UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 1837 / 2022, 1835 / 2022, 1833 / 2022, 1834 /2022 and 1836 / 2022

TRUING UP OF TARIFF FOR FY 2020-21, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2021-22

AND

APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2022-23

FOR

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1837 / 2022)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1835 / 2022)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1833 / 2022)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1834 /2022)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1836 / 2022)

ORDER UNDER SECTIONS 62 & 64 OF-

THE ELECTRICITY ACT, 2003

20 जुलाई, 2022

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Before

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 1837 / 2022, 1835 / 2022, 1833 / 2022, 1834 /2022 and 1836 / 2022

IN THE MATTER OF:

TRUING UP OF TARIFF FOR FY 2020-21, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2021-22 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2022-23

And

IN THE MATTER OF:

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL) - (Petition No. 1837 / 2022)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL) - (Petition No. 1835 / 2022)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL) - (Petition No. 1833 / 2022)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL) - (Petition No. 1834 /2022)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO) - (Petition No. 1836 / 2022)

ORDER

The Commission having deliberated upon the above Petitions and the subsequent filings by the Petitioners, thereafter being admitted on April 21, 2022 and having considered the views / comments / suggestions / objections / representations received from the stakeholders during the course of the above proceedings and also in the public hearings held, in exercise of powers vested under Sections 61, 62, 64 and 86 of the Electricity Act, 2003 (hereinafter referred to as 'the Act'), hereby passes this Order.

The State owned Discoms / Petitioners, 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 Tariff so published shall be in force after seven days from the date of such publication of the Tariffs 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. BACKGROUND AND BREIF HISTORY

1.1. BACKGROUND

1.1.1. The Uttar Pradesh Electricity Regulatory Commission (UPERC) was formed under U.P. Electricity Reforms Act, 1999 by Government of Uttar Pradesh (GoUP) in one of the first steps of reforms and restructuring process of the power sector in the State. Thereafter, in pursuance of the reforms and restructuring process, the erstwhile Uttar Pradesh State Electricity Board (UPSEB) was unbundled into the following three separate entities through the first reforms Transfer Scheme dated January 14, 2000:

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

1.1.2. Through another Transfer Scheme dated January 15, 2000, assets, liabilities and personnel of Kanpur Electricity Supply Authority (KESA) under UPSEB were transferred to Kanpur Electricity Supply Company Limited (KESCO), a company registered under the Companies Act, 1956.

1.1.3. After the enactment of the Electricity Act, 2003 (EA 2003) the need was felt for further unbundling of UPPCL (responsible for both Transmission and Distribution functions) along functional lines. Therefore, the following four new Distribution companies (hereinafter collectively referred to as 'Discoms' / 'Distribution Licensees') were created vide Uttar Pradesh Transfer of Distribution Undertaking Scheme, 2003 dated August 12, 2003, to undertake distribution and supply of electricity in the areas under their respective zones specified in the scheme:

- Dakshinanchal Vidyut Vitran Nigam Limited (Agra Discom or DVVNL)
- Madhyanchal Vidyut Vitran Nigam Limited (Lucknow Discom or MVVNL)
- Paschimanchal Vidyut Vitran Nigam Limited (Meerut Discom or PVVNL)
- Purvanchal Vidyut Vitran Nigam Limited (Varanasi Discom or PuVVNL)

1.1.4. Under this scheme, the role of UPPCL was specified as "Bulk Supply Licensee" as per the licence granted by the Commission and as "State Transmission

Utility" under sub-section (1) of Section 27-B of the Indian Electricity Act, 1910.

1.1.5. Subsequently, the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), a Transmission Company (Transco), was incorporated under the Companies Act, 1956 by an amendment in the 'Object and Name' clause of the Uttar Pradesh Vidyut Vyapar Nigam Limited. The Transco is entrusted with the business of transmission of electrical energy to various utilities and open access consumers within the State of Uttar Pradesh. This function was earlier vested with UPPCL. Further, Government of Uttar Pradesh (GoUP), in exercise of power under the Section 30 of the EA 2003, vide notification No. 122/U.N.N.P/24-07 dated July 18, 2007, notified Uttar Pradesh Power Transmission Corporation Limited as the "State Transmission Utility" of Uttar Pradesh. Subsequently, on December 23, 2010, the Government of Uttar Pradesh notified the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets, Liabilities and Related Proceedings) Scheme, 2010, which provided for the transfer of assets and liabilities from UPPCL to UPPTCL with effect from April 01, 2007.

1.1.6. Thereafter, on January 21, 2010, as the successor Distribution companies of UPPCL (a deemed Licensee), the Distribution Companies, which were created through the notification of the UP-Power Sector Reforms (Transfer of Distribution Undertakings) Scheme, 2003 were issued fresh Distribution Licenses, which replaced the UP-Power Corporation Ltd (UPPCL) Distribution, Retail & Bulk Supply License, 2000.

1.2. DISTRIBUTION TARIFF REGULATIONS

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

2. PROCEDURAL HISTORY

2.1. BUSINESS PLAN, MULTI YEAR ARR & TARIFF AND TRUE UP PETITION BY THE LICENSEES

2.1.1. The Commission, vide its Tariff Order dated November 30, 2017, approved the Business Plan for MYT Control Period (FY 2017-18, FY 2018-19 and FY 2019-

20) for State Discoms along with the ARR / Tariff for FY 2017-18. In the said Order, the Commission also approved the True Up for FY 2014-15.

2.2. SUO-MOTO PROCEEDINGS ON ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2017-18, AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19 AND PETITION FOR TRUE UP OF ARR FOR FY 2015-16 and FY 2016-17 FILED BY THE PETITIONERS

2.2.1. The Commission, vide its Order dated January 22, 2019, approved the ARR / Tariff for FY 2018-19 for State Discoms and the Annual Performance Review (APR) for FY 2016-17 and FY 2017-18. In the said Order, the Commission also approved the true up for FY 2015-16.

2.3. BUSINESS PLAN for FY 2020-21 to FY 2024-25, TRUING UP FY 2018-19, ANNUAL PERFORMANCE REVIEW (APR) of FY 2019-20 AND DETERMINATION OF TARIFF FOR FY 2020-21

2.3.1. The Commission, vide its Order dated October 27, 2020, the Commission approved the Business Plan for FY 2020-21 to FY 2024-. In the Order dated November 11, 2020, approved the ARR / Tariff for FY 2020-21 for State Discoms and the Annual Performance Review (APR) for FY 2019-20 and true up for FY 2018-19.

2.4. DETERMINATION OF TARIFF FOR FY 2021-22, ANNUAL PERFORMANCE REVIEW (APR) of FY 2020-21 AND TRUING UP FY 2019-20

2.4.1. The Commission, vide its Order dated July 29, 2021, approved the ARR / Tariff for FY 2021-22 for State Discoms and the Annual Performance Review (APR) for FY 2020-21 and True Up for FY 2019-20.

2.5. DETERMINATION OF TARIFF FOR FY 2022-23, ANNUAL PERFORMANCE REVIEW (APR) of FY 2021-22 AND TRUING UP FY 2020-21

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

2.5.2. The Regulation 4 of MYT Regulations, 2019 stipulates the detailed principles, procedures and timelines for determination of tariff. The relevant extract of the same is reproduced below:

Quote

4. Petitions to be filed in the Control Period

4.1 The Petitions to be filed in the Control Period under these Regulations will comprise of the following:

Filing date	True- Up	APR	ARR / Tariff
15.10.2019	***Business Plan for FY 2020-21 to FY 2024-25***		
30.11.2019	FY 2018-19 (as per MYT Regulations, 2014) *	FY 2019-20 (as per MYT Regulations, 2014) *	FY 2020-21
30.11.2020	FY 2019-20 (as per MYT Regulations, 2014) *	FY 2020-21	FY 2021-22
30.11.2021	FY 2020-21	FY 2021-22	FY 2022-23
30.11.2022	FY 2021-22	FY 2022-23	FY 2023-24
30.11.2023	FY 2022-23	FY 2023-24	FY 2024-25

** The filings shall be as per Multi-Year Distribution Tariff Regulations, 2014 and Multi-Year Transmission Tariff Regulations, 2014, however, filings have to be made on 30th November of the respective year as per these Regulations*

4.2 4.2 The Licensee shall submit the data regarding the above as per Guidelines and Formats prescribed and added / amended from time to time by the Commission.

Unquote

2.5.3. The Commission vide its letter dated October 06, 2021, directed the Petitioners to furnish information / data along with each ARR / Tariff filing. The information was related to - list of Open Access Consumers along with their consumptions, billing determinates, reconciliation of actual O&M expenses vis-à-vis the normative O&M expenses etc. Further, the Commission vide its letter dated November 02, 2021, directed the Petitioners to provide data in the approved additional formats along with the prescribed MYT formats.

2.5.4. In this context the Petitioners vide letter dated No. 503/RAU/ARR 2022-23 dated November 30, 2021, requested the Commission to provide additional time for filling for filling of True-Up / APR / ARR Petition on the ground of the following:

I. Requirement of time to comply the directives of the Commission given vide its letter dated November 02, 2021

II. FY 2021-22 has also been affected by COVID-19 pandemic, which has significantly affected the working of the Licensees.

2.5.5. The Commission vide letter dated December 09, 2021 had granted the time extension for filing of Petition.

2.5.6. The Petitioners thereafter submitted their Petitions in the matter of Determination of Tariff for FY 2022-23, Annual Performance Review (APR) for FY 2021-22 and Truing Up for FY 2020-21 for the State Discoms (DVVNL, MVVNL, PVVNL, PuVVNL and KESCO) before the Commission, after a delay of more than three months, on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	08.03.2022	1837
2	MVVNL	08.03.2022	1835
3	PVVNL	08.03.2022	1833
4	PuVVNL	08.03.2022	1834
5	KESCO	08.03.2022	1836

2.5.7. The Commission would like to caution the Petitioners that such delays in future in filing of True-Up, APR and ARR Petitions during this control period would be dealt strictly considering the directions contained under Hon'ble APTEL's Judgement dated November 11, 2011 in OP No. 1/2011 referred above.

2.6. PRELIMINARY SCRUTINY OF THE FILINGS

2.6.1. A preliminary analysis of the Petitions was conducted, wherein the Commission asked the Petitioners to reconcile power purchase cost claimed in the Petition vis-à-vis submitted in the Formats, re-submit details of GFA, detailed breakup of subsidy, detailed computation of revenue and Tariff Proposal along with various other deficiencies observed, which were communicated vide letters dated April 01, 2022. The Commission directed the State-owned Distribution Licensees to submit the CAG Audit Report for FY 2019-20 and FY 2020-21, category-wise, sub-category-wise, slab-wise Tariff Proposal at existing Tariff and at proposed category / sub-category / slab wise Tariff rationalisation for FY 2022-23 along with the Excel sheet, details of voltage-wise (132 kV, 33kV, 11kV & LT) distribution losses essentially required for computing CSS, compliance report on metering status of consumers, category & sub-category wise Billing determinants & Revenue for Torrent

Power Agra DF, Fixed Asset Registers (FAR), Asset-wise capitalisation and details of 132 kV and above assets (in Excel) for FY 2020-21. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. The Commission also directed the State-owned Distribution Licensees to provide detailed breakup of subsidy to be provided for each consumer category along with documentary evidence for the same. The State-owned Distribution Licensees submitted their response to the deficiencies in respect to True Up for FY 2020-21, APR for FY 2021-22 and ARR for FY 2022-23, on April 11, 2022.

2.6.2. From the submissions of the State-owned Distribution Licensees, it has been observed that the State-owned Distribution Licensees have not submitted the category-wise, sub-category-wise, slab-wise Tariff Proposal for FY 2022-23 along with the Excel sheet. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. Further, the State-owned Distribution Licensees have not submitted detailed breakup of subsidy to be provided for each consumer category along with documentary evidence.

2.6.3. The Commission further raised certain queries vide its email dated April 13, 2022 on issues such as Tariff Proposal, Reconciliation of Power Purchase Cost between the values in the Tariff Petition, Audited Accounts of the State Distribution Licensees and Audited Accounts of UPPCL, details of Inter-State Transmission Losses and Charges, details of power purchase from new stations like HARDUAGANJ EXT. Stage II, OBRA-C, Jawaharpur, etc., DBST Calculation for FY 2022-23, reconciliation of Open Access Charges as submitted in its response to the Commission's queries and the values as per the Audited Accounts for FY 2020-21, reconciliation of the Billing Determinants of Torrent- Distribution Franchisee, details of Grant for FY 2020-21, loan details for FY 2020-21 and reconciliation of Bad Debt of PUVVNL as it does not match with the Audited Accounts.

2.6.4. The Technical Validation Session (TVS) covering all the Petitions was conducted on April 18, 2022, at the office of the Commission, which was attended by the senior officials of the Commission and the State-owned Distribution Licensees and during TVS, the State-owned Distribution Licensees explained various issues raised in the deficiencies. Further, the Commission directed State-owned Distribution Licensees to submit the station-wise Inter-

State and Intra-State Transmission Charges and Losses for FY 2022-23 along with sample bills for FY 2020-21 and FY 2021-22, details of RRAS (Reserves Regulation Ancillary Services) claimed for FY 2020-21 along with a detailed note on the mechanism of RRAS, Compliance status of RPOs for FY 2020-21 to FY 2022-23, supporting documents of GoUP on the subsidy claim of Rs. 1,4500 Crore for FY 2022-23, monthly analysis of the huge gap (actual vs. approved) in power purchase cost and MUs in FY 2020-21 even after the provision of Incremental Cost, Approval of Capex for FY 2020-21 in compliance of Regulation No. 44.2 of UPERC MYT Regulations, 2019, justification for the claim of Rs. 3,353.87 Crore against Late Payment Surcharge (LPS) for FY 2020-21, Comptroller and Auditor General of India (CAG) Reports for FY 2019-20 & FY 2020-21 for Discoms and UPPCL, the proposal for Roadmap for reduction of Cross-subsidies as per the Tariff Policy, details of "Extra State Consumers", two separate FAR's depicting addition of Assets details from April 01, 2020 onwards for the purpose of depreciation computation for Regulatory Accounts, month-wise as well as fortnightly details of Power purchase for FY 2022-23, details of monthly short term power sales/purchase and monthly power purchase from bilateral contracts, details of any OTS scheme implemented along with the details of consumer Category-wise/ Subcategory-wise surcharge waived-off, rebate in revenue and revenue collected, Interest on Consumer Security Deposit actually disbursed to the consumers for FY 2020-21, details of penalties and compensation paid by the licensee for failure to meet standards of performance per the Regulations 41.1 of the UPERC SOP Regulations, 2019 for FY 2020-23, the maximum Peak Demand (Restricted and Unrestricted), Peak Availability Assessed, Shortfall in meeting Peak Demand as per Form P7 of MYT Distribution Tariff Regulations, 2019 and other queries raised during the TVS. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

2.6.5. The Commission also reiterated that the Licensee has not submitted any Tariff Proposal, rate schedule & treatment of gap. Further, since the determination of ARR / Tariffs has already been delayed, the Commission admits the Petitions for further processing. The Commission directed the State-owned Distribution Licensees to submit the pending responses immediately and also directed them that they shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission, failing which the Commission

may proceed to dispose of the matter as it deems fit based on the information available with it.

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

2.7.1. The Commission, vide its Admittance Order dated April 21, 2022 (annexed as Annexure –V of this Tariff Order), directed the Petitioner to publish a Public Notice within three working days of issue of this Admittance Order, consisting of the summary and highlights of the proposed Aggregate Revenue Requirement and Tariff for FY 2022-23, Annual Performance Review for FY 2021-22 and True-Up for FY 2020-21 in at least two (2) English and two (2) Hindi daily newspapers having wide circulation in its licence area, inviting suggestions and objections within 15 days from the date of publication of the Public Notice(s) from the stakeholders and public at large. The Petitioner shall also upload on its website the Public Notice, Petitions 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.

2.7.2. 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, Bulk Supply Tariff, DBST, Average Cost of Supply, average retail Tariff realised from each category / sub-category of consumers, wheeling charges, transmission charges, open access related charges, subsidy by GoUP etc.

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

2.7.4. Further, the Commission raised several deficiencies subsequent to the issuance of admittance order to which replies have been received from the Petitioners which has also been taken into consideration.

2.8. PUBLICITY OF THE LICENSEES FILINGS

2.8.1. The Public Notice detailing the salient features of the Filings were published by the Licensees in daily newspapers as detailed below, inviting objections from the public at large and all stakeholders.

DISCOMS	ENGLISH NEWSPAPER	HINDI NEWSPAPER
DVVNL	Hindustan Times – New Delhi	Dainink Jagran –Kanpur
	Indian Express – Lucknow	Hindustan –Agra
MVVNL	Times of India- Lucknow, New Delhi	Dainik Jagaran
	Hindustan Times	Amar Ujala
	The Pioneer	
PVVNL	Times of India	Dainik Jagaran
	Hindustan Times	Hindustan
PuVVNL	Times of India	Dainink Jagran
	Hindustan Times	Amar Ujala
KESCO	Times of India	Dainik Jagran
	Hindustan Times	Amar Ujala

Source: As per data submitted by the Licensee

2.9. PUBLIC HEARING

2.9.1. As discussed above, the Petitions filed by the Petitioners were admitted on April 21, 2022. The Petitioners were directed to publish a Public Notice in at least two English and two Hindi daily newspapers having wide circulation in their licence areas to provide an opportunity to all sections of the population in the State to express their views and to also obtain feedback from them, virtual public hearings through Video Conference were held by the Commission. The Public notice for the hearing was published in various Hindi and English newspapers (to be annexed) on June 02, 2022 and was also uploaded on the Commission's website. The public hearings were conducted as per below details:

S. No	Date	Hearing in the matter of
1	21.06.2022	PVVNL, DVVNL, KESCo
2	22.06.2022	MVVNL, PuVVNL
3	24.06.2022	NPCL, UPPTCL

2.9.2. Consumer representatives, industry associations as well as several individual consumers participated actively in the public hearing process, as detailed in the Chapter 3 of this Tariff Order.

2.10. STATE ADVISORY COMMITTEE

2.10.1. The State Advisory Committee was also conducted on June 27, 2022 wherein the views and suggestions of the members of the SAC were sought. The same have also been taken into consideration while finalising and determining the Tariff.

2.10.2. Accordingly, the Commission taking into consideration the above and the objections/suggestions received from all the stakeholders, public at large within the stipulated time and the views of the State Advisory Committee, the Commission has finalized the Tariff Order for FY 2022-23.

3. PUBLIC HEARING PROCESS

3.1. PUBLIC HEARING

3.1.1. To provide an opportunity to all sections of the population in the State to express their views and to also obtain feedback from them, virtual public hearings through Video Conference were held by the Commission. The public hearings were conducted as per below details:

S. No	Date	Hearing in the matter of
1	June 21, 2022	PVVNL, DVVNL, KESCo
2	June 22, 2022	MVVNL, PuVVNL
3	June 24, 2022	NPCL, UPPTCL

3.1.2. The Commission in order to have participation and views / comments / suggestions / objections from the public at large and all stakeholders had uploaded the Notice (annexed as Annexure –VI of this Order) for Public hearing dated June 21, 2022, June 22, 2022 and June 24, 2022 on its website (www.uperc.org) and the same was also published in the following daily newspapers:

Newspaper	Date of Publication
Amar Ujala (Hindi) UP Edition	June 02, 2022
The Times of India (English) Lucknow Edition	June 02, 2022
Dainik Jagran (Hindi) UP Edition	June 02, 2022
Hindustan Times (English) Delhi Edition	June 02, 2022
Dainik Jagran (Hindi) Delhi Edition	June 02, 2022

3.1.3. Consumer representatives, industry associations as well as several individual consumers participated actively in the public hearing process.

3.1.4. The State Advisory Committee meeting was held on June 27, 2022 in which ARR and Tariff related issues were discussed and inputs were sought from the members of the Committee. The same have also been taken into consideration while finalising and determining the ARR and Tariff.

3.1.5. The views / suggestions / comments / objections / representations on the True-up / APR / ARR / Tariff submissions received from the public were forwarded to the petitioners for their comments / response.

3.1.6. Besides this, the Commission, while disposing the True-Up / APR / ARR / Tariff Petition filed by the State Discoms, 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.

3.1.7. The Commission has taken note of the views and suggestions submitted by the various stakeholders who provided useful feedback on various issues and the Commission appreciates their participation in the entire process.

3.2. VIEWS / COMMENTS / SUGGESTIONS / OBJECTIONS / REPRESENTATIONS 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, UPPTCL etc. in their submissions while discussing various matters. The objection / comments / suggestions received from the stakeholder after July 04, 2022 have not been taken into consideration.

3.2.2. The Commission has attempted to capture the summary of comments / suggestions / observations 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 relevant to these proceedings have been discussed. In case any comment / suggestion / observation is not specifically elaborated, it does not mean that the same has not been considered. The Commission has considered all the issues raised by the stakeholders and Licensees response on such issues while carrying out the detailed analysis / discussion of the True-Up for FY 2020-21, APR for FY 2021-22 and ARR / Tariff for FY 2022-23. 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:

3.3. TARIFF

A. Comments / Suggestions of the Public

3.3.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that there has been a significant increase in Tariff rates for domestic consumers in last 10 years.

Rates applicable fin FY 2012	Current Year Tariff rates	Growth % in 10 Years
Farmer Rs.75/BHP	Rs.170/BHP	126%

Rates applicable fin FY 2012	Current Year Tariff rates	Growth % in 10 Years
Rural Unmetered domestic-Rs.125 /inst.	Rs.500/kW	300%
Rural Metered Rs.1/unit	Rs.6/unit last slab	500%
Domestic urban maximum Rs.3.80/unit	Rs.7/unit last slab	84%
Domestic urban fixed charge Rs.65/Kw	Fixed charge Rs.110/kW	69%
Domestic Rural fixed charge Rs.15/Kw	Fixed Charge Rs.90/kW	500%

3.3.2. From the above table it can be seen that there has been a massive increase in tariff rates for domestic consumers. Therefore, the Commission is requested to reduce the tariff rates by 7% starting from FY 2022-23.

3.3.3. Shri Avadhesh Kumar Verma, Chairman, U.P Upbhokta Parishad submitted that the Commission has directed the Licensees to submit Tariff Proposal within 10 days after the submission of ARR Petition. From this, it can be concluded that the tariff rates will be increased in the State. He further submitted that there is no provision in MYT Regulations, that the tariff rate has to be increased when the Licensees are in surplus. It is submitted that the Licensees have a surplus of around Rs. 20,500 Crore. The Upbhokta Parishad has also filed a Petition before the Commission regarding the same, in which the Power Corporation hasn't submitted any response before the Commission. The Licensees have submitted a gap of Rs. 6,700 Crore in their ARR Petition, even if this is true then still the overall surplus will be around Rs. 13,800 and there is no law or provision according to which the tariff rates should be increased when the Licensees are in surplus.

3.3.4. He submitted that he Licensees have stated that since the tariff was not increased from last two years, then the rates should now be increased in unconstitutional as the tariff rates are decided on the basis of surplus or the gap amount computed for the Licensees and as the Licensees are already in surplus then the tariff rate should be decreased. Therefore, the Commission is requested to decrease the electricity rates within the State.

3.3.5. Shri Avadhesh Kumar Verma, Chairman, U.P Upbhokta Parishad submitted that the Licensees has a surplus amount of Rs. 20,596 Crore against which the Upbhokta Parishad had filed a Petition before the Commission and has raised the demand to decrease the tariff for the State consumers. The Commission has directed the Licensees to file its response regarding the same, which is still pending before the Commission. He further submitted that after the last date

of filing the ARR Petition, if the Licensees doesn't submit its Petition, the Commission should take suo-moto cognizance and proceeds further by taking the comments and the objections of the State consumers and by considering that the Licensees are already in surplus.

3.3.6. Shri Avadhesh Kumar Verma, Chairman, U.P Upbhokta Parishad and Shri Sanjay Verma, Secretary, Uttar Pradesh Congress Committee submitted that due to the shortage of the coal, the state generating power plant will be forced to import coal from outside the country, which will result in an increase of Rs. 1 per unit on the tariff rates. He submitted t\hat, additional import of coal will result in an additional burden of Rs. 2,900 Crore on the power sector and the tariff rates may get increase by Rs. 0.70 per unit for every consumer category. The Upbhokta Parishad has analyzed the data regarding coal consumption of coal generation plants, which is shown as below:

Period	Coal in Country	Consumption of Coal in Country	Coal based production
2018-19	643.7Million tonne	628.9 Million tonne	987.7 Billion unit
2019-20	638.7Million tonne	622.2Million tonne	961.2 Billion unit
2020-21	596.3Million tonne	615.4Million tonne	950.9 Billion unit
2021-22 From April to February	629.3Million tonne	631.5Million tonne	938.30 Billion unit

3.3.7. It is submitted that the Central Coal Minister had stated that production of coal has increased from 51.62 Million Tonne to 66.58 Million Tonne from April 2021 to April 2022. It is submitted that the Central Government should focus on the coal generating plants (17,600 MW) that are capable to run on domestic coal. It is submitted that a private company has bought a lot of coal mines in last three years and from this coal crises, it will get most of the benefit. Further, by procuring imported coal the electricity rates will increase by Rs. 1 on all the categories.

3.3.8. It is submitted that, till now State government has not provided any assurance or taken any decision regarding the additional cost of Rs. 11,000 Crore for procuring the imported coal.

3.3.9. It is submitted that, both the Coal Department and the Energy Department, have stated that there is no shortage of coal in the country and in the meantime, the Government of India, the Ministry of Finance, along with the high-level officials of all the country's energy corporations, conducted a meeting in Delhi on April 12 regarding coal shortage. After the meeting, an advisory was issued that in view of the shortage of coal, imported coal should

be procured. At present there are about 13 generating plants in private sector of about 18310 MW in the whole country. Most of the generating plants started shutting down their units due to costly coal and pressure was created to amend their PPAs because when they did not make arrangements in their PPA to sell electricity at higher rates, they will not be able to run their units by buying expensive imported coal. It is submitted that some generating plants have also have upgraded their plants.

3.3.10. They further submitted that the Central Government will have to keep track of the coal being imported in India, as it will cost between 1 lakh Crore to 2 lakh Crore. This is the reason why the consumer council is repeatedly demanding a CBI inquiry into the purchase of imported coal. Most of the coal being imported by India is produced by Indonesia, Australia, South Africa and the USA.

Year	Qty. Million tonne	Rate(In Crores)
2016-17	190.95	100231
2017-18	208.27	138477
2018-19	235.35	170920
2019-20	248.54	152732
2020-21	214.99	116037

3.3.11. It is submitted that the Chief Engineer of Gujrat State Load Dispatch Centre confirmed that most of the PPAs of generating plants has been updated and now these plants can again run on imported coal for 30% to 40% of their production capacity. Further, there are 13 production utility that are designed to run on imported coal bur are not running on full capacity. Therefore, the Central Government should procure imported coal to run these units on full capacity and should not procure the coal for those generating plants who runs on domestic coal.

3.3.12. It is submitted that, pressure is being made by the Ministry of Power, GoI to buy 10 % costly imported coal across the country, so far, in Uttar Pradesh, the government has refused to buy imported coal, but NTPC is continuously trying to buy imported coal. The Utility has issued a tender to Adani Group which has got 65 million tonnes of coal tender costing about Rs. 8,585 Crore. He further submitted that this will also affect the electricity rates in Uttar Pradesh because the State buys about 5000 MW thermal power from NTPC. It is submitted that there may be an increase in electricity rates up to Rs. 0.70 per unit and the people of Uttar Pradesh will have to bear the brunt of it. The

Commission has sought a report from all the generating plants regarding this issue, which needs to be examined thoroughly and the Commission is requested to take steps accordingly. The State Government is requested to reduce the tariff rates as there is a surplus of Rs. 22,045 Crore.

3.3.13. It is submitted that India has the 5th largest coal stock and also is in 3rd position when it comes to electricity production. Therefore, the sudden shortage in coal is not justified. He further submitted that Coal India Limited produces 77 million tonnes of coal domestically and the annual production of coal has increased by 45%. Even after all the data available regarding the peak demand of electricity, the official was not able to forecast the situation properly.

3.3.14. As per the government data, the electricity production rate is higher than the electricity demand rate in the country. The transmission capacity has also increased by 7% over the years. It is submitted that as per the government policy, the thermal generating plants are required to have 24-days coal stock, whereas in October month, the generating plant only had 3-days of coal stock. The State and Central government should provide the reason for the shortage of coal due to which massive power cuts happened.

Plant Load Factor India				
Year	PLF%	Area wise PLF (%)		
		Central	State	Private area
2009-10	78	86	71	84
2010-11	75	85	67	81
2011-12	73	82	68	70
2012-13	70	79	66	64
2013-14	66	76	59	62
2014-15	64	74	60	61
2015-16	62	73	55	60
2016-17	60	72	54	56
2017-18	61	72	57	55
2018-19	61	73	58	55
2019-20	56	64	50	55
2020-21	53	62	45	54
2021-22	58	69	50	55

3.3.15. Currently the generating plants operates between 60% to 65% of PLF factor. Whereas, if the PLF was increased upto 100% then power cuts could have been avoided. Further, an increase of 1% in PLF results in an increase of additional consumption of 1 Crore Ton of coal. He submitted that Coal India

Limited has failed to supply coal to the generating plants in time even after timely payments done by private generating plants.

3.3.16. It is also submitted that the peak demand in January to March was around 187 GW which had increased to 201 GW. Further, the sign for shortage of coal was visible from March itself.

कोयले की उत्पादन क्षमता में गिरावट						
	सितंबर			अप्रैल – सितंबर		
	2022-2021	2021-2020	2020-2019	2022-2021	2021-2020	2020-2019
कोल इंडिया लिमिटेड	41	31	31	250	236	241
सिंगरेनी कोलरीज़	4.5	3.3	4.2	30	18	31
कैप्टिव (Captives)	6.5	4.1	4.5	36	28	28
योग:-	52	39	39	316	283	299

स्रोत: कोयला मंत्रालय (गणना मिलियन टन में)

3.3.17. It is submitted that as per the above data it can be seen that, Coal India Limited couldn't even provide 10 Crore tonnes of coal to the generating stations. Further, the coal reserve has gown down to the lowest in last 7 years. The generating plants after purchasing the imported expensive coal will be unable to do the agreement with the State governments. The Licensees are now demanding an increase in tariff due to the high cost of electricity production. It is further submitted that the Coal India Limited has a surplus amount of Rs 35,000 Crore and should be persuaded to invest in new coal mines in the country.

3.3.18. It is further submitted that as per Uttar Pradesh Rajya Upbhokta Parishad, the Commission has computed a surplus amount of Rs. 1059 Crore for the Licensees for FY 2022-23. Therefore, the Commission is requested to pass on the benefit to the consumers and reduce the tariff rates in the State.

3.3.19. Shri Sanjay Verma, Secretary, Uttar Pradesh Congress Committee submitted that the Commission in FY 2021-22 hadn't increased the tariff rates in the State as per the direction of the Government. However, the benefit of the surplus amount of Rs. 19,537 Crore was not passed on to the consumers. It is submitted that the Commission has computed a surplus amount of Rs. 1,059

Crore for FY 2022-23. Therefore, the Licensees have a total surplus of Rs. 20,596 Crore, whose benefit should be passed on to the consumers and the electricity rates within the state should be reduced. It is submitted that the Licensees are utilizing this surplus amount for their own operations and are not providing any relief to the consumers of the State, which will have severe economic impact in the State. The Commission is requested to pass on the benefit of the surplus amount of Rs. 20,596 to the consumers and reduce the electricity rates for all the consumer's category.

3.3.20. Shri Sanjay V Kute, Delhi Metro Rail Corporation Limited (DMRC) submitted that the DMRC had executed agreements with Ghaziabad Development Authority (GDA) as well as with NOIDA on June 17, 2014 and April 04, 2006 respectively for extension of Metro in Ghaziabad and NOIDA. The Para 4.0 of the agreement with GDA and Para 3.0 of the agreement with NOIDA respectively stipulates as under: -

Quote

a) *Para 4.0 of the Agreement dated 17.06.2014 between DMRC & GDA*

"GDA shall provide electricity and water at no profit/no loss basis to DMRC".

b) *Para 3.0 of the Agreement dated 04.04.2006 between DMRC &NOIDA*

".... Noida shall arrange to provide electricity on cost price from any Transco Company *under open access system...."*

Unquote

3.3.21. He further submitted that as per agreements between DMRC & NOIDA, DMRC has invested huge amount in development of entire infrastructure for further step down of the voltage and distribution of the electricity. Therefore, there is no change in condition, consumption, PF, Load factor, voltage levels or any other factor. The above facts and circumstances squarely fall within the ambit of Section 62 (3) of the Electricity Act, 2003 which is as under:

Quote

SEC 62 (3): DETERMINATION OF TARIFF

(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's 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.

Unquote

3.3.22. Shri Sanjay V Kute, General Manager, DMRC submitted that the Section 61 of the Electricity Act 2003 (Part VII) stipulates as under:

Quote

The appropriate commission shall subject to the provision of this act, specify the terms and conditions for the determination of tariff and in doing so, shall be guided by the following, namely:

(d) Safe guarding of consumers interest and at the same time recovery of cost of Electricity in a reasonable manner;

(e) The principles rewarding efficiency in performance;

(g) That the tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidy within the period to be specified by the appropriate commission.

Unquote

3.3.23. He further submitted that since DMRC system is uniquely designed to fulfil the requirements of the Electricity Act, 2003, and hence it becomes entitled to be treated as a separate category for fixing of tariff. Keeping in view of agreements with Ghaziabad Development Authority (GDA) as well as with NOIDA to provide electricity at no profit/no loss and on cost price respectively and the provisions of Section 61 of the Indian Electricity Act, 2003, the

Commission is requested to treat DMRC as a separate category with fixation of tariff on cost price from Transco.

3.3.24. Shri Sanjay V Kute, General Manager, DMRC submitted that in order to provide commuters of Delhi & NCR an environment friendly and comfortable facility, Delhi metro is expanding its operation in UP and providing world class facility at very low price. In order to make the operation of Metro sustainable in UP, the Tariff in UP may be fixed accordingly. However, tariff of DMRC in UP is being hiked in last years, which is also evident from below table and it is highest as compared to Delhi and Haryana for DMRC. The details of per unit rate for DMRC in Delhi, Haryana and UP are as under:

State	Delhi	Haryana	UP
Per Unit Rate of DMRC (Rs./KVAh)	6.25	6.45	7.30

3.3.25. Therefore, in light of facts mentioned above and in view of agreement between DMRC and GDA as well as between DMRC and NOIDA, DMRC's tariff needs to be fixed keeping in view the power purchase cost at DISCOM periphery, and also taking into account the public utility objective which is sought to be achieved by DMRC, in the Public Transport Sector.

3.3.26. Shri Sanjay V Kute, General Manager, DMRC submitted that as DMRC is a public utility service provider, therefore the Commission is requested to exempt the DMRC from payment of the Fixed contract demand charges and minimum consumption guarantee charges and to allow billing on the basis of actual demand & consumption.

3.3.27. Shri Jai Hemrajani, Chairman, Indian Industries Association, submitted that, those industries which are not able to sustain the demand load (as per contract) for continuous period of three months may be allowed to reduce the contract demand till conditions improve. This is indicated clearly on monthly Electricity bills as actual demand.

3.3.28. Shri Mrinal Anand submitted that PVVNL has the highest DBST rate, however, the reason for such a high rate is not mentioned, he requested the Licensee to provide the proper justification for the same and steps taken to reduce it.

3.3.29. Shri Mahendra Kumar, Director, National Capital Region Transport Corporation (NCRTC) submitted that Regional Rapid Transport System (RRTS) project in one of the strategic interventions of Government to empower citizen through rail based high speed, high-frequency regional commuter

transit system. He submitted that NCRTC is a joint venture Government company of Government of India (50%) and the State Government of UP, Haryana, Rajasthan and National Capital Territory of Delhi (12.5% each) mandated for the development of the RRTS.

3.3.30. Shri Mahendra Kumar, Director, NCRTC submitted that the cost of electricity is the major component of their O&M cost. He further submitted that RRTS has been receiving power supply at 220 kV at 4 sub-station of Uttar Pradesh and all the distribution losses are borne by the NCRTC. Therefore, the Commission is requested to place the NCRTC in special category consumers with tariff excluding subsidy and cross subsidy elements.

3.3.31. Shri Parmatma Sharan Sharma submitted that the Licensees have purchased the power of Rs. 20,411 Crore from Central and state generating plants during the first 5 month of FY 2021-22. The revenue collected by the Licensee was around Rs. 21,246 Crore and there was a loss of Rs 9,148 Crore to the Power Corporation. He further stated that, due to this, there may be an increase in Tariff for the state consumers.

3.3.32. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P requested the Commission to decrease the tariff rates for the Industrial consumers as the they were severely affected by the lockdown and may get affected by Covid-19 third wave. Further, if the tariff rates can't be decreased then the Commission is requested not to change the existing rates for the Industrial consumers.

3.3.33. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted the one Country one tariff should be implemented which will be able to revive the industrial sector.

3.3.34. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the fixed charge should be removed and the consumer should be given the option to vary their load.

3.3.35. Shri Shafiullah submitted that the fixed charges should not be considered and the same should be calculated for the days for which the billing is done, converting the days in month by multiplying the days by 12/365 (12/366 for leap year) and not by taking the billing period as a whole month irrespective of the actual billing durations which often varies between 10 to 50 days. Since the billing rates are not at regular interval of month, the fixed charges get

duplicated and the revenue officials have scope to twist the consumers for making corrections.

3.3.36. Shri Atul Kumar Garg, UP Metro Rail Corporation Limited submitted that the cost of electricity is the most significant part Operational & Maintenance (O&M) cost for metro, constituting about 35%. The tariff for this Corridor should be at effective rate of purchase price (at 220/132 kV voltage level) plus nominal administrative charges i.e. on a no profit no loss basis and Government of Uttar Pradesh take necessary steps to fix power tariff for Lucknow Metro at "No Profit No Loss" basis".

3.3.37. Shri Atul Kumar Garg, UP Metro Rail Corporation Limited further submitted that the infrastructure for getting the supply at HV level and the distribution within metro station, is developed by Lucknow Metro itself. It was submitted that the Lucknow metro has consumed 32.6 million units in 2021-22 which is only 0.03% of units sold by the Licensees. Similarly, the electricity bill for Lucknow metro in FY 2021-22 was Rs 28.87 Crore which was only 0.05% of Licensee's ARR for FY 2021-22 thus, there is an insignificant impact of any tariff rate optimisation of Lucknow Metro on Licensee whereas, this have a huge impact on Lucknow metro due to electricity cost being 35% of its O&M Cost.

3.3.38. The average power purchase cost (APPC) approved by the Commission including periphery losses, transmission losses, inter and intra transmission charges, with renewable sources etc., was Rs 5.40 per unit in FY 2021-22. Therefore, the Petitioner has requested the Commission that unit rate for the tariff for Lucknow Metro should be fixed at Rs. 5.40 per unit for FY 2022-23.

3.3.39. Shri Kaushal Kishore Mishra, Gramin Vidyut Upbhokta Kalyan Parishad submitted that the Licensees will always be in loss unless meters are installed in the department employee's houses. The Licensees haven't even started the work of installing the meters in the departmental employee's houses, which is pending from July, 2021. The Licensees have requested the Commission to extend the time limit to March 2023. The Commission is requested to direct the Licensees to finish the installation work till December 31, 2022.

3.3.40. The M/s Rimjhim Ispat submitted that Uttar Pradesh Solar Energy Policy 2017 provides for concessional tariff for industries in Bundelkhand, to promote generation of Solar Energy, excerpt from UP Solar Energy Policy 2017 is produced below:

"Concession in Electricity Tariff on setting up Industry in Bundelkhand Region. Keeping in view the suitability of Bundelkhand region of the State for

generation of power from Solar, it is expected that majority of the projects will be set up in this region. With the objective to reduce the transmission cost on transmission of generated Solar Power to other parts of the State such that the generated solar power is consumed in Bundelkhand region itself and for generation of employment in this region, industries that will be set up in this Bundelkhand region will be supplied with conventional power on concessional tariff,"

3.3.41. Therefore, the Commission is requested to consider and implement the concessional tariff for Bundelkhand, in spirit of Uttar Pradesh Solar Energy Policy 2017.

B. Licensees response

3.3.42. Regarding increase in Tariff for domestic consumers in last 10 years, it is submitted that, it's a matter of record.

3.3.43. With regard to increase in tariff due to imported coal, the Licensees submitted that the matter of imported coal is not directly related to the current proceeding of ARR for FY 2022-23. UPPCL procure power based on their tied up capacity and additional requirement through various short term modes. Discoms are not procuring any coal therefore, no comment to offer on the matter raised by the stakeholder in this regards.

3.3.44. The Licensees submitted that the matter of Coal import is not directly related to the ARR of FY 2022-23.

3.3.45. Regarding the surplus amount of Rs. 20,596, the Licensees submitted that the stakeholders may be referring Hon'ble UPERC tariff order dated August 03, 2019 vide which Hon'ble UPERC had adjusted UDAY grant against the regulatory assets approved by the Commission in the previous tariff orders and accordingly determined a revenue surplus of Rs. 13,337.17 Crore till FY 2017-18. The Licensees have filed an appeal against this methodology in Hon'ble APTEL. Further, in the previous tariff proceeding (FY2021-22), it has already been submitted that GoUP vide letter dated 05.03.2021 has adjusted the grant provided under UDAY with the additional subsidy approved by the Hon'ble Commission vide its various orders, accordingly licensees had submitted the calculation of regulatory assets on the basis of methodology adopted by Commission in its Order dated August 03, 2019 and had submitted the following regulatory assets for approval:

Description	Consolidated
True Up of 2000-01 to 2007-08 and its Regulatory Assets / (Surplus) as on 31.03.16	3190.38
True Up of 2008-09 to 2011-12 and its Regulatory Assets / (Surplus) as on 31.03.16	16359.99
True Up of 2012-13 and its Regulatory Assets / (Surplus) as on 31.03.16	9097.63
True Up of 2013-14 and its Regulatory Assets / (Surplus) as on 31.03.16	6452.82
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1394.36)
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	(2379.84)
Total Regulatory Assets till Trued-UP FY 2015-16	**31,326.62**
50% of DISCOM debt taken over as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,326.62**
Carrying Cost @ 12.50% for FY 2016-17	3915.82
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	(3860.36)
Total Regulatory Assets Trued-Up till FY 2016-17	**31,382.08**
25% of Discom Debt Takenover as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,382.08**
Carrying Cost @ 13.75% for FY 2017-18	4315.04
Regulatory Assets/(Surplus) in True Up with carrying cost for FY 2017-18	(991.72)
carrying cost @ 13.75% for FY 2017-18	(68.18)
Total Net RA / (Surplus) till trued up for FY 2017-18	**34,637.22**
Carrying cost @ 14.05% for FY 2018-19	4866.53
Net Revenue gap / (surplus) after True up of FY 2018-19	62.65
Carrying cost @ 14.05% for FY 2018-19	4.40
Total Net RA / (Surplus) trued up till FY 2018-19	**39,570.80**
Carrying cost @ 13.80% for FY 2019-20	5460.76
Total Net RA / (Surplus) trued up till FY 2019-20	**45,031.55**
Carrying cost @ 10.65% for FY 2020-21	4795.86
Total Net RA / (Surplus) trued up till FY 2020-21	**49,827.41**

3.3.46. It is clear from above that no surplus is available as has been stated by stakeholders. The net regulatory assets as computed above is till FY 2020-21. The same shall be further updated based on the decision of Hon'ble APTEL in the matter. It is submitted that above calculation is based on the methodology adopted by Commission. Therefore, Commission is requested to approve above regulatory asset

3.3.47. With regards to revenue gap, the Licensees submitted that due to the strict regulatory framework Discoms are not able to recover the actual cost incurred for supply of Power. The Commission has restricted the O&M, sharing of gains and loss etc in the MYT Regulations 2019. Thus, Discoms are facing challenges to recover the actual cost against the supply. Further, due to the addition of

substantial number of domestic consumers under Saubhagya and other schemes, the line losses of Discoms has been adversely affected. The Commission is requested to consider Licensees submission in ARR for revision of distribution loss trajectory as submitted to ministry of Power under RDSS scheme.

3.3.48. With regards to NCRTC as a special category consumer, the Licensees submitted that the Commission while determining the tariff as per Section 62 of Electricity Act 2003 considers various factors such as consumer's 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.

3.3.49. Regarding demand load from Industries, the Licensees submitted that Matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity supply code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Commission.

3.3.50. With regards to one tariff, the Licensees submitted that the tariff is determined under section 62 of the Electricity Act 2003 by various State Commissions and the Commissions has been empowered to determine the tariff for the State. Moreover, it is pertinent to mention here that every State has different Power procurement portfolio, Consumers mixed along with topographical conditions, socio economic conditions etc. and the Commission determine the tariff considering all the factors. Thus, the determination of tariff is the prerogative of respective SERC under section 94 and 95 of Electricity Act.

3.3.51. With regards to the relaxation due to lockdown and Covid third wave, the Licensees submitted that the tariff is determined under section 62 of the Electricity Act 2003 by various State Commissions and the Commissions has been empowered to determine the tariff for the State. Moreover, it is pertinent to mention here that every State has different Power procurement portfolio, Consumers mixed along with topographical conditions, socio economic conditions etc. and the Commission determine the tariff considering all the factors. Thus, the determination of tariff is the prerogative of respective SERC under section 94 and 95 of Electricity Act.

3.3.52. The Licensees further submitted that the cost of service depends on the voltage level. Transmission and Distribution losses increases while stepping down the voltage level from 132kV to 440V, therefore the cost of distribution is more for small connections. Moreover, these small connections consist up of low economic strata of consumers that are required to be cross subsidized by the Heavy Load Consumers in order to make the electricity affordable to them. Further, Section 62 (3) of Electricity Act 2003 the Commission is empowered to determine the tariff and can differentiate according to the consumer's 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.

3.3.53. Regarding higher DBST rate, the Licensee submitted that DBST is being computed as per the methodology approved by the Commission.

3.3.54. With regards to fixation of Tariff for DMRC, the Licensees submitted that the agreement between any two parties is the decision taken by those parties involved solely. Thus, the matter shall be treated separately as it does not pertain to the ARR for FY 2022-23.

3.3.55. Regarding reduction of tariff for Lucknow metro, it is submitted that under section 62 (3) of Electricity Act 2003 the Commission is empowered to determine the tariff and can differentiate according to the consumer's 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. Relevant extract is reproduced as under: -

"(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's 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."

