01)	50.53	10.38
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida (Cluster-02).	36.8	32.01
	TOTAL	**87.33**	**42.38**

iv) The Petitioner has mentioned that, out of Rs. 87.33 Cr approved by the Commission for FY 2023-24; the Petitioner will capitalize Rs. 15.00 Cr approx. (against the original estimated and approved cost of Rs. 8.15 Cr.) to acquire 3 No. of Land and Rs. 4.23 Cr (against the original estimated and approved of 10.38 Cr) for some part of the 33 kV network construction. The remaining approved CAPEX amounting to Rs. 74.95 Cr (Rs. 87.33 Cr – Rs. 8.15 Cr – Rs. 4.23 Cr) has been carried forward and will be capitalised in FY 2024-25.

v) In addition to the above remaining approved CAPEX amounting to Rs. 74.95 Cr, the Petitioner has also a plan to capitalize CAPEX amounting to Rs. 42.38 Cr as approved by the Commission for FY 2024-25 vide the aforesaid Order dated June 19, 2023.

7.6.3 Regulation 44.2 of the MYT Regulations, 2021 specifies as under:

Quote

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

Unquote

7.6.4 Accordingly, item-wise details of the gross capital expenditure of projects duly segregated between the aggregate value of projects exceeding Rs. 10 Cr. and below Rs. 10 Cr., are tabulated below:

TABLE 7-54: CAPITAL EXPENDITURE PROJECTS OF VALUE EXCEEDING RS. 10 CR. (CAPEX INCLUDING CARRY-FORWARD FROM FY 2023-24, APPROVED CAPEX FOR FY 2024-25 AND FRESH CAPEX FOR FY 2024-25) SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Nature of Works	Remarks	Projected
1	Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed at Greater Noida during FY 2023-24 (Cluster-1 & 2)	Approved (Rs. 87.33 Cr) for FY 2023-24 but carry-forward (Rs. 74.95 Cr) to FY 2024-25	74.95
2	Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed at Greater Noida during FY 2024-25 (Cluster-1 & 2)	Approved for FY 2024-25	42.38
3	Investments to Build Cyber Resilience	Proposed (Petition has already been filed dated 19.12.2022)	13.54
4	Construction of 5 Nos. of new 33/11 KV substation to meet the additional load growth in Greater Noida during FY 2024-25	Proposed (Fresh CAPEX above 10 Cr for which Petition will be filed for specific approval of the Commission)	56.11
	TOTAL		**186.99**

TABLE 7-55: MAJOR HEAD-WISE DETAILS OF CAPITAL EXPENDITURE PROJECTS OF VALUE NOT EXCEEDING RS. 10 CR. (FY 2024-25) (Rs. Cr.)

Sl. No.	Nature of Works	Projected
1	New Connections, Replacement Stock & Metering	95.76
2	Construction of Substations, Transformers, and Construction of 33kV, 11 kV & LT Network	56.94
3	Loss Control Activity	9.34
4	Process System Automation	5.63
5	IT Projects	14.74
6	Civil Works & Office Infrastructure Facility	13.66
7	Leasehold Land	10.00
8	Tools & Testing Equipment	4.23
9	Vehicles	2.50
10	Demand Side Management & Sustainability	4.60
	TOTAL	**217.41**

TABLE 7-56: TOTAL CAPITAL EXPENDITURE (FY 2024-25) (Rs. Cr.)

Sl. No.	Nature of Works	Projected
1	Capital Expenditure Projects of value exceeding Rs. 10 Cr.	186.99
2	Capital Expenditure Projects of value not exceeding Rs. 10 Cr.	217.41
3	**Subtotal**	**404.39**
4	Add: Salary Capitalisation	18.00
5	**Total**	**422.39**
6	Less: Consumer Contribution	66.00

Sl. No.	Nature of Works	Projected
7	Less: Asset Retirement (Net of Consumer Contribution Funded Assets)	9.10
8	**Net Capital Expenditure**	**347.29**

7.6.5 Capital Expenditure Projects of Value exceeding Rs. 10 Cr:

The Petitioner has categorized the capital expenditure projects of value exceeding Rs. 10 Cr. in two categories i.e. Already approved by the Commission and Newly proposed projects. Details of the same are given as follows:

A. Already approved capital expenditure projects exceeding Rs. 10 Cr.

i) Petitioner has briefed in the Chapter APR FY 2023-24 that out of Rs. 87.33 Cr approved by the Commission for FY 2023-24; the Petitioner will only be able to capitalize Rs. 15.00 Cr (against approval of Rs. 8.15 Cr.) to acquire 3 No. of Land and Rs. 4.23 Cr (against approval of 10.38 Cr) for some part of 33 kV network construction. The remaining approved CAPEX amounting to Rs. 74.95 Cr (Rs. 87.33 Cr – Rs. 8.15 Cr – Rs. 4.23 Cr) has been carry-forward to FY 2024-25 and the same will be capitalised in the current FY 2024-25.

ii) Accordingly, the capital expenditure to be capitalised in FY 2024-25 against the already approved Capex is as follows:

TABLE 7-57: ALREADY APPROVED CAPITAL EXPENDITURE FOR FY 2023-24 CARRY FORWARD IN FY 2024-25 & ALREADY APPROVED CAPITAL EXPENDITURE FOR FY 2024-25 ABOVE RS. 10 CR

Sl. No.	Particulars	Amount in Rs. Cr.		
		FY 2023-24 CAPEX carry-forward to FY 2024-25	FY 2024-25	Total
1	Power Evacuation Plan from the upcoming 220/132/33kV GIS Grid Substations in Jalpura & KP-5, Greater Noida (W) **(Cluster-01)**	42.23	10.38	52.61
2	Power Evacuation Plan from the upcoming 132/33kV GIS Grid Substations in Sector Ecotech-08 and Ecotech-10, Greater Noida **(Cluster-02)**	32.72	32.01	64.73
	TOTAL	**74.95**	**42.38**	**117.33**

B. Proposed Capital Expenditure of value exceeding Rs. 10 Cr.

I. Capital Expenditure projects planned for the purpose of 5 Nos of New 33/11 KV Substation to meet the additional load growth in FY 2024-25

The Petitioner has planned to construct new 33/11 kV Substations and 33/11kV Substation cum Switching Station in Greater Noida city at various locations to meet the power demand of existing and potential consumers in FY 2024-25. The locations are strategically planned to cater for the ever-increasing demand in the specific areas which are fast developing so that all the future loads can be catered to. The detailed scheme is as follows:

a) Construction of New 33/11kV Substation and 33/11kV Substation cum 33kV Switching Stations:

The Petitioner has proposed the following 33/11 kV Substations cum 33kV Switching Stations and 33/11kV Substations in FY 2024-25 to manage the increasing load demand in the area:

- Construction of 33/11kV Substation cum 33kV Switching Station with 33kV Double Bus GIS Switchboard at Sector-16;
- Construction of 33/11kV Substation with AIS Switchboard at UPSIDA Site-5;
- Construction of 33/11kV Substation with AIS Switchboard at Ecotech 3 Phase-1;
- Construction of 33/11kV Substation with AIS Switchboard at Kasna;
- Construction of 33/11kV Substation with AIS Switchboard at Ecotech-16 (Jaunsamana).

Description of all the above Substations are as follows:

i) Construction of 33/11kV Substation cum 33kV Switching Station with 33kV Double Bus GIS Switchboard at Sector-16 (1X12.5MVA):

The Petitioner has proposed to construct a new 33/11kV Substation cum 33kV Switching Station at sector-16, Greater Noida (W) area in which an ESS plot measuring 1500 sq. meters has been recently allocated by GNIDA. The need and requirement of constructing the Substation cum Switching Station in this sector is the increasing load/demand at 33kV & 11kV voltage levels. The capacity of the existing 33/11kV Substation cum 33kV Switching Station at Sector-16 Residential has exhausted and therefore, to cater to the upcoming load requirement of the area, construction of a new 33/11kV Substation cum

33kV Switching Station is of utmost requirement. Moreover, the connectivity to the proposed Substation shall be provided from existing 400kV Substations and under-construction 220kV Grid Substations in the vicinity.

The brief configuration of above mentioned 33/11kV Substation cum 33kV Switching Station will be as follows:

- **33 kV:** 33kV Double Bus GIS with Two incomers, One Bus Coupler, Four Feeder Outgoings & Two Transformer Feeder O/G (9 Panel Board ID DB GIS).
- **11 kV:** 11kV ID AIS Switchboard with One Incomer and Five Outgoing Feeders (6 Panel Board ID AIS).
- **33/11 kV Power Transformer:** 1 no. of Transformer of 12.5 MVA Capacity with NIFPES for transformer fire protection.

ii) Construction of 33/11kV Substation with AIS Switchboard at UPSIDA Site-5 (1X12.5MVA):

As the existing 33/11kV substation at the UPSIDA EPIP area of Greater Noida has reached its maximum installed capacity it is not feasible to meet further load growth of the Site-5 UPSIDA industrial sector from the existing Substation. For this purpose, the Petitioner has submitted a request for a new ESS land measuring 1000 sq. meters at the Site-5 industrial area. The Petitioner has accordingly proposed to construct a new 33/11kV Substation in the UPSIDA Site-5 area, to cater to the increasing load demand and provide reliable power supply to the new potential industrial consumers of the area.

The brief configuration of the above-mentioned substation will be as follows:

- **33 kV:** 33kV ID AIS Switchboard with Two incomers, One Bus Coupler & Adapter panel & One no. of Transformer Feeder O/G (5 Panel Board ID AIS).
- **11 kV:** 11kV ID AIS Switchboard with One Incomer and Five Outgoing Feeders (6 Panel Board ID AIS).
- **33/11 kV Power Transformers:** 1 No. of Power Transformer with a capacity of 12.5 MVA with NIFPES for transformer fire protection.

iii) Construction of 33/11kV Substation with AIS Switchboard at Ecotech-3 Phase-1 (1X12.5MVA):

The industrial and commercial area in Ecotech-3 Phase-1 is developing at a fast pace along with the continuous establishment of new colonies in the rural belt of Habibpur, Kulesra, Suthyana, Haldauni and other villages in the vicinity. The existing load is being catered through 33/11kV Substation at Jalpura which is almost 85% loaded during the peak. The 11kV feeder length from this Substation is also increasing day by day due to further development/expansion of the area. To mitigate this problem and manage the load growth effectively, the Petitioner has proposed to construct a new 33/11kV Substation in Ecotech-3 Phase-1, Greater Noida. As mentioned earlier, this new substation is expected to benefit the industrial consumers and rural population in its vicinity. The Substation will be constructed on the ESS land measuring 2400 sq. meters.

The brief configuration of above mentioned 33/11kV Substation will be as follows:

- **33 kV:** 33kV ID AIS Switchboard with Two incomers, One Bus Coupler & Adapter panel & One no. of Transformer Feeder O/G (5 Panel Board ID AIS).
- **11 kV:** 11kV ID AIS Switchboard with One Incomer and Five Outgoing Feeders (6 Panel Board ID AIS).
- **33/11 kV Power Transformers:** 1 No. of Power Transformer with a capacity of 12.5 MVA with NIFPES for transformer fire protection.

iv) Construction of 33/11kV Substation with AIS Switchboard at UPSIDA Site-4 Kasna Industrial Area (1X12.5MVA):

The Petitioner has proposed to construct a new 33/11kV Substation at UPSIDA Site-4 Industrial Area, Greater Noida as new industries are being set up in this sector and the existing nearby 33/11kV Substations at Sector-36 & Sector-37 have nearly reached the maximum loading of 80% to 85% of the installed capacities during the peak. Moreover, the new industries which are set up in this industrial sector are demanding connections at 11kV voltage with dedicated incoming feed. In view of the same, the Petitioner will utilize the part of the plot, which is currently used as material stores, for the construction of 33/11kV Substation. This substation will improve the power supply reliability for industrial consumers and will assist in creating the ring network with existing 33/11kV Substations.

The brief configuration of above mentioned 33/11kV Substation will be as follows:

- **33 kV:** 33kV ID AIS Switchboard with Two incomers, One Bus Coupler & Adapter panel & One no. of Transformer Feeder O/G (5 Panel Board ID AIS).
- **11 kV:** 11kV ID AIS Switchboard with One Incomer and Five Outgoing Feeders (6 Panel Board ID AIS).
- **33/11 kV Power Transformers:** 1 No. of Power Transformer with a capacity of 12.5 MVA with NIFPES for transformer fire protection.

v) Construction of 33/11kV Substation with AIS Switchboard at Sector Ecotech-16 (Jaunsamana) (1X12.5MVA):

The Petitioner has proposed and planned to construct a new 33/11kV Substation at sector Ecotech-16 (Jaunsamana village) to manage the load of the rural belt constituting various villages like Saini, Sunpura, Bhola Rawal etc. In addition, the said substation shall also provide supply to the 6% Abadi plots of Saini and Sunpura villages. The substation will also assist in reducing the present loading of the existing 33/11kV Substation at Sunpura, from which further extension of new 11kV Feeders is not possible. The 11kV outgoing feeders emanating from 33/11kV Substation at Sunpura are very lengthy and the right of way for the evacuation of new 11kV feeders is very limited and practically not feasible at present.

This substation will assist in reducing the existing 11kV feeder length and simultaneously cater to the new load demand of fresh development happening (new colonies & 6% Abadi plots) in the rural villages and areas in the vicinity.

The brief configuration of above mentioned 33/11kV Substation will be as follows:

- **33 kV:** 33kV ID AIS Switchboard with Two incomers, One Bus Coupler & Adapter panel & One no. of Transformer Feeder O/G (5 Panel Board ID AIS).
- **11 kV:** 11kV ID AIS Switchboard with One Incomer and Five Outgoing Feeders (6 Panel Board ID AIS).
- **33/11 kV Power Transformers:** 1 No. of Power Transformer with a capacity of 12.5 MVA with NIFPES for transformer fire protection

Accordingly, the total cost of the above-mentioned substation will be as follows:

TABLE 7-58: CAPEX FOR CONSTRUCTION OF PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Proposed Substations	Amount (Rs. Cr.)
1	Construction of 33/11kV Substation cum 33kV Switching Station with 33kV Double Bus GIS Switchboard at Sector-16 (1X12.5MVA)	7.90
2	Construction of 33/11kV Substation with AIS Switchboard at UPSIDA Site-5 (1X12.5MVA)	4.44
3	Construction of 33/11kV Substation with AIS Switchboard at Ecotech 3 Phase-1 (1X12.5MVA)	4.44
4	Construction of 33/11kV Substation with AIS Switchboard at Kasna (1X12.5MVA)	4.44
5	Construction of 33/11kV Substation with AIS Switchboard at Ecotech-16 (Jaunsamana) (1X12.5MVA)	4.44
	TOTAL	**25.65**

b) Construction of 33kV Network

The Petitioner submitted that the 33 kV import feeders are emanating from following EHV Grid Substations:

- 132kV Surajpur Substation (8 Nos.);
- 220/132/33 kV RC Green Substation (23 Nos.);
- 400/220/132/33 kV Sector-148 Substation (5 Nos.) and;
- 400/132/33kV Substation at Sector-123, Noida (8 Nos.)

These 44 Nos. of 33kV import feeders are catering to the entire load demand of Greater Noida. In addition to it, 2 Nos. of 220 kV & 2 Nos. of 132 kV Grid Substations are being constructed by UPPTCL in Greater Noida. The scheme for power evacuation by the Petitioner at 33 kV voltage level from these upcoming Substation of UPPTCL has been approved by the Commission vide Order dated 19.06.2023. Presently, the work is going on in a phased manner.

The Petitioner has mentioned that the Commission is aware of the fact that the Greater Noida area is developing and evolving quickly with a lot of infrastructural and development projects in progress and most importantly reliable and continuous power supply are key to such development. To strengthen the existing 33kV network, the Petitioner has proposed the following work in FY 2024-25:

i) Laying of 10 km of 33kV 3CX400 sq. mm XLPE underground cable for evacuation of new 33kV feeders from 33kV Switching Stations and interconnection between the existing 33kV network for optimum load utilization and redundant network connectivity.

ii) Laying of 19 km of 33kV 3CX400 sq. mm XLPE cable along with erection of 33kV isolators for constructing the 33kV incoming feed to the proposed new 33/11kV Substations at Site-4, Site-5, Ecotech-3 Phase-1 and Ecotech-16 (Jaunsamana) and 33kV incoming & outgoing feeders from the 33/11kV Substation cum 33kV Switching Station at Sector-16 (GNW).

Accordingly, the total cost of the above-mentioned substation will be as follows:

TABLE 7-59: CAPEX FOR 33KV CABLE LAYING FOR PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Details of 33kV Cable Laying Proposals	UOM	QTY	Amount (Rs. Cr.)
1	Laying of 33kV 400Sqmm Cable for 33/11kV Substation cum Switching Station at Sector-16 Incoming & Outgoing Feeder (Incoming & Outgoing)	KM	5	1.77
2	Incoming 33kV 400Sqmm Cable laying for 33/11kV Substation Site-5	KM	6	1.95
3	Incoming 33kV 400Sqmm Cable laying for 33/11kV Substation Ecotec-3 Phase-1	KM	5	1.77
4	Incoming 33kV 400Sqmm Cable laying for 33/11kV Substation Kasna	KM	0.5	0.18
5	Incoming 33kV 400Sqmm Cable laying for 33/11kV Substation Ecotech-16(Jaunsamana)	KM	2.5	0.89
6	Interconnection between 33kV Switching Substations and feeder evacuation from 33kV Switching Stations with 400sqmm cable	KM	10	3.55
7	Isolator Installation with Chair Structure	No.	40	1.22
	Total			**11.33**

c) Construction of 11kV Network

The Petitioner, to further evacuate the power at 11kV voltage level, from the proposed 33/11kV Substations and 33/11kV Substation cum 33kV Switching Station, proposes to lay 11kV 3CX300 sq. mm XLPE cable for the construction of 11kV outgoing feeders. The new 11kV network will be constructed from the new Substations to cater to the existing/new load and provide ring connectivity with the existing 11kV network, for optimum load utilization and better supply availability. A total of 15 km of 11kV 3CX300 sq. mm XLPE cable will be laid from the 5 Nos. of proposed 33/11kV Substations along with erection/construction of 11kV isolators and isolator structures for creating isolation and interconnectivity.

The total cost of the above-mentioned substation as submitted by the Petitioner is given in below Table:

TABLE 7-60: CAPEX FOR 11KV CABLE LAYING PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Details of 11kV Cable Laying Proposals	UOM	QTY	Amount (Rs. Cr.)
1	Power evacuation and feeder construction from new 33/11kV substations UG mains with 300Sqmm Cable	KM	15	3.24
2	11kV Isolator Installation	No.	25	0.15
3	Installation of Chair Structure for Isolator & Transformer	No.	25	0.38
	Total			**3.77**

d) Civil Works & Office Infrastructure Facility:

The Petitioner intends the civil construction work of new 33/11kV Substations and 33/11kV Substation cum 33kV Switching Station in FY 2024-25. The following work shall be executed for the following substations at Ecotech-3 Ph-1, UPSIDA Site-5, UPSIDA Site-4 Kasna, Ecotech-16 (Jaunsamana) & Sector-16.

- Construction of 33/11kV Power Transformer O/D yard with plinth and firewall;
- Construction Control Room Building for installation of ID AIS and GIS Panels with associated HT/LT cable trenches;
- Construction of Guard Room, RCC Road, RWH etc;
- Construction of 11/0.415 kV Station Transformer and 11kV RMU plinth etc.

It is expected that most of the planned works shall be completed within that fiscal. However, actual execution is dependent on various external factors such as availability of Substation land, availability of right of way (ROW) for the proposed distribution lines from competent authorities, availability of transmission capacity from UPPTCL along with pending legal issues etc.

Accordingly, the total cost of the above-mentioned substation will be as follows:

TABLE 7-61: CAPEX FOR CIVIL WORKS IN PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Details of Civil Works for Substations	Amount (Rs. Cr.)
1	Civil Work of 33/11 kV Substation cum 33kV Switching Stations at Sector-16	2.89
2	Civil Work of 33/11 kV Substation at UPSIDA Site-5	2.89
3	Civil Work of 33/11 kV Substation at Ecotech 3 Phase-1	2.89
4	Civil Work of 33/11 kV Substation at Kasna	2.89
5	Civil Work of 33/11 kV Substation cum at Ecotech-16 (Jaunsamana)	2.89
	TOTAL	**14.44**

e) Smart Substations, Automation & Security of New Substations

In Relation to the 5 new Sub-station to be constructed in FY 2024-25, the Petitioner submitted that it will also incur the CAPEX for installing a new RTU System, integration of numerical relays, MFMs, battery charger, RTCC etc. & integration with SCADA system and implementation of CCTV Surveillance System, Video Management System & upgradation of networking infrastructure to accommodate the new substations to provide the services more reliably & timely basis.

Accordingly, the total cost of the above-mentioned substations will be as follows:

TABLE 7-62: CAPEX FOR AUTOMATION IN PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Details of Smart Substation, Automation & Security for Substations	Amount (Rs. Cr.)
1	Substation Automation System viz, RTU System, integration of numerical relays, MFMs, battery charger, RTCC etc. and integration with SCADA system	0.43
2	Implementation of CCTV Surveillance System, Video Management System	0.19
3	Upgrading of Networking Infrastructure	0.30
4	**TOTAL**	**0.92**

f) Land to be Acquired for Construction of New 33/11kv Substations cum Switching Stations:

The Petitioner submitted that it shall utilise the 4 Nos of land already purchased in previous years and will acquire 1 No of land for the construction of 5 proposed substations/switching stations. The details of the land are as follows in the Table below:

TABLE 7-63: CAPEX FOR LAND IN PROPOSED 5 NOS OF SUBSTATIONS IN FY 2024-25

Sl. No.	Particulars	Area	Amount (Rs. Cr.)	Remark
1	Construction of 33kV Switching cum 33/11kV Substation with 33kV Double Bus GIS Switchboard at Sector-16	1,500	0.10	The land was originally acquired on 22.01.2020 and the original amount was Rs. 1.74 Cr. The same land was reallocated in Sector 16B with an additional amount of Rs. 0.1 Cr. and the same was capitalized in FAR on 08/08/2023
2	Construction of 33/11kV Substation with AIS Switchboard at UPSIDA Site-5	1,000	2.92	-
3	Construction of 33/11kV Substation with AIS Switchboard at Ecotech 3 Phase-1	2,400	0.16	The land was originally acquired on 22/01/2020 and the original amount was Rs. 2.79 cr. An additional cost of Rs. 0.16 Cr was incurred due to site constraints and relocation of the same and was capitalized in FAR on 09/08/2023
4	Construction of 33/11kV Substation with AIS Switchboard at Kasna			The Substation will be constructed on the existing land available with the Petitioner at Kasna.
5	Construction of 33/11kV Substation with AIS Switchboard at Ecotech-16 (Jaunsamana)			The Substation will be constructed on the land acquired by the Petitioner in Ecotech 16 on 29/12/2013.

The overall summary of CAPEX for the proposed 33/11 kV Substations during FY 2024-25 is mentioned below in Table as follows:

TABLE 7-64: PROPOSED CAPITAL EXPENDITURE FOR 33/11 KV S/Stn FOR FY 2024-25

Sl. No.	New Scheme	Amount (Rs. Cr.)
1	33kV Switching Station cum 33/11 kV Substation	25.65

Sl. No.	New Scheme	Amount (Rs. Cr.)
2	33 kV Network Development	11.33
3	11 kV Network Development	3.77
4	Civil Works for Switching Station/Substation	14.44
5	Smart Substations & Automation & Security	0.92
	Total	**56.11**

In compliance with the aforesaid provision 44.2 of MYT Regulations 2019, the Petitioner has a plan to file a separate Petition for the prior approval of the Commission before implementation of the above-mentioned scheme for 5 nos. of substations. The Petitioner requested the Commission to consider the aforesaid projects while approving the ARR for FY 2024-25 subject to specific approval as stated above.

II. Creating Cyber Resilience

The Petitioner submitted that it has already filed a Petition for 'Creating Cyber Resilience' before the Commission through Petition No. 1927 of 2022 dated 19th December 2022. The Petition is currently pending before the Commission. Thus, the Petitioner has taken the provision for the capex of the same in FY 2024-25.

TABLE 7-65: TOTAL ESTIMATED CAPEX PROJECT COST FOR CYBER SECURITY RESILIENCE

Sl. No.	Description	Amount (Rs. Cr.)
1	Purchase, installation and implementation of Security Information and Event Management **("SIEM")** (including Engaging Consultant for conducting audit for identifying cyber controls and implementation thereof under ISO 27019)	6.00
2	Purchase of Hardware for **SIEM**	2.25
3	Purchase, installation and implementation of Network Behaviour Analysis **("NBA")** solution	2.50
4	Implementation & configuration of Unified Information Technology **("IT") – ** Operational Technology **("OT")** Security Operation Centre **("SOC")**	0.50
5	Purchase, installation and implementation of Mobile Device Management **("MDM")**	0.50
6	Purchase, installation and implementation of Endpoint Detection and Response **("EDR") /** Extended Detection and Response **("XDR")**	0.50
7	Purchase, installation and implementation of Privilege Identity Management **("PIM")/** Privilege Access Management **("PAM")**	0.90

Sl. No.	Description	Amount (Rs. Cr.)
Total CAPEX Cost inclusive of taxes in Rs. Cr.		**13.15**
Contingency (3%)		0.39
Total Cost in Rs. Cr.		**13.54**

7.6.6 **Capital Expenditure Projects of value not exceeding Rs. 10 Cr.**

The capital expenditure projects of value not exceeding Rs. 10 Cr. are proposed for developing and augmenting the Distribution Network and supporting facilities of the Petitioner to meet its service obligation as defined in Code no. 4.1 and 4.2 of U.P Electricity Supply Code, 2005 and also to meet growth in demand of electricity from its existing and future consumers. Further, GNIDA, DMIC, UPSIDC, EPIP etc. are the local development authorities responsible for the development and upkeep of Greater Noida area. Every year the basic electric LT network developed by such agencies is handed over to the Petitioner for facilitation of distribution of power to the consumers of Greater Noida and proper maintenance thereof without transferring the ownership of the same. Hence, for the purpose of accounting, upkeep and insurance, the Petitioner considers these assets at the value declared by such agencies which is accordingly considered for the purpose of determination of tariff. Since the ownership of these assets is not transferred to the Petitioner, they are not considered in addition to fixed assets. Hence, there is no impact on the computation of ROE, interest on Term Loans and depreciation with respect to these assets. The Petitioner has submitted that the value of the actual asset handed over by GNIDA and Others has not been included above and will be submitted along with the true-up Petition. The Petitioner has given detailed information on the areas in which Capital Expenditure Projects of value not exceeding Rs. 10 Cr. capital will be undertaken during FY 2024-25. The same is almost a similar submission as presented in the true-up section and is not repeated here for brevity purpose.

A summary of the Proposed Capex is given in the Table below:

Table 7-66: CAPEX PROJECTED FOR FY 2024-25

Sr. No	Brief Description	Amount (Rs. Cr.)
1.	Distribution System Schemes	56.94

Sr. No	Brief Description	Amount (Rs. Cr.)
2.	Investment towards theft-prone 11KV feeders to reduce theft from LT network	9.34
3.	Process / System Automation	5.63
4.	NABL accredited HV/LV Metering lab	13.66
5.	IT Projects	14.74
6.	Tools & Testing Equipment	4.23
7.	Vehicles	2.50
8.	DSM & Sustainability Activities	4.60
9.	Land	10.00

7.6.7 Regulation 20.1 of the MYT Regulations, 2019 provides the treatment for financing the Capital Expenditure incurred by the Licensee.

7.6.8 Accordingly, as per Regulation 20.1 of the MYT Regulations, 2019, funding of Capital Expenditure in Debt-Equity ratio of 70:30 is allowed only after the deduction of consumer contribution from total capital expenditure. During FY 2024-25, the Petitioner has estimated to receive Consumer Contributions of Rs. 66.00 Cr. against the total Capital Expenditure.

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

7.6.10 The Petitioner has mentioned that since the Debt and Equity are allowed only on Net Capital Expenditure, it is necessary that for reducing the Debt and Equity w.r.t Retired Assets, the value of such retired assets shall also be considered net of corresponding Consumer Contribution instead of gross value.

7.6.11 The Petitioner also submitted that during FY 2024-25, it is estimated that assets having a gross value of Rs. 15.00 Cr. would retire out of which Rs. 5.90 Cr. is estimated to be assets funded from consumer contribution.

7.6.12 Accordingly, the Petitioner has estimated the net Capital Expenditure for FY 2024-25 to be Rs. 356.39 Cr. (i.e. Rs. 422.39 Cr minus Rs. 66.00 Cr.) and against this net Capital Expenditure, the net value of Retired Asset would be Rs. 9.10 Cr. (i.e. Rs. 15.00 Cr minus Rs. 5.90 Cr.). Based on the above, the Capital Expenditure estimated by the Petitioner after adjustment of consumer contributions for FY 2024-25 would be Rs. 347.29 Cr as given in the Table below:

TABLE 7-67: CAPITAL EXPENDITURE AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (RS. CR.)

Particulars	Ref.	Actual	
Total Additions to Assets	a		422.39
Assets Retired	b	15.00	
Less: Retired Assets funded from Consumer Contribution	c	5.90	
Net Assets Retired	d=b-c		9.10
Net Capex	**e=a-d**		**413.39**
Consumer Contribution	f		66.00
Net Capex	**g=e-f**		**347.29**
Debt - 70%	h=g x 70%		243.10
Equity- 30%	i=g x 30%		104.19
Note: Total may not tally due to rounding-off			

Commission's Analysis

7.6.13 Regulations 18, 19, & 44 of MYT Regulations, 2019 relate to detailed terms & conditions, (including treatment for approval) for Capital expenditure.

7.6.14 The Commission directed the Petitioner to submit the details of Capital expenditure /additional capitalisation for FY 2024-25 for any 132 kV & above assets claimed in the Petition, whether NPCL assets or through consumer contribution. In response to the query, the Petitioner has submitted that it has not incurred/claimed any Capital expenditure/additional capitalisation in FY 2024-25 for any 132/220 kV & above assets in the Petition, whether through NPCL assets or consumer contribution.

7.6.15 The Commission directed the Petitioner to submit the detailed breakup of the Rs. 87.33 Cr. approved by the Commission with the granular timeline along with progress detail done in each year after the approval. Also, the Commission has added that the assets approved once completed can then be put to use for the consumers of the Petitioner & hence Commission has sought the reason for not considering the same in the True up of the year in which it will be put to use. In reply to the query, the Petitioner submitted that it had filed the Petition for the approval of the "Power Evacuation from new/upcoming 220 kV & 132 kV

Substations being constructed by UPPTCL at Greater Noida during FY 2023-24 & FY 2024-25" through Petition No. 1950 of 2023 dated January 6, 2023, before the Commission. Accordingly, the Commission through its Order dated June 19, 2023, has approved the cost of the scheme as follows in the Table below:

TABLE 7-68: APPROVED CAPITAL EXPENDITURE ABOVE RS. 10 CR. AS SUBMITTED BY THE PETITIONER FOR FY 2023-24 & FY 2024-25 ABOVE RS. 10 CR.

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

7.6.16 Further, Petitioner has stated that the six monthly "Project Progress Report" of the aforesaid project named "Power Evacuation Plan from upcoming 220 kV & 132 kV Grid Substations being constructed in Greater Noida" has already been submitted before the Commission (dated 31.01.2024) in which detailed timelines along with all other information has been submitted to the Commission.

7.6.17 The Commission observes that the Petitioner has projected a significant increase in capitalization for FY 2024-25, as compared to previous years. Hence, the Petitioner was directed to justify the same considering the YOY growth in Load, Capacity Addition & Length of the Distribution Network. In reply, the Petitioner has submitted that the Petitioner in its ARR filing of FY 2023-24 submitted the details of the Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed by UPPTCL at Greater Noida during FY 2023-24 & FY 2024-25 through Petition No. 1919 of 2022 dated November 30, 2022 and requested that it will file the separate Petition for the same for prior approval of the Commission under section 44.2 of the UPERC MYT Regulation, 2019. Subsequently, the Petitioner has filed the Petition for the approval of the aforesaid scheme through Petition No. 1950 of 2023 dated January 6, 2023, before the Commission. The Petitioner also mentioned that the Commission vide its Order dated June 19, 2023, has approved the cost of the scheme as given in the Table above.

7.6.18 The Petitioner further mentioned that as the final Order and approval of the Commission was received in the month of Jun'23 against the Petition submitted by the Petitioner (dated 06.01.2023) for the proposed Power Evacuation Scheme for Cluster-1 and Cluster-2, the Petitioner has started the project post receipt of the Order and currently in progress. The Petitioner is expected to energize the same in FY 2024-25.

7.6.19 Based on the current progress, the Petitioner has an expectation to complete the aforesaid approved capex in FY 2024-25 and accordingly, the Petitioner has included capex of Rs. 74.95 Cr out of the approved capex of Rs. 87.33 Cr for FY 2023-24 in the proposed CAPEX of Rs. 422.39 Cr. for FY 2024-25. The Petitioner has effectively proposed CAPEX of Rs. 347.44 Cr. for FY 2024-25 (Rs. 422.39 Cr minus Capex of Rs. 74.95 Cr. originally proposed in FY 2023-24).

7.6.20 Further, the proposed Capex of Rs. 422.39 Cr may be divided into two parts i.e. Capital Expenditure Project of value exceeding Rs. 10 Cr. (Special Project) and Capital Expenditure Project of value not exceeding Rs. 10 Cr. Detail (Routine Project) as submitted in the Petitioner Submission section.

7.6.21 The Petitioner has provided the breakup of Capital Expenditure Projects of value exceeding Rs. 10 Cr. amounting to Rs. 186.99 Cr. as submitted in the Petitioner Submission section.

7.6.22 In addition to the above (Capital Expenditure Projects of value exceeding Rs. 10 Cr.), the Petitioner has added that the balance CAPEX of Rs. 217.41 Cr. comprising of projects less than Rs. 10 Cr, is in the nature of routine CAPEX required by the Petitioner for developing and augmenting the Distribution Network and supporting facilities of the Petitioner to meet its service obligation as defined in Code no. 4.1 and 4.2 of the U.P Electricity Supply Code, 2005 and also to meet growth in demand of electricity from its existing and future consumers.

7.6.23 The Petitioner has confirmed that the above-mentioned residual CAPEX of Rs. 217.41 Cr. proposed for the FY 2024-25 is in line with the CAPEX proposed/claimed in the previous years and the same is as shown in the Table below:

TABLE 7-69: SUMMARY OF YEAR-WISE CAPEX AS SUBMITTED BY THE PETITIONER (Rs. Cr.)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
	Actual	Actual	Actual	Estimated	Projected
Capital Expenditure Projects of value not exceeding Rs. 10 Cr.	100.19	199.16	133.90	185.76	217.41
Salary Capitalisation	Included Above	Included Above	Included Above	12	18
Total Capex	**100.19**	**199.16**	**133.90**	**197.76**	**235.41**
Less: Consumer Cont.	19.97	78.79	64.44	52.82	66.00
Net Capex	**80.22**	**120.37**	**69.46**	**144.94**	**169.41**

7.6.24 The Petitioner has highlighted that the aforesaid net capex of Rs. 169.41 Cr shows growth over the last 4 years @ 21% and the same is commensurate with the growth in the sales and number of consumers. The same can be seen in the Table below:

TABLE 7-70: CAGR% OF SALES, NUMBER OF CONSUMERS, AND CONNECTED LOAD AS SUBMITTED BY THE PETITIONER

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	CAGR
Consumers (Nos)	1,17,753	1,35,214	1,68,359	2,01,725	20%
Sales (MU)	2,338	2,870	3,316	3,724	17%
Load (MVA)	1,250	1,449	1,607	1,801	13%

7.6.25 Further, Petitioner has added that in FY 2023-24 and FY 2024-25, the Petitioner has proposed several projects which are crucial for the Petitioner in order to adapt to the dynamic changes driven by technological advancements and regulatory compliance requirements and may not be linked to the no. of consumers, sales or load etc. These projects encompass various initiatives such as Network Safety enhancements, meter and associated equipment upgrades, DT metering, import feeder metering, implementation of Augmented Reality for training purposes, automation of substations and field area networks, the establishment of a Metering & Relay Simulation lab, RMU repair workshop construction, as well as various IT and Demand Side Management & Sustainability projects and may not be initiated by the Petitioner in past. It is imperative for the Petitioner to undertake these projects to efficiently serve its consumers and remain current with technological advancements, ensuring both operational excellence and continued customer satisfaction.

7.6.26 Further, the CAPEX is proposed to be undertaken in FY 2024-25 after considering various Data Centres, Multi-National Electronics Manufacturing Units, Large and Small-scale industries, Commercial and SEZ and residential sectors are in the developing phase in Greater Noida City which is resulting in the rise of load demand and will multiply in upcoming 2-3 years. In addition, the special esteemed projects of State and Central Govt. like Dedicated Freight Corridor, DMIC Multi-Modal Transport Hub (MMTH), DMIC Multi Modal Logistic Hub (MMLH) etc. are also in the pipeline which will boost the infrastructure requirements of the Greater Noida considering the present and future load demand of the Greater Noida.

In view of the above, the Petitioner requested the Commission to approve the capital expenditure of Rs. 422.39 Cr proposed for FY 2024-25 in full.

7.6.27 The Commission sought the Scheme / Sub-scheme / Project-wise details of the Capital Expenditure plan, Capital Subsidy, Grants and Consumer Contribution proposed for FY 2024-25 from the Petitioner. Also, the Petitioner was directed to provide the details of the purpose of the scheme, funding pattern, benefits from the scheme, etc. In reply to the query, the Petitioner submitted that considering various existing and upcoming Government & Private projects in and around Greater Noida and based on the Demand Estimates for FY 2024-25, the Petitioner submitted its Capital Expenditure Plan for FY 2024-25. The Petitioner has already submitted the details separately for projects above Rs. 10 Cr. and projects below Rs. 10 Cr.

7.6.28 For projects exceeding Rs. 10 Cr., the Petitioner has already obtained approval for some projects and for residual projects, it has already filed Petition No. 2089 of 2024 which is pending before the Commission for approval.

Table 7-71: STATUS OF CAPEX PETITION

Sr. No.	Scheme	Claimed (Rs. Cr.)	Amount (Rs. Cr.)	Approval date
1	Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed at Greater Noida during FY 2023-24 & FY 2024-25	117.33	117.33	19.06.2023

Sr. No.	Scheme	Claimed (Rs. Cr.)	Amount (Rs. Cr.)	Approval date
2	Construction of 5 Nos of New 33/11 KV Substation to meet the Additional Load Growth in Greater Noida during FY 2024-25	56.11	56.11	Petition filed on 14.05.2024.
3	Investments to Build Cyber Resilience	13.54	17.65	21.08.2024

7.6.29 With respect to Petition No. 1927/2022 for 'Creating Cyber Resilience' the original project cost was Rs. 13.54 Cr. During the proceedings, the project cost was revised to Rs. 17.65 Cr. based on the report of the IITK expert committee. The same was approved by the Commission. The relevant extract of the Order dated August 21, 2024, in Petition No. 1927/2022 is reproduced below:

Quote

Table 3: Total Capex Project Cost for Cyber Security Resilience			
S. No.	***Description***	***Estimated TOTAL CAPEX (inclusive of tax) (in Rs-Cr.)***	***Remark***
1	*Purchase, installation and implementation of* ***SIEM*** *(including Engaging Consultant for conducting audit for identifying cyber controls and implementation thereof under ISO 27019)*	*6.00*	*As per Table 1 above*
2	*Purchase of Hardware for* ***SIEM***	*2.25*	
3	*Purchase, installation and implementation of* ***NBA*** *solution*	*2.50*	
4	*Implementation & configuration* ***of Unified IT-OT soc***	*0.50*	
5	*Purchase, installation and implementation of* ***MDM***	*0.50*	
6	*Purchase, installation and implementation of* ***EDR /XDR***	*0.50*	
7	*Purchase, installation and implementation of* ***PIM/PAM***	*0.90*	
8		*2.00*	

Table 3: Total Capex Project Cost for Cyber Security Resilience			
S. No.	***Description***	***Estimated TOTAL CAPEX (inclusive of tax) (in Rs-Cr.)***	***Remark***
	*Purchase, installation and implementation of **OT Security Tool*** *[Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)]* *Also mentioned in Appendix "A" in Reply to IIT Expert Committee on 08 Mar 2024*		*Additional Claim in the reply to Expert Committee Item 8 amounts to Rs. 4.50 Crore*
9	*Purchase, installation and implementation of IT-OT Firewall [Additional as recommended by IIT Expert Committee to secure Critical Information Infrastructure (CII) identified by National Critical Information Infrastructure Protection Centre (NCIIPC)* *Also mentioned in Appendix “A” in Reply to IIT Expert Committee on 08 Mar 2024*	*2.50*	
	Total CAPEX cost inclusive of taxes in Rs. Cr.	***17.65***	
	Contingency (3%)	*0.53*	
	Total cost in Rs. Cr.	***18.18***	

..

18. Therefore, considering the submissions made by the Petitioner and report of the IIT Expert Committee, the Commission approves the Capex as proposed by the Petitioner in Table 3 above excluding contingency….”

Unquote

7.6.30 The Commission directed the Petitioner to confirm that it has not claimed any Capital expenditure / additional capitalisation for any 132 / 220 kV assets in the Petition in FY 2024-25. In response to the Commission’s query, the Petitioner confirmed it has not incurred/claimed any Capital expenditure / additional capitalisation for FY 2024-25 for any 132 / 220 kV assets other than those funded by Consumer Contribution.

7.6.31 The Commission observes that the Petitioner has also proposed a Capital Expenditure of Rs. 10 Cr. towards capitalization of land (Registration Charges, Stamp Duty, Lease Rent etc.) for FY 2024-25. The Commission is of the view that the capitalisation of land shall be allowed as and when the land is put to use, therefore the Commission disallows the capex towards land and shall deal with the same at the time when it is put to use after prudence check.