3.3.56. In view of above, it is submitted that the Commission should not allow undue benefit to be passed on to the consumers. Further, it is requested that

whatever benefit in terms of electricity is required by the stakeholder, the same may be compensated directly by the State Government.

3.3.57. With reference to metering of departmental employee is concerned, it is submitted that the licensee has already sought additional time till Mar-23 for metering all the departmental employees' connections.

3.3.58. The Licensees submitted that the Tariff Petition is prepared and submitted before the Commission as per the MYT regulations 2019. As per the tariff structure, the Commission has not approved any specific tariff for Bundelkhand region.

3.3.59. He further submitted that new entrepreneurs may be allowed 3-4 months to stabilise, the contract for 2 years to be executed only, therefore, so that the fixed / demand charges paid by them are realistic.

3.3.60. The Licensees submitted that the Distribution licensee incurs fixed cost while laying Distribution infrastructure such as Power transformers, lines, poles etc. Ideally the recovery of fixed charges would be the same against the fixed cost burden of Licensee. As per the current structure, the expenditure against the fixed charges is more than 63%. However, the recovery of fixed charges through tariff is only 21%. Additionally, the Licensee has the obligation to pay fixed charges to generating companies irrespective of the power being scheduled or not.

3.3.61. With regards to removal of fixed charge, the Licensees submitted that they incur fixed cost in Power Purchase, Transmission cost as well as in laying Distribution infrastructure such as Power transformers, lines etc. Ideally the recovery of fixed charges would be the same against the fixed cost burden of Licensee. As per the current structure, the expenditure against the fixed charges are more than 60%. However, the recovery of fixed charges through tariff is only 21%.

3.3.62. With regards to disregard of fixed charges it is submitted that the Licensees incurs fixed cost while laying Distribution infrastructure such as Power transformers, lines etc. Ideally the recovery of fixed charges would be the same against the fixed cost burden of Licensee. As per the current structure, the expenditure against the fixed charges are more than 63%. However, the recovery of fixed charges through tariff is only 21%.

C. Commission's view

3.3.63. The Commission has taken note of the objections / suggestions made by the stakeholders. The applicable Tariffs for all the consumer categories have been designed in accordance with the Electricity Act, 2003 and the MYT Tariff Regulations, 2019. The details of all the aspects related to approval of ARR and Tariff design have been covered in subsequent chapters of this Order.

3.4. Tariff Rationalization

A. Comments / Suggestions of the Public

3.4.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad and Shri Sanjay Singh, Secretary, Uttar Pradesh Congress Committee submitted that after analysing the proposed tariff rationalization it is assessed that there will be a significant increase in tariff for domestic as well as other consumer categories. The Licensees have submitted the rationalization structure without proposing the tariff, if the Commission considers the current tariff rate, then there will be an increase in tariff for 90 Lakh consumers along with other consumer categories. An explanation has been provided in the below table.

Domestic Urban kW / Units	Rs. / month (existing tariff)	Rs. / month (after change in slab)	Loss
1 kW 150 Units	Rs. 935	Rs. 960	Rs. 25
2 kW 200 Units	Rs. 1345	Rs. 1395	Rs. 50
2 kW 250 Units	Rs. 1645	Rs. 1720	Rs. 75
3 kW 300 Units	Rs. 2055	Rs. 2155	Rs. 100
4 kW 400 Units	Rs. 2815	Rs. 2965	Rs. 150
5 kW 500 Units	Rs. 3575	Rs. 3775	Rs. 200

Urban Shopkeeper kW / Units	Rs. / month (existing tariff)	Rs. / month (after change in slab)	Loss
2 kW 300 Units	Rs. 2910	Rs. 3090	Rs. 180
4 kW 400 Units	Rs. 4530	Rs. 5620	Rs. 1090

3.4.2. Shri Avadhesh Kumar Verma, Chairman, Rajya Vidyut Upbhokta Parishad submitted that they strongly oppose the rationalization proposed by the Licensees as this will increase the tariff rates across the State.

3.4.3. He further submitted that the tariff rationalization proposal has been rejected by the State Advisory Committee and the Commission in FY 2020-21 and FY 2021-22. It is submitted that as per Section 61 and 62, only the Commission is empowered to define the tariff structure.

3.4.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that instead of reducing the tariff as it has surplus of Rs. 22,045 Crore, the Licensees have proposed the tariff rationalization which will increase the tariff rates across the state. Further, the Licensees haven't even published the slab wise details in the newspaper for comments and suggestions from the public. Therefore, the Commission is requested to reject the proposal of tariff rationalization.

3.4.5. Shri Sanjay Singh, Secretary, Uttar Pradesh Congress Committee submitted that the Petitioners have proposed a change in slab which will result in an increase of Rs. 25 to Rs. 200 per month in Tariff for the domestic consumers and an increase of Rs. 108 to Rs. 1090 per month for the commercial consumers. It was further submitted that the domestic consumers having consumption of more than 500 units had to pay the tariff at the rate of Rs. 7/unit. After the proposed change in slab this will be paid by the consumers having consumption of more than 300 units. Further the consumers having consumption of more than 150 Units had to pay only Rs. 5.50 / unit. Whereas after the proposed change in slab the consumers will have to pay Rs. 5.50 / unit after the consumption of more than 100 units.

3.4.6. Shri Sanjay Singh, Secretary, Uttar Pradesh Congress Committee submitted that the Licensees have proposed the change in slab to increase the electricity rates in the State whereas the Licensees already have a surplus around Rs. 20,596 Crore. Therefore, the Commission is requested to disallow the Petitioner's proposal to increase the electricity rate and to pass on the surplus of Rs. 20,596 Crore to the consumers of the State.

3.4.7. CEEW submitted that the Licensees have provided Tariff Rationalization model without the Average Billing Rate (ABR) of the categories pre and post rationalization which is making it difficult to analyse the impact. Therefore, the Commission is requested to make the ABR, pre and post rationalisation available publicly so that detailed sensitivity analysis can be carried out in order to provide substantive comments on the same.

3.4.8. Shri Satish Maheshwari, UP Udyog Vyapar Pratinidhi Mandal submitted that since the state government does not want to increase the tariff of the state, the Licensees, while submitting the ARR Petition before the Commission hadn't proposed any increase in tariff. However, as per the reports published in the newspaper, the Licensees have proposed to change the slab in tariff structure and by doing so they have proposed to increase the tariff. Therefore,

the Commission is requested to reject the proposal made by the Licensees. He also submitted the Tariff comparison of neighbouring states, namely Punjab, Haryana and Madhya Pradesh with Uttar Pradesh as shown in Table below:

UP (2021-22)		Punjab (2022-23)		Madhya Pradesh (2022-23)		Haryana (2022-23)	
Unit Slab	Unit Rate	Unit Slab	Unit Rate	Unit Slab	Unit Rate	Unit Slab	Unit Rate
1-150	5.50	1-100	3.74			1-50	2.00
151-300	6.00	101-300	5.84			51-150	2.50
301-500	6.50	Above 300	7.30			151-250	5.25
Above 500	7.00					251-500	6.30
						Above 500	7.10

3.4.9. He further submitted that from the above data it can be seen that electricity is already expensive in Uttar Pradesh, so any increase in tariff or putting more burden on consumers through slab change is wrong and unjustified. He submitted that, since last 2 years, the economy is in a very bad condition due to the Covid and now due to Ukraine-Russia conflict. So putting more burden on the consumer at this time is absolutely unjustified.

3.4.10. Shri Mrinal Anand submitted that he appreciates the step taken by the Licensees to reduce the slabs to bring efficiency in the billing and to reduce the confusion, however, the Licensees are requested to submit a paper on the tariff as per National Tariff Policy for the recovery of fixed expenses of Licensees with fixed charges and variable expenses from energy charges with minimum consumer slabs as possible.

3.4.11. Shri Shafiullah submitted that, there should not be two different slabs in LMV-1 and LMV-2 for same energy, method of collection and supply in urban areas. This artificial segregation of power often promotes blackmailing and corruption. He further submitted that, in his own house, for a small shop, he had to take an additional connection of 1kW as commercial connection with different scale of billing.

3.4.12. Shri Shafiullah submitted that there seems to be not much problem with two connections in the same house but the users not being conversant with the intricacies of the difference of billing of the two connections sometimes use the power of commercial connection for domestic purposes and overload the 1KW commercial connection as a result we have to pay overloading penalty almost every month even though the combined load of the house remains less than the combined sanctioned load. He further submitted that, on the

contrary when the energy consumed in the shop is from the domestic connection, the 1kW connection is billed for minimum charges and this way the consumer faces double penalty either for exceeding the load or for the minimum charges. For being law abiding, the consumer gets penalized every month just because the law of segregation of the same power for billing is not adequate.

B. Licensees response

3.4.13. As regards the surplus amount benefit to pass on to the consumers, Licensees submitted that the stakeholder may be referring to the Tariff Order dated September 03, 2019 vide which the Commission had adjusted UDAY grant against the regulatory assets approved by the Commission in the previous tariff orders and accordingly determined a revenue surplus of Rs. 13,337.17 Crore till FY 2017-18. Licensees have filed an appeal against this methodology in Hon'ble APTEL.

3.4.14. Further in the previous tariff proceeding (FY2021-22), it has already been submitted that GoUP vide letter dated March 05, 2021 has adjusted the grant provided under UDAY with the additional subsidy approved by the Hon'ble Commission vide its various orders, accordingly licensees had submitted the calculation of regulatory assets on the basis of methodology adopted by the Commission in its Order dated September 03, 2019 and had submitted the following regulatory assets for approval:

Description	Consolidated
True Up of 2000-01 to 2007-08 and its Regulatory Assets / (Surplus) as on 31.03.16	3190.38
True Up of 2008-09 to 2011-12 and its Regulatory Assets / (Surplus) as on 31.03.16	16359.99
True Up of 2012-13 and its Regulatory Assets / (Surplus) as on 31.03.16	9097.63
True Up of 2013-14 and its Regulatory Assets / (Surplus) as on 31.03.16	6452.82
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1394.36)
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	(2379.84)
Total Regulatory Assets till Trued-UP FY 2015-16	**31,326.62**
50% of DISCOM debt taken over as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,326.62**
Carrying Cost @ 12.50% for FY 2016-17	3915.82
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	(3860.36)
Total Regulatory Assets Trued-Up till FY 2016-17	**31,382.08**
25% of Discom Debt Takenover as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,382.08**
Carrying Cost @ 13.75% for FY 2017-18	4315.04

Description	Consolidated
Regulatory Assets/(Surplus) in True Up with carrying cost for FY 2017-18	(991.72)
carrying cost @ 13.75% for FY 2017-18	(68.18)
Total Net RA / (Surplus) till trued up for FY 2017-18	**34,637.22**
Carrying cost @ 14.05% for FY 2018-19	4866.53
Net Revenue gap / (surplus) after True up of FY 2018-19	62.65
Carrying cost @ 14.05% for FY 2018-19	4.40
Total Net RA / (Surplus) trued up till FY 2018-19	**39,570.80**
Carrying cost @ 13.80% for FY 2019-20	5460.76
Total Net RA / (Surplus) trued up till FY 2019-20	**45,031.55**
Carrying cost @ 10.65% for FY 2020-21	4795.86
Total Net RA / (Surplus) trued up till FY 2020-21	**49,827.41**

3.4.15. The Licensees submitted that no surplus is available as has been stated by stakeholders 49,827.41. The net regulatory assets as computed above is till FY 2020-21. The same will be further updated based on the decision of Hon'ble APTEL in the matter. It is submitted that above calculation is based on the methodology adopted by the Commission. Therefore, the Commission is requested to approve above regulatory asset.

3.4.16. With regards to different slabs in LMV-1 and LMV-2 category, the Licensees submitted that UPPCL/Discoms are obligated to follow the Tariff categories as approved by the Commission. As per the current Tariff schedule of UPERC for FY 2021-22, LMV-1 consumers are those consumers which falls under the domestic category and LMV-2 consumers are those consumers who falls under Non Domestic categories. Further, to reduce the subcategories licensee has submitted tariff category rationalization structure to the Commission for approval

3.4.17. With regards to submission of proposal to increase tariff in ARR Petition, the Licensees submitted that the ARR Petition for FY 2022-23 is submitted as per the provision of UPERC MYT Regulations, 2019. It is further submitted that for preparation of tariff proposal, tariff without subsidy and the roadmap of reduction of cross subsidy is required. Same is not present in the existing tariff schedule. Therefore, the licensees are not able to submit tariff proposal.

3.4.18. With regards to proposed tariff rationalization, it is submitted that the Licensee have submitted tariff category rationalization structure along with billing determinants and not proposed any tariff. Therefore, the impact of tariff rationalization over the consumer is totally hypothetical in absence of any tariff rates provided by the Discoms in rationalization structure. Further, the Stakeholder has compared the Energy charges of the State vis a vis other

State. In this regard it is submitted that every State have different power procurement portfolio. Accordingly, the tariff structure of the States varies.

3.4.19. The Licensees submitted that the existing tariff Schedule is very complex to understand by consumers and complicated to implement by the Licensees. Proper implementation of Government Subsidy is also difficult due to large number of slabs. The difference in slabs of rural and urban consumers necessitate rationalization. It will be easier to cross subsidize consumer categories as per Tariff Policy. Tariff rationalization exercise has been carried out under the reforms suggested by Ministry of Power, Govt. of India. The Stakeholder is primary objected on the tariff Rationalization proposed under LMV-1 and LMV-2 tariff categories. In this context our submission is as under:

3.4.20. As per the existing Tariff Structure slabs for Domestic urban and rural categories consumers are not similar. Under the proposed rationalization Slabs have been made identical for urban and rural categories. Total 4 slabs have been proposed based on unit consumption. Further, to neutralized the impact of the tariff rationalisation no change is proposed for the lower slabs. Therefore, the existing lower slabs (0-100, 101-150 and 151-300) are unchanged. Only slabs (301-500 and above 500) are merged.

3.4.21. The licensees have not proposed any rate schedule so it is not logical to preempt about tariff hike due to tariff rationalization.

3.4.22. In Lmv-2 Category, in General single phase connections are provided upto 4kW load. Therefore, sub-categories having connected load up to 2 kW and above 2 kW to 4 kW has been merged into single sub-category having connected load of upto 4 kW. For the merged sub-category of 'Load Upto 4 kW', slabs have also been proposed to be amended as (0-100), (101-300) and (Above 300). The first slab of (0-100) units per month is proposed to protect the small consumers of the category. Further, for sub-category 'Above 4 kW', the slabs have been proposed to be amended as (0-1000) and (Above 1000) for three phase connections.

3.4.23. In context, to the financial impact on the consumer due to Tariff Rationalization is concern. It is submitted that the Licensees in the ARR for FY 2022-23 has proposed only rationalization of billing determinants (consumer number, load and sales). There is no tariff is proposed for the tariff rationalization. Therefore, the imaginary impact of tariff rationalization on consumers cannot be commented.

3.4.24. Regarding submission of Tariff Rationalization without ABR, it is submitted that the Licensees have not proposed any tariff for rationalized structure in its submission, therefore, pre and post ABR cannot be provided as requested by the stakeholder.

3.4.25. Regarding tariff rationalization, it is submitted that the Licensee have submitted tariff category rationalization structure along with billing determinants and not proposed any tariff. Therefore, the impact of tariff rationalization over the consumer is totally hypothetical in absence of any tariff rates provided by the Discoms in rationalization structure.

C. Commission's view

3.4.26. The Commission has taken note of the objections made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant Chapter of this Order.

3.5. Tariff with and without subsidy

A. Comments / Suggestions of the Public

3.5.1. CEEW submitted that, the 2016, National Tariff Policy prescribes that the State electricity regulatory commission "should determine the tariff initially, without considering the subsidy commitment by the State Government and subsidised tariff shall be arrived at thereafter considering the subsidy by the State Government for the respective categories of consumers"

3.5.2. CEEW further submitted that the Tariff Order in UP does not publish cost-reflective or full-cost tariff for subsidised categories (LMV-1 and LMV-5). Even the Licensees have been requesting the same and have also provided the list of State Electricity Regulatory Commissions, that have been determining their tariff schedule without considering the subsidy from the State governments. Therefore, the Commission is requested to approve the tariff in term of 2016, National Tariff Policy i.e., with subsidy and without subsidy

3.5.3. Shri Mahendra Kumar, Director, National Capital Region Transport Corporation (NCRTC) submitted that Regional Rapid Transport System (RRTS) project in one of the strategic interventions of Government to empower citizen through rail based high-speed, high-frequency regional commuter transit system. He submitted that NCRTC is a joint venture Government company of Government of India (50%) and the State Government of UP,

Haryana, Rajasthan and National Capital Territory of Delhi (12.5% each) mandated for the development of the RRTS.

3.5.4. Shri Mahendra Kumar, Director, NCRTC further submitted that the cost of electricity is the major component of their O&M cost. He further submitted that RRTS has been receiving power supply at 220 kV at 4 sub-station of Uttar Pradesh and all the distribution losses are borne by the NCRTC. Therefore, the Commission is requested to place the NCRTC in special category consumers with tariff excluding subsidy and cross subsidy elements.

B. Licensees response

3.5.5. Regarding cost-reflective or full-cost tariff for subsidised categories (LMV-1 and LMV-5), the Licensees submitted that the Commission has not approved category wise per unit subsidy, therefore, the details of subsidy consumer category wise cannot be worked out.

C. Commission's view

3.5.6. The Commission has taken note of the objections made by the stakeholders and comment of the Licensee.

3.6. Differential Bulk Supply Tariff

A. Comments / Suggestions of the Public

3.6.1. CEEW submitted that the DBST (in lieu of PPA allocation to Licensees) was approved by the Commission in FY 2020-21 tariff order. However, the Licensees have not claimed any True-up of DBST, but have only claimed DBST for APR & ARR projections in FY 2023 Petition. Further, the good performing Licensees (with better billing and collection efficiency) bear the brunt of the lesser performing Licensees, therefore, the low-performing Licensees should be nudged towards strict compliance and improvements. Therefore, in medium term, the Commission, GoUP, and UPPCL/Licensees is requested move towards actual allocation of power purchase agreements (PPAs) among Licensees rather than UPPCL and allow the power purchase cost for each Licensees to be reflective of the expenses incurred by them. This, in turn, would enable each Licensee to improve their operational efficiency and scheduling and dispatch principles. Further, implementation of new CERC Regulations like GNA & Deviation Settlement Mechanism, 2022 would be further enabled by allocation of PPAs between Licensees.

B. Licensees response

3.6.2. In this regards it is submitted that the Petitioner has computed the power purchase cost for FY 2022-23 based on Commission approved methodology for DBST. Further, the methodology suggested by the Stakeholder cannot be implemented as most of the PPAs are being done at UPPCL level. However, discom specific PPAs have already been considered under the computation of DBST.

C. Commission's view

3.6.3. The Commission has taken note of the objections made by the stakeholders and comment of the Licensee.

3.7. Filing of Appeal before Hon'ble APTEL

A. Comments / Suggestions of the Public

3.7.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that if the Licensees after challenging the Commission's Order in Hon'ble APTEL and the appeal is rejected by the Hon'ble APTEL, then the Licensees should bear all the cost associated with the case and this should not be passed on to the consumers.

B. Licensees response

3.7.2. As regards to the objection the Licensees submitted that matter of amendment of Regulations does not pertain to current proceeding of ARR.

C. Commission's Analysis

3.7.1. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. However, the Commission directs the Licensees that it should refrain from submitting response without addressing the issues that have been raised and should provide appropriate reasons. The issues that has been raised may be associated indirectly with the ARR and it would be in the purview of Commission to decide whether the issue that has been raised pertains to the proceedings of ARR or not.

3.8. Cross Subsidy Surcharges

A. Comments / Suggestions of the Public

3.8.1. The Indian Electricity Exchange (IEX) submitted that the Discoms have made the following errors while computing the cross subsidy surcharge (CSS):

- Error in computation of ABR based on category wise revenue and sales.
- The Discoms have considered transmission charge at Rs. 0.024/ unit, as against Rs. 0.2421/unit approved by the Commission in Tariff Order dated June 29, 2021.

c	ABR (Rs./ kw h)	Wt Avg PP Cost	ISTS Charg e s	IaST S	Distri b ution Charg e	Wh. Cha rge	Agg rega te 'D'	PGCIL (%)	STU (%)	Wheeli ng (%)	Carry ing Cost	CSS (A)	20%* ABR (B)	Min (A,B)
AS PER UPPCL CLAIM														
HT-1: 11 kV	10.26	4.59	0.412	0.024	0.432	1.030	1.90	1.27%	3.27%	17.32%	0.00	2.55	2.05	2.05
HT-1: >11 kV	15.19	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.46%	0.00	8.85	3.04	3.04
HT-2: 11 kV	9.81	4.59	0.412	0.024	0.432	1.030	1.90	1.27%	3.27%	17.32%	0.00	2.10	1.96	**1.96**
HT-2: <66 kV	7.67	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.46%	0.00	1.33	1.53	**1.33**
HT-2: <132 kV	7.92	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	1.58	1.58	**1.58**
HT-2: >132 kV	7.06	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	0.73	1.41	**0.73**
Categ ory	ABR (Rs./ kwh)	Wt Avg PP Cost	ISTS Charg es	IaSTS	Distri butio n Charg e	Wh. Charg e	Aggre gate 'D'	PGCIL (%)	STU (%)	Wheeli ng (%)	Carry ing Cost	CSS (A)	20%* ABR (B)	Min (A,B)
AS PER UPERC APPROACH (IEX Submission)														
HT-1: 11 kV	10.26	4.59	0.412	0.241	0.432	1.030	2.12	1.27%	3.27%	17.32%	0.00	2.34	2.05	2.05
HT-1: >11 kV	15.19	4.59	0.412	0.241	0.432	0.644	1.73	1.27%	3.27%	0.46%	0.00	8.63	3.04	3.04
HT-2: 11 kV	9.81	4.59	0.412	0.241	0.432	1.030	2.12	1.27%	3.27%	17.32%	0.00	1.88	1.96	**1.88**

HT-2: <66 kV	7.67	4.59	0.412	0.241	0.432	0.644	1.73	1.27%	3.27%	0.46%	0.00	1.12	1.53	**1.12**
HT-2: <132 kV	7.92	4.59	0.412	0.241	0.432	0.644	1.73	1.27%	3.27%	0.28%	0.00	1.37	1.58	**1.37**
HT-2: >132 kV	7.06	4.59	0.412	0.241	0.432	0.644	1.73	1.27%	3.27%	0.28%	0.00	0.51	1.41	**0.51**

3.8.2. Therefore, the Commission is requested to consider the same approach as considered in its previous Tariff Order dated June 29, 2021 for the computation of CSS. The IEX further submitted that the Commission, if not considering the previous Tariff Order approach is requested to work out the differential CSS for the Discoms based on the BST values submitted by the IEX. This would result in aligning the charges with the performance of the Discoms and avoid cross subsidization of one Discom with another.

3.8.3. Shri Mrinal Anand submitted that PVVNL should provide the reason for showing revenue from CSS as nil. He further submitted that PVVNL to provide Discom wise Average Cost of Supply (ACOS) along with consolidated ACOS.

3.8.4. The M/s Rimjhim Ispat submitted that due to the Covid Pandemic the industries have been severely affected. Further, the existing Industrial Tariff for the State is higher compare to other States and steel exports have also become more expensive which has severely affected the Industry. Therefore, the Commission is requested to reduce the CSS to zero as revenue gain from CSS is insignificant to the Petitioner.

3.8.5. The M/s Rimjhim Ispat further submitted that if the CSS must be retained due to various compulsions, then the Commission is requested to calculate the ABR without fixed charges as the Industry continue to pay the fixed charges even when the energy is procured from open aces sources. Further, as per CSS principle, the he compensation for revenue is of only the energy part and not the full energy + demand / fixed charges. If CSS is computed on ABR consisting of both the parts, then there will be double accounting on the part of demand / fixed charges.

3.8.6. The M/s Rimjhim Ispat submitted that in previous year CSS was 0.85 paisa for 66-132kV consumers. The Licensee have proposed the CSS as Rs 1.54 for FY 2022-23. The CSS data provided by each Licensees have large variance and the Licensees also haven't provided the full working for computation of the CSS

data. Moreover, or billing purposes the actual loss of each Licensee (for us 0.11% instead of 0.28%) should be considered for the consumers of that Licensee, otherwise cross-subsidisation will occur.

3.8.7. CEEW submitted that the ABR of several categories are more than the limits of ACOS (+/-) 20% specified by the National Tariff Policy and the electricity Act. Especially LMV-1 rural metered, LMV-2 and HV-1 categories. The Commission is requested to design the tariff such that these cross subsidy levels are brought under the 20% range. Further, the Commission in the tariff Order depicts ABR as % of ACOS without subsidy, however the same should also be depicted as ABR (with subsidy).

3.8.8. CEEW submitted that the Licensees have not computed the open access charges for each category/subcategory as per the methodology defined by the Commission in the Tariff Order of FY 2021-22. Also, the Licensees have not considered distribution losses at each voltage level i.e. 220 KV, 110 kV, 33 kV and 11 kV for computation of cross-subsidy surcharges. As per methodology adopted, voltage wise losses, Hon'ble JERC methodology can be referred-voltage wise asset break-out.

3.8.9. CEEW further submitted that the Commission is requested to work out a differential CSS for the Licensees based on the DBST values submitted by them. This would help align the CSS with the performance of Licensees and avoid cross-subsidisation of one Licensee by another. Differential CSS would also encourage industrial consumers to opt for open access, which is currently discouraged by a common but high CSS.

3.8.10. Shri Rohan Singh, Indian Energy Regulatory Services, submitted that as per National Tariff Policy, 2016 and National Electricity Policy, 2005, tariff should be below 20% of average cost of supply and the Cross Subsidy Surcharge (CSS) should decrease gradually. Therefore, the Commission is requested to not accept the proposal of the Licensees to increase CSS.

B. Licensees response

3.8.11. With regards to errors in computation of CSS, the Licensees submitted that the inadvertent error was identified by the Petitioner and same was informed to the Commission under Data Gap.

3.8.12. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has analysed the same in relevant chapters of this Order.

3.8.13. With regards to reduction in CSS, the Licensees submitted that the CSS has been computed as per the methodology defined under clause 49.2 of UPERC MYT (Transmission and Distribution) Regulations 2019. The above Regulation make it explicit for an Open Access consumer to pay CSS as determined by the Commission which shall be as per the relevant provisions of the National Tariff Policy 2016.

3.8.14. The Licensees submitted that value T is computed as per the Clause 8.5.1 of the National Tariff Policy 2016 & the provision of MYT Regulations 2019 which States as follows:

Quote

S = T – [C/(1-L/100) + D + R]

Where,

S is the 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 Licensees, 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 the per unit cost of carrying regulatory assets.

Unquote

3.8.15. The Licensees submitted that as per the above section, it is clear that since the Tariff approved by the Commission comprises Fixed as well as Energy Charges, the Licensee has computed the value of T as per applicability of FC and EC pertaining to that category of consumer. This methodology is consistent with other State Commissions as well. The stakeholder's contention is untrue in this regard.

3.8.16. The Licensees submitted that the CSS has been computed by the Licensees as per the methodology defined in the UPERC MYT Regulations, 2019.

3.8.17. With regards to revenue from cross subsidy shown as nil, it is submitted that the reason for considering the cross subsidy was shown nil is submitted to the Hon'ble Commission under the data gap.

3.8.18. It is submitted that the consolidated average cost of supply is already submitted to the Commission and was also published in the newspapers.

3.8.19. Regarding cross subsidy level (ABR % of ACOS) is still beyond the range, the Licensees submitted that the roadmap for reduction of Cross subsidy is not yet approved in the State.

3.8.20. It is further submitted that the Licensees have computed CSS as per the MYT Regulations 2019.

C. Commission's view

3.8.21. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has analysed the same in relevant chapters of the Order.

3.9. Operation & Maintenance Cost

A. Comments / Suggestions of the Public

3.9.1. Shri Mrinal Anand submitted that PVVNL to provide the norms considered for employee cost capitalized, as most of the other Discom has submitted it around 10%.

3.9.2. He further submitted that PVVNL has projected the installation of a large number of smart meters in the current FY, it is requested to submit the action plan for installing smart meters and the expected benefit or savings in O&M expenses. The Licensee is requested to share the circle-wise installed smart meter and the projection for the year along with the average loss of the circle and also, to submit the details or plan of feeder and DT metering during the year along with expected benefits.

B. Licensees response

3.9.3. Regarding norms for employee cost capitalized, the Licensee submitted that it has considered employee cost capitalization based on the ratio of actual capitalization during the True-Up year.

3.9.4. With regards to saving in O&M expenses due to installation of smart meters, it is submitted that the installation of smart metering plan is submitted as per

the RDSS plan of the Discom The detail of same is under compilation stage. Further, the details of same is under compilation stage.

C. Commission's view

3.9.5. The Commission has taken note of the objections/suggestions made by the stakeholders. The Commission has dealt the issue in relevant chapters of this Order.

3.10. Distribution Loss

A. Comments / Suggestions of the Public

3.10.1. CEEW submitted that the Licensees have computed the Trued-Up power purchase cost for FY 2021 considering the actual distribution losses of 20.63% (consolidated for all discoms) and not the approved losses and accordingly the Licensees have arrived at the BST of INR 5.24/unit. As the Commission re-evaluates power requirement based on approved losses for FY 2021, the Commission is requested to consider recompiling the BST (i.e. revised APPC and ISTS transmission charges) by applying merit order principles and removing the expensive plants with high variable charges corresponding to power purchased MUs disallowed.

3.10.2. CEEW submitted that despite a huge capital expenditure of Rs. 48,000 Crore on infrastructure upgradation, the losses have not reduced and are still above 20%. The Licensees should justify and submit the impact of the capex and grants spent under various schemes for performance improvement and loss reduction of each discom, and explain why the loss trajectory of consolidated for all Licensees diverges significantly from approved trajectory.

FIGURE: CAPEX VS DISTRIBUTION LOSSES IN UTTAR PRADESH OVER THE PAST FIVE YEARS



3.10.3. CEEW further submitted that the detailed project reports (DPR) for schemes over Rs. 10 Crore are being submitted by UPPTCL and NPCL but not by the

Licensees. The Regulations mandate and the Commission had directed the Licensees in the past to timely submit the DPRs for prior approval. The commission, in the past (FY 2020-21) has also penalised UPPCL and UPPTCL by disallowing 25% of the capital investments as the DPRs were not submitted in a timely fashion and the Commission's approval was not taken. The disallowance will benefit the consumers by reduction of ARR by INR 50-100 crore.

3.10.4. Shri Mrinal Anand submitted that PVVNL has projected a high distribution loss as compare to the Commission's approved distribution loss for True-Up and ARR. However, PVVNL has not provided the reason for approving the loss trajectory under UDAY Scheme as they are in the tripartite agreement with MoP. PVVNL should also submit the details of distribution loss trajectory under RDSS. The Commission is requested to direct PVVNL to issue a white paper on the reduction in distribution loss from the date of unbundling to FY 2020-21 along with steps taken and the impact of different Central and State Government schemes.

3.10.5. Shri Mrinal Anand further submitted that PVVNL should provide the reason for the increase in losses in FY 2020-21 to 17.85% from 14.85% in FY 2019-20 and also include the energy balance as per the Commission-approved distribution loss for the year along with actual figures for proper comparison.

3.10.6. The M/s Rimjhim Ispat submitted that the Commission is requested to consider the distribution loss of Licensees for FY 2021-22 as per the approved Business Plan Order.

3.10.7. Shri Akhil Katiyar submitted that the KESCo has claimed distribution loss of 10.45% for FY 2020-21 as against approved loss 8.42% for the True Up of FY 2020-21. As per the MYT Regulations, distribution loss is considered as a controllable factor. The Commission is requested to disallow the Petitioner request and allow the distribution loss as per the norm.

3.10.8. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, requested the Commission to approve the line loss for Tariff Order FY 2022-23 as per the Business plan approved by the Commission.

	FY 2020-21 (True-Up)			FY 2021-22 (APR)		FY 2022-23(ARR)	
Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual	Claimed	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed	Claimed	Business Plan Order Dated 27.10.2020
DVVNL	11.80%	25.90%	25.90%	11.33%	24.58%	20.05%	10.90%
MVVNL	11.51%	20.22%	20.22%	11.04%	19.19%	17.21%	10.63%
PVVNL	11.51%	17.85%	17.85%	11.04%	16.94%	15.19%	10.63%
PuVVNL	11.83%	20.65%	20.65%	11.36%	19.60%	17.58%	10.93%
KESCO	8.42%	10.45%	10.45%	8.25%	9.20%	8.52%	8.12%
Consolidated (5 Discoms)	**11.54%**	**20.63%**	**20.63%**	**11.08%**	**19.54%**	**17.05%**	**10.67%**

3.10.9. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that Urban and rural consumers line loss should be separately calculated.

B. Licensees response

3.10.10. Regarding re-evaluation of True-Up power purchase cost on actual basis, it is submitted that the reason for computation of power purchase at actual distribution loss has been detailed in the Tariff Petition of the Discoms. The Commission is requested to kindly consider the Discoms submission in this regards.

3.10.11. Regarding improvement in distribution loss, it is submitted that CAPEX are being incurred to ascertain various tangible as well as non-tangible benefits. It is submitted that being a Government owned Distribution Licensees it is USO to provide electrification to last mile consumers. In the recent past, Discoms have incurred the CAPEX primarily to improve electrification, 24X7 power supply and power to all. Further, due to large scale electrification and small consumer integration in system HT:LT line ratio has deteriorated. This is primarily the reason for increase in distribution losses. However, there are various intangible benefit to the society, same shall be acknowledged by the stakeholder.

3.10.12. With regards to distribution loss, KESCO submitted that the target set under the UDAY scheme were very stringent and were not related to the actual conditions. The situation of COVID in last few years has worsened the losses of the Discom. Further, Ministry of Power after considering the ground realities which have impacted UP Discom's efforts towards achieving the loss trajectory, agreed under the MoU by its letter No.06/01(01)/2020 NEF(U)

dated March 06, 2020 & has sought for a revised action plan for reduction in distribution losses including AT&C loss trajectory from the Government of U.P. The revised loss trajectory has already been submitted in the Petition by the Petitioner. Hence, the Commission is requested to approve the actual distribution loss as claimed by the Petitioner.

3.10.13. With regards to different line loss trajectory for rural and urban areas. The Licensees submitted that the Discoms have requested the Commission to reinstate the Distribution loss trajectory based on the recent development like addition of substantial number of rural consumers under Saubhagya Scheme and expansion of LT networks. Further, as far as recovery of losses of certain class of consumers with particular class of consumers, is not permitted as per the applicable Regulatory Framework.

3.10.14. With regards to distribution loss as per Business Plan Order, it is submitted that the Ministry of Power after due consideration of various factors/scenarios has approved the revised distribution loss trajectory for distribution licensees and same is considered for the True-up Petition of FY 20-21 APR of 2021-22 and ARR for FY 2022-23. The Commission is requested to kindly approve the same.

3.10.15. Regarding variation in distribution loss, the Licensees submitted that Distribution loss approved viz a viz considered for the Petition is submitted in the ARR. Further, the reason for increase in distribution loss during FY 19-20 to FY 20-21 has been mentioned in the Petition filed by the Licensee.

3.10.16. The Licensees submitted that the comparison of distribution loss has already been provided under Energy Balance.

3.10.17. Projection of distribution loss for future years is detailed under the petition submitted by the Licensee. Further, as required the bifurcation of voltage wise losses is submitted under the provisions of MYT formats. xv. It is submitted that Petition is being prepared based on discom wise annual revenue requirement. Thus, the consolidated Energy Balance is not a part of ARR Petition.

3.10.18. Regarding claim of distribution loss, the Licensees submitted that the reason for claim of actual distribution loss is detailed under the ARR Petition of FY 2022-23 under True-up section. The Commission is requested to kindly consider the petitioner submission and allow the losses as proposed by the Petitioner.

C. Commission's view

3.10.19. The Commission has taken note of the objections/suggestions made by the stakeholders and the Licensee. The Commission has dealt the issue in relevant chapters of this Order.

3.11. Computation of Losses at various voltage level

A. Comments / Suggestions of the Public

3.11.1. M/s. Rimjhim Ispat submitted that the Licensees have for FY 2022-23 provided following details of losses at various voltage level.

FY 2022-23	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Total Sales (MU) at 11 kV	18587.12	20104.71	26709.08	23309.36	488.93	89199.2
System Loss (%)	21.57%	16.28%	15.95%	16.72%	1.91%	**17.32%**
System Loss (MU)	4009.24	3273.05	4260.10	3897.32	9.34	15449.05
Total Sales (MU) above 11 & upto 66 kV	1440.34	585.69	3255.77	1093.25	154.64	6529.69
System Loss (%)	0.56%	0.33%	0.38%	0.58%	0.92%	**0.46%**
System Loss (MU)	8.07	1.93	12.37	6.34	1.42	30.13
Total Sales (MU) above 66 & upto 132 kV	78.9	87.1	478.99	103	156	903.99
System Loss (%)	0.11%	0.00%	0.51%	0.00%	0.00%	**0.28%**
System Loss (MU)	0.09	0.00	2.44	0.00	0.00	2.53
Total Sales (MU) above 132 kV	359.79	9.87	152.59	0	0	522.25
System Loss (%)	0.00%	0.00%	0.08%	0.00%	0.00%	**0.02%**
System Loss (MU)	0.00	0.00	0.12	0.00	0.00	0.12

It is submitted that as per the above data a big variance can be seen in each values of the Licensees, which gives a suspicion of data being fudged. Further, the Licensees haven't provided the full working of the computed figures. He requested the Commission, till the time the Licensees provide proper scientific and audited way of computing the losses, the same be considered as zero for all the Licensees for voltage level of 132 kV.

B. Licensees response

3.11.2. The Licensees submitted that it has requested that the Commission may kindly consider the actual ground reality and restate the Distribution losses of the Licensee and approve the distribution loss trajectory as submitted by the Licensee to MoP for the implementation of Revamp scheme. Further as explained above CSS has been computed as per the methodology defined in the UPERC MYT Regulations, 2019 and procedure provided in last Tariff Order.

C. Commission's view

3.11.3. The Commission has taken note of the objections/suggestions made by the stakeholders and the Licensee.

3.12. Distribution Network

A. Comments / Suggestions of the Public

3.12.1. Shri Jai Hemrajani, Chairman, Indian Industries Association, submitted that, all service line distribution networks for industrial consumers should be completely made underground to save on maintenance cost of overhead network, affected by weather conditions and loss of revenue of licensee, government and consumers. This investment will pay in the long run.

B. Licensees response

3.12.2. It is submitted that the matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity supply code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Hon'ble Commission.

C. Commission's view

3.12.3. The Commission has taken note of the objections/suggestions made by the stakeholders and the Licensee.

3.13. Tariff for consumer connected at voltage level above 132 kV

A. Comments / Suggestions of the Public

3.13.1. Shri A. K. Singh, U.P Metro Rail Corporation Limited submitted that there is no tariff available for the supply at voltage level above 132 kV for the category HV-3B (Metro Rail). The U.P Metro has to avail power supply at voltage level above 132 kV also to feed its substations at the places where the power supply

is unavailable at 132 kV or below. Therefore, the Commission is requested to include voltage level above 132 kV also in the Tariff Order for category HV-3B.

B. Licensees response

3.13.2. The Licensees submitted that they are obligated to follow the schedule approved by the Commission for applicability of the Tariff to the respective consumers.

C. Commission's view

3.13.3. The Commission has taken note of the objections/suggestions and has appropriately dealt with it in the Rate Schedule wherein connection can be provided at any voltage level depending on the availability of voltage of supply and at the sole discretion of the Licensee.

3.14. Power purchase cost

A. Comments / Suggestions of the Public

3.14.1. IEX submitted that the Licensees have proposed to procure power from the exchange in case of shortage in power available from long term sources. As both the UPERC Merit Order Dispatch and Power Purchase Optimization Regulations, 2021 covers the mechanism to optimize the power purchase costs making suitable usage of power exchange base procurement, the Commission is requested to allow the Licensees to continue undertake procurement through market as and when the opportunity arises. Further the Commission is requested to consider and approve all the available options in the short-term market for optimising power purchase costs as well as to meet the deficit requirement of the Licensees.

3.14.2. M/s Rimjhim Ispat submitted that the Licensees have not scheduled power in efficient manner. The Licensees should surrender the expensive power from central sector and procure power from DEEP Portal. As procurement of expensive power has impacted the ACOS and CSS for open access consumers. The Commission is requested to put a ceiling/cap on the power purchase rates of the Licensees from various sources.

3.14.3. Shri Mrinal Anand submitted that PVVNL have also purchased power from Generating Plants with high variable charges. The Licensee is requested to summarize the Power purchase cost as per the following format:

Particular	Total energy procured (MU)	Share in total energy procured (%)	Total Power Purchase Cost (Rs. Cr)	Share in total Power Purchase Cost (%)	Avg. Energy Charge (Rs./kWh)	Reason, if the avg. energy charge is more than Commission approved Avg. tariff for the year in Tariff order
Central						
State						
IPPs						

Plant Name	Actual Energy charge (Rs./kWh)	Approved Energy charge (Rs./kWh)	Reason of variation (if the difference is more than 10%)

3.14.4. Shri Mrinal Anand further submitted to provide quarterly FSA in the Petition.

3.14.5. Shri Mrinal Anand submitted that PVVNL has proposed to fulfil the energy shortfall during FY 2022-23 via short-term sources instead of providing a detailed energy procurement plan from Long Term sources. He further submitted that with TAM contracts available for up to 90 days in short term market, the Licensee will be in a comfortable position to plan power procurement from short term sources in more effective manner.

3.14.6. Shri Mrinal Anand submitted that Rs. 5.50 per unit energy charge was considered for short-term power resulting in a payment of Rs. 1500 crore, it is submitted that the rate considered is on the higher side and should be equal to the rate at the exchange for FY 2021-22 or the average rate of the last three years.

3.14.7. Shri Mrinal Anand further submitted that the table does not showcase the power allocated from each plant to the State and to the Licensee to analyse the impact of expensive plants on the power purchase cost. Therefore, the Commission is requested to direct the Licensees to submit the power purchase cost in the below format.

Particular	Quantum projected (MU)	Quantum projected (%)	Average Energy charge (Rs./kWh)	Total Power Purchase Cost (Rs. Cr)	Total Power Purchase Cost (%)
Long term					
1. Conventional					
a) below last year's approved power purchase cost of conventional plant					
b) above last year approved power purchase cost of conventional plant					
2. Renewable					
a) below last year's approved power purchase cost of conventional plant					
b) above last year approved power purchase cost of conventional plant					
3. Short-term					
4. Bilateral					
5. Banking					

3.14.8. He further submitted that PVVNL should provide the justification for power procurement from plants with high energy and fixed charges and to also provide the base or assumption for the projection of the power purchase cost. He requested the Commission to direct the Licensee or UPPCL to submit a white paper with details like a table with the information of plant name, unit wise COD, PPA date, tenure of PPA, last day of PPA, share of each Discom in the pool, and the contingency plan in case of power shortage and when PPA was over. He further submitted that PVVNL to provide the details of PPA signed with those plants which are under consideration for construction or

are at the construction stage (MW capacity contracted, duration of PPA, tariff at which PPA is signed, expected date of commissioning, and type of their use-base/peak/seasonal).

3.14.9. CEEW submitted that the cost of power constitutes about 80% of the annual revenue requirement of the Licensees. It is therefore necessary to optimise the power procurement cost so that financial burden on Licensees can be reduced. It is submitted that the Licensees has submitted an increase of 0.32% in total projected energy purchased in FY 2023 over FY 2022. However, the total fixed cost burden is projected to increase by almost 50%, from INR 22,181.96 crore (approved in FY22) to INR 32,924.20 crore in FY23. About 40% of this increment burden is due to fixed charges to be paid to PGCIL. As per the Licensees the significant component of fixed costs (FC) for FY 2023 has been estimated by applying a 5% escalation factor to the plant-wise FC per kWh, as approved by the Commission in the Tariff Order dated July 29, 2021, and further applying these to the total dispatch, derived from the estimated total demand. However, the actual variable charges are going in a downward trend year-on-year and the actual fixed cost is lower than the approved as can be seen in the tables below:

Table 1: Claimed, Approved and Actual Variable Charges (average) in INR/unit in past 5 years

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
VC claimed	2.55	2.68	2.35	2.37	2.39	2.48
VC approved	2.43	2.61	2.31	2.29	2.30	
VC Actual	2.32	2.37	2.45	2.37	2.14	

Source: Author's analysis from Discom's Tariff Petitions

Table 2: Claimed, Approved and Actual Fixed costs in INR crore in past 5 years

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
FC claimed	16643	17402	20709	28070	33350	32924
FC approved	16516	15464	19122	22774	25319	
FC Actual	13901	16977	17953	19419	22182	

3.14.10. CEEW Council requested the Commission to take a realistic view of the potential growth in retail sales in FY23 and accordingly approve the power purchase quantum and cost (including fixed cost).

3.14.11. CEEW submitted that the Licensees have considered a power purchase quantum of 221 MU for FY23 from NCTPS-1. Whereas the Commission vide its Order dated April 25, 2022 in the Petition No. 1806 of 2021 in the matter of "seeking permission to relinquish purchase of power from NCTPS, Dadri Stage-I Generating Station in light of MoP Letter dated March 22, 2021 and in terms of Regulation 17 of CERC (Terms and Conditions of Tariff) Regulations, 2019" allowed UPPCL to relinquish the power of 84 MW of NCTPS Dadri-I. Hence NCTPS-I should not be considered in power purchase cost computation by the Licensees.

3.14.12. List of most expensive plants as per MoD principles (high variable cost), based on FY 2020-21 power purchase submitted by Licensees:

TABLE: LIST OF EXPENSIVE POWER PLANTS IDENTIFIED BY CEEW AS PER MOD PRINCIPLES

Generating Stations	Intra/Inter	Energy Charges Per Unit (INR/kWh)	Total Cost Per Unit (INR/kWh)
LALITPUR	Intra	2.98	11.29
KHARGONE STPS	Inter	3.02	7.08
BEPL KUNDRAKHI	Intra	3.15	8.07
FGUTPS-1	Intra	3.16	5.38
MAUDA-II STPS	Inter	3.17	6.82
MAUDA-I STPS	Inter	3.19	9.35
FGUTPS-4	Intra	3.19	5.88
NCTPS-1	Inter	3.21	4.30
FGUTPS-2	Intra	3.22	5.57
NVVN Thermal	Inter	3.24	3.40
FGUTPS-3	Intra	3.30	5.92
APCPL	Inter	3.33	5.89
BEPL MAQSOODAPUR	Intra	3.34	9.48
BEPL UTRAULA	Intra	3.34	8.13
BEPL BARKHERA	Intra	3.43	13.64
BEPL KHAMBHAKHERA	Intra	3.43	9.92
TANDA TPS	Intra	3.47	6.00

HARDUAGANJ EXT.	Intra	3.64	6.39
SOLAPUR TPS	Inter	3.65	10.98
NCTPS-2	Inter	3.73	7.95
PARICHHA EXT.	Intra	3.73	6.42
PARICHHA EXT. STAGE-II	Intra	3.74	6.15
DADRI GPS	Intra	3.80	5.24
ANTA GPS	Inter	4.46	6.64
AURAIYA GPS	Intra	4.89	7.92

3.14.13. CEEW submitted that they have identified the power plants older than 25 years with the increase in per kWh fixed cost burden as per the projected power purchase by Licensees from NTPC power stations and the projected fixed costs for FY 2023.

Table: List of older power plants identified by CEEW that are placing a higher per kWh FC burden on UPPCL

S.No.	NTPC power plant	Contracted Capacity	Fixed Charges		Variable charges		Change in per unit FC in FY22-23 over FY 21-22	Age
		(MW)	(INR/unit)	(INR crore)	(INR/unit)	(INR crore)		(years)
1	SINGRAULI	753.60	0.69	356.26	1.54	789.54	6%	38
2	RIHAND-1	325.70	0.85	190.10	1.57	353.03	15%	34
3	ANTA GPS	91.2	13.11	55.23	4.64	19.56	292%	33
4	FGUTPS-1	249.98	3.52	187.05	3.29	174.67	82%	32
5	FGUTPS-2	128.9	2.60	94.18	3.35	121.73	81%	32
6	FGUTPS-3	63	3.47	62.03	3.43	61.45	79%	32
7	FGUTPS-4	222.94	4.14	254.23	3.32	203.70	73%	32
8	TANDA TPS	440	4.02	370.40	3.61	333.04	83%	31
9	DADRI GPS	245.61	2.64	116.84	3.95	175.26	155%	30
10	NCTPS-1	84	2.55	56.29	3.34	73.79	59%	30
11	KHTPS-1	77	2.59	51.67	2.45	48.84	63%	28
12	**Total/Avg.**	**2681.9**	**3.65**	**1794.28**	**3.14**	**2354.61**	**89.77%**	**32**

Source: Tariff petitions for FY 22-23 and MERIT portal

Note: The coloured rows signify our suggestion of plants that can be considered for relinquishing power immediately

3.14.14. CEEW submitted that, based on above computation, there is an increase of INR 0.08/kWh due to payments of fixed charges of stranded capacity in the Average Power Purchase Cost (APPC) of UPPCL projected for FY23 (INR 5.08/unit) compared to FY 2020-21. Therefore, it is essential to monitor the utilisation level of the existing fleet and have robust demand-supply estimation to avoid such stranded capacity burden in the future. Further, similar to Dadri NCTPS-1, the Licensees should target power plants older than 25 years and with the highest increase in per kWh fixed cost burden. Plants like Singrauli and Rihand-I may be reconsidered for PPAs as their contracted capacity is significant for the State and the variable charges are on the lower side of the MoD. The Licensees may consider reaching an alternative contractual arrangement with older plants such that the fixed cost burden is borne in line with plant utilisation, as is envisaged under Regulation 17 of the CERC (Terms and Conditions of Tariff) Regulations, 2019. Based on the financial aspect, gradually relinquishing these capacities could also result in savings of the fixed cost outlays over the course of the remaining (contractual) life of these assets. Further, for the capacity that represents plants of a newer vintage and not identified for retirement in the National Electricity Plan (NEP), they have proposed a temporary moth-balling of these facilities. Given that fixed cost payments are contractual obligations and must be made, we envision that these facilities will continue to be available for the system should the need arise.

3.14.15. It is submitted that, UPPCL has already planned new capacities that are expected to come up in FY 2023, that can easily replace the old capacity bring relinquished while sufficiently serving the increasing demand.

TABLE: NEW CAPACITY PLANNED BY UPPCL

Plants	Capacities (MW)	Units	Expected COD
Panki Extension	660	Unit#1	Mar-23
OBRA-C	1,320	Unit#1/#2	Aug-22/Mar-23
Jawaharpur	1,320	Unit#1/#2/#3	Mar-22/Jul-22/Nov-22
Ghatampur	1,683	Unit#1/#2	Aug-22/Mar-23
Total	**4,983 MW**		

3.14.16. Therefore, the Licensees must identify a list of plants and include them in the "stranded capacity bucket" i.e. power plants older than 25 years and with the highest increase in per kWh fixed cost burden. The identified old and stranded capacity must be considered for gradual relinquishment in view of multiple economic and environmental benefits associated with such an action. The Licensees should relinquish capacity from costlier gas power plants similar to the decision made by the State governments of NCT of Delhi, Haryana, Himachal Pradesh, Punjab, Rajasthan, Madhya Pradesh.

Status of Surrender Power by different States/UTs as on 28.04.2022

S. No.	Surrendered by State(s)/UT(s)	Surrendered from (Power Station)	Surrendered power in MW
01.	Delhi	Anta Gas Station of NTPC	43
		Auraiya Gas Station of NTPC	72
		Dadri Gas Station of NTPC	91
02.	Haryana	Anta Gas Station of NTPC	24
		Auraiya Gas Station of NTPC	39
		Dadri Gas Station of NTPC	41
03.	Himachal Pradesh	Anta Gas Station of NTPC	15
		Auraiya Gas Station of NTPC	22
		Dadri Gas Station of NTPC	25
04.	Punjab	Anta Gas Station of NTPC	49
		Auraiya Gas Station of NTPC	83
		Dadri Gas Station of NTPC	132
05.	Rajasthan	Anta Gas Station of NTPC	83
		Auraiya Gas Station of NTPC	61
		Dadri Gas Station of NTPC	77
06.	Madhya Pradesh	Kawas Gas Station of NTPC	140
		Gandhar Gas Station of NTPC	117
	Total		1,114

3.14.17. Shri Akhil Katiyar submitted that the KESCo has considered the Power Purchase quantum of 443 MU for FY 2022-23 from Dadri GPS. However, the Commission vide its Order dated April 25, 2022 in the Petition No. 1806 of 2021 in the matter of "seeking permission to relinquish purchase of power from NCTPS, Dadri Stage-I Generating Station in light of MoP Letter dated March 22, 2021 and in terms of Regulation 17 of CERC (Terms and Conditions of Tariff) Regulations, 2019" allowed UPPCL to relinquish power of 84 MW of NCTPS Dadri-I. The Commission is requested to not consider the source while allowing the power purchase for FY 2022-23.

3.14.18. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that 85% of the total revenue goes into power purchase. Therefore, expensive power purchase should be restricted and a transparent scheme should be constituted regarding the same.

3.14.19. Shri Avadhesh Kumar Verma submitted that the Licensees are in loss due to their inefficiency and internal corruption. Till now, the Licensees have incurred a loss of around Rs. 97,000 Crore due to which from past 10 years the tariff rates has increased exponentially. Therefore, all the Licensees and the State government should have a proper discussion on how to restrict the high power purchase cost from expensive and old generating sources. He requested the Commission that the inefficiency of the Licensees should not be passed on to the consumers.

3.14.20. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the cost of electricity produced in State owned generating stations should align with the cost of electricity produced in private generating stations.

3.14.21. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P requested the Commission to consider the average rate between a range of Rs. 2.5 to Rs. 4 per unit for power purchased from the exchange.

B. Licensees response

3.14.22. With regards to rationalization of power purchase cost, the Licensees submitted that they have deployed best practices to ensure rationalization of power purchase cost. It is actively participating in Energy exchanges across all the available products to optimize its power purchase cost. Further, to reduce the power purchase cost UPPCL has been selling surplus power in Off-peak hours through exchanges.

3.14.23. As far as Short term power procurement beyond 11 days is concerned, it is submitted that UPPCL shall endeavor to optimize its power purchase mix depending on the prevailing market conditions.

3.14.24. With regards to variation in cost of power purchase in UP power plants and private power plants, the Licensees submitted that the detail of Power Procurement from various generators along with the cost is part of submission of ARR for FY 2022-23. Same may be referred.

3.14.25. With regards to power purchase quantum of 443 MU for FY 2022-23 from Dadri-GPS, the Licensee submitted that the projection has been done based on the historical availability of the Plant and Regulatory provisions set by the Commission. However, in future if any plant is deleted or relinquished as per the direction of the Commission. The impact of the same will be account for at the time of True up of the respective years.

3.14.26. With regards to efficient power schedule, it is submitted that Licensees have deployed best practices to ensure rationalization of power purchase cost. To reduce the burden of stranded / Fixed capacity charges UP Discoms are selling power on exchange during the Off-peak hours which therefore results in part recovery of fixed cost paid to the generators. Moreover, it is pertinent to mention here that the licensee schedules its power purchase as per merit order. The Licensees also considers the cost of power from power exchange along with other costs and accordingly schedule its power requirement in order to minimize the power purchase cost. Further, the Licensees submitted that Power Purchase data is duly approved by Commission after detailed prudence check.

3.14.27. Regarding surrendering all expensive power of central sector and taking medium power from DEEP Portal it is submitted that the power is being procured based on the long-term Power Purchase Agreements with various power generating companies, the terms and conditions of the PPA is required to be adhered to. It is obligated to make the payment of capacity charges based on the plant availability factor, irrespective of actual PLF/scheduling of the plants, which therefore leads to higher per unit cost of power procurement for the plants with high variable cost of generation. However, even with the current constraints, Discoms have taken several steps to rationalize the cost of power procurement, like sale of power during off-peak hours/months, etc.

3.14.28. Regarding State tariff being on higher side, the Licensees submitted that the tariff of various States is determined by the State Commissions based on the geographical locations, their Power Purchase Portfolio, demography of consumers and variation in peak and off peak load along with the State Policies. The tariff is determined by the State Commissions under section 62 (3) of Electricity Act 2003, under this section the Commission is empowered to determine the tariff and can differentiate according to the consumer's 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.

3.14.29. With regards to the stakeholder comment regarding power purchase cost in prescribed format, the Licensees submitted that all the information and data as per the Commission prescribed format and additional format, as desired by the Commission from time to time, has been provided.

3.14.30. Regarding consideration of short-term, bilateral purchase to meet the gap, it is submitted that Power Purchase is being at centralized level, therefore, discom wise details as desired by stakeholder cannot be segregated. It is submitted that the detail of short term power purchase through various mode has been submitted to the Commission under data gaps

3.14.31. With regards to evaluation of high fixed and variable cost, it is submitted that the detailed procedure for computation of power purchase cost based on the historical trends and the methodology of MYT Regulations 2019 is provided under the ARR for FY 2022-23. In its submission the Petitioner has detailed the plant wise assumptions and procedure for projection of cost component is also detailed in the submission.

3.14.32. Regarding relinquish of old and stranded thermal capacity, the Licensees submitted that UPPCL/Discoms are taking all the best efforts to optimize the power procurement cost. In this context the efforts taken by the Discoms have also been informed to the Commission. In regards to the relinquishment of the old plant, it is submitted that UPPCL is obligated to follow the terms and conditions of PPAs.

3.14.33. Regarding the power purchase from gas based plants, it is submitted that UPPCL has taken approval from the Commission to schedule power from these plants.

3.14.34. With regards to average rate from exchange, the Licensees submitted that the detail of power purchase from various sources along with power exchange as a part of Petition.

C. Commission's view

3.14.35. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapters of this Order.

3.15. Return on Equity (RoE)

A. Comments / Suggestions of the Public

3.15.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the State consumer's council is of the opinion that, if the Licensees fails to file the ARR Petition in time then there should be atleast 5% reduction in RoE of the Petitioner every month instead of proposed 0.5%, as the Petitioner currently doesn't provide facility to the consumers as per the SOP. He submitted that till date no compensation clause has been implemented and various corruption cases have been exposed in various sections including Noida-Gaziabad region, due to which the Licensees have suffered losses worth Billions of Rupees which ultimately impacts the consumers. Therefore, the Petitioner's RoE should be abolished. He further submitted that State consumers' council has also raised the issue that as per the Hon'ble APTEL Orders there is already a provision for suo-moto proceedings in case the Licensees doesn't files the ARR Petition on time. Therefore, the Commission is requested to take the cognizance of the legal framework itself, which should be in line with the consumers' interest.

3.15.2. Shri Shafiullah submitted that the UPPTCL has claimed 2% ROE, therefore, the Commission is requested to allow 2% RoE to the Licensees.

B. Licensees response

3.15.3. As regards reduction in ROE, the Licensees submitted that under UPERC (Fees & Fines) Regulations, 2010 there is already a provision for penalizing the Discoms for delayed filing of ARR. Again, with the reduction of return on equity by 0.5% per month or part thereof without prejudice to any other fine or penalty, will cause double penalty on the Discoms. Further, it is submitted that Licensee makes all out efforts for timely submission of ARR, as it is necessary requirement for rating improvement, but sometimes due to the practical difficulties such as - timely completion of Statutory audits is not carried out, which results in delayed preparation of ARR data as the Commission has provided same formats for ARR and True-Up. This sometimes causes delayed in submission of ARR. It may be noted that it is beyond the control of the licensee.

3.15.4. Further the Licensee submitted that the Commission had disallowed various expanses on the basis of Regulatory Accounting which is different from the accounting based on the Companies Act. These regulatory disallowances are

being internally funded through the return of equity allowed by the Commission.

3.15.5. The Licensee submitted that in the entire power supply value chain, the distribution company possesses the highest risk on account of bad debts and delayed collections. The distribution network is vulnerable to instances of power theft and vandalism resulting in increased repair and maintenance. The distribution licensee is also required to manage lakhs of consumers thereby getting exposed to collection risks. Further, the distribution licensees have to serve both rural and urban population thereby getting exposed to risks associated with political populism as well as consumers not having the financial capability to pay the bills on time. Therefore, penalizing the Discoms by reducing the rate of return on equity by 0.5% per month or part thereof without prejudice to any other fine or penalty, will cause huge financial loss to the already overburdened Discoms. The Commission is requested that the old provision of the Regulations may be retained.

3.15.6. With regards to RoE claimed by UPPTCL, the Licensees submitted that they have claimed ROE 15% as per the UPERC MYT Regulations, 2019. It is further submitted that as per the MYT Regulations 2014, the ROE was 16% for Distribution business, however, the same was reduced to 15% in MYT Regulations 2019.

C. Commission's view

3.15.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.16. Minimum charges

A. Comments / Suggestions of the Public

3.16.1. Shri Shafiullah submitted that there should not be any minimum charge as it promotes unwanted consumption of energy. The law abiding consumers once get aware that he will have to pay certain minimum charges will be prompted to use as much energy as he has to pay even though he could have managed with lesser energy.

3.16.2. He further submitted that If the imposition of minimum charges can't be removed, then the same must be billed for the actual number of days covered in the billing intervals by converting the days to month by multiplying the days by 12/365 (12/366 for leap year) and not for the whole month by taking every

billing interval as a month irrespective of the actual billing durations which often varies between 10 days to 50 days.

B. Licensees response

3.16.3. With regards to disregards of minimum charges the Licensees submitted that the Licensees incurs cost while laying infrastructure such as Power transformers, lines, Poles etc. which is required to be recovered from the consumer in the form of Fixed charges/Minimum charges. Further, the recovery methodology as proposed by the stakeholder for computation of MMC cannot be implemented because the licenses pay fixed cost to the Generators as per the availability.

C. Commission's view

3.16.4. The Commission has taken note of the objections/suggestions made by the stakeholders and submission of the Licensee.

3.17. Regulatory Surcharge and Surplus

A. Comments / Suggestions of the Public

3.17.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Commission is requested to reduce the tariff for the consumers, as the Licensees have submitted an amount of Rs. 13,337 Crore as net regulatory surplus in FY 2017-18. He further submitted that after the addition of 12% carrying cost, this amount has become Rs. 20,986 Crore for FY 2021-22 also, In the True-Up of FY 2019-20 and ARR of FY 2021-22, the carrying cost was Rs. 1,059 Crore. Therefore, the total regulatory asset surplus for the Licensees has become Rs. 22,045 Crore. Therefore, the Commission is requested to reduce the tariff for all the consumers of the State by 7% for next 5 years.

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Total Regulatory Assets till Trued Up FY 2015-16	9,572.04	8,660.25	1,709.22	10,703.28	681.85	31,326.64
50% of Discom Debt Takenover in as per UDAY	(8,199.48)	(4,517.29)	(4,701.73)	(5,505.80)	(1,408.18)	(24,332.48)
Net Regulatory Assets/(Surplus) Left after UDAY	1,372.56	4,142.96	(2,992.51)	5,197.48	(726.33)	6,994.16
Carrying Cost @ 12.50% for the FY 2016-17	171.57	517.87	(374.06)	649.68	(90.79)	874.27
Regulatory Asset/(Surplus) of FY 2016-17 in True Up	-	(265.48)	(2,295.81)	(947.96)	(351.11)	(3,860.36)

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
Total Regulatory Assets till Trued Up FY 2016-17	1,544.13	4,395.35	(5,662.39)	4,899.20	(1,168.22)	4,008.07
Allocation of UDAY Debt takenover as on 30.09.2015	16,258.94	14,710.18	2,903.26	18,180.44	1,158.19	53,211.00
25% of Discom Debt Takenover as per UDAY	(5,152.44)	(3,056.75)	(2,843.85)	(3,087.93)	(660.31)	(14,801.28)
Regulatory Assets/(Surplus) from FY 2016-17	(3,608.31)	1,338.60	(8,506.24)	1,811.27	(1,828.53)	(10,793.21)
Carrying Cost @ 13.75% for the FY 2017-18	(496.14)	184.06	(1,169.61)	249.05	(251.42)	(1,484.07)
Regulatory Asset/(Surplus) of FY 2017-18 in True Up (C) with Carrying Cost for FY 2017-18	0.00	(334.01)	0.00	0.00	(657.71)	(991.72)
Carrying Cost @ 13.75% for FY 2017-18	0.00	(22.96)	0.00	0.00	(45.22)	(68.18)
Total Net Regulatory Assets/ (Surplus) till Trued Up FY 2017-18	**(4,104.45)**	**1,165.69**	**(9,675.84)**	**2,060.32**	**(2,782.88)**	**(13,337.17)**

3.17.2. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, further submitted that the Licensees have filed an appeal in Hon'ble APTEL, so that the benefit of this surplus amount can't be passed on to the consumers. The Commission is requested to pass on the benefit of the surplus along with the expenses incurred by the Licensees for filing the appeal in Hon'ble APTEL.

3.17.3. Shri Avadhesh Kumar Verma submitted that at the union Power Minsters meet held in Gujrat, it was unanimously decided that the benefits of the UDAY scheme will be passed on to the consumers.

3.17.4. When the power companies realised that consumer's association has approached the Commission with the demand to reduce the electricity rates along with the supporting computations and that the public hearing is to be conducted from June 21, 2022 then the power companies have been stating that the present case is under adjudication in Hon'ble APTEL in their various replies to the Commission and requested the Commission to withhold their decision on the matter.

3.17.5. Shri Avadhesh Kumar Verma submitted that GoUP has singlehandedly taken a decision on the tripartite agreement between GoI, GoUP and State discoms wherein a collective decision making has to be done by all the parties.

3.17.6. Rimjhim Ispat submitted that the demand for regulatory surcharge based on treatment of UDAY proceeds is illegal, the Commission has already Trued-Up the same and hence the same can't be revised / reopened. The GoUP in connivance with the State Discoms is issuing the letters in regards to the same

that too having retrospective effect which is totally illegal and should be rejected by the Commission.

B. Licensees response

3.17.7. With regards to the surplus amount benefit to pass on to the consumers, Licensees submitted that the stakeholder may be referring to the Tariff Order dated September 03, 2019 vide which the Commission had adjusted UDAY grant against the regulatory assets approved by the Commission in the previous tariff orders and accordingly determined a revenue surplus of Rs. 13,337.17 Crore till FY 2017-18. Licensees have filed an appeal against this methodology in Hon'ble APTEL.

3.17.8. Further in the previous tariff proceeding (FY 2021-22), it has already been submitted that GoUP vide letter dated March 05, 2021 has adjusted the grant provided under UDAY with the additional subsidy approved by the Hon'ble Commission vide its various orders, accordingly licensees had submitted the calculation of regulatory assets on the basis of methodology adopted by the Commission in its Order dated September 03, 2019 and had submitted the following regulatory assets for approval:

Description	Consolidated
True Up of 2000-01 to 2007-08 and its Regulatory Assets / (Surplus) as on 31.03.16	3190.38
True Up of 2008-09 to 2011-12 and its Regulatory Assets / (Surplus) as on 31.03.16	16359.99
True Up of 2012-13 and its Regulatory Assets / (Surplus) as on 31.03.16	9097.63
True Up of 2013-14 and its Regulatory Assets / (Surplus) as on 31.03.16	6452.82
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1394.36)
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	(2379.84)
Total Regulatory Assets till Trued-UP FY 2015-16	**31,326.62**
50% of DISCOM debt taken over as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,326.62**
Carrying Cost @ 12.50% for FY 2016-17	3915.82
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	(3860.36)
Total Regulatory Assets Trued-Up till FY 2016-17	**31,382.08**
25% of Discom Debt Takenover as per UDAY	-
Net RA / (Surplus) Left after UDAY	**31,382.08**
Carrying Cost @ 13.75% for FY 2017-18	4315.04
Regulatory Assets/(Surplus) in True Up with carrying cost for FY 2017-18	(991.72)
carrying cost @ 13.75% for FY 2017-18	(68.18)
Total Net RA / (Surplus) till trued up for FY 2017-18	**34,637.22**
Carrying cost @ 14.05% for FY 2018-19	4866.53
Net Revenue gap / (surplus) after True up of FY 2018-19	62.65
Carrying cost @ 14.05% for FY 2018-19	4.40

Description	Consolidated
Total Net RA / (Surplus) trued up till FY 2018-19	**39,570.80**
Carrying cost @ 13.80% for FY 2019-20	5460.76
Total Net RA / (Surplus) trued up till FY 2019-20	**45,031.55**
Carrying cost @ 10.65% for FY 2020-21	4795.86
Total Net RA / (Surplus) trued up till FY 2020-21	**49,827.41**

3.17.9. The Licensees submitted that no surplus is available as has been stated by stakeholders Rs. 49,827.41 Crore. The net regulatory assets as computed above is till FY 2020-21. The same will be further updated based on the decision of Hon'ble APTEL in the matter. It is submitted that above calculation is based on the methodology adopted by the Commission. Therefore, the Commission is requested to approve above regulatory asset.

3.17.10. The Licensees further submitted that the Commission in its tariff Order for FY 2021-22 has also acknowledged its impact. The relevant section of the Tariff Order is as under:

Quote

7.1.8. The Commission has gone through the letter dated 5.3.2021 received from GOUP and the submissions of the Licensees. At the outset, it is pertinent to mention that the UDAY agreement (MOU) was a tri-partite agreement between GoUP, Central Govt (GOI) and Discoms, wherein GOI facilitated GoUP to take over 75% of the outstanding debt of the Discoms, and facilitated Banks/FIs not to levy any prepayment charges on the Discom debt and waived off any unpaid overdue interest and penal interest on Discom debt. The same was done by the GoUP and Banks/FIs. However, the above letter changes the provisions of the tri-partite UDAY agreement and now the GoUP is unilaterally backing out from its obligations from a retrospective date and changing its share to 'debt' instead of 'taking over the debt'.

7.1.9. Since, the Commission had also approved the UDAY Moil, the Commission is of the view that giving effect to such arrangement in the manner as provided in the letter by the GOUP will have retrospective implication and will affect all the Tariff Orders (which have already been Trued-up) in which the treatment of UDAY has already been done. Also, such treatment of the funds would affect the interest of public at large and will lead to huge 'tariff-shock'. The same was also discussed in the State Advisory Committee (SAC). The Commission has taken note of the strong opposition by the SAC member, stakeholder and public at large against the revision in computation of Regulatory Assets approved by the Commission as proposed by the Discoms.

7.1.10. The Commission cannot decide the matter unilaterally under these ARR proceedings and without taking in consideration the outcome of the legal matter pending before Hon'ble APTEL in this respect.

Unquote

3.17.11. The Licensees submitted that it is clear from above that no surplus is available as has been stated by stakeholders. The net regulatory assets as computed above is till FY 2020-21. The same shall be further updated based on the decision of Hon'ble APTEL in the matter. It is submitted that above calculation is based on the methodology adopted by the Commission. Therefore, the Commission is requested to approve above regulatory asset.

3.17.12. With regards to demand for regulatory surcharge, it is submitted that GoUP vide letter dated March 05, 2021, reduced the grant paid under the UDAY scheme to Nil and adjusted the same against the dues payable by State Govt. towards electricity bills due from some State Govt. Departments and additional subsidy payable by GOUP as determined by UPERC in its various Tariff /True-up Orders. Therefore, taking into consideration of the GoUP letter, the loans taken over by State Govt. cannot be adjusted against the Regulatory Assets approved by UPERC, as the same has been adjusted by State Govt. against the additional subsidy payable by GoUP approved by UPERC in tariff orders. Thus the Regulatory Asset computations in UPERC tariff order dated August 03, 2019 have to be revised accordingly.

3.17.13. It is submitted that net regulatory assets as computed above is till FY 2020-21. The same shall be further updated based on the decision of Hon'ble APTEL in the matter. It is further submitted that the Hon'ble Commission in para 7.1.10 of Tariff Order for FY 2021-22 has also mentioned that the Commission cannot decide the matter unilaterally under these ARR proceedings and without taking in consideration the outcome of the legal matter pending before Hon`ble APTEL in this respect.

3.17.14. It is requested to the Commission to consider the submission of Petitioner in this regard and consider the regulatory asset while determining the tariff for FY 2022-23.

C. Commission view

3.17.15. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapter of this Order.

3.18. Depreciation

A. Comments / Suggestions of the Public

3.18.1. Shri Shafiullah submitted that the UPPWD has already specified the depreciation rate as 1% and Director General Registration UP has specified the depreciation rate as 1.125 %, therefore the depreciation of 3.34 % claimed by the Licensees is more than 3 times specified by UPPWD and DG Registration which is highly unreasonable and the Commission is requested to disallow the higher depreciation claimed by the Licensees.

3.18.2. Shri Avadhesh Kumar Verma and Shafiullah submitted that the Licensees have claimed a depreciation rate of 5.28% which is too high as there hardly any depreciation in aluminium conductors, transformer core and Steel Tower etc. forming major components of the distribution system. Shri Shafiullah further submitted that the Company Act 2013 permits straight line depreciation rate of 2.38% and therefore, there is no reason to permit the 5.28% depreciation rate.

Item	Life	Depreciation
Thermal Power Generation Plant	40 Years	2.38%
Hydro Power Generation Plant	40 Years	2.38%
Nuclear Power Generation Plant	40 Years	2.38%
Transmission lines, cables and other network assets	40 Years	2.38%

3.18.3. Shri Shafiullah submitted that the Company Act permits 5.28% depreciation for Telecom Towers and Networks having superior quality and much more durable tower cables and accessories.

B. Licensees response

3.18.4. As regards the depreciation rate, the Licensees submitted that the Depreciation rate has been considered as per the norms specified in the UPERC MYT Regulations, 2019.

C. Commission's view

3.18.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.19. Electricity Duty

A. Comments / Suggestions of the Public

3.19.1. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that electricity duty shouldn't be charged from the any industry after the implementation of GST.

3.19.2. Shri Rohan Singh, India Energy Regulatory Services (IERS) submitted that DVVNL and Torrent power is charging Electricity Duty for open access. He submitted that in Purvanchal region there is no provision of charging Electricity Duty from the open access consumers.

B. Licensees response

3.19.3. The Licensees submitted that ED/GST & taxes are statutory provisions and govern by policy of Government. Licensee has no control over it.

C. Commission's view

3.19.4. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.20. Tariff Petition

A. Comments / Suggestions of the Public

3.20.1. Shri Shafiullah submitted that the Petition No. 1833 and 1837 were not uploaded over the UPERC site and the links were sent on June 21, 2022. The Commission is requested to consider the detailed observation to be submitted by the end of the week.

3.20.2. Shri Mrinal Anand submitted that PVVNL doesn't included information regarding Licensee performance and future planning. The Commission is

requested to direct PVVNL to study the Petitions submitted by other Licensees to gain the knowledge to cover in the Petition like UPCL, Uttarakhand. which shares the detail of financial ratios and steps taken to improve in each ratio, Rajasthan discom details about the undergoing schemes, etc. It is also requested to the Licensees to issue monthly/ quarterly booklets about the key works done during the period along with the SAIDI, SAIFI, power supply data, circle wise loss, circle wise revenue assessed and realised, key regulatory update by the MoP, CERC and UPERC and key orders issued by the Licensees and the same should be submitted to the Commission and should be displayed on Commission website as well as on Discom website.

3.20.3. The Prayas (Energy Group) has submitted their observation in this regards as follows:

- PuVVNL has still uploaded scanned, unsearchable tariff petition on the website.
- The Annexures to the Tariff Petition are scanned documents, making it difficult to gather information from them effectively.
- Reply to data gaps are uploaded by all DISCOMs, but not in the format that are easily text searchable.

B. Licensees response

3.20.4. With regards to Petition not uploaded in UPERC website, the Licensee submitted that it has uploaded the Tariff Petition for FY 2022-23 on Tariff Filing Portal of UPERC well before the public hearing and same was also made available for public on Discoms website.

3.20.5. The Licensees submitted that all the ARR related data is mandatorily uploaded on the Discoms website for ease of consumer representatives. However, if stakeholder feels any document is not readable or not properly uploaded, the stakeholder may request to the Licensee for the same.

C. Commission's view

3.20.6. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee

3.21. Government Subsidy

A. Comments / Suggestions of the Public

3.21.1. Shri Avadhesh Kumar Varma, Chairman, UP Rajya Upbhokta Parishad submitted that the as per the report published in newspaper by the Licensees

the total subsidy is Rs. 14,500 Crore for FY 2022-23 whereas the U.P Government has informed the Commission that a subsidy amount of Rs. 13,600 Crore has been finalized for the subsidized categories, which results in a gap of Rs. 900 Crore. The U.P Government should either provide the Rs. 900 Crore as additional subsidy amount or provide the guarantee for the same.

3.21.2. Shri Mrinal Anand submitted that PVVNL is requested to share the subsidy details and actual subsidy received for the last 10 years. Further, if there is a shortfall, PVVNL to submit the steps taken to recover the same.

3.21.3. Shri Mrinal Anand sought the details of DBT implementation for the subsidy disbursement among the consumers from the Licensees. Further, the Commission is requested to direct the Licensees to submit the same in its website along with other details in the below format.

3.21.4. The Uttar Pradesh Congress Committee submitted that the State government has reduced the subsidy amount by Rs. 900 Crore. In Tariff Order dated July 29, 2021, the Petitioner has submitted that the number of consumers for life line category was 19,90,954 which has increased around 1,39,00,000 in FY 2022-23. However, as per the report published by UPPCL, in April 01, 2022, the number of consumers in life-line category was 32,76,912. So, it can be seen that there is a difference of 12,85,958 number of consumers in life line consumer's category for FY 2022-23. Therefore, by increasing the life line consumers, the Petitioner has proposed an amount of Rs. 4,875 Crore as subsidy. The Rajya Upbhokta Parishad has rightfully stated that when the normal rate was being charged from the consumers of Saubhagya Yojana for the last three years, then the excess recovery (Fix Charge and Electricity Price) made in the past should be returned to the consumers. Before the proposal of slab change the Petitioner had charged the consumer having 1 kW load and 100 Units consumption, at the rate of Rs. 3.35/ unit instead of Rs. 3/ unit and now, suddenly, the Petitioner has submitted the number of lifeline consumers as Rs. 1.39 Crore.

3.21.5. CEEW submitted that the Commission is requested to direct the Licensees to periodically furnish details of the consumer category-wise information on subsidies promised and subsidy received, and interest cost due to delays, if any. Such reports must be made available on Licensees website for the public consumption. This information will bring transparency in the subsidy disbursement process for the consumers.

3.21.6. CEEW submitted that there is a lack of transparency on how the subsidy is being calculated and proposed by the Licensees. The over & under estimation of subsidy leads to deferment of tariff increase/decrease ultimately impacting both the consumers and the Licensees.

3.21.7. CEEW further submitted that the subsidies promised during ARR proceedings need to be kept intact, as they affect the tariff designs for that particular year. It is observed that for FY 2021, during ARR proceedings the State Government promised the subsidy of Rs 10,250 Crore, whereas actual subsidy provided is Rs 7,661 Crore. It is further submitted that the Licensees have mentioned in FY 2021 that Rs 343 Crore rebate was passed on to consumers as in their bills as Covid relief, whereas it was not clarified whether Rs 343 Crore subsidy was included in the subsidy of Rs 7661 Crore or in the revenue.

S.No.	Consumer Category	No. of consumer to whom the rebate is passed on	Amount of Rebate (Rs. Cr)
1	Domestic	42786	36.84
2	Commercial (LMV-2, HV-11, HV-12)	656870	122.85
3	Private Tubewell (LMV-5)	74001	60.46
4	Industrial (LMV-6, HV-2)	128921	122.53
	Total	902578	342.68

3.21.8. CEEW further submitted that during FY 2022 the subsidy promised was Rs 11,600 Crore whereas, in the APR, Licensees have revised it to Rs 14,500 Crore. The subsidy for the subsidised categories needs to be clearly computed considering the projected sales for APR and ARR, revenue realisation and cost to serve computed by the Licensees and made available in the ARR and Tariff Proposals filed by the Licensees.

3.21.9. CEEW submitted that despite the repeated directions of the Commission, the Licensees have not submitted a roadmap for the DBT of subsidy payments in the ARR for FY 2023. The Licensees must review the DBT models being practised across States and plan pilot projects following different models. Further, the implementation of DBT is likely to face some challenges, which should be considered while drawing up such a roadmap.

3.21.10. CEEW further submitted that there needs to be clarity on how the DBT mechanism will be operationalised. Currently, there are four models available for consideration:

I. Transfer of subsidy amount to consumers' accounts with the discoms in advance,
II. Upfront payment of unsubsidised tariff by consumers to the discom and subsequent subsidy credit directly to consumers' bank accounts by the State government,
III. As has been implemented in Andhra Pradesh, the State government transfers subsidy amounts to escrow accounts in beneficiaries' names but operated by discoms, and
IV. Adjustment of subsidy amount shown in consumers' electricity bill as a deduction against the total payable amount.

3.21.11. The first and the second model would require KYC updation of all consumers along with their bank details. The Licensees should provide a trajectory for undertaking the KYC exercise. Also, it is unclear how the first three models would resolve delays in subsidy disbursement and accountability of the State government in this matter, the Licensees should be entitled to hold the State government accountable for delayed payments and appropriate provisions should be made in the model. Further, identifying and tagging beneficiaries is essential before using consumers' bank accounts or escrow accounts in their name for DBT. This is especially applicable for LMV-5 (agricultural) consumers, where the landowner and user of the electricity connection may be different people.

3.21.12. CEEW Council also submitted that in case of escrow accounts, the subsidy amounts will come and go from beneficiaries' accounts, and their involvement is only to the extent of being informed about the bill amounts. If consumers are not involved in the subsidy process, then any attempt to induce energy-efficiency or payment related behavioural change nudges will be futile. It is further submitted that the DBT implementation must leverage the capability of smart meters to provide real-time consumption data, and remote meter reading, which would help in proper accounting of subsidy amounts to be disbursed. Therefore, Licensees' smart meter rollout plan should be linked with the DBT roadmap.

B. Licensees response

3.21.13. With regards to the subsidy announced by the Licensees, it is submitted that the subsidy for FY 2022-23 is considered based on the subsidy of FY 2021-22. It was further mentioned in the Petition that the GoUP has not yet declared the budget for subsidy. Therefore, the same may be intimated whenever the

budgetary provisions will be made by the GoUP. Further, the GoUP in its budgetary provisions for FY 2022-23 has budgeted GoUP subsidy for electricity Rs 13,600Cr. Accordingly, same has been intimated to the Commission. Therefore, the Commission is requested to kindly consider the subsidy amount as per the budgetary provision of GoUP for FY 2022-23.

3.21.14. With regards to subsidized electricity, it is submitted that the Licensees in its ARR for FY 2022-23 has submitted:

"The Govt. subsidy for FY 2022-23 yet to be approved in state budget for FY 2022-23. As such this is not available at present. Therefore, for this petition licensee has taken same provisional value as budgeted for FY2021-22 by GoUP. Further, it is submitted that as per the Section 65 of electricity Act, 2003 the GoUP provides the Government subsidy details directly to the Hon'ble commission."

3.21.15. Accordingly, the licenses have submitted Rs. 14500 Crore subsidy for State owned discoms. Further, GOUP in its budget for FY 2022-23 has made budgetary provisions for Rs. 13600 Crore for FY 2022-23. The same has been communicated to the Commission

3.21.16. With regards to subsidy received it is submitted that it is a part of True up petition of respective years.

3.21.17. With regards to transparency w.r.t State government subsidy, the Licensees submitted that the Commission has not approved category wise per unit subsidy, therefore, the details of subsidy consumer category wise cannot be worked out.

3.21.18. It is further submitted that, subsidy is the policy matter of State Government. The State Government provides subsidy details directly to the Commission.

3.21.19. The Licensees submitted that the mechanism for DBT is a part of ARR Petition for FY 2022-23 under Chapter 4.

C. Commission's view

3.21.20. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapters of this Order.

3.22. Reassessment of Lifeline Consumers

A. Comments / Suggestions of the Public

3.22.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the life consumers should get the benefit of the extra amount of Rs. 485 Crore for 3 years i.e., Rs. 1455 Crore collected by the Licensees.

3.22.2. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that for FY 2022-23, the Licensees have proposed ARR and slab change in the Tariff structure which will create havocs across the State. He submitted that in the Tariff Order for FY 2021-22, number of lifeline consumers were 19,90,954 whereas the Licensees in FY 2022-23 have proposed the number of consumers in lifeline category as 1,39,03317 and accordingly, the UP State government has increased the subsidy from Rs. 483 Crore to Rs. 4875 Crore for lifeline category.

3.22.3. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the commercial CS-3 report of March-April 2022 of Power Corporation provides the information regarding number of electricity consumers in the various slabs of Tariff structure.

उत्तर प्रदेश पावर कारपोरेशन के सीएस–3 कमर्शियल 3 रिपोर्ट

माह	संख्याघरेलु लाइफ लाइन	संख्या घरेलु ग्रामीण मिटरड
मार्च 2022	3184988	15193541
अप्रैल 2022	3276912	15497276

3.22.4. It is submitted that the information provided to the Commission by the Licensees is completely falls and if the information of more than 1 Crore electricity consumers is wrong then in future, how tariff the rates will be decided. Further, the Licensees didn't change the lifeline consumers supply type and the lifeline consumers under 1 -100 Unit category paid Rs. 3.35/ unit and fixed charge of Rs. 90. Therefore the Licensees have collected an additional amount of Rs. 485 Crore (approx.) and in three years the Licensees have collected more than Rs. 1,455 Crore as additional amount from lifeline consumers. He submitted that this additional amount should be returned to the consumers of the lifeline category. The Commission should also insure the authenticity of the data provided by the Licensees, so that, proper tariff rates can be computed and a committee should be formed to asses that revenue is being collected based on the Tariff approved by the Commission.

3.22.5. Shri Avadhesh Kumar Verma and Sanjay Sing, Uttar Pradesh Congress Committee, stated that the Licensees have submitted that they have also

considered the rural consumers having 1 kW connection under Saubhagya Yojna in the lifeline consumer category. Now, the question arises that, why the Licensees have charged these consumers at the rate of Rs. 3.35 for 100-unit consumption whereas, for lifeline consumers the rate is Rs 3.00 per unit and fixed charge is only Rs. 50. Therefore, the Licensees had charged the lifeline consumers an extra amount of Rs. 0.35 extra per unit along with fixed charge of Rs. 40 from last 3 years. The Licensees should return this amount back to the consumers.

3.22.6. Shri Avadhesh Kumar Verma also submitted that due to the increase in subsidy for lifeline consumers, there will be extra load on the domestic consumers having consumption between 100 to 150 units as their subsidy can be reduced. The Commission is requested to conduct proper inquiry regarding the increase in lifeline consumers and if in reality the lifeline consumers have increased then the Commission is requested to direct the Licensees to return the extra amount charged from the lifeline consumers from last three years.

3.22.7. CEEW submitted that the current ABR for LMV-2 non-domestic consumers is Rs 10.02/unit, higher than that of HV industrial (LMV-6 and HV-2). Due to lack of categorisation in tariff slab for small shops/businesses, many small shops/enterprises resort to run out of homes. This problem is prevalent in many parts of Uttar Pradesh, leading to many litigations and harassment cases. Further, the new proposed tariff structure has merged the previous 'upto 2kW' and '2-4 kW' slabs with 'upto 4 kW' slabs. In order to ensure affordable power for such small shopkeepers and provide ample growth opportunities for small businesses and prevent unauthorised use of electricity, the Commission is requested to consider creating a new tariff slab 'non-domestic lifeline' for 0-100 units a month. This is already a practice in multiple States including Andhra Pradesh, Madhya Pradesh, Punjab, Rajasthan, Uttarakhand, Chhattisgarh, Telangana, Tamil Nadu.

3.22.8. CEEW Council further submitted that the subsidy required (or reduction in revenue) for this would be around Rs. 20-25 Crore assuming that around 5% of 0-100 units slab of the Non-domestic consumer category fall under 0-50-unit slab.

3.22.9. CEEW submitted that the lifeline category in UP encompasses a broader consumption slab (0-100 units) compared to the other three States, and nearly 50% of domestic consumers fall under this category.

TABLE: LIFELINE TARIFFS IN UP IS SIGNIFICANTLY HIGHER THAN SOME OF THE BETTER PERFORMING STATES

State	Lifeline units (kWh)	Energy charge (INR/kWh)	Fixed charge (INR)	Total charge in INR (for consumption of 30 units/month)
Uttar Pradesh	0-100	3.0	50 per KW	140
Gujarat	0-30	1.5	5 per connection	50
Haryana	0-50	2.7	NA	81
Maharashtra	0-30	1.1	25 per connection	58

3.22.10. The financial burden of both the fixed and energy charge for consumption up to 30 units is more than twice that in Gujarat and Maharashtra. Therefore, to ensure affordability of electricity for poor consumers (both urban and rural), and improve payments rates among them, the Commission is requested to consider the following:

1. Same tariff design for urban and rural consumers, as is the practice across Rajasthan, Maharashtra, Andhra Pradesh and other such States in India.
2. All consumers using <50 units/month are considered as lifeline consumers. Consumers with consumption >50 units for any three months in the year should not be considered as lifeline consumers.

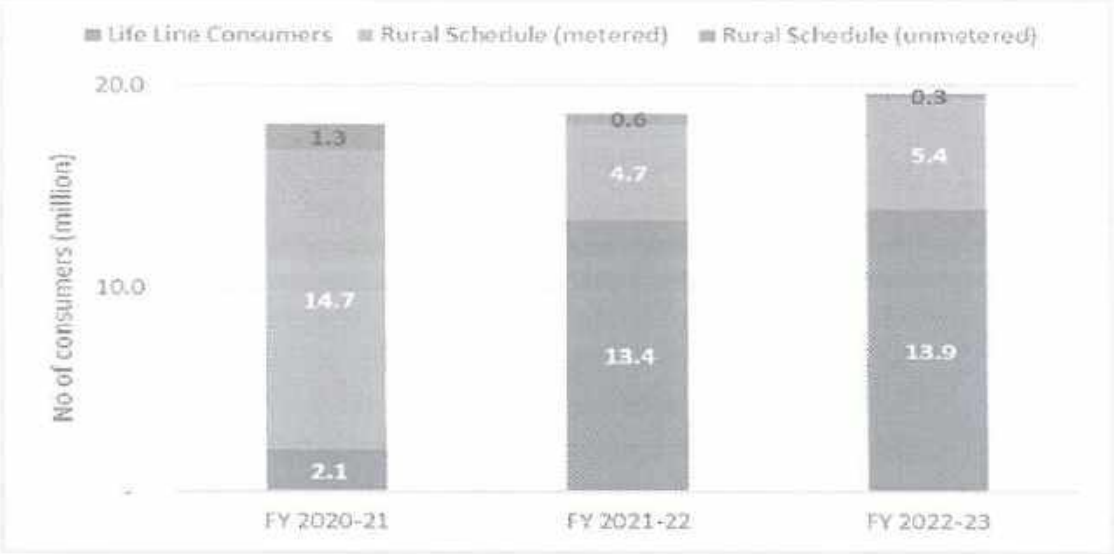
3.22.11. CEEW further submitted that the proposed change would bring the monthly electricity cost within Rs. 100 range for nearly 1 Crore households. Based on FY 2021 data, if all households using <50 units per month were charged Rs. 1.5/unit and a fixed charge of Rs. 50, the total subsidy outlay would increase from Rs. 3,161 Crore to Rs. 4,925 Crore. Part of this increase could be covered by making the tariffs of high-consumption categories reflective of the cost of supply, as has already been proposed by the Licensees under Tariff rationalisation.

3.22.12. CEEW submitted that in FY 2022, neither the Licensees projected nor the Commission approved any billing determinant (sales, load, or revenue) for unmetered consumers in LMV-1 consumer category. However, in the Tariff Petition for FY 2022-23, the Licensees have projected about 6 lakh unmetered consumers in FY 2022 and 3 lakhs in FY 2023 with 900 MU of sales projected for FY23. In addition, the number of lifeline consumers has suddenly increased seven-fold from 2.1 million in FY21 (trued-up nos.) to 13.9 million in FY23

petition, as shown in Figure, without any justification for this change. This trend is accompanied by a drop in the number of rural (metered) consumers, including those falling in slabs with consumption greater than 100 units/month.

3.22.13. CEEW submitted that the number of consumers in LMV-1 rural metered and rural unmetered sub-category have fallen substantially for APR and ARR years, while the consumers under Lifeline category has risen by seven folds. The Commission is requested to review this sudden change (546%) in consumer numbers & demand of the lifeline consumer category and seek justification for the same from the Licensees.