7.6.32 The Petitioner has projected Rs. 2.5 Cr towards capitalization of vehicles. The Commission sought the details of these vehicles. The Petitioner in its reply submitted that it has projected capitalization of 17 Nos. of vehicles amounting to Rs. 2.50 Cr. Out of total vehicles, 9 vehicles are proposed for day-to-day operations and 8 vehicles are proposed for the Company Officials. The details and purpose of vehicles proposed to be purchased in FY 2024-25 is provided in the Table below:

TABLE 7-72: VEHICLE PROPOSED BY THE PETITIONER IN FY 2024-25 FOR DAY-TO-DAY OPERATIONS

S. No.	Particulars	Vehicle Count	Avg. Unit Cost (Rs.)	Total Amount (Rs.)	Remarks
1	Bolero	09	11,17,500	1,00,57,500	Day to Day Operations

7.6.33 The Petitioner further submitted that the Vehicles/ policy has been revised in 2023 due to a steep rise in the cost of vehicles and other inflationary factors. As per the vehicle policy 2023, the following officials are eligible for a new car as per their entitlement.

TABLE 7-73: VEHICLE PROPOSED IN FY 2024-25 FOR THE COMPANY OFFICIALS

S. No.	Department	Designation	Eligibility Amount	RTO, Insurance, Fast Tag, TCS	Total Amount	Remarks
			(in Rs.)	(In Rs.)	(In Rs.)	
1	IT	DGM	13,00,000	1,56,000	14,56,000	Provided to official eligible for a new car as per their
2	Operations	VP	20,00,000	2,60,000	22,60,000	
3	Legal	GM	16,00,000	1,92,000	17,92,000	
4	Automation	SVP	26,00,000	3,38,000	29,38,000	
5	Commercial	DGM	13,00,000	1,56,000	14,56,000	

S. No.	Department	Designation	Eligibility Amount	RTO, Insurance, Fast Tag, TCS	Total Amount	Remarks
			(in Rs.)	(In Rs.)	(In Rs.)	
6	Commercial	GM	16,00,000	1,92,000	17,92,000	entitlement under NPCL Vehicle Policy 2023
7	IT	DGM	13,00,000	1,56,000	14,56,000	
8	BE & CRM	GM	16,00,000	1,92,000	17,92,000	
Sub Total for Existing Officials			**1,33,00,000**	**16,42,000**	**1,49,42,000**	
Total CAPEX Proposed for Vehicles in FY 2024-25 (in Rs)					**2,49,99,500**	

7.6.34 The Petitioner further submitted that is required to provide vehicles for its officers/ staff for various official work including loss control drives, field duties i.e. visiting Substations, transporting heavy materials etc., shift-based duties in the call centre, control room etc. and interoffice movement to provide 24X7 reliable power supply in its licensed area and many other office related assignments including attending meetings/ court proceedings/ inspection of materials / vendor-verifications etc. in NCR and nearby States. The provision of vehicles not only ensures efficient and prompt services in an economical manner but is also necessary to ensure the safety of its employees working even in the odd hours/night time. The Commission will appreciate that no power distribution utility can work without vehicles which are as basic & necessary as furniture, and office equipment such as computers, printers etc.

7.6.35 The vehicles are essential for the smooth movement of the company's officials for efficiently providing services to the consumers in the licensed area which is spread over 400 Sq. Kms and the distance from east to west ranges from 50 – 60 Kms approx. The vehicles are purchased after a detailed evaluation of the requirements and as per the policy of the Company. It is submitted that such requirement comprises of replacement of old and inefficient vehicles as well as new requirement to service the fast-increasing load as well as consumer base of the Petitioner in the most economical and efficient manner.

7.6.36 The Petitioner further clarified that officials are only allowed to use such vehicles provided by the Company and the Company does not provide any other vehicle/cab for any office work.

7.6.37 The Commission is of the view that vehicles are necessary for day-to-day operations and movement of its officers, hence the Commission allows the capitalization of Rs. 2.50 Cr. towards vehicles for FY 2024-25.

7.6.38 The Commission has allowed the Consumer Contributions, Employee Expenses Capitalisation and deletion of assets as submitted by the Petitioner.

7.6.39 The Capitalization approved by the Commission for FY 2024-25 is given in the Table below:

TABLE 7-74: CAPITALIZATION APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Ref	Claimed	Approved
Addition / Capitalization (Claimed during the year)	A	**422.39**	**426.50***
Less: Capitalisation of Land	B	0.00	10.00
GFA Addition	**C=(A-B)**	**422.39**	**416.50**
Deletion from GFA	D	15.00	15.00
Add: Retired Assets funded from Consumer Contribution	E	5.90	5.90
Net deletion from GFA	**F=D-E**	9.10	9.10
Net Capitalisation	**G=(C-F)**	**413.29**	**407.40**
Consumer Contribution	**H**	66.00	66.00
Capitalisation to be funded	**I=G-H**	**347.29**	**341.40**
Debt Addition	**J=(I*70%)**	243.10	238.98
Equity Addition	**K=(I*30%)**	104.19	102.42

***** *The difference is due to order of Commission w.r.t Petition No. 1972/2022 as explained above*

7.6.40 Regulation 20 of the MYT Regulations, 2019 specifies and governs the details of the Debt-to-Equity Ratio.

7.6.41 The Commission has considered the closing GFA of FY 2023-24 as the opening GFA for FY 2024-25. For the purpose of arriving at the closing value of GFA of FY 2024-25, the Commission has considered capitalization by deducting 100% of the cost of vehicles and land. The Commission has considered the deduction of assets as claimed by the Petitioner. The capex / capitalization computed is subject to final outcome of the capex Petition filed before the Commission under Regulation 44.2 of MYT Regulations, 2019 and further prudence check at the time of truing up. The approved GFA is shown in the Table below:

TABLE 7-75: GFA APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Derivation	Claimed	Approved
Opening GFA	A	2299.26	1817.95
Addition to GFA during the year	B	422.39	416.50
Decapitalization/deduction	C	15.00	15.00
Closing GFA	E=A+B-C	2706.66	2219.45

7.7 DEPRECIATION

Petitioner's Submission

7.7.1 The Petitioner has submitted the computation of the GFA as given in the Table below:

TABLE 7-76: GROSS FIXED ASSETS* FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Description	Estimated		
		GFA till 01.04.2020	GFA added after 01.04.2020	Closing GFA FY 2024-25
1	Opening Balance	1,649.09	650.17	2,299.26
2	Addition during the Year	0.00	422.39	422.39
3	Retirement during the Year	15.00	0.00	15.00
4	**Closing Balance**	**1,634.09**	**1,072.56**	**2,706.66**
** Excluding assets taken over from GNIDA & UPSIDC*				

7.7.2 The Petitioner has mentioned that the above GFA does not include the assets handed over by other agencies such as GNIDA, UPSIDC, DMIC etc. for the distribution of electricity to its consumers and maintenance thereof.

7.7.3 Further, the Commission vide its Tariff Order dt. December 04, 2020, directed the Petitioner to maintain separate individual asset-wise FAR for assets capitalised after 1.4.2020 so that the Gross Block and Depreciation may be computed separately from the Gross Block before 1.4.2020. In this respect, it is submitted that the Petitioner maintains its Fixed Asset Register in the renowned SAP–ERP system. The details of each individual fixed asset have been entered into the SAP-ERP and the applicable Depreciation Rate, Method & Extent as provided in MYT Regulations, 2014 and MYT Regulations, 2019 been defined as a parameter in the SAP-ERP. Hence, the Depreciation is computed by the SAP-ERP system strictly as per the rates and method defined in UPERC Multi-Year Tariff Regulations, 2019 up to the maximum limit of 90%. The SAP-ERP generates the FAR comprising the Gross Block, Date of Acquisition, Rate of Depreciation, Addition to Gross Block, Assets Retired, Depreciation for the year, Accumulated Depreciation etc. The Petitioner prepares its Audited Financial Statement on the basis of such system-generated FAR only. The depreciation so arrived at, is being sample checked manually for accuracy. Thus, the Depreciation is computed by the SAP-ERP on the basis of defined parameters which meet the direction of the Commission for separate computation of Depreciation on Gross Block.

7.7.4 However, the Petitioner has submitted that the Commission in Tariff Order dated May 24, 2023, while approving the ARR for FY 2023-24 has computed the Depreciation on the basis of the average of Gross Block as against individual assets, therefore, the Petitioner has claimed the Depreciation as per the methodology followed by the Commission.

7.7.5 The Petitioner further submitted that based on the Capital Expenditure and GFA as shown above, the amount considered for Depreciation for determination of ARR for FY 2024-25 is provided in the Table below:

Table 7-77: DEPRECIATION AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Reference	Projected
1	Depreciation on Gross Block till 01.04.2020	a	55.73
2	Depreciation on Gross Block after 01.04.2020	b	47.40
3	**Gross Depreciation for the Year**	**c=a+b**	**103.13**
4	Less: Depreciation on assets created by Consumer Contribution	d	21.34
5	**Net Depreciation**	**e=c-d**	**81.79**

7.7.6 The Petitioner has submitted that the depreciation of Rs. 103.13 Cr. has been computed as per the methodology followed by the Commission in its Tariff Orders dated December 04, 2020, August 26, 2021, and July 20, 2022, with GFA bases as per the Petitioner's submissions for Truing-Up. The Petitioner has considered the depreciation at the rates as prescribed in Annexure-A of the MYT Tariff Regulations, 2019 on the SLM method and requested the Commission to approve the depreciation expenses as computed above for FY 2024-25.

Commission's Analysis

7.7.7 Regulation 21 of MYT Regulations, 2019 specifies and governs the details of

Depreciation.

7.7.8 The Commission directed the Petitioner to maintain a separate individual asset-wise FAR for assets capitalized after April 01, 2020, and the Gross Block and Depreciation may be computed separately from the Gross Block before April 01, 2020. Accordingly, from FY 2020-21 onwards, the Petitioner maintains two separate Gross Blocks (one for assets up to March 31, 2020 (Part-A) and a second for assets after April 01, 2020 (Part B) and two separate FARs depicting addition of Assets details from April 01, 2020, onwards for the purpose of depreciation computation.

TABLE 7-78: GROSS ALLOWABLE DEPRECIATION OF NPCL FOR FY 2024-25 FOR ASSETS UPTO MARCH 31, 2020 (Rs. Cr.) (PART- A)

Sr. No	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land	42.60	0.00	0.00	42.60	42.60	3.34%	1.29
2	Buildings	150.81	0.00	0.00	150.81	150.81	3.34%	5.04
3	Plant & Machinery	34.10	0.00	0.00	34.10	34.10	5.28%	1.80
4	Lines & Cables	482.23	0.00	10.40	471.83	477.03	5.28%	25.19
5	Vehicles	0.00	0.00	0.00	0.00	0.00	9.50%	0.00
6	Furniture & Fixtures	15.38	0.00	0.75	14.63	15.00	6.33%	0.95
7	Office Equipment	7.24	0.00	1.45	5.79	6.52	6.33%	0.41
8	Metering Equipment	28.10	0.00	2.40	25.70	26.90	5.28%	1.42
9	Communication Equipment	9.22	0.00	0.00	9.22	9.22	5.28%	0.49
10	Intangible Assets	21.95	0.00	0.00	21.95	21.95	15.00%	3.29
11	Assets taken over & pending final valuation	0.74	0.00	0.00	0.74	0.74	15.00%	0.11
12	Solar Power Generation Equipment	0.17	0.00	0.00	0.17	0.17	5.28%	0.01
13	**Total Fixed Assets**	**792.54**	**0.00**	**15.00**	**777.54**	**785.04**	**5.10%**	**40.00**

Sr. No	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
14	Non-depreciable assets (Land & Land Rights)	3.92	0.00	0.00	3.92	3.92	0.00%	0.00
15	**Depreciable assets**	**788.62**	**0.00**	**15.00**	**773.62**	**781.12**	**5.12%**	**40.00**

TABLE 7-79: GROSS APPROVED DEPRECIATION OF NPCL FOR FY 2024-25 FOR ASSETS ADDED APRIL 01, 2020 ONWARDS (Rs. Cr.) (PART - B)

Particulars	Approved
Opening GFA	576.65
Addition to GFA	416.50
Deduction to GFA	0.00
Closing GFA	993.15
Average GFA	784.90
Avg. Dep. Rate	5.55%
Gross Depreciation	**43.56**

Table 7-80: NET APPROVED DEPRECIATION FOR ASSETS BEFORE 1.4.2020 (PART -A) FY 2024-25 (Rs. Cr.)

Particulars	Claimed	Approved
Gross allowable Depreciation (Part-A)	55.73	40.00
Gross allowable Depreciation (Part-B)	47.40	43.56
Gross allowable Depreciation (Part-A+Part-B)	**103.13**	**83.55**
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	21.34	21.34
Net allowable Depreciation (for the year)	**81.79**	**62.21**

7.8 INTEREST ON TERM LOAN

Petitioner's Submission

7.8.1 The Petitioner has submitted that Regulation 23 of MYT Regulations, 2019 provides the treatment of Interest on Term Loan.

7.8.2 The Petitioner has submitted that in accordance with Regulation 20.2 of the MYT Regulations, 2019, the Debt and Equity as at the end of FY 2020-21 shall be considered as Opening Debt and Equity for FY 2022-23. However, as the Petitioner has filed appeals against the Tariff Orders dated December 04, 2020, August 26, 2021, July 20, 2022, and May 24, 2023, before the Hon'ble APTEL, it has considered the Debt and Equity as per its True-Up Petitions/submission, for determination of Interest on Term Loan for FY 2024-25. Consequently, on the basis of Capital Expenditures for FY 2019-20 to FY 2023-24 as claimed by the Petitioner as well as stipulated debt equity of 70:30, the opening normative net debt for FY 2024-25 works out to Rs. 558.82 Cr.

7.8.3 The Petitioner submitted that the summary of the Interest on Term Loan (normative) for FY 2024-25 based on the above referred Opening Debt and Additional Debt Requirement of Rs. 252.87 Cr for FY 2024-25 is given in the Table below:

TABLE 7-81: INTEREST ON TERM LOAN AS SUBMITTED BY THE PETITIONER (FY 2024-25) (Rs. Cr.)

Sl. No.	Loan Computation	Ref.	Projected
1	**Net Normative Loan – Opening**	**a**	**561.83**
2	Increase/Decrease due to Additional Capital Expenditure (ACE) during the Year	b	243.10
3	Repayments of Normative Loan during the year	c	81.79
4	**Net Normative Loan – Closing**	**d=a+b-c**	**723.14**
5	Average Normative Loan	e=(a+d)/2	642.48
6	Weighted average Rate of Interest on actual Loans	f	9.91%
7	**Interest on Normative loan**	**g=e x f**	**63.68**

7.8.4 The Petitioner mentioned that repayment of Normative Term Loan has been considered equivalent to depreciation being computed in accordance with Regulation 23 of the MYT Regulation, 2019.

7.8.5 Further, Regulation 23.5 of MYT Regulations, 2019 provides the detailed treatment of Interest on the Term Loan.

Since the Petitioner does not have any actual Term Loan outstanding, therefore in accordance with the above regulation, the last available weighted average rate of interest for the term loan has been considered for determination of normative interest on the term loan for FY 2024-25.

7.8.6 Accordingly, the total normative interest on Term Loans comes at Rs. 63.51 Cr for ARR of FY 2024-25.

Commission's Analysis

7.8.7 Regulation 23 of the MYT Regulations, 2019 provides and governs the treatment of the interest on term loans.

7.8.8 The Commission has considered the debt-equity ratio for the assets capitalized of 70:30 in line with the MYT Regulations, 2019. Further, in case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for the determination of the Tariff. The same approach has been considered for approval of ARR in the Tariff Order for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24.

7.8.9 The Commission has discussed the detailed approach taken for the computation of opening loan balance while doing True Up for FY 2022-23. The opening loan balance for FY 2023-24 is considered as the closing normative loan balance of FY 2022-23 as approved in this Order. Subsequent normative loan addition during FY 2023-24 is considered as 70% of net GFA addition excluding Consumer Contribution to derive the closing loan balance for FY 2023-24. The interest rate is considered as 9.91% as approved while truing up of FY 2022-23. Further, the allowable net depreciation for the year has been considered for normative loan repayment.

7.8.10 The Commission has considered the normative closing loan balance of APR year FY 2023-24 derived above as the opening loan balance for FY 2024-25. The portion of capitalization financed through Consumer Contributions has been separated as the depreciation thereon would not be charged to the consumers. Further, the allowable net depreciation for the year has been considered for normative loan repayment. Subsequent normative loan addition during FY 2024-25 is considered as 70% of net GFA addition excluding Consumer Contribution for FY 2024-25 approved by the Commission in this Order.

7.8.11 The Commission observed that the Petitioner has claimed interest capitalization as NIL for FY 2024-25. Hence, the interest capitalization is considered nil for FY 2024-25 as claimed by the Petitioner, subject to prudence check at the time of truing up.

7.8.12 The Commission has considered the weighted average rate of interest as approved in the true-up of FY 2022-23. Accordingly, the Interest on Long Term Loans computed by the Commission for FY 2024-25 is shown in the Table below:

TABLE 7-82: INTEREST ON LONG TERM LOAN FOR FY 2024-25 AS APPROVED BY THE COMMISSION (Rs. Cr.)

Particulars	Claimed	Approved
Opening Loan	561.83	445.58
Loan Additions (70% of Capitalisation)	243.10	238.98
Less: Repayments (Depreciation allowable for the year)	81.79	62.21
Closing Loan Balance	723.14	622.35
Average Balance of Normative Loan	**642.48**	**533.97**
Rate of Interest	9.91%	9.91%
Interest on long term loans	**63.68**	**52.92**

7.9 INTEREST ON WORKING CAPITAL

Petitioner's Submission

7.9.1 Regulation 25.2 of the MYT Regulations, 2019 provides and governs the treatment of Interest on Working Capital.

7.9.2 The Petitioner submitted that, as per the U.P Electricity Supply Code, 2005 (as amended), the power supply bill for a month (30/31 days) needs to be raised within the next 7 days with 15 days period (due date) for the payment of the same. Thereafter, the Distribution Licensee must wait for another 15 days period before disconnecting the supply of power in case of non-payment (disconnection date). Thus, it would take almost 67 days for a Distribution Licensee to recover payment of its electricity bills, assuming all the consumers pay their bills in time. However, the MYT Regulations, 2019 considers debtors equivalent to 45 days only while in MYT Regulations 2014, debtors equivalent to two months (60 days) of the expected revenue were considered as a part of the working capital requirement. Therefore, the reduction of receivables from two months to one and a half months is inadequate and is also not in sync with the payment cycle as per the provisions of the Uttar Pradesh Electricity Supply Code, 2005.

7.9.3 The Petitioner further submitted that the Commission in its Tariff Order dated May 24, 2023, has not considered the Electricity Duty as part of the Receivables thereby reducing the amount of Working Capital leading to disallowance of interest on working capital based on Regulation 25.2 of the MYT Regulations, 2019. In this regard, the Petitioner submitted that the Commission may refer to Section 4A of the U.P Electricity (Duty) Act, 1952 which provides as under:

Quote

4-A. ***Reimbursement of electricity duty from consumers***

………..

(2) ***For the purpose of recovering the amount of electricity duty from the consumer, the licensee*** *or the appointed authority, as the case may be, may without prejudice to any other mode of recovery,* ***exercise the power*** *conferred on the licensee under sub-section (1) of the Section 24 of the Indian Electricity Act, 1910 (Act no, IX of 1910),* ***as if the duty were a charge or sum due in respect of energy supplied to such consumer. ………..***

Unquote

7.9.4 The Petitioner submitted that in view of the above provisions of the Section 4A, the Electricity Duty is considered at par with the charges for energy supplied to a consumer and accordingly, the Electricity Duty is billed by the Petitioner to the consumers along with the other charges for electricity. Therefore, the same is an integral part of the revenue and the receivables of the Petitioner. Accordingly, the disallowance of working capital interest by not considering Electricity Duty as part of Receivables is against the commercial principles, the provisions of The Electricity (Duty) Act, 1952 as well as the Commission's own earlier practice. Therefore, the Petitioner has considered Electricity Duty as part of Receivables for the purpose of determining normative Interest on Working Capital. Based on the above, the Petitioner submitted its computation of interest on working capital for FY 2024-25 as shown in the Table below:

TABLE 7-83: INTEREST ON WORKING CAPITAL AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Ref	Projected
1	O&M expenses for 1 month	a	16.35
2	One and a half month equivalent of expected revenue from distribution tariff	b	349.86
3	Maintenance spares @ 40% of the R&M Expense for 2 Months	c	5.23
4	**Gross Total**	**d=a+b+c**	**371.44**
5	Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003:		
6	Opening Balance	e	345.19
7	Received during the year (Net of Refunds)	f	19.03
8	Closing Balance	g=e+f	**364.22**

Sl. No.	Particulars	Ref	Projected
9	**Average Security Deposit**	**h=(e+g)/2**	**354.70**
10	Security Deposit with UPPCL	i	11.28
11	**Total Security Deposits by the Consumers**	**j=h-i**	**343.42**
12	**Net Working Capital**	**k=d-j**	**28.02**
13	Rate of Interest for Working Capital (SBI - 1Year MCLR + 2.50%)	l	10.29%
14	**Interest on Total Working Capital**	**m=k*l**	**2.88**

7.9.5 The Petitioner submitted that as per earlier Petitions and duly approved by the Commission in its last Tariff Order dated August 26, 2021, the security deposit of Rs. 11.28 Cr. (passed on to UPPCL till FY 2005-06 in accordance with the past arrangement) has been deducted from the total security deposit available with the Petitioner. This has been done while computing the working capital requirement as the same is not available at the disposal of the Petitioner for meeting its working capital requirements. The Petitioner further submitted that the above Table does not include the amount of Rs. 10.00 Cr. paid to UPPCL based on the Orders of the Commission and Hon’ble Allahabad High Court in FY 2006-07 in the matter of providing 10 MVA additional supply of power by UPPCL. The matter is now pending before the Hon’ble Supreme Court of India.

Commission’s Analysis

7.9.6 In accordance with Regulation 25 of MYT Regulations, 2019, the interest on the working capital requirement shall be computed on the normative basis and the rate of interest shall be equal to the SBI MCLR (1 Year) plus 250 basis points as of the date on which Petition for determination of tariff is accepted by the Commission. Accordingly, the Commission has considered the interest rate on the working capital requirement at 11.05%. The link for the SBI MCLR is https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data.

7.9.7 The Interest on Working Capital as per MYT Regulations, 2019, is determined in the Table below:

TABLE 7-84: INTEREST ON WORKING CAPITAL APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Formulae	Claimed	Approved
One month's O&M Expenses	A	16.35	7.80
Maintenance spares @ 40% of R&M expenses for two months	B	5.23	3.65
One and half month equivalent of the expected revenue from charges for use of Distribution systems at the prevailing Tariff (excluding electricity duty)	C	349.86	340.71
Gross Total	**D=A+B+C**	**371.44**	**352.15**
Less: Total Security Deposits by the Consumers			
Opening Balance	E	345.19	345.19
Received during the year	F	19.03	19.03
Closing Balance	G=E+F	364.22	364.22
Average Balance for Security Deposit	**H=(E+G)/2**	**354.70**	**354.70**
Less: Security Deposit with UPPCL	I	11.28	11.28
Net Security Deposits by the Consumers reduced	J=H-I	343.42	343.42
Net Working Capital	**K=D-J**	**28.02**	**8.73**
Rate of Interest for Working Capital	L	10.29%	11.05%
Interest on Total Working Capital	**M=K*L**	**2.88**	**0.96**

7.10 INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

7.10.1 The Petitioner stated that Regulation 25.2 (c) of the MYT Regulations, 2019 provides that the Licensee shall pay interest equivalent to the bank rate or more (as may be specified by the Commission) on the consumer security deposits. The Petitioner has further added that the Commission vide its Tariff Order dated May 24, 2023, has approved the Interest on Security Deposit @ 4.25% p.a. viz. RBI's Bank Rate prevailing on April 01, 2023, for FY 2023-24. Accordingly, based on the RBI's Bank Rate prevailing on the date of preparation of this Petition i.e. 6.75% p.a., the Petitioner has considered the same as interest payable on security deposit from consumers during FY 2024-25 as given below:

TABLE 7-85: INTEREST ON SECURITY DEPOSIT AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Ref.	Projected
1	Opening Balance of Security Deposit	a	345.19
2	Addition During the year	b	19.03
3	Closing Balance for Security Deposit	c=a+b	364.22
4	**Average Balance for Security Deposit**	**d=(a+c)/2**	**354.70**

Sl. No.	Particulars	Ref.	Projected
5	Rate of Interest	e	6.75%
6	**Interest payable on Security Deposit**	**f=dxe**	**23.94**

7.10.2 The Petitioner submitted that it has computed the Interest on Working Capital and Interest on Consumer Security Deposit in line with the MYT Regulations, 2019 and accordingly has requested the Commission to consider and approve the same for determination of ARR for FY 2024-25.

Commission Analysis

7.10.3 The opening balances of security deposits for FY 2024-25 have been considered as per the closing figures of FY 2023-24 and additions during the year FY 2024-25 are considered the same as projected by the Petitioner, subject to prudence check at the time of truing up.

As per Regulation 40.2 (i) of the U.P Electricity Supply Code, 2005, the Commission has considered the Rate of Interest as 6.75% (RBI Bank Rate as on April 01, 2024) for the computation of Interest on Security Deposit. Accordingly, The Commission has approved the Interest on Consumer Security Deposit for FY 2024-25 as shown in the Table below:

TABLE 7-86: INTEREST ON SECURITY DEPOSIT APPROVED FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Petition	Approved
Opening Balance of Security Deposit	345.19	345.19
Addition During the year	19.03	19.03
Closing Balance for Security Deposit	364.22	364.22
Average Balance for Security Deposit	**354.71**	**354.71**
Rate of Interest	6.75%	6.75%
Interest payable on Security Deposit	**23.94**	**23.94**

7.11 SUMMARY OF INTEREST CHARGES

Petitioner's Submission

7.11.1 The details of total interest and finance charges estimated by the Petitioner for FY 2024-25 are given in the Table below:

TABLE 7-87: TOTAL INTEREST CHARGES SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	ARR Petition
Interest on Long-Term loans	63.68

Particulars	ARR Petition
Interest on working capital facilities	2.88
Interest on security deposit	23.94
Total Interest Charges	**90.52**

Commission's Analysis

7.11.2 Based on the above, the summary of Interest Charges approved by the Commission for FY 2024-25 is given in the Table below:

TABLE 7-88: TOTAL INTEREST AND FINANCE CHARGES APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	FY 2024-25	
	Petition	Approved
Interest on Long Term Loans	63.68	52.92
Interest on Working Capital	2.88	0.96
Interest on Consumer Security Deposit	23.94	23.94
Total Interest Charges	**90.51**	**77.82**

7.12 RETURN ON EQUITY

Petitioner's Submission

7.12.1 Regulation 22 of MYT Regulations, 2019 provides and governs the treatment of Return on Equity.

7.12.2 Based on Regulation 20.2 of the MYT Regulation, 2019, the Petitioner has submitted that the Debt and Equity at the end of FY 2021-22 shall be considered as Opening Debt and Equity for FY 2022-23. However, Petitioner has also mentioned that as it has filed appeals against the Tariff Orders dated December 04, 2020, August 26, 2021, July 20, 2022, and May 24, 2023, before the Hon'ble APTEL, it has considered the opening balances of Debt and Equity as per its True-up Petition/submission for determination of Return on Equity for FY 2024-25.

7.12.3 Consequently, on the basis of Capital Expenditures for FY 2019-20 to FY 2023-24 as claimed by the Petitioner as well as stipulated debt equity of 70:30, the opening normative net Equity for FY 2024-25 works out to Rs. 561.26 Cr. The summary of Return on Equity for FY 2024-25 based on the above referred Opening Equity and the equity portion of Assets Capitalised during FY 2024-25 of Rs. 104.19 Cr. is given in the Table below:

TABLE 7-89: RETURN ON EQUITY AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sr. No.	Particulars	Reference	Projected
1	Equity (Opening Balance)	a	561.26
2	Net additions during the year	b	104.19
3	Equity (Closing Balance)	c=a+b	**665.45**
4	Average Equity	d=(a+c)/2	613.36
5	Rate of Return on Equity	e	15.00%
6	**Return on Equity**	**f=d x e**	**92.00**

Commission's Analysis

7.12.4 Regulation 22 of MYT Regulations, 2019 provides and governs the treatment of Return on Equity.

7.12.5 The Commission has considered a debt-equity ratio for the assets capitalized of 70:30 in line with the MYT Regulations, 2019. In case the equity is less than 30%, the actual equity shall be considered and if equity is more than 30%, the amount of equity shall be limited to 30%. Therefore, the balance asset capitalized shall be treated as normative loan for the determination of tariff. The same approach has been considered by the Commission in its earlier Tariff Orders.

7.12.6 The Commission has discussed the detailed approach taken for the computation of opening equity considered for FY 2022-23. The closing equity balance of FY 2022-23 as approved by the Commission in this Order is considered as the opening equity balance for FY 2023-24. The equity addition during the FY 2023-24 is considered as 30% of net GFA addition (after considering deduction / de-capitalization and Consumer Contribution in GFA) to derive the closing base of equity for FY 2023-24.

7.12.7 The provisionally derived closing equity base of FY 2023-24 is considered as opening equity for FY 2024-25. Further, equity addition during FY 2024-25 is considered as 30% of net GFA addition approved by the Commission after the deduction of de-capitalization assets and Consumer Contributions in GFA.

7.12.8 It is observed that the Petitioner has filed the Petition within the timeline specified in the MYT Regulations, 2019. Thus, the Commission has considered the rate of return on equity as 15.00% for FY 2024-25 as per Regulation 22 of MYT Regulations, 2019. Accordingly, the Return on Equity approved by the Commission for FY 2024-

25 is as shown in the Table below:

TABLE 7-90: ROE APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particular	ARR Petition	Approved
Equity (Opening Balance)	**561.26**	**416.74**
Net additions during the year	104.19	102.42
Equity (Closing Balance)	**665.45**	**519.16**
Average Equity	613.35	467.95
Rate of Return on Equity	15.00%	15.00%
Return on Equity	**92.00**	**70.19**

7.13 INCOME TAX

Petitioner's Submission

7.13.1 The Petitioner has submitted that Regulation 26 of MYT Regulations, 2019 provides for the determination of Income Tax to be considered in ARR for Control period FY 2020-21 to FY 2024-25.

7.13.2 Further, the Petitioner submitted that on September 20, 2019, the Central Government introduced "Taxation Laws (Amendment) Act, 2019" wherein a new Corporate Tax Rate at 25.17% including Surcharge and Cess has been introduced under newly inserted Section 115BAA. However, the new rate U/s 115 BAA can be availed only by foregoing some specified exemption/deduction/allowance otherwise available in the Income Tax Act, 1961 as evident from the extract of the Amendment Act reproduced below:

Quote

115 BAA (2) For the purposes of sub-section (1), the total income of the company shall be computed—

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of 80b[Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA];

(ii) without set off of any loss carried forward or depreciation from any earlier

assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and

(iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

(3) The loss and depreciation referred to in clause (ii) and clause (iii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year.

Unquote

7.13.3 The Petitioner submitted that considering the lower tax rate available under the Income Tax Act, the Petitioner has adopted the new tax rate and accordingly has estimated Income Tax for FY 2024-25 at the rate of 25.17% as against the normal tax rate of 34.94%. Considering the above, the Petitioner has computed the income tax liability for FY 2024-25 as shown in the Table below:

TABLE 7-91: INCOME TAX AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Nature of Tax	Reference	Projected
1	Return on Equity	a	92.00
2	Income Tax Rate	b	25.17%
3	**Total Tax Expense**	**c=a x b/(1-b)**	**30.94**

Commission's Analysis

7.13.4 The Commission observes that Regulation 26 of MYT Regulations, 2019 provides for the determination of Income Tax to be considered in ARR for the Control period FY 2020-21 to FY 2024-25.

7.13.5 It can be observed from Regulation 26.3 of MYT Regulations, 2019 that tax on income if any, liable to be paid shall be limited to tax on return on the equity component of capital employed. Therefore, in accordance with the aforementioned Regulations, the Licensee is eligible for the amount of Tax paid by them limited to Tax on return on the equity component of capital employed. Therefore, the Commission has approved Income tax for FY 2024-25 by grossing up the approved Return on Equity at the current Tax rate, i.e., 25.17%, without considering any efficiency gains. The Commission shall consider the tax demand for earlier years, if any, at the time of Truing-Up based on the Regulations applicable for the respective year. Accordingly, the Income Tax approved by the Commission for FY 2024-25 is shown in the Table below:

TABLE 7-92: INCOME TAX APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Ref.	ARR Petition	Approved
Return on Equity	a	92.00	70.19
Income Tax Rate	b	25.17%	25.17%
Total Tax Expense	**c=a x b/(1-b)**	**30.94**	**23.61**

7.14 OTHER MISCELLANEOUS ITEMS

Petitioner's Submission

Loss on Retirement/ Impairment of Asset:

7.14.1 The Petitioner has estimated to incur a loss on sale/retirement of Fixed Assets during FY 2024-25 at Rs. 2.87 Cr. The Petitioner further submitted that the Commission has been approving such expenses on an actual basis in its preceding Tariff Orders as evident from the following extract of its Tariff Order dated September 03, 2019:

Quote:

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

Unquote:

7.14.2 The Petitioner further submitted that the Commission, in its Tariff Order dated December 04, 2020, while truing up the loss on the Sale of Fixed Assets under Miscellaneous expenses, stated as follows:

Quote:

3.21.4 As regards to the Miscellaneous Expenses, the Commission noticed that the Petitioner has claimed Rs. 0.74 Cr. as Loss on sale of Fixed Assets in Miscellaneous expenses. In this regard the Commission sought the following details:

i. Name of the Asset.

ii. Asset Installation date.

iii. Useful Life of the Asset.

iv. Depreciation claimed on the asset till date.

v. Whether depreciation claimed till 90%.

The Petitioner submitted the reconciliation for the same as shown in the Table 39 below:

Table 39: Reconciliation of Loss on Sale of Asset as submitted by the Petitioner for FY 2018-19

Table 39: Reconciliation of Loss on Sale of Asset as submitted by the Petitioner for FY 2018-19			
Sl. No.	***Description***	***Amount (Rs. Cr.)***	***Remark***
1	*Gross value of Assets disposed/retired*	*4.30*	*Please refer to Note-3 of Audited Accounts*
2	*Less: Accumulated Depreciation on Assets retired*	*3.23*	*Please refer to Note-31 of Audited Accounts*
3	***WDV of Assets Retired***	***1.07***	
4	*Less: Sale Proceeds*	*0.33*	
5	***Loss on Sale of Assets***	***0.74***	

3.21.5 The MYT Regulations, 2014 provides that:

Quote

33 Non-Tariff Income

(a) All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to Licensed business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee.

Unquote

3.21.6 The Regulation provides for consideration of profit derived from disposal *of assets to be considered under Non-Tariff Income. Hence the loss derived on disposal of asset is not the part of ARR effectively. Also whenever an asset is retired / scrapped before there useful life, the Commission approves the decapitalisation and also the additional capex for replacement of such asset in the GFA and the same is approved in the ARR. Hence the allowance of such loss on sale of fixed asset will be an additional burden on the consumers. The Commission allowed the said expenditure in True Up of FY 2017-18; however, the Commission does not intend to disturb the True Up of FY 2017-18. Hence the Commission for the True Up of FY 2018-19 disallows the loss on sale of fixed asset.*

Unquote

7.14.3 However, the Commission while approving ARR for FY 2023-24 vide Tariff Order dated May 24, 2023, did not approve the loss on sales of assets for FY 2023-24 as claimed by the Petitioner.

7.14.4 In reference to the above observations of the Commission, the Petitioner submitted that it is important to first understand the cycle of asset creation, retirement and funding thereof. This life cycle can be illustrated below,

Example:

i. A new fixed asset is capitalized say at Rs.100/-
ii. For funding this Asset Rs. 70 is borrowed (i.e. 70% Debt)
iii. Remaining funds are invested by Licensee (i.e. 30% Equity)
iv. During the lifecycle of the asset the Debt is serviced through Interest on Term Loan and Equity is serviced through RoE both of which are included in ARR
v. Correspondingly, during the life cycle of the asset a Depreciation Reserve of Rs. 90 (i.e. maximum allowed 90%) is charged in ARR
vi. Out of the remaining unrecovered equity of Rs.10 say Rs. 7 is realized from the sale of scrap and the remaining Rs. 3 is charged/claimed in ARR as Loss on Sale of Retired Assets.
vii. After the completion of the life cycle such Asset's original values (i.e. Rs. 100) is reduced from GFA leading to a corresponding reduction in Debt by

Rs. 70 and Equity by Rs. 30. Hence, no further Interest and RoE is allowed with respect to such asset.

viii. Licensee utilizes the recovered Equity of Rs. 30 (i.e. Dep. Rs. 20, Scrap Sale Rs. 7 and Loss of Sale Rs. 3) for funding of new Fixed Asset along with fresh Debt to repeat the above cycle

7.14.5 Thus, the Petitioner has mentioned that it may be seen from the above example that in the form of Loss on the Sale of Asset, the Licensee is only claiming its hard-earned money that it has already invested in the creation of the Distribution Network in its license area for servicing its consumers as against erroneous presumption for the same being an additional burn to consumers. In fact, by allowing loss on the sale of asset, the Licensee is claiming to only reimburse the cost incurred by it earlier and already approved by the Commission. Hence, the cost towards loss of sale of assets is a compensation towards the unrecovered cost of asset and should not be treated as an additional burden on consumers. The allowance of cost is also offset by the simultaneous reduction in cost of debt and equity by reduction of the value of such asset from Gross Fixed Asset.

7.14.6 In reference to the above example, the Petitioner has also highlighted that when an Asset is retired, in ARR computation the original value of the Asset (i.e. Rs. 100) is also reduced from GFA and correspondingly Rs. 30 from Equity even though it has only allowed the Licensee to recover Rs. 27 (i.e. Rs. 20 through Dep. and Rs. 7 through Sale of scrap). Thus, the decapitalization of assets actually leads to cessation of servicing of unrecovered equity of the Licensee and thus, compensates the allowance of loss by reduction in Return on Equity.

7.14.7 Further, the Petitioner has submitted that in context to the above example, it is also clear the contention that additional capex is approved for replacement of such asset in the GFA and the same is approved in the ARR is completely not valid because even Additional / Replacement Capex is funded afresh by the Licensee/appellant in Debt Equity ratio of 70:30 and therefore, need to be legitimately allowed. Such a fresh asset has its own life cycle and cannot be compared with the older one which is retired. In fact, since the value of a retired asset is reduced in full from both Debt and Equity, the Commission is not allowing the value of replacement of assets at all.

7.14.8 Further, the denial of its claim of loss on the sale of assets, leaves the Petitioner with less money to reinvest in additional / replacement capex as well as lesser capacity to borrow, which if continued will adversely affect the consumers, as the Licensee may not be able to timely replace/create necessary distribution infrastructure.

7.14.9 The Petitioner also submitted that the retirement/sale of non-reparable / damaged/inefficient fixed assets is also necessary for safety as well as efficient power distribution operations. Accordingly, the Petitioner requested the Commission to approve the loss on sale of fixed assets, Goods and Service Tax on Ancillary Services.

7.14.10 CBEC vide Circular No. 34/8/2018-GST dated 1st March'18 has clarified that the services as stated below when provided by DISCOMS to consumers are taxable.

i. Application fee for releasing connection of electricity

ii. Rental Charges against metering equipment

iii. Charges for duplicate bill

iv. Testing fee for meter/transformer, capacitors etc.

v. Labour charges from customers for shifting of service line

7.14.11 Consequently, the Directorate General of GST Intelligence (DGGSTI), New Delhi issued a summon u/s 70 of CGST Act on 29th May'18, requesting the Petitioner to produce information on the amounts collected by the Petitioner from 1st July 2017 to 30th April 2018 towards abovementioned five services or any other charges collected from the customers over and above the electricity charges for the period.

7.14.12 The Petitioner has filed the detailed reply in response to the summon and also filed a writ Petition before Hon'ble Allahabad High Court on 24th July'18 and challenged the above Circular issued by the Department of Revenue and summon issued by DGGSTI. Since, the matter before the Hon'ble Allahabad High Court is still pending, the Petitioner in the meantime has filed an intervening Petition on November 13, 2019, in respect of the same matter already pending before the Hon'ble Supreme Court in the case of Torrent Power Ltd. wherein the Department has filed an appeal against the judgement of Hon'ble Gujarat High Court being given in favour of Torrent Power Ltd.

7.14.13 Further, taking abundant precaution and without prejudice to the Petitioner's rights and contentions with respect to the above writ and intervention Petitions, the Petitioner has started to levy GST on the above services from October 2018 onwards.

7.14.14 Therefore, depending on the outcome of the above-mentioned writ and intervention Petitions, the Petitioner in future may become liable to pay GST on the above services in respect of the duration when GST was not levied on such service.

7.14.15 However, pending final adjudication of the matter, the amount payable cannot be ascertained at this stage, therefore, the Petitioner has not claimed the same in this ARR Petition and it shall claim so on the actual basis at an appropriate time.

7.14.16 Thus, based on the above discussion, the Petitioner has requested the Commission to approve the Other Items provided in the Table below:

TABLE 7-93: OTHER MISCELLANEOUS ITEM AS SUBMITTED BY THE PETITIONER (FY 2024-25) (Rs. Cr.)

Sl. No.	Description	Estimated
1	Loss on sales of assets	2.87
2	Impact of GST	-
3	**Total**	**2.87**

Commission's Analysis

7.14.17 The Commission observes that the Petitioner has claimed Rs. 2.87 Cr. towards loss on sale of Fixed Assets under Miscellaneous Expenses. The Commission directed the Petitioner to provide detailed reasons for claiming 'Loss on sale of assets'. The Petitioner was also directed to submit any Govt. notification, policy etc. based on which the Petitioner decapitalized the asset before useful life and the reasons for sale of assets at loss i.e. lower than depreciated value of assets. However, the Commission found the reply of the Petitioner unsatisfactory.

7.14.18 The Commission is of the view that the MYT Regulations provisioned that 90% of the assets value be covered through deprecation value, whereas the remaining 10% will be scrap value and to be recovered through the sale of the assets. Further, the

Commission emphasises that the deprecation rate is defined in the MYT Regulations, 2019 to recover 90% of the asset value only when the asset is put to use for its useful life. In case the asset is removed from the system before its useful life due to any reason and not put to use, the Commission is of the view that the consumer is not liable to pay for the same. Thus, any loss or gain on part of the sale of asset for the assets which are removed from the system before serving the useful life is on the part of the Petitioner. Accordingly, the Commission is not allowing any loss on retirement/impairment of assets for FY 2024-25.

7.15 CONTINGENCY RESERVE

Petitioner's Submission

7.15.1 The Petitioner submitted that Regulation 27 of MYT Regulations, 2019 specifies and governs the treatment of the Contingency Reserve and related contribution.

7.15.2 The Petitioner submitted that the Commission in its Tariff Order dated October 19, 2012, had not allowed the provision of contingency reserve to reduce the extra burden on the consumers. However, a contingency reserve is created to meet the eventualities in the nature of major calamities, acts of God etc. thereby, causing huge losses to the network. In any case, the amount so allocated can be used with prior permission of the Commission. Therefore, the Petitioner has considered the creation of a contingency reserve in ARR for FY 2024-25 at the lower limit of 0.25% of Opening Gross Fixed Asset as per the MYT Regulations, 2019 as shown in the Table below:

TABLE 7-94: CONTINGENCY RESERVE AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (RS. CR.)

Sl. No.	Particulars	Projected
1	Opening GFA	2,299.26
2	Contribution to Contingency Reserve	5.75
3	% of Opening GFA	0.25%

Commission's Analysis

7.15.3 The Commission in the past Tariff Orders has disallowed the Contribution to Contingency Reserve as the same would put an additional burden on the consumers. Continuing the same approach, the Commission for FY 2024-25 has not approved any fund for contingency reserve.

7.16 PROVISION FOR WRITE OFF OF BAD AND DOUBTFUL DEBTS

Petitioner's Submission

7.16.1 The Petitioner has mentioned that Regulation 46 of the MYT Regulations, 2019 specifies and governs the aspects of the Provision for Write-off of Bad and Doubtful Debts.

7.16.2 The Petitioner submitted that considering the estimated sales, projected collection efficiency, and in view of the debtor's profile, prudent analysis, impending political scenario affecting the collections drives and ageing profile of receivables, the Petitioner has estimated the Provision for Write-off of Bad and Doubtful Debts for FY 2024-25 as shown below:

TABLE 7-95: PROVISION FOR BAD & DOUBTFUL DEBT AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Description	Ref.	Projected
1	Revenue billed for the year	a	2,672.47
2	Add: Electricity Duty @ 4.73%	b	126.41
3	Gross Revenue billed for the year	c=a+b	2,798.88
4	**Provision for Bad & Doubtful debts**	**e**	**55.98**
5	Provision as % of Revenue billed	f=e/c	2.00%

7.16.3 The Petitioner submitted that the above Provision for Write-off of Bad and Doubtful Debts is projected in accordance with the Petitioner's policy and the same has also been approved by the Commission in its earlier Tariff Orders. Actual write-off will be considered upon ascertaining that the consumer account has no chance of revival, and the avenues of recovery are fully exhausted. At the time of actual write-off, bad debts are identified against each individual defaulting consumer and subsequently aggregated. In each such instance, the supply will stand permanently disconnected and the service apparatus removed as per the Petitioner's policy.

7.16.4 The Petitioner added that the estimated provision for Write-off of Bad and Doubtful Debts is within the norm as provided in MYT Regulations, 2019. Therefore, the Commission is requested to approve and consider the same for the determination of ARR FY 2024-25.

Commission's Analysis

7.16.5 Regulation 46 of the MYT Regulations, 2019 provides and governs the treatment of

Provisions for Bad and Doubtful Debt.

7.16.6 The Commission observed that the Petitioner has claimed bad & doubtful debt for FY 2024-25 with a significant increase at Rs. 55.98 Cr. as compared to bad & doubtful debt claimed for FY 2022-23 which is at Rs. 8.73 Cr. In this regard, the Commission sought justification from the Petitioner for claiming such a high amount along with the reasons for considering the Electricity Duty in the same. In reply to the query, the Petitioner submitted that it has claimed the bad & doubtful debts for FY 2023-24 in accordance with Regulation 46 of MYT Regulations, 2019. The Petitioner further emphasises that it has considered the estimated sales and collection efficiency as projected in the Business Plan in view of the debtor's profile, prudent analysis, impending political scenario affecting the collections drives, and ageing profile of receivables.

7.16.7 The Commission, for approval of provision for bad and doubtful debt, has considered the actual percentage of provision for the write-off of bad debt approved in True Up of FY 2022-23 i.e. 0.38% (excluding electricity duty). Further, the Commission will carry out the Truing-Up of bad debts subject to actual writing-off of the bad debts during the year, as per the Audited Accounts.

TABLE 7-96: PROVISION FOR WRITE-OFF FOR BAD AND DOUBTFUL DEBTS AS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	Claimed	Approved
Revenue billed during the year	2,672.47	2,725.66*
Provision as % revenue billed claimed	2.00%	0.38%
Provision of bad and doubtful debt	55.98	10.30

**Approved revenue details are provided in Chapter 9 of this order*

7.17 NON-TARIFF INCOME

Petitioner's Submission

7.17.1 The Petitioner submitted that Regulation 47 of MYT Regulations, 2019 provides for consideration Non-Tariff Income in ARR.

7.17.2 The Petitioner submitted the Income from delayed payment surcharge and other miscellaneous receipts incidental to the business of electricity supply during FY 2024-25 as summarized in the Table below:

TABLE 7-97: NON-TARIFF INCOME SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Particulars	Projected
1	Income from Contingency Reserves Investments	0.15

Sl. No.	Particulars	Projected
2	Miscellaneous Receipts from other sources	3.06
3	Delayed Payment Surcharge	6.89
4	Income from Telecommunication Business	0.04
5	**Total Non-Tariff Income**	**10.15**

7.17.3 The Petitioner submitted the details of Non-Tariff Income from Telecommunication Business as follows:

The Commission has issued "UP Electricity Regulatory Commission (Facilitation of Telecommunication Network) Regulations, 2022" dated November 17, 2022. As per Regulation 3.1, the Petitioner is required to inform the Commission regarding installation of a telecommunication network on its distribution assets and income derived from such activities on an annual basis through ARR. In the said Regulations the Commission has also provided provisions regarding the Treatment of Gross Revenue from such activities.

Extract from the above-mentioned Regulations has been provided by the Petitioner below for the ready reference,

Quote

3. Intimation of other business :–

3.1. A distribution licensee shall inform the Commission regarding installation of telecommunication network on its distribution assets and income derived from such activities on annual basis through ARR……

4. Treatment of Gross Revenue :–

4.1. Distribution licensee can rent out its distribution assets and provide related services to telecommunication company for installation of telecommunication network including 5G network.

……..

4.5. Income from renting & related services of distribution assets shall be claimed by distribution licensee towards non-tariff income in respective tariff order in accordance with the classification given under MYT Tariff Regulations.

4.6. An amount equal to 30% from the Gross Revenue as received from the telecommunication company from renting & related services of distribution assets, in a given financial year shall be retained by the distribution licensee whereas, the remaining 70% shall be included as non-tariff income of corresponding ARR with *the classification given under Multi Year Tariff Regulation.*

Unquote

In addition to the above, the Petitioner has also submitted that the Commission, in its Tariff Order dated May 24, 2023, directed the Licensee to develop a business plan for upcoming opportunities from the broadband and 5G telecom companies for installation of their equipment on the electric poles and infrastructure of the Licensee. In pursuance of the Commission's direction, the Petitioner has been successful in executing a rental agreement with M/s Indian Cable Net Company Limited a registered Internet Service Provider by virtue of registration with the Department of Telecommunications (DOT), Ministry of Communications, Government of India] for installation of their network equipment in the sub-stations of the Petitioner. For this purpose, M/s Indian Cable Net Company Limited using NPCL's 33kV NPCL pocket substation space by installing communication assets at 10 nos. of location. Through this collaboration NPCL is getting Rs 5,000 monthly rental per location excluding GST, from Apr'23 onwards and with this the Petitioner will get the revenue of Rs 6,00,000 in FY 2023-24.

Accordingly, the Petitioner has considered an amount of Rs. 4,20,000 (Rs. 0.04 Cr.) which is 70% of Gross revenue in the Non-Tariff Income as per provisions of Regulation 4.6.

In addition to the above, the Petitioner has claimed that it is exploring other avenues for rental income from the installation of Telecom Network / 5G infrastructure.

7.17.4 The Petitioner has also mentioned that other income as shown above excludes income from treasury operations as such income is generated upon the funds accrued through internal resources over earlier years. Since such income is generated out of its utilization of internal funds which are not part of the licensed business the same has not been considered as part of ARR.

Commission's Analysis

7.17.5 The Commission for the purpose of this Order has considered the Non-Tariff Income for FY 2024-25 same as approved by the Commission while truing up of FY 2022-23 in this Order. Further, any variation on this account would be taken up at the time of True-Up. Accordingly, the Commission approves Non-Tariff Income for FY 2024-25 as shown in the Table below:

TABLE 7-98: NON-TARIFF INCOME APPROVED FOR FY 2024-25 (Rs. Cr.)

Particulars	Claimed	Approved
Non-Tariff Income including DPS	12.29	-
Less: Cost of Borrowing for DPS	(2.14)	-
Net Non-Tariff Income	**10.75**	**53.01**

7.18 UTTAR PRADESH STATE LOAD DESPATCH CENTER CHARGES

7.18.1 The Commission in the Tariff Order for FY 2024-25 for UPSLDC has approved the LDC charges as mentioned below:

"6.14.14 To recover the Net Revenue Gap of the Petitioner the Commission approves the following SLDC Charges to be recovered from the users except intra-state Transmission Licensee.

Table 6 36: Monthly LDC Charges for FY 2024-25 APPROVED BY THE COMMISSION (Rs./MW/ Month)

Particulars	*FY 2024-25*	
	Petition (ARR)	*Approved (ARR)*
***NET Revenue Gap to be recovered from LDC Charges (**considering carry forward True-Up gap of FY 2022-23) (Rs. Lakh)*	***2,336.85***	***3,584.79***
Tied Up Commissioned Capacity of Discoms (MW)	*33,883.07*	*33,883.07*
Tied Up Commissioned Capacity of Generating Units (MW)	*21,776.53*	*21,776.53*
Total Contracted Capacity (MW)	***55,649.60***	***55,649.60***
Monthly LDC Charges (Rs/MW/Month)	***349.93****	***536.81***

**Monthly LDC Charges are recomputed as per revised projected Revenue and Contracted Capacity submitted by the Petitioner for FY 2024-25.*

As mentioned above, the Commission approves the Monthly LDC Charges in Rs. /MW /Month to be collected by the Petitioner from the Users (except intra-state Transmission Licensee), who are availing Medium/Long Term Open Access or who want to get the scheduling done, in proportion to the sum of their capacities as on the last day of the billing month."

7.18.2 The above-determined charges are to be borne by all the Users including NPCL. Such expenses incurred by the Petitioner shall be considered by the Commission during the True Up of FY 2024-25.

7.19 SUMMARY OF ARR FOR FY 2024-25

7.19.1 Based on the above-approved values, the summary of ARR approved by the Commission for FY 2024-25 is shown in the Table below:

TABLE 7-99: SUMMARY OF ARR APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr.)

Particulars	FY 2024-25	
	Claimed	Approved
Power Purchase Expenses	2,095.28	2,076.85
Transmission Charges (UPPTCL+PGCIL)	331.77	314.22
Employee cost	95.91	36.56
R&M expenses	78.46	54.72
A&G expenses	39.79	20.28
Smart Metering / DT Metering / SOP implementation OPEX	0.00	0.00
Gross O&M Expenses	214.16	111.55
Interest Charges	90.51	77.82
Depreciation	81.79	62.21
Contingency Reserve	5.75	0.00
Income Tax	30.94	23.61
Gross Expenditure	**2,850.20**	**2,666.27**
Employee cost capitalized	18.00	18.00
Interest capitalized	0.00	0.00
A&G expenses capitalized	0.00	0.00
Net Expenditure	**2,832.20**	**2,648.27**
Provision for Bad & Doubtful debts	55.98	10.30
Miscellaneous Expenses	2.87	0.00
Total net expenditure with provisions	**2,891.05**	**2,658.56**
Add: Return on Equity	92.00	70.19
Less: Non-Tariff Income	17.41	53.01
Aggregate Revenue Requirement (ARR)	**2,965.64**	**2,675.75**
Revenue from approved Tariff	2,672.47*	3,028.52
Tariff revision impact (10% Regulatory Discount)	0	302.85
Revenue Gap / (Surplus)	**293.17**	**(49.92)**
Revenue (Surplus) / Gap from Prev. Year	209.47	(1,082.18)
Carrying Cost of Regulatory Asset	40.12	(122.34)
Total Revenue Gap carried forward	**542.76**	**(1,254.44)**

**Net of Regulatory Discount*

7.19.2 Analysis of a few parameters is depicted below:

TABLE 7-100: SUMMARY OF FY 2024-25 (Rs. Cr.)

Particulars	Units	Value
Total Sales	MU	3,704.10
Revenue from Tariff	Rs. Cr.	2,725.66*
Distribution Loss	%	7.57%
Total Power Purchase (Ex-Bus)	MU	4,297.19
Total Power Purchase (NPCL Periphery)	MU	4,007.46
Total Power Purchase Cost including Inter & Intra State Transmission Charges	Rs. Cr.	2,391.07
ARR	Rs. Cr.	2,675.75
APPC without Transmission (at NPCL Periphery)	Rs./kWh	5.18
APPC including Transmission (Inter + Intra) (at NPCL Periphery)	Rs./kWh	5.97
ABR	Rs./kWh	7.36
ACoS	Rs./kWh	7.22

**Net of Regulatory Discount*

8 OPEN ACCESS CHARGES

8.1 BACKGROUND

8.1.1 The Electricity Act, 2003 defines Open Access as a non-discriminatory provision for the use of transmission lines or distribution systems or associated facilities thereof. Considering the operational constraints and other relevant factors, the Commission directs that Open Access shall be allowed to those who wish to avail Open Access as per the provisions outlined by the Commission in its Regulations, Orders and any amendments from time to time.

8.1.2 Regarding Open Access, the Commission has finalized the necessary regulatory framework as mentioned below:

- UPERC (Terms and Conditions for Open Access) Regulations, 2019 that includes among others, the detail procedure(s) for Long-Term Open Access, Medium-term Open Access and Short-Term Open Access for use of Distribution system, with or without Transmission system. Further, the Commission has conducted public hearing on Draft UPERC (Terms and Conditions for Open Access) Regulations, 2024 (First Amendment) and is in the process of finalizing it.
- Procedures for Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Sources, 2020.
- The Commission has finalized the model Bulk Power Transmission Agreement (BPTA) and Bulk Power Wheeling Agreement (BPWA) for availing transmission and distribution services, which is to be signed in regard to payment of Wheeling charge, Transmission charges, surcharge and additional surcharge etc. by the Long-Term Open Access customer.
- Further, Regulation 18.3 of UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2020 provides the application fee for Short-Term Open Access and Operating Charges for Short-Term Open Access.

8.2 OPEN ACCESS TRANSMISSION CHARGES

8.2.1 The Commission, in the Tariff Order for FY 2024-25 of UPPTCL, has determined the

Transmission Charges payable by Open Access customers for the use of UPPTCL transmission network for the transmission of electricity.

8.3 OPEN ACCESS WHEELING CHARGES

Petitioner's Submission

8.3.1 The Petitioner has submitted that it has been maintaining its Cost Accounts and records as prescribed by the Companies (Cost Records and Audit) Amendment Rules, 2014 {Amendment by G.S.R. 695(E) and called Companies (Cost Records and Audit) Amendment Rule, 2016} issued by the Government of India. The Cost Accounts and records so prepared have been verified and audited by a qualified Cost Accountant in accordance with provisions of Section 148 of the Companies Act, 2013 and duly approved by the Board of Directors of the Company.

8.3.2 The methodology adopted in the preparation of cost records is comparable with the methodology suggested under Regulation 39 of MYT Regulations, 2019, barring some differences in the nomenclature/terminology for segregating the cost as elaborated below:

i) As per the MYT Regulations, 2019, demand costs are the costs of a fixed nature, related to capacity creation which includes interest on capital borrowing, depreciation on assets with a fixed nature etc. On similar lines, the Petitioner, in its Cost Records, is allocating such costs of a fixed nature under the head Distribution Cost also known as "Wheeling Cost". These costs are further allocated to their respective consumer category and are demarcated based on their respective voltage at which they are being served e.g. the Depreciation charged at each voltage level has been allocated based on capex actually incurred with respect to each voltage. Similarly, all related costs with respect to the creation/ building of capacity like Interest on Term Loans, RoE etc. are being allocated on the same basis.

ii) "Cost" includes operating expenses associated with meter reading, billing and accounting, all these costs are covered under the head named "Cost of Supply" being termed as "Retailing" in the cost records prepared by the Petitioner. Further, the allocation of cost is being done based on the voltage-wise categorization of consumers, hence, costs such as advertisement, billing expenses etc. have been segregated voltage-wise on the basis of the number of consumers.

iii) "Energy" is concerned with the quantum of electricity consumption of consumers, such as fuel cost, interest on working capital, etc., this again forms a part of "Cost of Supply" also known as "Retailing". Further, these costs like Interest on working capital including processing fees for working capital facilities are being allocated based on their respective consumption in the respective voltage category in the records.

8.3.3 The aforesaid methodology has been explained in detail in the Audited Cost records for FY 2022-23. Based on the above, the Petitioner has done the cost allocation as under:

TABLE 8-1: COST ALLOCATION SUBMITTED BY THE PETITIONER

Particulars	Wheeling Cost	Retailing Cost	Total
R&M Expenses	73%	27%	100%
Employees Expenses	51%	49%	100%
A&G Expenses	58%	42%	100%
Debits, Write-offs and any other items	0%	100%	100%
Depreciation	87%	13%	100%
Interest	100%	0%	100%
Carrying Cost of Regulatory Asset	93%	7%	100%
Taxes	89%	11%	100%
Return on Equity	89%	11%	100%
Total Cost of Service	**75%**	**25%**	**100%**

8.3.4 Further, the Petitioner has submitted the allocations of ARR into wheeling and retail supply for FY 2024-25 as shown in the Table below:

TABLE 8-2: WHEELING AND RETAIL SUPPLY ARR SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Particulars	Allocation %			Allocation			
	Wheeling	Energy	Supply	Wheeling	Energy	Supply	Total
Cost of Power Procurement	0%	100%	0%	-	2,095.28	-	2,095.28
Transmission and Load Dispatch Charges	0%	100%	0%	-	331.77	-	331.77
Net O&M Expenses				318.52	-	90.06	408.58
Net Employee cost	51%	0%	49%	39.60	-	38.31	77.91
Net A&G expenses	58%	0%	42%	23.17	-	16.62	39.79
R&M expenses	73%	0%	27%	57.06	-	21.40	78.46
Smart Metering OPEX	0%	0%	100%	-	-	-	-
Net Interest & Finance charges	100%	0%	0%	90.51	-	-	90.51
Depreciation	87%	0%	13%	70.95	-	10.84	81.79
Carrying cost	93%	0%	7%	37.22	-	2.90	40.12
Gross Expenditure				318.52	2,427.05	90.06	2,835.63

Particulars	Allocation %			Allocation			
	Wheeling	Energy	Supply	Wheeling	Energy	Supply	Total
Provision for Bad & Doubtful debts	0%	0%	100%	-	-	55.98	55.98
Provision for Contingency Reserve	0%	0%	100%	-	-	5.75	5.75
Total net expenditure with provisions				318.52	2,427.05	151.79	2,897.36
Add: Return on Equity	100%	0%	0%	92.00	-	-	92.00
Add : Income Tax	100%	0%	0%	30.94	-	-	30.94
Add : Other Item	0%	0%	100%	-	-	2.87	2.87
Less: Non-Tariff Income	0%	0%	100%	-	-	17.41	17.41
Aggregate Revenue Requirement (ARR)				**441.46**	**2,427.05**	**137.25**	**3,005.76**

8.3.5 Based on the above, the wheeling charge estimated and submitted by the Petitioner for FY 2024-25 is as shown in the Table below:

TABLE 8-3: WHEELING CHARGES SUBMITTED BY THE PETITIONER FOR FY 2024-25

S. No	Particulars	Units	Claimed
1	Wheeling ARR	Rs. Cr.	441.46
2	Retail sales	MU	3,723.76
3	Average Wheeling charge	Rs. /kWh	1.19

8.3.6 The voltage-wise wheeling charges submitted by the Petitioner for FY 2024-25 are as shown in the Table below:

TABLE 8-4: VOLTAGE-WISE WHEELING CHARGES SUBMITTED BY THE PETITIONER FOR FY 2024-25

S. No.	Particulars	Units	% of Avg. wheeling charge	Claimed
1	Connected at 11 kV			
i	Long Term	Rs./kWh	100%	1.12
ii	Medium Term	Rs./kWh	100%	1.12
iii	Short Term	Rs./kWh	100%	1.12
2	Connected above 11 kV			
i	Long Term	Rs./kWh	100%	0.76
ii	Medium Term	Rs./kWh	100%	0.76
iii	Short Term	Rs./kWh	100%	0.76

Commission's Analysis

8.3.7 The Commission has considered the cost allocation between Wheeling and Retail as per the Petitioner's approach and has approved the wheeling and retail supply ARR for FY 2024-25 as shown in the Table below:

TABLE 8-5: WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. Cr)

Particulars	Allocation %		Allocation FY 2024-25		
	Wheeling	Supply	Wheeling	Supply	Total
Power Purchase Exp.	0%	100%	0.00	2076.85	2076.85
Transmission Charge	0%	100%	0.00	314.22	314.22
Net O&M Expenses					
Employee cost	51%	49%	18.58	17.97	36.56
A&G expenses	58%	42%	11.81	8.47	20.28
R&M expenses	73%	27%	39.79	14.92	54.72
Interest & Finance charges	100%	0%	77.82	0.00	77.82
Depreciation	87%	13%	53.97	8.25	62.21
Income Tax	100%	0%	23.61	0.00	23.61
Gross Expenditure			**225.58**	**2440.68**	**2666.27**
Expense capitalization			**9.15**	**8.85**	**18.00**
Employee cost capitalized	51%	49%	9.15	8.85	18.00
Net Expenditure			**216.44**	**2431.83**	**2648.27**
Provision for Bad & Doubtful debts	0%	100%	0.00	10.30	10.30
Miscellaneous Expenses	0%	100%	0.00	0.00	0.00
Total net expenditure with provisions			**216.44**	**2442.13**	**2658.56**
Add: Return on Equity	100%	0%	70.19	0.00	70.19
Less: Non-Tariff Income	0%	100%	0.00	53.01	53.01
Annual Revenue Requirement (ARR)	**11%**	**89%**	**286.63**	**2389.12**	**2675.75**

8.3.8 Based on the above, the wheeling charge for FY 2024-25 has been worked out by the Commission as shown in the Table below:

TABLE 8-6: WHEELING CHARGE APPROVED BY THE COMMISSION FOR FY 2024-25

Particulars	Units	Approved
Wheeling ARR	Rs. Cr.	286.63
Retail sales	MU	3,704.10
Average Wheeling charge	Rs. /kWh	0.77

8.3.9 The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly through the State Transmission Network.

8.3.10 In addition to payment of wheeling charges, the open-access customers also have to bear the wheeling losses in kind.

8.4 CROSS SUBSIDY SURCHARGE (CSS)

Petitioner's Submission

8.4.1 The Petitioner has submitted that the Commission, in its Tariff Order for FY 2022-

23 dated July 20, 2022, had approved the cost of supply for FY 2022-23 for the purpose of computation of CSS.

8.4.2 As per the methodology specified in Regulation 49 of MYT Regulations, 2019, the CSS for the relevant consumer categories is computed using the following formula:

S= T – [C/ (1-L/100) + D+ R]

Where:

S is the Cross Subsidy Surcharge;

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

R is per unit carrying cost of regulatory assets:

8.4.3 The Petitioner has submitted that for the purpose of determination of CSS as per the above methodology the cost of supply of the Open Access consumers for FY 2024-25 is provided in the Table below, which shall be applied against the tariff applicable for the relevant consumer category for computation of Cross Subsidy Surcharge as and when any consumer applies for the same. The CSS for FY 2024-25 proposed by the Petitioner is as shown in the Table below:

TABLE 8-7: CSS AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. /kWh)

Sl. No	Categories	Avg. Rate	Wh. Cost	Carrying Cost	Wt. Avg Pur. Cost	System Loss	Total Cost	Cross Subsidy Surcharge
		(T)	(D)	(R)	(C)	(L)	[C /(1- L / 100) + D+R]	(S)=(T)-[C (1+ L / 100) + D+R]
----------- 132 kV -----------								
1	Large & Heavy Power (HV-2)*	7.13	-	-	6.02	0.14%	6.03	1.10
----------- 33 kV -----------								
2	Large & Heavy Power (HV-2)	7.44	0.64	0.11	6.02	2.15%	6.90	0.54
3	Large & Heavy Power (HV-1)	9.24	0.64	0.11	6.02	2.15%	6.90	2.33
----------- 11 kV -----------								
4	Non Industrial Bulk Load (HV-1)	10.87	0.98	0.11	6.02	5.66%	7.47	3.40

Sl. No	Categories	Avg. Rate	Wh. Cost	Carrying Cost	Wt. Avg Pur. Cost	System Loss	Total Cost	Cross Subsidy Surcharge
		(T)	(D)	(R)	(C)	(L)	[C /(1- L / 100) + D+R]	(S)=(T)-[C (1+ L / 100) + D+R]
5	Large & Heavy Power (HV-2)	8.28	0.98	0.11	6.02	5.66%	7.47	0.81
----------- LT-------------								
6	Domestic Light, Fan & Power (LMV-1)	6.66	2.05	0.08	6.02	19.81%	9.64	-
7	Non - Domestic Light, Fan & Power (LMV-2)	11.21	2.05	0.08	6.02	19.81%	9.64	1.57
8	Public Lamps (LMV-3)	9.40	2.05	0.08	6.02	19.81%	9.64	-
9	Light ,Fan & Power for Institutions (LMV-4)	8.37	2.05	0.08	6.02	19.81%	9.64	-
10	Small Power for Private Tubewell (LMV-5)	2.41	2.05	0.08	6.02	19.81%	9.64	-
11	Small and Medium Power (LMV-6)	9.53	2.05	0.08	6.02	19.81%	9.64	-
12	Public Water Works (LMV-7)	10.25	2.05	0.08	6.02	19.81%	9.64	0.61
13	Temporary Supply (LMV-9)	10.03	2.05	0.08	6.02	19.81%	9.64	0.40
14	Electric Vehicle Charging (LMV-11)	7.09	2.05	0.08	6.02	19.81%	9.64	-
* The cost of network has been met from consumer contribution.								

Commission's Analysis

8.4.4 The Commission sought justification from the Petitioner for not charging wheeling charges/CSS from Open Access Consumers in the list that is submitted. The Commission observed that the units that have been considered for determining the total wheeling charge & CSS are not mentioned in the Table. In this regard, the Petitioner was directed to provide the same. In response to the Commission's query, the Petitioner submitted that it levied Wheeling Charges and Cross Subsidy Surcharge wherever applicable from Open Access Consumers as per the Tariff Schedule approved by the Commission vide its Tariff Order dated August 26, 2021, and July 20, 2022. The details of the charges levied have already been provided in Excel format.

8.4.5 The Commission observed that in the format F40, the Petitioner has provided the allocation Table of Wheeling & Retail Supply. In this regard, the Commission sought the rationale of the allocation percentage considered for Wheeling & Retail Supply. In response, the Petitioner submitted that the allocation of Wheeling & Retail Supply has been provided on the basis of methodologies followed in Audited Cost Records. The Petitioner has also submitted the Audited Cost Records.

8.4.6 The Commission has computed the CSS based on the provisions of Regulation 49.2

of the MYT Regulations, 2019. For the purpose of computation of CSS, as per the formula, 'D' needs to be computed, where 'D' is the aggregate of transmission, distribution and wheeling charges applicable to the relevant voltage level. The Commission has considered Wheeling Charges (WC) (as approved in the earlier section of this Order), Transmission Charges – Inter-State Charges (PC) & Intra State Charges (TC), Retail Supply / Distribution Charges (DC).

8.4.7 Accordingly, only for the purpose of computation of 'D', i.e. aggregate of Transmission, Distribution and Wheeling Charges applicable to the relevant voltage levels, the Commission has computed (DC), (TC), (PC) as follows:

8.4.8 The Supply ARR is Rs. 2,389.12 Cr., which includes Power Purchase and Transmission charges of Rs. 2,391.07 Cr., other components of Rs. 51.06 Cr. and a negative component of Non-Tariff Income of Rs. 53.01 Cr. Hence the distribution charges which are equal to supply ARR minus Power purchase & Transmission cost come out to be negative. (Rs. -1.95 Cr.). This is because of Non-Tariff Income of Rs. 53.01 Cr. which is more than the sum of all the other components of Rs. 51.06 Cr of Supply ARR. This being a special condition, the Distribution charge computed for CSS is considered as zero which is shown in the Table below:

TABLE 8-8: DISTRIBUTION / RETAIL SUPPLY CHARGES FOR COMPUTATION OF 'D' FOR FY 2024-25 (DC)

Particulars	Units	Approved
Supply ARR (A)	Rs. Cr.	2,389.12
Power Purchase and Transmission cost (B)	Rs. Cr.	2,391.07
Supply ARR computed (excluding Power Purchase & Transmission charges) C=(B-A)	Rs. Cr.	(1.95)
Supply ARR considered (excluding Power Purchase & Transmission charges) (D)	Rs. Cr.	0
Retail sales (E)	MU	3,704.1
Average Supply/Distribution charge (DC) ((D/E) *10)	Rs. /kWh	0

TABLE 8-9: INTRA-STATE TRANSMISSION CHARGES FOR COMPUTATION OF 'D' FOR FY 2024-25 (TC)

Particulars	Units	Approved
Transmission Cost (A)	Rs. Cr.	92.47
Energy Handled (Retail Sales) (B)	MU	3,704.10

Particulars	Units	Approved
Average Transmission Charge (TC) ((A/B) * 10)	Rs. /kWh	0.25

TABLE 8-10: INTER-STATE TRANSMISSION CHARGES FOR COMPUTATION OF 'D' FOR FY 2024-25 (PC)

Particulars	Units	Approved
Transmission Cost (A)	Rs. Cr.	221.75
Energy Handled (Retail Sales) (B)	MU	3,704.10
Average Transmission Charge (excluding UPPTCL) (PC) ((A/B)*10)	Rs. /kWh	0.60

8.4.9 The Commission is of the view that while 'PC' representing Inter-State Transmission Charges, 'TC' representing Intra-State Transmission Charges and 'DC' representing primarily the Discoms' establishment expenses, shall be applicable to all open access consumers, irrespective of their voltage level, the 'WC' component representing the Wheeling Charges of the Distribution Licensees' network shall be applicable only on the open access consumers connected at a voltage level maintained by the Distribution Licensees, i.e. up to 33 kV. Accordingly, the 'D' component of the CSS formula mentioned in Regulation 49 of MYT Regulations, 2019, for different voltage levels is shown in the Table below:

TABLE 8-11: AVERAGE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL FOR FY 2024-25 (D = PC + TC + DC + WC)

<table>
<tr><th>Particulars</th><th>Ref</th><th>Units</th><th>Approved</th></tr>
<tr><td>HV Categories above 132 kV</td><td rowspan="3">(PC + TC + DC)</td><td rowspan="3">Rs. / kWh</td><td rowspan="3">0.848</td></tr>
<tr><td>HV Categories above 66 KV and up to 132 kV (132 kV)</td></tr>
<tr><td>HV Categories at 66 KV (66 kV)</td></tr>
<tr><td>HV Categories above 11 kV and up to 33 kV</td><td rowspan="2">(PC+TC+DC+WC)</td><td rowspan="2">Rs. / kWh</td><td rowspan="2">1.622</td></tr>
<tr><td>HV at 11 kV</td></tr>
</table>

8.4.10 Further, the formula provides for the computation of 'L', where 'L' is the aggregate of transmission, distribution and commercial loss, expressed as a percentage applicable to the relevant voltage level. The voltage-wise losses provided by the Petitioner in Form P1 of the tariff formats are as shown in the Table below:

TABLE 8-12: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS AS SUBMITTED BY THE PETITIONER FOR FY 2024-25

Voltage Level	Loss (%)
33 KV and above	2.15%
11 KV	5.66%
LT	19.81%
Overall total loss	7.57%

8.4.11 The Petitioner has submitted voltage-wise losses i.e. 0.14% for above 33kV network, 2.15% at 33kV and 5.66% at 11kV and below. The Commission observes that the voltage wise losses submitted by the Petitioner is in sync with the Energy Balance. Therefore, the Commission has considered the voltage-wise losses as submitted by the Petitioner for the computation of CSS as shown in the Table below:

TABLE 8-13: VOLTAGE-WISE LOSSES APPROVED BY THE COMMISSION FOR COMPUTATION OF CSS FOR FY 2024-25

Particulars	Loss Levels
Inter-State Transmission Loss (PGCIL)	3.77%
Intra State Transmission Loss (UPPTCL)	3.18%
Distribution Loss above 132 KV (220)	0.14%
Distribution Loss above 33 KV (132 kV, 66 kV)	0.14%
Distribution Loss at 33 KV (above 11 kV)	2.15%
Distribution Loss at 11 kV Loss	5.66%

8.4.12 The Commission is of the view that while Inter-State Transmission Loss and Intra-State Transmission Loss shall be applicable to all the Open Access consumers, Distribution Losses considered at different voltage levels shall apply based on the voltage level at which the open access consumer is connected.

8.4.13 The above losses are solely for the purposes of computation of CSS. However, for billing purposes of Open-Access consumers, actual losses will be considered.

8.4.14 As per the formula provided in the MYT Regulations, 2019 the details of the Cost of Supply for the category of consumers at various voltage levels are given below:

TABLE 8-14: VOLTAGE WISE COST OF SUPPLY WORKED OUT FOR COMPUTATION OF CSS FOR FY 2024-25 (Rs./kWh)

S No.	Categories	Wh. Charge (D= PC+TC+DC+WC)	Wt. Avg Power Purchase Fixed Cost (FC)	Wt. Avg Power Purchase Variable Cost (VC)	Wt. Avg. Pur Cost (C= FC+VC)	Transmission (PGCIL) Loss (L1)	Transmission (UPPTCL) Loss (L2)	Distribution Loss (L3)	R (per unit cost of carrying Regulatory Assets)	Total Cost of Supply = [C/((1-L1)*(1-L2)*(1-L3)) + D+ R]
1	HV Categories above 132 KV (i.e. 220 kV , 440 kV, etc.)	0.85	1.29	3.54	4.83	3.77%	3.18%	0.14%	0.00	6.04
2	HV Categories above 66 kV (i.e. 132 kV)	0.85	1.29	3.54	4.83	3.77%	3.18%	0.14%	0.00	6.04
3	HV Categories at 66 kV*	0.85	1.29	3.54	4.83	3.77%	3.18%	0.14%	0.00	6.04
4	HV Categories above 11 kV and upto 33 kV*	1.62	1.29	3.54	4.83	3.77%	3.18%	2.15%	0.00	6.92
5	HV Categories upto 11 kV (i.e. 6.6 kV & 11 kV)	1.62	1.29	3.54	4.83	3.77%	3.18%	5.66%	0.00	7.12

**The HV category of has been segregated for the purpose applying separate Distribution Loss (L3) and computing separate Cost of Supply for these two voltage levels as per Commission's approach.*

Note: L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level, and R = 0, as there is no Regulatory Surcharge at present.

8.4.15 In the above table for computation of voltage-wise Cost of Supply for the purpose of computing CSS, the HV category of 'above 11 kV and upto 66 kV' has been segregated between 'upto 33 kV' and 'above 33 kV and upto 66 kV' as different 'D' would be applied to them as discussed in the earlier section.

TABLE 8-15: CSS COMPUTED BY THE COMMISSION FOR FY 2024-25 (Rs. /kWh)

Categories	Average Billing Rate (ABR) (A)	T = ABR + R (i.e., Regulatory Surcharge) (B)	Cost of Supply (C)	Cross Subsidy Surcharge "CSS" (Computed) D=(B-C)	Cross Subsidy Surcharge "CSS" (as per MYT 19) (with a cap of 20% of T) Y=Min (A*0.2,D)
HV-1 (Supply at 11 kV)	10.94	10.94	7.12	3.82	2.19
HV-1 (Supply above 11 kV)	9.78	9.78	6.92	2.86	1.96
HV-2 (Supply at 11 kV)	8.36	8.36	7.12	1.24	1.24
HV-2 (Supply above 11 kV and up to 66kV)	7.88	7.88	6.48*	1.39	1.39
HV-2 (Supply above 66 kV and up to 132kV)	7.28	7.28	6.04	1.23	1.23
HV-2 (Supply above 132 kV)#	7.28	7.28	6.04	1.23	1.23

#The Billing Determinants have not been provided by the Licensee, hence the value of CSS for this category has been taken as

computed for HV-2 (Supply above 66 kV and up to 132 kV).

** Cost of Supply computed by considering average of the Cost of Supply at 66 kV and above 11 kV*

Note: R = 0, as there is no Regulatory Surcharge at present

8.4.16 The Commission has computed the consumer category-wise CSS for the consumers of Discoms, based on the voltage-wise losses approved for the computation of CSS. The Commission observes that in some consumer categories, the CSS computed by the Commission is higher than the CSS approved by the Commission in the Tariff Order dated May 24, 2023. The Commission is conscious of the fact that few modifications have been made in the CSS computation approach, including voltage-wise distribution loss levels and application of 'D' component at different voltage levels, as compared to the approach in previous Tariff Orders. Further, the Commission has also not revised the tariff payable in this Order, therefore, an upward revision of CSS would not be appropriate. As the Commission is mandated under the Act to remove the level of cross subsidy gradually so any upward revision of CSS, on account of change in methodology, will be against the basic genesis of the Act. Therefore, to balance the interest of consumers, and also in its continuous endeavor to promote Open Access, the Commission has decided to approve the CSS at the lower of the CSS computed in this Tariff Order and approved by the Commission in Tariff Order dated May 24, 2023, as shown in the Table below:

TABLE 8-16: CSS APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. /kWh)

Category	CSS Approved by the Commission for FY 2023-24 in T.O dt. May 24, 2023	CSS computed by the Commission in this T.O. (with a cap of 20% of T)	Approved
	A	B	Minimum of A, B
HV-1 (Supply at 11 kV)	1.33	2.19	1.33
HV-1 (Supply above 11 kV)	1.86	1.96	1.86
HV-2 (Supply at 11 kV)	0.57	1.24	0.57
HV-2 (Supply above 11 kV and up to 66 kV)	0.59	1.39	0.59
HV-2 (Supply above 66 kV and up to 132 kV)	0.36	1.23	0.36
HV-2 (Supply above 132 kV)*	0.36	1.23	0.36

**The Billing Determinants have not been provided by the Licensee, hence the value of CSS for this category has been taken as approved for HV-2 (Supply above 66 kV and up to 132 kV).*

8.5 ADDITIONAL SURCHARGE

Petitioner's Submission

8.5.1 The Petitioner submitted that the Commission notified the Open Access Regulations, 2019 clearly specifying the criteria and requirements for consumers opting for Open Access. Subsequent to the notification of the above regulations, the Petitioner has observed a continuous rise in consumers seeking Open Access in the licensed area of the Petitioner.

8.5.2 The Petitioner further mentioned that power purchased under Open Access becomes even more lucrative when a consumer opts for renewable power as a source of supply due to various incentives given by the Commission and the Central/State Government. For instance, if a consumer opts to purchase solar power, the following incentives are provided by the Commission and the State Government:

- 50% exemption on wheeling charges/transmission charges on intra-state Open Access.
- Exemption of electricity duty for 10 years for the purchase of solar power from the project setup within the State.

8.5.3 Further, apart from the above exemptions, the consumers who have been opting for the Group Captive route of Open Access are even getting waivers from payment of cross-subsidy surcharge as well. Also, all new industrial units producing electricity from captive power plants for self-use are exempted from payment of electricity duty for 10 years.

8.5.4 Therefore, the Petitioner expects migration of consumers to Open Access from its licensed area. Petitioner mentioned that presently there are 21 nos (42 MW) of active OA consumers in the license area of the Petitioner and 9 nos (20 MW) are soon to be taking power under OA. So far, the Petitioner has granted Open Access for 55 MW.

8.5.5 Further, Petitioner submitted that this clear trend suggests a substantial shift of consumers towards Open Access. If consumers keep on shifting to Open Access with this pace, it is likely to result in stranded capacity on the part of the Petitioner in the near future. The Petitioner craves leave from the Commission to file an application for approval of levy of additional surcharge at an appropriate time apart from the Tariff Petition as and when the situation arises.

Commission's Analysis

8.5.6 The Commission observed that the Petitioner has submitted a stranded capacity of 55 MW and has calculated stranded energy considering a 100% load factor. In addition, the Petitioner has also proposed the purchase of power from IEX for each month. Further, it is also observed from the load curves that the average load throughout the year is higher than the capacity tied up from Long-Term Source viz., DIL (171 MW).

8.5.7 The Commission has taken note of the submission of the Petitioner. It is observed that approximately 67% of the power purchased by the Licensee is from short & medium-term sources. In view of the same, it is not understood, how a consumer opting for open access would then result in the stranded costs for the Petitioner.

8.5.8 Further, it has been observed that the Petitioner has not given any detailed computation of additional surcharge. Therefore, the Petitioner is directed to refer to the Commission's Order dated February 25, 2019, in Petition No. 1323 of 2018 in the matter of *"Recall of the order of this Hon'ble Commission dated 30.11.2017, contained specifically in paragraphs 7.4.8 to 7.4.17 and in paragraph 7.5.3, read with 7.5.4, on the subject of approval of Business Plan/MYT ARR and tariff for State Discoms for FY 2017-18 to FY 2019-20 and true-up of FY 2014-15"* related to treatment of additional surcharge and comply to the same. In the above-referred Petition, the Petitioners were the State Discoms, however, in the said Petition, the Commission had given its views on the methodology/procedure for the determination of additional surcharge Petitions/submissions and would apply to the Petitioner too.