3.22.14. It is further submitted that since LMV-1 category constitutes approx. 50% of the total sales for the UP discoms, it is important to forecast their sales as accurately as possible, otherwise it leads to power shortage issues, or will impact consumers in form of increased Incremental costs.



B. Licensees response

3.22.15. Regarding lifeline consumers, the Licensees submitted that,

"4.1.3. It is informed that under the Saubhagya Yojana, the Petitioner has added substantial number of Lifeline consumers at LT network. These consumers are small consumers which are qualified under tariff sub-category "Lifeline consumers". Such consumers have been migrated to IT billing system resulting in change in sub-categories/slabs based on contracted load and

energy consumed. This has resulted in significant variation in corresponding sub-category/slabs. These consumers are small consumers which are qualified under tariff subcategory "Lifeline consumers". The consumers which are flagged under different LMV-1 sub-categories are now readjusted under LMV-1 category as per their consumption pattern. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criteria will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis. However, the overall number of consumers within the category show normalized growth."

3.22.16. Further, the stakeholder in its submission has informed about the wrong billing of rural consumers particularly Saubhagya Consumers in higher tariff rather than life line category. In this regards, it is submitted that the matter is being looked into by IT wing of UPPCL/Discoms

3.22.17. With regards to variation in lifeline consumers, it is submitted that the reason for variation in life line consumers has been stated in the Petition. Further, the stakeholder in its submission has informed about the wrong billing of rural consumers particularly Saubhagya Consumers in higher tariff rather than life line category. In this regards, it is submitted that the matter is being looked into by IT wing of UPPCL/Discoms.

3.22.18. With regards to sudden increase in number of lifeline consumers, the Licensees have already provided the reason for increase in life line consumers in the Tariff Petition.

3.22.19. Regarding new lifeline tariff category for LMV-2 consumers, it is submitted that the Licensees in its rationalized structure has proposed bracket of upto 100kW per month consumption slab for small consumers.

3.22.20. The stakeholder has given suggestion regarding reclassification of lifeline consumer based on consumption pattern. In this regard, it is submitted that classification of consumer category is the prerogative of the Commission. Discom has not proposed any change in the existing criteria for lifeline consumers.

C. Commission's view

3.22.21. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.23. Sales and Revenue Estimation

A. Comments / Suggestions of the Public

3.23.1. Shri Mrinal Anand submitted that in True-Up, there is a high variation in the projected vs actual sales and connected load. PVVNL should submit the consumer category-wise reason of variation and further steps taken by PVVNL to forecast the data accurately, as it directly impacts the ARR.

3.23.2. Shri Mrinal Anand submitted that as the sales projection is very vital for any Licensee as the sales projection is linked with the power purchase and future capital expenditure plan. Therefore, PVVNL should provide the projected and actual sales figure submitted in last tariff petition and the clarification for any difference. He further submitted that the Licensee should also provide the CAGR considered by them.

3.23.3. Shri Mrinal Anand submitted that PVVNL should provide more details regarding Revenue from sales of Power in the True-Up Petition and the reason for variation in ABR. He further submitted that PVVNL should also work on creating new sources of Revenue or to increase the non-Tariff income.

3.23.4. Shri Mrinal Anand further submitted that the electric poles are loaded with multiple cables apart from the discom conductors which may be of internet or cable service providers along with advertisement hoardings, as per our understanding such things need Licensee permission and against the permission Licensee charge them rent on a monthly or yearly basis, the same should be shown separately.

3.23.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that, the Power Corporation has shown the sales for FY 2022-23 as 1,00,236 MU which is on the lower side, as in April 2022 the sale was 420 MU and in June it was 535 MU. This indicates that the sales should increase by 7% to 7.5%.

3.23.6. He submitted that the Licensees have collected less revenue. Further, PVVNL and KESCO have also collected less revenue in the month of November as compared to October, however have better collection efficiency than other Discoms. He submitted that for rest of the months the revenue collection was good. However, the State Licensees has only collected 80% of the revenue

target i.e., Rs. 35,862 Crore. It is submitted that in case of PVVNL there was discrepancies in the data relate to temporary and permanent connection. Therefore, strict action should be taken against the officials of that area.

3.23.7. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that Uttar Pradesh is in the 3rd position when it comes to revenue loss. As on March 31, 2020, the total revenue loss of the State is around Rs. 85,153 Crore which is continuously increasing. Currently, the revenue loss has gone around Rs. 97,000 Crore. The Upbhokta Parishad submitted that in last two years a lot of billing scams has surfaced within the State. Further, the Power Finance Corporation has published a report regarding the revenue loss of the various States,

State Discoms	Accumulated Loss, till March 31, 2020
Tamil Nadu	Rs. 99,860 Crore
Rajasthan	Rs. 86,868 Crore
Uttar Pradesh	Rs. 85,153 Crore
Madhya Pradesh	Rs. 52,978 Crore
Telangna	Rs. 42,293 Crore
Total Loss	Rs. 5,07,416 Crore

3.23.8. He further submitted that, Rs. 500 Crore has been lost in the various billing related scams, that has resulted in revenue loss for the Licensees and its revenue gap has increased a lot. Therefore, the Commission is requested that the inefficiency of the Licensees should not be passed on to the consumers.

3.23.9. Shri Parmatma Sharan Sharma submitted that the Licensees inefficiency to collect the revenue has resulted in higher tariffs for the consumers who are regular in payment of their bills. The Commission is requested that the inefficiency of the Licensees should not be passed on to these consumers and action should be taken against the employees of the Power Corporation who fails to the collect the revenue on time. The connection of the consumers who are not paying their bills by the due date are not being disconnected even after date of disconnection which is also provided in their bills.

3.23.10. He further submitted that the Commission is requested to constitute a monitoring committee that can look after all the issues resulting in the inefficiency of the Licensees. He further submitted that in rural area, many consumers have defective meters and still the Power Corporation has not taken any action to replace these meters, which also results in revenue loss.

B. Licensees response

3.23.11. With regards to variation in projections, it is submitted that the projections of billing determinants viz a viz actual may differ for true up years as the same was impacted due to the COVID pandemic. Further, it is to be noted that the billing determinants are uncontrollable parameter and depends upon various social economic conditions.

3.23.12. With regards to recovery against the revenue assessment, the Licensees submitted that the less recovery does not directly impact the ARR of Licensees, the Commission while approving the ARR of Licensees considers 100% Collection efficiency. However, Licensees are taking all the measures to recover all the bill amount.

3.23.13. The Licensees further submitted that the OTS scheme is a policy decision under which the consumers with long pending arrears are facilitated with one-time settlement of arrears so that the consumer can be brought under the category of regular paying consumers, thus, increasing the revenue recovery.

3.23.14. With regards to minimum billing due to faulty meters, the Licensees submitted that the minimum billing to the consumers having faulty meters is being raised as per the procedure set under the Electricity Supply Code by the Commission.

3.23.15. With regards to details of revenue from sale of power in the Petition, the Licensee submitted that it has noted the stakeholder suggestion.

3.23.16. Regarding sales projection, it is submitted that the methodology for the sales projections is detailed under the Petition submitted by the Discom. Further, in regard to the comparison of actual vs projected loss for the past year it is submitted that same is already submitted to the Hon'ble Commission under the response to the data gap.

3.23.17. Regarding variation increase in sales, it is submitted that the sales have been projected based on the historical trend and the recent category wise sales recorded Discom wise. As mentioned by the Stakeholder that in the month of

May and June, already higher MU has been purchased by the Discoms. In this regard, it is submitted that every year May and June are the peak months, therefore, higher units have been purchased during this month.

3.23.18. With regards low revenue collection of the Licensees, it is submitted that Discoms are putting all their best efforts for improving collection. As it is a known fact that there are around 90% domestic consumers scattered in both rural as well as urban areas. Further, for improving collections discoms have introduced PACS, PDS, SHGs along with other online payment facilities, collections centres etc.

3.23.19. Regarding variation increase in sales, it is submitted that the sales have been projected based on the historical trend and the recent category wise sales recorded Discom wise. As mentioned by the Stakeholder that in the month of May and June, already higher MU has been purchased by the Discoms. In this regard, it is submitted that every year May and June are the peak months, therefore, higher units have been purchased during this month.

C. Commission's view

3.23.20. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has dealt the issue in relevant chapters of this Order.

3.24. Category-wise Billing Determinants

A. Comments / Suggestions of the Public

3.24.1. Shri Mrinal Anand submitted that PVVNL hasn't provided category-wise number of consumers, connected load, and sales for the period of FY 2013-14 to FY 2019-20 in the Petition. He further submitted that PVVNL should share the number of connections released under the Saubhagya scheme on a yearly basis and to provide clarification regarding unmetered consumers after implementation of Saubhagya scheme. He further submitted that PVVNL should also provide the plan and the timeline for conversion of unmetered category to metered category.

3.24.2. CEEW submitted that the Commission had created separate slab for Energy Efficient (EE) pumps under LMV-5 category. This slab was specifically created to promote uptake of EE pumps, replacing old agricultural pumps in order to save energy and improve losses in the agricultural category. However, it has been observed that the Licensees are not providing or projecting any billing

determinants (consumer no., sales and load) for the same since the time it has been created. EESL and UPNEDA have been implementing EE pumps on-ground, however such data is neither captured and nor reflected in the Tariff orders/petitions of the Licensees. There is also a lack of any report or study that demonstrates the impact of replacing old agricultural pumps with EE pumps and the future plans for implementing these pumps.

3.24.3. The Commission is requested to direct the Licensees to provide the status of agricultural pumps replaced by EE pumps and also provide projections in billing determinants for the EE pumps. We also request the Hon'ble Commission to conduct an independent study to assess the impact of EE pumps on energy and monetary savings for the Licensees as well as for the consumers

B. Licensees response

3.24.4. It is submitted that the historical billing determinants has already been submitted to the Commission. It is further submitted that the historical billing determinants are the part of True up years of respective years.

3.24.5. The Licensee submitted that as per the MYT Regulations 2019, there is no such requirement to submit the connection released under the specific scheme, therefore, the same is not the part of Petition. However, the connection released under the various schemes, metering plan etc., is being submitted to the Commission, as and when required by the Commission under various forums.

3.24.6. It is submitted that the details of Agriculture consumers as recorded under the respective category is provided to the Commission.

C. Commission's view

3.24.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.25. Billing Determinants of Franchisee

A. Comments / Suggestions of the Public (to be placed above)

3.25.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, during the public hearing submitted that the connected load of the Torrent Power for FY 2020-21, FY 2021-22 and FY 2022-23 is same. Whereas the sale is also equal for FY 2021-22 and FY 2022-23. He further submitted that the

Torrent Power has collected revenue of Rs. 2223 Crore. Therefore, on ground of the unreliable data provided by Torrent power a serious inquiry should be conducted and in case of any wrongdoing by the Franchisee, its Licensee should be terminated.

B. Licensees response

3.25.2. No response submitted by the Licensees.

C. Commission's view

3.25.3. The Commission has taken note of the objections/ suggestions made by the stakeholders.

3.26. 100% Metering for all consumer category

A. Comments / Suggestions of the Public

3.26.1. CEEW submitted that the despite repeated directions from the commission, the Licensees are yet to achieve 100% metering. The Licensees have to ensure 100 % metering in every category.

B. Licensees response

3.26.2. The Licensees have submitted that the comment made by the stakeholder is suggestive.

C. Commission's view

3.26.3. The Commission has taken note of the objections/ suggestions made by the stakeholders and comment of the Licensee.

3.27. Energy Audit Report and Energy Accounting

A. Comments / Suggestions of the Public

3.27.1. CEEW submitted that the Energy Audited Reports (at various levels) have not been submitted by the Licensees. As the Licensees have not submitted the energy audit report for FY 2020, FY 2021 and FY 2022, stating that feeder & DT metering work is in process. Therefore, the Commission is requested to direct the Licensees to submit the energy audit report for the areas where the metering has been completed on a rolling basis and to submit the status of feeder & DT metering status along with category/ sub-category-wise consumer metering achieved till date and plans to achieve 100% metering for each category.

3.27.2. CEEW submitted that the Licensees should take up phase-wise metering campaigns for all major unmetered categories (LMV-1, LMV-5 and LMV-10) consumers for the purpose of Energy accounting, whilst ensuring these consumers that metering will not necessarily impact their electricity bills as This energy accounting will also help Licensees to better forecast their energy demands and avoid power supply shortages, especially in rural areas.

3.27.3. The Prayas (Energy Group) submitted that the Commission has laid significant emphasis on proper energy accounting and loss reduction. In fact, in the previous Tariff Order, the Commission's directive even sought compliance to energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) to be submitted with the ARR petitions of the Licensees. In compliance, the energy audit report submitted is only for urban feeders of UP Licensees. The Licensees are currently in the process of complying with the Bureau of Energy Efficiency (Manner and Intervals for Conduct of Energy Audit in Electricity Distribution Companies) Regulations notified on October 06, 2021. The regulations have detailed formats capturing status of feeder and consumer metering, circle-wise losses and feeder-level input data on a quarterly and annual basis. UPERC should ask detailed information in the same format as part of the scrutiny of energy audits and loss estimation process for the Licensee.

B. Licensees response

3.27.4. With regards to status of metering of feeder and distribution transformers, it is submitted that the matter does not pertains to the current proceeding of the ARR for FY 2022-23.

3.27.5. With regards to energy audit and accounting, the Licensees submitted that It is submitted that Discoms are obligated for mandatory energy auditing as per the norms prescribed by the BEE. Further, it is informed that feeder wise energy audit is being carried out by the Discoms on monthly basis. Further, in regards to the unmetered consumption it is submitted that the Licensees have considered the norms approved by the Commission to estimate energy consumption for FY 2022-23. Moreover, it is observed that the average monthly consumption mentioned by the stakeholder is not as per the submission of the Discoms.

3.27.6. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

C. Commission's view

3.27.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.28. Billing related issues

A. Comments / Suggestions of the Public

3.28.1. Shri Shafiullah submitted that the Licensees have suffered due to the cumbersome and erroneous billings which enabled the officials concerned with revenue, playing tricks to harass the genuine consumers and giving undue favours to scoundrels. There needs to be some qualitative changes for the correction in erroneous billing by the Licensees employees.

3.28.2. Shri Shafiullah submitted that the irregular billing cycle has become a regular feature of the Licensee over the State and has become a source of illegitimate revenue and hence the Commission is requested to stop the unethical earning of revenue by the Licensees by removing the Tariff of minimum charges or by directing the Licensees for billing the same according to the number of days of billing intervals. He further submitted that the electronic meters becoming defective in multiple ways has become a regular feature in all Licensees. For example, suppose a consumer has a LMV-2 Connection of 3 kW and his billing date is on 10th of every month and he consumes an average of 3.5 kWh energy per day which is equivalent to 105 kWh per month and the minimum charges are Rs. 575 /kW per month. Suppose, his bill in one case was prepared exactly at 30 days' interval but in 2nd case it was prepared at 20 days' interval in one month and 40 days' interval in the 2nd month. Then as demonstrated by the following billing, he will be paying Rs. 210 excess in every 2 months without being aware of it just because the billing is irregular.

Charges for 2 months of 60 days				
Billing Period	Item	Qty	Rate	Amount
Case-1 For Regular Billing Cycle of 30 days				
Month-1 Billing on 10th of every moth	Energy Charges	105	7.5	787.5
	Fixed Charges	3	330	990
	Minimum Charges	3	575	
	Total for Month-1			1777.5
Month-2 Billing on 10th of every moth	Energy Charges	105	7.5	787.5
	Fixed Charges	3	330	990
	Minimum Charges	3	575	

Charges for 2 months of 60 days				
Billing Period	Item	Qty	Rate	Amount
	Total for Month-2			1777.5
Total for Month-1 & Month-2				**3555**
Case-2 For Irregular Billing Cycle of 20 & 40 days				
Charges for 1st month of 20 days				
Month-1 Billing on 10th of every moth	Energy Charges	70	7.5	525
	Fixed Charges	3	330	990
	Minimum Charges	3	575	210
	Total for the month			1725
Charges for 2nd month of 40 days				
Month-2 Billing on 20 the of every moth	Energy Charges	140	7.5	1050
	Fixed Charges	3	330	990
	Minimum Charges	3	575	
	Total			2040
Total for the 2 months				3765
Excess Billed Due to unnoticed irregular billing				**210**

3.28.3. Shri Shafiullah submitted that, in case the meter become defective, the billing for the period of malfunctioning should be done for an energy consumption of average monthly rate of last 6-month consumption and the condition of minimum charges for the period of malfunctioning must be treated as ineffective. He further submitted that the consumer being helpless with respect to change of meter must not be subjected to extortion and penalty unless the consumer himself is involved in tampering in the meter which is very rate.

3.28.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Commission is requested to implement a rule that in case the Licensees send a bill having an inaccurate reading then, the consumers should be exempt to pay surcharge till the accurate bill is provided to the consumers.

3.28.5. Shri Jai Hemrajani, Chairman, Indian Industries Association, submitted that, responsibility for billing of Industrial units to be fixed so that in case of wrong billing (which gives a lot of tension and harassment) the responsible person is suitably warned / punished.

3.28.6. He further submitted that electricity bills to be released only when they are prepared through MRI process backed up with TOD breakup and cross checked with pole meter readings, otherwise, the same may be categorised as ADHOC bills and marked on the bill formats itself.

3.28.7. The Prayas (Energy Group) submitted that despite multiple directives of the Commission, a systematic metering and billing audit has not been conducted by the DISCOMs. Given the issues with the sales reported by the DISCOMs and the on-ground issues reported of metering and billing in the State, it is suggested that a third-party metering and billing audit be conducted to assess status of metering and billing systems efficacy in the State.

3.28.8. Based on the data submitted by the Licensees, average connected load and average monthly consumption have been computed and provided below in Tables respectively.

Average connected load (kW/consumer)	2016-17	2017-18	2018-19	2019-20	2020-21	2022-23
Life Line Consumers (Rural+Urban)	1.11	1.01	1.11	0.96	1.05	0.99
Dom: Rural Schedule (unmetered)	1.47	1.35	1.31	1.66	1.20	1.16
Dom: Rural Schedule (metered) other than BPL	1.24	1.11	1.12	1.21	1.14	1.50

Average monthly consumption per consumer (kWh/month/consumer)	2016-17	2017-18	2018-19	2019-20	2020-21	2022-23
Life Line Consumers (both Rural and Urban)	107	145	126	69	88	83
Dom: Rural Schedule (unmetered)	170	199	202	206	173	251
Dom: Rural Schedule (metered) other than BPL	132	119	80	102	95	119

3.28.9. He further submitted that the rural unmetered consumers have higher consumption than rural metered and over the years, the difference has only been increasing. This is also reflected in the projections by the DISCOMs for FY23. This calls for immediate revision of the 2016 norms for unmetered consumption based on metered data and based on on-ground assessments.

Over the next three years, steps need to be taken to ensure no domestic consumer is unmetered.

3.28.10. In addition, despite, most RGGVY, DDUGJY and SAUBHAGYA connections being either 250W or 500W connections, rural poor consumers in UP have average connected load greater than 1 kW. With the large addition of newly electrified consumers under the national programmes in this time-frame one would expect the average connected load to be lowered substantially over time, especially for the lifeline segment.

3.28.11. The Prayas (Energy Group) submitted that the above evidence is indicative of larger issues with metering and billing in the State. Considering the inconsistency in data over the years, the Commission should direct a time-bound, comprehensive, third party meter and billing audit for all Licensees.

3.28.12. Shri Rajendra Mohan Shukla submitted that the temporary connection under LMV-9 Category is billed at Rs. 450/week, which is an excessive amount. He further submitted that billing of the temporary connection should be based on metered consumption or M.C.G whichever is higher.

3.28.13. Shri Rajendra Mohan Shukla submitted that the for the consumers taking temporary connections for the construction of their house and consuming less than 5 kW load, their metered billing should be based on the actual consumption and it should not be based on M.C.G.

3.28.14. He further submitted that after the end of the temporary connection period, if the consumer does not extend the time period of the temporary connection or the electricity department hasn't disconnected the connection on time then, as per the Order no. -458/ M.U. Section 9 (b)/ Red Unit / dated September 29, 2017 it is clearly directed that,

Quote

In case of grant of temporary connection through meter, if the user is utilizing the electricity beyond the period of original sanction of the temporary connection but through a metered supply then it will not be treated as a case of mens rea and the activity will be dealt under section-126. However, if the meter is damaged/tempered then it will be treated under section-135.

Unquote

3.28.15. Shri Rajendra Mohan Shukla submitted that the billing of small consumer when the temporary connection was not extended on time should not be 2-3 times higher than the M.C.G under the section 135 of Electricity Act, 2003

because the load on consumers having less than 5 kW is very high and they sometimes become incapable to pay bills on time. Therefore, the case of extension of time period for temporary connection should not be under section 135 of the electricity act and the consumers should be charged on normal tariff.

3.28.16. The billing of temporary connection under LMV-9 is 1.9 times the tariff of domestic consumers in Madhya Pradesh. It is requested that the same should also be implemented in U.P. Further, M.C.G charge is Rs. 450 / kW/ week in U.P, whereas in Madhya Pradesh it is Rs. 1000 / month.

B. Licensees response

3.28.17. With regards to defective electronic meters, the Licensees submitted that the matter does not pertain to the current proceeding of ARR for FY 2022-23. No specific case has been mentioned to investigate.

3.28.18. With regards to billing the Licensees submitted that they incur cost while laying infrastructure such as Power transformers, lines, Poles etc. which is required to be recovered from the consumer in the form of Fixed charges/Minimum charges. Further, the recovery methodology as proposed by the stakeholder for computation of MMC cannot be implemented because the licenses pay fixed cost to the Generators as per the availability.

3.28.19. With regards to billing during the period of malfunctioning of meters, the Licensees submitted that Matter does not pertain to the current proceeding of ARR for FY 2022-23 and no specific case has been mentioned to investigate.

3.28.20. It is submitted that the Licensees have recovered the tariff from the various categories of consumers as approved by the Hon'ble Commission for respective year. Further, the billing is done as per the procedure defined by the Commission time to time

3.28.21. The Licensees submitted that the billing of LMV 9 is being done as per the tariff schedule approved by the Commission, for respective year.

3.28.22. Regarding billing of Industrial units, it is submitted that the matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity supply code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Commission.

3.28.23. Regarding need for comprehensive metering and billing, the Licensees submitted that that Discoms are obligated for mandatory energy auditing as per the norms prescribed by the BEE. Further, it is informed that feeder wise energy audit is being carried out by the Discoms on monthly basis.

3.28.24. In regards to the unmetered consumption it is submitted that the Licensees have considered the norms approved by the Commission to estimate energy consumption for FY 2022-23. Moreover, it is observed that the average monthly consumption mentioned by the stakeholder is not as per the submission of the Discoms.

C. Commission's view

3.28.25. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.29. Disconnection related issues

A. Comments / Suggestions of the Public

3.29.1. Shri Shafiullahsubmitted that if a consumer has not consumed the electricity for more than 3 months and has not applied for permanent disconnection also, then the consumer must be disconnected on temporarily basis as per code and should be treated as disconnected for the purpose of billing from the date of not using the connection. He further submitted that his billing should commence after he restarts using the connection and deposits the dues which existed as on the date of deemed disconnection and the Fixed and Minimum charges must be dispensed with effect from the date he was deemed to have been disconnected notwithstanding with the fact whether he was actually disconnected or not provided that he did not consume any energy during such period of deemed disconnection.

B. Licensees response

3.29.2. The Licensees submitted that the matter does not pertain to the current proceeding of ARR for FY 2022-23.

C. Commission's view

3.29.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. However, the Commission directs the Licensees that it should refrain from submitting response without addressing the issues that have been raised and should provide appropriate

reasons. The issues that has been raised may be associated indirectly with the ARR and it would be in the purview of Commission to decide whether the issue that has been raised pertains to the proceedings of ARR or not.

3.30. Issues related to Agricultural consumers (LMV-5)

A. Comments / Suggestions of the Public

3.30.1. CEEW Council submitted that the unmetered agricultural demand for FY 2023 is projected to account for about 75% of the total LMV-5 sales. The LMV-5 category is the predominant recipient of subsidies. The estimation of sales (though it is for normative booking/accounting under the Licensees commercial statements) should be based on a more scientific and rigorous methodology. This is especially true as the demand estimations have implications on revenue recovery, cross-subsidy requirement, subsidy, and distribution losses estimation. The Commission vide order UPERC/Secy/D(T)/2016/336 dated December 09, 2016 has recognised the same. It has emphasised conducting a robust study for estimation of un-metered consumption. The relevant section of the order has been quoted below.

"The Commission is aware that increasing the normative consumption figures for unmetered categories of consumers will result in decrease in the loss level of the licensee but reduction in billing per unit of energy, thereby increasing the subsidy bill of GoUP. Further, the overall ABR will go down thereby increasing the Gap between the ACOS and ABR. Furthermore, revised consumption norms will result in improving one of the parameters of UDAY i.e. loss level but at the same time other parameters i.e. gap between ACOS and ABR will go up.

.....

It is once again reiterated that the approved consumption norms will only be used for the purpose of energy accounting and the tariff of the consumers will not change. For all billing purposes, even in cases of assessment, NA, NR, defective meter, meter not installed in a metered connection etc, ***the existing (old) consumption norms will be used till the Commission approved the new revised consumption norms based on studies****"*

3.30.2. Moreover, in the aforementioned order dated December 09, 2016, the Commission had approved the normative consumption on an interim basis for

six months (till June 30, 2017) and directed the Licensees to complete the study of consumption norms based on MYT Distribution Tariff Regulations 2014, before that. However, since 100% metering of LMV-1 and LMV-5 is still pending, the old norms still continue to be used by the Licensee for demand projection and ARR assessment. Given the change in consumption pattern of all consumer categories on account of Covid-19, changes in seasonal pattern, and cropping patterns, the Commission and the Licensees must conduct a comprehensive study to assess the unmetered domestic and agricultural demand, to revise the norms for estimating demand, especially for the given control period.

3.30.3. The Commission revised the consumption norm for unmetered LMV-5 slab in the tariff order for FY 2019-20 dated September 03, 2019. The relevant section is quoted below:

"Further, for LMV-5 category, the Commission in its Tariff Order for FY 2019-20 dated 03.09.2019, had approved a consumption norm of 140 kWh per kW per month consumers assuming a supply of 14 hours for 120 days. The same norm for LMV-5 has been considered. The Commission has computed the excess sales booked by Petitioners as under"

3.30.4. CEEW further submitted that Hon'ble MERC had constituted a working group (consisting of MERC officials, discoms officials, think tanks, and others) to study the agricultural consumption in their State. The working group concluded that the feeder meter-based analysis enables capturing data of many agricultural consumers in an economical, efficient, and reasonably accurate manner. Similarly, the Hon'ble Commissions in Punjab and Haryana have followed a feeder data-based approach to estimate agricultural sales. In Uttar Pradesh, significant agriculture feeder separation has been done. Therefore, the Commission is requested to initiate an independent study to assess agricultural consumption based on feeder and DT input data and sample surveys to inform the consumption norms concerning sales from FY 2023 onwards.

3.30.5. CEEW submitted that the impact of demand side interventions such as solarisation of agriculture feeder under the PM-KUSUM scheme seems to be lacking from Licensee's sales projections. MNRE has already sanctioned a 225 MW capacity target for UP under Component A of the scheme. The Government of UP (GoUP) had recently issued an order dated January 13,

2021, sanctioning capacities of 150 MW to various State Implementing Agencies (SIAs)/Discoms to implement the Component-A. UPPCL had proposed a ceiling tariff of INR 3.10/kWh, approved by the Commission, for procurement of solar energy under KUSUM.

3.30.6. CEEW submitted that, they have estimated 225 MW of solar capacity can fulfil ~355 MU of agricultural demand. The Licensees should take the same into consideration while projecting the sales and corresponding power purchase requirements. The saving potential can be estimated to be the difference of power purchase cost required to cater the demand of Agricultural consumers and ceiling tariff of INR 3.10/kWh. In December 2020, the Ministry of New and Renewable Energy (MNRE) issued revised guidelines for the PM-KUSUM scheme allowing feeder solarisation under Component C. Under Component C, a capital expenditure grants of 30% will be available to the Licensees. With no conditionality of using farmers' land for project setup under this component, the surplus land near the substations could be leased out to develop small solar power plants to cater to agricultural feeders originating from the substation. Solarisation of agricultural feeders is important to ensure reliable daytime supply to farmers, meet renewable purchase obligations (RPO), reduce cross-subsidy requirements and tariff subsidy burden on the government, and cut down distribution losses.

3.30.7. It is estimated that impact of demand side interventions such as solarisation of agriculture feeder under the PM-KUSUM scheme seems to be lacking from Licensees' sales projections. The Commission is requested to consider the impact of KUSUM in demand and power purchase projections and direct the Licensees to leverage feeder solarisation actively.

3.30.8. Prayas (Energy Group) submitted that as per the Licensees submissions, about 77% of agricultural sales in the state is unmetered. Further, just like the norms for domestic unmetered consumption, the norms for unmetered agricultural consumption should also be revised. This is particularly critical as immediate metering of such consumers will be impractical. The assessment can be based on survey data and readings from AMR/AMI readings from sample feeders as well as sample consumer readings.

3.30.9. Shri Avadhesh Kumar Varma, Chairman, UP Rajya Upbhokta Parishad submitted that the U.P government before election has reduced the electricity rates by half for agricultural category consumers. Moreover, the government has promised to provide free electricity to the farmers. Other

States like Andhra Pradesh, Karnataka, Punjab, Tamil Nadu and Telangana are already providing free electricity to the agricultural consumers.

State	Rate	No. of Consumers
Andhra Pradesh	Zero	1740418
Karnataka	Zero	2969013
Punjab	Zero	1378960
Tamil Nadu	Zero	2117440
Telangana	Zero	2305318

3.30.10. Further, in Haryana and Pondicherry, the electricity token is Rs 0.10 per unit. Whereas in U.P the rate is Rs. 170 per H.P for unmetered rural consumers and for metered rural consumers the rate is Rs. 0.70 per H.P and energy charge is Rs. 0.02 per unit. For, urban agricultural consumers it is Rs. 130 per H.P and energy charge is Rs. 0.06 per unit. The Commission is requested to provide free electricity for the agricultural consumers.

B. Licensees response

3.30.11. The Licensees submitted that matter does not pertain to the current proceeding of the ARR for FY 2022-23.

3.30.12. It is submitted that the PM KUSUM scheme is under the formulation stage and any impact of the same may be considered during the True-Up of respective year.

3.30.13. Regarding data based restatement of agricultural norms, it is submitted that the consumption of agriculture consumers has been estimated based on norms approved by the Commission. The stakeholder has submitted the requirement of revised norms for unmetered Agriculture consumers, however, the stakeholder has not provided any specific reason for the same.

3.30.14. The Licensees submitted that free electricity to the farmers is a policy matter of State Government, therefore, no comments to offer.

C. Commission's view

3.30.1. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. However, the Commission directs the Licensees that it should refrain from submitting response without addressing the issues that have been raised and should provide appropriate reasons. The issues that has been raised may be associated indirectly with the ARR and it would be in the purview of Commission to decide whether the issue that has been raised pertains to the proceedings of ARR or not.

3.30.2. The normative consumption will be applicable as per the latest Order of the Commission and will be considered at the time of True-Up.

3.31. Rural Unmetered Consumers

A. Comments / Suggestions of the Public

3.31.1. Shri Avadhesh Kumar Varma, Chairman, UP Rajya Upbhokta Parishad submitted that in FY 2017-18 tariff for rural unmetered category was increased by the Power Corporation, and it was stated that the consumers will get 24 hours' electricity supply from October 2017. However, even after increasing the rates from Rs. 300 to Rs. 400, the rural unmetered consumers are not getting 24 hours' electricity supply.

3.31.2. He further submitted that the 10% relaxation provided by the Commission in electricity bills for the rural consumers willing to shift from unmetered to metered category has not been provided by the U.P Power Corporation. The Commission is requested to take action against the Power Corporation for not providing the rebate of 10 % to the consumers as provisioned in the Tariff Orders before FY 2018-19. Further, the consumers who are eligible for this rebate should also be provided with additional 2% regulatory rebate every month till the time Power Corporation provides the 10% rebate amount to the eligible consumers.

B. Licensees response

3.31.3. It is submitted that rural unmetered tariff is as approved by the Commission for respective year.

3.31.4. With regards to 10% rebate to rural consumers, it is submitted that the matter does not pertain to current proceeding of ARR of FY 2022-23. Hence, no comments to offer.

C. Commission's view

3.31.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.32. LMV-10 Departmental Category

A. Comments / Suggestions of the Public

3.32.1. Shri Ranjan Kumar Pal, Secretary, Vidyut Pensioner Welfare Association submitted that the Electricity Reforms Transfer Scheme, 2000, Section 23 (7), provides the following provision for the LMV-10 consumers:

Quote

Terms and Conditions of service of personnel shall not be less favourable to the terms and condition which were applicable to them before the transfer". *The same spirit has been echoed under first proviso of section-133(2) of the Electricity Act 2003. The benefits for employees/pensioners as provided in section-12(b)(ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include* ***"Concessional Rate of Electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before 14 January, 2000. The rates and charges indicate above for his category are strictly in adherence of above statutory provisions.***

Unquote

3.32.2. Shri Ranjan Kumar Pal, Secretary, Vidyut Pensioner Welfare Association submitted that that the discussion held between the Power Minister and Rajya Vidyut Parishad on January 25, 2000 also concluded on the lines that, all the welfare schemes applicable to the employees of the Power sector will continue as before. Further, before the implementation of Transfer scheme, 2000, it was clearly stated that no changes will be made in the service condition of any employee which is less beneficial than the services provided under previous Uttar Pradesh Rajya Vidyut Parishad.

3.32.3. He further submitted that the Vidyut Pensioner Welfare Association strongly opposes the removal of LMV-10 departmental category and shifting its consumer base under LMV-1 category, as it is a violation of UP Electricity Reform Act, 1999 and Electricity Act, 2003.

3.32.4. Shri Ranjan Kumar Pal, Secretary, Vidyut Pensioner Welfare Association submitted that other departments like railways, telecom corporation of India and transport corporation etc. also provides additional services to its employees. Further, he alleged that other government offices are misusing the direct electricity connection provided to them by consuming extra units.

3.32.5. Shri Ranjan Kumar Pal, Secretary, Vidyut Pensioner Welfare Association submitted that keeping the view of the written assurance provided to the departmental employees on January 25, 2000, the Commission is requested

to cancel the order related to installation of smart meters in the departmental employee's households.

3.32.6. Shri J.R Jain, Secretary, Vidyut Pensioners Parishad submitted that the Commission is requested to clear the confusion with regard to termination of the facilities provided under LMV-10 during FY 2020-21, and a notification should be issued to continue the existing setup before January 14, 2000. Further the electricity theft should be reduced so that the losses incurred by the Licensees can be reduced and the situation before January 14, 2000 should be reinstated.

3.32.7. He submitted that the U.P Power Corporation have the complete responsibility to provide relaxation in tariff for LMV-10. Therefore, after discussion as per official Gazette/Act/Mandate, the previous situation should be restored.

3.32.8. Shri J.R Jain, Secretary, Vidyut Pensioners Parishad submitted that the departmental pension / family pensioners of erstwhile U.P Electricity council has not been provided, the departmental connection should also be provided to them. He submitted that the agreement formed after tripartite meeting on January 25, 2000 should be respected.

3.32.9. Shri J.R Jain, Secretary, Vidyut Pensioners Parishad submitted that in case the violation of the agreed act, mandates, tripartite understanding happened and unilateral action was taken, then the organisation will be forced to file the Petition in court and for which the U.P Power Corporation / U.P government will be responsible. Therefore, the Commission is requested that the relaxation provided under LMV-10 should be prolonged for FY 2022-23 also.

3.32.10. Shri N.K. Jain, Lok Kalyan Prahari submitted that an article was published in Dainik Hindustan newspaper (Hindi edition) in June/July 2021. It was reported that soon the electricity will be supplied by meters to the departmental employees of UP State Electricity Corporation. But even after a lapse of 3 months, the meters have not been installed. It is submitted that the electricity theft and line loss will reduce by 10 to 15 percent as soon as the meters are installed. Further, till the time, the work of installing the meters is in progress, the relevant authority is requested to issue orders to each employees to use restricted number of electrical appliances.

3.32.11. CEEW submitted that the Commission had repeatedly directed and even penalised the Licensees for transparency and metering of LMV-10 consumer

category and merging of the same with LMV-1 category. However, no action has been taken by the Licensees till date. Therefore, State government should subsidised the entire LMV-10 category, as they receive free electricity and are not metered as a result, it is the consumers who have to bear the unjustified burden of 'subsidising' departmental employees in the form of rising cost of supply.

TABLE: REVENUE FROM LMV-10 CONSUMERS

S. No	Financial Year	Revenue (in INR crore)
1.	2019-18	316.13
2.	2019-20	291.76
3.	2020-21	351.15
4.	2021-22	373.44

B. Licensees response

3.32.12. With regards to benefit of billing under LMV-10 tariff category to pensioners/family of pensioners, the Licensees submitted that they have not proposed any change in existing LMV-10 billing structure in its submission to the Commission.

3.32.13. It is submitted that Licensee has not proposed any restructuring/ Changes in LMV 10 tariff category. Licensee understands that as per Section 23 (7) of Electricity Reforms Act, 1999, "terms and condition of service of the personnel shall not be less favorable to the terms and condition which were applicable to them before the transfer". The same spirit has been echoed under first proviso of section 133 (2) of the Electricity Act, 2003. The benefits for employees / pensioners as provided in section 12 (b) (ii) of the Uttar Pradesh Reform Transfer Scheme, 2000 include "concessional rate of electricity", which means concession in rate of electricity to the extent it is not inferior to what was existing before January 14, 2000.

3.32.14. It is submitted that implementation of metering is not directly related to the ARR for FY 2022-23. Hence, no comments to offer.

3.32.15. It is submitted that subsidy is the policy matter of State Government. In ARR petition revenue for LMV-10 category, has been assessed as per Domestic rate. This in line with the tariff Order wherein Hon'ble Commission has ordered that domestic rate will be applicable to LMV-10 category. Further Licensee submit that allegation of stakeholder, LMV-10 consumers receive

free electricity, hence, not true. Electricity charges are deducted from monthly salary of employees according to their post and deposited to revenue account.

C. Commission's view

3.32.16. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has been determining deemed revenue for the non-compliance of the Order of the Commission in regards to the installation of meters.

3.33. Capital Expenditure

A. Comments / Suggestions of the Public

3.33.1. Shri Mrinal Anand submitted that PVVNL should submit the details of circle-wise installed smart meters and the details of the other schemes related to capital expenditure. The Commission is requested to direct the Licensee to submit the report on the improvement in billing and collection efficiency along with other savings or benefits due to smart meters with every True-Up Petition. It is further submitted that the Licensee should submit the scheme details into the above mentioned head along with the existing table to keep track of the capital expenditure works and also PVVNL should share the base of considering any capital investment works like cost-benefit analysis or any other parameter.

3.33.2. Shri Mrinal Anand further submitted that PVVNL has stated that Rs. 2102 crore only include equity and debt components, however, it can be seen that a major part of the capex is of central government supported schemes for which central govt. provide grants, the same is clubbed with the consumer contribution in the table. The Licensee should submit the scheme wise details in the below table along with the documentary evidence.

Scheme name	Total expenditure during the year (Rs. Cr)	Grant as per Norms (%)	Grant actually received (Rs. Cr)	Consumer Contribution (Rs. Cr)	Loan (Rs. Cr)	Equity (Rs. Cr)

3.33.3. Shri Mrinal Anand submitted that PVVNL should submit the details of major part of the capex is of central government supported schemes for which central government provide grants and also share the documentary evidence.

It is further submitted that PVVNL should comply with the CEA Safety and Erection Norms properly.

3.33.4. Shri Mrinal Anand submitted that the Licensees should share the status of the CEA energy audit regulation.

Scheme name	Initial Scheme Detail	Commission approval details	Final Scheme details
	- Date of DPR submission - Desired output - Estimated cost - Time period to complete the scheme	- Date of Approval of scheme from Commission - Comments, if any on the scheme from the Commission	- Completion date of the scheme (in case of delay, the reason for the same along with its impact on scheme cost) - Final scheme cost - Third-Party certificate on completion of the project

3.33.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that those investments by the Licensees which don't have prior approval of the Commission as per the MYT Regulations should be completely disallowed from the tariff.

3.33.6. He further submitted that the Licensees without audited account submits the proposal to the Commission and after that they keep on changing it as per their wish which is wrong and unethical.

3.33.7. Shri Akhil Katiyar further submitted that the KESCo has claimed Rs. 156.20 Crore under "Revamped Distribution Sector Scheme" for FY 2022-23. The Licensee should submit the detailed breakup of works under RDSS scheme i.e. capex for metering, Infrastructure works, Modernisation, Project management agency cost, cost of Training and capacity building of employees. Further, the Commission is requested to direct the Licensee to upload the State Action Plan, DPR and Result Evaluation matrix on its Website.

3.33.8. He further submitted that the KESCo should clarify whether it has included the cost of Training and capacity building of employees in the Capex for FY 2022-23 under RDSS scheme. The Commission is requested to disallow the said expenses as it is a part of O&M expenses and should not be considered as capex.

3.33.9. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Licensees have shown the expenses incurred under RDSS scheme in the ARR. Whereas, the Licensees have not submitted any DPR or role out plan before the Commission. The Commission is requested to disallow these expenses under ARR.

3.33.10. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that prepaid smart meters will be installed under the Central government RDSS scheme within the State. However, the State consumers will have to pay for the smart meters under RDSS scheme. The Upbhokta Parishad strongly opposes this policy of the central government because the consumers have already paid for the normal meters installed in their home which also have a guarantee of 5 years. As per the Standard billing document Rs. 5,100 Crore will be invested by the Licensees which will be passed on to the consumers under Opex model and the consumers will also be forced to bear the GST. Therefore, the Commission is requested that the smart meter cost should not be passed on to the consumers and the tariff rates should not be increased. The Central government should provide the subsidy of Rs 6,000 Crore.

3.33.11. CEEW submitted that the Licensees have claimed around Rs. 2,776 Crore under Revamped Distribution Sector Scheme for FY23. However, as per the RDSS guidelines, the Licensees will not have to spend upfront capex on metering and related activities.

3.33.12. CEEW submitted the relevant clauses from scheme's guidelines for the Commission's consideration:

Quote

i) 3.2.4.1 One or more independent Project Management Agency(ies) (PMA) may be appointed by the DISCOM for project management.

The cost of the Project Management Agency if included in the Capex projection for FY 2022-23, should not be allowed as it is a part of administrative and general expenses rather than Capex.

ii) The cost of Training and capacity building of employees in the Capex for FY 2022-23 under RDSS scheme should not be allowed, as it is a part of O&M Expenses and shall not be considered as capex and it is 100% through grant.

iii) The Smart metering works under RDSS is to be implemented in Totex mode i.e. (Capex+Opex), as per the following provision:

2.3.2 Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. Under this mode, a single agency will be contracted for supplying, maintaining and operating the metering infrastructure for the purpose of meter related data and services to the DISCOM. It will make both capital and operational expenditure under DBFOOT (Design Build Fund Own Operate & Transfer) or similar modes and will be paid for a portion of its capital expenditure initially and the remaining payment over the O&M period.

3.3.3 The Action Plan and DPRs for loss reduction and metering shall be scrutinized by the Nodal Agency and approved by the Monitoring Committee with such modifications, as are necessary to achieve the objectives of the Scheme. Monitoring Committee will issue sanctions of loss reduction works contingent to sanctions of metering works being already in place; or, Smart metering works being already implemented by the DISCOMs in line with the SBD for Smart prepaid metering in TOTEX mode; or together, as the case may be.

Unquote

3.33.13. CEEW further submitted that the Commission in previous True-Up for FY 2019-20 has not allowed the Opex works under smart metering works and ruled that:

Quote

4.6.19. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence ***the total cost should stay out of the ARR***

Unquote

3.33.14. CEEW requested the Commission to direct the Licensees to submit the detailed breakup of works under RDSS scheme with year wise bifurcation under different heads. This may include capex for metering, Infrastructure works, modernisation, project management agency cost, cost of training and capacity building of employees. Moreover, the capex expenditure for the smart metering works under the RDSS, should not be allowed and passed on

to consumers, in line with the scheme's guidelines and provisions. The Commission is further requested to direct the Licensees to upload the state action plan, DPRs and result evaluation matrix on its website for the larger public to be aware of the intent and targets of the RDSS scheme for each Licensees and the State as a whole.

3.33.15. Shri Akhil Katiyar submitted that the Commission is requested to verify the assumption considered by KESCo in State Action and DPR while projecting the Capex for FY 2022-23 under RDSS scheme. He further submitted that as per Para 2.2.1 of the True Up Petition it can be ascertained that the Licensee has considered higher distribution losses then the approved losses by the Commission, based on it Licensee has projected capex for FY 2022-23.

3.33.16. Shri Akhil Katiyar submitted that if the Commission accept the capex of the Licensee than indirectly the Commission is accepting the distribution loss levels of the Licensee.

3.33.17. Shri Akhil Katiyar submitted that the Smart metering implementation under RDSS is implemented under capex+opex (Totex) mode. He submitted that the Commission in its previous order has not allowed the opex work under smart metering work. Therefore, he requested the Commission to disallow the smart metering work under RDSS scheme.

3.33.18. Shri Akhil Katiyar submitted that the RDSS guidelines para 2.4.3 provides the provision of capex for Public Charging Infrastructure for Electric Vehicles. The Licensee should provide the details of capex projected under the Public Charging Infrastructure for Electric Vehicles for RDSS scheme.

B. Licensees response

3.33.19. The Licensees submitted that the True-Up Petition is being filed as per the provisions of MYT Regulations 2019. The details data and information pertaining to various performance and financial status has been provided to the Commission as per the requirement of MYT format for respective years. Further quarterly report is submitted in UPERC formats about smart meters.

3.33.20. It is submitted that the details data and information pertaining to Capital Expenditure has been provided to the Commission as per the requirement of MYT formats.

3.33.21. The detailed breakup of capital schemes under debt equity and grant along with the consumer contribution has already been submitted to the Commission.

3.33.22. With regards to disallowance of the investments, the Licensees submitted that the comment is suggestive in nature.

3.33.23. With regards to query related to RDSS, the Licensee submitted that the detail of scheme has already been provided under the ARR format submitted before the Commission. It is further submitted that all direct costs and project management costs associated with the development of project is being capitalized. Moreover, as per MYT Regulations 2019, O&M is a normative factor and the Commission allowed O&M based on certain parameters.