8.5.9 Hence, in the absence of any detailed computation, the Commission approves the additional surcharge as zero, however, the Petitioner may submit the requisite data and justification separately vide a Petition for determination and approval of Additional Surcharge, which will be dealt with accordingly.

9 TARIFF PHILOSOPHY

9.1 CONSIDERATION IN TARIFF DESIGN

9.1.1 Section 62 of the Electricity Act 2003, read with Section 24 of the Uttar Pradesh Electricity Reforms Act, 1999 sets out the overall principles for the Commission to determine the final Tariffs for all categories of consumers defined and differentiated according to consumer's load factor, power factor, voltage, total consumption of energy during any specified period or the time at which supply is required or the geographical position of any area, nature of supply and the purpose for which the supply is required. The overall mandate of the statutory legislations to the Commission is to adopt factors that will encourage efficiency, economical use of the resources, good performance, optimum investments and observance of the conditions of the License.

9.1.2 The linkage of Tariffs to Cost of Supply and gradual reduction of cross-subsidization is an important feature of the Electricity Act, 2003. Section 61 (g) of the Electricity Act, 2003 states that the Tariffs should progressively reflect the Cost of Supply, and it also requires the Commission to progressively reduce cross subsidies within a timeframe specified by it. The need for progressive reduction of cross subsidies has also been underlined in Sections 39, 40 and 42 of the Electricity Act, 2003. The Tariff Policy, 2016 also advocates that the Tariff should progressively reflect the efficient and prudent Cost of Supply. The Commission has approved the Tariffs for FY 2024-25 taking into consideration the Electricity Act, 2003, Electricity Rules 2005, Electricity (Rights of Consumers) Rules, 2020, Tariff Policy, 2016 and MYT Regulations, 2019.

9.1.3 The Commission has also considered the suggestions and objections of the stakeholders, public at large and SAC Members for determination of ARR and fixation of the Tariffs. The Commission keeping in line with the broad principles and enshrined in its previous Tariff Orders has laid emphasis on adoption of factors that encourage economy, efficiency, effective performance, transparency, autonomy, adoption of IT & latest technologies, regulatory discipline and improved conditions of supply & services keeping in view the ground realities.

9.1.4 As regards to the linkage of Tariff with the Cost of Supply, Regulation 53 of UPERC

(MYT for Distribution and Transmission) Regulations, 2019 states as follows:

Quote

53 Determination of Retail Supply Tariff

53.1 The Commission may categorize consumers on the basis of their Load Factor, Power Factor, Voltage, total consumption of electricity during any specified period, or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

53.2 The retail supply Tariff for different consumer categories shall be determined on the basis of the Average Cost of Supply. While determining the Tariff, the Commission shall also keep in view the cost of supply at different voltage levels and the need to minimise Tariff shock to consumers.

53.3 It would be endeavoured to rationalize the number of consumer categories and Tariff structure. The Fixed / Demand Charges will be gradually aligned over a period upto the Fixed Cost of the ARR which would comprise of Fixed Charges of Generating Stations, Transmission Charges, Return on Equity, Interest on Loan, Depreciation, O&M & other fixed costs. The Energy Charge will be gradually aligned to the remaining ARR, i.e., the Variable Cost of the ARR, which would comprise the Fuel Cost of the Generating Stations & other variable costs.

Unquote

9.1.5 In terms of the MYT Regulations, 2019, Tariff Policy 2016 and the Electricity Act, 2003, the Commission acknowledges that in the ideal scenario, the Retail Tariff of any category should be linked to the cost incurred by the system for the said category. However, as these details are neither available nor its authenticity has been verified in any scientific manner, the Commission, while determining the Tariff for each category, has looked into the relationship between the Tariff and the overall average Cost of Supply for FY 2024-25. Efforts are made as far as possible to move the Tariff of appropriate consumer categories towards the band of +/- 20% of ACoS in order to meet the requirements of MYT Regulations, 2019 and Tariff Policy, 2016.

9.1.6 It has been observed that in general, there are many data discrepancies/insufficiencies in Billing Determinants despite Commission's repeated directions in the past Tariff Orders. Therefore, the Petitioner is hereby directed to check and verify the Billing Determinants properly and provide month-wise details of the same in the next Tariff Filing, along with justification for any month to month abnormal variation.

9.1.7 The Petitioner has not proposed any Tariff Proposal in the Petition. Accordingly, the Commission has approved the tariffs for the various categories/sub-categories of consumers detailed in the Rate Schedule as applicable to the NPCL Consumers for FY 2024-25, which is annexed at the end of this Tariff Order. **Taking into consideration the surplus, all the Consumers of the NPCL shall continue to be entitled to a regulatory discount of 10% (Ten Percent) on the 'Rate' i.e. on Fixed / Demand Charge and Energy Charge, excluding Electricity Duty etc. and the same will be shown clearly in their bills. Further decisions regarding adjustment of regulatory discount shall be taken based on the True-Up done in the subsequent years or any further Orders of the Commission.**

9.2 OTHER TARIFF PROPOSALS

<u>Declaring/Classifying Data Centres in the HV-2 rate schedule/category</u>

9.2.1 The Petitioner had filed a petition viz. Petition No. 2010/2023 dated 16.08.2023 before the Commission under Section 62(3) and Section 86(1) of the Electricity Act, 2003 read with Clause 3.7 of the U.P. Electricity Supply Code, 2005 and Regulation 57 of the Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2019 seeking classification of Data Center in the HV-2 rate category/schedule of the Tariff Order for the FY 2023-24 dated May 24, 2023 passed in Petition No. 1919 of 2022, to provide cost-effective power supply (in line with the U.P. Data Centre Policy, 2021) to the Data Centers, which are currently paying a higher tariff under the HV-1 category (Non-Industrial bulk load).

9.2.2 The Petitioner has submitted that the Commission vide its Order dated 11.10.2023 in Petition No. 2010/2023 informed that the petition matter is related to a change in tariff, and it has to be a part of Tariff proceedings, where the Petitioner can place all the proposals of this nature in ARR/ Tariff proceedings so that it may undergo the prescribed Regulatory Process.

9.2.3 Based on the direction given by the Commission vide its Order dated October 11, 2023, in Petition No. 2010/2023 the Petitioner hereby again seeks classification of Data Center in the HV-2 rate category/schedule.

9.2.4 The Petitioner in its petition has submitted that the Commission vide its Tariff Order dated May 24, 2023, approved the ARR and Tariff for FY 2023-24 and the True-up for FY 2021-22 and further provided the rate schedule and retail tariffs payable by the consumers for FY 2023-24. The said rate schedule (i) stipulates the retail tariff payable by the consumers, and (ii) provides the category under which a consumer is to be given a connection as well as the category for the billing of the consumer.

9.2.5 However, the Petitioner has mentioned that the Tariff Order for the FY 2023-24 dated May 24, 2023, is silent as regards the classification of the Data Centres. Therefore, in the absence of any specific classification/categorization of the Data Centres in the Tariff Order for the FY 2023-24 dated May 24, 2023, the Petitioner is constrained to provide connections to the Data Centres under the HV-1 rate schedule/category (non-industrial bulk load).

9.2.6 The Petitioner has also submitted that the Data Centres has been categorised as Industry by the Central/State Government in various Policies however, the same do not fall under the ‘Applicability of HV-2 rate schedule/category’ which has been earmarked for the industrial consumers. However, since (a) the Tariff Order dated May 24, 2023 does not categorize/provide for the Data Centres; and (b) the language of HV-2 categorization/rate schedule under the Tariff Order dated May 24, 2023 is such that it provides an exhaustive list, which does not include Data Centres, Data Centres cannot be granted HV-2 categorization by the Petitioner on its own motion.

9.2.7 Further the Petitioner has also submitted a tentative cost-benefit analysis vis-a-vis HV-1 and HV-2 categories for Data Centres, which shows the difference in Net Charges between HV-1 and HV-2 ranging from Rs. 1.41 per/kWh to Rs. 2.21 per/kWh at different voltage level.

9.2.8 The Petitioner has requested the Commission to Declare/Classify Data Centres in the HV-2 rate schedule/category.

E-Billing to the Consumers as per their preference:

9.2.9 The Petitioner has approached the Commission vide its letter dated October 4, 2023, for the approval of "E-Billing to the Consumers as per their preference instead of delivering Hard Copies of the Bills for the electricity supplied to Promote the Green Initiative and for environmental sustainability".

9.2.10 The Petitioner has mentioned that it is committed to environmental sustainability. The use of printed paper electricity bills distributed to Consumers are harmful for the environment. It not only uses paper generated from trees, but it also entails fuel and unproductive hours of manpower in the distribution of the same.

9.2.11 In view of the above, in order to contribute towards reducing carbon footprint and a cleaner and more sustainable environment, the Petitioner has proposed to distribution of Electronic Billing (E-bill) and discontinuance of distribution of the hard copies of the bills.

9.2.12 The Petitioner has conducted an online survey to gather the opinion of consumers regarding their "Preferred mode of Electricity Bill". The Petitioner has provided three options to the consumers, and it was requested to choose any one as their preference. The options provided in the survey are given below,

I. Yes, I would like to opt for E-Bill as my preferred mode of bill delivery
II. No, I want hard copy bill delivery to continue
III. I would like to enrol for e-bill service and then make the choice based on service experience

9.2.13 As of date a total of 1,223 consumers have participated in the survey out of which 808 consumers (66%) preferred "Option I", 274 consumers (22%) chose "Option II" while 141 consumers (12%) opted for "Option III". It can be seen that 66% of the consumers who participated in the survey opted for E-Bill as their preferred mode of bill delivery instead of hard copy. Not only this, but another 12% of consumers are the potential consumers who can swiftly move to electronic bills sooner.

9.2.14 Further the Petitioner recognized the importance of embracing environmentally responsible practices, particularly in the energy sector. The Petitioner understands that digital solutions such as E-bills play a pivotal role in minimizing paper usage, reducing waste, saving fossil fuels and conserving natural resources. Here are some of the key benefits associated with this initiative:

I. **Reduction in Paper Usage:** E-billing significantly reduces the consumption of paper, which in turn conserves trees and other natural resources. This aligns with our collective responsibility to mitigate deforestation and its impact on climate change.

II. **Lower Carbon Footprint:** The printing, production, transportation and disposal of paper bills generate greenhouse gas emissions. By opting for E-Bills, we can reduce the carbon footprint associated with these processes.

III. **Minimized Waste Generation**: By transitioning to E-Bills, we can contribute to a reduction in solid waste generation and the associated environmental issues.

IV. **Enhanced Convenience:** E-Bills offer consumers the convenience of accessing their bills electronically from anywhere, at any time. This eliminates the need to store physical copies and reduces the risk of bill loss or damage.

V. **Greater Accessibility:** E-bills can be easily archived and accessed electronically, making it easier for consumers to track their billing history and make informed decisions about their energy consumption.

VI. **Conservation of Natural Resources:** distribution of electricity bills via digital mode will not require the movement of paper and manpower and thereby save on natural resources.

9.2.15 However, as per U.P. Electricity Supply Code,2005 the Distribution Company is bound to deliver the hard copy of bills to their consumers but based on the consumer's preference and to promote green initiative, the Petitioner has requested the Commission to allow the Petitioner to deliver the bill based on the preference of the consumers (i.e. either Hard copy or E-bill).

9.2.16 Further, the Petitioner has added that it shall continue to engage with the consumers and in future any consumer opts for E-Bill, the Petitioner will deliver the

E-Bill as per their preference.

Green Energy Tariff:

9.2.17 The Petitioner has submitted that the Commission vide Tariff Order dated July 20, 2022, has approved a Green Energy Tariff @ Rs. 0.54 per kWh for the consumers of the Petitioner. The approved tariff is applicable for all the opting consumers except domestic and agriculture consumers. Further, the tariff is in addition to the regular tariff as approved by the Commission for eligible consumers.

9.2.18 The Petitioner vide its Tariff Petition No. 1919/2022 dated Nov 30, 2022, filed for approval of ARR and Tariff for FY 2023-24 and True-Up of ARR and Revenue for FY 2021-22 requested the Commission to allow the Petitioner to offer Green Power to its consumers at the retail tariff plus a nominal cost, for instance, Rs. 0.05 per unit till RPO level to promote the adoption of Green Energy. The Petitioner also submitted that it has been approaching all the eligible consumers to opt for a Green Tariff since the notification of the above Tariff Order. However, so far, the response from the consumers is not encouraging mainly due to payment of an additional Green Tariff @ Rs. 0.54 per kWh over and above the normal tariff for obtaining green power.

9.2.19 Based on the Petitioner's request/proposal, the Commission vide its Tariff Order dated May 24, 2023, stated that the proposals were discussed in the State Advisory Committee (SAC) meeting held on May 08, 2023, and the same were not accepted by the Committee and approved the revised Green Energy Tariff of Rs. 0.44 per kWh for State Discoms and NPCL.

9.2.20 The Petitioner has further submitted that it has been approaching all the eligible consumers to opt for the Green Tariff since the notification of the above Tariff Order. However, so far, the response from the consumers is not encouraging mainly due to payment of a higher additional Green Tariff @ Rs. 0.44 per kWh over and above the normal tariff for obtaining Green Power.

9.2.21 The Petitioner has submitted that the Green Energy Tariff approved by the various State Electricity Regulatory Commissions is provided below in the Table below:

TABLE 9-1: STATE-WISE GREEN ENERGY TARIFF AS SUBMITTED BY THE PETITIONER

S. No.	State Electricity Regulatory Commission	Green Energy Tariff Rates (Rs./kWh)
1	Andhra Pradesh	0.28
2	Himachal Pradesh	0.28
3	Madhya Pradesh	0.25
4	Odisha	0.25
5	Uttarakhand	0.26

9.2.22 As the renewable power procured will be considered against the Renewable Power Obligation (RPO) of the Petitioner even after the consumers opt for Green Tariff, the Petitioner requested the Commission to allow the Petitioner to offer green power to its consumers at the retail tariff plus a nominal cost, for instance, Rs. 0.20 per unit till RPO level prescribed by the Commission to promote the adoption of Green Energy. The priority may be decided on first-cum-first-serve basis.

9.2.23 The Petitioner has also mentioned that if a consumer opts to purchase solar power, the following incentives are provided by the Commission and the State Government:

- 50% exemption on wheeling charges/transmission charges on intra-state Open Access.
- Exemption of electricity duty for 10 years for the purchase of solar power from the project setup within the State

9.2.24 Further, apart from the above exemptions, the consumers who have been opting for the Group Captive route of Open Access are even getting waivers from payment of cross-subsidy surcharge as well. Also, all new industrial units producing electricity from captive power plants for self-use are exempted from payment of electricity duty for 10 years.

9.2.25 Further, the Petitioner has also added that many consumers have opted for OA to procure Green Power from outside the State. Thus, as per the Petitioner, the Commission's regulations are incentivizing consumers to opt for Green Power through Open Access while on the other side, when a consumer is opting for green energy from the Licensee, he is being made liable to pay a significant amount as Green tariff.

9.2.26 The Petitioner has submitted that, as a consequence of the above, the Petitioner is losing its significant revenue to such consumers sourcing power from Open Access and therefore, the Petitioner requested the Commission to approve Green Tariff at a nominal rate of Rs. 0.20 per unit which is at par with other states of India.

Subsidy for Tube-Well Consumers:

9.2.27 The Petitioner has submitted that the Government of Uttar Pradesh vide its letter dated 07.01.2022 informed/directed Uttar Pradesh Power Corporation Limited (UPPCL) to provide a 50% Rebate in the Tariff for Private Tube-well connections, effective from 01.01.2022.

9.2.28 Accordingly, the Petitioner has requested the Commission to note that the aforesaid letter only mentions the name of UPPCL's Discoms and the name of the Petitioner is not mentioned. As a result, the Petitioner was not able to pass on similar benefits to its Agricultural Consumers.

9.2.29 In order to rectify the same, the Petitioner vide its multiple communications dated 13.01.2022, 03.02.2022, 14.04.2022 & 16.05.2022 approached the Additional Chief Secretary (Energy) Government of Uttar Pradesh and requested for necessary order/notification of the State Government as well as persuaded for compensating the Petitioner towards the revenue loss for the purpose of implementation of rebate.

9.2.30 In response to the Petitioner's letter dated 13.01.2022 & 03.02.2022, Under Secretary (Government of Uttar Pradesh) vide its letter dated 08.03.2022 directed UPPCL to take necessary action and submit the response to the Government.

9.2.31 Further, in reply to the Petitioner's letter dated 14.04.2022, the Additional Chief Secretary (Energy) Government of Uttar Pradesh vide its letter dated 23.05.2022 issued some queries. The Petitioner vide its letter dated 02.06.2022 clarified all the provided queries in detail for which no further communication has been received from the Government of Uttar Pradesh. As a result, the Petitioner could not extend such benefit to its tube-well consumers which resulted in dissatisfaction and unrest amongst the public (Farmers) in the Licensee area.

9.2.32 The Petitioner has further mentioned that during the year of 2023, the Government of Uttar Pradesh has announced 100% subsidy in the Electricity bill for all Private Tube-well Consumers in the State of Uttar Pradesh. Accordingly, the Petitioner vide its letter dated 29.03.2023 and 24.08.2023 requested the Additional Chief Secretary (Energy), Govt of Uttar Pradesh either approve the implementation of the Direct Benefit Transfer (DBT) scheme or issue/pass necessary order/notification of the State Government for advance payment of subsidy and enable the Petitioner to pass the benefit of 100% subsidy to its private tube-well consumers. However, the Petitioner has claimed that no communication has been received yet.

9.2.33 The Petitioner has mentioned that it has consumers under the LMV-5 category and in the absence of a subsidy provision, it will not be able to pass on the benefits of 100% subsidy to its consumers and the same will result in unrest and differentiation amongst the consumers who are the citizen of State of Uttar Pradesh. In view of the above, the Petitioner requested the Commission to consider the above facts and circumstances while deciding the Tariff of the LMV-5 category.

Commercial Mechanism for Deviation Settlement for Intra-state Open Access Consumers

9.2.34 At present UPERC “Terms and Conditions for Open Access Regulations, 2019” (OA Regulations) is in force in the state of Uttar Pradesh. Regulation 21.3.11 of OA Regulation provides as under:

> ***“21. Imbalance Charges–***
>
> *21.1 The entitlement at the drawl point for any 15-minute time block shall be worked out after considering the Transmission and Distribution losses as determined by the Commission in the Tariff Order for that year.*
>
> *21.2 Imbalance between schedule & actual injection/drawl of generator or distribution licensee or transmission network connected* ***open access consumer will be settled as per Deviation & Settlement Mechanism (hereinafter referred to as DSM) charges in accordance with DSM Regulations notified by UPERC, if any. Till such time, DSM regulations have not been notified by***

UPERC, the imbalance charges shall be as per the DSM charges notified CERC Regulations.

21.3 ***Over injections/ under-injections and over drawls /under drawls in various kind of situations along with the commercial settlement in each situation is given in the following table. Since DSM is still not implemented at consumer level in the State of Uttar Pradesh, commercial settlement at consumer level has been provided a different treatment, as is clear from following table.***

Sl. No.	Different Scenarios	Category of Open Access	Commercial Treatment of Capacity & Energy Charges.	Commercial Treatment of DSM
1	2	3	4	5
1				
….	….	….	….	….
11	Over Drawl by Discom connected Open access customers (Discom consumer).	Open access (inter-state and/or intra-state).	Capacity charges and energy charges to be settled between seller and buyer as per provisions of PPA / MoU.	Open access energy shall be adjusted first and the remaining energy shall be treated as purchase from discom and accordingly the retail tariff as per applicable category shall apply.
12	Under Drawl by Discom connected Open access customers (Discom consumer).	Open access (inter-state and/or intra-state).	Capacity charges and energy charges to be settled between seller and buyer as per provisions of PPA / MoU.	Open access energy shall be adjusted first and the remaining energy shall be treated as purchase from discom and accordingly the retail tariff as per applicable category shall apply. In case energy received through open access is not fully consumed such energy shall be adjusted with the energy supplied by the distribution Licensee in the same TOD hour slot and within the same billing cycle only.

9.2.35 The Petitioner has mentioned that, from the Sl. No. 11 & 12 of Regulation 21 of the

OA Regulations, it is clear that the impact of Over-Drawl/under-drawl by Open Access Consumers is being passed on to the concerned DISCOMs. In such a scenario, other consumers would have to bear the impact of Over-Drawl/under-drawl by Open Access Consumers. The Petitioner has requested the Commission to address this issue in the interest of maintaining grid security and burden on the other consumers.

I. <u>Imbalance Charges</u>:

- As mentioned above, Regulation 21.3.11 provides that a Discom-connected OA consumer overdrawing from the grid, the over-drawl shall be treated as a purchase from Discom. It is being noticed that the Open Access consumers particularly for short-term open access consumers who procure energy from collective markets or power exchanges, there is high degree of uncertainty in their power procurement from Power Exchange and DISCOMs. Considerable variation in schedule and actual energy drawl is observed on a regular basis for short-term open access consumers. Also, based on the market clearing price determined in exchanges for each block, the energy drawl of open-access consumers fluctuates significantly within a day. Despite such uneven drawl throughout the day, the Open Access consumers continue to enjoy the freedom of rescheduling their energy drawl on the basis of their daily load requirement and the price at which energy is available in the power exchange markets. Such variations in energy drawl make it difficult for the DISCOM to forecast time block-wise energy requirement for the same day/following day which causes huge deviations.

- Similarly, in the case of long-term Open Access consumers, there are deviations (overdrawl/ under drawl) from schedules. The long-term consumers are procuring power from solar power plants and any variation in intermittent power supply from solar to OA consumers is being managed by Discom.

- The Petitioner has requested the Commission to consider the deviation in the drawl pattern of the OA consumers have an adverse impact on the scheduling and load management of the DISCOM. Presently there are 21 nos (42 MW) of active OA consumers in the license area of the Petitioner and 9 nos (20 MW) are soon to be taking power under OA. In FY 2022-23, the Open Access consumers deviated from their initial schedule to the final schedule by ~25 MU and the overdrawal by the consumers was treated as a purchase from the Petitioner. In future, Grid management will become a major concern when the number of OA consumers continues to increase. The Petitioner has further mentioned that in the absence of any penal mechanism, the OA consumers are not showing any discipline during scheduling. Therefore, it is necessary that the Regulations should include provisions to restrict variation in the drawal schedule by penalizing such variations or setting limits on the duration of the power schedule from open access.

TABLE 9-2: SUMMARY OF MONTH-WISE DIFFERENCE OF OA SCHEDULE VS ACTUAL OPEN ACCESS DRAWAL BY OA CONSUMERS OF NPCL AS SUBMITTED BY THE PETITIONER

	Difference in MU's (Long Term (LT) consumers)*					Difference in MU's (Short Term (ST) consumers)*		
Month	**DS Group**	**HT Media**	**Asian Paints**	**DS Spiceco**	**Fortune**	**INOX**	**Wocotech**	**Denso**
April'22	-0.46	-0.01	0.00	0.00	0.00	0.00	0.00	0.00
May'22	-0.15	-0.02	0.00	0.00	0.00	0.00	0.00	0.00
June'22	-0.15	-0.28	0.00	0.00	0.00	-1.32	0.00	0.00
July'22	-0.15	-0.06	0.00	0.00	0.00	-1.99	0.00	0.00
Aug'22	-0.02	-0.02	0.00	0.00	0.00	-1.81	0.00	0.00
Sep'22	-0.02	-0.02	0.00	0.00	0.00	-2.60	0.00	0.00
Oct'22	-0.05	0.00	0.00	0.00	0.00	-1.96	-0.52	0.00
Nov'22	-0.07	-0.03	0.00	0.00	0.00	-2.63	-0.75	0.00
Dec'22	-0.07	-0.11	-0.01	0.00	0.00	-2.71	-0.78	-0.86
Jan'23	0.03	-0.11	-0.10	0.00	-0.01	0.00	-0.77	-1.34
Feb'23	-0.09	-0.05	-0.03	-0.01	0.01	0.00	-0.71	-1.21
Mar'23	-0.04	-0.35	-0.01	-0.03	0.00	0.00	0.00	-1.26
Total	**-1.24**	**-1.08**	**-0.15**	**-0.04**	**-0.01**	**-15.01**	**-3.53**	**-4.67**
Total (MU's) LT Consumers			**-2.1**					
Total (MU's) ST Consumers			**-23.21**					
Total LT+ST (MU's)			**-25.32**					

Note:-ve means overdrawal (final drawl- initial schedule)

- The introduction of a commercial mechanism for Deviation Settlement for intra-state open access is very much necessary for the maintenance of Grid discipline. Several Generators / Consumers connected to Intra-State Distribution network are seeking Open Access, and their deviations should also be settled through DSM regulations. Or, alternatively, the deviations of Open Access Consumers should be billed at higher rates than the rates being charged by the Discoms from the same category of consumers getting supply from DISCOM.

- If deviation charges/ imbalance charges are levied, the Open Access consumers might strictly abide by their Schedules resulting in high grid discipline. However, at present no DSM penalties on account of Overdrawal/ under drawl are being levied onto the OA consumers and the same is being passed on to other consumers of Discoms. Similarly, in the case of under-drawl by the OA Consumers, the under-drawl gets reflected into the under-drawl of Discom. Whereas the Petitioner is not allowed to sell its surplus power. The underdrawal by Open Access consumers also needs to be discouraged.

Many of the State Commissions have implemented the penal mechanism in terms of higher charges for Intra state Open Access Consumers as under,

Delhi- In case of drawl of power beyond the Permissible drawl, the consumers are being billed at temporary tariff (ie at 1.30 times of normal tariff) for the deviation quantum. No compensation in case of under drawl by the consumer.

Rajasthan- Any over drawl with respect to the schedule approved by the SLDC by an open access customer shall be settled **at higher of the applicable deviation rates (as notified in CERC Deviation Settlement Mechanism Regulations 2014 amended from time to time) or energy charge at rate of Temporary Tariff applicable for HT (NDS) category** as determined by the Commission from time to time. No compensation in case of under drawl by the consumer.

Haryana- UI charges as notified by CERC or highest tariff (other than temporary metered supply) including FSA and PLEC etc. as determined by the Commission for the relevant financial year for any consumer category, whichever is higher.

In view of the above, the Commission is requested to introduce a commercial mechanism for Deviation Settlement for intra-state open access which is very much necessary for the maintenance of Grid discipline. It is proposed that the Open Access consumers should be charged at higher tariff for the deviation quantum. The Consumers should also be brought under the ambit of DSM Regulations. This will ensure discipline towards daily power scheduling and will also immune the other consumers on their part.

II. Frequent shifting of Open Access Consumers

- Due to the high frequency of shifting of open access consumers between DISCOM and other sources of power (i.e. power exchanges), it is very difficult to manage power procurement efficiently for OA consumers. Such behaviour makes it difficult to predict the energy requirement for the following day, leading to financial implications such as procurement of expensive power and penalties in the form of Deviation Settlement Mechanism (DSM) charges.
- Petitioner further mentioned that States like Rajasthan, Maharashtra and Himachal Pradesh have imposed the limits on duration of the power schedule from Open Access. Further, Ministry of Power (MoP) in its consultation paper dated August-2017, had suggested that OA consumers should schedule at least 24 hours of power.
- The Petitioner requested the Commission to include the provisions to restrict variation in the drawal schedule by penalizing such variations or setting limits on the duration of the power schedule from open access. Further, OA consumers should schedule at least 24 hours of power.
- **RPO of OA consumer to Discoms**

  Since the State Discoms are supplying power to the OA consumers under their USO obligations, the Petitioner has requested the Commission to include a provision to the effect that the surplus RE power over and above the yearly RPO requirements of OA consumers will be counted towards Discoms's RPO compliances.

Commission's Analysis

9.2.36 The above proposals were also discussed in the State Advisory Committee (SAC) meeting held on August 05, 2024.

9.2.37 In the absence of a specific classification of Information Technology (IT) and IT-enabled Services (ITeS) as Industries, presently these are being charged under the Commercial Categories (LMV-2 and HV-1) by the Licensees. With a view to create a conducive ambience for the IT and ITeS industry in the State of Uttar Pradesh, GoUP has notified IT and ITeS Policy, 2022.

9.2.38 In the SAC Meeting, dated August 05, 2024, one of the proposals was to declaring/classifying the Data Centers in the HV-2 rate schedule/category. The concerned representative from the GoUP, IT Department apprised the SAC that the classification of IT and ITeS under Industrial category is under consideration of the GoUP, and any further action will be based on the Government order in the said matter.

9.2.39 However, considering that the GoUP's official notification with regard to classification of IT/ITeS Units under Industrial Category is still pending, as on the date of issuance of this Order, it is decided that the inclusion of IT and ITeS Units in the Industrial Category shall be effective from the date of GoUP notification in this regard or date of applicability of Tariff Schedule of this Tariff Order, whichever is later. Other pertinent details are available in the chapter of 'Rate Schedule'.

9.2.40 Regarding the issue of permitting delivery of electricity bills through email or the electronic means, the Commission observes that clause 9.3 and 9.4 of the U.P Electricity Supply Code, 2005 already contains provisions relating to service of notices by email or WhatsApp messages. It is also observed that Rule 6(2) of Electricity (Rights of Consumers) Rules, 2020 provides for delivery of bills by hand or post or courier or email or any other electronic mode. It is also noted that clause 4(b) of the draft agreement for supply of electrical energy given at Annexure 4.12 of the U.P Electricity Supply Code, 2005 clearly mentions that the electricity bill shall be deemed to be a 'Bill cum Notice' for payment of the amounts mentioned therein. Thus, delivery of bills through email or WhatsApp or any other electronic means is admissible. However, it is incumbent on the Licensee to have updated KYC details of the consumers and it must ascertain from the consumer, the preferred mode of delivery of bill. Further, it is pertinent to mention that, Para 9.4 of the U.P Electricity Supply Code, 2005, already provides that email or WhatsApp message or any other electronic mode of delivery should contain bills with signature of authorised officer of the Licensee, so that consumer gets all the relevant details required to be provided to him in the bill. The Licensee is required to maintain record of such delivery.

9.2.41 Regarding free power to Tube-Well Consumers, the Licensee should follow the directions of the Government of UP.

9.2.42 Regarding Commercial Mechanism for Deviation Settlement for Intra-state Open Access Consumers relates to UPERC Terms and Conditions for Open Access Regulations, 2019. The Commission has already floated a draft amendment to UPERC Terms & Conditions for Open Access Regulations, 2019, a considered view will be taken after the conclusion of consultations.

9.2.43 As regard to the issue of reducing the Green Energy Tariff, the Commission has approved a Green Energy Tariff of Rs. 0.36 per unit for State Discoms, the same shall also be applicable for NPCL along with other terms & conditions as discussed in the ARR / Tariff for FY 2024-25 of the State Discoms. This brings the Tariff down from Rs. 0.44 per unit in FY 2023-24 to Rs. 0.36 per unit in FY 2024-25. The Regulatory discount of 10% shall not be applicable on Green Tariff.

9.3 TIME OF DAY (TOD)

Petitioner's Submission

9.3.1 Based on the season-wise block-wise plot of average consumption of the Petitioner, Power Market (IEX) DAM rates and existing ToD structure, the Petitioner submitted the following:

i. In the Summer Season, the exchange rates are higher during the evening and night time. Further, the demand of the company is also on the higher side during evening hours.

ii. In the Winter Season, the demand as well as the market rates are higher during morning hours (06.00 to 10.00 Hrs) and evening hours (17.00 to 19.00 Hrs).

iii. It is to be noted that in FY 2023-24 the Petitioner witnessed its peak demand during day time (14:30 to 14:45 Hrs). In FY 2024-25 (as per data till August 2024) also, the peak has occurred during the daytime (14:30 Hrs to 14:45 Hrs). It is expected that a similar pattern will be followed in next year as well.

9.3.2 The Petitioner further submitted that the Ministry of Power (MoP) vide its order dated 14.06.2023 amended the Electricity (Rights of Consumers) Rules, 2020 providing for the Time of Day (ToD) Tariff.

i. Under the ToD Tariff system, the Tariff during solar hours of the day shall be at least 20% lower than the normal tariff, while the Tariff during peak hours will be at least 20% higher.

ii. ToD tariff would be applicable for Commercial and Industrial consumers having a maximum demand of 10 kW and above, from 1st April 2024 and for all other consumers except agricultural consumers, latest from 1st April 2025.

9.3.3 The relevant paras of the abovementioned rules are reproduced below:

*“**(8A) Time of Day Tariff.-**The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:*

*Provided that, **the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:***

*Provided further that, **tariff for solar hours of the day, specified by the State Commission shall be atleast twenty percent less than the normal tariff for that category of consumers**:*

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:

*Provided also that the **duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre**.*

Explanation:- For the purposes of this rule, the expression “solar hours” means the duration of eight hours in a day as specified by the State Commission.”

TOD Structure proposed by the Petitioner

9.3.4 The Petitioner considered the following points while proposing the ToD structure -

- The rates in power exchanges are higher during the evening and night hours of the Summer season. In the Winter season, morning rates are higher.
- From the load curve it was noticed that the existing ToD structure has not much impact on the drawl pattern/ behavior of existing consumers.
- The MoP has also suggested to have lower tariffs during solar hours and higher tariffs during non-solar hours.

9.3.5 The Petitioner has proposed slight changes to the existing TOD proposal and proposed the following TOD structure for the consumers who are availing the benefits of the ToD tariff as per the Tariff order issued by the Commission:

Summer- Additional charges in the Proposed ToD tariff for Summer (April to September) is proposed during 00:00 to 02:00 Hrs and 19:00 to 24:00 Hrs is provided in the Table below:

TABLE 9-3: PROPOSED TOD STRUCTURE-SUMMER MONTHS (APRIL TO SEPTEMBER)

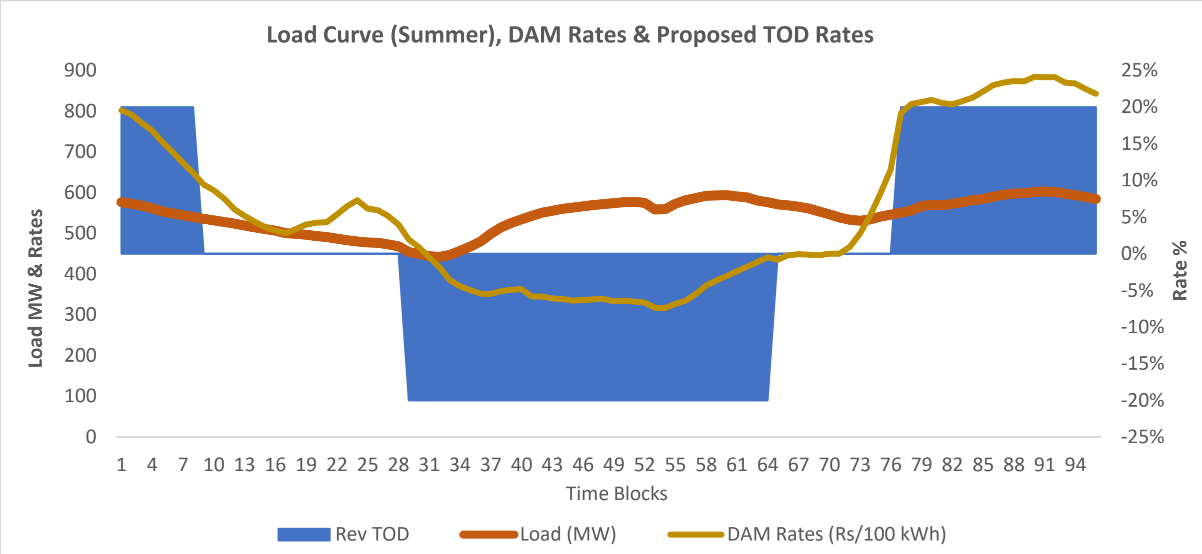
S. No.	Time-slot	% of Energy Charges	Incentive/Disincentive
1	00:00 to 02:00 hours	20%	Additional Charge
2	02:00 to 07:00 hours	0	Nil
3	07:00 to 16:00 hours	-20%	Rebate
4	16:00 to 19:00 hours	0	Nil
5	19:00 to 24:00 hours	20%	Additional Charge

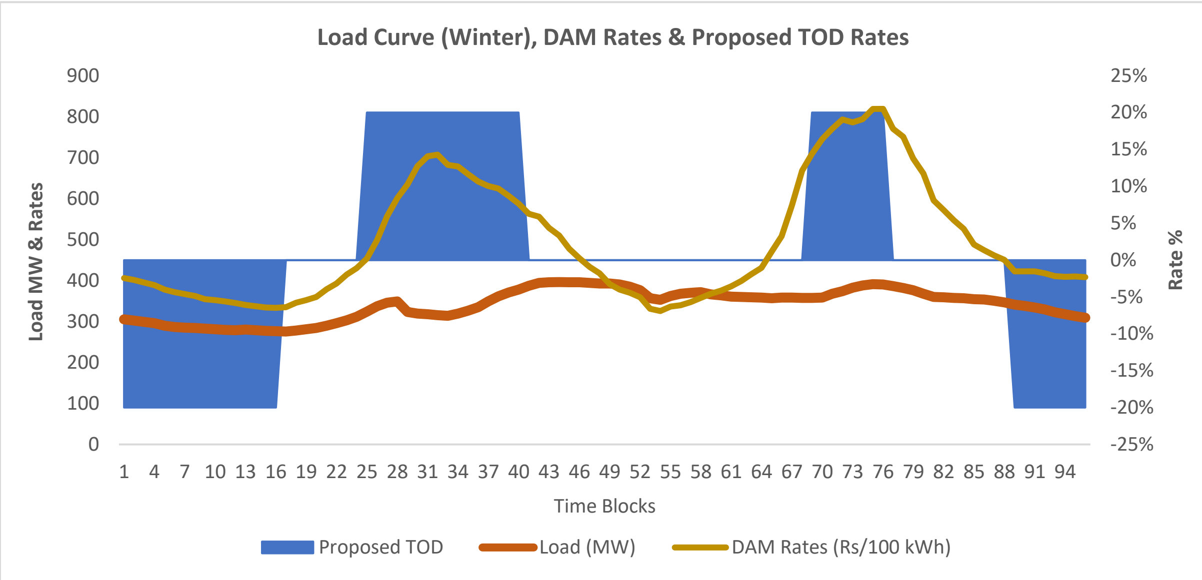
Winter- Additional charges in the Proposed ToD tariff for Winter (October to March) is proposed during 06:00 to 10:00 Hrs and 17:00 to 19:00 Hrs is provided in the Table below:

TABLE 9-4: PROPOSED TOD STRUCTURE-WINTER MONTHS (OCTOBER TO MARCH)

S. No.	Time-slot	% of Energy Charges	Incentive/Disincentive
1	00:00 to 04:00 hours	-20%	Rebate
2	04:00 to 06:00 hours	0	Nil
3	06:00 to 10:00 hours	20%	Additional Charge
4	10:00 to 17:00 hours	0	Nil
5	17:00 to 19:00 hours	20%	Additional Charge
6	19:00 to 22:00 hours	0	Nil
7	22:00 to 24:00 hours	-20%	Rebate

9.3.6 The Petitioner further submitted that with the above proposal, the ToD slabs will coincide with the high demand and high market rates which will result in the flattening of the demand curve and reduced power purchase cost. The same is depicted in the graph below:





9.3.7 The Petitioner further submitted that such dispensation shall be a win-win situation for both the distribution licensee(s) as well as the electricity consumers of the Petitioner/ Uttar Pradesh. The former would benefit in terms of saving of additional power purchase cost during the peak months / hours as well as incurring cost on augmentation of transmission / distribution and wheeling network. While the latter will benefit in terms of reduction in energy bills by shifting their demand to the periods where the cost of power is lower.

Commission's Analysis

9.3.8 The Commission observes that the Petitioner has proposed 5 ToD slots for Summer months and 7 ToD slots for Winter months. Further, the Petitioner has further proposed 20% additional charge for Peak Hours and 20% rebate for Non-Peak hours. The Commission has analysed the load curve of the Licensee and accordingly approved the ToD Structure proposed by the Petitioner. Further, the Commission has also not revised the tariff payable by the consumers in this Order, therefore, an upward revision of additional charge/rebate of 20% would not be appropriate. Therefore, the additional charge/rebate of 15% as per pervious Order is considered.

TABLE 9-5: APPROVED TOD STRUCTURE-SUMMER MONTHS (APRIL TO SEPTEMBER)

S. No.	Time-slot	% of Energy Charges	Incentive/Disincentive
1	19:00 to 02:00 hours	(+)15%	Additional Charge
2	02:00 to 07:00 hours	0	Nil
3	07:00 to 16:00 hours	(-)15%	Rebate
4	16:00 to 19:00 hours	0	Nil

TABLE 9-6: APPROVED TOD STRUCTURE-WINTER MONTHS (OCTOBER TO MARCH)

S. No.	Time-slot	% of Energy Charges	Incentive/Disincentive
1	22:00 to 04:00 hours	(-)15%	Rebate
2	04:00 to 06:00 hours	0	Nil
3	06:00 to 10:00 hours	(+)15%	Additional Charge
4	10:00 to 17:00 hours	0	Nil
5	17:00 to 19:00 hours	(+)15%	Additional Charge
6	19:00 to 22:00 hours	0	Nil

9.4 ALLOWING LMV-11 TARIFF TO PUBLIC TRANSPORT BUS STATIONS

9.4.1 Development of charging infrastructure and affordability of charging is essential to boost the EV penetration in the State. In this regard, introduction of electric driven buses public transport service operators would be a key initiative. In this backdrop, single-part tariff structure has been approved by the Commission in the past. In order to encourage development of Public Charging Stations, as per the tariff design for this category, the Rate/ Tariff has been kept lower than the Average Cost of Supply. Further, there has been no change in Tariff of this category as well, since its introduction by the Commission in FY 2018-19. The Commission has also provided the charges for exceeding the contracted demand over and above the contracted capacity, which are also less steep than normal penalty for exceeding demand.

9.4.2 The Commission has received representation from Directorate of Urban Transport, wherein it is highlighted that the connections are being provided under LMV-2/ HV-1 category instead of LMV-11 category. Accordingly, it has been requested to categorize charging stations established by Directorate of Urban Transport situated at City Bus Depot under LMV-11 Category.

9.4.3 Uttar Pradesh is one of the leading states which is having highest number of electric vehicles in India and the GoUP is also taking initiatives for promoting EVs in public transportation. GoI's EV Policy 2022 provides that the State Government shall induce the demand of EVs by encouraging the transition of public transportation to Non-I.C.E. based vehicles, particularly in the cities. It is pertinent to create an enabling environment for the provision of Public Charging Stations particularly for supporting Public Transport. This would be in line with the intent and objectives of the Government's Initiatives and would support the overarching goals of addressing concerns related to pollution and development of sustainable EV infrastructure through promotion of clean and efficient urban transport solution.

9.4.4 The Commission decides that this facility shall be available to all the State Road transport bus stations/depot within the State and for availing the same, a separate connection shall be granted, on application made by bus stations exclusively for the purpose of operation of charging stations. For all other facilities, the tariff shall be charged as per respective category.

9.4.5 The detailed tariff structure for electric vehicle is provided under LMV-11 category under Rate Schedule.

9.5 THREE PHASE CONNECTIONS TO CONSUMERS HAVING CONTRACTED LOAD OF 3 KW AND ABOVE

9.5.1 The peak demand in the State crossed 30,000 MW in May 2024. With domestic consumers having around 50% share in the total load, rise in peak demand is reflective of the increase in air conditioning load of domestic consumers. With unprecedented growth and rise in standard of living, the consumers are expecting that measures are taken to improve quality of supply while maintaining uninterrupted power supply. As per the provisions of supply Code, for connections with connected load above 5 kW three phase connections have to be provided. However, with growing awareness, consumers have been requesting to allow them to install three phase meters for connected load at less than 5 kW as well.

9.5.2 Considering the willingness, as can be seen from the issues raised during public hearing, and requirements of consumers and with a view to promote in house load management plus better phase balancing of three phase system of Licensee, the Commission has decided that consumers with connected load of 3 kW to 5 kW will have an option to obtain three phase connection. The Licensee, with the consent of consumer, shall install 3 phase connection and the cost of meter and connection shall be borne by consumers, as per the Cost Data book approved by the Commission.

9.6 ISSUES RELATED TO MULTI STORIED BUILDINGS

9.6.1 The Commission has been receiving complaints from individual consumers residing within the residential multistoried buildings having single point connections of being charged tariff in contravention to the Tariff Schedule of the Commission. To address this concern, the Commission in its Order for FY 2023-24 dated May 24, 2023 had provided as follows:

"Quote

The deemed franchisee is required to provide to all its consumers and the licensee, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within

3 months of the closure of that financial year. If he fails to do so, then the consumers may approach the Consumer Grievance Redressal Forum (CGRF) having jurisdiction over their local area for the redressal of their grievances.

Unquote"

9.6.2 To address the concern of consumers, the Commission further decides to introduce a mechanism for reigning in the defaulting deemed franchisees, covered under LMV-1(b) and HV-1 categories. All deemed franchisees covered under LMV-1(b) and HV-1 categories shall be mandatorily required to upload requisite information on the online portal (to be developed and hosted by their respective Distribution Licensees within six months from the date of issuance of this order), including their consumer-wise monthly energy accounts, revenue collected from such consumers along with the payments made to the Licensee in regard to the month. In case of non-compliance by the deemed franchisee, penalty shall be levied. The penalty so collected by the Distribution Licensee shall be treated as Non-Tariff income. The complete details are provided in the Rate Schedule.

9.6.3 Further, the Suo-Moto proceeding in Petition No. 30SM of 2019 was initiated for conversion of multi storied buildings from single point to multi point connection. It provides an option to the single point consumers to move towards multi point arrangement thereby getting supply from the Licensee directly thus removing the role of builder/ RWA as intermediary.

9.6.4 Further, Ministry of Power vide Electricity (Rights of Consumers) rules, 2020 dated February 22, 2024 provided the distribution Licensee shall provide either a single point connection for the Association or individual connections for each and every owner, on the basis of choice of the majority of the house or flat owners in such association and the choice shall be ascertained by means of a transparent ballot to be held by the distribution Licensee. There are several other aspects that have been covered in the Rules.

9.6.5 In the Order dated May 6, 2024, the Commission revised the mechanism for obtaining consent of owners and aligned it with the Rules notified by MoP on

February 22, 2024. There are certain other aspects that have also been covered in the above Order. The complete details are provided in the Order, which is available on the website of the Commission.

9.7 OTHER CONSUMER RELATED ISSUES

9.7.1 **Revision of Sanctioned Load for exceeding contract demand:** During the Public Hearing issues related to automatic increase in load by Licensee have been raised by the consumers. The Commission also takes note of the Electricity (Rights of Consumers Rules) Amendment Rules, 2023 notified on June 14, 2023, in which mechanism for automatic revision of sanction load has been laid down. In view of this, the Commission has made suitable changes to the provisions of revision of sanctioned load in case consumer exceeds his contracted demand. The complete details are provided in general conditions of the Rate Schedule.

9.7.2 **Abolishing the cost related to disconnection and reconnection of Smart Meters:** During the Public Hearing, issues related to abolition of cost related to disconnection and reconnection of Smart Meters were raised by the consumers. Currently, the disconnection and reconnection charges of Rs. 50 per job were approved in Tariff Order for FY 2023-24. The Commission is of the view that the disconnection and reconnection of Smart Meters can be remotely done without incurring any cost which used to be incurred earlier in physical disconnection/reconnection. Accordingly, these charges have been abolished.

9.8 APPLICABILITY OF TARIFF CATEGORY

The applicability, character and point of supply and other terms & conditions of different consumer categories have been defined in the Rate Schedule annexed to this Tariff Order. In case of any inconsistency, the Rate Schedule shall prevail over the details given in the various sections of this Tariff Order.

10 REVENUE GAP

10.1 REVENUE FROM THE SALE OF POWER AT APPROVED TARIFF

Petitioner's submission

10.1.1 The Petitioner had submitted its sales estimations for FY 2024-25 forecasted as per Regulation 5.5, 5.6, 42 and submitted the same to the Commission vide its Petition No. 1526/2019 for Business Plan of Control Period FY 2020-21 to FY 2024-25. However, the Commission directed to submit revised billing determinants for FY 2024-25 based on actual data for FY 2023-24.

10.1.2 Further, the Petitioner submitted the revised category-wise projected sales, revenue and average realization for FY 2024-25 based on the rates approved vide Tariff Order dated May 24, 2023, as given in the Table below:

Table 10-1: REVISED REVENUE FROM EXISTING TARIFF AS SUBMITTED BY THE PETITIONER FOR FY 2024-25 (Rs. Cr.)

Sl. No.	Category	Sales	Revenue*	Average Billing Rate (ABR)
		(MU)	(Rs. Cr.)	(Rs/kWh)
1	LMV-1: Domestic Light, Fan & Power	1,262.06	785.91	6.23
2	LMV-2: Non-Domestic Light & Fan & Power	92.63	87.18	9.41
3	LMV-3: Public Lamps	24.72	21.40	8.66
4	LMV-4: Institutions	20.90	15.92	7.62
5	LMV-5: Private Tube Wells	11.98	3.17	2.65
6	LMV 6: Small and Medium Power	144.19	122.38	8.49
7	LMV-7: Public Water Works	35.42	35.61	10.05
8	LMV-9: Temporary Supply	59.31	64.76	10.92
9	LMV-11: Electric Vehicle Charging	1.20	0.81	6.74
10	HV-1: Non-Industrial Bulk Power	428.58	386.11	9.01
11	HV-2: Large and Heavy Power	1,623.12	1,175.51	7.24
12	**Total**	**3,704.10**	**2,698.77**	**7.29**

**Net of Regulatory discount*

10.1.3 Regulation 28.5 of MYT Regulations, 2019 provides for allowance of carrying cost on regulatory assets. The relevant extract of the Regulation 28.5 is reproduced below:

Quote

28.5 Carrying cost for the gap / surplus of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.

Unquote

10.1.4 The Petitioner submitted the projected status of accumulated regulatory assets as given in the Table below:

Table 10-2: AMORTISATION OF REGULATORY ASSET

Sl. No.	Particulars	Ref.	FY 2024-25
1	**Opening Regulatory Asset**	**a**	243.38
2	Less: Revenue Gap at existing tariff for the year before carrying cost	b	293.17
3	**Unamortized Opening Regulatory Asset**	**c=a+b**	**536.55**
4	Carrying cost of Regulatory Asset	d	40.13
5	**Closing Regulatory Asset at Existing Tariff**	**e=c+d**	**576.68**

10.1.5 The Petitioner submitted that as on 1st April 2024, the opening balance of Regulatory Gap has been projected at Rs. 243.38 Cr. which is estimated to increase to Rs. 576.68 Cr. as on 31st March 2025 based on the revenue at the Retail Tariff and Regulatory Discount of 10% on Energy Charge & Fixed Charge approved by the Commission vide its Tariff Order dated May 24, 2023.

Commission's Analysis

10.1.6 The Commission has computed the revenue for FY 2024-25 by considering the Rate Schedule approved in this Tariff Order, Regulatory Discount and the approved Billing Determinants for FY 2024-25. The following Table summarizes the revenue approved by the Commission for FY 2024-25 at approved Tariff Rates with regulatory discount.

TABLE 10-3: REVENUE APPROVED FOR FY 2024-25

Sl. No.	Category	Sales	Revenue*	Average Billing Rate (ABR)
		(MU)	(Rs. Cr)	(Rs/kWh)
1	LMV-1: Domestic Light, Fan & Power	1,262.06	799.47	6.33
2	LMV-2: Non-Domestic Light & Fan & Power	92.63	88.16	9.52
3	LMV-3: Public Lamps	25	21.62	8.75
4	LMV-4: Institutions	21	18.88	9.03
5	LMV-5: Private Tube Wells	12	2.97	2.48
6	LMV 6: Small and Medium Power	144.19	123.65	8.58

Sl. No.	Category	Sales	Revenue*	Average Billing Rate (ABR)
		(MU)	(Rs. Cr)	(Rs/kWh)
7	LMV-7: Public Water Works	35.42	33.67	9.51
8	LMV-9: Temporary Supply	59	54.52	9.19
9	LMV-11: Electric Vehicle Charging	1.20	0.79	6.60
10	HV-1: Non-Industrial Bulk Power	428.58	393.59	9.18
11	HV-2: Large and Heavy Power	1623.12	1188.34	7.32
12	**Total**	**3,704.10**	**2,725.66**	**7.36**

**Net of Regulatory discount*

10.1.7 The Commission has computed the revenue as per the tariff rates approved in this Order and the approved billing determinants for FY 2024-25. The revenue at the approved tariff, determined in this Order has already been considered in the ARR chapter for FY 2024-25. The estimated gap/surplus for FY 2024-25 of NPCL is as shown in the Table below:

Table 10-4: ESTIMATION OF ARR GAP/(SURPLUS) FOR FY 2024-25 (Rs. Cr.)

Particulars	Ref.	True-up (FY 2022-23)			APR (FY 2023-24)			ARR (FY 2024-25)	
		Approved in Tariff Order dated 20.07.2022	Claimed	Approved	Approved in Tariff Order dated 24.05.2023	Claimed	Approved	Claimed	Approved
ARR	A	1,786.75	2,564.05	2,270.52	2,367.02	2,606.16	2,606.16	2,965.64	2,675.75
Revenue (inclusive of 10% regulatory discount)	B	2,006.87	2,207.78	2,207.78	2,413.22	2,378.83	2,378.83	2,672.47	2,725.66
Opening Gap/(Surplus) (i.e., closing of last year)	C	(951.03)	(365.61)	(1,146.70)	(1,161.62)	(27.04)	(1,198.82)	212.39	(1,082.18)
Gap/(Surplus) during the year	D=A-B	(220.13)	356.27	62.74	(46.20)	227.32	227.32	293.17	(49.92)
Carrying cost rate (%) @ IWC	E	10.20%	10.29%	10.30%	10.20%	10.29%	10.20%	10.29%	11.05%
Carrying cost	F=(D*E/2 +C*E)	(50.40)	(17.70)	(114.86)	(120.84)	12.10	(110.69)	40.12	(122.34)
Cumulative Gap/ (Surplus)	G=C+D+F	**(1,221.56)**	**(27.04)**	**(1,198.82)**	**(1,328.66)**	**212.39**	**(1,082.18)**	**545.69**	**(1,254.44)**
Power purchase Provisions	H	642.48	0.00	0.00	247.27	0.00	0.00	0.00	91.19
Cumulative Gap/ (Surplus) with provisions	I=G+H	**(579.08)**	**(27.04)**	**(1,198.82)**	**(1,081.39)**	**212.39**	**(1,082.18)**	**545.69**	**(1,163.25)**

10.1.8 The Petitioner has revised 2 values in power purchase in the true-up of FY 2022-23: From Rs. 173.91 Cr to Rs. 145.56 Cr and from Rs. 39.36 Cr to Rs. 34.09 Cr due to Inadvertent linking error vide letter dated 01.07.2024. Therefore, the Commission has recomputed the claims of the Petitioner as given in the Table above.

10.1.9 The Commission as shown in the above Table has computed the overall revenue Gap / (Surplus) for FY 2024-25 which incorporates the impact of True-up for FY 2022-23 and APR for FY 2023-24.

Provisions for Long-Term Power Purchase

10.1.10 The Petitioner has claimed the Change in Law and additional coal cost of power purchase from DIL in the true-up of FY 2019-20 to FY 2022-23 which were not considered by the Commission in the true-ups of respective years for the Petitioner. The Incentive claimed for FY 2022-23 has also been added as provisions. The same has been provisionally considered in the estimation of revenue Gap/ (Surplus) for FY 2024-25 and shall be dealt with in respective True-Up years.

10.1.11 The Commission for estimating the revenue Gap/(Surplus) for FY 2024-25 has provisionally considered the cost impact of DIL Petitions as prayed by the Petitioner. The impact of DIL Petitions on the above matters will be subjected to appropriate adjustment on issuance of DIL True-Up Order for FY 2019-20 to FY 2023-24, as the case may be. The impact of the DIL Petitions is summarized in the Table below:

TABLE 10-5: IMPACT OF DIL PETITIONS PROVISIONALLY CONSIDERED BY THE COMMISSION FOR GAP/(SURPLUS) of FY 2024-25 (Rs. Cr.)

Particulars	Amount	Carrying Cost	Total Impact
Incentive as per Approved PPA	6.64	-	6.64
Additional Coal Charges for FY 2021-22 & FY 2022-23	66.22	(0.33)	65.88
Change in Law for FY 2020-21 to FY 2022-23	15.23	0.94	16.17
Total	**88.09**	**0.60**	**88.69**

Provisions for Medium-Term Power Purchase

10.1.12 The Petitioner for FY 2022-23 has claimed certain charges like Damages from MTPPA, and fixed cost provisions (APPCL). The Commission observes that the invoices were raised after the end of FY 2022-23 and the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred. However, the same shall be dealt with at the time of truing up of FY 2023-24 after prudence check. The Commission has computed the Impact of provisions claimed in FY 2022-23. The same has been provisionally considered in the estimation of revenue Gap/ (Surplus) for FY 2024-25 and shall be subject to true up of FY 2023-24.

TABLE 10-6: IMPACT OF MEDIUM-TERM POWER PURCHASE PROVISIONALLY CONSIDERED BY THE COMMISSION FOR GAP/(SURPLUS) of FY 2024-25 (Rs. Cr.)

Particulars	Amount
Damages claimed from MTPPA Supplier	(4.48)
APPCPL - Govt. of AP Fixed Cost Provision (FY-21)	0.35
APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-21)	0.35
APPCPL - Govt. of AP Fixed Cost Provision (FY-22)	2.48
APPCPL - Govt. of Nagaland Fixed Cost Provision (FY-22)	2.00
Total	**0.70**

Provisions for Short-Term Power Purchase

10.1.13 The Petitioner for FY 2022-23 has claimed certain charges like Transmission charges provisions not paid, a claim for PGCIL etc. The Commission observes that the invoices were raised after the end of FY 2022-23 and the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred.

10.1.14 The Commission has computed the Impact of provisions claimed in FY 2022-23. The same has been provisionally considered in the estimation of revenue Gap/ (Surplus) for FY 2024-25 and shall be subject to true up of FY 2023-24.

TABLE 10-7: IMPACT OF SHORT-TERM POWER PURCHASE PROVISIONALLY CONSIDERED BY THE COMMISSION FOR GAP/(SURPLUS) of FY 2024-25 (Rs. Cr.)

Particulars	Amount
TPTCL (Source- PPGCL) Trans. Charge Provision Not Paid (FY 21-22)	0.28
Claim for PGCIL past bill in PPC	1.75
TPTCL (Source- PPGCL) Trans. (for FY-23 billed in FY-24) Paid	0.41
Total	**2.44**

Provisions for Renewable Power Purchase

10.1.15 The Petitioner for FY 2022-23 has claimed certain damages from the RE_LTPPA Supplier. The Commission observes that the invoices were raised after the end of FY 2022-23 and the same shall be accounted for in the books of accounts of the Petitioner in FY 2023-24. Since the present proceedings are for Truing up of FY 2022-23, the claimed amount is deferred.

10.1.16 The Commission has computed the impact of provisions claimed in FY 2022-23. The same has been provisionally considered in the estimation of revenue Gap/(Surplus) for FY 2024-25 and shall be subject to true up of FY 2023-24.

TABLE 10-8: IMPACT OF RENEWABLE POWER PURCHASE PROVISIONALLY CONSIDERED BY THE COMMISSION FOR GAP/(SURPLUS) of FY 2024-25

Particulars	Amount
Damages claimed from RE_LTPPA Supplier	(0.64)
Total	**(0.64)**

10.1.17 Summary of Provisions are given below:

TABLE 10-9: SUMMARY OF AMOUNT PROVISIONALLY CONSIDERED BY THE COMMISSION FOR GAP/(SURPLUS) of FY 2024-25

Sources	Amount	Carrying cost	Total
Long term	88.09	0.60	88.69

Sources	Amount	Carrying cost	Total
Medium Term	0.70	-	0.70
Short Term	2.44	-	2.44
Renewable	(0.64)	-	(0.64)
Total	**90.59**	**0.60**	**91.19**

10.1.18 Based on the above, the net revenue Gap/(Surplus) for FY 2024-25 is as under:

TABLE 10-10: ESTIMATION OF REVENUE GAP/(SURPLUS) FOR FY 2024-25 (Rs. Cr.)

Particulars	Revenue Gap/ (Surplus)
Revenue Gap/ (Surplus) approved for FY 2024-25	**(1,258.07)**
Impact of Other Power Purchase claims (provisionally considered)	**91.19**
Net Revenue Gap/ (Surplus)	**(1,166.88)**

10.1.19 The Surplus for FY 2024-25 at the approved revenue will be treated appropriately at the time of the next Tariff proceedings. Further, the following Tariff Orders have been challenged in the Hon'ble APTEL and various courts whose proceedings are ongoing. The final judgements may have a significant impact on the Tariff of the consumers. The list of ongoing proceedings is as under:

TABLE 10-11: CASES PENDING BEFORE THE SUPREME COURT, HIGH COURT & APTEL (MATTER RELATED TO TARIFF ORDERS AND REGULATIONS) AS SUBMITTED BY THE PETITIONER

Sr. No.	Description of the Case	Forum where the case is filed	Case No.	Date of Filing	Present Status
1	NPCL Appeal against Order dated 31.10.2018 in Petition No. 987/2014 (R.C. Green Substation Appeal)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 336/2018	12.11.2018	Included in the List of Finals. Next date awaited.
2	NPCL Appeal against Order dated 31.10.2018 in Petition No. 1020/2015 (Gharbara Substation Appeal)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 40/2019	11.12.2018	Included in the List of Finals. Next date awaited.
3	NPCL Appeal against Tariff Order dated 03.09.2019 and Order dated 04.06.2020 in	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 40/2023	20.07.2020	Included in the List of Finals. Next date awaited.

Sr. No.	Description of the Case	Forum where the case is filed	Case No.	Date of Filing	Present Status
	Review Petition No. 1512/2019 (NPCL 220 kV R.C. Green LILO Appeal)				
4	NPCL Appeal against the Tariff Order dated 04.12.2020 (FY 2020-21)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 98/2021	25.01.2021	Pending for Hearing. Listed for hearing on 26.02.2024.
5	NPCL Appeal against the Tariff Order dated 26.08.2021 (FY 2021- 22)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 343/2021	20.10.2021	Pending for Hearing. Listed for hearing on 26.02.2024.
6	NPCL Appeal against the Tariff Order dated 20.07.2022 (FY 2022-23)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 398/2022	12.09.2022	Pending for Hearing. Listed for hearing on 26.02.2024.
7	NPCL Appeal against the Tariff Order dated 24.05.2023 (FY 2023- 24)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 676/2023	12.07.2023	Included in the List of Finals. Next date awaited.
8	NPCL Appeal against the order dated 16.02.2021 in Petition No. 1538 of 2019 upholding the DSM liabilities on NPCL in view of 4th Amendment to CERC DSM Regulations. (NPCL DSM Appeal)	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 132/2021	17.03.2021	Included in the List of Finals. Next date awaited.
9	NPCL Appeal against the UPERC order dated 01.04.2022 Petition No. 1657 of 2020 upholding the ownership of 132 kV Oppo Line with UPPTCL	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 325/2022	27.05.2022	Included in the List of Finals. Next date awaited.
10	NPCL Appeal against the Order dated 15.03.2023 in Petition No. 1753 of 2021 stating the Power Injected by M/s Adani into the Grid from	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 535/2023	08.05.2023	Included in the List of Finals. Next date awaited.

Sr. No.	Description of the Case	Forum where the case is filed	Case No.	Date of Filing	Present Status
	06.01.2021 to 04.04.2021 to be infirm power and directed the Petitioner to pay 50% PPA tariff of the same				
11	NPCL Appeal against grant of Parallel License to NIDP Developers Pvt. Ltd.	Hon'ble Appellate Tribunal for Electricity, New Delhi	Appeal No. 835/2023	16.08.2023	Pending for Hearing. Next date awaited.

10.1.20 The Computation of ARR and Revenue for FY 2024-25 in the Order are estimated figures and may vary, so the projected gap/surplus will also change correspondingly. The Commission will analyze these points in future Tariff proceedings.

10.2 AVERAGE COST OF SUPPLY

Commission's Analysis

10.2.1 The Commission in the Table below, summarises the revenue realization of the Petitioner for FY 2024-25 by considering the Average Billing Rate (ABR) and Average Cost of Supply (ACOS). This results in a revenue surplus position for the Petitioner for FY 2024-25.

TABLE 10-12: SUMMARY OF AVERAGE BILLING RATE APPROVED BY COMMISSION FOR FY 2024-25

Consumer Sub-Category	Average Billing Rate*
	Rs. / kWh
LMV-1: Domestic Light, Fan & Power	6.33
LMV-2: Non-Domestic Light, Fan & Power	9.52
LMV-3: Public Lamps	8.75
LMV-4: Light, Fan & Power for Institutions	9.03
LMV-5: Private Tube Wells/ Pumping Sets	2.48
LMV 6: Small and Medium Power up to 100 HP (75 kW)	8.58
LMV-7 & LMV-8: Public Water Works, State Tube Wells & Pump Canals up to 100 HP	9.51
LMV-9: Temporary Supply	9.19
LMV-11: Electrical Vehicles	6.60
HV-1: Non-Industrial Bulk Loads	9.18
HV-2: Large and Heavy Power above 100 BHP (75 kW)	7.32
ABR	**7.36**
ACOS	**7.22**

**Net of Regulatory discount*

10.2.2 Analysis of a few parameters is depicted below:

TABLE 10-13: SUMMARY OF PARAMETERS FOR FY 2024-25 (Rs. Cr.)

Particulars	Units	Value
Total Sales	MU	3,704.10
Revenue from Tariff*	Rs. Cr.	2,725.66
Distribution Loss	%	7.57%
Total Power Purchase (Ex-Bus)	MU	4,297.19
Total Power Purchase (NPCL Periphery)	MU	4,007.46
Total Power Purchase Cost including Inter & Intra State Transmission Charges	Rs. Cr.	2,391.07
ARR	Rs. Cr.	2,675.75
APPC without Transmission (Ex bus)	Rs./kWh	5.18
APPC including Transmission (Inter + Intra) (at NPCL Periphery)	Rs./kWh	5.97
ABR	Rs./kWh	7.36
ACoS	Rs./kWh	7.22

**Net of Regulatory discount*

11 DIRECTIVES

11.1 STATUS OF THE DIRECTIVES ISSUED IN THE PAST TARIFF ORDERS

i. DIRECTIVES COMPLIED BY THE PETITIONER

11.1.1 The Commission has issued certain directives to the Petitioner in the past Orders. The status of compliance by the Petitioner is as shown in the Table below:

TABLE 11-1: DIRECTIVES COMPLIED BY THE PETITIONER

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
1.	The Petitioner shall upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and related documents, 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 Orders of the Commission. The Petitioner shall also ensure that these files are broken into such size which can be easily downloaded and will not keep them in compressed form as the stakeholders find it difficult to extract the files.	Regulation 5.8 of UPERC MYT regulations 2019, states as follows: *5.8 The Petitioner shall within three working days of issue 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 ARR, proposed Tariff, True-Up and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:* *Provided that the Petitioner shall also upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and documents in the manner stipulated by the Commission. The Petitioner should ensure that there is no requirement of providing personal information for downloading the same*: Accordingly, the Petitioner has been publishing Public Notice in the Newspapers and also uploading the same on its website along with all regulatory filings, information, particulars and documents in the manner stipulated by the Commission. Further, the above documents are also being uploaded on the website of the	The Commission observes that the Petitioner has been complying with the directions. The Commission while approving the true up and ARR requires voluminous data for prudence check. The Licensee also provides a snapshot of it by the name of 'Executive Summary'. The Commission in its endeavour to make the whole process transparent has directed the Petitioner to upload all the data under these proceedings.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		Commission. With regard to the breaking of files, it is kindly submitted that if the Petitioner upload the same as individual files the size of the total submission will be very high in size and will make lot of difficulties to download the same. However, considering the direction of the Commission, the Petitioner will upload the documents/details/filing in ZIP format which is easily accessible on any Smart Device (Computers/Smartphones/Tablets) and will not need any additional software to be installed on the device. Earlier the Petitioner was using the RAR format for uploading the files.	
2.	The Petitioner is directed to procure all power through a tariff-based competitive bidding process or power exchange or DEEP Portal and obtain approval of the Commission. The Petitioner may procure short-term power within approved ARR limits through power exchange without prior approval of the Commission.	Being Complied.	The Commission observes that the Petitioner has been complying with the directions. Further, new products have been launched by power exchanges such as long-duration contracts (LDC). The Commission allows and directs the Petitioner to purchase power from such markets also where the prices are determined through competitive bidding.
3.	The Commission directs the Petitioner not to purchase power under the High Price Day Ahead Market (HP- DAM) in the integrated Day Ahead Market (I-DAM) segment.	Being Complied.	The Petitioner has been complying with the directions.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
4.	The Commission directs the Petitioners to submit the voltage-wise (440V, 11kV, 33kV, 66kV, 132 kV) - Energy Sales and Losses. Also, it is mandatory to submit the Energy Audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) along with the ARR / Tariff filing each year.	The Petitioner has been submitting Cost Audit Report along with True-up Petition every year regularly along with bifurcation of Voltage-wise sales and T&D losses, as applicable. The voltage-wise sales and T&D losses for FY 2022-23 have been provided in Form P1 of Appendix-II MYT Tariff Formats. The Energy Audit Report for FY 2022-23 as provided by the Accredited Energy Auditor as per Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution companies) Regulations, 2021 has also been provided as Annexure-31. It is humbly submitted that the voltage-wise losses provided in Form-P1 of Appendix-II MYT Tariff Formats are computed on the basis of Energy Available for Sale at respective voltage which is in sync with the Energy Audit Report by BEE Accredited Energy Auditor. Further, the losses as shown in Form 40A of Appendix-II MYT Tariff Formats are computed on the basis of the Overall Energy available for sale at the Discom level. Hence the losses shown in both the forms may not tally with each other.	The Petitioner has been complying with the directions and has submitted an Energy Audit report for FY 2022-23 which contains voltage-wise losses.
5.	The Commission observed that the Petitioner has not provided the detailed slab-wise billing determinant (number of consumers, connected load and energy sales) along with revenue for	The month-wise category/sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year have been provided for FY 2023-24 in Annexure-19 and for FY 2024-25 in Annexure-22.	The Petitioner has complied with the directions.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
	the ARR period for FY 2023-24. The Commission taking note of the non-compliance & directs the Petitioner to provide the detailed slab/sub-slab-wise billing determinants along with revenue from the next Tariff filing failing which will lead to the proceedings of the non-compliance of directive as per Regulations/Act.		
6.	The Commission observed that the Petitioner has not provided the detailed slab-wise billing determinant (number of consumers, connected load and energy sales) along with revenue for the ARR period for FY 2023-24. The Commission taking note of the non-compliance & directs the Petitioner to provide the detailed slab/sub-slab-wise billing determinants along with revenue from the next Tariff filing failing which will lead to the proceedings of the non-compliance of directive as per Regulations/Act.	The month-wise category/sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year have been provided for FY 2023-24 in Annexure-19 and for FY 2024-25 in Annexure-22.	The Commission observes that the Petitioner has complied with the directions and has submitted month-wise billing determinants for FY 2023-24 and FY 2024-25.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
7.	The ACOS is worked out to be Rs. 6.43 /kWh whereas the ABR even after the regulatory discount of 10% comes out to be Rs. 7.22 /kWh showing a surplus position. As per the regulations, ABR for each category is determined which is used for the purpose of Fuel Surcharge. While determining the ABR it was found that there is certain aberration in the ABR for lifeline consumers as it comes out to be Rs. 6.13 considering the Billing Determinants submitted by the Petitioner. On prudence check it was found that Licensee has submitted Billing Determinants as per which the load of each consumer is around 3 kW however, as per the Rate Schedule for Lifeline consumers the load has to be up to 1 kW per consumer. It was also found that sales per consumer is 45.5 Units per month which is within the limit as provided in the Rate Schedule. Therefore, the ABR has	Noted for compliance.	The Commission while Truing up for FY 2022-23 has found that there are 1289 rural lifeline consumers with connected load of 1289 KW and 867 urban lifeline consumers with connected load of 867 KW. As per this the specific load per consumer is 1 KW. Based on this it can be said that appropriate measures have been taken by the Petitioner in compliance of the directions of the Commission.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
	been determined considering a load of 1 kW per consumer and sales as provided by the Licensee and is provided in Annexure - II. The Licensee is directed to ensure that such aberrations in the submissions do not occur in future. Also, the Commission will do appropriate treatment at the time of True-Up.		
8.	The Petitioners must submit the details of each investment scheme/project exceeding Rs. 10 Cr. and obtain prior approval of the Commission as per Regulations for inclusion as regulatory expenditure in the ARR. Failure to do so will result in the disallowance of such investment in order to safeguard the consumers from unjust and unfair charges.	Being complied. FY 2022-23 (True-up) The Petitioner filed Petition No. 1823/2022 dated 19th January 2022 for approval of Project above Rs. 10 Cr. amounting to Rs. 23.84 Cr. for construction of two (2) nos. of 33/11 kV substation cum 33kV Switching Stations. Subsequently, the petition was withdrawn through letter no. P77A/2022/077 dated 17th February 2023 due to prolonged delay by GNIDA in allotment of land for the projects due to which the project can't be executed in FY 2022-23. FY 2023-24 (APR) The Petitioner has already taken the approval of project "Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed by UPPTCL at Greater Noida during FY 2023-24 & FY 2024-25" above 10 Cr through Petition No. 1950 of 2023 dated 6th January 2023. The	For FY 2022-23 (True-Up) Petition No. 1823/2022 for project exceeding Rs 10 Cr. was withdrawn by the Petitioner due to delay in allotment of land by GNIDA. For FY 2023-24 & FY 2024-25, the Petitioner has taken approval/filed Petitions for the schemes/ projects exceeding Rs 10 Cr. **FY 2023-24:** **Approved Projects** • The Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed by UPPTCL at Greater Noida during

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		Commission vide its Order dated 19th June 2023 has approved the cost of Rs. 87.33 Cr. for FY 2023-24. Further in the instant tariff petition, the Petitioner has not submitted any fresh scheme above Rs. 10 Cr in FY 2023-24. Out of approved Rs. 87.33 Cr. for FY 2023-24, the Petitioner will be capitalized 3 Land amounting to Rs. 15 Cr. (against approval of Rs. 8.15 Cr.) and 33 kV network amounting to Rs. 4.23 Cr. (against approval of Rs. 10.38 Cr). FY 2024-25 (ARR) The Petitioner has already taken the approval of project "Power Evacuation from new/upcoming 220 kV & 132 kV Substations being constructed by UPPTCL at Greater Noida during FY 2023-24 & FY 2024-25" above 10 Cr. through Petition No. 1950 of 2023 dated 6th January 2023. The Commission vide its Order dated 19th June 2023 has approved the cost of Rs. 42.38 Cr. for FY 2024-25. In addition to the above the Petitioner had filed the Petition seeking prior approval for the estimated CAPEX of Rs. 13.54 Cr. for "Creating Cyber Resilience" before the Commission dated 19th Dec 2022. Initially, the Petitioner had planned to capitalize the scheme in FY 2023-24, post approval of the Commission. However, the petition is still under consideration by the Commission. Accordingly, the Petitioner has now considered the CAPEX amount to Rs. 13.54 Cr. for "Creating	FY 2023-24 & FY 2024-25. **FY 2024-25:** **Approved Projects** • Creating Cyber Resilience. **Petition filed for approval:** • Construction of 5 Nos of New 33/11 KV Substations.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		Cyber Resilience" in FY 2024-25 instead of FY 2023-24. Further in the instant ARR tariff petition, the Petitioner has submitted a fresh scheme above Rs. 10 Cr. amounting to Rs. 56.11 Cr. in FY 2024-25. The Petitioner will file a separate petition for the approval of fresh CAPEX projected for FY 2024-25. A detailed explanation has been provided in Appendix-III Text of True-up FY 2022-23, Appendix-IV Text of ARR FY 2023-24 & Appendix-V Text of ARR FY 2024-25 of this petition. In compliance with the provisions of Regulation 44.2 of the MYT Regulations 2019, the Petitioner will approach the Commission for specific prior approval of the projects.	
9.	The Commission directs the Petitioners to submit the detailed Fixed Asset Register (FAR) in Excel with all the details of the assets opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioner, assets created out of Grants and assets created out of consumer contribution.	As directed, the date of capitalization has been incorporated in the FAR enclosed as Annexure 15. Further, the details of the assets retired along with the date of decommissioning are provided separately in Annexure-16. As per the directives of the Commission, the WDV of the Fixed Assets capitalized till FY 2019-20 is treated as Gross Block and Depreciation is being computed on the said WDV using Straight Line Method (SLM). Further, depreciation on Fixed Assets capitalized from FY 2020-21 onwards has- been computed on the SLM basis. The detailed submission has been made by the Petitioner in Appendix-III: Text of True-up FY 2022-23.	The Petitioner has submitted the FAR in the required format based on which suitable treatment has been done in ARR. The Petitioner has also submitted the detailed FAR in Excel format.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
10.	There are several upcoming opportunities for the Licensees to enhance their non-tariff income, particularly from the broadband and 5G telecom companies for installation of their equipment on the electric poles and infrastructure of the licensees. The licensees are directed to develop a business plan in this regard and submit the same for the approval of the Commission. The Commission may allow some part of this income as an incentive to the licensee through revenue sharing based on the implementation of the same. A similar scheme has already been approved by the Commission for UPPTCL.	In view of the Commission's direction, the Petitioner has executed a rental agreement with M/s Indian Cable Net Company Limited a registered Internet Service Provider by virtue of registration with the Department of Telecommunications (DOT), Ministry of Communications, Government of India] for installation of their network equipment in the sub-stations of the Petitioner. For this purpose, M/s Indian Cable Net Company Limited using NPCL's 33kV NPCL pocket substation space by installing communication assets at 10 nos. of location. Through this collaboration NPCL is getting Rs 5,000 monthly rental per location excluding GST, from Apr'23 onwards and with this the Petitioner will get the revenue of Rs 6,00,000 in FY 2023-24 and will continue to get the same in FY 2024-25 also.	In compliance with the directions of the Commission, initiatives have been taken by the Petitioner, however, it is worthy to note that the Licensee should have a business plan regarding enhancing its income from broadband and 5G usage of the assets of the Licensee. Therefore, the Petitioner is directed to submit a business plan on the above for the approval of the Commission.
11.	Provide the details of all the pending cases filed by Petitioners against the Commission in various forums along with the status of the same with the ARR / Tariff filing each year.	The details of all cases filed by the Petitioner against the Orders of the Commission pending in various forums along with the status of the same are provided in Appendix-VIII Additional MYT Formats-I.	The Commission observes that the Petitioner has complied with the directions. Concerning the pending cases filed by the Petitioner against the Commission in various courts, a total of 13 cases are pending out of which 1 case is pending with the Hon'ble Supreme Court of India, 1 with the

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
			Hon'ble Allahabad High Court (Lucknow Bench) and the rest 11 cases are pending with Hon'ble Appellate Tribunal for Electricity, New Delhi.
12.	The Petitioners are directed to submit DSM account details separately from the power purchase along with each ARR/ Tariff filing.	Kindly refer to reply on point no. 4 in Appendix-IX Additional MYT Formats-II.	The Commission observes that the Petitioner has complied with the directions.
13.	Provide the details of land capitalized during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalized. Also, provide the list of unutilized land capitalized along with the ARR / Tariff filing each year.	The Petitioner has purchased one ESS land at Sector P5, Builders Area during FY 22-23 for which Rs. 2.28 Cr. has been incurred during FY 2022-23. Some additional cost has also been incurred during FY 2022-23 for the ESS land cost of Sector-01, Greater Noida (W) with respect to GST, on one-time Lease rent, capitalized in FY 21-22. GST on leasehold charges are payable by the seller, however, despite numerous requests, GNIDA didn't raise the invoice. Hence, the Petitioner with no other alternative deposited the same under reverse charge. The cost being related to the land capitalised in FY 2021-22, is now added to the same asset. The updated list of land capitalized is provided in Appendix-VIII Additional MYT Formats-I Further in FY 23-24, on the above land, Petitioner is planning to construct the outdoor safety training yard for skill development and requisite training of supervisors/engineers for enhancing the safety & quality at the workplace.	The Commission observes that the Petitioner has complied with the directions. Appropriate treatment has been done in the Chapter covering True Up and ARR.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
14.	Provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption and consumer category, along with Petition along with the ARR / Tariff filing each year.	The requisite details have been provided in Annexure-32.	The Commission observes that the Petitioner has complied with the directions. The Petitioner has provided the details Long Term & Short Term for FY 2022-23, FY 2023-24 & FY 2024-25. As per the submission the No. of OA consumers have increased from 14 in FY 2022-23 to 29 in FY 2024-25, whereas the OA consumption has increased from 13.89 MU to 96.31 MU reflecting the growing awareness and opportunities for consumers.
15.	Provide the detailed breakup of CWIP claimed for the year along with the Petition along with the ARR / Tariff filing each year.	The details of CWIP is provided in Appendix-VIII Additional MYT Formats-I.	The Commission observes that the Petitioner has submitted the opening and closing of CWIP for the years under consideration in this Tariff Order.
16.	Submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year in each future filing.	The reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year has been provided.	The Commission observes that the Petitioner has complied with the directions. Appropriate treatment has been done in the Chapters covering the detailed computation of O&M expenses related to the

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
			years under consideration in this Tariff Order.
17.	The Petitioners are directed to ensure that actual Power Purchased Cost with a detailed break-up of each source, inter-state transmission charges, and intra-state transmission charges are made part of the audited accounts.	Complied. Included in Audited Accounting Statement.	The Commission observes that the Petitioner has complied with the directions. Power purchase Cost breakup with details has been included in the Audited Accounts of FY 2022-23.
18.	Ensure that the actual category/sub-category-wise Billing Determinants (No. of Consumers, Connected Load & Sales) & category-wise actual Revenue are made part of the audited accounts henceforth.	Complied. Included in the Audited Accounting Statement enclosed as Annexure-1(a).	The Commission observes that the Petitioner has complied with the directions. Billing determinants have been included in the Audited Accounts of FY 2022-23.
19.	The Petitioners are directed to ensure that actual Power Purchased (MU) & ex-bus & energy delivered at Discom periphery (MU), inter & intra power purchase (MU) along with inter & intra state losses are made part of the audited accounts henceforth.	Complied. Included in the Audited Accounting Statement enclosed as Annexure-1(b).	The Commission observes that the Petitioner has complied with the directions. The details have been included in the Audited Accounts of FY 2022-23.
20.	Submit the PPA's, Commission's approval and bills of each source from which power is procured, along with the	Copies of PPAs, and approvals of the Commission are Provided in Annexure-11 and bills of each source of power procured	The Petitioner has submitted copies of PPA's for Long Term, Medium Term, Renewable Power & Short-Term Power

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
	future True-up / ARR petitions.	for the year have been provided in Annexure-45.	including approvals (wherever required) of the Commission along with the bills.
21.	Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange and based on this submit a report on the existing ToD time slabs along with the ARR / Tariff filing each year.	The typical load curves of a particular day in winter and summer and monthly load curves for FY 2022-23 along with the corresponding IEX N2 load curves in soft copy enclosed as Annexure-35.	The Commission observes that the Petitioner has complied with the directions. NPCL monthly demand, IEX N2 demand Curve from Apr 2022 to Mar 2023. Seasonal load curves of summer & winter were also submitted.
22.	The Commission observed that in the few formats, the data is incomplete. Also, it has been observed that the Excel files are not linked, and are formula-driven which delays 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.	Being complied. This is to clarify that information which is primary in nature and does not have any supporting computation, has been entered/ punched in the sheets / RTFs directly, while the rest of the information is either computed or linked with the primary information in the soft copy of the True-up Tariff Format (RTF) in MS Excel workable file provided in Appendix-II MYT Tariff Formats	The Commission observes that the Petitioner has complied with the directions. However, it was observed during the scrutiny of the submission that certain values were not linked. The Petitioner is directed to ensure that such issues are addressed at the time of filing itself.
23.	The Petitioners shall file quarterly progress reports before the Commission on SoP implementation as per UPERC (Standard of	Being Complied.	The Commission observes that the Petitioner has complied with the directions. It is further observed that the Consumer Reliability

<table>
<tr><th>Sl. No.</th><th>Directive</th><th>Status of compliance / Petitioner's reply</th><th>Commission's Remarks</th></tr>
<tr><td></td><td>Performance) Regulations, 2019.</td><td></td><td>Index (CRI) and Feeder Reliability Index (FRI) have been maintained at 99% by the Licensee. Further, no compensation has been given.</td></tr>
<tr><td>24.</td><td>The Petitioners shall file quarterly progress reports before the Commission on CGRF implementation as per UPERC (Consumer Grievance Redressal Forum) Regulations, 2019.</td><td>The Commission vide its notification no. U.P.E.R.C./Secy/Regulation/2022-262, dated 21.07.2022, notified the UPERC (Consumer Grievance Redressal Forum) Regulations, 2022 wherein the Distribution Licensee will have its Consumer Grievance Redressal Forum (CGRF) in its area of operation.