3.33.24. As far as the approval of smart meter implementation under RDSS scheme is concerned, it is submitted that it is an integral part of RDSS scheme to be implemented across the country including State of Uttar Pradesh. The scheme is being implemented in the State as per the guidelines set by the Central Agencies. Therefore, any expenses under the RDSS scheme needs be fully allowed under the ARR for the successful implementation and to fulfil key requirements of schemes so that the objective of the scheme like ACS ARR gap to be nil and also, the target of AT&C loss, is achieved.

3.33.25. With regards to Public Charging Infrastructure for Electric vehicle, it is submitted that KESCo has not considered any capital expenditure under RDSS for the said head.

3.33.26. With regards to consumers paying for smart meter under RDSS, it is submitted that the implementation of Smart prepaid meter is a Government initiative, Discoms are committed to adopt the same. The matter is not directly related to the current proceeding of ARR for FY 2022-23.

C. Commission's view

3.33.27. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee and the same has been dealt appropriately in the relevant chapter of this Order.

3.34. Interest on Loan

A. Comments / Suggestions of the Public

3.34.1. Shri Mrinal Anand submitted that the weighted average rate of Interest is higher than the interest considered by the Commission. The Licensee should submit the reason for the higher weighted average rate of interest along with steps taken to reduce the same

3.34.2. Shri Mrinal Anand submitted that PVVNL should provide the base of weighted average rate of Interest i.e., 8.40%.

B. Licensees response

3.34.3. The Licensee submitted that the detailed working of weighted average rate of interest has been submitted to the Commission. The Discoms always intent to reduce its interest cost burden.

3.34.4. It is submitted that weighted average rate of Interest 8.40% is considered as approved by the Commission for FY 2021-22.

C. Commission's view

3.34.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission had raised several deficiencies in this regard on which submissions have been made and appropriate treatment has been done by the Commission.

3.35. Bad & Doubtful Debt

A. Comments / Suggestions of the Public

3.35.1. Shri Mrinal Anand submitted that PVVNL has considered higher bad & doubtful debt of Rs. 75 Crore considering that billing and collection is done by third parties. PVVNL should provide the reason for the same and steps to reduce it in the future.

3.35.2. He further submitted that for FY 2022-23, the bad & doubtful debt as per UPERC norm is Rs. 414 Crore, which is on the higher side. The Commission is requested to reduce the same and made it equal to the submission under True-Up i.e., Rs. 75 Crore.

B. Licensees response

3.35.3. It is submitted that Bad and Doubtful debts is being approved by the Commission as per the provision of MYT Regulations 2019.

3.35.4. The Licensee submitted that the bad and doubtful debt is being worked out as per the MYT Regulations 2019. The Commission is requested to consider the same.

C. Commission's view

3.35.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee and the same has been dealt appropriately in the relevant chapter of this Order.

3.36. Non-tariff Income

A. Comments / Suggestions of the Public

3.36.1. Shri Mrinal Anand submitted that a Licensee with ARR is more than Rs. 28,000 crore has non-tariff income of only Rs. 48 Crore. The Commission is requested to direct Licensees to conduct an in-depth analyse of the reason and find out ways to increase the same. He further submitted that the electric poles carry multiple cables apart from conductors, which are mainly owned by local net service providers or cable operators along with hoardings at poles and at the boundary of the substations. As per norms, every user has to pay the rental charges to discom, it seems that the same was not collected seriously, serious focus on this will help in collecting substantial amounts and will increase the non-tariff income

3.36.2. CEEW submitted that the non-tariff income, including delayed payment surcharge (DPS), has been projected to reduce by about 72% in FY22 from FY21. Moreover, the Licensees struggles to recover their tariff revenues and also have cash flow issues, the Commission is requested to direct the Licensees to look for other avenues of non-tariff income opportunities, which wouldn't be passed on to the consumers, but would effectively reduce the ACoS for the Licensees.

3.36.3. CEEW submitted some of the innovative measures that the Licensees could consider to improve their non-tariff incomes:

- utilising poles owned by UPPCL to put up private sector advertisements, security cameras, air pollution monitoring sensors;

- leasing out the unused land/space at the local substation offices for private advertisements or temporary commercial activities;
- providing consultancy, as is being done by the discoms in Haryana and Delhi.

B. Licensees response

3.36.4. With regards to increase in non-tariff income, it is submitted that the Licensee has made all the efforts to increase non-tariff income.

C. Commission's view

3.36.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.37. Security Deposit

A. Comments / Suggestions of the Public

3.37.1. CEEW submitted that the Commission is requested to direct the Licensees to share the data related to interest on security deposit in the ARR Petition. CEEW Council submitted the below format for the Commission's consideration:

Table 11: Format suggested for reporting information about consumer security deposit

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-21
1	Opening Security Deposit				
2	Add: Deposits during the Year				
3	Less: Deposits refunded				
4	Less: Deposits in form of BG/FDR				
5	Closing Security Deposit				
6	Bank Rate				
7	Interest on Security Deposit				
8	Cumulative Interest on Security Deposit including Past Years				
9	Interest on Security Deposit Paid				
10	Balance Interest on Security Deposit to be Paid during the FY				

B. Licensees response

3.37.2. Under Petition no 780/2012, the Licensees have submitted the details of interest on security deposit.

C. Commission's view

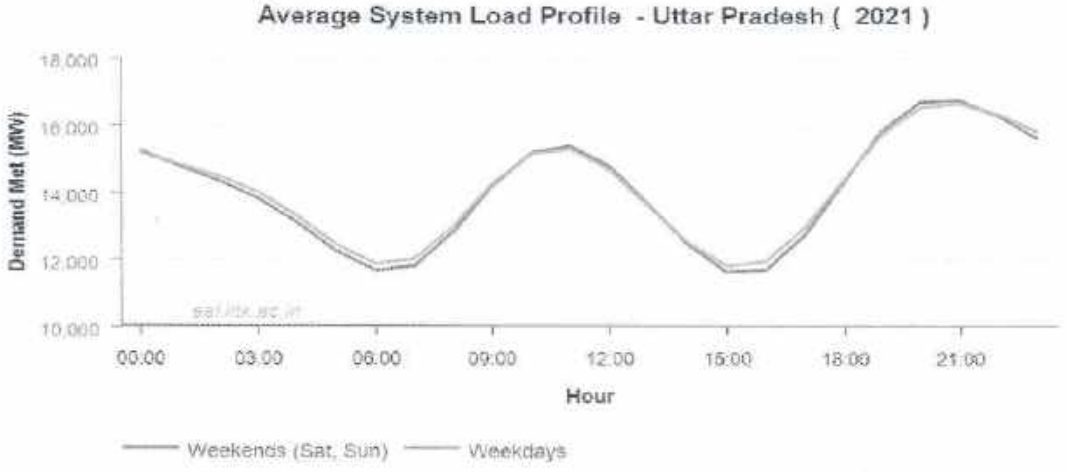
3.37.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee and same has been dealt appropriately in the relevant chapter of this Order.

3.38. Time of the Day Tariff

A. Comments / Suggestions of the Public

3.38.1. CEEW Council submitted that the average daily load curve of Uttar Pradesh, as shown in figure 3 below, suggests that the duration from 11:00 hrs -17:00 hrs can also be treated as the off-peak hours. As per the present ToD structure no incentive is provided for the aforementioned duration. It is further submitted that the power availability curve for UP for the high demand months of April-October 2023 suggests that it is most economical for Licensees to sell power during the periods 0700 hrs to 1700 hrs as the power supply during these hours mostly comes from solar plants which are must-run plants. Hence, the Licensees may rethink the duration of off-peak periods based on the availability of such must-run power plants (wind, solar, hydro) and pass on the benefits to consumers in the form of off-peak ToD tariffs.

Figure: Uttar Pradesh's average daily load curve for the year 2021



3.38.2. CEEW submitted that the present ToD tariff structure needs to be revised in line with the recent load curves The present ToD structure (except for LMV-11) for Uttar Pradesh looks as below:

Summer Months (April- September)

Hours	% of Energy Charge
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%

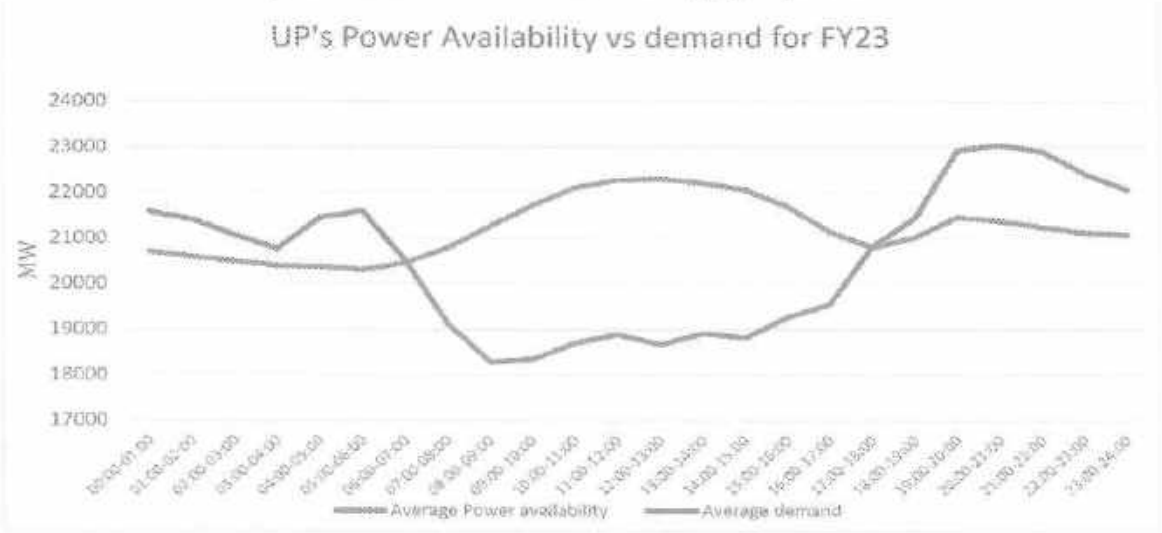
Winter Months (October- March)

Hours	% of Energy Charge
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

3.38.3. CEEW also submitted that the daily load curves provided by the Licensees suggest that during the winter months (from October-21 and March-22), 11:00 hrs -17:00 hrs can be considered as off-peak hours and be used for supplying load to the categories such as agriculture and seasonal industries. Since, it is easier to operate during these hours rather than at the present off-peak duration from 23:00 hrs – 05:00 hrs during winters, this will help in reducing over-flooding of agriculture fields by farmers and help avoid wastage of energy in industries as well.

3.38.4. As, per the demand supply curve the load needs to be shifted from evening 5 pm - 12 am to 6 am - 5 pm and Time of day tariff should be designed accordingly.

Figure: Uttar Pradesh's Demand Supply Gap for FY23



3.38.5. Hence, the Commission is requested to revise the present ToD structure and a detailed analysis of load curves of the past 5 years as well as power availability for next 5 years should be carried out by the Licensees and the ToD tariff structure should be redesigned for individual consumer categories, season wise, for better management of demand.

Figure: Uttar Pradesh's average daily load curve for winter months (Oct-21 to Mar-22)



3.38.6. Shri Pradeep Singhal, during the public hearing submitted that TOD should also be implemented for LMV-1 category.

3.38.7. The Prayas (Energy Group) submitted that U.P is one of the few States in the country, which has ToD reflective of daily as well as seasonal variation of power demand in the State. However, towards better RE integration in the future and to incentive load shift ToD tariff should be designed keeping in mind, RE availability, change in load due to solarisation of agriculture and significant change in demand patterns due to open access and captive use. Without dynamic ToD tariffs, the system costs incurred by the DISCOMs would be significant. This is especially relevant as we are seeing summer peak prices touch the market ceiling price of Rs. 12/unit. In order to enable this, it is essential that:

- ToD tariffs are applicable to all consumers with connected load greater than 50 kW from FY23. By FY25, the applicability can be reduced to consumers with load greater than 10 kW.
- ToD tariffs should be mandatory for eligible consumers, not optional.
- ToD tariffs should actively encourage consumption during solar hours, monsoon high wind periods and actively discourage consumption during evening/ morning peaks.

3.38.8. It was submitted that the exact design can be based on data submitted by the DISCOMs on their load curves, capacity in the pipeline and RPO targets. Since it takes consumers a couple of years to change their load patterns based on ToD signals, it is essential that the changes are made today rather than when the system costs are high. It is requested that the Commission requisition such information from DISCOMs and redesign ToD tariffs. Such changes can be made even without analysis of smart meter data and can be given effect immediately. Once smart meter rollout stabilises and the implementation issues are addressed, the information from smart meters could be used to move towards more dynamic tariffs.

3.38.9. CEEW submitted that the current situation of increased power cuts, unavailability of energy supply, future shift of agricultural demand to daytime with the implementation of KUSUM, uptake of rooftop solar PV and the importance of managing evening peaks, the scope of ToD tariffs needs to be redefined. With the ongoing progress in smart metering end-consumers as well as distribution infrastructure, the Commission is requested that all consumers with a connected load greater than 10 kW should be subject to ToD tariffs in the next 3 years. This is crucial as it will enable Licensees to

incentivize LT consumers (LMV2, LMV6) to shift their loads as per the grid conditions and to effectively manage the load.

B. Licensees response

3.38.10. Regarding interface metering, the Licensees submitted that it is not directly related to the current proceedings of ARR for FY 2022-23.

3.38.11. The Licensees submitted that the Time of Day (TOD) tariff structures have been adopted for High Tension (FIT) category consumers, mostly large industrial and commercial consumers, as a Demand Side Management (DSM) measure and is used as a means of incentivizing consumers to shift a portion of their loads from peak times to off-peak times, thereby improving the system load factor by reducing the demand on the system during peak and flatten the load curve. It is also important to understand that in the current scenario the extent of load shifting for other categories is very low.

3.38.12. For widening the scope of the TOD structure across other categories above 50kW and gradually reducing it to 20kW by FY 25, the Licensee will require advanced metering infrastructure to capture and analyze time differentiated consumption data, recording of the hourly consumer category load profile and accordingly identify the potential of load curtailment or load shifting with these categories.

3.38.13. Further, the stakeholder has proposed implementation of dynamic tariff in long term, Discoms understands that due to more than 80% domestic consumers, the implementation of the same would be difficult to justify on financial criteria. Moreover, these large share of consumers is heavily cross subsidized by other category of consumers, a dynamic tariff structure might jeopardize the tariff philosophy of the State.

3.38.14. Regarding Demand / Supply, the Licensees have submitted that, it's a suggestive comment.

C. Commission's view

3.38.15. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. No proposal has been received from the Licensees by the Commission. In case such proposal is received appropriate action will be taken in future.

3.39. One Time Settlement Scheme

A. Comments / Suggestions of the Public

3.39.1. CEEW submitted that UPERC MYT Regulation,2014 had disallowed any one-time settlement OTS scheme post March 31, 2017 and the same was also abolished by the Commission. However, the Licensees and State government kept on providing the OTS scheme to non-paying consumer. Further, the Licensees were directed to submit year wise OTS data from the beginning to FY 2021-22 by the commission in the last order. However, the Licensees haven't provided any data regarding OTS scheme.

FIGURE: IMPACT OF OTS ACROSS CONSUMER CATEGORIES



3.39.2. CEEW further submitted that the OTS scheme socialises the late payment surcharges of few consumers on all the consumer via ARR recovery. Therefore, the Commission is requested to direct the Licensees to submit the entire details of LPS surcharge waiver till date along with carrying costs and the State government is requested to subsidise any waiver given to the Late payment surcharge to the consumers, it should not be levied on other consumers.

3.39.3. Shri Mrinal Anand submitted that PVVNL should submit the impact of one-time settlement (OTS) scheme along with waivers of penalty on pending dues schemes, which is equivalent to backstabbing the honest consumers who are paying their bills on time, what is the impact of these steps?

B. Licensees response

3.39.4. The Licensees have their policy for utilization of Discoms assets through third party engagement. Accordingly, Discoms assigned their assets to the various vendors.

3.39.5. It is submitted that OTS is policy decision and the impact of the same is not being transferred to the consumer of the State. It is submitted that in the True-Up year revenue is being considered as per the balance sheet of Discoms. As per the current provision, the Balance sheet does not classify tariff category wise revenue, therefore, the segregation of revenue under the approved tariff categories is not submitted in the True-up year.

C. Commission's view

3.39.6. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.40. Smart Meter

A. Comments / Suggestions of the Public

3.40.1. Shri Mrinal Anand submitted that PVVNL should provide the details of current status of the smart meter tender along with a timeline to achieve the target under RDSS. Since, RDSS DPR for the Licensee was approved by the central government, the Licensee should share the component-wise funds kept with key tasks under each component. The details of this roll-out plan for the scheme should be made available to the public and the status of its progress and implementation should also be published on DISCOM website on a quarterly basis.

3.40.2. The Commission is requested to direct PVVNL to access the impact of UDAY scheme and the same should be made available to public by next tariff filing. The Licensee should also submit the physical and financial progress made last year and the target for the year. Also, the timeline of the scheme to be shared by the Licensee. He further submitted that PVVNL should provide the complete details under Capex section as the section fails to provide information about feeder segregation, solar feeders, new substation and lines for meeting the demand, etc.

3.40.3. He further requested the Licensee to provide the work-wise grant and consumer contribution during the year.

3.40.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that after the disconnection of the smart meter due to pending bill payments, the reconnection of smart meters after the clearance of dues takes a higher time. Therefore, the Commission is requested to abolish the RCDC fees. Further, in case of smart meter single part tariff should be applicable.

3.40.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that recently in Gorakhpur, a case of electricity theft after installing the smart meter has been reported. Therefore, there may have been some technical faults in the previously installed smart meters within the State. In that case, the Power Corporation should conduct a high level technical inspection of all the smart meter installed and to be installed and replace the defective parts or meters accordingly. Further, a thorough investigation of the smart meter company should be conducted and the culprit should be punished accordingly.

3.40.6. CEEW submitted that the Licensees have provided an assessment of the progress made in improvement in operational and financial efficiency due to smart meter deployment and in addition their plans under RDSS.

3.40.7. Before the mass rollout of smart metering (or prepaid metering, as has been seen in the recent push from the central government), the following aspects need to be considered:

- Smart metering infrastructure should be deployed with a systemic approach, focussing on high-loss feeders and building capacity of utility staff, and constituting a strong regulatory framework to guide responsible data storage and sharing practices, protection of consumer privacy and securing the system against ever-evolving cyber-attacks.
- State Electricity Regulatory Commissions (SERCs) should incentivise discoms to carry out pilot studies at scale to ascertain the benefits and suitability of prepaid metering under different contexts. The assumption that prepaid metering will do away with all problems associated with meter reading, billing, collection and disconnection on non-payment, needs to be validated in the Indian context, due to limited experience and evidence on the returns to discoms on pre-paid deployment.
- Substation level energy audit: To ascertain the benefits of smart metering in bringing down the commercial losses (especially theft cases), a bottom up approach should be deployed wherein energy audit of consumption from consumer level up until substation level is conducted.
- The time limit of three years to ensure prepaid metering needs to be reconsidered in view of several facts:
  - the loss on investment against a large share of meters, particularly 79.80 lakh meters installed under Saubhagya, which have a significant remaining life.

- Changing technology landscape, with new generation smart metering technologies based on Narrow Band - Internet of things (NB-IoT) and 5G being developed. A hasty approach would lock the discoms into an older technological regime.
- A long timeframe would allow technology expansion to be driven by domestically manufactured meters, in line with the 'Make in India' initiative.

- While smart meters can be operated in both prepaid and post-paid mode, consumers should be given a choice to opt for prepaid or post-paid, to suit their specific contexts.

3.40.8. Shri Pradeep Shighal during the public hearing submitted that smart meter should be installed for the consumers having more than 10 kW consumption.

3.40.9. The Prayas (Energy Group) submitted that, there are more than 10 lakh smart meters installed in the State under EESL scheme under OPEX model. With RDSS, a much larger rollout is expected under TOTEX model. In fact, as shown in Table 3 below, the number of consumers with smart meters is set to increase to 77 lakhs by March 31, 2023. Such a roll-out would imply that by the end of the year, about a third of consumers in Uttar Pradesh would have smart meters installed, most of which would, perhaps be prepaid.

DISCOM	Smart Meters installed till March 2022	Smart meters installation proposed for FY 2022-23 under RDSS	Smart meters installation proposed for FY 2022-23 under EESL Scheme	Smart Meters to be installed till March 2023
PVVNL	1.98	11.3	6.8	18.1
PuVVNL	3.2	15.9	7.3	23.2
MVVNL	3.8	15.3	6.4	21.7
DVVNL	1.5	10.4	3.9	14.2
Total	**10.4**	52.8	24.4	**77.2**

3.40.10. Thus, regulatory scrutiny of investments, benefits of smart metering, pass through of costs and safeguarding supply and service quality of consumers is of paramount importance before such a largescale rollout.

3.40.11. The Prayas (Energy Group) submitted that significant emphasis be provided to interface metering as well as significant funds are allocated within RDSS for feeder and DT AMI/AMR along with consumer smart metering. This will aid better disaggregated energy accounting in an accelerated manner in the State

even if pre-payment meters are for example, bypassed. This will help ensure there are multiple checks and balances towards better energy accounting.

3.40.12. It was submitted that in the past, the Commission has set an example for regulatory frameworks for smart metering by ensuring approval of rollout plan, by placing emphasis on estimation of benefits before approval of investments and by disallowing additional OPEX based on regulatory scrutiny.

3.40.13. The Prayas (Energy Group) submitted that, as per Commissions directive in the previous tariff order,

Quote

The Licensee is directed to submit the status of completion of the rollout and also submit the technical/financial impact of such rollout on their system

Unquote

3.40.14. In response the licensees have stated that a quarterly status report is being submitted to the Commission. It is unclear if the status report includes assessment of the technical and financial impact of smart meter rollout. It is requested that the status reports submitted be available in the public domain. In addition, it is suggested that the following information (in Table) be reported by the Licensees periodically to inform the Commission of progress and to assess cost pass through for smart metering.

Parameter	DISCOM 1	DISCOM 2	...DISCOM n
About meter replacement program:			
Name of area for scheme implementation			
Consumer categories covered in meter replacement scheme			
No. of consumer meters per consumer category			
Target no. of days for replacement			
Replacement start date			
Replacement end date			
Reason for replacement (high loss area/ DSM measure, etc.)			
Financial benefit estimation per meter:			
– Savings in power purchase cost due to loss reduction			
– Savings in cost due to O&M cost reduction			
– Savings due to increase in collection efficiency			
– Savings due to any other reason			
Lessons from cost benefit analysis			
Implementation agency(s)			

Parameter	DISCOM 1	DISCOM 2	..DISCOM n
Responsibilities of implementation agency(s)			
Payment option in smart meter (prepaid/post-paid)			
Technology used in smart meter (GPRS/RF, etc.)			
Cost of implementation (in ₹)			
Cost borne by DISCOM (in ₹)			
Cost borne by implementation agency (in ₹)			
Cost shared with consumers (in ₹)			
Mechanism of cost sharing with consumers (charged for meter/ cost recovered through tariff, etc) number of years			
Plan for rollout provided? (Y/N)			
Lessons from pilot project:			
Duration of pilot project			
Meters installed			
Technology used			
Payment option in smart meter (prepaid/post-paid)			
Cost incurred (in ₹)			
Benefits incurred for each category (in ₹)			
Major concerns			
No. of complains related to metering issues (annual)			

3.40.15. The Prayas (Energy Group) submitted that the Commission should specify processes for remote disconnection as well as reconnection to ensure consumers get reliable supply. As mentioned in the previous tariff submission, we also urge the Commission to amend the Standards of Performance (SoP) Regulations to ensure smart meter and pre-paid meter specific SoPs are included.

B. Licensees response

3.40.16. With regards to status of smart meter under RDSS, it is submitted that the details are under compilation stage.

3.40.17. With regards to electricity theft after smart meter installation, the Licensees submitted that the implementation of Smart prepaid meter is a Government initiative, Discoms are committed to adopt the same. The matter is not directly related to the current proceeding of ARR for FY 2022-23.

3.40.18. Regarding Capex, the Licensee submitted that the details are captured under the MYT formats of the Petition. Further, the details of grant and consumer contribution has been submitted under response to the data gap queries.

3.40.19. With regards to methodology for evaluation of cost benefit analysis of large-scale smart meters, the Licensees have submitted that, it's a suggestive comment.

3.40.20. Regarding regulatory approval of RDSS plan, it is submitted that the licensee has submitted detail of RDSS plan net off grant for the approval of the Commission and the component wise breakup of RDSS scheme is also submitted to the Commission for consideration.

3.40.21. The Licensees submitted that interface metering is not directly related to the current proceedings of ARR for FY 2022-23.

3.40.22. The Licensees submitted that the smart metering roll out plan is already approved by the Commission and the expenses for the same is claimed under the Petition. The Commission is requested to approve the Smart meter OPEX separately over and above the O&M expenses. In regards to smart metering implementation under RDSS, it is submitted that detail for the same is already submitted to the Commission and the actual implementation in this regard will be submitted at the time of True-up.

C. Commission's view

3.40.23. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.41. Late Payment Surcharge

A. Comments / Suggestions of the Public

3.41.1. CEEW submitted that the Licensees in their Tariff Petition have claimed a late payment surcharge (LPS) of INR 4,096 crore, which is equivalent to 6.83% of the total power purchase cost claimed for FY 2021. It is submitted that UPPCL has been paying a large amount every year as LPS to the generators, which is later claimed to be levied on the consumers.

Table: Late payment surcharge levied on UP Discoms during past three years

Year	FY 2018-19	FY 2019-20	FY 2020-21	Total
INR crore	1,134	1,447	4,096	6,677

Source: Authors' compilation using previous year Tariff Petitions

3.41.2. CEEW further submitted that the LPS on Licensees have been increasing y-o-y, signifying that the Licensees are not paying the generators on time (highest

amount attributed to State IPPs). Further, the Licensees are taking benefits of the schemes such as UDAY, and additional borrowings from the Governments. As per the Praapti portal, the Licensees have outstanding dues of INR 10,000 crore to the generators as on April 01, 2022, which will again result in an increase of LPS. As the Commission in the past has not allowed these expenses in the past. Therefore, the Commission is again requested to not allow to these expenses to pass to the consumers this year as well.

3.41.3. Shri Shafiullah submitted that the LPS should be calculated from 1st day of the 2nd month in which the bill was prepared and the same should be calculated only for the completed months period, leaving the days not part of the whole month. Likewise, the discount if given to be applicable up to the last day of the next month in which the bill was prepared.

3.41.4. Shri Shafiullah submitted that separate calculation of surcharge in electricity bill should be removed and the OTS waiver of surcharge to be guided by the separate calculation of surcharge.

B. Licensees response

3.41.5. Regarding Late Payment Surcharge, it is submitted that the Commission treats the Late Payment Surcharge recovered from the consumer as an income of Licensee and deducts it from the ARR. The delay in the payment of electricity bills by the consumers causes delay in the payment of the generators. This results in shortfall of working capital requirements and causes delay of payment to generators. Due to this, the Petitioner has to pay late payment surcharges to the generators. So, since the late payment surcharge received from consumer is allowed as an income similarly LPS paid to the generator shall be allowed as an expense.

3.41.6. With regards to calculation of LPS from 1st day of the month and OTS waiver, the Licensees submitted that the matter does not pertain to the current proceeding of ARR for FY 2022-23.

C. Commission's view

3.41.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.42. Compliance with HPO/RPO

A. Comments / Suggestions of the Public

3.42.1. CEEW submitted that the RPO and HPO compliance segment under power purchase cost has been removed from the tariff petition and is only provided in the MYT formats of the Licensees. Moreover, the data provided by the Licensees in the MYT formats for the tariff Petition is very different from that provided during the Suo moto proceedings regarding the meeting of RPO/HPO targets by obligated utilities vide Petition 1565 of 2020 dated June 16, 2021. A snippet of the discrepancy in data is shown in Table below, taking the example of targets of energy required from respective sources in MU, that should be the same, for the true-up year 2020-21.

Table: RPO/HPO compliance targets in MUs for FY 2020-21

Particulars	As per petition 1565 of 2020	As per instant Tariff Petition
Solar RPO	2,969	3,020
Non-Solar RPO	5,940	6,040
HPO	1,979	2,013

3.42.2. Therefore, the Commission is requested to look into the data discrepancy and direct the Licensees to maintain uniformity and publish the data of actual status of RPO/HPO compliance and the energy purchased under KUSUM scheme and via RSPV net-metered consumers should also be accounted towards RPO compliance.

3.42.3. CEEW also observed that the energy purchased under KUSUM scheme and from RSPV consumers is not being accounted for towards the RPO/HPO compliance. The Licensees are requested to take note of such distributed energy resources that can be accounted for towards RPO. Moreover, CEEW submitted that the notice of the commission that present RPO and HPO targets are upto FY 2024. Considering the national target of 500 GW non fossil capacity by 2030 along with low wind and solar prices, and existing RE procurement of the Licensees, the commission is requested to come out with much higher targets for the obligated entities upto FY 2030. Other states such as Andhra Pradesh and Karnataka have already revised their RPO/HPO targets for the upcoming years in line with the new national target. We humbly

suggest that UPERC should also commission studies for determining long term targets for 2030 for the State compliance.

3.42.4. CEEW further submitted that the present RPO and HPO targets are up to FY 2024. Considering the national target of 500 GW non-fossil capacity by 2030 along with low wind and solar prices, and existing RE procurement of the Licensees, the commission is requested to compute much higher targets for the obligated entities up to FY 2030.

3.42.5. The IEX submitted that the Hon'ble CERC has approved the Green Term Ahead Market (GTAM) during August, 2020 and Green Day Ahead Market (GDAM) during October, 2021, on the IEX platform wherein Solar and Non-Solar renewable energy is being transacted. Additionally, GTAM- Hydropower has been introduced after CERC's approval w.e.f May 01, 2022. The buyers can fulfil their RPO/HPO through procurement of RE/Hydro power in GTAM/GDAM.

3.42.6. The introduction of GTAM & GDAM have opened avenues for the development of organized renewable energy market which will provide an alternate market-based route to the RE generators to sell their green power and to the buyers to fulfill their RPO/HPO at competitive price with flexibility of entry and exit in the market.

3.42.7. Licensees can fulfil their RPO/HPO target and can also dispose their surplus Renewable energy from the GTAM and GDAM market which is approved by the Central Regulatory Electricity Commission (CERC).

3.42.8. It is also submitted that the REC trading has commenced w.e.f. November, 2021 after the stay vacated by the Hon'ble Appellate Tribunal OF Electricity. The same may also be used to meet the RPO deficit

3.42.9. Shri Spandan Rastogi, Indian Energy Regulatory Services (IERS) submitted that the consumers who fulfil their RPO should get waiver in transmission, wheeling and other charges.

3.42.10. Shri Spandan Rastogi, IERS submitted that waiver for procuring any renewable energy should be provided in line with solar energy procurement i.e., 50% waiver in transmission and wheeling charges.

B. Licensees response

3.42.11. It is submitted that UPPCL is committed to follow the RPO and HPO trajectory set by the Hon'ble Commission. All possible efforts are being made in this

regard. Further, it is also submitted that the planning to comply the RPO and HPO target in future years is already submitted.

3.42.12. With regards to RPO and HPO, the Licensees submitted that UPPCL has planned for long term Renewable Energy procurement based on the trajectory defined by the Commission under UPERC Promotion of Green Energy through RPO Regulations 2019 (First Amendment). Accordingly, UPPCL shall procure short term RE power/ RECs based on the actual generation through suitable market products.

3.42.13. Regarding RPO waiver the Licensees submitted that this query does not pertain to the Licensees.

C. Commission's view

3.42.14. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.43. Green Tariff

A. Comments / Suggestions of the Public

3.43.1. CEEW have proposed the following points for the Commissions consideration regarding Green Tariff:

- Currently, the licensees have proposed that Green tariff shall be available for only industrial and commercial category consumers with contract demand 1 MVA and above. The discoms have mentioned that they have adopted the same in line with Maharashtra methodology. While Maharashtra gives options to all consumers, HT or LT. **In the interest of domestic consumers who wish to adopt green energy, the option should be extended to single point for bulk load domestic consumers (residential societies) to begin with.**
- The Licensee has mentioned that:

"The petitioner also requests to the Hon'ble Commission that only 50% of the revenue earned through the Green tariff may be treated as Tariff Income and the remaining 50% of the amount, may be utilized at the discretion of the Distribution Licensee."

3.43.2. The Commission is requested that since the procurement cost would form part of the ARR and as per MYT Regulations, 2019 any revenue w.r.t. tariff should be considered as tariff income, hence Green Tariff should be considered as tariff income only. The revenue from the green tariff should be

treated as regular income of supply business, thereby allowing all revenue earned by the Licensees to be used for reduction in ARR of supply business. However, the amount collected as Green Tariff may be separately maintained and the details of the same may be provided to the Commission at the time of tariff petition.

3.43.3. Shri Mrinal Anand that the Licensees should also provide the details for the duration of applicability of Green Tariff. He submitted that the Licensees have proposed Green Tariff only for consumers opting for 100% renewable energy, which should be reconsidered. The proposal for Green Tariff should be resubmitted based on the MoP Green Energy Open Access Regulation 2022. The Commission is requested to issue a separate order for Green Tariff to deal with the nitty-gritties related to Green Tariff. Further the proposal for Green Tariff should also be extended to Commercial consumers.

B. Licensees response

3.43.4. The Licensees have proposed green tariff for the first time in the State, therefore it has been proposed for only for Commercial and Industrial consumers having connected load 1MW and above. Further, based on the response of the consumers, same may be extended to other category of consumers in future.

C. Commission's view

3.43.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.44. Load Factor Rebate

A. Comments / Suggestions of the Public

3.44.1. M/s Rimjhim Ispat submitted that the Commission is requested to reintroduce the load factor rebate in the state to promote the Industries.

B. Licensees response

3.44.2. The Licensees submitted that the Licensees are obligated to follow the methodology for tariff as approved by the Commission and billing of consumers is being done based on the approved tariff philosophy for the respective year. As per the tariff schedule for FY 2022-23, no load factor rebate/ penalty is approved by the Commission.

C. Commission's view

3.44.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.45. Power Factor Rebate

A. Comments / Suggestions of the Public

3.45.1. Shri Pradeep Shighal during the public hearing submitted that for consumers consuming more than 20kW and having a power factor of more than 0.95, rebate should be provided.

B. Licensees response

3.45.2. No response submitted by the Licensees.

C. Commission's view

3.45.3. The Commission has taken note of the objections/suggestions made by the stakeholders.

3.46. Electricity Consumer Forum

A. Comments / Suggestions of the Public

3.46.1. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the Electricity Consumer Forum should have the authority to hear all the types of rule violation related to the power sector.

B. Licensees response

3.46.2. The Licensees submitted that the rules and power of CGRF are governed by Regulation notified by Commissions. If consumer is not satisfied with the decision of CGRF, he may appeal to Ombudsman.

C. Commission's view

3.46.3. This comment doesn't pertain to the ARR proceedings. The Commission has framed regulations for CGRF in line with the Electricity Act, 2003.

3.47. Penalty for Overloading

A. Comments / Suggestions of the Public

3.47.1. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the provision of excess demand charge should be removed and if the consumer overloads the system then after one month notice the load of the consumer should be increased.

B. Licensees response

3.47.2. As regards to excess demand charge, the Licensees submitted that they have to adhere regulations and order approved by the Commission and Excess Demand Charges are levied in line with Tariff Order approved by Commission.

C. Commission's view

3.47.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.48. Open Access

A. Comments / Suggestions of the Public

3.48.1. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the demand to apply for open access should be reduced from 1 MW to 0.1 MW.

3.48.2. Shri Vanket Durgavar, during the public hearing submitted that rules and policy should be made to encourage the consumers for open access in 11 kV line.

3.48.3. Shri Mrinal Anand sought the details of the income from open access consumers like from the CSS, wheeling charges, Standby charges etc. from the Licensee.

B. Licensees response

3.48.4. As regards to open access load, the Licensees submitted that as per the section 42 of Electricity Act 2003, the Distribution Licensee is obligated to provide non-discriminatory open access to the eligible consumers. The Commission has notified Open access regulation. In the Regulation, the Commission has allowed open access to consumers for contracted capacity 1 MW and above.

3.48.5. Regarding income from open access, the Licensees submitted that there is no separate accounting head available in the balance sheet of the licensee, therefore, same has been considered under the head of other incomes.

C. Commission's view

3.48.6. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.49. Net Metering

A. Comments / Suggestions of the Public

3.49.1. Shri Manoj Bankha during the public hearing submitted that to promote green energy net metering should be allowed for Industrial consumers.

3.49.2. The Prayas (Energy Group) submitted that the delay in bill payments by public institutions like government offices, govt. hospitals, panchayat buildings, etc. is prominent in the state. As these institutions provide essential services, disconnection due to delay in bill payment would not be possible. In order to ensure reliable supply for public bodies without deterioration in DISCOM's collection efficiency, it is suggested that the DISCOMs are allowed to sign Virtual Net Metering agreements with public bodies. This facility should only be limited to select public bodies with significant dues. In turn, the state government sets up a 100 to 500 MW of solar capacity to cater to the demand of these institutions. The DISCOM purchases power (via a long term PPA) from this dedicated capacity and adjusts the purchase with the consumption of the designated public bodies with dues. While the arrangement won't address pending dues, it will help prevent build-up of future dues. In addition, the power purchased can be used to meet DISCOMs RPO. The Commission should explore such options with the DISCOMs to address the issue of revenue collection from public bodies.

B. Licensees response

3.49.3. It is submitted that the Net Metering is being governed by UPERC RSPV Regulations and its amendment, therefore, the matter is not directly related to the proceedings of ARR for FY 2022-23.

C. Commission's view

3.49.4. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.50. Provision for Load Reduction and Temporary power surrender

A. Comments / Suggestions of the Public

3.50.1. Shri Dinesh Barasia, submitted that there should be a provision for load reduction before 2 years for the new industries.

3.50.2. Shri Ladli Prasad, Laghu Udyog Bharti submitted that temporary power surrender should be provided to the Industries during no operation period.

B. Licensees response

3.50.3. Matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity supply code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Commission.

C. Commission's view

3.50.4. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.51. Standard of Performance

A. Comments / Suggestions of the Public

3.51.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the new Standard of Performance Regulations, 2019 has been released by the Uttar Pradesh Electricity Regulatory Commission for consumers. The Licensees have also provided written assurance that in April 2022, the Compensation law will be applicable in the State. However, till now the services has not been started by the Power Corporation. The Commission is requested to take some steps in this regard.

3.51.2. The Ministry of Power has provided the rating for the government power companies. It is submitted that the rating of U.P Power companies is not that good, this should be analysed.

B. Licensees response

3.51.3. It is submitted that matter of Standard of Performance is not directly related to the ARR of FY 2022-23. Hence, no comments to offer.

3.51.4. It is submitted that the rating of Licensees is not related to the ARR of FY 2022-23. Hence, no comments to offer.

C. Commission's view

3.51.5. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. As per the SOP Regulations, the compensation that is given to the consumers can't be claimed by the Licensees as part of ARR.

3.52. New Category for BPL Consumers

A. Comments / Suggestions of the Public

3.52.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Commission is requested to reduce the tariff rates for the B.P.L category by introducing another category under Saubhagya having tariff rate of Rs. 1 to Rs. 1.5 per unit even if the slab is limited to 1 kW only.

B. Licensees response

3.52.2. The stakeholder has provided suggestion comment.

C. Commission's view

3.52.3. The Commission has taken note of the objections/suggestions made by the stakeholders.

3.53. Impact of Solar on sales and power purchase cost

A. Comments / Suggestions of the Public

3.53.1. Shri Mrinal Anand submitted that PVVNL should provide the impact of solar (KUSUM, solar feeder, captive solar plant, and grid-connected solar rooftop) on sale and on power purchase cost. Further, PVVNL should also provide the steps taken to promote solar rooftop or RE in its area. He also requested the Commission to direct PVVNL to issue a white paper on the impact of past central and state govt. schemes on the financial condition of the discom from the year 2000. The report should include the following information:

3.53.2. Scheme name, Scheme start year, Scheme sponsored by and grant clause under the scheme, target under the scheme, work actually done by the Licensee, Scheme completed in year, and total (actual) expenses on the scheme with bifurcation of expenditure on works, along with this the Licensee should provide the status of its financial condition on the yearly basis and its analysis/ other information.

3.53.3. Further, the Commission is requested to direct the Licensees to prepare a short and long term plan including information about betterment in service, implementation of IOT, consumer support, new technology deployment, matching international benchmark in KPIs and services, etc. as a separate document along with the petition and the same should be made public.

B. Licensees response

3.53.4. The Licensees have submitted that the comments are sugeestive.

C. Commission's view

3.53.5. The Commission has taken note of the objections/suggestions made by the stakeholders.

3.54. Carrying Cost of True-Up

A. Comments / Suggestions of the Public

3.54.1. Shri Avadhesh Kumar Verma submitted that if the Petitioner's fails to file the True-Up Petition within 6 months after the report of Audited accounts, then the Commission is requested to not allow the carrying cost to the Petitioner for that year. Further, it should be ensured that, after True-Up if the Licensees have surplus, then full carrying cost should be allowed.

B. Licensees response

3.54.2. As regards to the objection, the Licensees submitted that it had already made its submission before the Commission. The Commission has also issued an amendment in this regard.

C. Commission's view

3.54.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee and issued an amendment in MYT Regulations, 2019, applicable from FY 2023-24.

3.55. Discrepancies by the Licensees in the Petition and the Data Gaps

A. Comments / Suggestions of the Public

3.55.1. Shri Avadhesh Kumar Verma submitted that the Licensees have provided different data in the ARR Petition and in the deficiency asked by the Commission, even after hiring the consultants under different heads for more

than Rs. 500 Crore. The Commission is requested to conduct a high level investigation regarding the same.

B. Licensees response

3.55.2. Licensee has not provided any response regarding the issue.

C. Commission's view

3.55.3. The Commission has taken note of the objections/suggestions made by the stakeholders.

3.56. Electricity Theft

A. Comments / Suggestions of the Public

3.56.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that in Allahabad, when a farmer complained to the Commission about the harassment faced for electricity theft. The Commission taking the cognizance of the situation directed the Licensees to submit the report on all the cases of electricity theft. The Commission further directed the Licensees to submit the report of last 5 years related to cases registered as electricity theft. The Commission observed that out of 3,22,970 case only in 1,02,270 case the FIR was registered. Looking at the severity of the situation, the Commission directed the Power Corporation to take action against officials directly involved in the case where FIR was not filed or there was a delay in filing the FIR. The Chief Engineer Commercial of Power Corporation submitted in writing that action will be taken against the 1882 officials in the cases related to electricity theft. He further submitted that, as the action has been started against the corrupt officials as per the direction of the Commission. The Commission is further requested to make some strict guidelines regarding the same for the Licensees.

3.56.2. Shri Kaushal Kishore Mishra, Gramin Vidyut Upbhokta Kalyan Parishad submitted that he has posted a letter no. 74/21-22 dated October 19, 2021 on behalf of Gramin Vidyut Upbhokta Kalyan Parishad regarding the electricity theft in the state in which various theft cases was also written to the Hon'ble Power Minster, U.P Power Corporation office and MVVNL Office. However, the MVVNL officials haven't taken this issue seriously. He further submitted that he has filed a written complain no. 63/21-22 dated February 09, 2021 regarding the ignorance of the J.E in Itonza (Lucknow). However, the MVVNL officials haven't taken any cognizance regarding the complaint.

3.56.3. Shri Kaushal Kishore Mishra, Gramin Vidyut Upbhokta Kalyan Parishad submitted that it may be possible that the officials of MVVNL are ignoring the issue of electricity theft because they are not required to submit an affidavit regarding the electricity theft. Due to this the Licensees are facing a loss of around one lakh Crore. He further submitted that the Commission is requested not to increase the tariff rates due to ignorance and inefficiency of the Licensees as it will be an additional burden on the common people of the state.

3.56.4. Shri Satish Maheshwari, UP Udyog Vyapar Pratinidhi Mandal submitted that the officials of the Power Corporation during the checking on complaint of electricity theft, discloses the complaint number and mobile number of the concern person for personal benefit and instead of stopping the theft, settlement takes place between them, which results in continues loss for the Licensees. Therefore, a process should be adopted that the name or mobile number of the complainant should not be displayed and also, there is a need to adopt full proof methods to prevent the theft of electricity. The officer should take the permission from competent authority before going to the inspection.

B. Licensees response

3.56.5. As regards to the stakeholder comments related to settlement of electricity theft cases, the Licensees submitted that it's a matter of record.

3.56.6. Regarding high theft, it is submitted that the same is not pertaining to the proceedings of the ARR Tariff Petition for FY 2022-23

C. Commission's view

3.56.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. However, these are not directly related to Tariff proceedings, therefore, any impact / treatment, if required, has been done appropriately by the Commission.

3.57. Process of Load Extension or Load Reduction

A. Comments / Suggestions of the Public

3.57.1. Shri Jai Hemrajani, Chairman, Indian Industries Association, submitted that total process of load extension or reductions to be simplified and should not

be left to the level of junior engineer. A time schedule may be fixed for all concerned parties.

3.57.2. He further submitted that other clauses also need revision based on feedback drawn out of grievances reported in the CCGF / Lokpal offices.

B. Licensees response

3.57.3. It is submitted that the matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity Supply Code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Commission.

C. Commission's view

3.57.4. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

3.58. Steps taken by DISCOMs to avail benefits under FRBM scheme by central government

A. Comments / Suggestions of the Public

3.58.1. The Prayas (Energy Group) submitted that the Uttar Pradesh has availed relaxation in the borrowing limit specified in the FRBM scheme subject to commitment to power sector reforms. These include takeover of losses of the utilities by the state government, implementation of DBT for subsidy provision etc. As uptake of these reforms has significant impact on Licensees losses and potentially consumer ARR (depending on whether the debt takeover is through loans or grants) it is important that the status of compliance is shared. Appropriate directions could be issued by the Commission in this regard.

B. Licensees response

3.58.2. With regards to benefits availed under FRBM scheme, it is submitted that the matter does not pertains to the current proceeding of the Tariff Petition. Further, regarding the impact on Discoms losses and grants/ Loans due to these reforms, it is submitted that as per the prevailing practice of the Commission, the losses and loans are being approved on normative basis. The Licensee request to the Commission may kindly consider the Licensee submission and may approve the losses as claimed in the Petition.