The Commission vide its letter dated 23.09.2022 directed the Distribution Licensees for immediate operationalization of CGRF as per the Consumer Grievance Redressal Forum Regulations, 2022.

Pursuant to that, the Petitioner, vide its letter dated 14.11.2022, proposed the establishment of CGRFs at the Rural, Urban and Company Level and sent a reminder for the same on 03.02.2023, which was approved by the Commission vide its Letter dated 09.03.2023.

Thereafter, the Petitioner vide its letter dated 14.04.2023 and 21.04.2023 informed the Commission regarding the publication of posts of all nominated members of the Forums in accordance with the Commission's approval dated 09.03.2023.

The Petitioner vide its letters dated 16.06.2023, forwarded the Application received for the post of independent members for CGRF – Company Level,</td><td>The Commission observes that the Petitioner has complied with the directions.
A summary of the report for Q1 of FY 2024-25 is as below:
April to June 2024
<table>
<tr><th colspan="2">Company Level</th></tr>
<tr><td>No. of Grievances disposed of during the quarter</td><td>0</td></tr>
<tr><td>No. of Grievances pending at the close of the quarter</td><td>4</td></tr>
<tr><td>No. of sittings of CGRF in the quarter</td><td>2</td></tr>
</table>
<table>
<tr><th colspan="2">Urban Level</th></tr>
<tr><td>No. of Grievances disposed of during the quarter</td><td>6</td></tr>
<tr><td>No. of Grievances pending at the close of the quarter</td><td>4</td></tr>
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<table>
<tr><th>Sl. No.</th><th>Directive</th><th>Status of compliance / Petitioner's reply</th><th>Commission's Remarks</th></tr>
<tr><td></td><td></td><td>Urban and Rural to the Commission as prescribed in the Regulations, 2022.

The Commission vide its Letters dated 13.07.2023 appointed the Independent Members of CGRFs of Rural, Urban and Company Levels.

The Petitioner operationalized the functioning of all the CGRFs in its licensed area with effect from 29th September 2023.

The Petitioner vide its letter dated 05.10.2023 informed the Office of Electricity Ombudsman that the functioning of the CGRF has been operationalized from 29th September 2023.

3 hearings at the Urban Level and 3 hearings at the Rural Level have already been conducted. The first quarterly report for Oct'23 to Dec'23 will be submitted by the Petitioner in Jan'24.</td><td><table><tr><td>No. of sittings of CGRF in the quarter</td><td>7</td></tr></table>
<table><tr><th colspan="2">Rural Level</th></tr><tr><td>No. of Grievances disposed during the quarter</td><td>1</td></tr><tr><td>No. of Grievances pending at the close of quarter</td><td>1</td></tr><tr><td>No. of sittings of CGRF in the quarter</td><td>5</td></tr></table>
From the number of grievances received during the quarter, it is apparent that wider publicity is required about the existence and jurisdiction of CGRFs. The Petitioner is required to take appropriate steps to make them effective tools for the redressal of public grievances.</td></tr>
<tr><td>25.</td><td>The Petitioner is directed to provide complete details of energy managed through net metering on a monthly basis including energy banked/adjusted and the amount/energy settled at</td><td>The details of net metering as required are provided in Annexure-37.</td><td>The Commission observes that the Petitioner has complied with the directions.</td></tr>
</table>

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
	the end of the financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with ARR/ Tariff filing.		
26.	The Commission directs that the direction of earlier Tariff Orders which have not been complied shall be complied immediately.	Being complied.	The Commission observes that the Petitioner has complied with the directions.
27.	Apart from the above directions the Petitioner has to comply with the directions provided at various places in this Tariff Order (FY 2022-23 & FY 2023-24).	Being complied.	The Commission observes that the Petitioner has complied with the directions.

ii. DIRECTIVES PENDING FOR COMPLIANCE

11.1.2 The Commission observes that the Petitioner has not fully complied with the directives of the Commission issued in the past Orders. The status of directives pending for compliance by the Petitioner is as shown in the Table below:

TABLE 11-2: DIRECTIVES PENDING FOR COMPLIANCE BY THE PETITIONER

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
1.	The Commission directs that a pre-paid meter / smart meter be installed for all new connections or replacement of faulty meters.	The smart prepaid or prepaid meters are being installed by the Petitioner for individual connections in all residential complexes which are mainly: a) Conversion of single-point connection into multi-point individual connections; b) New connections in societies and	As per the submission made by the Petitioner, 25,424 prepaid smart meters and 2,292 postpaid smart meters have been installed as on 31.03.2024. Further, 4,223 conventional meters with AMR have been installed as on 31.03.2024.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		c) Replacement of smart prepaid meter with smart prepaid meter only and prepaid meter with prepaid meter only. It is pertinent to mention here that the smart or prepaid meters available along with the technical solution are not capable of handling one of the very basic features of disconnecting or reconnecting the supply remotely through the meter itself for CT-operated meters. Resultantly, all consumers with a load >= 25 kW are provided with AMR enabled metering system. The current metering arrangement is very effective and working with more than 99% efficiency. The 1% gap is predominantly because of GPRS / GSM-related communication issues. Similarly, all consumers having a contractual load of 5 kW and above are provided with Bluetooth-enabled (BLE) meters for replacement and new connection cases. The reading efficiency for these meters is more than 98.5% on a monthly average basis and it ensures error-free and timely meter reading and billing without any manual intervention. We would humbly submit to the Commission that the smart prepaid solution deployed is suitable for a clustered consumer base only where all the meters are running on the common infrastructure as per the technical architecture and solution. Deployment of Smart Meters on a piecemeal basis would not yield the desired results. Furthermore, the initial cost of infrastructure involved is generally substantially high and therefore would not be economical. At the same time, due to the sparse installation of SMART meters / prepaid meters, the Petitioner would not be able to take full benefit of	Out of a total of 1,61,914 consumers, conventional meters without AMR have been installed for 1,15,755 consumers as on 31.03.2024.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		smart metering features. Apart from the above, under this scenario, the Petitioner will have to deploy a separate workforce to cater to the smart meters and other conventional meters in the same area.	
2.	100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies. The metering for all consumers should be completed by the end of FY 2022-23.	At present all the consumers are metered. Some consumers of village are unmetered, and the Petitioner is making its best efforts for conversion of unmetered to metered connection by the end of FY 24-25. It is humbly submitted that the Petitioner already has 99.06% metered consumers as at March 2023. Though unmetered consumers constitute 0.94% in terms of numbers in terms MU and Revenue, the same is at 0.33% and 0.11% respectively. While the Petitioner is fully geared up to install meters for all the remaining consumers, which are in the rural areas, however, due to stiff resistance and undue pressure, meters could not be installed. In many cases, the meters installed were forcibly removed/damaged. The Petitioner would like to bring to the attention of the Commission, the Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021 which specifies the targets for metering of consumers as under: Consumer Metering: FY 2022-23: 98% FY 2023-24: 99% Functional Metering: FY 2022-23: 93% FY 2023-24: 96% FY 2024-25: 98%	The Petitioner has not shown any unmetered consumers in the Billing Determinants of FY 2024-25 which implies that the metering must have been completed by the end of FY 2023-24. However, as per the replies of the Petitioner to the queries of the Commission, there are 939 unmetered consumers in its distribution area as on 31.03.2024. The Petitioner is directed to ensure that the metering of such consumers is done by 31.03.2025.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		Thus, BEE has also envisaged that there will be some number of unmetered consumers in the system.	
3.	The Petitioner is directed to ensure 100% feeder metering and DT metering with Energy Audit within next one year.	The Petitioner submitted that all feeders have been metered and agriculture feeders are segregated. Keeping in view the directions of the Commission, provisions of the Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019 vide Notification dated 17th August 2021 and The Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021, all DTs need to be metered. The Petitioner is targeting DT metering as per the relevant guidelines.	As per the submission made by the Petitioner, as on 31.03.2024 there are 361 feeders and 7571 Distribution Transformers (DT) in its distribution area. 100% feeder metering has been achieved by the Petitioner whereas 65% of DT metering has been done. It is further submitted by the Petitioner that it is planning to achieve 100% metering of DTs having a capacity of 100 KVA and more by December 2025. The Petitioner has also completed the metering of 3 Agricultural feeders. The Commission feels that the metering of the remaining DTs is not a very challenging task wherein the cost of such metering is a pass-through in the ARR, hence the Petitioner is directed to complete the metering by 31.03.2025.
4.	The Petitioner is directed not to book excess sales under the unmetered categories.	The Commission is requested to kindly refer to the detailed submission given in Appendix-III: Text of True up FY 2022-23 with regard to the booking of sales under the unmetered category. From the submission the Commission may please	Noted.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		appreciate that the sales have been booked based on normative consumption and sales have also been booked against theft cases. Further, aggrieved by the Order of the Commission the Petitioner has filed an appeal before the Hon'ble APTEL which is sub-judice. The Commission is requested to kindly allow the actual sales as per audited books in view of the submission in the aforesaid Chapter.	
5.	The Commission directs the Petitioner to explore and start a pilot project in its area of supply for implementation of peer-to-peer (P2P) trading of electricity in rooftop solar energy using Blockchain Technology.	Noted for Compliance. Petitioner has issued an Expression of Interest (EOI) For P2P Energy Trading using Blockchain on 16th Aug 2023. Subsequently, technical proposals have been received from 8 vendors and the Petitioner is evaluating the proposal.	The Commission observes that no submission has been made regarding the actions taken on the technical proposals that have been received from the vendors. More than a year has passed, however, no progress has been made in terms of the pilot project for P2P trading using Blockchain. The Petitioner is directed to make the implementation complete and operational by 31.03.2025.
6.	The Commission also directs the Petitioner to explore and implement projects including battery storage, and to seek innovative solutions based on energy storage systems and other innovative technologies to reduce the system losses, provide	Noted for Compliance.	The Petitioner had approached the Commission seeking approval for 100 MW firm and dispatchable RE power from ISTS-connected RE projects with energy storage on a long-term basis for 25 years.

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
	better services to the consumers etc.		The Commission vide Order dated 26.09.2024, in Petition No. 2099 of 2024 has approved the same. The Commission is of the view that considering the Energy Storage Obligation, as provided by MoP and the Resource Adequacy framework the Licensee will have to make efforts to achieve the same.
7.	There is lack of clarity on the interest of security deposited that has been given to the consumers. Petitioners in its submission should clearly demonstrate how much interest on security deposit was required to be given and how much interest has been actually disbursed.	Actual interest is calculated for consumer security deposit on the outstanding balance of each individual customer for the period during which their security deposit was available with the Petitioner. Also, every year interest on the security deposit amount is duly audited by the Statutory Auditors of the Petitioner with respect to its provision and computation. This is to confirm that the entire amount claimed as Interest on CSD has been remitted to respective consumers and there is no amount unpaid w.r.t. Interest on CSD.	Based on the submissions that have been made it is not demonstrated by the Petitioner as to how the interest on security deposit has been calculated. The Petitioner needs to submit a detailed writeup as to how the interest on the security deposit of each consumer, yearly total, security amounts pertaining to past periods etc. are taken care of in the IT system. Further, a Committee has been constituted by the Commission in the matter of Petition No. 780 of 2012 (Non-payment of interest on security deposit by UPPCL, DVVNL, MVVNL, PVVNL, PuVVNL, KESCO and NPCL) for examining the various details related interest payments made by

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
			the Licensee which have been detailed in the Orders of the Committee. Based on the findings of the Committee and further directions of the Commission further actions in this matter, if required will be taken accordingly.
8.	The Petitioner is directed to do proper accounting with regard to MU and rates of captive/ internal consumption of electricity and captured the same in the audited balance sheet under separate head. The Petitioner is also directed to submit the complete details viz MU consumed, tariff and revenue booked along with every ARR / Tariff filing.	With regard to the treatment of own consumption by the Commission, the Petitioner aggrieved by this has filed an appeal before the Hon'ble APTEL, which is sub-judice.	Noted.
9.	The Petitioners are directed to show SOP and CGRF expenses separately in the audited accounts henceforth.	In compliance of UPERC (Standard of Performance) Regulations, 2019, CGRF Regulations, Electricity (Rights of Consumers) Rules, 2020, Directions of Ministry of Power (CEA) (Installation and Operation of Meters) (Amendment) Regulations, 2019, Directions of Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in electricity distribution companies) Regulations, 2021, Directions of Commission for 100% Feeder Metering/ Cyber Security related Regulations and Directions regarding Smart Metering/ DT Metering, Petitioner has recruited	The SOP Regulations lay down minimum standards of service for an efficient, quality and reliable power supply to consumers. This requires investments in upgradation of infrastructure & IT systems, measurement of performance indicators and creation of an efficient online mechanism for assessment and disbursal of compensation to affected consumers. The capital

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
		additional manpower and enhanced its infrastructure wherever required leading to additional employee cost, A&G expenses and R&M Expenses. Additional manpower has been employed across the organization viz. Break-down gangs with requisite vehicles, upgradation of Gangs from Two wheelers to Four wheelers, additional manpower in operations and control centre for management of calls and Break-down Gangs etc., additional manpower in Commercial & metering to handle consumer complaints including site visits wherever required, increase in CRM and call centre executives to handle the larger volumes calls in a time bound manner with follow-up call etc. Further, the SOP regulations require various information to be captured through IT Systems for the calculation of claims and also for reporting purposes. For this purpose, more skilled manpower has been recruited in Information Technology and Automation along with associated infrastructure. The cost of all these manpower and infrastructure has been claimed along with actual O&M expenses, being the same similar in nature and it will be difficult to assign and allocate the same against one or another function. Hence, the Petitioner has requested to the Commission to approve the O&M expenses on an actual basis or alternatively allow 50% of additional R&M expenses over and above the normative expenses.	investments are already provided for appropriately under the Tariff Regulations. If the IT systems are robust, there will be minimal requirement for increase in manpower. The Commission would like to know at the time of each Tariff filing as to how many claims under SOP Regulations were received and how much compensation has been disbursed. The Regulations provide that the compensation paid by the Licensee to its consumers shall not be allowed as an eligible expenditure to be recovered from ARR/True-up. The CGRF Regulations provide that the expenses incurred by the Licensee for operations of CGRF, which are left unadjusted from the collected fee can be claimed in ARR. Annexure 2 of CGRF Regulations provides for remuneration per sitting of CGRF for nominated members. The Licensee has to provide adequate secretarial support, office accommodation and infrastructure facilities to the forum for efficient

Sl. No.	Directive	Status of compliance / Petitioner's reply	Commission's Remarks
			functioning. Such costs after appropriate allocation can be claimed under ARR. The Licenses is required to comply with the same and ensure the same is made available in the future Audited Accounts of the Licensee.
10.	All procurements made by the Petitioners should be through Competitive Bidding only.	Being Complied.	Partially complied by the Petitioner. The Petitioner is carrying out limited tendering in which there is a high chance of pooling. The Petitioner is strictly directed to procure material and works through a transparent open competitive bidding process.
11.	The Commission directs the Petitioners to follow the RPO trajectory set by the Commission in its First Amendment to the RPO Regulations, 2010 dated August 16, 2019, & any other Orders of the Commission and submit RPO compliance along with Tariff Filings and other Orders of the Commission from time to time.	Being Complied. The RPO compliance status has been provided in the respective chapter of True-up, APR and ARR.	Partially complied by the Petitioner. Full compliance has not been done and some pending RPO units are to be purchased in the future years. The Petitioner is directed to clear the backlog of RPO compliance as soon as possible by purchasing from RE sources or through the purchase of RE Certificates.

11.2 DIRECTIVES FOR FY 2024-25

11.2.1 It has been observed that energy loss at 'LT System' is appreciably high (21.04% for FY 2020-21, 20.58% for FY 2021-22 and 19.89% for FY 2022-23) and needs to be drastically brought down at acceptable levels. Despite the capex being so high such high losses are not acceptable. The Petitioner is directed to work immediately on the same and show drastic improvement in the next filing.

11.2.2 100% metering is a necessary condition for an efficient distribution network and financial viability of the distribution companies. The metering for all consumers should be completed by 31.03.2025.

11.2.3 The Commission directs the Petitioner to ensure 100% DT metering by 31.03.2025.

11.2.4 It is observed that the Petitioner has shown Security Deposit as 'NIL' for some consumers. It is directed that the Petitioner shall take a suitable security deposit as per the provisions of U.P Electricity Supply Code 2005 from each consumer.

11.2.5 The Commission directs the Petitioner to strictly follow UPERC (Rooftop Solar PV Grid Interactive Systems Gross/Net Metering) Regulations, 2019 in future, with respect to the treatment of carried forward units under net metering as electricity credit and not as sale (power purchase from the consumer). Further, balance units carried forward at the end of the financial year should be treated as per the above Regulations.

11.3 STANDING DIRECTIONS

11.3.1 The Commission directs the Petitioner to not purchase power under High Price Day Ahead Market (HP- DAM) in the integrated Day Ahead Market (I-DAM) segment.

11.3.2 The Commission directs the Petitioner to show SOP and CGRF expenses separately in the Audited Accounts as directed above.

11.3.3 The Commission directs the Petitioner to submit the Trial Balance along with heads matching with the Audited Accounts.

11.3.4 The Commission directs the Petitioner to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132kV) - Energy Sales and Losses. Also, it is mandatory to submit the Energy Audit Report and the Cost Audit Report (prepared in accordance with

Companies (Cost Records and Audit) Rules 2014) along with the ARR / Tariff filing each year.

11.3.5 The Commission directs the Petitioner to submit the detailed Fixed Asset Register (FAR) in Excel with all the details of the asset's opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioner, assets created out of grants and assets created out of consumer contribution.

11.3.6 The Petitioner is directed to procure all power through a tariff-based competitive bidding process or power exchange or Portals authorized by MoP GoI and obtain approval of the Commission. The Petitioner may procure short-term power within approved ARR limits through power exchange without prior approval of the Commission. Regarding the cost of the power, if the same is in approved limits of increase in sales approved by the Commission, Petitioner need not take prior approval of the Commission. However, if Petitioner need to purchase the power beyond the approved limits, then the Petitioner is required to take prior approval of the Commission irrespective of sources of power purchase.

11.3.7 The Commission directs the Petitioner that all procurements made by the Petitioner should be through Competitive Bidding only. The Petitioner shall submit all the NIT and tender documents for the purchase of value greater than Rs. 25 lakhs for the year for Plant & Machinery/ Distribution Infrastructure/IT equipment with the list of participants in each tender along with the Tariff Petition.

11.3.8 The Commission directs the Petitioner to provide the details of all the pending cases filed by the Petitioner against the Commission in various forums along with the status of the same with the ARR / Tariff filing each year.

11.3.9 The Commission directs the Petitioner to submit DSM account details separately from the power purchase along with each ARR/ Tariff filing.

11.3.10 The Commission directs the Petitioner to provide the details of land capitalized during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalized. Also, provide the list of unutilized land capitalized along with the ARR / Tariff filing each year.

11.3.11 The Commission directs the Petitioner to provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption & CSS paid by them and consumer category, along with the ARR / Tariff filing each year.

11.3.12 The Commission directs the Petitioner to submit the month-wise actual category/sub-category/slab-wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year along with each ARR/ Tariff filing.

11.3.13 The Commission directs the Petitioner to submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year along with the ARR / Tariff filing each year.

11.3.14 The Commission directs the Petitioner to ensure that actual Power Purchase Quantum & Cost and with a detailed break-up of each source, inter-state transmission losses & charges, and intra-state transmission losses & charges are made part of the Audited Accounts.

11.3.15 The Commission directs the Petitioner to ensure that the actual category/sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & category-wise actual Revenue are made part of the Audited Accounts.

11.3.16 The Commission directs the Petitioner to submit the PPA's, Commission's approval (wherever required) and bills of each source from which power is procured, along with the ARR / Tariff filing each year.

11.3.17 The Commission directs the Petitioner to submit an hourly load profile for the full financial year along with the corresponding N2 region hourly demand curves along with the hourly prices in the exchange. Further, after analysing the above the Petitioner is to submit a report on the existing ToD time slabs along with the ARR / Tariff filing each year.

11.3.18 The Commission directs the Petitioner to follow the RPO trajectory set by the Commission from time to time. The Petitioner is directed to clear the backlog of RPO compliance as soon as possible through purchase from RE sources/ RE certificates or as directed by the Commission.

11.3.19 The Commission directs the Petitioner that a pre-paid meter/ smart meter be installed for all new connections or replacement of meters.

11.3.20 The Commission directs the Petitioner to provide complete details of energy managed through net metering on a monthly basis including energy banked/adjusted and the amount/energy settled at the end of the financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with the ARR / Tariff filing each year.

11.3.21 The Commission directs the Petitioner to do a proper accounting with regard to MU and rates of captive/ internal consumption of electricity by the Petitioner and capture the same in the Audited Accounts under a separate head. The Petitioner is also directed to submit the complete details viz MU consumed, tariff and revenue booked along with every ARR / Tariff filing.

11.3.22 Apart from the above directions the Petitioner is to comply with the directions provided at various places in this Tariff Order.

12 APPLICABILITY OF THE ORDER

12.1.1 The Licensee, in accordance with Regulation 5.10 of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019, shall publish the Tariff approved by the Commission in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in the area of supply and shall put up the approved Tariff on its internet website. The Petitioner is also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication.

12.1.2 The Tariff so published shall be in force after seven days from the date of such publication of the Tariffs and unless amended or revoked, shall continue to be in force till issuance of the next Tariff Order. The Commission may issue clarification / corrigendum / addendum to this Order as it deems fit from time to time with the reasons to be recorded in writing.

Sanjay Kumar Singh
Digitally signed by Sanjay Kumar Singh
Date: 2024.10.10 19:40:19 +05'30'

(Sanjay Kumar Singh)

Member

ARVIND KUMAR
Digitally signed by ARVIND KUMAR
Date: 2024.10.10 19:38:52 +05'30'

(Arvind Kumar)

Chairman

Place: Lucknow

Date: October 10, 2024

13 ANNEXURE

13.1 RATE SCHEDULE FOR FY 2024-25

(Applicable for NPCL)

A. GENERAL PROVISIONS:

These provisions shall apply to all categories unless specified otherwise and are integral part of the Rate Schedule.

1. NEW CONNECTIONS:

All new connections shall be given in kW, kVA, or BHP as agreed to be supplied by the Licensee. Further, if the contracted load (kW / kVA) of already existing consumer is in fractions then the same shall be treated as next higher kW / kVA load. If the contracted load is in kW and is being converted into kVA, the conversion factor of 0.90 will be used (kVA = kW / 0.90) for tariff application purposes and the same shall be rounded off up to two decimal places.

2. READING OF METERS:

As per applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. BILLING WHEN METER IS NOT MADE ACCESSIBLE:

A penalty of Rs. 50.00 / kW unless revised by the Commission through an Order shall be levied for the purposes of Clause 6.2 (c) of the applicable UP Electricity Supply Code, 2005 and its amendments.

4. BILLING IN CASE OF DEFECTIVE METERS:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

5. kVAh TARIFF:

'kVAh based tariffs' shall be applicable on all consumers having contracted load of 10 kW / 13.4 BHP and above, under different categories with TVM / TOD / Demand recording meters (as appropriate).

The rates prescribed in different categories in terms of kW and kWh will be converted into appropriate kVA and kVAh by multiplying Fixed / Demand Charges and Energy Charges by an average power factor of 0.90. Similarly, the Fixed / Demand Charges expressed in BHP can be converted into respective kVA rates in accordance with formula given below:

Fixed Charges in kVA = (Fixed Charges in BHP / 0.746) * 0 .90

Fixed Charges in kVA = (Fixed Charges in kW * 0.90)

Energy Charges in kVAh = (Energy Charges in kWh * 0.90)

The converted rates (i.e. Energy charge in Rs. / kVAh and Fixed / Demand charges in Rs. / kVA) will be rounded up to two decimal places.

Further, for converting energy slabs of different categories specified in kWh to kVAh, average power factor of 0.90 will be used as a converting factor for converting each energy slab (specified in kWh) into energy slabs (in kVAh). The converted energy slabs (in kVAh) will be rounded to next higher kVAh.

Note 1: In case of kVAh billing only kVAh reading will be used for billing purpose.

Note 2: If the average power factor of a consumer in a billing cycle is leading and is within the range of 0.95 - 1.00, then for tariff application purposes such leading power factor shall be treated as unity. The bills of such consumers shall be prepared on kwh basis. However, if the leading power factor is below 0.95 (lead) then the consumer shall be billed as per the kVAh reading indicated by the meter. However, the aforesaid provision of treating power factor below 0.95 (lead) as the commensurate lagging power factor, for the purposes of billing, shall not be applicable on HV-3 category and shall be treated as unity. Hence, for HV-3, “lag only” logic of the meter should be used which blocks leading kVArh.

Note 3: If a consumer with a contracted load of 3 kW or above, opts for three phase connection, the Licensee should provide three phase connection to such consumer. The cost of such connection shall be borne by the consumer as per the cost data book approved by the Commission.

6. BILLABLE LOAD / DEMAND:

For all consumers having TVM / TOD / Demand recording meters installed, the billable load / demand during a month shall be the actual maximum load / demand as recorded by the meter (can be in parts of kW or kVA) or 75% of the contracted load / demand (kW or kVA), whichever is higher.

In case the Licensee's meter reader does not note the actual maximum load / demand for any month, then the Licensee will raise the bill at 75% of the contracted load for that month, even if such reading is taken subsequently.

In cases where the consumer approaches the Licensee with a meter reading but does not provide the proof of actual maximum load / demand displayed on his meter, then in such case the Licensee will raise the bill at 100% of the contracted load.

Further in case a consumer feels that his maximum load / demand reading has been wrongly/ incorrectly noted, the consumer may approach the licensee with a photo of the actual maximum load / demand reading displayed on his meter of the concerned month. The Licensee shall accept the same for the purpose of computation of billable demand, however if the Licensee wishes to, it can get the same verified within 5 days.

7. SURCHARGE / PENALTY:

(i) DELAYED PAYMENT:

If a consumer, having postpaid connections, fails to pay his electricity bill by the due date specified therein, a late payment surcharge shall be levied at 1.25% on the dues (excluding late payment surcharge) per month; up-to first three months of delay and subsequently at 2.00% on the dues (excluding late payment surcharge) per month of delay. Late payment surcharge shall be calculated proportionately for the number of days for which the payment is delayed beyond the due date specified in the bill and levied on the unpaid amount of the bill excluding delayed payment surcharge. Imposition of this surcharge is without prejudice to the right of the Licensee to disconnect the supply or take any other measure permissible under the law.

(ii) CHARGES FOR EXCEEDING CONTRACTED DEMAND:

a) If the maximum load / demand in any month of a **domestic consumer** having TVM / TOD / Demand recording meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 100% of the normal rate apart from the normal fixed / demand charge as per the maximum load / demand recorded by the meter.

b) If the maximum load / demand in any month, for the consumers of **other category (except a) above** having TVM / TOD / Demand recording meter exceeds the contracted load / demand, then such excess load / demand shall be levied equal to 200% of the normal rate apart from the normal fixed / demand charges (not minimum charge/ minimum amount/ bill payable) as per the maximum load / demand recorded by the meter.

c) As provided in the MoP's Electricity (Rights of Consumers) Rules, 2020 the revision of the sanctioned load, if any, based on the actual recorded maximum demand shall be as under:

   i. In case of increase in recorded maximum demand the lowest of the monthly maximum demand, where the recorded maximum demand has exceeded the sanctioned load limit, at least three times during a financial year, shall be considered as the revised sanctioned load for the consumer from the first billing cycle in the next financial year. The consumer should be intimated of such revision along with the complete details of the basis on which sanctioned load has been increased. The Licensee shall recover additional security deposit and other charges from such consumer as per increased sanctioned load as provided in the UP Electricity Supply Code, 2005 and its amendments/ Cost Data Book.

ii. In case of reduction of maximum demand, the revision of sanctioned load shall be done in accordance with the UP Electricity Supply Code, 2005 and its amendments.

d) Any surcharge / penalty shall be over and above the minimum charge if the consumption bill of the consumer is being prepared on the basis of minimum charge.

e) Provided where no TVM / TOD / Demand recording meter is installed, the excess load / demand charge shall be levied as per the UP Electricity Supply Code, 2005 and its amendments.

8. POWER FACTOR SURCHARGE:

i. Power factor surcharge shall not be levied where consumer is being billed on kVAh consumption basis.

ii. It shall be obligatory for all consumers to maintain an average power factor of 0.90 or more during any billing period. No new connections of motive power loads / inductive loads above 3 kW, other than under LMV-1 and LMV-2 category, and / or of welding transformers above 1 kVA shall be given, unless shunt capacitors having I.S.I specifications of appropriate ratings are installed, as described in - 'LIST OF POWER FACTOR APPARATUS' of annexed to this Rate Schedule.

iii. In respect of the consumers being billed on kWh consumption basis with or without TVM / TOD / Demand recording meters, excluding consumers under LMV-1 category up to contracted load of 10 kW and LMV-2 category up to contracted load of 5 kW, if on inspection it is found that capacitors of appropriate rating are missing or in-operational and Licensee can prove that the absence of capacitor is bringing down the power factor of the consumer below the obligatory norm of 0.90; then a surcharge of 15% on the 'RATE' shall be levied on such consumers. The Licensee may also initiate action under the relevant provisions of the Electricity Act, 2003, as amended from time to time.

Notwithstanding anything contained above, the Licensee also has a right to disconnect the power supply, if the power factor falls below 0.75.

Wherever, the meter is capable of capturing power factor, the same shall be depicted in the bills of the consumer.

Power factor surcharge shall, however, not be levied during the period of disconnection on account of any reason whatsoever.

9. PROTECTIVE LOAD AND PROTECTIVE LOAD CHARGE:

Consumers getting supply on independent feeder at 11 kV & above voltage may opt for facility of protective load and avail supply during the period of scheduled rostering imposed by the Licensee, except under emergency rostering. An additional charge @ 100% of base demand charges shall be levied on the sanctioned protective load (as per the Electricity Supply Code, 2005 and its amendments) per month as protective load charge. However, consumers of LMV-4 (A) - Public Institutions will pay the additional charge @ 25% of base demand charges only. During the period of scheduled rostering, the load shall not exceed the sanctioned protective load. In case the consumer exceeds the sanctioned protective load during scheduled rostering, he shall be liable to pay twice the prescribed additional charges for such excess load.

10. ROUNDING OFF:

All bills will be rounded off to the nearest rupee i.e. up to 49 paisa shall be rounded down to previous rupee and 50 paisa upwards shall be rounded up to next rupee. The difference due to such rounding shall be adjusted in subsequent bills.

11. OPTION OF MIGRATION TO HV-1 & HV-2 CATEGORY:

The consumer under LMV-2 and LMV-4 with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-1 category and LMV-6 consumers with contracted load above 50 kW and getting supply at 11 kV & above voltage shall have an option to migrate to the HV-2 category. Furthermore, the consumers shall have an option of migrating back to the original category on payment of charges prescribed in Cost Data Book for change in voltage level.

12. PRE-PAID METERS / AUTOMATIC METER READING SYSTEM:

(i) Any consumer having prepaid meters shall also be entitled to a discount of 2.00 % on the 'RATE' as defined in the Tariff Order.

(ii) The token charges for code generation for prepaid meters shall be Rs. 10.00/- per token or as decided by the Commission from time to time.

13. CONSUMERS NOT COVERED UNDER ANY RATE SCHEDULE OR EXPRESSLY EXCLUDED FROM ANY CATEGORY:

For LMV consumers not covered under any rate schedule or expressly excluded from any LMV rate schedule will be categorized under LMV-2. Similarly, any HV consumer not covered under any rate schedule or expressly excluded from any HV rate schedule will be categorized under HV-1.

14. A consumer under metered category may undertake any extension work, in the same premises, on his existing connection without taking any temporary connection as long as his demand does not exceed his contracted demand and the consumer shall be billed in accordance with the tariff applicable to that category of consumer.

15. REBATE ON PAYMENT ON OR BEFORE DUE DATE:

A rebate at the rate of 1.00 % on the 'RATE' shall be given in case the payment is made on or before the due date. However, a rebate at the rate of 5.00% on the 'RATE' shall be given to LMV-5 (Rural) (i.e. PTW Rural Category Agricultural Consumers) category of electricity consumers in case the payment is made on or before the due date. The consumers having any arrears in the bill shall not be entitled for this rebate. The consumers who have made advance deposit against their future monthly energy bills shall also be eligible for the above rebate applicable on the 'RATE'.

16. SCHEME FOR ADVANCE DEPOSIT FOR FUTURE MONTHLY ENERGY BILLS:

If a consumer, having postpaid connection, intends to make advance deposit against his future monthly energy bills, the Licensee shall accept such payment and this amount shall be adjusted only towards his future monthly energy bills. On such advance deposit the consumers shall be paid interest, at the interest rate applicable on security deposit, for the period during which advance exists for each month on reducing balance method and amount so accrued shall be adjusted in the electricity bills which shall be shown separately in the bill of each month. Further, quarterly report regarding the same must be submitted to the Commission.

17. FACILITATION CHARGE FOR ONLINE PAYMENT:

(i) No transaction charge shall be collected from the consumers making their payment through internet banking.

(ii) The Licensees shall bear the transaction charges for transactions up to Rs. 4,000.00 for payment of bill through internet using Credit Card / Debit Card.

18. MINIMUM CHARGE:

Minimum charge is the charge in accordance with the tariff in force from time to time and come into effect only when sum of Fixed / Demand Charges and Energy Charges are less than a certain prescribed amount i.e. Minimum Charges. For each month, consumer will pay an amount that is higher of the following:

- Fixed / Demand Charges (if any) plus Energy Charge on the basis of actual consumption for the month and additional charges such as Electricity Duty, Regulatory Surcharges, Fuel Surcharges and any other charges as specified by the Commission from time to time.
- Monthly minimum charge as specified by the Commission and computed at the contracted load and additional charges such as Electricity Duty, Regulatory Surcharges, Fuel Surcharges, and any other charges as specified by the Commission from time to time.

19. INTEREST ON DUES PAYABLE TO CONSUMER BY THE LICENSEE:

If a consumer becomes eligible for any dues from the Licensee which may arise out of any reason including rectification / adjustment / settlement of bill(s), then such consumer will also be entitled to get interest at rate applicable for interest on security deposits on all the dues payable by the Licensee to the consumer. The Licensee shall compute the interest amount for the period during which such pending amounts exists and adjust such interest towards the future monthly bills of consumers. After adjustment of the interest amount in a particular month, the balance amount, will be carried forward to next month for adjustment with interest on balance amount. The details of such interest amount and adjustment made during the month shall be shown separately in the bill. Further, separate accounting of interest paid must be maintained by the Licensees.

20. DEFINITION OF RURAL SCHEDULE:

Rural Schedule means supply schedule as defined and notified by State Load Despatch Centre (SLDC), Lucknow from time to time.

21. GREEN ENERGY TARIFF:

a. The Commission had computed the Green Energy Tariff payable by opting consumers as Rs. 0.36 per kWh.

b. This Tariff will be applicable for all the opting consumers except domestic and agriculture consumers. This Tariff will be in addition to the regular Tariff as approved by the Commission.

c. The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee.

d. Any requisition for green energy shall be for a minimum period of one year from the date of opting of green energy.

e. Further, the Licensees will display the same separately in the bill as well as in the receipt of such consumers who opted for Green Energy Tariff, in addition to the Fixed / Demand Charges and Energy Charges. They will also keep a separate account for this tariff and separate item in their annual financial statements and provide the full details to the Commission every year along with the tariff filings.

f. The Regulatory discount of 10% shall not be applicable on Green Tariff.

21. **REGULATORY DISCOUNT**

All the Consumers shall be entitled to a regulatory discount of 10% (Ten Percentage) on the 'Rate' i.e. on Fixed / Demand Charge and Energy Charge excluding Electricity Duty etc. and the same will be shown clearly in their bills.

22. As NPCL has not proposed any unmetered consumers for FY 2024-25, the Commission has removed the Tariff schedule for unmetered categories. If any unmetered consumers are remaining the tariff rate of Tariff order for FY 2023-24 shall be applicable.

B. RETAIL TARIFFS FOR FINANCIAL YEAR 2024-25

RATE SCHEDULE LMV – 1

DOMESTIC LIGHT, FAN & POWER

1. APPLICABILITY:

This schedule shall apply to:

a) Premises for residential / domestic purpose, Accommodation for Paying Guests for Domestic purpose (Excluding Guest Houses), Janata Service Connections, Kutir Jyoti Connections, Jhuggi / Hutments, Places of Worship (e.g. Temples, Mosques, Gurudwaras, Churches) and Electric Crematoria, Shelter Homes, orphanages, old age homes, Institutions run for mentally retarded and forsaken children. Non-commercial places occupied by religious persons, of any religion, are also entitled in this category, for a maximum load up to 5 kW, subject to the condition that such non-commercial place shall have a valid registration/recognition from a charitable trust.

b) Mixed Loads

i. 50 kW and above

a. Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with the condition that at least 70% of the total contracted load shall be exclusively for the purposes of domestic light, fan, and power. The above mixed load, within 70%, shall also include the load required for lifts, water pumps and common lighting,

b. Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).

ii. Less than 50 kW

Except for the case as specified in Regulation 3.3 (e) of Electricity Supply Code, 2005 as amended from time to time, if any portion of the load is utilized for conduct of business for non-domestic purposes, then the entire energy consumed shall be charged under the rate schedule of the category under which the use of non-domestic purpose falls.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule':

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Load of 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 3.00 / kWh

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers)

Description	Consumption Range	Fixed Charge	Energy Charge
Metered	Upto 100 kWh / month	Rs. 90.00/ kW / month	Rs. 3.35 / kWh
	101 - 150 kWh / month		Rs. 3.85 / kWh
	151 – 300 kWh / month		Rs. 5.00 / kWh
	Above 300 kWh / month		Rs. 5.50 / kWh

(b) Supply at Single Point for bulk loads (50 kW and above, Supplied at any Voltage):

Description	Fixed Charge	Energy Charge
For Townships, Registered Societies, Residential Colonies, multi-storied residential complexes (including lifts, water pumps and common lighting within the premises) with loads 50 kW and above with the restriction that **at least 70% of the total contracted load is meant exclusively for the domestic light, fan, and power purposes** and for Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction).	Rs. 110.00 / kW / Month	Rs. 7.00 / kWh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee.

The deemed franchisee shall have to prepare the reports provided as under:

a) The deemed franchisee is required to provide to all its consumers, either through e-mail or WhatsApp or any other electronic means, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. The report for the period April-September should be made available by November end and the report for the period October-March should be made available by May end of the next financial year.

b) The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year, either through email or WhatsApp or any other electronic means.

For the Licensee to be able to monitor such compliance, the Licensee under whose area the deemed franchisee falls shall develop an online system where the deemed franchisee shall be required to upload the reports provided in a) and b) above and same shall be available to all concerned. The system should become fully operational within six months from the date of issuance of this Order.

In case, the deemed franchisee fails to upload any of the reports on online portal as above within the prescribed period, it will be treated as a default and a penalty shall be applicable as shown below:

Occurrence of default	Penalty
1st default	Rs. 5,000/-
2nd default	Rs. 10,000/-
3rd default	Rs. 15,000/-

The penalty shall be payable to the Licensee and the same shall be treated as Non-Tariff income of the Licensee.

In case of three defaults within a two-year period from the occurrence of first default, including the first default, after the passage of this Order, it will be presumed that the developer/RWA is not willing to comply with the directions of the Commission. The facility of the single point connection in this eventuality will be withdrawn and the Licensee shall mandatorily convert it to multiple point connection. All the conditions as per the 13th Amendment of UP Electricity Supply Code and Orders of the Commission applicable in this regard, shall be applicable.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of defaults in payments related to other charges except for the electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities, if shown separately. No disconnection can be effected by the

Franchisee on account of non-payment of general maintenance charges unless it can be proven that the amount of electricity charge, shown separately in the miscellaneous charge, has not been paid by the resident.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – 'Charges for Exceeding Contracted demand' of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.

(c) OTHER METERED DOMESTIC CONSUMERS:

1. **Lifeline consumers:** Consumers with contracted load of 1 kW, energy consumption up to 100 kWh / month.

Description	Fixed Charge	Energy Charge
Load of 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 3.00 / kWh

2. **Others:** Other than Lifeline consumers (i.e. consumers who do not qualify under the criteria laid above for lifeline consumers).

Description	Consumption Range	Fixed Charge	Energy Charge
Metered	Upto 100 kWh / month	Rs. 90.00/ kW / month	Rs. 5.50 / kWh
	101 - 150 kWh / month		Rs. 5.50 / kWh
	151 – 300 kWh / month		Rs. 6.00 / kWh
	Above 300 kWh / month		Rs. 6.50 / kWh

Note: For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer, then the consumer would not be liable to furnish maximum demand during the month and his bill would not be held back for lack of data of maximum demand and would be prepared on 100% contracted demand.

RATE SCHEDULE LMV – 2

NON - DOMESTIC LIGHT, FAN AND POWER

1. APPLICABILITY:

This schedule shall apply to all consumers using electric energy for Light, Fan and Power loads for Non-Domestic purposes, like all type of Shops including Patri Shopkeepers, Hotels, Restaurants, Private Guest Houses, Private Transit Hostels, Private Students Hostels, Marriage Houses, Show-Rooms, Commercial / Trading Establishments, Cinema and Theatres, Banks, Cable T.V. Operators, Telephone Booths / PCO (STD / ISD), Fax Communication Centres, Photo Copiers, Cyber Café, Private Diagnostic Centres including X-Ray Plants, MRI Centres, CAT Scan Centres, Pathologies and Private Advertising / Sign Posts / Sign Boards, Commercial Institutions / Societies, Automobile Service Centres, Coaching Institutes, Private Museums and Power Looms with less than 5 kW load and for all companies registered under the Companies Act with loads less than 75 kW.