C. Commission's view

3.58.3. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The treatment for the above scheme shall be done based on the submission by the Licensees and subject to prudence check by the Commission.

3.59. Electricity Accidents

A. Comments / Suggestions of the Public

3.59.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that there is an increase in electricity related accidents. As, per the data provided by Vidyut Suraksha Nideshalaya, 4607 people have died due to accidents related to electricity and in FY 2018-19, 2094 number of animals have died. The Farmers have also faced issues as sometimes their crops gats destroyed due to electric accidents.

Year of Electricity Accident	Fatal Accidents	No. of people died due to the accident
2012-13	1048	570
2013-14	1204	611
2014-15	1185	629
2015-16	1352	723
2016-17	1824	958
2018-19	1073	1116

3.59.2. He further submitted that the Commission and the Government is requested to take appropriate steps regarding the same.

B. Licensees response

3.59.3. The Licensees submitted the matter is not related to ARR of FY 2022-23.

C. Commission's view

3.59.4. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. The Commission has directed the Licensees to provide the above information in appropriate formats as provided in the MYT formats.

3.60. General / Miscellaneous

D. Comments / Suggestions of the Public

3.60.1. Shri Mrinal Anand submitted that the Licensees should include the base of the data and what does this data represent in para 4.4.11 and 4.4.12. Further, PVVNL also does not mention the unit of the data and has not clarified that the data is for PVVNL or for the whole state. At many instances, the data is provided for all Licensees, while at other, the data is provided for PVVNL or one Licensee only. This leads to confusion, therefore data provided by PVVNL should be simple and easy to understand.

3.60.2. Shri Mrinal Anand submitted that the Licensees should provide a report on the suggestions accepted from public domain and the reason for accepting and declining the same. He requested the Commission to direct the Licensee to carry out third-party audit of the material procurement process of the Licensee on yearly basis and should cover the audit of at least the top 50% purchase order with focus on compliance status of CVC guideline of material procurement and process of procurement. The same should be submitted to the Commission for analysis and future directions.

3.60.3. Shri Shafiullah requested the Commission that revised tariff should be made effective from the 1st day of next month.

3.60.4. Shri Shafiullah submitted that the Commission is requested to limit the maintenance and special maintenance of buildings to 0.7% of their cost as specified by CPWD.

3.60.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that, as per various reports published in newspaper, the corruption in the Discoms have results in revenue loss for the Discoms and have also impacted the State consumers. He further submitted that the loss in revenue due to corruption by the Discoms employs should not impact the State consumers and for that, the Commission is requested to introduce a new "Discom Corruption Law" and an analysis should be done on the loss amount due to corruption which should be passed on to the consumers. The Commission is further requested to subtract the loss due to corruption from the ROE given to the Discoms

3.60.6. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the consumers have given the negative feedback in customer care number 1912 which is around 48% to 51% for MVVNL, which shows the

dissatisfaction of the consumers. He further submitted that in Gourakhpur, the Licensee has repeatedly installed a 10 kVA transformer whereas in that area, there are 15 consumers with 2 kW load. This will again result in overloading of the transformer.

3.60.7. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Compensation Act, which will enable the consumers to get the compensation online, has still not been implemented.

3.60.8. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the consumers who submits their bills on time should be given an extra relaxation of 2.5 % in the bills and for prepaid consumers this relaxation should be atleast 6%.

3.60.9. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that for fishery business also comes under agricultural category. Therefore, the Commission is requested that the tariff rates for fishery should be as per the agricultural category.

3.60.10. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that, as per the 19th Electric Power Survey conducted by Central Electricity Authority (CEA), the electricity demand for U.P will be around 1,59,412 MU for FY 2022-23. He submitted that there is an increase of 32 % in the electricity demand for the state as compared to the 7% to 8% increase in previous years. Therefore, all the Licensees should prepare for the situation beforehand. So, the consumers needn't be required to face any hardship.

3.60.11. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that in domestic rural category some consumers have opened their own small shops in their premises for their livelihood. The Commission is requested to allow them in the domestic category and remove them from the purview of revenue assessment.

3.60.12. The Uttar Pradesh Congress Committee submitted that the Central government has announced to pass the Electricity Amendment Bill, 2021 in the parliament in next session. The Commission is requested to pursue the State Government to oppose the Electricity Amendment Bill, 2021.

3.60.13. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that Tariff should be common for all and free electricity or unmetered electricity connection should not be provided to any consumers.

3.60.14. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the Licensees don't provide any compensation to the consumers after the disconnection of the electricity supply, whereas the cost of these equipment are collected from the state consumers and the Licensees are only a deemed owner as per section 4.28 of Supply Code. The consumers should be provided either the compensation or the equipment should be surrendered to the consumers.

3.60.15. Shri Vishnu Bhagwan Agarwal, Chairman, National Chambers of Industries & Commerce, U.P submitted that the electrification charges should not be imposed on any building for installation of high capacity transformer. Further electrification in any case should be completed by Licensees without imposing any charges.

3.60.16. Shri Jai Hemrajani, Chairman, Indian Industries Association, submitted that consumer's friendly environment specially for industrial consumers need to be there, the complaints should be disposed off on priority and fixed time schedule, so that he / she not feel harassed. He further submitted that same should be created in Consumer Grievance Redressal Forums) and in the court of Lokpal to give speed to settle cases of Industrial consumers, as they are back bone of the economy of the state and country at large.

3.60.17. Shri Pradeep Singhal during the public hearing submitted that for domestic consumers having 2kW connection should be converted into 5 kW, 3-Phase connection. As nowadays almost every house operates equipments with heavy load.

E. Licensees response

3.60.18. It is submitted that Power Purchase is being at centralized level, therefore, the data provided under 4.4.11 & 4.4.12 is at consolidated level. Further, at the end of table 4.4.13 unit is mentioned.

3.60.19. As regards to the corruption issue, the Licensees submitted that the matter does not pertain to current proceedings of ARR.

3.60.20. As regards to unmetered electricity, the Licensees submitted that the cost of service depends on the voltage level. Transmission and Distribution losses increases while stepping down the voltage level from 132kV to 440V, therefore the cost of distribution is more for small connections. Moreover, these small connections consist up of low economic strata of consumers that

are required to be cross subsidized by the Heavy Load Consumers in order to make the electricity affordable to them.

3.60.21. It may further be noted that under section 62 (3) of Electricity Act 2003 the Commission is empowered to determine the tariff and can differentiate according to the consumer's 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. Relevant extract is reproduced as under: -

Quote

(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's 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.

Unquote

3.60.22. The Licensees further submitted that in reference to no unmetered supply to any category of consumers, it is submitted that no new unmetered connections are being provided to any Category consumers and meters are being installed at unmetered connection in planned manner. It is further submitted that the electricity consumptions of unmetered categories are being booked as per the normative consumption defined by the Commission in its Order dated December 09, 2016. These consumers are being charges as per the Tariff Order of respective years. It is also important to note here that the Commission allowed Power Procurement based on normative losses therefore any additional burden of unmetered categories is not pass through consumer tariff and thus it is not socialized.

3.60.23. As regards to Discoms being only the deemed owners of the equipment installed as per the Section 4.28 of Supply Code, the Licensees submitted that the relevant Clause 4.28 (a) is reproduced as under:

Quote

(a) The consumer shall provide space of requisite dimensions and at convenient location as mutually agreed between the consumer and the Licensee, free of charge, for erection / installation of that part of service line

that falls within his premises, transformers, switch gear, meter and all other apparatus up to the point of commencement of supply. The whole of service line and other apparatus shall be deemed to be the property of the Licensee and shall remain under his control.

Unquote

3.60.24. The Licensees submitted that the above guidelines are as per General Provisions Regarding Service Line and Apparatus mentioned in the supply code wherein it has been mentioned in context where consumer shall provide suitable space to the utility for installation of electrical equipment's. The Licensees maintain the assets/electrical equipment installed in consumer premises on regular basis and provides support whenever required.

3.60.25. As regards to compensation for the asset, the Licensees submitted that the matter is governed under the provision of Electricity Supply Code and provision of Regulatory framework set by the Commission.

3.60.26. As regards to electrification charges, the Licensees submitted that all the charges for release of new connection/installation of Transformer is being levied as per the provisions of UPERC Supply Code and its amendment from time to time.

3.60.27. With regards to revised tariff implementation, the Licensees submitted that the tariff approved by the Commission is published in newspaper and uploaded in web-site as provided in clause No 5.10 of UPERC (MYT Distribution and Transmission Tariff) Regulation, 2019. Further, applicability of Tariff Order is provided by Commission in Tariff Order.

3.60.28. With regards to maintenance and special maintenance of the building, the Licensees submitted that it's a matter of record.

3.60.29. With regards to Draft Electricity (Amendment) bill 2021, the Licensees submitted that matter is not related to the current proceeding of ARR for FY2022-23. Hence, no comment to offer.

3.60.30. Regarding negative feedback in MVVNL, it is submitted that the matter related to Customer Care Number 1912 is not related to the proceedings of ARR for FY 2022-23 Hence, no comments.

3.60.31. Regarding 2.5% discount and 6% discount for prepaid consumer, it is submitted that comment is suggestive.

3.60.32. With regards to consumer friendly environment for Industries, the Licensees submitted that the matter does not pertain to current proceeding of ARR for FY 2022-23, the stakeholder has requested to amend certain clauses of Electricity supply code 2005. In this context, it is suggested that a separate petition in this regard may be filed by the Stakeholder before the Commission.

3.60.33. Regarding increase in demand of electricity, the Licensees submitted that it's a matter of record.

3.60.34. With regards to increase in higher revenue gap the Licensees submitted that that the Annual Revenue Requirement and True up for the respective year is being prepared based on the applicable regulatory provisions for the respective year. Accordingly, revenue Gap as estimated is being proposed for the recovery through tariff. However, due to various disallowances and un appropriate tariff hike, Discoms are not able to fulfil their actual revenue requirement. This is the main reason for higher revenue gap of the Discoms.

F. Commission's view

3.60.35. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee.

4. TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2020-21

4.1. INTRODUCTION

4.1.1. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have sought the final truing up of expenditure and revenue for FY 2020-21 based on actual expenditure and revenue as per audited accounts. In this section, the Commission has analysed all the elements of actual revenue and expenses for FY 2020-21 based on prudence check of the data made available by the Licensees.

4.2. CONSUMPTION PARAMETERS: CONSUMER NUMBERS, CONNECTED LOAD AND SALES

Petitioner's Submission

4.2.1. The Petitioners have submitted that there is deviation in sales approved in Tariff Order dated November 11, 2020 and actual sales for FY 2020-21. The details are provided below:

I. DVVNL, MVVNL, PVVNL and PuVVNL submitted that there is a reduction noticed in LMV-1 category.

II. KESCO submitted that there is a reduction noticed in LMV-1, LMV- 4, LMV-9, LMV-10, HV-1 and HV-2 categories.

Further, the Licensees submitted that reduction in sales is due to covid pandemic and lockdown across the State of Uttar Pradesh. Also, sales are derivative of demand which is uncontrollable in nature.

Commission's Analysis

4.2.2. The Commission vide letter UPERC/Secy/D(T)/2022-008 dated April 01, 2022 directed DVVNL to submit the details of Billing Determinants of the Distribution Franchisees as per Regulation 42 of the MYT Regulations, 2019. In response to the Commission's query, DVVNL submitted Billing Determinants of Distribution Franchisee, as shown in the Table below:

TABLE 4-1: BILLING DETERMINANTS OF TORRENT POWER FOR FY 2020-21

Category	True-Up/Audited		
	No. of consumers	Connected load/ contracted demand	Total Energy Sales
	(No.)	(kW)	(MU)
LMV-1: Domestic Light, Fan & Power	3,98,760	7,35,567	1,212.54
LMV-2: Non-Domestic Light, Fan & Power	61,422	1,12,793	185.93
LMV-3: Public Lamps	84	18,905	31.16
LMV-4: Light, fan & Power for Institutions	2,028	15,212	25.08
LMV-5: Private Tube Wells/ Pumping Sets	473	5,225	8.61
LMV 6: Small and Medium Power upto 100 HP (75 kW)	8,726	66,057	108.89
LMV-7: Public Water Works	151	19,333	31.87
LMV-8: State Tube Wells & Pump Canals upto 100 HP	18	331	0.55
LMV-9: Temporary Supply	1,138	4,619	7.61
LMV-10: Departmental Employees	2,257	2,929	4.83
LMV-11: Electrical Vehicles	-	-	-
HV-1: Non-Industrial Bulk Loads	222	67,316	110.97
HV-2: Large and Heavy Power above 100 BHP (75 kW)	258	1,13,026	186.32
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
Extra State Consumer	-	-	-
Bulk Supply Consumer	-	-	-
Grand Total	**4,75,537**	**11,61,313**	**1,914.36**

4.2.3. The Commission also observed that MVVNL and PuVVNL have submitted Billing Determinants of Extra State Consumers. The Commission vide TVS MOM dated dated April 18, 2020 directed MVVNL and PuVVNL to submit the details of such consumers and provide the Tariff approvals by the Commission for such consumers. In response to the Commission's query, MVVNL and PuVVNL submitted the following along with documentary proof:

(i) MVVNL sells power to Nepal via 33 kV lines. The tariff is agreed upon by the mutual understating between Government of India (GoI) and Government of Nepal.

(ii) PuVVNL submitted that agreement for supply of electric energy executed between Electric Distribution Division – II, Ballia, PuVVNL and

Electrical Supply Division, Buxar, South Bihar Power Distribution Company Limited (SBPDCL) on February 21, 2015.

4.2.4. Considering the above, the Commission has approved the Billing Determinants as actuals for FY 2020-21. The audited accounts of the Petitioners mention the total sales which is in line with the claimed figures. The comparison of the Billing Determinants as approved by the Commission vide Tariff Order dated November 11, 2020 and claimed by the Petitioners for FY 2020-21 is shown in the Table below:

TABLE 4-2: BILLING DETERMINANTS OF DVVNL FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up*		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	52,35,515	7,056,838.31	8,865.52	5,395,509	7,364,069.64	8,353.46
LMV-2-Non-domestic light fan & power	3,01,996	772,237.19	1,058.48	307,288	817,598.30	1,075.97
LMV-3 Public lamps	1,549	40,794.99	68.40	1,641	43,382.63	100.01
LMV-4 Light, fan & power for public/private institution	25,282	115,527.98	242.44	31,564	155,416.34	240.74
LMV-5 Private tube well/pumping sets	2,74,605	2,033,253.66	3,392.49	278,087	2,171,639.61	4,335.91
LMV-6 Small & medium power upto 100 hp/75kw	47,063	434,957.38	728.59	47,803	456,951.50	594.60
LMV-7 Public water works	11,348	108,606.48	394.12	10,526	126,100.58	372.65
LMV-8 State tube wells & pumps canal upto 100 hp	7,304	200,590.37	682.93	7,322	166,088.98	834.65
LMV-9 Temporary supply	3,416	7,805.01	14.62	6,684	33,265.35	58.42
LMV- 10 Departmental employees	20,284	93,136.05	145.58	19,307	83,777.10	121.14
LMV-11 Electric Vehicles	-	-		-	-	-
HV-1 Non industrial bulk load	758	188,105.91	355.65	782	213,453.29	350.76
HV-2 Large & heavy power above 100 bhp (75 kw)	3,438	1,152,969.20	3,089.46	3,319	1,056,132.90	2,577.21
HV-3 Railway traction	-	-	-	2	36,000.00	61.03
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	56	41,769.11	140.62	41	34,791.00	106.58
Bulk supply	-	-	-	-	-	-
Extra State Consumers	-	-	-			
Total	**59,32,612**	**1,22,46,592.00**	**19,179.00**	**6,109,876**	**12,758,667.23**	**19,183.12**

**Billing Determinants of DVVNL includes Billing Determinants of Torrent Power (Agra Franchisee)*

TABLE 4-3: BILLING DETERMINANTS OF MVVNL FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	52,35,515	9,900,993.53	10,992.60	7,343,592	8,944,695.00	10,516.66
LMV-2 Non-domestic light fan & power	3,82,696	1,086,210.20	1,303.99	383,655	1,105,089.00	1,430.94
LMV-3 Public lamps	1,403	104,313.37	372.54	1,160	79,588.00	296.74
LMV-4 Light, fan & power for public/private institution	23,649	146,338.72	198.72	26,908	146,016.00	244.20
LMV-5 Private tube well/pumping sets	2,32,269	1,020,119.23	1,746.01	235,413	1,273,069.00	2,162.90
LMV-6 Small & medium power upto 100 hp/75kw	22,120	278,849.82	512.37	27,321	296,365.00	473.68
LMV-7 Public water works	3,716	112,853.20	498.91	3,627	90,603.00	383.31
LMV-8 State tube wells & pumps canal upto 100 hp	10,002	200,519.55	905.34	10,715	154,287.00	879.10
LMV-9 Temporary supply	5,615	56,827.54	74.55	6,181	19,472.00	37.71
LMV- 10 Departmental employees	27,560	88,239.90	214.97	24,430	77,101	137.67
LMV-11 Electric Vehicles	-			-	-	-
HV-1 Non industrial bulk load	1,203	418,046.17	660.59	1,344	457,338.00	684.47
HV-2 Large & heavy power above 100 bhp (75 kw)	2,156	891,062.30	1,318.28	2,201	793,287.00	1,415.10
HV-3 Railway traction	3	20,000.00	36.23	2	10,500.00	26.29
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	10	9,082.19	80.04	33	28,561.00	67.69
Bulk supply	-	-	-	-	-	-
Extra State Consumer	1	5,000.00	23.77	1	5,000.00	8.78
Total	**81,69,573**	**1,43,38,456.00**	**18,939.00**	**8,066,583**	**13,480,971.37**	**18,765.24**

TABLE 4-4: BILLING DETERMINANTS OF PVVNL FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	6,027,481	11,888,227.02	12,480.48	5,623,965	11,468,869.00	11,399.69
LMV-2 Non-domestic light fan & power	472,684	1,411,102.73	1,495.85	457,740	1,329,861.00	1,557.76
LMV-3 Public lamps	1,213	57,310.24	207.49	964	52,878.00	173.67
LMV-4 Light, fan & power for public/private institution	18,013	137,364.45	168.14	19,426	117,552.00	159.64

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-5 Private tube well/pumping sets	462,681	3,369,762.44	5,557.78	462,820	3,247,201.00	6,158.22
LMV-6 Small & medium power upto 100 HP/75kw	60,683	899,442.33	1,061.83	60,615	845,780.00	1,060.35
LMV-7 Public water works	3,873	145,960.74	493.53	4,309	139,405.00	392.14
LMV-8 State tube wells & pumps canal upto 100 hp	4,831	80,140.73	357.13	4,839	69,083.00	258.02
LMV-9 Temporary supply	4,577	42,949.12	76.96	5,681	45,868.26	88.96
LMV- 10 Departmental employees	20,413	138,765.90	181.99	21,628	144,923	140.21
LMV-11 Electric Vehicles	-		-	-	-	-
HV-1 Non industrial bulk load	2,582	1,454,942.18	1,665.10	2,178	945,922.00	1,264.46
HV-2 Large & heavy power above 100 BHP (75 kw)	5,877	2,193,724.91	4,897.25	5,928	2,079,460.00	4,756.26
HV-3 Railway traction	5	54,301.26	63.90	5	51,300.00	80.88
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	2	314.11	0.78	2	280.00	1.35
Bulk supply	-	-	-	-	-	-
Extra state consumers	-	-	-	-	-	-
Total	**7,084,914**	**21,874,308.00**	**28,708.20**	**6,670,100**	**20,538,382.14**	**27,491.60**

TABLE 4-5: BILLING DETERMINANTS OF PuVVNL FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	80,03,162	1,12,74,757.78	13,930.06	7,856,774	9,767,513.00	12,748.92
LMV-2 Non-domestic light fan & power	4,40,872	13,55,288.55	1,777.71	449,005	1,218,249.00	1,889.88
LMV-3 Public lamps	348	69,003.87	103.00	439	36,483.00	125.88
LMV-4 Light, fan & power for public/private institution	22,950	1,32,785.17	144.00	28,313	163,416.00	271.08
LMV-5 Private tube well/pumping sets	3,14,062	13,42,892.30	2,296.31	318,408	1,433,862.00	2,524.09
LMV-6 Small & medium power upto 100 hp/75kw	31,357	3,51,206.84	493.00	31,054	350,930.00	573.09
LMV-7 Public water works	3,481	1,34,684.33	345.00	3,426	106,730.00	390.09

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-8 State tube wells & pumps canal upto 100 hp	11,620	2,05,054.55	1,007.68	11,826	223,083.00	1,113.19
LMV-9 Temporary supply	290	607	0	2,093	4,792.20	8.24
LMV- 10 Departmental employees	30,436	1,02,528.30	237.40	26,546	88,147	105.15
LMV-11: Electrical Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	903	2,74,394.48	455	894	255,500.00	410.63
HV-2 Large & heavy power above 100 bhp (75 kw)	1,233.50	2,71,823.00	1,039.90	1,394	563,157.00	1,239.00
HV-3 Railway traction	-	-	-	1	10,800.00	24.86
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	32	1,41,850.97	486	57	129,134.00	476.18
Bulk supply	-	-	-	-	-	-
Extra state consumers	-	-	-	1	410.00	2.81
Total	**88,60,747**	**1,56,56,877.00**	**22,316**	**8,730,231**	**14,352,205.72**	**21,903.08**

TABLE 4-6: BILLING DETERMINANTS OF KESCO FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,45,240	13,25,542.76	1,728.29	550,815	1,317,788.00	1,531.44
LMV-2 Non-domestic light fan & power	82,263	2,43,250.25	289.93	83,068	235,136.00	308.08
LMV-3 Public lamps	20	11,122.00	37.00	218	10,169.00	54.84
LMV-4 Light, fan & power for public/private institution	1,584	29,186.25	81.94	1,517	25,866.00	62.86
LMV-5 Private tube well/pumping sets	-	-	-	-	-	-
LMV-6 Small & medium power up to 100 hp/75kw	13,812	1,03,712.85	275.63	14,002	179,222.00	324.21
LMV-7 Public water works	1,138	41,441.68	103.87	1,185	51,242.00	109.06
LMV-8 State tube wells & pumps canal up to 100 hp	-	-	-	-	-	-
LMV-9 Temporary supply	-	-	11.38	685	3,305.00	5.27
LMV- 10 Departmental employees	5,311	20,898.15	41.42	5,301	20,721	25.64

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-11: Electrical Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	284	90,657.67	187.76	282	75,380.00	157.06
HV-2 Large & heavy power above 100 bhp (75 kw)	658	2,56,814.55	510.46	619	212,414.00	450.54
HV-3 Railway traction	-	-	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-	-	-	-	-
Bulk supply	-	-	-	-	-	-
Extra state consumers	-	-	-	-	-	-
Total	6,50,311	21,22,626.16	3,268.00	657,692	2,131,243.00	3,029.00

TABLE 4-7: CONSOLIDATED BILLING DETERMINANTS FOR FY 2020-21

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	27,268,566	41,446,359	47,997	26,770,655	38,862,934.64	44,550.17
LMV-2 Non-domestic light fan & power	1,680,511	4,868,089	5,926	1,680,756	4,705,933.30	6,262.63
LMV-3 Public lamps	4,533	282,545	788	4,422	222,500.63	751.13
LMV-4 Light, fan & power for public/private institution	91,478	561,203.00	836.00	107,728	608,266.34	978.52
LMV-5 Private tube well/pumping sets	1,283,617	7,766,028.00	12,993.00	1,294,728	8,125,771.61	15,181.12
LMV-6 Small & medium power up to 100 hp/75kw	175,035	2,068,169.00	3,072.00	180,795	2,129,248.50	3,025.93
LMV-7 Public water works	23,556	543,547.00	1,835.00	23,073	514,080.58	1,647.25
LMV-8 State tube wells & pumps canal up to 100 hp	33,757	686,305.00	2,953.00	34,702	612,541.98	3,084.96
LMV-9 Temporary supply	13,898	108,188.00	178.00	21,324	106,702.81	198.59
LMV- 10 Departmental employees	104,004	443,569.00	821.00	97,213	414,668.87	529.81
LMV-11: Electrical Vehicles	-	-	-	0	0.00	0.00
HV-1 Non industrial bulk load	5,730	2,426,147.00	3,324.00	5,480	1,947,593.29	2,867.38
HV-2 Large & heavy power above 100 bhp (75 kw)	13,363	4,766,394.00	10,855.00	13,461	4,704,450.90	10,438.10
HV-3 Railway traction	8	74,301.00	100.00	10	108,600.00	193.06

Category	Tariff Order for FY 2020-21 dated 11.11.2020			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	101	193,016.00	708.00	133	192,766.00	651.80
Bulk supply	-	-	-	-	-	-
Extra state consumers	1	5,000.00	24.00	2	5,410.00	11.59
Total	**30,698,157**	**66,238,859**	**92,410**	**30,234,482**	**63,261,469.45**	**90,372.03**

**Billing Determinants of DVVNL includes Billing Determinants of Torrent Power (Agra Franchisee)*

4.2.5. The Commission has observed that the Petitioners have claimed sales of unmetered category of consumers of LMV – 1, LMV – 2, LMV – 5 and LMV – 8 as per the norms approved by the Commission in the various Orders issued in the past. Hence, for FY 2020-21 there is no disallowance of power purchase against excess sales towards unmetered consumers based on the norms.

4.3. DISTRIBUTION LOSSES

Petitioner's Submission

4.3.1. The Petitioners submitted that they are in process of formulation of Revamp Distribution Sector Scheme (RDSS) in the State. Based on the actual distribution loss of the Petitioners, the Petitioners have estimated the loss trajectories for the coming years for the implementation of the scheme, as shown in the Table below:

TABLE 4-8: LOSS TRAJECTORY AS PER ACTION PLAN SUBMITTED BY THE PETITIONERS

Discoms	FY 2020-21	FY 2021-22	FY 2022-23
DVVNL	25.90%	24.58%	20.05%
MVVNL	20.22%	19.19%	17.21%
PVVNL	17.85%	16.94%	15.19%
PuVVNL	20.65%	19.60%	17.58%
KESCO	10.45%	9.20%	8.52%

4.3.2. The Petitioners submitted that, Ministry of Power (MoP) after considering the ground realities which have impacted UP Discom's efforts towards achieving the loss trajectory agreed under the MoU vide its letter No.06/01(01)/2020 NEF(U) dated March 06, 2020, has sought for a revised action plan for reduction in distribution losses including AT&C loss trajectory from the Government of Uttar Preadesh (GoUP). This evinces that the loss trajectory

agreed under the UDAY MoU is not sacrosanct, since the same was based on then existing facts and circumstances, which have substantially changed presently.

4.3.3. The Petitioners submitted that distribution loss trajectory for the period from FY 2020-21 to FY 2024-25 was approved by the Commission in its Business Plan Order dated October 27, 2020. The Commission has not deliberated upon the same in the Tariff Order for FY 2021-22 and merely held that distribution loss trajectory as approved in Order dated October 27, 2020, will be applicable for FY 2021-22.

4.3.4. The Petitioners submitted that the primary objective of UDAY scheme was to reduce AT&C losses which includes distribution loss as well as collection efficiency. While reduction in AT&C losses may be possible to the extent mentioned in UDAY scheme due to factors like improvement in collection efficiency, reduction in distribution losses is not feasible to that extent. It is also submitted that while the Commission has approved the distribution losses in accordance with the trajectory as per the UDAY MoU, the Commission has not adopted the collection efficiency as per the UDAY agreement and has been issuing Tariff Orders on 100% collection efficiency, thereby partially adopting the UDAY agreement. In view of the above, the approved trajectory of distribution losses in Business Plan order dated October 27, 2020, is neither achievable nor based on the adoption of UDAY agreement in totality. Even the MYT Regulations, 2014 provision related to sharing of difference of AT&C loss, was also not allowed by Commission in the True-Up Orders despite Licensee request. Therefore, considering only selected parameters of UDAY scheme has caused huge financial loss to Discom. Therefore, the Commission was also requested to delink the distribution losses for new Control Period from the normative losses approved for previous Control Period. This request of Licensee is supported by the fact that MYT Regulations of Commission are also changed at the start of new Control Period on the change of facts and circumstances experienced during the previous Control Period. Many provisions related to financial impact have been changed by the Commission in MYT Regulation 2019 as compared to previous MYT Regulation. Accordingly, the changed facts and circumstances related to distribution loss trajectory should be considered.

4.3.5. The Petitioners submitted that the provisions relating to sharing of distribution loss and AT&C loss does not exist in the MYT Regulations, 2019. Hence, Petitioners would not be able to claim any sharing on account of

distribution losses during the Control Period FY 2020-21 to FY 2024-25. Therefore, the Petitioners have to propose the distribution loss trajectory on the basis of actual loss level of FY 2020-21, and which the Petitioners can possibly achieve, otherwise it will result in significant under recovery of power purchase cost.

4.3.6. The Petitioners submitted that, considering the abovementioned ground realities and the significant impact of Covid-19 pandemic and further reduction in Commercial and Industrial (C&I) category consumption and subsequent increase in the consumption at LT network such as Domestic consumer categorises has adversely impacted on the overall distribution loss of the petitioners. Therefore, considering the actual Covid-19 scenarios and its impact on the distribution loss of subsequent years, the Petitioners further requested the Commission to approve the Distribution loss trajectory as proposed in the petition.

4.3.7. The Petitioners submitted that it is a settled position that normative parameters under the MYT Order and Tariff Regulations ought to be fixed considering past performance (i.e., it should be relatable to past performance), actuals of the previous Control Period and it should be capable of achievement. In this regard the following is noteworthy: -

Clause 5.11(f) of Tariff Policy 2016 which lays down the framework for determination of operating norms for distribution tariff: -

"5.11Tariff policy lays down the following framework for performance based cost of service regulation in respect of aspects common to generation, transmission as well as distribution. These shall not apply to competitively bid projects as referred to in para 6.1 and para 7.1 (6). Sector specific aspects are dealt with in subsequent sections.

f) *Operating Norms*

Suitable performance norms of operations together with incentives and disincentives would need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. Except for the cases referred to in para 5.11(h)(2), the operating parameters in tariffs should be at "normative levels" only and not at "lower of normative and actuals". This is essential to encourage better operating performance. The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration

the latest technological advancements, fuel, vintage of equipments, nature of operations, level of service to be provided to consumers etc. Continued and proven inefficiency must be controlled and penalized."

In terms of Clause 8.2 of the Tariff Policy 2016, the Commission is mandated to set an achievable distribution loss trajectory: -

"8.2 Framework for revenue requirements and costs 8.2.1 The following aspects would need to be considered in determining tariffs:

.....

(2) AT&C loss reduction should be incentivised by linking returns in a MYT framework to an achievable trajectory. Greater transparency and nurturing of consumer groups would be efficacious.

4.3.8. In view of the above, the Petitioners submitted that the distribution loss trajectory is also a normative parameter for determination of distribution tariff and hence for FY 2021-22 the same ought to have been relatable to past performance of the Discoms and capable of achievement. A table evincing the actual distribution losses of the Petitioners in the previous Control Period (i.e., FY 2018-2020) vis-à-vis the loss trajectory approved by the Commission is as below:

TABLE 4-9: ACTUL DISCOM LOSSES SUBMITTED BY PETITIONERS IN CONTROL PERIOD FY 2017-2019

Discom	FY 2017-18			FY 2018-19			FY 2019-20		
	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual
DVVNL	20.07%	20.07%	25.09%	16.25%	16.25%	20.96%	12.10%	12.10%	21.27%
MVVNL	19.16%	19.16%	22.19%	16.09%	16.09%	21.56%	11.80%	11.80%	19.37%
PVVNL	18.18%	18.18%	17.43%	15.20%	15.20%	14.83%	11.80%	11.80%	14.69%
PuVVNL	19.73%	19.73%	23.16%	16.43%	16.43%	20.49%	12.20%	12.20%	20.32%
KESCO	18.91%	15.28%	13.00%	15.13%	15.13%	8.51%	11.80%	11.80%	7.76%

4.3.9. In view of the above, the Petitioners have submitted that it is evident that in the past years (i.e., FY 2018-20) the actual distribution loss of the Petitioners was in the range of 21.56% to 22.19%. However, the Commission for FY 2020-21 has fixed a stringent and practically unachievable distribution loss trajectory for the Discoms, which is approximately 50% less than the actuals of the last fiscal year (i.e., FY 2019-20) and what was claimed by the

Petitioners. There is no possible way that the Petitioners can achieve the loss trajectory approved by the Commission. It is pertinent to note that even the Commission in the True-up Order for FY 2018-19 has itself accepted that it approves a stringent distribution loss trajectory for the Petitioners, which is much lower than the actual losses of the Discoms:

Quote

6.7.40. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a stringent Distribution Loss trajectory in the ARR, which is much lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms/utilities efforts to reduce the losses and meet the Commission target.

Unquote

4.3.10. Hence, an impossible and impractical distribution loss trajectory would further impact the financial situation of the Petitioners as it has a huge long-term impact on the Petitioners and would result in severe under recovery of power purchase cost. Hence it is requested to the Commission to approve the actual distribution loss as claimed by the Petitioners.

4.3.11. The actual voltage-wise distribution losses are submitted below for perusal of the Commission.

TABLE 4-10: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF DVVNL FOR FY 2020-21

S.No.	Voltage Level	Actual (MUs)
A	**System Losses At 220 kV**	
1	Energy received into the system	339.43
2	Energy sold at this voltage level	339.43
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	**Total Loss in the system (4/1)*100%**	**0.00%**
B	**System Losses At 132 kV**	
1	Energy received into the system	74.52
2	Energy sold at this voltage level	74.43
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.09
5	**Total Loss in the system (4/1) *100%**	**0.12%**

S.No.	Voltage Level	Actual (MUs)
C	**System Losses At 33 kV**	
1	Energy received into the system	25474.05
2	Energy sold at this voltage level	1305.10
3	Energy transmitted to the next (lower) voltage level	24011.85
4	Energy Lost	157.10
5	**Total Loss in the system (4/1)*100%**	**0.62%**
D	**System Losses at 11 kV & LT**	
1	Energy received into the system	24011.85
2	Energy sold at this voltage level	17464.05
3	Energy Lost	6547.81
4	**Total Loss in the system (4/1) *100%**	**27.27%**
E	**Overall Losses**	
1	**Energy In (A1+B1+C1)**	25888.00
2	**Energy Out (A2+B2+C2+D2))**	19183.00
3	**Total T&D Loss ((1-2)/1) *100%**	**25.90%**

TABLE 4-11: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF MVVNL FOR FY 2020-21

S.No.	Voltage Level	Actual (MUs)
A	**System Losses At 220 kV**	
1	Energy received into the system	9.31
2	Energy sold at this voltage level	9.31
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	**Total Loss in the system (4/1)*100%**	0.00%
B	**System Losses At 132 kV**	
1	Energy received into the system	82.17
2	Energy sold at this voltage level	82.17
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	**Total Loss in the system (4/1) *100%**	0.00%
C	**System Losses At 33 kV**	
1	Energy received into the system	23,429.49
2	Energy sold at this voltage level	528.82
3	Energy transmitted to the next (lower) voltage level	22,725.49
4	Energy Lost	175.18
5	**Total Loss in the system (4/1) *100%**	0.75%
D	**System Losses at 11 kV & LT**	
1	Energy received into the system	22,725.49
2	Energy sold at this voltage level	18,144.93
3	Energy transmitted to the next (lower) voltage level	0.00

S.No.	Voltage Level	Actual (MUs)
4	Energy Lost	4,580.56
5	**Total Loss in the system (4/1) *100%**	20.16%
E	**Overall Losses**	
1	**Energy In (A1+B1+C1)**	23,520.97
2	**Energy Out (A2+B2+C2+D2))**	18,765.22
3	**Total T&D Loss ((1-2)/1) *100%**	**20.22%**

TABLE 4-12: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF PVVNL FOR FY 2020-21

S.No.	Voltage Level	Actual (MUs)
A	**System Losses At 220 kV**	
1	Energy received into the system	144.07
2	Energy sold at this voltage level	143.97
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.10
5	**Total Loss in the system (4/1)*100%**	0.07%
B	**System Losses At 132 kV**	
1	Energy received into the system	454.21
2	Energy sold at this voltage level	451.85
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	2.36
5	**Total Loss in the system (4/1) *100%**	0.52%
C	**System Losses At 33 kV**	
1	Energy received into the system	32865.43
2	Energy sold at this voltage level	2,878.51
3	Energy transmitted to the next (lower) voltage level	29804.60
4	Energy Lost	182.32
5	**Total Loss in the system (4/1) *100%**	0.55%
D	**System Losses at 11 kV & LT**	
1	Energy received into the system	29804.60
2	Energy sold at this voltage level	24017.30
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	5787.30
5	**Total Loss in the system (4/1) *100%**	19.42%
E	LT System Losses	
1	Energy received into the system	
2	Energy sold at this voltage level	
3	Energy Lost	
4	**Total Loss in the system (3/1) *100%**	0.00%

S.No.	Voltage Level	Actual (MUs)
F	**Overall Losses**	
1	**Energy In (A1+B1+C1)**	33463.71
2	**Energy Out (A2+B2+C2+D2))**	27491.63
3	**Total T&D Loss ((1-2)/1)*100%**	17.85%

TABLE 4-13: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF PuVVNL FOR FY 2020-21

S.No.	Voltage Level	Actual (MUs)
A	**System Losses At 220 kV**	
1	Energy received into the system	0
2	Energy sold at this voltage level	0
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	**Total Loss in the system (4/1) *100%**	0.00%
B	**System Losses At 132 kV**	
1	Energy received into the system	97
2	Energy sold at this voltage level	97
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	**Total Loss in the system (4/1) *100%**	0.00%
C	**System Losses At 33 kV**	
1	Energy received into the system	27,604
2	Energy sold at this voltage level	978
3	Energy transmitted to the next (lower) voltage level	26,333
4	Energy Lost	293
5	**Total Loss in the system (4/1) *100%**	1.06%
D	**System Losses at 11 kV & LT**	
1	Energy received into the system	26,333
2	Energy sold at this voltage level	20,924
3	Energy transmitted to the next (lower) voltage level	5,049
4	Energy Lost	4,580.56
5	**Total Loss in the system (4/1) *100%**	20.54%
E	**Overall Losses**	
1	**Energy In (A1+B1+C1)**	27,604
2	**Energy Out (A2+B2+C2+D2))**	21,903
3	**Total T&D Loss ((1-2)/1) *100%**	20.65%

TABLE 4-14: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF KESCO FOR FY 2020-21

S.No.	Voltage Level	Actual (MUs)
A	**System Losses At 220 kV**	
1	Energy received into the system	0
2	Energy sold at this voltage level	0
3	Energy transmitted to the next (lower) voltage level	0
4	Energy Lost	0
5	**Total Loss in the system (A4/A1) *100%**	0.00%
B	**System Losses At 132 kV**	
1	Energy received into the system	148.66
2	Energy sold at this voltage level	148.65
3	Energy transmitted to the next (lower) voltage level	0
4	Energy Lost	0.01
5	**Total Loss in the system (B4/B1) *100%**	0.01%
C	**System Losses At 33 kV**	
1	Energy received into the system	3234.08
2	Energy sold at this voltage level	134.99
3	Energy transmitted to the next (lower) voltage level	3066.14
4	Energy Lost	32.94
5	**Total Loss in the system (C4/C1)*100%**	1.02%
D	**System Losses at 11 kV & LT**	
1	Energy received into the system	3066.14
2	Energy sold at this voltage level	427.47
3	Energy transmitted to the next (lower) voltage level	2576.78
4	Energy Lost	61.89
5	**Total Loss in the system (D4/D1)*100%**	7.96%
E	LT System Losses	
1	Energy received into the system	2576.78
2	Energy sold at this voltage level	2318.14
3	Energy Lost	258.65
4	**Total Loss in the system (E3/E1) *100%**	10.04%
F	**Overall Losses**	
1	**Energy In (A1+B1+C1)**	3382.74
2	**Energy Out (A2+B2+C2+D2))**	3029.25
3	**Total T&D Loss ((1-2)/1) *100%**	**10.45%**

***Commission's* Analysis**

4.3.12. Regulation 8.2 of MYT Regulations, 2019 stipulated distribution losses as Controllable Factor. The relevant extract of the Regulation is as under:

Quote

8.2 The "Controllable Factors" shall include, but shall not be limited to the following:

.....

(g) Variation in Distribution losses;

.....

Unquote

4.3.13. Moreover, the Commission has already deliberated on the distribution loss Trajectory of the Petitioners for the Control Period from FY 2020-21 to FY 2024-25 and approved the distribution loss Trajectory for the Petitioners in the Business Plan Order dated October 27, 2020.

4.3.14. Considering the above, the distribution loss approved for FY 2020-21 is shown in the Table below:

TABLE 4-15: DISTRIBUTION LOSSES APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved
DVVNL	11.80%	25.90%	11.80%
MVVNL	11.51%	20.22%	11.51%
PVVNL	11.51%	17.85%	11.51%
PuVVNL	11.83%	20.65%	11.83%
KESCO	8.42%	10.45%	8.42%
Consolidated (5 Discoms)	**11.54%**	**20.63%**	**11.54%**

4.4. ENERGY BALANCE

Petitioner's Submission

4.4.1. The Petitioners have submitted that provisions relating to sharing of gains/loss on account of distribution losses and AT&C losses does not exist in the MYT Regulations, 2019 which were existing in the erstwhile UPERC MYT Distribution Tariff Regulations, 2014. Due to this the Petitioners would not be able to claim sharing of gains / loss on account of variation in distribution losses during the Control Period from FY 2020-21 to FY 2024-25. Thus, the Petitioners have claimed the actual distribution loss for FY 2020-21.

Therefore, the Commission is requested to consider the submission of the Petitioners and allow actual loss for FY 2020-21.

4.4.2. The energy balance claimed by the Petitioners is shown in the Table below:

TABLE 4-16: ENERGY BALANCE SUBMITTED BY THE PETITIONERSS FOR FY 2020-21

Particulars			FY 2020-21					
	Unit	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	A	19,183.00	18,765.22	27,491.63	21,903.08	3,029.25	90,372.19
Distribution Losses	%	B	25.90%	20.22%	17.85%	20.65%	10.45%	20.63%
Energy at Discom Periphery for Retail Sales	MU	C=A/(1-B)	25,888.03	23,520.97	33,463.71	27,604.01	3,382.74	1,13,859.45
Intra-State Transmission Losses	%	D	3.37%	3.37%	3.37%	3.37%	3.37%	3.37%
Energy Available at State periphery for Transmission	MU	E=C/(1-D)	26,791.04	24,341.29	34,630.73	28,566.70	3,500.42	1,17,830.18
Interstate Transmission Loss	%	F	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
Power Purchase Required & Billed Energy (MU) (ex-Bus)	**MU**	**G=E/(1-F)**	**27,416.35**	**24,909.41**	**35,439.01**	**29,233.45**	**3,582.12**	**1,20,580.34**

Commission's Analysis

4.4.3. The Commission observed that the Petitioners have prepared the energy balance based on actual inter and intra state transmission losses and distribution losses. The Commission further observed that the Petitioners have calculated the inter-State transmission losses as 2.28% taking the power both from inter and intra-State sources.

4.4.4. The inter-state transmission loss should be applicable only on inter-state source. Thus, the Commission has calculated the inter-state transmission loss based on the actual inter-state unit loss (2,750 kWh) and inter-state units wheeled (84,546.72 kWh) as submitted by the Petitioners in the Petitions. The value comes out to be 7.63% (2,750 kWh / 84546.72 kWh).

4.4.5. Further, for energy balance the Commission has considered actual intra state transmission loss as approved in the True Up Order of UPPTCL for FY 2020-21 in the Tariff Order for FY 2022-23 and distribution losses as approved above.

4.4.6. The Commission considering the approved sales, distribution loss trajectory and transmission Losses of UPPTCL approved upon Truing Up for FY 2020-21, has approved energy balance for FY 2020-21, as shown in the Table below:

TABLE 4-17: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2020-21

Particulars	Unit	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	A	19,183.12	18,765.24	27,491.60	21,903.08	3,029.00	90,372.03
Distribution Losses	%	B	11.80%	11.51%	11.51%	11.83%	8.42%	11.54%
Energy at Discom Periphery for Retail Sales	MU	C=A/(1-B)	21,749.57	21,206.05	31,067.46	24,841.87	3,307.49	1,02,172.45
Intra-State Transmission Losses	%	D	3.37%	3.37%	3.37%	3.37%	3.37%	3.37%
Energy Available at State periphery for Transmission	MU	E=C/(1-D)	22,508.09	21,945.62	32,150.95	25,708.24	3,422.84	1,05,735.74
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	F	16,120.65	15,769.48	23,102.73	18,406.38	2,545.44	75,944.67
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	G=E-F	6,387.44	6,176.14	9,048.22	7,301.86	877.40	29,791.07
Inter-State Transmission Loss*	%	H	7.63%	7.63%	7.63%	7.63%	7.63%	7.63%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	I=G/(1-H)	6,915.04	6,686.29	9,795.60	7,904.99	949.87	32,251.79
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	**MU**	**J=F+I**	**23,035.69**	**22,455.77**	**32,898.33**	**26,311.37**	**3,495.31**	**1,08,196.47**

*Note: *The Inter-State Transmission loss of 7.63% is a computed figure when the actual inter-state unit loss on actual inter-state energy units wheeled are taken into consideration.*

4.4.7. **The Commission directs the Petitioners to follow the formats given above for the purpose of energy balance in the future fillings.**

4.5. POWER PURCHASE EXPENSES

Petitioner's Submission

4.5.1. The Petitioners have claimed power purchase cost for FY 2020-21 based on actual payable as per the books of account for FY 2020-21, as shown in the Tables below:

TABLE 4-18: POWER PURCHASE COST SUBMITTED BY THE DVVNL FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	21,745	25,888
Power Purchase Cost (Rs. Crore)	10,546.04	11,279.90

TABLE 4-19: POWER PURCHASE COST SUBMITTED BY THE MVVNL FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	21,402.32	23,521.21
Power Purchase Cost (Rs. Crore)	11,508.91	12,878.18

TABLE 4-20: POWER PURCHASE COST SUBMITTED BY THE PVVNL FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	32,442	33,464
Power Purchase Cost (Rs. Crore)	17,257.40	19,603.83

TABLE 4-21: POWER PURCHASE COST SUBMITTED BY THE PuVVNL FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	25,310	27,604
Power Purchase Cost (Rs. Crore)	12,815	13,340.51

TABLE 4-22: POWER PURCHASE COST SUBMITTED BY THE KESCO FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	3,568	3,382
Power Purchase Cost (Rs. Crore)	2157.39	2535.83

TABLE 4-23: CONSOLIDATED POWER PURCHASE COST of THE PETITIONERS FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed
Allowable Power Purchase (MU)	1,04,467	1,13,859
Power Purchase Cost (Rs. Crore)	54,284.74	59,638.25

Commission's Analysis

4.5.2. It is observed that in the actual power purchase details provided for FY 2020-21, for computation of BST, the Petitioners have claimed total power purchase cost of Rs. 59,638.05 Crore. The break-up of the same is as under:

TABLE 4-24: TOTAL POWER PROCUREMENT COST CLAIMED BY THE PETITIONERS FOR FY 2020-21

Particular	Formulae	ARR Order for FY 2020-21 dated 11.11.2020	True up Petition
EX-Bus Units (MU)	A	109,327.65	120,580.34
Fixed Charges (Rs. Crore)	B	22,774.20	19,418.92
Energy Charges (Rs. Crore)	C	25,008.79	27,617.61
Other Cost (Rs. Crore)	D	0.00	3,577.89
Late Payment Charges (Rs. Crore)	E	0.00	2,637.67
Total Power Purchase Cost (Rs. Crore)	F=B+C+D+E	47,782.99	53,252.09
Inter-State Transmission Charges (Rs. Crore)	G	6,501.74	5,632.35
Late Payment Charges with respect to Inter-State Charges (Rs. Crore)	H	0.00	746.74
Total Inter-State Transmission Charges (Rs. Crore)	I=G+H	6,501.74	6,379.09
Total Power Purchase Cost including Inter-State Transmission Charges (Rs. Crore)	**J=F+I**	**54,284.73**	**59,631.18**

Note: PVVNL power purchase also include additional power purchase cost of Rs. 0.40 Crore on account of power purchased from Uttar Haryana Bijli Vitran Nigam Ltd and PuVVNL power purchase also include direct Purchase from Generators of Rs. 6.47 Crore.