2. Character and Point of Supply:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Consumers getting supply as per 'Rural Schedule'

Description	Fixed Charge	Energy Charge
Metered	Rs. 110.00 / kW / month	Rs. 5.50 / kWh

(b) In all other cases, including urban consumers and consumers getting supply through rural feeders but exempted from scheduled rostering / restrictions or through co-generating radial feeders in villages / towns.

Contracted Load	Fixed Charge	Consumption Range	Energy Charge
Up to 4 kW	Rs. 330.00 / kW / month	Upto 300 kWh / month	Rs. 7.50 / kWh
		Above 300 kWh / month	Rs. 8.40 / kWh
Above 4 kW	Rs. 450.00 / kW / month	Upto 1000 kWh / month	Rs. 7.50 / kWh
		Above 1000 kWh / month	Rs. 8.75 / kWh

** Minimum charge payable by a consumer under the category "(b) In all other cases "shall be Rs. 600.00 / kW / month (From April to September) and Rs. 475.00 / kW / month (From October to March).*

Note: For all consumers under this category the maximum demand during the month recorded by the meter has to be essentially indicated in their monthly bills. However, this condition would be mandatory only in case meter reading is done by the Licensee. Accordingly, if the bill is being prepared on the basis of reading being submitted by the consumer, then the consumer would not be liable to furnish maximum demand during the month and his bill would not be held back for lack of data on maximum demand.

4. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.

RATE SCHEDULE LMV - 3

PUBLIC LAMPS

1. APPLICABILITY:

This schedule shall apply to Public Lamps including Street Lighting System, Road Traffic Control Signals, Lighting of Public Parks, etc. The street lighting in Harijan Bastis and Rural Areas are also covered by this rate schedule.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) **Un-metered Supply:**

Description	Gram Panchayat	Nagar Palika and Nagar Panchayat	Nagar Nigam
To be billed on the basis of total connected load calculated as the summation of individual points.	Rs. 2100.00 / kW or part thereof per month	Rs. 3200.00 / kW or part thereof per month	Rs. 4200.00 / kW or part thereof per month

(b) **Metered Supply:**

Description	Gram Panchayat		Nagar Palika and Nagar Panchayat		Nagar Nigam	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
Metered	Rs. 200.00 / kW / month	Rs. 7.50 / kWh	Rs. 250.00 / kW / month	Rs. 8.00 / kWh	Rs. 250.00 / kW / month	Rs. 8.50 / kWh

4. For 'Maintenance Charges', 'Provision of Lamps' and 'Verification of Load' Point refer to 'PUBLIC LAMPS' annexed to this Rate Schedule.

RATE SCHEDULE LMV – 4

LIGHT, FAN & POWER FOR PUBLIC INSTITUTIONS AND PRIVATE INSTITUTIONS

1. APPLICABILITY:

Applicable for load less than 75 kW.

LMV- 4 (A) - PUBLIC INSTITUTIONS:

This schedule shall apply to:

(a) Government Hospitals / Government Research Institutions / Offices of the Government Organizations other than companies registered under Companies Act.

(b) Government & Government aided (i) Educational Institutions (ii) Hostels (iii) Libraries.

(c) Religious and charitable trusts & Institutions having a valid registration under Section 12 AA & 80 G issued by the Income Tax department including hospitals, colleges and those providing services free of cost or at the charges / structure of charges not exceeding those in similar Government operated institutions.

(d) Railway Establishments (excluding railway traction, industrial premises & Metro) such as Booking Centres, Railway Stations & Railway Research and Development Organization, Railway rest houses, Railway holiday homes, Railway inspection houses.

(e) All India Radio and Doordarshan.

(f) Guest houses of Government, Semi-Government, Public Sector Undertaking Organisations.

(g) In-house/ self-consumption of Government Distribution Licensees.

LMV-4 (B) - PRIVATE INSTITUTIONS:

This schedule shall apply to

(a) Non-Government hospitals, nursing homes / dispensaries / clinics, private research institutes, and schools / colleges / educational institutes & charitable institutions / trusts and In-house/ self-consumption of Distribution Licensees not covered under LMV4 (A) above.

2. **CHARACTER AND POINT OF SUPPLY**:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. **RATE:**

Rate, gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
(A) Public Institutions	Rs. 300.00 / kW / month	Rs. 8.25 / kWh
(B) Private Institutions	Rs. 350.00 / kW / month	Rs. 9.00 / kWh

RATE SCHEDULE LMV – 5

SMALL POWER FOR PRIVATE TUBE WELLS / PUMPING SETS FOR IRRIGATION PURPOSES

1. APPLICABILITY:

This schedule shall apply to all power consumers getting supply as per Rural / Urban Schedule for Private Tube-wells / Pumping Sets for irrigation purposes having a contracted load up to 25 BHP and for additional agricultural processes confined to Chaff-Cutter, Thresher, Cane Crusher and Rice Huller. This schedule shall also be applicable for separate PTW connection for registered Goshalas for load up to 5 BHP having separate light and fan connection with the condition that such Gaushala – Cow shed shall not be used for commercial purpose. All new connections under this category shall necessarily have the ISI marked energy efficient mono-bloc pump sets with capacitors of adequate rating to qualify for the supply. All existing pump sets shall be required to install capacitors of adequate rating.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(A) For consumers getting supply as per **Rural Schedule**:

(i) Un-metered Supply

Description	Fixed Charge	Energy Charge
Un-Metered	Rs. 170.00 / BHP / month	-

Consumer under this category will be allowed a maximum lighting load of 120 watts.

(ii) Metered Supply

Description	Fixed Charge	Minimum Charge Payable	Energy Charge
Metered	Rs. 70.00 / BHP / month	Rs. 160.00 / BHP / month	Rs. 2.00 / kWh

Note: *Minimum amount payable by a consumer under the category "Rural Schedule (Metered Supply) shall be Rs. 160.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.*

(iii) Energy Efficient Pumps

Description	Fixed Charge	Minimum Charges	Energy Charge
Metered	Rs. 70.00 / BHP / month	Rs. 140.00 / BHP / month	Rs. 1.65/kWh

The consumer bill will be prepared on the basis of tariff payable by consumer and GoUP subsidy.

Note: *Minimum amount payable by a consumer under the category "Rural Schedule (Energy Efficient Pumps) shall be Rs. 140.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.*

(B) For consumers getting supply as per **Urban Schedule** (Metered Supply) including consumers getting supply through rural feeders exempted from scheduled rostering or through co-generating radial feeders in villages and towns.

Description	Fixed Charge	Minimum Charge Payable	Energy Charge
Metered	Rs. 130.00 / BHP / month	Rs. 215.00 / BHP / month	Rs. 6.00 / kWh

Note: *Minimum amount payable by a consumer under the category "Urban Schedule (Metered Supply) shall be Rs. 215.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.*

RATE SCHEDULE LMV – 6

SMALL AND MEDIUM POWER

1. APPLICABILITY:

This schedule shall apply to all consumers of electrical energy having a contracted load less than 100 HP (75 kW) for industrial / processing or agro-industrial purposes, power loom (load of 5 kW and above) and Floriculture/Mushroom Farming units. This schedule shall also apply to pumping sets above 25 BHP.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the fixed and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Consumers getting supply other than Rural Schedule:

Fixed Charge	Energy Charge
BASE RATE	
Rs. 290.00 / kW / month	Rs. 7.30 / kWh

TOD Structure and Rates:

SUMMER MONTHS (APRIL TO SEPTEMBER)

S. No.	Time-slot	% of Energy Charges
1	19:00 to 02:00 hours	(+)15%
2	02:00 to 07:00 hours	0
3	07:00 to 16:00 hours	(-)15%
4	16:00 to 19:00 hours	0

WINTER MONTHS (OCTOBER TO MARCH)

S. No.	Time-slot	% of Energy Charges
1	22:00 to 04:00 hours	(-)15%
2	04:00 to 06:00 hours	0
3	06:00 to 10:00 hours	(+)15%
4	10:00 to 17:00 hours	0

S. No.	Time-slot	% of Energy Charges
5	17:00 to 19:00 hours	(+)15%
6	19:00 to 22:00 hours	0

The approved TOD structure and rates shall be implemented within three months from the date of issuance of this Order, however, till then the existing (old) TOD structure and rates shall be applicable.

(B) Consumers getting supply as per Rural Schedule:

The consumer under this category shall be entitled to a rebate of 7.5% on 'BASE RATE (Excluding the TOD rates as applicable to the hour of operation)' as given for 'Consumers getting supply other than Rural Schedule'. Further, no 'TOD RATE' shall be applicable for this category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill, kolhu and cold storage. The industries which operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

i) The load of such industry is above 13.4 BHP (for motive power loads) & 10 kW (other loads) and have Tri-vector Meters / TOD meters installed at their premises, however for Kolhu consumers such load is of 10 HP or above.

ii) The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.

iii) Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.

iv) The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.

The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.

v) The consumer opting for seasonal benefit has a flexibility to declare his off-season maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off-season period, fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract normal billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will be charged at the normal billable demand for the entire off-season and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period.

5. REBATE TO POWER LOOMS:

Rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.

6. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, time keeper's office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.

Rate Schedule LMV – 7

PUBLIC WATER WORKS

1. APPLICABILITY:

This schedule shall apply to Public Water Works, Sewage Treatment Plants and Sewage Pumping Stations functioning under Jal Sansthan, Jal Nigam, or other local bodies.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

(A) Consumers getting supply other than "Rural Schedule":

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

Description	Fixed Charge	Energy Charge
Metered	Rs. 375.00 / kW / month	Rs. 8.50 / kWh

(B) Consumers getting supply as per "Rural Schedule":

The consumer under this category shall be entitled to a rebate of 7.5% on 'RATE' as given for 'Consumer getting supply other than Rural Schedule'.

RATE SCHEDULE LMV – 8

STATE TUBE WELLS / PANCHAYTI RAJ TUBE WELL & PUMPED CANALS

1. APPLICABILITY:

(i) This schedule shall apply to supply of power for all State Tube wells, including Tube wells operated by Panchayati Raj, World Bank Tube wells, Indo Dutch Tube wells, Pumped Canals, and Lift Irrigation schemes with contracted load less than 100 BHP (75 kW).

(ii) Laghu Dal Nahar having load above 100 BHP (75 kW).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the UP Electricity Supply Code, 2005 and its amendments.

3. RATE:

For all such consumers LMV-7 rate schedule will be applicable.

4. For finding out net load during any quarter of the year for this category refer to 'STATE TUBE – WELLS' annexed to this Rate Schedule.

Rate Schedule LMV – 9

TEMPORARY SUPPLY

1. APPLICABILITY:

A) Un-metered Supply for Illumination / Public Address / Temporary Shops in Melas:

This schedule shall apply to temporary supply of light, fan & power up to 20 KW, Public address system and illumination loads during functions, ceremonies and festivities and temporary shops, not exceeding three months.

B) Metered Supply for all other purposes:

This schedule shall apply to all temporary supplies of light, fan, and power load for the purpose other than mentioned in (A) above.
This schedule shall also apply for power taken for construction purposes including civil work by all consumers and Govt. Departments.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE (SEPARATELY FOR EACH POINT OF SUPPLY):

Rate gives the fixed and energy charges at which the consumer shall be billed during the billing period applicable to the category:

A. Un-metered:

Particulars	Tariff Payable by Consumer
(i) Fixed charges for illumination / public address / ceremonies for load up to 20 kW per connection plus Rs. 100 per kW per day for each additional kW.	Rs. 4750.00 / day
(ii) Fixed charges for temporary shops set-up during festivals / melas or otherwise and having load up to 2KW	Rs. 560.00 / day / shop

B. Metered*:

<table>
<tr><th>Description</th><th>Fixed Charge</th><th>Energy Charge</th></tr>
<tr><td rowspan="2">Individual Residential Consumers</td><td>Rs. 200.00 / kW / Month</td><td>Rs. 8.00 / kWh</td></tr>
<tr><td colspan="2">From 3rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.</td></tr>
<tr><td rowspan="2">Others</td><td>Rs. 300.00 / kW / Month</td><td>Rs. 9.00 / kWh</td></tr>
<tr><td colspan="2">From 3rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.</td></tr>
</table>

* *Minimum bill payable by a consumer under the category "Metered" shall be Rs. 450.00 / kW/week*

4. Charge/Rate as specified, above shall be paid by the consumer in advance.

RATE SCHEDULE LMV - 11

ELECTRIC VEHICLE CHARGING

1. **Consumers (LMV-1, LMV-2, LMV-4, LMV-6, LMV-9, HV-1, HV-2 and HV-3):**

   a. Existing Connection: These consumer categories can use their existing electricity connection to charge their EVs.

   b. Increased Load: If EV charging requires more power than the current sanctioned load, the consumer can apply to the Distribution Licensee for seeking increase in sanctioned load.

   Note: It is advised that the consumer should take precaution to take adequate contracted load in order to meet the load of Charging of Electrical Vehicle. In case the contracted / connected load is breached then the consumer will be liable to pay penalty. Further, the other provisions of General Provisions of Rate Schedule and Electricity Supply Code will also come into effect in case consumers load breaches the contract demand.

2. **Multistoried Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)**

   Those who wish to install Electric Vehicle Charging station in the premises Multistoried Building, will have to take a separate connection for EV Charging Station. The Tariff applicable for such Charging Station in the Multi Storied Building will be as follows:

Category	Demand Charge	Energy Charge
Multistoried Buildings (Covered under LMV-1b)	-	Rs. 6.20 / kWh
Multistoried Buildings (Covered under HV-1b)	-	Rs. 5.90 / kWh

The consumer will be required to pay one-time charges etc. wherever applicable.

3. Public Charging Stations and State Road Transport EV Charging Stations

The Tariff applicable for Public Charging Stations and State Road Transport EV Charging Stations will be as follows:

Category	Demand Charge	Energy Charge
EV Charging Station (LT)	-	Rs. 7.70 / kWh
EV Charging Station (HT)	-	Rs. 7.30 / kWh

The consumer will be required to pay one-time charges etc. wherever applicable.

Penalty for exceeding contracted demand:

For computation of charges for exceeding contracted demand, a charge of Rs. 150.00 / kVA / month for LT and Rs. 250.00 / kVA / month for HT only for the excess demand will be considered and the Clause 7(b) of General Provision will not be applicable here.

RATE SCHEDULE HV – 1

NON - INDUSTRIAL BULK LOADS

1. APPLICABILITY:

This rate schedule shall apply to:

(a) Commercial loads (as defined within the meaning of LMV-2) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.

(b) Private institutions (as defined within the meaning of LMV-4 (b)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels.

(c) Non-domestic bulk power consumer (other than industrial loads covered under HV-2) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and feeding multiple individuals (owners / occupiers / tenants of some area within the larger premises of the bulk power consumer) through its own network and also responsible for maintaining distribution network.

(d) Public institutions (as defined within the meaning of LMV-4 (a)) with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels. The institution / consumer seeking the supply at Single point for non-industrial bulk loads under this category shall be considered as a deemed franchisee of the Licensee.

(e) Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings with mixed loads (getting supply at single point) with contracted load 75 kW & above and getting supply at single point on 11 kV & above voltage levels and having less than 70% of the total contracted load exclusively for the purposes of domestic light, fan, and power. Figure of 70%, shall also include the load required for lifts, water pumps and common lighting,

(f) For Offices / Buildings / Guesthouses of UPPCL / UPRVUNL / UPJVNL / UPPTCL / Distribution Licensees.

(g) All IT and ITeS Units with contracted load of 75 kW & above and getting supply at single point on 11 kV & above voltage levels, not covered under any policy notification of GoUP.

(h) Self consumption of Private Distribution Licensee shall be as per 3(a).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Commercial Loads / Private Institutions / Non - domestic bulk power consumer with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above:

Contracted Load	Fixed Charge	Energy Charge
For supply at 11kV	Rs. 430.00 / kVA / month	Rs. 8.32 / kVAh
For supply above 11kV	Rs. 400.00 / kVA / month	Rs. 8.12 / kVAh

(b) Public Institutions, Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings including Residential Multi-Storied Buildings with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above voltage levels:

Contracted Load	Fixed Charge	Energy Charge
For supply at 11kV	Rs. 380.00 / kVA / month	Rs. 7.70 / kVAh
For supply above 11kV	Rs. 360.00 / kVA / month	Rs. 7.50/ kVAh

The body seeking the supply at Single point for bulk loads under this category shall be considered as a deemed franchisee of the Licensee.

The deemed franchisee shall have to prepare the reports provided as under:

a) The deemed franchisee is required to provide to all its consumers, either through e-mail or WhatsApp or any other electronic means, a copy of the detailed computation of the details of the amounts realized from all the individual consumers and the amount paid to the licensee for every billing cycle on half yearly basis. The report for the period April-September should be made available by November end and the report for the period October-March should be made available by May end of the next financial year.

b) The deemed franchisee shall arrange to get its account(s) audited by a Chartered Accountant mandatorily. The audited accounts will be made available to all the consumers of the deemed franchisee within 3 months of the closure of that financial year, either through email or WhatsApp or any other electronic means.

For the Licensee to be able to monitor such compliance, the Licensee under whose area the deemed franchisee falls, shall develop an online system where the deemed franchisee shall be required to upload the reports provided in a) and b) above and same shall be available to all concerned. The system should become fully operational within six months from the date of issuance of this Order.

In case, the deemed franchisee fails to upload any of the reports on online portal as above within the period prescribed, it will be treated as a default and a penalty shall be applicable as shown below:

Occurrence of default	Penalty
1st default	Rs. 5,000/-
2nd default	Rs. 10,000/-
3rd default	Rs. 15,000/-

The penalty shall be payable to the Licensee and the same shall be treated as Non-Tariff income of the Licensee.

In case of three defaults within a two-year period from the occurrence of first default, including the first default, after the passage of this Order, it will be presumed that the developer/RWA is not willing to comply with the directions of the Commission. The facility of the single point connection in this eventuality will be withdrawn and the Licensee shall mandatorily convert it to multiple point connection. All the conditions as per the 13th Amendment of UP Electricity Supply Code and Orders of the Commission applicable in this regard, shall be applicable.

The deemed franchisee should separately meter the electricity supplied from back up arrangements like DG sets etc. The bill of its consumers should clearly depict the units and rate of electricity supplied through back up arrangement and electricity supplied through Licensee.

The deemed franchisee shall not disconnect the supply of electricity of its consumers on the pretext of defaults in payments related to other charges except for the electricity dues regarding the electricity consumed by its consumers and electricity charges for lift, water lifting pump, streetlight if any, corridor / campus lighting and other common facilities, if shown separately. No disconnection can be effected by the Franchisee on account of non-payment of general maintenance charges unless can be proven that the amount of electricity charge, shown separately in the miscellaneous charge, has not been paid by the resident.

In case the deemed franchisee exceeds the contracted load / demand under the provisions of Clause 7(ii) – 'Charges for Exceeding Contracted demand' of the General Provisions of this Rate Schedule, only in such case the deemed franchisee will recover the same from the individual members who were responsible for it on the basis of their individual excess demands.

RATE SCHEDULE HV – 2

LARGE AND HEAVY POWER

1. APPLICABILITY:

This rate schedule shall apply to all consumers with contracted load of 75 kW (100 BHP) and above for industrial and / or processing purposes as well as to Arc / induction furnaces, rolling / re-rolling mills, mini-steel plants and Floriculture / Mushroom Farming units.

Supply to Induction and Arc furnaces shall be made available only after ensuring that the loads sanctioned are corresponding to the load requirement of tonnage of furnaces. The minimum load of one-ton furnace shall in no case be less than 400 kVA and all loads will be determined on this basis. No supply will be given on loads below this norm.

Such IT and ITeS Units as may be decided by GoUP through a policy notification, shall be covered under this category from the date of GoUP notification or date of applicability of Tariff Schedule of this Tariff Order, whichever is later.

For all HV-2 consumers, conditions of supply, apart from the rates, as agreed between the Licensee and the consumer shall continue to prevail as long as they are in line with the existing Regulations & Acts.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the demand and energy charges (including the TOD rates as applicable to the hour of operation) at which the consumer shall be billed during the billing period applicable to the category:

(A) Urban Schedule:

	For supply up to 11 kV	For supply above 11 kV and up to 66 kV	For supply above 66 kV and up to 132 kV	For supply above 132 kV
BASE RATE				
Demand Charges	Rs. 300.00 / kVA / month	Rs. 290.00 / kVA / month	Rs. 270.00 / kVA / month	Rs. 270.00 / kVA / month

	For supply up to 11 kV	For supply above 11 kV and up to 66 kV	For supply above 66 kV and up to 132 kV	For supply above 132 kV
Energy Charges	Rs. 7.10 / kVAh	Rs. 6.80 / kVAh	Rs. 6.40 / kVAh	Rs. 6.10 / kVAh

TOD Structure and Rates:

SUMMER MONTHS (APRIL TO SEPTEMBER)

S. No.	Time-slot	% of Energy Charges
1	19:00 to 02:00 hours	(+)15%
2	02:00 to 07:00 hours	0
3	07:00 to 16:00 hours	(-)15%
4	16:00 to 19:00 hours	0

WINTER MONTHS (OCTOBER TO MARCH)

S. No.	Time-slot	% of Energy Charges
1	22:00 to 04:00 hours	(-)15%
2	04:00 to 06:00 hours	0
3	06:00 to 10:00 hours	(+)15%
4	10:00 to 17:00 hours	0
5	17:00 to 19:00 hours	(+)15%
6	19:00 to 22:00 hours	0

The approved TOD structure and rates shall be implemented within three months from the date of issuance of this order, however, till then the existing (old) TOD structure and rates shall be applicable.

(B) Rural Schedule:

This schedule shall be applicable only to consumers getting supply up to 11 kV as per 'Rural Schedule'. The consumer under this category shall be entitled to a rebate of 7.5% on 'BASE RATE' as given for 11 kV consumers under urban schedule. Further, no 'TOD RATE' shall be applicable for this category.

(C) Consumers already existing under HV-2 category with metering arrangement at low voltage:

Existing consumer under HV-2 with metering at 0.4 kV shall be required to pay as per schedule applicable to 11 kV consumers under HV-2 category.

4. PROVISIONS RELATED TO SEASONAL INDUSTRIES:

Seasonal industries will be determined in accordance with the criteria laid down below. No exhaustive list can be provided but some examples of industries exhibiting such characteristics are sugar, ice, rice mill and cold storage. The industries which operate during certain period of the year, i.e. have seasonality of operation, can avail the benefits of seasonal industries provided:

i. The continuous period of operation of such industries shall be at least 4 (four) months but not more than 9 (nine) months in a financial year.

ii. Any prospective consumer, desirous of availing the seasonal benefit, shall specifically declare his season at the time of submission of declaration / execution of agreement mentioning the period of operation unambiguously.

iii. The seasonal period once notified cannot be reduced during the next consecutive 12 months. The off-season tariff is not applicable to composite units having seasonal and other category loads.

iv. The off-season tariff is also not available to those units who have captive generation exclusively for process during season and who avail Licensees supply for miscellaneous loads and other non-process loads.

v. The consumer opting for seasonal benefit has a flexibility to declare his off seasonal maximum demand subject to a maximum of 25% of the contracted demand. The tariff rates (demand charge per kW / kVA and energy charge per kWh / kVAh) for such industries during off-season period will be the same as for normal period. Further, during the off season fixed charges shall be levied on the basis of maximum demand recorded by the meter (not on normal billable demand or on percentage contracted demand). Rates for the energy charges shall however be the same as during the operational season. Further, first violation in the off-season would attract full billable demand charges and energy charges calculated at the unit rate 50% higher than the applicable tariff during normal period but only for the month in which the consumer has defaulted. However, on second violation in the off-season, the consumer will forfeit the benefit of seasonal rates for the entire season and energy charges shall be calculated at the unit rate 50% higher than the applicable tariff during normal period.

5. FACTORY LIGHTING:

The electrical energy supplied shall also be utilized in the factory premises for lights, fans, coolers, etc. which shall mean and include all energy consumed for factory lighting in the offices, the main factory building, stores, time keeper’s office, canteen, staff club, library, crèche, dispensary, staff welfare centres, compound lighting, etc. No separate connection for the same shall be provided.

RATE SCHEDULE HV – 3

A: RAILWAY TRACTION

1. APPLICABILITY:

This schedule shall apply to the Railways for Traction loads only.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, at, below and above 132 kV depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

Description	Charges
Demand Charge	Rs. 400.00 / kVA / month
Energy Charge	Rs. 8.50 / kVAh

Note: *Minimum charge payable by a consumer under this category shall be Rs. 950.00 / kVA / month.*

4. DETERMINATION OF THE DEMAND:

Demand measurement at a particular time will be made on basis of simultaneous maximum demands recorded in summation kilovolt-ampere meter installed at contiguous substation serviced by same grid transformer.

The maximum demand for any month shall be defined as the highest average load measured in Kilo Volt amperes during any fifteen consecutive minutes period of the month.

B: METRO RAIL CORPORATION AND REGIONAL RAPID TRANSIT SYSTEM:

1. APPLICABILITY:

This schedule shall apply to the Metro Rail Corporation and Regional Rapid Transit System.

2. CHARACTER OF SERVICE AND POINT OF SUPPLY:

Alternating Current, single phase, two phase or three phase, 50 cycles, at, below and above 132 kV depending on the availability of voltage of supply and the sole discretion of the Licensee. The supply at each sub-station shall be separately metered and charged.

3. RATE:

Rate, gives the energy charges at which the consumer shall be billed for consumption during the billing period applicable to the category:

Description	Charges
Demand Charges	Rs. 300.00 / kVA / month
Energy Charges	Rs. 7.30 / kVAh

Note: *Minimum charge payable by a consumer under this category shall be Rs. 900.00 / kVA / month.*

- Penalty @ Rs. 540.00 / kVA / month will be charged on excess demand if maximum demand exceeds contracted load.

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of delivery. The demand for any month shall be defined as the highest average load measured in Kilo Volt Amperes during any fifteen consecutive minutes period of the month.

RATE SCHEDULE HV – 4

LIFT IRRIGATION WORKS

1. APPLICABILITY:

This Rate Schedule shall apply to medium and large pumped canals with contracted load of 100 BHP (75kW) and above.

2. CHARACTER OF SERVICE & POINT OF SUPPLY:

As per applicable provisions of the U.P Electricity Supply Code, 2005 and its amendments.

3. RATE:

Rate, gives the demand and energy charges at which the consumer shall be billed during the billing period applicable to the category:

(a) Demand Charges:

Voltage Level	Charges
For supply at 11 kV	Rs. 350.00 / kVA / month
For supply above 11 kV upto 66 kV	Rs. 340.00 / kVA / month
For supply above 66 kV upto 132 kV	Rs. 330.00 / kVA / month

(b) Energy Charges:

Voltage Level	Charges
For supply at 11 kV	Rs. 8.50 / kVAh
For supply above 11 kV upto 66 kV	Rs. 8.40 / kVAh
For supply above 66 kV upto 132 kV	Rs. 8.25 / kVAh

(c) Minimum Charges:

Minimum charge payable by a consumer under this category shall be Rs. 1125.00 / kVA / month irrespective of supply voltage

4. DETERMINATION OF THE DEMAND:

Demand measurement shall be made by suitable kilovolt ampere indicator at the point of supply. In the absence of suitable demand indicator, the demand as assessed by the

Licensee shall be final and binding. If, however, the number of circuits is more than one, demand and energy measurement will be done on the principle of current transformer summation metering.

C. PUBLIC LAMPS:

1. MAINTENANCE CHARGE:

In addition to the "Rate of Charge" mentioned above, a sum of Rs. 10.00 per light point per month will be charged for operation and maintenance of street lights. This Maintenance Charge will cover only labour charges, where all required materials are supplied by the local bodies. However, the local bodies will have an option to operate and maintain the public lamps themselves and, in such case, no maintenance charge shall be recovered. This charge shall not apply to the consumers with metered supply.

2. PROVISION OF LAMPS:

Streets where distribution mains already exist, the Licensee will provide a separate single-phase, 2-wire system for the street lights including light fitting and incandescent lamps of rating not exceeding 100 Watts each. In case the above maintenance charge is being levied, the labour involved in replacements or renewal of lamps shall be provided by the Licensee. However, all the required materials shall be provided by the local bodies. The cost of all other types of street light fittings shall be paid by the local bodies.

The cost involved in extension of street light mains (including cost of sub - stations, if any) in areas where distribution mains of the Licensee have not been laid, will be paid for by the local bodies.

3. VERIFICATION OF LOAD:

The number of light points including that of traffic signals together with their wattage will be verified jointly by the representatives of Licensee and Town Area / Municipal Board / Corporation at least once in a year. However, additions will be intimated by the Town Area / Municipal Board / Corporation on monthly basis. The Licensee will carry out the checking of such statements to satisfy themselves of the correctness of the same. The monthly bills shall be issued on the basis of verified number of points at the beginning of the year and additions, if any, during the months as intimated above. The difference, if any, detected during joint verification in the following year shall be reconciled and supplementary bills shall be issued.

Further, if the authorized representative of concerned local body does not participate in the work of verification of light points, a notice will be sent by concerned Executive Engineer in writing to such local bodies for deputing representative on specific date(s), failing which the verification of the light points shall be done by the concerned representative of Licensee which shall be final and binding upon such local body.

D. STATE TUBE-WELLS

NET LOAD:

(i) Net load hereinafter shall mean the total load connected during the quarter less the load of failed and abandoned tube-wells accounted for during that quarter.

(ii) The connected load as on 31st March of the preceding year will be worked out on the basis of 'Net load' reported by the Executive Engineers of concerned Divisions after joint inspection and verification of the same by the concerned officers of the State Government / Panchayat, joint meter reading shall also be taken during the inspection on quarterly basis. The monthly bills for three months of the first quarter will be issued on the connected load worked out as such at the above rates. The same process shall be repeated for subsequent quarters.

E. SCHEDULE OF MISCELLANEOUS CHARGES

S. No.	NATURE OF CHARGES	UNIT	RATES (Rs.)
1.	Checking and Testing of Meters:		
	a. Single Phase Meters	Per Meter	50.00
	b. Three Phase Meters	Per Meter	50.00
	c. Recording Type Watt-hour Meters / Prepaid Meters / Smart Meters	Per Meter	175.00
	d. Maximum Demand Indicator	Per Meter	350.00
	e. Tri-vector Meters	Per Meter	1000.00
	f. Ammeters and Volt Meters	Per Meter	50.00
	g. Special Meters / Net Meters	Per Meter	400.00
	h. Initial Testing of Meters	Per Meter	NIL
2.	Disconnection and Reconnection of supply for any reason whatsoever (Disconnection & Reconnection to be separately treated as single job)		
	a. Consumer having load above 100 BHP/75kW	Per Job	1000.00
	b. Power consumers up to 100BHP/75kW	Per Job	500.00
	c. All other categories of consumers	Per Job	300.00
	d. Smart Meters consumers having load -upto 5 kW	Per Job	NIL
	e. Smart Meters consumers having load -above 5 kW	Per Job	NIL
	f. Pre-Paid Meters	Per Job	NIL
3.	Replacement of Meters:		
	a. By higher capacity Meter	Per Job	50.00
	b. Installation of Meter and its subsequent removal in case of Temporary Connections	Per Job	75.00
	c. Changing of position of Meter Board at the consumer's request.	Per Job	100.00
4.	Service of Wireman:		
	a. Replacement of Fuse	Per Job	20.00
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	25.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per wireman /day of 6 Hrs.	60.00
5.	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc.)	Per Meter	100.00
6.	Checking of Capacitors (other than initial checking) on consumer's request: a. At 400 V / 230 V	 Per Job Per Job	100.00 200.00

S. No.	NATURE OF CHARGES	UNIT	RATES (Rs.)
	b. At 11 kV and above.		

F. LIST OF POWER FACTOR APPARATUS

FOR MOTORS:

S. No.	Rating of Individual Motor	KVAR Rating of Capacitor			
		750 RPM	1000 RPM	1500 RPM	3000 RPM
1.	Up to 3 HP	1	1	1	1
2.	5 HP	2	2	2	2
3.	7.5 HP	3	3	3	3
4.	10 HP	4	4	4	3
5.	15 HP	6	5	5	4
6.	20 HP	8	7	6	5
7.	25 HP	9	8	7	6
8.	30 HP	10	9	8	7
9.	40 HP	13	11	10	9
10.	50 HP	15	15	12	10
11.	60 HP	20	20	16	14
12.	75 HP	24	23	19	16
13.	100 HP	30	30	24	20
14.	125 HP	39	38	31	26
15.	150 HP	45	45	36	30
16.	200 HP	60	60	48	40

FOR WELDING TRANSFORMERS:

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
1.	1	1
2.	2	2
3.	3	3
4.	4	3
5.	5	4
6.	6	5
7.	7	6
8.	8	6
9.	9	7
10.	10	8
11.	11	9
12.	12	9
13.	13	10
14.	14	11
15.	15	12
16.	16	12
17.	17	13
18.	18	14
19.	19	15
20	20	15
21.	21	16
22.	22	17
23.	23	18
24.	24	19
25.	25	19
26.	26	20
27.	27	21
28.	28	22
29.	29	22
30.	30	23
31.	31	24
32.	32	25
33.	33	25
34.	34	26
35.	35	27

13.2 ANNEXURE – II

CATEGORY / SUB-CATEGORY WISE CONSOLIDATED FOR NPCL AVERAGE BILLING RATE (ABR) FOR FY 2024-25

Sr. No.	Consumer Sub-Category	ABR (Rs./kWh)
1	**Domestic (LMV-1)**	
A (I)	Rural Metered	5.14
A(II)	Un Metered Load upto 2 KW	0.00
C	Other Metered	6.26
D	Registered Societies	7.06
2	**Non Domestic Light Fan and Power (LMV-2)**	
I	Rural Metered	5.67
II	Private Advertising	0.00
III	Other Metered	9.57
3	**Public Lamps (LMV-3)**	
I	Metered	8.75
II	Un Metered	0.00
4	**Light Fan and Power for Public Institutions and Private Institutions (LMV-4)**	
I	Public Institution	8.42
II	Private Institution	9.21
5	**Private Tube Wells (LMV-5)**	
I	Consumers getting supply as per "Rural Schedule"	2.30
II	Consumers getting supply as per "Urban Schedule (Metered Supply)"	7.53
6	**Small and Medium Power (LMV-6)**	
I	Consumers getting supply as per "Rural Schedule"	12.75
II	Consumers getting supply other than "Rural Schedule"	8.57
7	**Public Water Works (LMV-7)**	
I	Rural Schedule	0.00
II.	Other than Rural Schedule	9.51
9	**Temporary Supply (LMV-9)**	
I	Metered	9.19
II.	Unmetered	0.00
10	**Electric Vehicle Charging (LMV-11)**	
I.	LMV11 (LMV-1b)	5.58
II.	LMV11 (HV-1b)	5.31
III.	LMV11 (PCS-LT)	6.77
IV.	LMV11 (PCS-HT)	6.54

Sr. No.	Consumer Sub-Category	ABR (Rs./kWh)
		0.00
11	**Non Industrial Bulk Load (HV-1)**	
I	Commercial Loads / Private Institutions / Non-Domestic Bulk Power with contracted Load 75 kW & above and getting supply at single point on 11 kV & above voltage level.	9.23
II	Public Institutions, Registered Societies, Residential Colonies / Townships, Residential Multi-Storied Buildings including Residential Multi-Storied Buildings with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above voltage levels	8.67
11	**Large and Heavy Power (HV-2)**	
I	Other than Rural Schedule	7.32
a	For supply at 11kV	7.53
b	For supply above 11 kV - up to 66 kV	7.09
c	For supply above 66 kV - up to 132 kV	6.55
d	For supply above 132 kV	0.00
12	**ABR Fixed Charges**	**1.09**
13	**ABR Variable Charges**	**6.27**
14	**ABR Total**	**7.36**

Note: ABR given in the above Table shall be used only for computation of Fuel Surcharge.
ABR is net of Regulatory discount@10%

13.3 ANNEXURE – III

ADMITTANCE ORDER

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

Petition No. 2039 /2023

(Date of Order: 10-06-2024)

IN THE MATTER OF:

Truing-Up for FY 2022-23, Annual Performance Review (APR) for FY 2023-24 and Annual Revenue Requirement (ARR) for FY 2024-25 in the Petition No. 2039/2023 of Noida Power Company Limited (NPCL), Greater Noida.

ORDER

BACKGROUND:

The Electricity Act, 2003 under Section 64 stipulates that the Licensee shall file an application before the State Electricity Regulatory Commission to determine Tariff in such manner as specified by the Commission in the applicable Regulations.

The Commission notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') on September 23, 2019. The MYT Formats for determination of tariff under these regulations has been uploaded on the website of the Commission. Further, vide Letter No. UPERC/Secy/D(Tariff)/2022-23-1372 dated December 26, 2022 and E-mail dated September 29, 2022 the additional formats were provided to the Licensee. These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from April 1, 2020, to March 31, 2025, unless otherwise extended by the Commission.

The Petitioner in compliance to the provisions stipulated under the Regulation 4 of MYT Regulations, 2019, shall file the Petition before the Commission for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR) / Tariff for each year of the Control Period (FY 2020-21 to FY 2020-25) complete in all respect by November 30 of each year.

The Noida Power Company Limited (hereinafter referred to as 'NPCL'/ 'Petitioner') filed their ARR Petition for determination of True-Up for FY 2022-23, APR for FY 2023-24 and ARR & Tariff for FY 2024-25 before the Commission on November 29, 2023.

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PRELIMINARY OBSERVATION:

The Commission conducted a preliminary analysis of the ARR Petition filed for FY 2024-25 and raised data deficiency queries to the Petitioner through Deficiency Notes issued vide letter no. UPERC/Secy/D(T)/2024-1782 dated February 09, 2024. The Commission in the data deficiency queries has directed the Petitioner to provide the information related to the reconciliation of power purchase cost with the audited accounts, detailed evidence for the Billing Determinants, Power purchase related matters (like Transmission and Load Dispatch Charges, prior period expense, discounts & rebates, monthly availability of the plant for Long term Power Purchase etc), Operation and Maintenance Expense related to Smart Metering / DT Metering, CAPEX for purchase of Leasehold Land, Justification of calculation of Interest on Working capital, Prepaid metering, along with various other deficiencies.

LICENSEE RESPONSE:

The Petitioner vide Letter No. P-77A/2024/072 dated March 07, 2024, has submitted its response to the 1st data deficiency in respect to True-Up of FY 2022-23, APR of FY 2023-24 and ARR of FY 2024-25. It has been observed that for certain points raised in the first deficiency note and the queries that were raised subsequent to first deficiency note are not fully submitted.

Further, the Commission raised certain queries vide Letter No. UPERC/Secy/D(T)/2024-50 dated April 08, 2024 on issues such as Power Exchange Obligation, reconciliation of invoices of power purchase, details of purchased quantum from power exchange, Explanation of claimed Transmission Charges, breakup of R&M expense and Work Orders related Cost / activities performed, Project wise detailed CAPEX, Billing Determinants for LMV-2, 4B along with various other deficiencies.

The Petitioner vide Letter No. REG/24-25/U-2 dated May 03, 2024 has submitted its response to the 2nd data deficiency in respect to True-Up of FY 2022-23, APR of FY 2023-24 and ARR of FY 2024-25. It has been observed that for certain points raised in the first deficiency note and the queries that were raised subsequent to first deficiency note are partially submitted.

Further, the Commission raised certain queries vide letter no UPERC/Secy/D(T)/2024-348 dated, May 31, 2024 sought 3rd data deficiency related to Billing determinants of LMV-1 "other metered category" as per correct slabs of Rate Schedule, Justification of growth rate of LMV-1, LMV-2, LMV-4, LMV-5, LMV-9 and HV-1 category, ABR of FY 2024-25, justification of PPC and Arrear details of LTPPA, calculations for Fixed Cost Component, Miscellaneous Expense under O&M expense, Scheme wise details of actual funding of Capital Expenditure, Discrepancy of opening balance of GFA, increase of Transmission loss, along with various other deficiencies

The Technical Validation Session (TVS) was conducted on May 31, 2024 which was attended by senior officials of the Commission and NPCL. During the TVS, NPCL explained various issues

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raised in the data Deficiency Note on the ARR Petition of NPCL for FY 2024-25. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

COMMISSION'S DIRECTION:

The Commission admits the ARR Petition of the Petitioner. It is pertinent to mention here that the ARR Petition for FY 2024-25 submitted by the Petitioner for determination of ARR/Tariff has been submitted within the due date specified in the MYT Regulations, 2019. The Commission further directs the Petitioner to submit the pending responses immediately and also directs NPCL 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. Any failure, in compliance of such directions, will compel the Commission to dispose off the concerned matter as found deemed fit by it based on the available information.

Regulation 5.8 of MYT Regulations, 2019 specifies as under:

Quote

5.8 The Petitioner shall within three working days of issue of the Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in its licence area, outlining the ARR, proposed Tariff, True-Up and such other matters as may be directed by the Commission, and inviting suggestions and objections from the stakeholders and public at large:

Provided that the Petitioner shall also upload on its website the Petition filed before the Commission along with all regulatory filings, information, particulars and documents in the manner stipulated by the Commission. The Petitioner should ensure that there is no requirement of providing personal information for downloading the same:

Unquote

Accordingly, the Petitioner shall, within three working days of issue of this Admittance Order, publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence areas, outlining the True-Up, ARR, approved and actual Distribution and Transmission losses for FY 2022-23 along with actual/proposed losses for FY 2023-24 and proposed losses for FY 2024-25, Power Purchase Cost , Average Cost of Supply, Proposed tariff of each category / sub-category / slab of consumers, wheeling charges, cross subsidy surcharge and additional surcharge for Open Access consumers etc., and invite suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the stakeholders and public at large.

3

The Public Notices should indicate that the stakeholders should regularly check the websites of the Petitioner for further submissions made in respect to these proceedings.

The Petitioner shall upload on its website the Petition 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 Orders of the Commission. The Petitioner shall also ensure that these files are broken into such size which can be easily downloaded and will not keep them in compressed form as the stakeholders find it difficult to extract the files.

In addition, 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 in July, 2024, 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 from time to time.