4.5.3. From above, it is observed that the Petitioners have claimed Rs. 3,384.40 Crore (Generating Station Bills- Rs. 2,637.67 Crore, Inter-State transmission charges- Rs. 746.74 Crore) towards Late Payment charges as part of Power purchase cost for computation of BST, the same cannot be allowed.

4.5.4. Further, it has been noted that PVVNL has claimed an additional power purchase cost of Rs. 0.40 Crore on account of power purchased from Uttar Haryana Bijli Vitran Nigam Ltd and PuVVNL has claimed additional direct Purchase from Generators of Rs. 6.47 Crore. The Commission observes that the above power purchase has not been approved by the Commission. The Commission is of the view that such power purchase cannot be approved without prior approval and hence the same has been disallowed.

4.5.5. Accordingly, the Commission has computed the BST based on the same philosophy as adopted in previous Tariff Orders. The Commission has been

considering Distribution losses as controllable parameter therefore consider distribution loss as approved in the Business Plan Order. Further, for truing up of ARR for FY 2020-21, the allowable power purchase quantum has been computed by grossing up the actual energy sales by the approved distribution loss or actual loss level whichever is lower, and then the actual inter-state transmission loss of 7.63% (this loss has been computed based on the Petitioner's submission when the quantum purchased from Inter-State sources for all Petitioners is taken into consideration). The Commission has recomputed the BST by reducing the quantum of excess purchased and reducing the corresponding power purchased from sources with highest variable cost (based on MOD principles). BST recomputed by the Commission is as under:

TABLE 4-25: APPROVED BULK SUPPLY TARIFF FOR FY 2020-21

Particulars	Derivation	FY 2020-21			
		Approved in FY 2020-21 T.O. dt. 11.11.2020	Claimed in True-Up	Actual/ Audited Balance Sheet	Approved
Power Purchase Required & Billed Energy (MU) (Ex Bus)	A	1,09,327.65	1,20,580.34	1,20,580.34	1,08,196.47
Purchase from Inter-State Source (MU)	B	41,092.10			32,251.79
Interstate Transmission Loss (%)	C	2.88%	2.28%	2.28%	7.63%
Energy Available at State periphery from Inter-State Source (MU)	D=B*(1-C)	39,908.65	-	-	29,791.07
Energy Available at State periphery from Intra-State Source (MU)	E	68,235.56			75,944.67
Net Energy Available at State periphery for Transmission (MU)	F=D+E	1,08,144.21	1,17,830.18	1,17,830.18	1,05,735.74
Intra -State Transmission losses %	G	3.40%	3.37%	3.37%	3.37%
Net Energy Input at Discoms end i.e. Transmission-Distribution Interface for Retail Sales (MU)	H=F*(1-G)	1,04,467.34	1,13,859.45	1,13,859.45	1,02,172.45
Power Purchase Cost (Rs. Cr.)	I	47782.99	53,258.96		46,044.70
Total transmission charges excluding UPPTCL charges (Rs. Crore) (J=J1+J2+J3+J4)	J	6,501.74	6,379.09		5,247.59
PGCIL Charges (J1)	J1	3,153.60	3,665.61		3,272.96
Case-I Transmission Charges (J2)	J2	2,194.96	800.30		800.30
WUPPTCL Charges (J3)	J3	875.68	1,505.51		875.82

Particulars	Derivation	FY 2020-21			
		Approved in FY 2020-21 T.O. dt. 11.11.2020	Claimed in True-Up	Actual/ Audited Balance Sheet	Approved
SEUPPTCL Charges (J4)	J4	277.5	407.67		298.51
Total Power Procurement Cost (Rs. Cr.)	K=I+J	54,284.73	59,638.05	59,638.05	51,292.29
APPC (including Renewables, excluding Transmission Charges) (Ex Bus) (Rs. /Unit)	**L=I/A*10**	**4.37**	**4.42**		**4.26**
APPC (excluding Renewables & Transmission Charges) (Ex Bus) (Rs./ Unit)	M=(I-Q)/(A-P) *10	**4.47**			**4.30**
Bulk Supply Tariff (BST) (Rs. /Unit)	N=(K/H) *10	**5.20**	**5.24**	**5.24**	**5.02**
BST excluding WUPPTCL & SEUPPTCL Charges (Rs. /Unit)	O=((K-J3-J4)/H) *10	-			**4.91**
Power purchase from Renewable Sources (MU)	P	-			8981.09
Power Purchase Cost from Renewable Sources (Rs. Cr.)	Q				3358.74

4.5.6. Differential Bulk Supply Tariff (DBST): wherein, for each Discom the per unit cost/ Bulk Supply Tariff is different. The differentiation is mainly on account of varied sales, efficiency of Discom and consumer mix, i.e., the buyer/ distribution utility with less revenue generating consumer mix would be charged the lower bulk supply tariff as compared to the DBST charged to the buyer having favourable consumer/revenue mix.

4.5.7. The Commission vide its various Orders had directed the Petitioners to pressingly pursue the proposal for allocation of PPAs to Discoms with GoUP and expedite the process of allocation of PPAs, but no significant progress was observed in this matter. Then the Commission vide Order dated December 13, 2018 *"Suo-Moto Proceedings on Allocation of Power Purchase Agreement among Discoms in Uttar Pradesh"* adopted DBST as it allocates the existing PPA's, which already have a provision for allocation of power among the Petitioners, as per the allocation to the respective Discom, while for the rest of the power purchase arrangements, the allocation is done, on the basis of through rate of respective Discoms.

4.5.8. Based on the methodology adopted in abovementioned Order, the Commission has approved DBST for FY 2020-21 for allocation of power purchase cost among Petitioners, as shown in the Table below:

TABLE 4-26: DIFFERENTIAL BULK SUPPLY TARIFF APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs. Cr.)	A	12,653.96	14,100.43	19,536.51	14,278.86	2,542.75	63,112.51
2	Energy Sales (MU)	B	19,183.12	18,765.24	27,491.60	21,903.08	3,029.00	90,372.03
3	**Power Procurement Cost**							
A1	Power Procurement Cost - Allocated and Unallocated PPAs (Rs. Cr.)							46,044.70
A2	Inter State Transmission Charges (Rs. Cr.)							5,247.59
A1+A2	Total Power Procurement Cost excluding Intra-State Transmission Charges (Rs. Cr.)	C						51,292.29
4	Power Procurement cost of Allocated PPAs (Rs. Cr.)	D	2393.06	2526.22	4605.11	2526.22	187.09	12,237.71
5	Total Power Required at Discom Periphery (MU)	E	21,749.57	21,206.05	31,067.46	24,841.87	3,307.49	102,172.45
6	Power at Discom Periphery from allocated PPAs (MU)	F	5731.40	5846.98	11615.92	5846.98	452.06	29,493.35
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	2,112.32	1,832.34	2,737.96	2,844.11	375.34	9,902.07
8	ABR (Rs/ Unit)	H=(A/B)*10	6.60	7.51	7.11	6.52	8.39	6.98
9	Other Cost (Rs/Unit of Sale)	I=G*10/B	1.10	0.98	1.00	1.30	1.24	1.10
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	J=D*10/B	1.25	1.35	1.68	1.15	0.62	1.35
B	Unallocated PPAs per unit of sale	K=(C-Total PP at "D")*10/Total Sale at"B"	4.32					
11	Revenue available for unallocated PPAs (Rs./unit of sale)	L=H-I-J	4.25	5.19	4.44	4.07	6.54	4.53

S. No.	Particulars	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.05	4.95	4.23	3.88	6.23	4.32
13	Total Power Purchase cost per unit of sale including allocated PPAs	N=J+M	5.30	6.29	5.90	5.03	6.85	5.68
14	Total Power Purchase Cost (Rs Crs)	O=N*B/10	10,160.16	11,812.03	16,227.71	11,017.69	2,074.70	51,292.29
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	P=D/F*10	4.18	4.32	3.96	4.32	4.14	4.15
16	DBST Computation of Unallocated PPAs	Q=M*B/(E-F)	4.85	6.05	5.98	4.47	6.61	5.37
17	**DBST of total PPAs**	**R=O*10/E**	4.67	5.57	5.22	4.44	6.27	5.02

4.5.9. Considering the above, the Commission has approved power purchase cost as shown in the Table below:

TABLE 4-27: APPROVED POWER PURCHASE COST FOR FY 2020-21 (RS. CRORE)

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	19,183.12	18,765.24	27,491.60	21,903.08	3,029.00	90,372.03
Distribution Losses	%	11.80%	11.51%	11.51%	11.83%	8.42%	11.54%
Energy at Discom Periphery for Retail Sales	MU	21,749.57	21,206.05	31,067.46	24,841.87	3,307.49	1,02,172.45
Intra-State Transmission Losses	%	3.37%	3.37%	3.37%	3.37%	3.37%	3.37%
Energy Available at State periphery for Transmission	MU	22,508.09	21,945.62	32,150.95	25,708.24	3,422.84	1,05,735.74
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	16,120.65	15,769.48	23,102.73	18,406.38	2,545.44	75,944.67
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	6,387.44	6,176.14	9,048.22	7,301.86	877.40	29,791.07
Interstate Transmission Loss	%	7.63%	7.63%	7.63%	7.63%	7.63%	7.63%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	6,915.04	6,686.29	9,795.60	7,904.99	949.87	32,251.79

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Power Purchase Required & Billed Energy (MU) (ex-Bus)	MU	23,035.69	22,455.77	32,898.33	26,311.37	3,495.31	1,08,196.47
BST	**Rs/kWh**	**4.67**	**5.57**	**5.22**	**4.44**	**6.27**	**5.02**
Allowable Power Purchase Cost	Rs. Crore	10160.16	11812.03	16227.71	11017.69	2074.70	51,292.29

4.5.1. The Commission has been raising deficiencies in regard to the details of approved power purchase sources repeatedly every year. **Therefore, the Petitioners are directed to provide the same as per the format annexed at Annexure -II in all ARR/Tariff filling in future.**

Renewable Purchase Obligation (RPO)

4.5.2. In regards to the RPO the Commission has notified first Amendment to the RPO Regulations, 2010 dated August 16, 2019, the long-term trajectory of minimum quantum of purchase of Renewable power from various renewable sources is shown in the Table below:

TABLE 4-28: RPO TRAJECTORY AS PER UPERC REGULATIONS (%)

Minimum quantum of purchase from renewable energy sources as % age of total energy consumed (in kWh)				
Financial Year	Non-Solar		Solar	Total
	Other Non-Solar	HPO		
	A	B	C	D = A+B+C
2019-20	5	1	2	8
2020-21	6	2	3	11
2021-22	6	3	4	13
2022-23	6	3	5	14
2023-24	7	3	5	15

4.5.3. The Commission vide TVS MOM dated April 18, 2022 directed the Petitioners to submit the projections for RPO compliance for FY 2020-21 along with proposed MU to be purchased from each power sources viz., solar, non-solar and hydro. In response of the Commission's query the Petitioners submitted RPO details for FY 2020-21, as shown in the Table below:

TABLE 4-29: RPO DETAILS SUBMITTED BY THE PETITIONERS

Type	Parameter	Units	FY 2020-21
Solar	RPO Target (Solar)	%	3.00%
	RPO Target (Solar)	MU	3017.42
	Solar Energy Purchased	MU	4110.33

Type		Parameter	Units	FY 2020-21
		Total RPO achieved	%	136.22%
Non-Solar	Other Non-Solar	RPO Target (Non Solar)	%	6.00%
		RPO Target (Non Solar)	MU	6034.85
		NonSolar Energy Purchased	MU	5050.39
		Total RPO achieved	%	83.69%
		Gross Net energy consumption	MU	100580.76
	Hydro Purchase Obligation	HPO Target (Hydro)	%	2.00%
		HPO Target (Hydro)	MU	2011.62
		Hydro Energy Purchased	MU	266.64
		Total HPO achieved	%	13.26%

4.5.1. Further, the Commission has initiated suo-moto proceeding in regard to the non-fulfilment of the RPO targets. In light of the same the opening value and the treatment is not being discussed herein, only the RPO target for FY 2022-23 is being shown in the Table below:

TABLE 4-30: RPO COMPLIANCE OF FY 2020-21 COMPUTED BY THE COMMISSION

S.No	Particular	Reference	Quantum (MU)
1	Energy Requirement	A	108196.47
2	Hydro Purchase during the year	B	13,813.03
3	**Net Power Sale for RPO computation**	C=A-B	94383.44
4	**Total Obligation for the year (%)**		
5	Solar (%)	D	3%
6	Non Solar (%)	E	6%
7	HPO Obligation for the year (%)	F	2%
8	**Total Obligation for year**		
9	Solar (MU)	G=D*C	2,831.50
10	Non Solar (MU)	H=E*C	5,663.01
11	HPO Obligation for the year (MU)	I=F*C	1887.67
12	**Total Obligation for the year(MU)**	**J=G+H+I**	**10,382.18**
13	**Total RPO Fulfilled during the year**		
14	Solar	k	4,058.53
15	Non Solar	L	4,922.56
16	Hydro	M	271.09
17	**Total RPO to be fulfilled**	N=K+L+M	**9,252.18**
18	Balance Obligation to be fulfilled in FY 2021-22	**O=P+Q+R**	**1,130.00**
19	Solar	P	(1,227.03)
20	Non Solar	Q	740.45

S.No	Particular	Reference	Quantum (MU)
21	Hydro	R	1,616.58

4.5.2. **The Commission directs the Petitioner to follow the RPO Trajectory set by the Commission in its first Amendment to the RPO Regulations, 2010 dated August 16, 2019 and submit RPO compliance along with Tariff Filling for True Up Year.**

4.6. TRANSMISSION CHARGES

***Petitioner's* Submission**

4.6.1. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed transmission charges of Rs. 709.02 Crore, Rs. 643.11 Crore, Rs. 928.79 Crore, Rs. 756.87 Crore, and Rs 94.42 Crore, respectively.

4.6.2. Further, the Petitioners submitted that transmission charges are fixed in nature and depend upon the ARR approved by the Commission for UPPTCL. In all the past True-up (prior to FY 2018-19) the Commission has been approving the Intra-State transmission charges for the Petitioners based on the actual amount booked in the audited balance sheet for the respective year. The same is evident from the UPERC Tariff Order dated September 03, 2019 (i.e., True-up of FY 2017-18), abstract of the same is reproduced below:

Particulars	Approved in MYT order			Claimed			Approved upon Truing Up		
	Units Wheeled (MU)	Transmission Charges (Rs./kWh)	Transmission Charges (Rs. Cr.)	Units Wheeled (MU)	Transmission Charges (Rs./kWh)	Transmission Charges (Rs. Cr.)	Units Wheeled (MU)	Transmission Charges (Rs./kWh)	Transmission Charges (Rs. Cr.)
DVVNL	24014.62	0.23	559.51	23440.25	0.19	488.48	23439.98	0.19	488.47
MVVNL	22819.62	0.23	531.67	21038.26	0.19	388.28	21038.26	0.19	388.28
PVVNL	33504.2	0.23	780.6	34438.67	0.18	610.28	34438.67	0.18	610.28
PuVVNL	28994.21	0.23	675.53	25860.66	0.19	482.5	25860.96	0.19	482.51
KESCo	4442.74	0.23	103.51	3677.86	0.18	64.56	3677.92	0.18	64.56
Total	**113775.4**	**0.23**	**2650.82**	**108455.7**	**0.18**	**1994.1**	**108455.8**	**0.18**	**1994.1**

4.6.3. It is evident that the Commission in the earlier Tariff Order dated September 03, 2019 allowed the actual transmission charges as incurred by the Discoms. However, in the True-up Order for FY 2018-19 and FY 2019-20 the Commission disallowance by ignoring the amount booked in Balance Sheet is contrary to the practice/approach followed by the Commission in the past. Such approach followed by the Commission evinces lack of regulatory certainty.

4.6.4. Hence, the disallowance towards transmission charges in the True-Up Orders by the Commission is contrary to the tariff principles envisaged under Section 61 of the Act, which mandates the Commission to ensure that:

(a) Recovery of the cost of electricity is done in a reasonable manner; and

(b) Tariff determined is a reflection of the actual cost of supply

4.6.5. The Petitioners have requested the Commission to allow transmission charges for FY 2020-21 as claimed based on audited accounts for FY 2020-21.

Commission's Analysis

4.6.6. The Commission has approved Intra-State transmission charges for the Petitioners for FY 2020-21 considering transmission charges approved upon Truing Up for UPPTCL and the allowable energy wheeled of respective Discoms. The transmission charges claimed by the Petitioners and approved by the Commission is shown in the Table below:

TABLE 4-31: INTRASTATE TRANSMISSION CHARGES APPROVED FOR FY 2020-21 (5 DISCOMS)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020		Claimed		Approved upon Truing up	
	Units Wheeled (MU)	Transmission charges (Rs. Crore)	Units Wheeled (MU)	Transmission charges (Rs. Crore)	Units Wheeled (MU)	Transmission charges (Rs. Crore)
DVVNL	21,475	517.09	25,888	709.02	21,749.44	509.86
MVVNL	21,402	508.95	23,521	643.11	21,206.04	497.12
PVVNL	32,442	771.48	33,464	928.79	31,067.50	728.30
PuVVNL	25,310	601.87	27,604	765.15	24,841.87	582.36
KESCo	3,568	84.85	3,382	94.42	3,307.77	77.54
Total	**104,197**	**2,484.24**	**113,859**	**3,140.49**	**102,172.45**	**2,395.19**

4.6.1. As regards the submission made by the Petitioners the intra-state transmission charge based on the audited accounts, the Commission is of the opinion that the correct approach has been taken by the Commission while truing up for FY 2018-19 and FY 2019-20. The Commission doesn't intend to open the True-Ups before FY 2018-19 as these have already been finalised.

4.7. O&M EXPENSES

Petitioner's *Submission*

4.7.1. The Operation and Maintenance (O&M) expenses comprise of employee related costs, Administrative and General Expenses (A&G) expenses and Repair and Maintenance (R&M) expenditure.

4.7.2. Regulation 45 of Uttar Pradesh Electricity Regulatory Commission MYT Regulations, 2019, stipulates the methodology for consideration of the O&M Expenses, wherein such expenses are linked to the inflation index determined under these Regulations. The relevant extract of the Regulations is as follows:

Quote

45. Operation & Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated years-on-year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

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.

e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of

Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by 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.:

EMPn= EMPn-1 × (1+ CPI inflation)

Where:

EMPn: Employee expense for the nth year;

EMPn-1: Employee expense for the (n-1)th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

R&Mn= R&Mn-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for the 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.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

A&Gn= A&Gn-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: Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) th year will be FY 2019-20 which is also the base year.

Unquote

4.7.3. The Petitioners further submitted that the Commission disallowed the O&M expenses claimed by Petitioners in Tariff Order dated November 11, 2020 for ARR of FY 2020-21 owing to the following:

I. The Commission has arrived at the mid-year (FY 2016-17) value of each component of O&M expenses based on the average of last 5 years trued-up values of FY 2014-15 to FY 2018-19. The mid-year value of each component of O&M expenses has been escalated year on year with the escalation factor considering Consumer Price Index (CPI) and Whole-sale Price Index (WPI) of respective years in the ratio 60:40, for subsequent years up to FY 2019-20.

II. Accordingly, the Commission computed the O&M expenses of the base year which escalated at Inflation / Escalation rate notified by Labour Bureau, Govt. of India (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (https://eaindustry.nic.in/) respectively for different years. Accordingly, the Commission has computed the average WPI and CPI inflation of the last 3 years (average) at 2.96% and 5.35%, respectively.

III. In terms of this methodology: -

(i) Employee expenses for FY 2020-21 have been computed by escalating the base year (FY 2019-20) employee expenses by average CPI inflation of last 3 years.

(ii) The A&G expenses (including Finance Charges) and R&M expenses for FY 2020-21 have been computed by escalating the base year (FY 2019-20) by average WPI inflation of last 3 years.

4.7.4. It is submitted that O&M expenses comprise of employee related costs, A&G expenses and R&M expenditure. The Petitioners intend to recover their legitimate actual O&M expenses and do not intend to get any additional benefit out of the same.

4.7.5. The Petitioners submitted that the O&M expenses allowed by the Commission are insufficient to cover the actual cost / impact of O&M expenses likely to be incurred by the Petitioners. As such, the methodology adopted by the Commission will lead considerable loss to the Petitioners whose financial condition is already precarious and stressed.

4.7.6. Further, the O&M expenses are computed on normative basis in terms of the norms prescribed under the Tariff Regulations. It is submitted that the methodology prescribed by the Commission for computation of normative O&M expenses is significantly different in MYT Regulations, 2019 as compared to the methodology provided under the erstwhile regime i.e., MYT Regulations, 2014. Under MYT Regulations, 2014 computation of O&M expenses was based on the trajectory of norms derived on average of past five years audited figures. It is noteworthy that the draft MYT Regulations, 2019 issued by the Commission also had similar provisions for computation of O&M expenses. However, in the final MYT Regulations, 2019, the Commission has completely changed the methodology and adopted a completely new methodology for computation of O&M expenses, which is based on escalation factor considering CPI and WPI based on the average of last 5 years Trued-Up values (that too without consideration of efficiency gain / loss on O&M expenses). Such a change was affected without giving any opportunity to the stakeholders including the Petitioners to submit their suggestions/objections on the same.

4.7.7. The Petitioners submitted that the new approach adopted by the Commission will result in substantial losses to the Petitioners as it is likely that the Petitioners will not be able to meet its regular expenses including employee costs, A&G and R&M expenses.

4.7.8. The Petitioners submitted that owing to the implementation of the Government's Saubhagya Scheme in the last three financial years (i.e., FY 2017-18 onwards), Petitioners have added a significant consumer base leading to an increase in load, extension of LT Network and backbone distribution infrastructure, which leads to a significant increase in O&M expenses.

4.7.9. As deliberated above, computation of O&M expenses as per the methodology provided under the MYT Regulations, 2019 will cause severe financial hardship to the Petitioners.

4.7.10. The Petitioners submitted that since the Commission has already trued up the O&M expenses for FY 2019-20, the same shall be considered as the base value rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. The Commission while truing-up for FY2019-20 has Trued-up O&M expenses for FY 2019-20. However, while computing the O&M expenses in the Tariff Order dated July 29, 2021 has computed the base year value (FY 2019-20) which is less than the approved O&M expenses, as shown in the Table below:

TABLE 4-32: TRUED UP AND BASE YEAR O&M EXPENSES FOR FY 2019-20

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total (Crore)
Trued-up O&M expenses	1,193.06	1,433.57	1,360.66	1,804.31	246.43	6,038.03
Computed O&M expenses	1,038.11	1,256.36	1,117.22	1,,528.79	239.36	5179.84

4.7.11. The Petitioners submitted that it can be perceived from the above Table that the Commission has estimated two different O&M expenses for the same year. Thus, the Petitioners has considered the Trued-Up value for FY 2019-20 as a base value for the escalation of normative O&M expenses for FY 2020-21 as per the MYT Regulations, 2019.

4.7.12. The Petitioners requested the Commission to allow the O&M expenses as proposed in the Tariff Petitions, which is based on the Trued-up O&M Expenses for FY 2019-20 and considering the applicable CPI escalation factors (for Employee Expenses) and WPI escalation factors (for R&M and A&G Expenses) for FY 2020-21, FY 2021-22 and FY 2022-23.

4.7.13. The Petitioners further submitted that, the Commission has also issued the Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulation, 2019 dated December 16, 2019 wherein stringent norms for Standards of Performance are to be followed by the Distribution Licensee for providing various services to the consumers in a time bound manner failing which the Distribution Licensee is required to pay compensation.

4.7.14. Therefore, while the Commission has laid down stringent Standards of Performance which can only be complied with by enhancing the office and field workforce, implementation of various IT & Automation systems etc.

entailing more expenditure on employees, R&M and A&G expenses the prescribed norms for approval of O&M expenses are such that even the existing manpower and facilities cannot be retained.

4.7.15. The Petitioners submitted that these expenses are over and above the normative expense trajectory followed by the Commission. They requested the Commission to allow a separate provision to reduce the hardship on account of the O&M expenses.

WPI AND CPI ESCALATION RATES

4.7.16. The Petitioners submitted that, they have considered the CPI and WPI inflation index as per Inflation/Escalation rate notified by Labour Bureau, Govt. of India (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (https://eaindustry.nic.in/) respectively. The same is also mentioned below.

TABLE 4-33: INFLATION INDICES SUBMITTED BY THE PETITIONERS

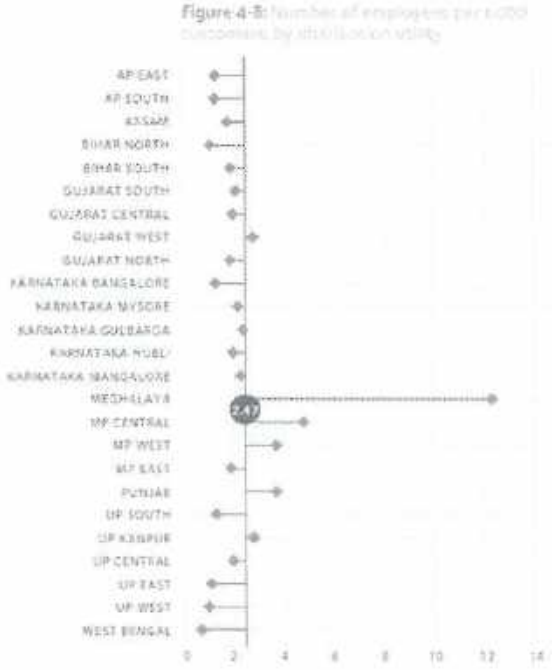
FY	Index		Inflation rate		Average of Last 3 Years	
	WPI	CPI	WPI	CPI	WPI	CPI
FY 2017-18	114.88	284.42	2.92%	3.08%		
FY 2018-19	119.79	299.92	4.28%	5.45%		
FY 2019-20	121.83	322.50	1.70%	7.53%	2.97%	5.35%
FY 2020-21	123.38	338.71	1.27%	5.03%	2.42%	6.00%
FY 2021-22	137.69	353.40	11.60%	4.34%	4.86%	5.63%

EMPLOYEE EXPENSE

4.7.17. The Petitioners have considered the Trued-Up value of FY 2019-20 as approved by the Commission in Tariff order for FY 2021-22. Thereafter, the Petitioners have considered same methodology and norms for the Truing-up of Employee expenses for FY 2020-21 on the normative basis as per the norms prescribed in MYT Regulations, 2019.

4.7.18. The Petitioners further submitted that, as per the report "Benchmarking Distribution Utilities" dated October 2020 published by Niti Aayog, the national average of employees per 1000 consumers engaged in distribution utilities comes out to be 2.47. Whereas for the Uttar Pradesh Discoms, this ratio is less than 1 for PVVNL and PuVVNL, approx. 1 for DVVNL, and around 2

for KESCO and MVVNL. The same can be seen from the graph represented below.



4.7.19. The Petitioners submitted that the employees available with UPPCL and its Discoms are less than the national average. Further, it is imperative to highlight that the Petitioners are striving to improve their performance and focusing heavily on billing and collection. In order to improve its performance, the Petitioners have initiated the hiring of contractual person for the activities related to metering, billing and collection. Because of this the A&G expenses increased substantially from FY 2017-18. Such expenses are recorded under the head of "Payment to Contractual Person", "Incidental Stores Expenses (Expenses Incurred on revenue realization)" and "Expenses on Spot Billing Centre" under A&G Expenses. It is noteworthy to mention that expense recorded under these heads were very less prior to FY 2017-18.

4.7.20. However, such expenses incurred has been fruitful for the Petitioners since the overall performance of Petitioners and consumer serviceability has improved over the years. The same can be correlated with Ninth Annual Integrated Rating for State Power Distribution Utilities published by PFC dated July,2021. Year on Year improvement in the performance of the Petitioner is shown below:

TABLE 4-34: ANNUAL INTEGRATED RATING BY PFC SUBMITTED BY DVVNL

Particulars	FY 2016	FY 2017	FY 2018	July 2021
DVVNL	C	C	C+	C+
MVVNL	C	C	C+	B
PVVNL	C+	C	B	A
PuVVNL	C	C	C+	C+
KESCO	C+	B	B+	B

4.7.21. The Petitioners submitted that the Commission as per provision (b) of Regulation 45 of MYT Tariff Regulations, 2019 depicts the methodology to derive O&M expenses which is based on the average of the Trued-up values for last five (5) financial years ending March 31,2019. Further, it is important to highlight that the Petitioners started incurring high A&G expenses from FY 2018 as it started hiring of contractual person. Hence, the methodology adopted by the Commission supresses the base year value as the actual / trued up expenses were very less prior to FY 2017-18.

4.7.22. Since the Commission is disallowing the actual A&G expense and adopts the partial approach of approving the lower of the audited / normative figures the Petitioners incur substantial financial loss.

4.7.23. The Petitioners submitted that owning to such disallowance of the expenses which are in the nature of establishment expense under A&G expenses, the Petitioners have started deployment of contractual manpower for the activities like spot billing, Revenue collection to reduce its establishment nature of fixed expenditure on a long-term basis and expenses recorded under such heads purely involves Man-Power, the Petitioners are bound to claim such expenses under head of employee expenses.

4.7.24. Hence, the Petitioners requested the Commission to recognize the said expenses as mentioned below as separate items of expenses and allow the same separately as a part of employee expenses over and above calculated by normative approach.

TABLE 4-35: ADDITIONAL EMPLOYEE EXPENSES SUBMITTED BY THE DVVNL (RS. CRORE)

Particulars	DVVNL
Payment to Contractual Person	124.40
Expenses on Spot Billing Centre	65.96
Total	**190.36**

TABLE 4-36: ADDITIONAL EMPLOYEE EXPENSES SUBMITTED BY THE MVVNL (RS. CRORE)

Particulars	MVVNL
Payment to Contractual Person	42.99
Expenses on Spot Billing Centre	218.95
Total	261.94

TABLE 4-37: ADDITIONAL EMPLOYEE EXPENSES SUBMITTED BY THE MVVNL (RS. CRORE)

Particulars	PVVNL
Incidental Stores Expenses (Expenses Incurred on revenue realization)	215.82
Total	**215.82**

TABLE 4-38: ADDITIONAL EMPLOYEE EXPENSES SUBMITTED BY THE PuVVNL (RS. CRORE)

Particulars	PuVVNL
Incidental Stores Expenses (Expenses Incurred on revenue realization)	130.83
Total	**130.83**

TABLE 4-39: ADDITIONAL EMPLOYEE EXPENSES SUBMITTED BY THE KESCO (RS. CRORE)

Particulars	KESCO
Payment to Contractual Person	14.29
Expenses on Spot Billing Centre	-
Total	**14.29**

TABLE 4-40: CONSOLIDATED ADDITIONAL EMPLOYEE EXPENSES OF THE PETITIONERS (RS. CRORE)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Payment to Contractual Person	124.4	42.99	-	-	14.29	181.68
Expenses on Spot Billing Centre	65.96	218.95	-	-	-	284.91
Incidental Stores Expenses (Expenses Incurred on revenue realization)	-	-	215.82	130.83	-	346.65
Total	**190.36**	**261.94**	**215.82**	**130.83**	**14.29**	**813.24**

4.7.25. Employee expenses computed by the Petitioners are shown in the Table below:

TABLE 4-41: EMPLOYEE EXPENSES COMPUTED BY DVVNL (RS. CRORE)

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
Employee Expenses	524.11	5.35%	552.17

TABLE 4-42: COMPUTED EMPLOYEE EXPENSES BY MVVNL

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
Employee Expenses	760.12	5.35%	800.81

TABLE 4-43: COMPUTED EMPLOYEE EXPENSES BY PVVNL

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
Employee Expenses	604.5	5.35%	636.84

TABLE 4-44: COMPUTED EMPLOYEE EXPENSES BY PuVVNL

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
Employee Expenses	769.55	5.35%	810.75

TABLE 4-45: COMPUTED EMPLOYEE EXPENSES BY KESCO

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
Employee Expenses	136.65	5.35%	143.96

TABLE 4-46: CONSOLIDATED COMPUTED EMPLOYEE EXPENSES OF THE PETITIONERS FOR FY 2020-21 (RS. CRORE)

Particulars	Trued-Up (FY 2019-20) (Rs. Crore)	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)
DVVNL	524.11	5.35%	552.17
MVVNL	760.12	5.35%	800.81
PVVNL	604.5	5.35%	636.84
PuVVNL	769.55	5.35%	810.75
KESCO	136.65	5.35%	143.96
Consolidated (5 State Discoms)	**2,794.93**	**5.35%**	**2,944.53**

TABLE 4-47: NORMATIVE EMPLOYEE EXPENSE OF DVVNL FOR FY 2020-21 (RS. CRORE)

S.No.	Particular	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross Employee Expenses after escalation	489.24	742.53*
B	Less: Employee Expenses capitalized	289.38	181.02
C	**Net Employee Expenses (Rs. Crore)**	199.86	561.51

**Gross employee expenses are sum of normative employee expenses and additional employee expenses claimed by the Petitioner*

TABLE 4-48: NORMATIVE EMPLOYEE EXPENSE OF MVVNL FOR FY 2020-21 (RS. CRORE)

Sl No.	Particular	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross Employee Expenses after escalation	661.05	1,062.76*
B	Less: Employee Expenses capitalized	327.29	373.40
C	**Net Employee Expenses (Rs. Crore)**	333.76	689.36

**Gross employee expenses are sum of normative employee expenses and additional employee expenses claimed by the Petitioner*

TABLE 4-49: NORMATIVE EMPLOYEE EXPENSE OF PVVNL FOR FY 2020-21 (RS. CRORE)

Sl No.	Particular	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross Employee Expenses after escalation	601.49	852.68*
B	Less: Employee Expenses capitalized	272.93	204.13
C	**Net Employee Expenses (Rs. Crore)**	328.56	648.55

**Gross employee expenses are sum of normative employee expenses and additional employee expenses claimed by the Petitioner*

TABLE 4-50: NORMATIVE EMPLOYEE EXPENSE OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Sl No.	Particular	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross Employee Expenses after escalation	737.94	941.57
B	Less: Employee Expenses capitalized	386.41	214.88
C	**Net Employee Expenses (Rs. Crore)**	351.53	726.69

**Gross employee expenses are sum of normative employee expenses and additional employee expenses claimed by the Petitioner*

TABLE 4-51: NORMATIVE EMPLOYEE EXPENSE OF KESCO FOR FY 2020-21 (RS. CRORE)

Sl No.	Particular	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross Employee Expenses after escalation	147.46	158.26 *
B	Less: Employee Expenses capitalized	42.74	5.24
C	**Net Employee Expenses (Rs. Crore)**	104.72	153.02

**Gross employee expenses are sum of normative employee expenses and additional employee expenses claimed by the Petitioner*

TABLE 4-52: SUMMARY OF EMPLOYEE EXPENSE OF THE PETITIONERS FOR FY 2020-21 (RS. CRORE)

Particulars	Additional Employee Expenses	Normative Employee Expenses	Gross Employee Expenses	Employee Expenses Capitalised	Net Employee Expenses
	A	B	C = A+B	D	E = C-D
DVVNL	190.36	552.17	742.53	181.02	561.51
MVVNL	261.94	800.81	1062.75	373.40	689.35
PVVNL	215.82	636.84	852.66	204.13	648.53
PuVVNL	130.83	810.75	941.58	214.88	726.70
KESCO	14.29	143.96	158.25	5.24	153.01
Consolidated (5 State Discoms)	**813.24**	**2,944.53**	**3,757.79**	**978.66**	**2,779.13**

Administrative and General Expense (A&G)

4.7.26. The Petitioners submitted that they have considered the trued-up value for FY 2019-20 as approved by the Commission is in Tariff Order for FY 2021-22 as base number. Thereafter, the Petitioners have considered same methodology and norms for the Truing-up of Administrative and General Expense for FY 2020-21 on the normative basis in terms of the norms prescribed under the Tariff Regulations shown in the Table below:

TABLE 4-53: COMPUTED A&G EXPENSES OF PETITIONERS FOR FY 2020-21 (RS. CRORE)

Particulars	Trued-Up Value (FY 2019-20) (Rs. Cr)	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
DVVNL	120.38	2.97%	123.95
MVVNL	306.12	2.97%	315.21
PVVNL	163.97	2.97%	168.84
PUVVNL	164.93	2.97%	169.82
KESCO	26.09	2.97%	26.86
Consolidated (5 Discoms)	**781.49**	**2.97%**	**804.68**

TABLE 4-54: NORMATIVE A&G OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
Gross A&G Expenses after escalation	93.72	123.95
Less: A&G expenses capitalized	-	-
Net A&G expenses	**93.72**	**123.95**

TABLE 4-55: NORMATIVE A&G OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
Gross A&G Expenses after escalation	209.68	315.21
Less: A&G expenses capitalized	-	-
Net A&G expenses	209.68	315.21

TABLE 4-56: NORMATIVE A&G OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
Gross A&G Expenses after escalation	127.11	168.84
Less: A&G expenses capitalized	-	-
Net A&G expenses	**127.11**	**168.84**

TABLE 4-57: NORMATIVE A&G OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
Gross A&G Expenses after escalation	146.35	169.82
Less: A&G expenses capitalized	-	-
Net A&G expenses	**146.35**	**169.82**

TABLE 4-58: NORMATIVE A&G OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
Gross A&G Expenses after escalation	26.58	26.86
Less: A&G expenses capitalized	-	-
Net A&G expenses	**26.58**	**26.86**

Repair & Maintenance Expense (R&M)

4.7.27. The Petitioners submitted that they have considered the Trued-Up value for FY 2019-20 as approved by the Commission is in Tariff Order for FY 2021-22 as base number. Thereafter, the petitioners have considered same methodology and norms for the Truing-Up of R&M expenses for FY 2020-21 on the normative basis in terms of the norms prescribed under the Tariff Regulations shown in the Table below:

TABLE 4-59: COMPUTED R&M EXPENSES OF DVVNL for FY 2020-21

Particulars	Trued-Up Value (FY 2019-20) (Rs. Crore)	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)
R&M Expenses	545.49	2.97%	561.68

TABLE 4-60: COMPUTED R&M EXPENSES OF MVVNL for FY 2020-21

Particulars	Trued-Up Value (FY 2019-20) (Rs. Crore)	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)
R&M Expenses	367.33	2.97%	378.23

TABLE 4-61: COMPUTED R&M EXPENSES OF PVVNL for FY 2020-21

Particulars	Trued-Up Value (FY 2019-20) (Rs. Crore)	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)
R&M Expenses	592.19	2.97%	609.77

TABLE 4-62: COMPUTED R&M EXPENSES OF PuVVNL for FY 2020-21

Particulars	Trued-Up Value (FY 2019-20) (Rs. Crore)	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)
R&M Expenses	869.83	2.97%	895.65

TABLE 4-63: COMPUTED R&M EXPENSES OF KESCO for FY 2020-21

Particulars	Trued-Up Value (FY 2019-20) (Rs. Crore)	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)
R&M Expenses	83.69	2.97%	86.17

4.7.28. The Normative R&M expenses approved by the Commission and Net R&M Expenses claimed for FY 2020-21 are shown in the Table below:

TABLE 4-64: NORMATIVE R&M OF DVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross R&M Expenses after escalation	411.94	561.68
B	Less: R&M Expenses capitalized	-	-
C	**Net R&M Expenses**	**411.94**	**561.68**

TABLE 4-65: NORMATIVE R&M OF MVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross R&M Expenses after escalation	315.06	378.23
B	Less: R&M Expenses capitalized	-	-

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
C	**Net R&M Expenses**	**315.06**	**378.23**

TABLE 4-66: NORMATIVE R&M OF PVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross R&M Expenses after escalation	331.97	609.77
B	Less: R&M Expenses capitalized	-	-
C	**Net R&M Expenses**	**331.97**	**609.77**

TABLE 4-67: NORMATIVE R&M OF PuVVNL FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross R&M Expenses after escalation	540.11	895.65
B	Less: R&M Expenses capitalized	-	-
C	**Net R&M Expenses**	**540.11**	**895.65**

TABLE 4-68: NORMATIVE R&M OF KESCO FOR FY 2020-21 (RS. CRORE)

S. No.	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Normative computed by Petitioner
A	Gross R&M Expenses after escalation	64.46	86.17
B	Less: R&M Expenses capitalized	-	-
C	**Net R&M Expenses**	**64.46**	**86.17**

SMART METERING OPEX

4.7.29. The Petitioners submitted that the Commission vide its letter dated May 16, 2018, directed UPPCL to submit the detailed roll out plan of installation of smart meters for the Petitioners of Uttar Pradesh for the approval of the Commission.

4.7.30. In response to the directions of the Commission, UPPCL vide its letter dated August 06, 2018 submitted the smart meter roll out plan for the Petitioners

under "Opex Model". Under "Opex Model", Petitioners are required to pay monthly fee (arrived at through competitive bidding process conducted by EESL) for each meter reading through Smart Meter to Energy Efficiency Services Limited (EESL), a Government of India company and there is no additional burden of depreciation, interest and return on equity on the consumer towards the cost of Smart Meter. A presentation in this regard was also made at UPERC on September 11, 2018 to address the queries raised by the Commission.

4.7.31. The Commission vide Order dated November 15, 2018 approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh. The Commission in the Order dated November 15, 2018 as directed below:

Quote

> *DISCOM will pay EESL on OPEX basis as O&M expenditure. The assets will be in the books of EESL till the transfer of assets at the end of project at zero value.*
>
> *[..]*
>
> *"Since installation of Smart Meters is a national programme and has produced very encouraging financial returns in private Discoms, the Commission approves the proposed roll out plan of UPPCL and Discoms submitted before the Commission.....*
>
> *....."*

Unquote

4.7.32. Further, the Petitioners submitted that in terms of the National Tariff Policy 2016 (which has the force of law), MoP letter dated September 08, 2016, and the Commission's direction in Order dated November 15, 2018, UP Discoms are mandated to implement the Smart Meter rollout plan in the state of Uttar Pradesh.

4.7.33. The Petitioners submitted that the additional O&M component against this plan was computed on the basis of per meter per month rate mentioned in the above referred order of the Commission. The amount sought as 'Additional O&M Expenses under smart metering' is payable to EESL to cover cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and commissioning of AMI solution.

4.7.34. It may be noted that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there is no additional burden of depreciation, interest and return on equity on the consumer. Such expenditure qualifies as Statutory expenses. In the regulatory framework it is a settled position that Statutory expenses are uncontrollable factors and are to be allowed as pass through in distribution tariff. As a result, thereof Petitioners have incurred and will continue to incur substantial additional expenditure as quoted above

4.7.35. The Petitioners further submitted that this type of expenses was not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20. Further, O&M Norms approved by the Commission were based on five-year Audited Accounts, which didn't have any O&M expenses towards smart metering. The amount of this additional O&M has been entered as rent in the replies of comments on roll out plan submitted to Commission vide MD, UPPCL letter no. 352 / CE(Com-II) / Smart Meter / 18 dated September 25, 2018.

4.7.36. In view of the above, the Petitioners submitted that the Commission completely being aware of the cost implication qua implementation of Smart Metering Rollout Plan has approved / allowed the same by its Order dated November 15, 2018. Further, the approach of compensating the Opex cost with likely savings in billing and collection efficiency is not favourable for the Licensee. Presently, the tariff is already being determined based on 100% collection efficiency, despite the actual percentage being substantially lower. Therefore, even if billing and collection efficiency increases by installation of smart meters, the same will not have any impact on the tariff of the Discoms.

4.7.37. Moreover, the Commission in its Order dated November 15, 2018, has noted that the Petitioners would incur substantial Opex cost (to be paid to EESL) towards implementation of Smart Metering Rollout Plans. Hence, there is no reason to now disallow the said cost, which is a Statutory expense and has to be mandatorily incurred by the Petitioners.

4.7.38. The Petitioners submitted that it is pertinent to highlight that the smart meter roll-out plan on Opex model was submitted to Commission well before its implementation. Further, the Commission while approving the roll-out plan has not stated that the cost envisaged under the Opex model would not be allowed to be passed on in the ARR. Moreover, the Commission in its Tariff Order dated September 03, 2019, stated that it will carry out detailed analysis

of the additional O&M expenses (on account of implementation of smart meter roll out plan) for FY 2018-19 at the time of truing-up.

4.7.39. Accordingly, Petitioners have a legitimate expectation that after approval of the smart meter roll out plan (Opex model) the cost to be incurred by the Petitioners would be allowed to be recovered in tariff. Hence, such disallowance at this belated stage would be contrary to the principle of regulatory certainty, which is embedded in the Electricity Act and policies framed thereunder.

4.7.40. Therefore, the Petitioners submitted that the expense should be considered under head A&G expenses as additional expenses.