The Commission reserves the right to seek any further information / clarifications as deemed necessary during the processing of these Petitions.

(Sanjay Kumar Singh) Member	(V.K Srivastava) Member(Law)	(Arvind Kumar) Chairman

Place: Lucknow
Date: 10 June, 2024

13.4 ANNEXURE – IV

Public Hearing Notice

U.P. Electricity Regulatory Commission

Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010

Ph : 0522-2720426, Fax : 0522-2720423, E-mail: secretary@uperc.org, www.uperc.org

Ref: UPERC/D(Tariff)/2024-25/449 **Dated:** June 21, 2024

Public Notice

The Distribution licensees, viz. Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL), Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL), Pashchimanchal Vidyut Vitran Nigam Ltd. (PVVNL), Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL), Kanpur Electricity Supply Company Ltd. (KESCO), Noida Power Company Ltd (NPCL) and the Transmission Licensee viz. Uttar Pradesh Power Transmission Company Limited, Lucknow (UPPTCL) have filed Petitions for determination of Aggregate Revenue Requirement (ARR) / Tariff for FY 2024-25, Annual Performance Review for FY 2023-24 and True-Up for FY 2022-23 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission). As per SLDC submissions and directions of the Commission, the True-Up for FY 2022-23, APR of FY 2023-24 and ARR / determination of SLDC charges for FY 2024-25 will be undertaken.

The Commission vide Orders dated June 10, 2024, has admitted the Petitions and has decided to hold "**Public Hearings**" for inviting suggestions and objections from the stakeholders and public at large. The "**Public Hearings**" will be conducted as per below details:

Licensees Covered	Date & Time of Public Hearing	Place of Public Hearing
KESCO	July 08, 2024 @ 11.00 AM (Monday)	**Kanpur** - The Sportz Hub, F8HG+PCW, Palika Stadium Ln, Khalasi Line, Arya Nagar, Kanpur, Uttar Pradesh - 208002
UPPTCL and SLDC	July 10, 2024 @ 11.00 AM (UPPTCL) and 3:00 PM (SLDC) (Wednesday)	**Lucknow** - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010
MVVNL	July 11, 2024 @11:00 AM (Thursday)	**Lucknow** - Auditorium (3rd Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow - 226010
PuVVNL	July 16, 2024 @11:00 AM (Tuesday)	**Varanasi** - Commissioner Office Auditorium, Opposite Vikas Bhavan, Hamrautia, Varanasi - 221002
DVVNL	July 18, 2024 @11:00 AM (Thursday)	**Agra** - Rao Kishan Pal Singh Auditorium Campus R.B.S. College, Raja Balwant Singh Degree College, Madiya Katra Railway Crossing, Kandhari, Agra - 282002
NPCL	July 19, 2024 @ 11.00 AM (Friday)	**Greater Noida** - Auditorium 1, Gautam Budh University, Opposite Yamuna Expressway, Greater Noida, Uttar Pradesh – 201312
PVVNL	July 20, 2024 @11:00 AM (Saturday)	**Meerut** - Atal Sabhagar, Chaudhary Charan Singh University, Ramgarhi, Meerut, Uttar Pradesh 250001

The licensee has already published the summary of the Petitions in newspapers, inviting suggestions and objections. The stakeholders & Public at large should regularly check the websites of Commission i.e. www.uperc.org & concerned Licensee for updates / information and details in regard to the venues of the 'Public Hearings'. All stakeholders and public at large are invited to attend the 'Public Hearings'.

All the Stakeholders who are participating in the Public Hearing shall also submit their written suggestions and objections in hard copies (one original + 5 sets of copies) along with verified affidavit (as prescribed) to the Secretary, UPERC within three (3) days of the Public Hearing. The submission should also be sent in PDF and Word / Excel format on the email id: office@uperc.org. It should be ensured that the Licensee name for whom the submission pertains to, is written in the subject line, otherwise it may not be taken into consideration.

Secretary

13.5 ANNEXURE – V

MoM of SAC meeting

UttarPradesh Electricity Regulatory Commission

Vidyut Niyamak Bhawan,Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

शैलेन्द्र गौर
सचिव

संख्या–यूपीईआरसी / निदेशक(टैरिफ) / 2024– 743
दिनांक: 16 अगस्त, 2024

सेवा में,

01. **अपर मुख्य सचिव,** कृषि विभाग, उ0प्र0 शासन, कृषि भवन, मदनमोहन मालवीय मार्ग, लखनऊ–226001
02. **प्रमुख सचिव,** ऊर्जा विभाग, उ0प्र0 शासन, बापू भवन, विधान सभा मार्ग, लखनऊ–226001
03. **प्रमुख सचिव,** खाद्य एवं रसद विभाग, उ0प्र0, द्वितीय तल, जवाहर भवन, लखनऊ–226001
04. **प्रमुख सचिव,** सिंचाई विभाग, उ0प्र शासन, सिंचाई भवन कैंण्ट रोड, उदयगंज, लखनऊ–226001
05. **प्रमुख सचिव,** शहरी विकास, उ0प्र0 शासन, 104, महात्मागांधी मार्ग, लखनऊ–226001
06. **प्रमुख सचिव,** इन्फ्रास्ट्रक्चर एण्ड इण्डस्ट्रियल डेवलपमेंट, उ0प्र0, पिकप भवन ब्लाक–ए, चतुर्थ तल, लखनऊ–226010
07. **प्रमुख सचिव,** आईटी एवं इलेक्ट्रानिक्स, उत्तर प्रदेश शासन, सातवॉ तल, ब्लाक–सी, लोक भवन, सचिवालय, लखनऊ–226001
08. **प्रबन्ध निदेशक,** उ0प्र0 पावर कारपोरेशन लि0, 14, अशोक मार्ग, शक्ति भवन, लखनऊ–226001
09. **प्रबन्ध निदेशक,** मध्यांचल विद्युत वितरण निगम लि0, 4–ए, गोखले मार्ग, लखनऊ–226001
10. **प्रबन्ध निदेशक,** उ0प्र0 लखनऊ मेट्रो रेल कारपोरेशन लि0, प्रशासनिक भवन, नियर डा0 भीम राव अम्बेदकर सामाजिक परिवर्तन स्थल, विपिन खण्ड, गोमती नगर, लखनऊ–226010
11. **निदेशक, यू0पी0 नेडा,** विभूति खण्ड, गोमती नगर, लखनऊ–226010
12. **निदेशक, प्लानिंग एवं कामर्शियल,** उ0प्र0 पावर ट्रान्समिशन कारपोरेशन लि0, शक्ति भवन, 14–अशोक मार्ग, लखनऊ–226001
13. **श्रीमती दीपा जयनानी,** सीनियर कॅरसपोंडेंट, फाइनेंसियल एक्सप्रेस, इन्वेस्ट यू0पी0, ब्लाक–ए, पिकप भवन, लखनऊ–226010
14. **श्री अवधेश कुमार वर्मा,** अध्यक्ष, उ0प्र0 राज्य विद्युत उपभोक्ता परिषद, ए–1391 / 7, इन्दिरा नगर, लखनऊ।
15. **श्री रेजी कुमार पिल्लई,** अध्यक्ष, इण्डियन स्मार्ट ग्रिड फोरम, सीबीआईपी बिल्डिंग माचला मार्ग चाणक्यपुरी, नई दिल्ली–110021।
16. **अध्यक्ष एवं वरिष्ठ प्रतिनिधि,** यूपी स्टेट कांउसिल, सी0आई0आई0, प्लाट–ए, विभूति खण्ड, गोमती नगर, लखनऊ–226010
17. **शक्ति सस्टेनेबल इनर्जी फाउण्डेशन,** दि कैपिटल कोर्ट, 104बी, चतुर्थ तल, मुनरिका फेज–III, नई दिल्ली–110067

UttarPradesh Electricity Regulatory Commission

Vidyut Niyamak Bhawan,Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

18. **निदेशक/हेड प्लांट,** लैंको अनपरा पावर लि0, प्लाट नं0–137, फेज–।।।, उद्योग विहार, गुड़गॉव–122016
19. **डा0 भरतराज सिंह**, डी0जी0, स्कूल आफ मैनेजमेंट सांइस, स्कई हाई प्लाजा, द्वितीय तल, 5–पार्क रोड, हजरतगंज, लखनऊ–226001

विषय: **विद्युत नियामक आयोग द्वारा दिनांक 05 अगस्त, 2024 पूर्वान्ह 11:30 बजे आयोग के सभागार में आहूत की गयी राज्य सलाहकार समिति की बैठक का कार्यवृत्त।**

महोदय,

कृपया आयोग द्वारा सभागार में आहूत की गयी राज्य सलाहकार समिति की बैठक दिनांक 05 अगस्त, 2024 के कार्यवृत्त की एक प्रति आपको संलग्न कर प्रेषित की जा रही है।

भवदीय

संलग्नक–यथोपरि।

(शैलेन्द्र गौर)
सचिव।

उ0प्र0 विद्युत नियामक आयोग द्वारा दिनांक 05 अगस्त, 2024 पूर्वान्ह 11:30बजे आयोग के सभागार में आहूत की गयी राज्य सलाहकार समिति की

बैठक का कार्यवृत्त

दिनांक 05–08–2023 को आयोग के सभागार में **श्री अरविन्द कुमार (आईएएस), अध्यक्ष, उ0प्र0 विद्युत नियामक आयोग** की अध्यक्षता में राज्य सलाहकार समिति की बैठक सम्पन्न हुई। बैठक में आयोग के सदस्य श्री संजय कुमार सिंह ने सहभागिता की। बैठक में उपस्थित राज्य सलाहकार समिति के सदस्यगण एवं अन्य का विवरण **संलग्नक–1** में दर्शाया गया है।

सर्वप्रथम श्री शैलेन्द्र गौर, सचिव, उ0प्र0 विद्युत नियामक आयोग ने आयोग के अध्यक्ष एवं सदस्य के अतिरिक्त बैठक में सहभाग करने वाले सदस्यों का सहभागिता के लिए स्वागत किया। राज्य सलाहकार समिति विद्युत नीतियों एवं प्रमुख विषयों के परिप्रेक्ष्य में अपने सुझाव प्रदान करती है। माननीय अध्यक्ष महोदय की अनुमति से आज की बैठक में प्रमुख एजेण्डा बिन्दुओं पर विचार–विमर्श किया गया, जिनका विवरण निम्नवत् है:–

एजेण्डा बिन्दु–1

प्रदेश की वितरण कम्पनियों द्वारा वित्तीय वर्ष 2024–25 हेतु प्रस्तुत ए0आर0आर0 / टैरिफ याचिकाओं से सम्बन्धित।

एजेण्डा बिन्दु–2

नेट पोजीशन आफ गैप / सरप्लसः प्रदेश के वितरण अनुज्ञप्तिधारियों से सम्बन्धित।

एजेण्डा बिन्दु–3

रेगुलेटरी असेट्सः प्रदेश के वितरण अनुज्ञप्तिधारियों से सम्बन्धित।

एजेण्डा बिन्दु–4

मैसर्स एन0पी0सी0एल0 की प्रस्तुत याचिका ए0आर0आर0 / टैरिफ वित्तीय वर्ष 2024–25 से सम्बन्धित।

एजेण्डा बिन्दु–5

नोयडा पावर कम्पनी लि0 के नेट पोजीशन आफ गैप / सरप्लस से सम्बन्धित।

एजेण्डा बिन्दु–6

उ0प्र0 पावर ट्रान्समिशन कारपोरेशन लि0 द्वारा प्रस्तुत याचिका एआरआर / टैरिफ वित्तीय वर्ष 2024–25 से सम्बन्धित।

एजेण्डा बिन्दु–7

उ0प्र0 एस0एल0डी0सी0 द्वारा प्रस्तुत याचिका एआरआर / टैरिफ वित्तीय वर्ष 2024–25 से सम्बन्धित।

माननीय अध्यक्ष द्वारा बैठक में सहभाग करने वाले राज्य सलाहकार समिति के सदस्यों का स्वागत करते हुए विस्तृत प्रस्तुतीकरण प्रस्तुत करने हेतु स्वीकृति प्रदान की गयी।

उपनिदेशक (टैरिफ इंजीनियरिंग) द्वारा अध्यक्ष महोदय की अनुमति से एजेण्डावाईज विस्तृत रूप से प्रस्तुतीकरण किया गया। आयोग द्वारा विभिन्न एजेण्डा विन्दुओं पर राज्य सलाहकार समिति के सदस्यों से यह अनुरोध किया गया कि वे इन बिन्दुओं पर अपना मत व मार्गदर्शन प्रदान करें जिससे इन विषयों पर अधिक प्रभावी एवं व्यावहारिक निर्देश पारित हो सकें जो उपभोक्ता एवं अनुज्ञप्तिधारियों के हितों में संतुलन प्रदान कर सकें।

एजेण्डा बिन्दु–1, 2 एवं 3

प्रदेश की वितरण कम्पनियों द्वारा वित्तीय वर्ष 2024–25 हेतु प्रस्तुत ए0आर0आर0 / टैरिफ याचिकाओं से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि वितरण उपभोक्ताओं का बिजली कम्पनियों पर सरप्लस धनराशि लगभग रू0 33,122 करोड़ निकल रही है। एक तरफ बिजली कम्पनियाँ माननीय एपटेल में मुकदमा विचाराधीन होने की बात कहती हैं, वहीं दूसरी ओर विद्युत नियामक आयोग द्वारा खारिज पैरामीटर पर माननीय एपटेल में मुकदमा लगाकर आयोग से अनुमोदन कराने की मांग कर रही हैं, जो परस्पर विरोधाभाषी है। इस प्रकार आयोग या तो एक साथ लगभग 40 प्रतिशत बिजली दरों में कमी करे या फिर अगले 5 वर्षों तक लगातार 8 प्रतिशत प्रत्येक वर्ष बिजली दरों में कमी करके विद्युत उपभोक्ताओं की धनराशि की भरपाई करे। साथ यह भी कहा गया कि यदि बिजली कम्पनियों को ऑकलित धनराशि रू0 33,122 करोड़ में कोई आपत्ति है तो स्वयं आगणित कर बता दें कि कितना सरप्लस है। साथ ही यह भी कहा गया कि प्रकरण माननीय एपटेल ट्रैब्युनल में विचाराधीन है, फलस्वरूप वर्तमान में इस ए0आर0आर0 प्रस्ताव पर विचार नहीं किया जाना चाहिए।

श्री बी0आर0 सिंह द्वारा मत व्यक्त किया गया कि श्री अवधेश कुमार वर्मा द्वारा दिये गये आंकडों के अनुसार उपभोक्ताओं का टैरिफ सरप्लस एडजस्ट करने के बाद ही टैरिफ निर्धारित किया जाय। साथ ही कहा गया कि ग्रीन एनर्जी को बढ़ावा दिया जाना चाहिए क्यों कि सोलर की पावर परचेज कास्ट कम है।

श्री सुशील कुमार, प्रबन्ध निदेशक, लखनऊ मेट्रो ने कहा कि नेट मीटरिंग की सुविधा उच्च वोल्टेज में दी जानी चाहिए क्योंकि यह सुविधा नोयडा मेट्रों को दी जा रही है जबकि यहाँ पर नहीं मिल रही है। मेट्रो की बिजली दरें अन्य राज्यों की अपेक्षा बहुत ज्यादा हैं। एलएमआरसी को बीएसटी में 2प्रतिशत या 5प्रतिशत मार्जिन को जोड़कर टैरिफ निर्धारित किया जाना चाहिए। मेट्रो में 40 प्रतिशत खर्च विद्युत पर ही होता है जो अत्यधिक है। अतः इस प्रकार की नीति बनाई जाये कि मेट्रो पर विद्युत खर्च अन्य राज्यों के समकक्ष आये।

श्री राहुल सिंह, विशेष सचिव, आईटी एण्ड ई, द्वारा मत व्यक्त किया गया कि वर्तमान में लगभग 700 इलेक्ट्रिक बसें चल रहीं है जिनकी चार्जिंग के लिए एच0वी0–1 के अन्तर्गत टैरिफ लगाया जा रहा है

जबकि कैप्टिव चार्जिंग को एलएमवी–11 श्रेणी में लाया जाना चाहिए। इस पर प्रबन्ध निदेशक, उ0प्र0 पावर कारपोरेश लि0, श्री पंकज कुमार द्वारा यह सुझाव दिया गया कि एलएमवी–11 में शामिल ई–व्हीकल्स की परिभाषा को स्पष्ट करने की आवश्यकता है। साथ ही मत व्यक्त किया गया कि नेट मीटरिंग की बजाय नेट बिलिंग को प्रोत्साहित किया जाये और टी0ओ0डी0 को अन्य श्रेणियों पर भी लागू किया जा सकता है।

श्री रेजी कुमार पिल्लई, सदस्य, राज्य सलाहकार समिति द्वारा मत व्यक्त किया गया कि वितरण कम्पनियों द्वारा प्रस्तुत याचिका में एल0एम0वी0–11 के बिलिंग डिटरमेंटस में त्रुटि प्रतीत होती है।

<u>एजेण्डा बिन्दु–4</u>

मैसर्स एन0पी0सी0एल0 की प्रस्तुत ए0आर0आर0/टैरिफ वित्तीय वर्ष 2024–25 की याचिका से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि नोयडा पावर कम्पनी के मामले में जो वहाँ के विद्युत उपभोक्ताओं का सरप्लस निकल रहा है, उसके एवज में 10 प्रतिशत के रिबेट को बरकरार रखा जाय।

<u>एजेण्डा बिन्दु–5</u>

नोयडा पावर कम्पनी लि0 की नेट पोजीशन आफ गैप/सरप्लस से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि मैसर्स एनपीसीएल का एबीआर 7.69 से घटकर 7.18 पर आ गया है, जो उचित नहीं प्रतीत होता है। मैसर्स एनपीसीएल द्वारा ट्रान्सफार्मर की कास्ट अधिक दर्शायी गयी है जबकि वही ट्रान्सफार्मर उ0प0 पावर कारपोरेशन लि0 कम दामों पर खरीद रहा है। साथ में यह भी कहा गया कि प्रदेश के अन्य जनपदों की अपेक्षा नोयडा के किसानों की बिजली दर ज्यादा है। यह भी कहा गया कि प्रदेश में विद्युत दुर्घटनायें अत्यंत महत्वपूर्ण पहलू है, विद्युत कम्पनियों में संविदा पर कर्मचारी कार्य कर रहे हैं, जिन पर समान कार्य–समान वेतन का सिद्धांत लागू होना चाहिए। इस वर्ष लगभग 1120 मृत्यु विद्युत दुर्घटना से हुई हैं, इस परिप्रेक्ष्य में माननीय आयोग से अनुरोध है कि टैरिफ में उचित दिशा निर्देश दिये जायें। इस पर प्रबन्ध निदेशक, उ0प्र0 प्रदेश पावर कारपोरेशन लि0 द्वारा आश्वस्त किया किया गया कि उ0प्र0 पावर कारपोरेशन लि0 के लिए एक भी जीवन अत्यंत महत्वपूर्ण है, इसके लिए बेहतर से बेहतर जो होगा, किया जायेगा।

श्री राहुल सिंह, विशेष सचिव, आई0टी0, उ0प्र0 शासन द्वारा यह मत व्यक्त किया गया कि मैसर्स एन0पी0सी0एल0 के प्रस्ताव के परिप्रेक्ष्य में डाटा सेन्टर को एच0वी0–2 में शामिल किये जाने हेतु प्रकरण पर माननीय मंत्रिपरिषद का निर्णय प्राप्त करने के लिए सम्बन्धित विभागों से मंत्रणा की जा रही है। विचारण के उपरान्त माननीय मंत्रिपरिषद का निर्णय प्राप्त होने पर ही इस बिन्दु पर आगे कुछ टिप्पणी की जा सकेगी।

श्री अवधेश कुमार वर्मा द्वारा फिशरीज (मत्स्य–पालन) को कामर्शियल या एग्रीकल्चरल के रूप में माने जाने के मामले में मत व्यक्त किया गया छोटे फिशरीज के किसानों को एग्रीकल्चर श्रेणी में लाने पर माननीय आयोग द्वारा विचार किया जा सकता है। साथ ही कहा गया कि ग्रीन एनर्जी को बढावा दिया जाना चाहिए।

श्री पंकज कुमार, प्रबन्ध निदेशक, उ0प्र0 पावर कारपोरेशन लि0 द्वारा मत व्यक्त किया गया कि मत्स्य पालन एक व्यावसायिक गतिविधि है, जिसे कृषि की श्रेणी में नहीं सम्मिलित किया जा सकता है।

एजेण्डा बिन्दु–6

उ0प्र0 पावर ट्रान्समिशन कारपोरेशन लि0 द्वारा प्रस्तुत एआरआर/टैरिफ वित्तीय वर्ष 2024–25 की याचिका से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि वर्तमान में यूपीपीटीसीएल द्वारा प्रस्तावित ट्रान्समिशन टैरिफ कम किया जाना चाहिए और यूपीपीटीसीएल को आने वाले समय में अपने सिस्टम को अपग्रेड करना चाहिए। साथ ही साथ यह भी मत व्यक्त किया गया कि यूपीपीटीसीएल द्वारा ओ0 एण्ड एम0 व्यय उच्च स्तर पर क्लेम किया गया है।

एजेण्डा बिन्दु–7

उ0प्र0 एस0एल0डी0सी0 द्वारा प्रस्तुत याचिका एआरआर/टैरिफ वित्तीय वर्ष 2024–25 से सम्बन्धित।

इस एजेण्डा बिन्दु के मुख्य पहलुओं को बैठक में सहभाग करने वाले सदस्यगण को संक्षेप में व्याख्यायित किया गया और राज्य सलाहकार समिति के उपस्थित सदस्यों से सुझाव की अपेक्षा की गयी।

श्री अवधेश कुमार वर्मा द्वारा मत व्यक्त किया गया कि यू0पी0एस0एल0डी0सी0 दिनांक 22 अगस्त, 2022 को अस्तित्व में आया है, जिसे स्वतंत्र ईकाई का स्वरूप दिया जाये और वह अपने सिस्टम को अपग्रेड करें।

माननीय अध्यक्ष ने कहा कि सभी सम्मानित सदस्यों द्वारा उपभोक्ताओं के हित में अनेक महत्वपूर्ण बिन्दु उठाये गये हैं। आयोग का प्रयास रहेगा कि राज्य सलाहकार समिति के सदस्यों के महत्वपूर्ण सुझावों को ध्यान में रखते हुए वित्तीय वर्ष 2024–25 के टैरिफ निर्धारण की प्रकिया को अन्तिम रूप दिया जाए।

अन्त में सचिव, उ0प्र0 विद्युत नियामक आयोग द्वारा माननीय अध्यक्ष उ0प्र0 विद्युत नियामक आयोग के अनुमोदन से बैठक में उपस्थित राज्य सलाहकार समिति के सदस्यगणों को धन्यवाद ज्ञापित करते हुए बैठक का समापन किया गया।

दिनांक: 16 अगस्त, 2024

(शैलेन्द्र गौर)
सचिव
उ0प्र0 विद्युत नियामक आयोग।

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संलग्नक–1

आयोग के सभागार में आयोजित राज्य सलाहाकार समिति की बैठक दिनांक 05 अगस्त, 2024 में सहभाग करने वाले सदस्यगण का विवरणः

क0सं0	एस0ए0सी0 सदस्यगण	अधिकृत प्रतिनिधि	पदनाम
01	**अपर मुख्य सचिव,** ऊर्जा, उ0प्र0 शासन	श्री नरेन्द्र भूषण, प्रमुख सचिव (ऊर्जा)	**पदेन सदस्य,** राज्य सलाहकार समिति (प्रमुख सचिव, ऊर्जा, उ0प्र0 शासन)
02	**प्रबन्ध निदेशक,** उ0प्र0 पावर कारपारेशन लि0	श्री पंकज कुमार	**पदेन सदस्य,** राज्य सलाहकार समिति
03	**प्रबन्ध निदेशक,** मध्यांचल वि0वि0 निगम लि0	श्री भवानी सिंह	**पदेन सदस्य,** राज्य सलाहकार समिति
04	**प्रमुख सचिव,** सिंचाई, उ0प्र0 शासन	श्री टी0के0 शीबू, विशेष सचिव,	**पदेन सदस्य,** राज्य सलाहकार समिति
05	**निदेशक,** यू0पी0, नेडा	श्री अनुपम शुक्ला, निदेशक	**पदेन सदस्य,** राज्य सलाहकार समिति
06	**प्रमुख सचिव,** खाद्य एवं रसद, उ0प्र0 शासन	श्री उसमान अली, एस0ई0 कृषि	**पदेन सदस्य,** राज्य सलाहकार समिति
07	**प्रमुख सचिव,** नगर विकास उ0प्र0 शासन	श्री अजय कुमार शुक्ला, सचिव, नगर विकास	**पदेन सदस्य,** राज्य सलाहकार समिति
08	**निदेशक**, उ0प्र0 पावर ट्रान्समिशन कारपोरेशन लि0	श्री सुशान्त कुमार दास,निदेशक (पी एण्ड सी)	**पदेन सदस्य,** राज्य सलाहकार समिति
09	**प्रबन्ध निदेशक,** यूपीएमआरसी	श्री सुशील कुमार प्रबन्धक निदेशक	**पदेन सदस्य,** राज्य सलाहकार समिति
10	**श्री राहुल सिंह,** विशेष सचिव (आईटी एण्ड ई)	श्री राहुल सिंह	–
11	**प्रमुख सचिव,** खाद्य एवं रसद, उ0प्र0 शासन	श्री देवी शंकार शुक्ला, संयुक्त सचिव	**पदेन सदस्य,** राज्य सलाहकार समिति
12	**श्री रेजी कुमार पिल्लई,** प्रेसीडेंट, आईएसजीएफ	–	**सदस्य,** राज्य सलाहकार समिति
13	**श्री अवधेश कुमार वर्मा,** अध्यक्ष, उ0प्र0राज्य विद्युत उपभोक्ता परिषद	–	**सदस्य,** राज्य सलाहकार समिति
14	**सीआईआई**	श्री फैज वारिस हेड, सीआईआई	**सदस्य,** राज्य सलाहकार समिति
15	**श्री बी0आर0 सिंह, डायरेक्टर जनरल**	–	**सदस्य,** राज्य सलाहकार समिति
16	**शक्ति सस्टेनेबल इनर्जी फाउन्डेशन**	मिस हंसिका धनखर	**सदस्य,** राज्य सलाहकार समिति

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UttarPradesh Electricity Regulatory Commission

Vidyut Niyamak Bhawan,Vibhuti Khand, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

शैलेन्द्र गौर
सचिव

संख्या–यूपीईआरसी / निदेशक(टैरिफ) / 2024–967
दिनांकः 07 अक्टूबर, 2024

सेवा मे,

01. **अपर मुख्य सचिव,** कृषि विभाग, उ0प्र0 शासन, कृषि भवन, मदनमोहन मालवीय मार्ग, लखनऊ–226001
02. **प्रमुख सचिव,** ऊर्जा विभाग, उ0प्र0 शासन, बापू भवन, विधान सभा मार्ग, लखनऊ–226001
03. **प्रमुख सचिव,** खाद्य एवं रसद विभाग, उ0प्र0, द्वितीय तल, जवाहर भवन, लखनऊ–226001
04. **प्रमुख सचिव,** सिंचाई विभाग, उ0प्र शासन, सिंचाई भवन कैंण्ट रोड, उदयगंज, लखनऊ–226001
05. **प्रमुख सचिव,** शहरी विकास, उ0प्र0 शासन, 104, महात्मागांधी मांर्ग, लखनऊ–226001
06. **प्रमुख सचिव,** इन्फ्रास्ट्रक्चर एण्ड इण्डस्ट्रियल डेवलपमेंट, उ0प्र0, पिकप भवन ब्लाक–ए, चतुर्थ तल, लखनऊ–226010
07. **प्रमुख सचिव,** आईटी एवं इलेक्ट्रानिक्स, उत्तर प्रदेश शासन, सातवॉ तल, ब्लाक–सी, लोक भवन, सचिवालय, लखनऊ–226001
08. **प्रबन्ध निदेशक,** उ0प्र0 पावर कारपोरेशन लि0, 14, अशोक मार्ग, शक्ति भवन, लखनऊ–226001
09. **प्रबन्ध निदेशक,** मध्यांचल विद्युत वितरण निगम लि0, 4–ए, गोखले मार्ग, लखनऊ–226001
10. **प्रबन्ध निदेशक,** उ0प्र0 लखनऊ मेट्रो रेल कारपोरेशन लि0, प्रशासनिक भवन, नियर डा0 भीम राव अम्बेदकर सामाजिक परिवर्तन स्थल, विपिन खण्ड, गोमती नगर, लखनऊ–226010
11. **निदेशक, यू0पी0 नेडा,** विभूति खण्ड, गोमती नगर, लखनऊ–226010
12. **निदेशक, प्लानिंग एवं कामर्शियल,** उ0प्र0 पावर ट्रान्समिशन कारपोरेशन लि0, शक्ति भवन, 14–अशोक मार्ग, लखनऊ–226001
13. **श्रीमती दीपा जयनानी,** सीनियर कॅरसपोंडेंट, फाइनेंसियल एक्सप्रेस, इन्वेस्ट यू0पी0, ब्लाक–ए, पिकप भवन, लखनऊ–226010
14. **श्री अवधेश कुमार वर्मा,** अध्यक्ष, उ0प्र0 राज्य विद्युत उपभोक्ता परिषद, ए–1391 / 7, इन्दिरा नगर, लखनऊ।
15. **श्री रेजी कुमार पिल्लई,** अध्यक्ष, इण्डियन स्मार्ट ग्रिड फोरम, सीबीआईपी बिल्डिंग माचला मार्ग चाणक्यपुरी, नई दिल्ली–110021।
16. **अध्यक्ष एवं वरिष्ठ प्रतिनिधि,** यूपी स्टेट कांउसिल, सी0आई0आई0, प्लाट–ए, विभूति खण्ड, गोमती नगर, लखनऊ–226010
17. **शक्ति सस्टेनेबल इनर्जी फाउण्डेशन,** दि कैपिटल कोर्ट, 104बी, चतुर्थ तल, मुनरिका फेज–III, नई दिल्ली–110067

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18. **निदेशक/हेड प्लांट,** लैंको अनपरा पावर लि0, प्लाट नं0–137, फेज–III, उद्योग विहार, गुड़गॉव–122016
19. **डा0 भरतराज सिंह,** डी0जी0, स्कूल आफ मैनेजमेंट सांइस, स्कई हाई प्लाजा, द्वितीय तल, 5–पार्क रोड, हजरतगंज, लखनऊ–226001

संदर्भः **पत्र संख्या–यूपीईआरसी/निदेशक(टैरिफ)/2024–743 दिनांक 16 अगस्त, 2024. विषयक।**

विषयः **विद्युत नियामक आयोग द्वारा दिनांक 05 अगस्त, 2024 पूर्वान्ह 11:30 बजे आयोग के सभागार में आहूत की गयी राज्य सलाहकार समिति की बैठक का कार्यवृत्त में संशोधन विषयक।**

महोदय,

कृपया शासन के पत्र संख्या–1299/78–2–2024/ई–1613376 दिनांक 25 सितम्बर, 2024 का संदर्भ ग्रहण करने का कष्ट करें।

उक्त के माध्यम से संज्ञान में लाया गया है कि एजेण्ड बिन्दु 5 के संदर्भ में श्री राहुल सिंह, विशेष सचिव, आई0टी0 एवं इलेक्ट्रानिक्स विभाग उ0प्र0 शासन द्वारा अवगत कराया गया था कि **"सूचना प्रौद्योगिकी एवं सूचना प्रौद्योगिकी जनित सेवा को 'उद्योग' का दर्जा दिये जाने का प्रकरण वर्तमान में विभाग में प्रचलित है।"**

इस प्रकार एजेण्ड बिन्दु के 5 में उल्लिखित *"श्री राहुल सिंह, विशेष सचिव, आई0टी0, उ0प्र0 शासन द्वारा यह मत व्यक्त किया गया कि मैसर्स एन0पी0सी0एल0 के प्रस्ताव के परिप्रेक्ष्य में डाटा सेन्टर को एच0वी0–2 में शामिल किये जाने हेतु प्रकरण पर माननीय मंत्रिपरिषद का निर्णय प्राप्त करने के लिए सम्बन्धित विभागों से मंत्रणा की जा रही है। विचारण के उपरान्त माननीय मंत्रिपरिषद का निर्णय प्राप्त होने पर ही इस बिन्दु पर आगे कुछ टिप्पणी की जा सकेगी।"* के स्थान पर **"सूचना प्रौद्योगिकी एवं सूचना प्रौद्योगिकी जनित सेवा को 'उद्योग' का दर्जा दिये जाने का प्रकरण वर्तमान में विभाग में प्रचलित है।"** पढ़ा जाये।

कार्यवृत्त में संशोधन के साथ–साथ यह भी अपेक्षा की गयी है कि जब तक सूचना प्रौद्योगिकी एवं सूचना प्रौद्योगिकी जनित सेवा को 'उद्योग' का दर्जा दिये जाने का प्रकरण प्रचलित है, तब तक उक्त कार्यवृत्त के एजेण्डा बिन्दु 5 स्थगित रखा जाये।

भवदीय

13.6 ANNEXURE – VI

List of Persons who have attended the Public Hearing

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
1-	Rama shanker Awasthi		
2.	Naresh Nautial -	former MP Candidate.	Whole Public.
3	Vinay Kr Gupta	Retd. Deputy Chief Engr.	Whole Public.
4.	अवधेश कुमार वर्मा - चेयरमैन उपभोक्ता		
5-	Divya	Student	—
6	Riya	Student	—
7	Harish	—	—
8.	Prabhat Mishra	service	—
9.	Mahak	RSA Trainer	—
10	Shivam.	Service	
11	Rakesh Bansal	IIA Gr. Noida	Indian Ind. Association.
12	Anil Kr Lar	LUB	Vice President Kamal AEL
13	Dhanesh Kp	-	Dhanesh
14	Desraj		Jalpura
15	Ishan	Consumer	Salempur
16	मनोज	Consumer	—

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
17.	VIPIN		
18.	Rahul Singh	IIA	
19.	Manoj Siradhar	IIA	
20.	Brig K Batra	Franchisee/ Consumer	
21.	Nagendra Singh	Consumer	
22.	Pramod Bume	Individual	
23.	Hemanta mKum	ACE City AoA	
24.	Mukesh Kr Sharma	Consumer	RAPS PHCB Gen Secretary
25.	Sukh Ram Varshney	consumer	
26.	Pavan	Owner	de county
27.	Sandeep Yadav		
28.	Rajeev	Consumer	self
29.	Om Prakash		Self
30.	A.D. Pandey	Consumer	Self
31.	Tulparashrama	consumer	self
32	Anjali	Student	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
33	Shubham Jain	Consumer	Self
34	Vivek	Consumer	Self
35	Ritesh	Consumer	Self
36	Vivek Kumar	Consumer	Self
37	[illegible]	— —	— — —
38	Munesh	Consumer	R.W.A Ansal Ltd
39	[illegible]	[illegible]	Self
40	Shweta	Consumer	Self
41	JP Saul	Con	Self
42	Amit up	IEA	
43	Dhruv	Cons	Self
44	Teekam Sharma	Consum	Self
45	Krishnat	Cont	Self
46	Dipanshi	Cons.	Self
47	Deepak	RWA Site-C	Self
48	Rahul	RWA Site C	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
49.	Darshan Sharma	Self	Self
50.	MANOJ KUMAR	Consum	Self
51.	अतुल शर्मा	उपभोक्ता।	—
52.	Rinkesh Chaudhary	Consumer	Self
53.	Anurag Gupta	Consumer	Self
54.	Arvind Kum	Con	Self
55.	Sagar	Consumer	Self
56.	Vinod Bajaj	Consumer	Self
57.	Ravinder Kr.	Consumer	Self
58.	Vijay Paradhan	Consumer	Self
59.	Amit Goel	Consumer	Self
60.	Aleem	Consumer	Self
61.	T.S Rana	ISA	
62.	Meenakshi Sinha	City Feature Editor	TOI
63.	Arun	Consumer	Self
64.	Sarfaraj	Consumer	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
65	[illegible]	[illegible]	[illegible]
66.	[illegible]	[illegible]	[illegible]
67.	[illegible]		"
68.	Dhruv Gupta	Consumer	Self
69.	Ananya Dw	Consumer	Self
70.	Fahim	Consumer	Self
71.	Ashok Bhati	President AIKS	Kisan GOBON
72.	KULDEEP	CONSUMER	Self
73.	AJAY KUMAR	ACCOUNT [illegible]	Self
74	Shriyansh	Consumer also U-PPCL	Self
75.	Sandeep	MP DISCOM	Self
76.	R. Magesh	Consumer Sr. Mgr.	Self
77.	Jagbir Singh	Consumer	[illegible] Makora
78.	Ajab Singh Netaji	Consumer	Jumpal
79.	नरेश नागर	[illegible]	Self
80.	उदयभान [illegible]	[illegible]	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
81.	[illegible]	उपभोक्ता	[illegible]
82	Bhoo Ram Kamal	"	Ghori
83.	[illegible]	x	[illegible]
84.	[illegible]	x	[illegible]
85.	[illegible]		[illegible]
86	Jitendra	mistri	[illegible]
87.	Shishant	x	Thakkheda
88.	Parmal		[illegible]
89.	Rajpati	v	Haibatipur
90.	[illegible]		Salempur
91.	[illegible]	उपभोक्ता	[illegible]
92.	[illegible]	[illegible]	[illegible]
93.	Mohit	उपभोक्ता	[illegible]
94.	Ravi Sharma		
95.	Vijay	उपभोक्ता	[illegible]
96	RAJU	Consumer	GHARBAR

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
1.	P.M. Prabhakar	SE	UPPCL
2.	R.K. SIROHI	EO	IIA 98
3	Soniya	NA	
4	SONAM	NA	
5.	Sachin	NA	
6.	Manoj	N/A	
7.	Sakshi		
8.	Kajal		
9.	Harendra		
10.	LakKI		
11.	Sourav		
12.	NiKKi		
13.	Khushi		
14.	ARCHNA		
15.	Anushka		
16	Anoop	Engg.	AEC

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
17	Pawan Kumar	—	Self.
18	Dr. S. P. Sharma		Self
19	Saurabh Kumar	ACC CITY AOA (सचिव)	Self
20	Udaibir Singh	—	
21	Abhishek	—	Self
22	Rinku [illegible]	—	Self
23	Bharti	—	Self
24	Pranay	Deputy [illegible]	
25	P.P. Sharma	Director	Self
26	P.K. Tiwari	President	AIM
27	Pooja	N'student	—
28	Amita	Executive	Self.
29	Lokesh	Customer	Self
30	Sohan Lal [illegible]	Customer	Self
31	Prasenjit Das	Stella M1	Self
32	Devender.	Consumer	Self.

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
33	Karhish sharma		
34	Ashok kumar		
35.	Ankit		
36	[illegible]		
37.	VVR Builder		
38.	[illegible]		[illegible]
39.	Rishabh	Consumer	Self
40.	[illegible]	Consumer	Self
41.	Rahul	Consumer	"
42.	Pawan	consumer	Self
43.	[illegible]		
44.	vinapal	Consumer	Self
45.	Kuldeep	GITT	GITT
46	[illegible]		[illegible]
47.	Sonia Sharma	Consumer	Self
48.	[illegible]		Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
49	Kapil [illegible]	Consumer	Self
50	Fulen [illegible]	Consume	self
51	Navin Gupta	Consumer	Self
52	Sandeep dixit	Consumer	Self
53	[illegible]	[illegible]	Self
54	[illegible]	Con	Self
55	[illegible] Nagar	[illegible]	Self
56	[illegible]	Consumer	Self
57	Narendra	Consumer	self
58	Purnima	consumer	Self
59	Shivani Kapoor	Owner	Self
60	S S Raj	Consumer	Self
61	RAJAN CHALOTRA	Consumer	Self
62	[illegible]	Consumer	Self
63	Vinod [illegible]	Owner	Self
64	[illegible]	Consumer	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
65	Manoj Kumar	IIA	Greater Noida
66	Bhagat Singh		
67	Anshul	Kisan Union	Union
68	[illegible]	[illegible]	[illegible]
69	Vikas Kr	Rampur	Gr. Noida
70	Nishad Ramp	[illegible]	
71	Karan Singh	Saini	
72	Pardeep Sh.	Prop.	Shree Jagdamba Plastic
73	Jugendra	Com	Self
74	[illegible]	[illegible]	
75	[illegible]	[illegible]	[illegible]
76	[illegible]	Consumer	Self
77	[illegible]	"	"
78	[illegible]	किसान	[illegible]
79	Manish Nagar	किसान	किसान
80	Dr. Vikas Pradhan	Kisan Majdur Manch President	

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
	AKHLASH	KULSRA	[illegible]
	Sundar	Cana	Ranija
	HARPREET	Cusm	KASANMN.
	Pardeep	Consume	Sear Bhand
	Pramod Bhati	Consumer	Syraj Pur

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
97.	[illegible] 2000027 377		NHPC P-H
98.	[illegible]		[illegible]
99.	ASHOK singh	Consumer.	[illegible]
100	Dharmveer	Consum	Kulesra
101	Krishan Kr.	NPPC Soc	Mulesh Radha city
102.	Ramphal	came	Kulesra
103.	Imran	Greno city	

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
1	[illegible]	[illegible]	[illegible]
2	Himanshu	Noida	
3	Kishan Nagar	General Secretary	K.M.S.M
4	[illegible]	Sahibabad	KMC
5	VIKRAM	[illegible]	
6	[illegible]	Consumer	Self
7	U.K. Sharma	Consumer	Self
8	K.D. Sah	Secy NHPL ESAS Society	Self
9	Ravindra	Consumer	Self
10	[illegible]	[illegible]	
11	Sachin Kumar	IT Director	Self

S.NO.	NAME	DESIGNATION	APPEARING ON BEHALF OF
81	Pramod Sharma	Commercial	Suki Creations Pvt Ltd.
82	Nitin	Consumer	Self
83	[illegible]	SAK.D.V.R	Self
84	BC Pathak	Consumer	Self
85	Ankur	Consumer	Self
86	CP Gupta	[illegible]	[illegible]
87	Anil Kumar	Kulesra	Self
88	R.P.Kaushik	Gr.Noida	Self