4.7.41. The Petitioners have requested the Commission to allow Opex estimated by the Petitioners for FY 2020-21, as shown in the Tables below:

TABLE 4-69: SMART METERING OPEX OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
FY 2020-21		1,47,460	101.42	17.95

TABLE 4-70: SMART METERING OPEX Of MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
FY 2020-21		3,75,849	101.42	45.74

TABLE 4-71: SMART METERING OPEX OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
FY 2020-21		1,98,422.00	101.42	24.15

TABLE 4-72: SMART METERING OPEX OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
FY 2020-21		3,19,946.00	101.42	38.94

TABLE 4-73: SMART METERING OPEX OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
FY 2020-21		1,06,422.00	101.42	12.95

4.7.42. The Petitioners submitted that based on the above submissions, the summary of O&M expenses approved in the Tariff Order for FY 2020-21 vis-à-vis the actual O&M expenses as per audited accounts and computed as normative are shown in the Tables below:

TABLE 4-74: CLAIMED OPERATION & MAINTANANCE EXPENSES OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Repair & Maintenance expenses	411.94	507.38	561.68
Employee expenses	489.24	351.93	742.53
Administrative and General expenses	93.72	521.28	123.95
Gross O&M Expenses	994.90	1,380.59	1,428.16
Less:			
Employee expenses capitalized	289.38	181.02	181.02
Administrative and General expenses capitalized	-	-	-
Gross expenses Capitalized*	289.38	181.02	181.02
Smart Meter Opex			17.95
Net O&M Expenses	**705.52**	**1,199.56**	**1,265.09**

**Gross expenses Capitalized is claimed as per the book of account for FY 2020-21*

TABLE 4-75: CLAIMED OPERATION & MAINTANANCE EXPENSES OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Repair & Maintenance expenses	315.06	382.23	378.23
Employee expenses	661.05	689.36	1,062.76#
Administrative and General expenses	209.68	573.23	315.21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Gross O&M Expenses	1,185.79	1,644.83	1,756.19
Less:			
Employee expenses capitalized	327.29	373.40	373.40
Administrative and General expenses capitalized	-	-	-
Gross expenses Capitalized*	327.29	373.40	373.40
Smart Meter Opex			45.74
Net O&M Expenses	**858.50**	**1,271.43**	**1,428.54**

**Gross expenses Capitalized is claimed as per the book of account for FY 2020-21*

TABLE 4-76: CLAIMED OPERATION & MAINTANANCE EXPENSES OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Repair & Maintenance expenses	331.97	746.15	609.77
Employee expenses	601.49	628.38	852.68#
Administrative and General expenses	127.11	401.93	168.84
Gross O&M Expenses	1,060.57	1,776.46	1,631.29
Less:			
Employee expenses capitalized	272.93	204.13	204.13
Administrative and General expenses capitalized	-	-	-
Gross expenses Capitalized*	272.93	204.13	204.13
Smart Meter Opex			24.15
Net O&M Expenses	**787.64**	**1,572.33**	**1,451.31**

**Gross expenses Capitalized is claimed as per the book of account for FY 2020-21*

TABLE 4-77: CLAIMED OPERATION & MAINTANANCE EXPENSES OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Repair & Maintenance expenses	540.11	598.09	895.65
Employee expenses	737.94	941.47	941.57
Administrative and General expenses	146.35	538.68	169.82
Gross O&M Expenses	1,424.40	2,078.24	2,007.04
Less:			
Employee expenses capitalized	386.41	214.88	214.88
Administrative and General expenses capitalized	-	-	-
Gross expenses Capitalized*	386.41	214.88	214.88
Smart Meter Opex			38.94
Net O&M Expenses	**1,037.99**	**1,863.36**	**1,831.10**

**Gross expenses Capitalized is claimed as per the book of account for FY 2020-21*

TABLE 4-78: CLAIMED OPERATION & MAINTANANCE EXPENSES OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Repair & Maintenance expenses	64.46	71.11	86.17
Employee expenses	147.46	133.75	158.26
Administrative and General expenses	26.58	131.13	26.86
Gross O&M Expenses	238.50	335.99	271.29
Less:			
Employee expenses capitalized	42.74	5.24	5.24
Administrative and General expenses capitalized	-	-	-
Gross expenses Capitalized*	42.74	5.24	5.24
Smart Meter Opex			12.95

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Actual (A)	Claimed
Net O&M Expenses	195.76	330.75	279.01

** Gross expenses Capitalized is claimed as per the book of account for FY 2020-21*

***Commission's* Analysis**

O&M Expenses for Smart Metering Opex

4.7.43. The Commission noted that the Petitioners have claimed Opex Cost for Smart Metering under Opex Model considering the rate of Rs. 101.42 / Meter/ Month (including GST@18%). For FY 2020-21, the Opex Cost for Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO is Rs. 17.95 Crore, Rs. 45.74 Crore Rs. 24.15 Crore, Rs. 38.94 Crore and Rs. 12.95 Crore respectively. The consolidated Opex Cost towards Smart Metering is Rs. 139.73 Crore, as shown in the Table below:

TABLE 4-79: OPEX COST OF SMART METER SUBMITTED BY THE PETITIONERS

Particulars	Smart Meters installed till Mar-20	Smart Meters installed till Mar-21	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
DVVNL		1,47,460	101.42	17.95
MVVNL		3,75,849	101.42	45.74
PVVNL		1,98,422	101.42	24.15
PuVVNL		3,19,946	101.42	38.94
KESCO		1,06,422	101.42	12.95
Consolidated (5 Discoms)		**11,48,099**	**101.42**	**139.73**

4.7.44. The Commission vide data gap dated June 02, 2022 directed the Petitioners to submit Discom wise details of smart meter installed / to be installed year on year basis under Opex model and other model / scheme from inception of the model / scheme along with rate (Rs. / meter / month, including GST) and cost (Rs. Crore) in prescribed format. In response to the Commission's query, the Petitioners submitted the followings:

I. Smart Meters Installed under Opex Model:-

Discom	Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / Meter / Month) Including GST@18%	Opex (Rs. Crore)
		Pre-paid Meter	Cost (Rs. Crore)	Post-paid Meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)		
PuVVNL	FY 2018-19	5	0.00	34,601	1.24	1.24	101.42	1.24
	FY 2019-20	435	0.03	253,469	17.21	17.24	101.42	17.24
	FY 2020-21	957	0.13	32,275	38.69	38.82	101.42	38.82
	FY 2021-22	0	0.13	0	38.87	39.00	101.42	39.00
	FY 2022-23	23,23,904	105.88	0	38.87	144.76	101.42	144.76
MVVNL	FY 2018-19	3	0.00	53,666	1.47	1.47	101.42	1.47
	FY 2019-20	1,372	0.09	378,964	22.47	22.56	101.42	22.56
	FY 2020-21	2,206	0.41	42,257	42.89	43.30	101.42	43.30
	FY 2021-22	0	0.43	0	45.42	45.85	101.42	45.85
	FY 2022-23	21,58,467	93.91	0	45.42	139.33	101.42	139.33
DVVNL	FY 2018-19	0	0	0	0	0	101.42	0
	FY 2019-20	50	0.00	116,493	6.20	6.20	101.42	6.20
	FY 2020-21	75	0.01	31,375	16.51	16.53	101.42	16.53
	FY 2021-22	0	0.02	0	17.95	17.97	101.42	17.97
	FY 2022-23	14,23,134	67.13		17.95	85.08	101.42	85.08
PVVNL	FY 2018-19		0	13,820	0.26	0.26	101.42	0.26
	FY 2019-20	7	0.00	161,499	11.02	11.02	101.42	11.02
	FY 2020-21	17	0.00	23,363	22.87	22.88	101.42	22.88
	FY 2021-22	0	0.00	0	24.14	24.15	101.42	24.15
	FY 2022-23	18,09,249	86.59	0	24.14	110.73	101.42	110.73
KESCO	FY 2018-19	10,413	0.20	11,482	0.22	0.42	101.42	0.42
	FY 2019-20	36,723	3.75	31,572	3.29	7.04	101.42	7.04
	FY 2020-21	10,852	6.77	4,471	5.38	12.15	101.42	12.15
	FY 2021-22	0	7.24	0	5.76	13.00	101.42	13.00
	FY 2022-23	2,43,662	14.41	0	5.79	20.17	101.42	20.17
Total	FY 2018-19	10,421	0.20	113,899	3.18	3.38	101.42	3.38
	FY 2019-20	40,587	3.87	941,993	80.19	84.06	101.42	84.06
	FY 2020-21	13,607	7.32	133,799	124.46	131.78	101.42	131.78
	FY 2021-22	0	7.83	0	132.14	139.97	101.42	139.97
	FY 2022-23	7,968,446	367.93	0	132.14	500.07	101.42	500.07

II. Smart Meters installed not under Open Model -

Division	Financial Year	Number of Meters installed / to be installed					Rate (Rs. / Meter / Month) including GST@18%	Opex (Rs. Crore)
		Pre-paid Meter	Cost (Rs. Crore)	Post-paid Meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)		
PVVNL	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0

MVVNL	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0
DVVNL	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0
PVVNL	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0
KESCO	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0
Total	FY 2018-19	0	0	0	0	0	0	0
	FY 2019-20	0	0	0	0	0	0	0
	FY 2020-21	0	0	0	0	0	0	0
	FY 2021-22	0	0	0	0	0	0	0
	FY 2022-23	0	0	0	0	0	0	0

4.7.45. The Commission approved the Roll Out plan for Smart Meters vide its Order dated November 15, 2018. The Commission in its Order observed as follows:

Quote

Acknowledging the advantages of smart metering the Commission has noted that the UPPCL has proposed in improvement in billing efficiency by 5-7% and in the data submitted for 40 lakh meters the maximum billing efficiency has been projected at 85%. In smart metering the meter data has to flow on line in the billing system and if the system works efficiently, why not 100% billing can be ensured. It appears that this important aspect has not been looked into with enough seriousness while giving the projections to the Commission. The smart metering system is a costly solution and unless the value addition is commensurate with the investment the initiation of programme cannot be justified. The Commission feels that at 98% billing efficiency should be ensured in cases where the smart meters have been put up (emphasis added).

Unquote

4.7.46. The Commission approved the roll out plan subject to following conditions:

- The Billing efficiency of the consumers having smart meters is not less than 98%
- Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.

4.7.47. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence the total cost should stay out of the ARR.

4.7.48. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a Distribution Loss trajectory in the ARR, which is lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms /utilities efforts to reduce the losses and meet the Commission target.

4.7.49. However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to

improved billing & collection efficiency which would be compensated by the charges paid in OPEX model. Further, since the MYT Regulations, 2019 provide for the O&M expenses on the normative basis, hence the same cannot be allowed as additional O&M expense.

O&M Expenses

4.7.50. Further, the Regulation 45 of MYT Regulations, 2019 provides as follows:

Quote

45. Operation & Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed.

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated years-on-year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

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.

e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by 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.:

EMPn= EMPn-1 × (1+ CPI inflation)

Where:

EMPn: Employee expense for the nth year;

EMPn-1: Employee expense for the (n-1)th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

R&Mn= R&Mn-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for the 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.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

A&Gn= A&Gn-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: Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) the year will be FY 2019-20 which is also the base year.

Unquote

4.7.51. 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 a part of A&G expenses. Accordingly, the finance charges have been considered as part of the A&G expenses.

4.7.52. The Commission observed that the Petitioners have considered the Trued Up O&M expenses for FY 2019-20 as base year value rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. The Commission vide letter UPERC/Secy/D(T)/2022-008 dated April 01, 2022 asked the Petitioners to give clarification in this regard. In the response to the Commission's query the Petitioners submitted the same as submitted in their Petitions.

4.7.53. The Commission approved O&M expenses as per the provisions of Regulation 45 of MYT Regulations, 2019. The Commission has first arrived at the mid-year i.e., FY 2017-18 value of each component of the O&M Expenses based on the average of last 5 Trued-Up values of FY 2015-16 to FY 2019-20, the computation of Norms for O&M Expenses of FY 2020-21 is provided in the Tables below: (owing to the details provided and size of the Table it is split into two):

TABLE 4-80: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR DVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5-Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
1	Employee Expenses	A	395.35	408.20	374.36	454.89	524.11	431.38
2	A&G Expenses (with FC)	B	68.34	71.21	81.03	114.79	123.46	91.77
3	R & M Expenses	C	235.73	246.00	493.89	541.36	545.49	412.49
4	**Gross O&M Expenses**	**D=A+B+C**	**699.42**	**725.41**	**949.28**	**1111.04**	**1193.06**	**935.64**
5	Employee Expenses Capitalisation	E	196.30	203.34	242.83	285.50	220.38	
6	A&G Expenses Capitalisation	F	0.00	0.00	0.00	0.00	0.00	
7	**Total Capitalisation**	**G=E+F**	**196.30**	**203.34**	**242.83**	**285.50**	**220.38**	
8	**Net O&M Expenses**	**H=D-G**	**503.12**	**522.07**	**706.45**	**825.54**	**972.68**	

4.7.54. Further, the average of past 5 years, provides a Mid- Year value (FY 2017-18) of each component of O&M expenses as shown in above Table. The same is escalated year on year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20. Accordingly, the Commission, has computed the O&M expenses of the base year which is escalated at Inflation / Escalation rate notified by Labour Bureau, Govt. of India (GoI) (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (https://eaindustry.nic.in/) respectively for different years. The Commission has computed the WPI and CPI inflation rate as shown in the Tables below:

TABLE 4-81: INFLATION INDEX FOR FY 2020-21 CONSIDERED BY THE COMMISSION

FY	INDEX		INFLATION RATE		60:40 Index	60:40 Index Inflation	Average of Last 3 Years	
	WPI	CPI	WPI	CPI			WPI	CPI
FY 2013-14	112.46	236.00	5.20%	9.68%	186.58	8.57%		
FY 2014-15	113.88	250.83	1.26%	6.29%	196.05	5.07%		
FY 2015-16	109.72	265.00	-3.65%	5.65%	202.89	3.49%		
FY 2016-17	111.62	275.92	1.73%	4.12%	210.20	3.60%		
FY 2017-18	114.88	284.42	2.92%	3.08%	216.60	3.05%		
FY 2018-19	119.79	299.92	4.28%	5.45%	227.87	5.20%		
FY 2019-20	121.80	322.50	1.68%	7.53%	242.22	6.30%	2.96%	5.35%
FY 2020-21	123.26	338.69	1.20%	5.02%	252.52	4.25%	2.57%	6.00%
FY 2021-22	139.37	355.44	12.46%	4.95%	269.01	6.42%	5.29%	5.83%

4.7.55. Accordingly, in terms of Regulations, the normative employee expenses for FY 2020-21 are computed by escalating the base year (FY 2019-20) employee expenses by average CPI inflation of last 3 years. The A&G expenses (including Finance Charges) and R&M expenses for FY 2020-21 are computed by escalating the base year (FY 2019-20) by average WPI inflation of last 3 years. The Commission for FY 2020-21 has considered the employee expense capitalisation same as claimed by the Petitioners. The normative O&M expenses computed by the Commission are shown in the Table below:

TABLE 4-82: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR DVVNL (RS. CRORE) (B)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
1	Employee Expenses	431.38	453.82	482.41		5.35%	508.23
2	A&G Expenses (with FC)	91.77	96.54	102.62	2.96%		105.66
3	R & M Expenses	412.49	433.95	461.29	2.96%		474.93

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
4	**Gross O&M Expenses**	935.64	984.31	1,046.31			1,088.82
5	Employee Expenses Capitalisation						181.02
6	A&G Expenses Capitalisation						0.00
7	Total Capitalisation						181.02
8	**Net O&M Expenses**						907.80

TABLE 4-83: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR MVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5-Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
1	Employee Expenses	A	512.66	533.39	553.11	624.70	760.12	596.80
2	A&G Expenses (with FC)	B	103.99	122.25	260.74	304.41	309.20	220.12
3	R & M Expenses	C	173.33	177.38	370.13	444.65	367.33	306.56
4	**Gross O&M Expenses**	D=A+B+C	**789.98**	**833.02**	**1,183.98**	**1,373.76**	**1,436.65**	**1,123.48**
5	Employee Expenses Capitalisation	E	236.74	230.03	214.15	327.29	433.04	
6	A&G Expenses Capitalisation	F	0.00	0.00	0.00	0.00	0.00	

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5-Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
7	Total Capitalisation	G=E+F	236.74	230.03	214.15	327.29	433.04	
8	Net O&M Expenses	H=D-G	553.24	602.99	969.83	1,046.47	1,003.61	

TABLE 4-84: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR MVVNL (RS. CRORE) (B)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
1	Employee Expenses	596.80	627.84	667.39		5.35%	703.12
2	A&G Expenses (with FC)	220.12	231.57	246.15	2.96%		253.44
3	R & M Expenses	306.56	322.51	342.82	2.96%		352.97
4	**Gross O&M Expenses**	**1,123.48**	**1,181.92**	**1,256.37**			**1,309.52**
5	Employee Expenses Capitalisation						373.40
6	A&G Expenses Capitalisation						0.00
7	Total Capitalisation						**373.40**
8	**Net O&M Expenses**						**936.12**

TABLE 4-85: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR PVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5-Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
1	Employee Expenses	A	448.90	469.49	523.79	598.29	604.50	528.99
2	A&G Expenses (with FC)	B	110.34	97.67	124.68	145.19	163.97	128.37
3	R & M Expenses	C	200.48	210.30	403.97	395.46	592.19	360.48
4	**Gross O&M Expenses**	**D=A+B+C**	**759.72**	**777.46**	**1,052.44**	**1,138.94**	**1,360.66**	**1,017.84**
5	Employee Expenses Capitalisation	E	201.90	228.73	276.72	206.89	158.26	
6	A&G Expenses Capitalisation	F	0.00	0.00	0.00	0.00	0.00	
7	**Total Capitalisation**	**G=E+F**	**201.90**	**228.73**	**276.72**	**206.89**	**158.26**	
8	**Net O&M Expenses**	**H=D-G**	**557.82**	**548.73**	**775.72**	**932.05**	**1,202.40**	

TABLE 4-86: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR PVVNL (RS. CRORE) (B)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
1	Employee Expenses	528.99	556.51	591.56		5.35%	623.23
2	A&G Expenses (with FC)	128.37	135.05	143.55	2.96%		147.80
3	R & M Expenses	360.48	379.29	403.12	2.96%		415.05

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
4	**Gross O&M Expenses**	**1,017.84**	**1,070.79**	**1,138.24**			**1,186.08**
5	Employee Expenses Capitalisation						204.13
6	A&G Expenses Capitalisation						0.00
7	Total Capitalisation						**204.13**
8	**Net O&M Expenses**						**981.95**

TABLE 4-87: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR PuVVNL (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5- Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c) + (d)+(e)]/5
1	Employee Expenses	A	533.00	806.55	592.87	648.53	769.55	670.10
2	A&G Expenses (with FC)	B	120.35	86.26	150.32	160.41	173.33	138.13
3	R & M Expenses	C	372.37	217.76	569.40	773.34	869.83	560.54
4	**Gross O&M Expenses**	**D=A+B+C**	**1,025.72**	**1,110.57**	**1,312.59**	**1,582.29**	**1,812.70**	**1,368.77**
5	Employee Expenses Capitalisation	E	379.96	194.37	265.97	360.19	460.33	
6	A&G Expenses Capitalisation	F	0.00	0.00	0.00	0.00	0.00	
7	**Total Capitalisation**	**G=E+F**	**379.96**	**194.37**	**265.97**	**360.19**	**460.33**	

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5- Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c) + (d)+(e)]/5
8	Net O&M Expenses	H=D-G	645.76	916.20	1,046.62	1,222.10	1,352.37	

TABLE 4-88: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR PuVVNL (RS. CRORE) (B)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
1	Employee Expenses	670.10	704.95	749.36		5.35%	789.48
2	A&G Expenses (with FC)	138.13	145.32	154.47	2.96%		159.04
3	R & M Expenses	560.54	589.70	626.84	2.96%		645.39
4	**Gross O&M Expenses**	**1,368.77**	**1,439.97**	**1,530.68**			**1,593.91**
5	Employee Expenses Capitalisation						214.88
6	A&G Expenses Capitalisation						0.00
7	Total Capitalisation						**214.88**
8	**Net O&M Expenses**						**1,379.03**

TABLE 4-89: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR KESCO (RS. CRORE) (A)

Sr. No.	Particulars	Derivation	Trued-Up O&M Expenses (Without Efficiency Gains/Loss)					FY 2017-18
			FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	(Average of last 5- Year Gross O&M expenses)
			(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5
1	Employee Expenses	A	131.51	136.97	118.27	121.13	136.65	128.91
2	A&G Expenses (with FC)	B	13.07	25.87	23.74	27.58	26.09	23.27
3	R & M Expenses	C	54.19	56.49	46.45	68.52	83.69	61.87
4	**Gross O&M Expenses**	**D=A+B+C**	**198.77**	**219.33**	**188.46**	**217.22**	**246.44**	**214.04**
5	Employee Expenses Capitalisation	E	3.07	2.49	11.68	42.74	11.83	
6	A&G Expenses Capitalisation	F	0.00	0.00	0.00	0.00	0.00	
7	**Total Capitalisation**	**G=E+F**	**3.07**	**2.49**	**11.68**	**42.74**	**11.83**	
8	**Net O&M Expenses**	**H=D-G**	**195.70**	**216.84**	**176.78**	**174.48**	**234.60**	

TABLE 4-90: O&M EXPENSES FOR FY 2020-21 COMPUTED BY THE COMMISSION FOR KESCO (RS. CRORE) (B)

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
1	Employee Expenses	128.91	135.61	144.15		5.35%	151.87
2	A&G Expenses (with FC)	23.27	24.48	26.02	2.96%		26.79
3	R & M Expenses	61.87	65.09	69.19	2.96%		71.23
4	**Gross O&M Expenses**	**214.04**	**225.18**	**239.36**			**249.90**

S.No.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Average of previous 3 years CPI and WPI escalation factor		FY 2020-21
		(f) (Average of last 5-year Gross O&M expenses)	g = f*(1+escalation factor for FY 2018-19)	h= g*(1+escalation factor FY 2019-20)	WPI	CPI	Normative i= h*(1+average of 3 previous years escalation factor)
5	Employee Expenses Capitalisation						5.24
6	A&G Expenses Capitalisation						0.00
7	Total Capitalisation						**5.24**
8	**Net O&M Expenses**						**244.66**

4.7.56. Further, Regulation 8.2 (i) of MYT Regulations, 2019 specifies O&M expenses as Controllable Factors and Regulation 10 of MYT Regulations, 2019 specifies for treatment of Gains and Losses on account of Controllable Factors, the relevant extract of the Regulation is as under:

Quote

10 Treatment of Gains or Losses on account of Controllable Factors

10.1 Lower of the value as approved in ARR or actual value as per the True-Up shall be allowed by the Commission.

Unquote

4.7.57. Accordingly, the Commission has approved each component of O&M expenses namely employee expenses, A&G expenses, and R&M expenses in True-Up as lower of the normative value and actual value, as shown in the Table below:

TABLE 4-91: O&M EXPENSES OF DVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	489.24	351.93	742.53	508.23	351.93
2	R & M Expenses	411.94	507.38	561.68	474.93	474.93
3	A&G Expenses (with FC)	93.72	521.28	123.95	105.66	105.66
4	**Gross O&M Expenses**	**994.90**	**1,380.59**	**1,428.16**	**1,088.82**	**932.52**
5	Employee Expenses Capitalisation	289.38	181.02	181.02	181.02	181.02
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**289.38**	**181.02**	**181.02**	**181.02**	**181.02**
	Add: Smart Metering Opex	0.00	0.00	17.95	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**705.52**	**1,199.56**	**1,265.09**	**907.80**	**751.50**

TABLE 4-92: O&M EXPENSES OF MVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	661.05	689.36	1062.76	703.12	689.36
2	R & M Expenses	315.06	382.23	378.23	352.97	352.97
3	A&G Expenses (with FC)	209.68	573.23	315.21	253.44	253.44
4	**Gross O&M Expenses**	**1,185.79**	**1,644.83**	**1,756.19**	**1,309.52**	**1,295.77**
5	Employee Expenses Capitalisation	327.29	373.40	373.40	373.40	373.40
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**327.29**	**373.40**	**373.40**	**373.40**	**373.40**
	Add: Smart Metering Opex	0.00	0.00	45.74	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**858.50**	**1271.43**	**1428.54**	**936.12**	**922.37**

TABLE 4-93: O&M EXPENSES OF PVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	[illegible]	628.38	852.68	623.23	623.23
2	R & M Expenses	331.9[illegible]	746.15	609.77	415.05	415.05

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
3	A&G Expenses (with FC)	127.11	401.93	168.84	147.80	147.80
4	**Gross O&M Expenses**	**1,060.57**	**1,776.46**	**1,631.29**	**1,186.08**	**1,186.08**
5	Employee Expenses Capitalisation	272.93	204.13	204.13	204.13	204.13
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**272.93**	**204.13**	**204.13**	**204.13**	**204.13**
	Add: Smart Metering Opex	0.00	0.00	24.15	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**787.64**	**1572.33**	**1451.31**	**981.95**	**981.95**

TABLE 4-94: O&M EXPENSES OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	737.94	941.47	941.57	789.48	789.48
2	R & M Expenses	540.11	598.09	895.65	645.39	598.09
3	A&G Expenses (with FC)	146.35	538.66	169.82	159.04	159.04
4	**Gross O&M Expenses**	**1,424.40**	**2,078.22**	**2,007.04**	**1,593.91**	**1,546.61**
5	Employee Expenses Capitalisation	360.19	214.88	214.88	214.88	214.88
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**360.19**	**214.88**	**214.88**	**214.88**	**214.88**
	Add: Smart Metering Opex	0.00	0.00	38.94	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**1,064.21**	**1,863.35**	**1,831.10**	**1,379.03**	**1,331.73**

TABLE 4-95: O&M EXPENSES OF KESCO APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	147.46	133.75	158.26	151.87	133.75
2	R & M Expenses	64.46	71.11	86.17	71.23	71.11
3	A&G Expenses (with FC)	26.58	131.13	26.86	26.79	26.79
4	**Gross O&M Expenses**	**238.50**	**335.99**	**271.29**	**249.90**	**231.65**

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
5	Employee Expenses Capitalisation	42.74	5.24	5.24	5.24	5.24
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**42.74**	**5.24**	**5.24**	**5.24**	**5.24**
	Add: Smart Metering Opex	0.00	0.00	12.95	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**195.76**	**330.75**	**279.01**	**244.66**	**226.41**

TABLE 4-96: CONSOLIDATED O&M EXPENSES OF THE PETITIONERS APPROVED BY THE COMMISSION FOR FY 2020-21 (RS. CRORE)

S. No	Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed in the True Up Petition	Normative	Approved upon Truing-up
1	Employee Expenses	2,637.19	2,744.90	3,757.80	2,775.93	2,587.75
2	R & M Expenses	1,663.54	2,304.95	2,531.50	1,959.57	1,912.15
3	A&G Expenses (with FC)	603.44	2,166.23	804.68	692.73	692.73
4	**Gross O&M Expenses**	**4,904.16**	**7,216.08**	**7,093.98**	**5,428.22**	**5,192.63**
5	Employee Expenses Capitalisation	1,292.53	978.66	978.66	978.66	978.66
6	A&G Expenses Capitalisation	0.00	0.00	0.00	0.00	0.00
7	**Total Capitalisation**	**1,292.53**	**978.66**	**978.66**	**978.66**	**978.66**
	Add: Smart Metering Opex	0.00	0.00	139.73	0.00	0.00
	Add: Addnl R&M Expenses	0.00	0.00	0.00	0.00	0.00
8	**Net O&M Expenses**	**3,611.63**	**6,237.42**	**6,255.04**	**4,449.56**	**4,213.96**

4.8. CAPITAL INVESTMENTS, CAPITALISATION & FINANCING

Petitioner's Submission

4.8.1. The details of the capex schemes submitted by the Petitioners are shown in the Table below:

TABLE 4-97: CAPEX OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes	1,321.07	1,570.60
RGGVY 11th Plan and 12th Plan	17.32	131.78

Particulars	Investments	Capitalisation
DDUGJY	67.82	82.14
RAPDRP	-	-
IPDS	18.13	22.57
SAUBHAGYA YOJNA	102.83	194.72
Total Investments (A)	**1,184.09**	**1,658.73**
Add: Employee Capitalization (B)	181.02	181.02
Add: Interest Capitalization (C)	162.06	162.06
Total (D= A+B+C)	1,527.17	2,001.81
Asset not belonging to Discoms (E)		
Total (F= D-E))	**1,527.17**	**2,001.81**

TABLE 4-98: CAPEX OF MVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Investments	Capitalisation
RGGVY 11th Plan	204.56	750.58
DDUGJY	94.55	462.83
IPDS	67.69	357.69
Saubhagya	198.94	736.22
Others	1,088.14	1,453.65
Total Investments (A)	1,145.44	3,252.53
Add: Employee Capitalization (B)	373.40	373.40
Add: Interest Capitalization (C)	135.04	135.04
Total (D= A+B+C)	1,653.88	3,760.97
Asset not belonging to Discoms (E)		
Total (F= D-E))	**1,653.88**	**3,760.97**

TABLE 4-99: CAPEX OF PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Investments	Capitalisation
Other Schemes	1,169.08	1,361.08
RGGVY 11th Plan and 12th Plan	41.19	41.19
DDUGJY	226.44	224.90
RAPDRP	-	-
IPDS	124.91	124.02
SAUBHAGYA YOJNA	351.57	351.57
Total Investments (A)	1,622.86	1,812.43
Add: Employee Capitalization (B)	204.13	204.13
Add: Interest Capitalization (C)	86.21	86.21
Total (D= A+B+C)	1,913.19	2,102.76
Asset not belonging to Discoms (E)		
Total (F= D-E))	**1,913.19**	**2,102.76**

TABLE 4-100: CAPEX OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Investments	Capitalisation
Other Schemes	1,501.21	1,320.75
RGGVY 11th Plan and 12th Plan	98.10	137.48
DDUGJY	145.26	126.86
RAPDRP	-	-
IPDS	155.16	187.39
SAUBHAGYA YOJNA	356.42	578.21
Total Investments (A)	1,873.11	1,967.65
Add: Employee Capitalization (B)	214.88	214.88
Add: Interest Capitalization (C)	168.16	168.16
Total (D= A+B+C)	2,256.15	2,350.69
Asset not belonging to Discoms (E)		
Total (F= D-E))	**2,256.15**	**2,350.69**

TABLE 4-101: CAPEX OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Investments	Capitalisation
Total Investments (A)	56.16	43.57
Add: Employee Capitalization (B)	5.24	5.24
Add: Interest Capitalization (C)	-	-
Total (D= A+B+C)	**61.40**	**48.81**
Asset not belonging to Discoms (E)	-	-
Total (F= D-E))	**61.40**	**48.81**

4.8.2. The Petitioners submitted that they have derived actual capital investment undertaken during FY 2020-21 considering the CWIP and GFA as per audited accounts.

Commission's Analysis

4.8.3. The MYT Regulations, 2019 provide as under:

Quote

18 Capital Expenditure/ Cost and Capital Structure

Capital cost for a capital investment Project shall include:

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

capitalised initial spares subject to the ceiling rates stipulated in these Regulations;

expenses incurred by the Licensee on obtaining right of way, as admitted by the Commission after prudence check;

additional capital expenditure determined under Regulation 19;

Incidental expenditure during construction including apportioned expenditure on relevant components of O&M:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost;

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

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

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

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

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

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

The actual capital expenditure on a scheme as on COD for the original scope of work based on audited accounts of the Licensee or Project, as the case may be, shall be considered subject to prudence check by the Commission.

Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the capital investment plan prepared by the Licensee and approved by the Commission, prior to the Petition for determination of ARR / Tariff filing

.....

19 Additional Capitalisation

19.1 The capital expenditure, actually incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date, may be admitted by the Commission subject to prudence check:

(i) Undischarged liabilities recognized to be payable at a future date;

(ii) Works deferred for execution;

(iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 18;

(iv) Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law; and

(v) Change in law or compliance of any existing law

Provided that the details of works included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the Petition for determination of final Tariff after the date of commercial operation.

19.2 The capital expenditure, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

(i) Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law;

(ii) Change in law or compliance of any existing law;

(iii) Any liability for works executed prior to the cut-off date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.;

(iv) Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;

(v) Any additional capital expenditure which has become necessary for efficient operation

Provided that the claim shall be substantiated with the technical justification duly supported by documentary evidence like test results carried out by an independent agency in case of deterioration of assets, damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;

(vi) Any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, batteries, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, which has become necessary for successful and efficient operation of Transmission System; and

(vii) Any capital expenditure found justified after prudence check necessitated on account of modifications required:

Provided that any expenditure, which has been claimed under Renovation and Modernisation or repairs and maintenance under O&M expenses, shall not be claimed under Additional Capitalisation.

19.3 Impact of additional capitalisation on Tariff, if any, shall be considered during Tariff determination proceedings.

.....

44 Capital Investment Plan

44.1 The Distribution Licensee shall submit a detailed Capital Investment Plan, financing plan and physical targets for each year of the Control Period for meeting the requirement of growth in number of consumers, strengthening and augmentation of its distribution network, meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, reduction in congestion, etc., to the Commission for approval, as a part of the Business Plan:

Provided that in case of non-submission of the Capital Investment plan by the Distribution Licensee for a year of the Control Period, the Commission may disallow the Capital expenditure for that year.

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 Crore and must have prior approval of the Commission on quarterly basis, and will be subject to prudence check.

44.3 The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information such as number of distribution sub-stations, consumer sub-stations, transformation capacity in MVA and details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost / benefit analysis and other aspects that may have a bearing on the Tariff for retail supply of electricity and the Wheeling Charges:

Provided that the Distribution Licensee shall submit separate details of Capital Investment Plan for each Distribution Franchisee area within its Licence area.

Unquote

4.8.4. There was an inadvertent / linking error in the CWIP / Capex Tables in True-Up of FY 2019-20 for MVVNL, PVVNL and KESCO, which is being rectified in the True-Up of FY 2020-21 and reproduced in the Tables below. However, the Commission is not inclined to recalculate the impact of the same in the True Up of FY 2019-20 due to this.

TABLE 4-102: RECOMPUTED CAPITAL INVESTMENT OF MVVNL FOR FY 2019-20 (Rs. CRORE)

Particulars	Derivation	Approved in the Tariff Order dated July 29, 2021	Recomputed
Opening WIP as on 1st April	A	6461.66	6461.66
Investments	B	3262.59	1767.36
Employee Expenses capitalization	C	433.04	433.04
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	93.91	93.91
Total Investments	**F= A+B+C+D+E**	**10251.20**	**8755.97**
Transferred to GFA (Total Capitalization)	G	3742.94	3742.94
Closing WIP	**H=F-G**	**6508.25**	**5013.03**

TABLE 4-103: RECOMPUTED CAPITAL INVESTMENT OF PVVNL FOR FY 2019-20 (Rs. CRORE)

Particulars	Derivation	Approved in the Tariff Order dated July 29, 2021	Recomputed
Opening WIP as on 1st April	A	1119.28	3223.19
Investments	B	3021.68	1330.29
Employee Expenses capitalization	C	158.26	158.26
A&G Expenses Capitalization	D	0.00	0.00
Interest Capitalization on Interest on long term loans	E	215.65	215.65
Total Investments	F= A+B+C+D+E	**4514.88**	**4927.39**
Transferred to GFA (Total Capitalization)	G	4347.10	4347.1
Closing WIP	**H=F-G**	**167.78**	**580.29**

TABLE 4-104: RECOMPUTED CAPITAL INVESTMENT OF KESCO FOR FY 2019-20 (RS. CRORE)

Particulars	Derivation	Approved in the Tariff Order dated July 29, 2021	Recomputed
Opening WIP as on 1st April	A	169.52	169.52
Investments	B	196.23	73.48
Employee Expenses capitalization	C	11.83	11.83
A&G Expenses Capitalization	D	0.00	0.00
Interest Capitalization on Interest on long term loans	E	0.00	0.00
Total Investments	**F= A+B+C+D+E**	**377.58**	**254.83**
Transferred to GFA (Total Capitalization)	G	143.96	143.96
Closing WIP	**H=F-G**	**233.62**	**110.87**

4.8.5. The Commission has followed the following approach to approve the Capital Investment for the Petitioners:

I. Closing CWIP for FY 2019-20 as approved by the Commission in the Tariff Order dated July 29, 2021, is considered as opening CWIP for FY 2020-21 for DVVNL and PuVVNL;

II. For MVVNL, PVVNL, and KESCO, the Commission has considered recomputed Closing CWIP of FY 2019-20 as Opening CWIP for FY 2020-21, as discussed above;

III. Investment during the year i.e., FY 2020-21 is allowed provisionally as 100% claimed by the Petitioners after verification of the same from audited accounts of FY 2020-21 of respective Discom. **The Petitioners are directed to file reason for non-compliance of Regulation 44.2 of MYT Regulations, 2019 in the next Tariff / ARR filling.**

IV. Employee expenses capitalised for FY 2020-21 is approved as per audited accounts of FY 2020-21 of respective Petitioner;

V. Interest capitalisation on Interest on long term loans for FY 2020-21 is approved as per audited accounts of FY 2020-21 of respective Petitioner;

4.8.6. As regards asset transferred to GFA (Capitalisation), the Commission has approved asset transferred to GFA as per audited accounts of respective State Discoms.

4.8.7. Accordingly, the Commission has approved CWIP, Capital Investment and Capitalisation for FY 2020-21 claimed by the Petitioners after prudence check, which are shown in the Tables below:

TABLE 4-105: CAPITAL INVESTMENT OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	4,318.95	2,494.23	2,059.59	2,059.59*
Investments	B	1,549.85	1,184.09	1,184.09	1,184.09
Employee Expenses capitalization	C	289.38	181.02	181.02	181.02
A&G Expenses Capitalisation	D	-	-	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	104.80	162.06	162.06	162.06
Total Investments	**F= A+B+C+D+E**	**6,262.98**	**4,021.40**	**3,586.76**	**3,586.76**
Transferred to GFA (Total Capitalisation)	G	2,505.19	2,001.81	2,001.81	2,001.81
Closing WIP	**H=F-G**	**3,757.79**	**2,019.59**	**1,584.95**	**1,584.95**

** Closing CWIP for FY 2019-20 approved by the Commission in the Tariff Order for FY 2021-22*

TABLE 4-106: CAPITAL INVESTMENT OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	6,811.99	5,200.71	6,508.26	5,013.03*
Investments	B	2,429.40	1,145.44	1,145.44	1,145.44
Employee Expenses capitalization	C	327.29	373.40	373.40	373.40
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	19.76	135.04	135.04	135.04
Total Investments	**F= A+B+C+D+E**	**9,588.44**	**6,854.59**	**8,162.14**	**6,666.91**
Transferred to GFA (Total Capitalisation)	G	3,835.38	3,760.97	3,760.97	3,760.97
Closing WIP	**H=F-G**	**5,753.06**	**3,093.62**	**4,401.18**	**2,905.95**

** Recomputed Closing CWIP for FY 2019-20*

TABLE 4-107: CAPITAL INVESTMENT OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	1,110.09	586.15	586.15	580.29*
Investments	B	2,573.80	1,622.86	1,622.86	1,622.86
Employee Expenses capitalization	C	327.29	204.13	204.13	204.13
A&G Expenses Capitalisation	D	0.00	-	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	61.11	86.21	86.21	86.21
Total Investments	**F= A+B+C+D+E**	**4,072.30**	**2,499.34**	**2,499.34**	**2,493.48**
Transferred to GFA (Total Capitalisation)	G	1,840.16	2,102.76	2,102.76	2,102.76

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Closing WIP	**H=F-G**	**2,232.14**	**396.57**	**396.57**	**390.71**

** Recomputed Closing CWIP for FY 2019-20*

TABLE 4-108: CAPITAL INVESTMENT OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	4,805.89	2,613.62	2,285.68	2,285.66*
Investments	B	3,249.16	1,873.11	1,873.11	1,873.11
Employee Expenses capitalization	C	386.41	214.88	214.88	214.88
A&G Expenses Capitalisation	D			0.00	0.00
Interest Capitalisation on Interest on long term loans	E	208.28	168.16	168.16	168.16
Total Investments	**F= A+B+C+D+E**	**8,649.74**	**4,869.77**	**4,541.83**	**4,541.81**
Transferred to GFA (Total Capitalisation)	G	3,464.42	2,350.69	2,350.69	2,350.69
Closing WIP	**H=F-G**	**5,185.31**	**2,519.07**	**2,191.13**	**2,191.11**

** Closing CWIP for FY 2019-20 approved by the Commission in the Tariff Order for FY 2021-22*

TABLE 4-109: CAPITAL INVESTMENT OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	182.14	114.24	233.62	110.87*
Investments	B	258.50	56.16	56.16	56.16
Employee Expenses capitalization	C	42.74	5.24	5.24	5.24
A&G Expenses Capitalisation	D	0.00	-	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00		0.00	0.00
Total Investments	F= A+B+C+D+E	**483.38**	**175.64**	**295.02**	**172.27**
Transferred to GFA (Total Capitalisation)	G	193.35	48.81	48.81	48.81
Closing WIP	H=F-G	**290.03**	**126.84**	**246.21**	**123.46**

** Recomputed CWIP for FY 2019-20*

TABLE 4-110: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	17,229.06	11,008.94	11,673.30	10,049.44
Investments	B	10,060.71	5,881.65	5,881.65	5,881.65
Employee Expenses capitalization	C	1,373.11	978.67	978.66	978.66
A&G Expenses Capitalisation	D	0.00		0.00	0.00
Interest Capitalisation on Interest on long term loans	E	393.95	551.47	551.47	551.47

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Audited	Claimed	Approved upon Truing Up
Total Investments	**F= A+B+C+D+E**	**29,056.83**	**18,420.74**	**19,085.08**	**17,461.23**
Transferred to GFA (Total Capitalisation)	G	11,838.50	10,265.04	10,265.04	10,265.04
Closing WIP	**H=F-G**	**17,218.32**	**8,155.70**	**8,820.04**	**7,196.19**

Consumer Contributions, Capital Grants and Subsidies

Petitioner's Submission

4.8.8. The Petitioners namely, DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have submitted consumer contributions, capital grants and subsidies addition during FY 2020-21 as Rs. 175.79 Crore, Rs. 203.48 Crore, Rs. 257.90 Crore, Rs. 281.59 Crore and Rs. 22.61 Crore, respectively.

Commission's Analysis

4.8.9. The Commission has approved Consumer Contributions as submitted as per the audited accounts of FY 2020-21 of respective State Discoms.

4.8.10. The Consumer Contributions submitted by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and as allowed by the Commission are shown in the Table below:

TABLE 4-111: CONSUMER CONTRIBUTIONS RECEIVED OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	3,857.04	4,560.11	4,560.11
Additions during the year	356.36	175.79	175.79
Less: Amortisation on consumer contribution	70.68	160.62	160.62
Closing Balance	**4,142.72**	**4,575.29**	**4,575.29**

TABLE 4-112: CONSUMER CONTRIBUTIONS RECEIVED OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	5,175.79	5,344.00	5,344.00
Additions during the year	1,558.15	203.48	203.48
Less: Amortisation on consumer contribution	47.43	136.98	136.98
Closing Balance	**6,686.51**	**5,410.51**	**5,410.51**

TABLE 4-113: CONSUMER CONTRIBUTIONS RECEIVED OF PVVNL IN FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	5,175.38	5,443.30	5,443.30
Additions during the year	1,245.73	257.90	257.90
Less: Amortisation on consumer contribution	132.13	207.44	207.44
Closing Balance	**6,288.98**	**5,493.77**	**5,493.77**

TABLE 4-114: CONSUMER CONTRIBUTIONS RECEIVED OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	4,371.08	4,686.57	4,686.57
Additions during the year	2,645.40	281.59	281.59
Less: Amortisation on consumer contribution	112.27	134.69	134.69
Closing Balance	**6,904.21**	**4,833.47**	**4,833.47**

TABLE 4-115: CONSUMER CONTRIBUTIONS RECEIVED OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	392.82	401.72	401.72
Additions during the year	130.71	22.61	22.61
Less: Amortisation on consumer contribution	6.3	15.68	15.68
Closing Balance	**517.23**	**408.65**	**408.65**

TABLE 4-116: CONSOLIDATED CONSUMER CONTRIBUTIONS RECEIVED OF 5 STATE DISCOMS FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Balance of Consumer Contributions	18,972.11	20,435.70	20,435.70
Additions during the year	5,936.35	941.38	941.38
Less: Amortisation on consumer contribution	368.81	655.41	655.41
Closing Balance	**24,539.65**	**20,721.69**	**20,721.69**

4.8.11. As regards grand and subsidy the Commission vide data gap dated May 16, 2022 asked following from the Petitioners:

I. The Petitioners have submitted the claim of Capital Grants for FY 2020-21 as Zero (0). However, it is observed that in the audited accounts the addition in Grants during the year are negative values. During the TVS, it was confirmed that this was due to reversal of entry from the past years. The Commission has adopted a different methodology for approval of Grant, where the values as per the Audited Accounts is not considered. Hence, the Petitioners to provide the reconciliation of Grants as booked in the Audited Accounts for FY 2015-16 to FY 2021-22 and the Grants as per the methodology adopted by the Commission (may please refer to the True Up Order of FY 2019-20) to arrive at the right / correct figure of the Grant for FY 2020-21.

II. The Petitioners also to submit the details of Grants to be derived based on scheme wise Capex for FY 2020-21 to FY 2022-23.

III. The Petitioners to submit in tabular form Discom-wise, various types of Subsidies and Grants (both State and Central) along with the related documents for example G.O.s, Budget and its subsequent revisions for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23.

4.8.12. In response to the Commission's query, the Petitioners submitted Grants and Subsidy, as annexed as Annexure – I of this Tariff Order.

4.8.13. The Petitioners have reversed the 'excess grants claimed in their earlier audited accounts. The Commission is considering the same as zero because it has already been taken into consideration in the earlier Tariff Orders.

Financing of Capital Investment

Petitioner's Submission

4.8.14. The Petitioners submitted that the capital investment proposed in the ***TABLE 4-105*** to ***TABLE 4-109*** is eligible for financing after deducting consumer contribution and grant is considered. The Petitioners have considered the same approach as in previous Orders and therefore, considered the funding of capital expenditure in the ratio of 70:30. Considering this approach, 70% of the capital expenditure undertaken during the year has been financed through loan and balance 30% has been financed through equity contributions.

Commission's Analysis

4.8.15. The Petitioners have submitted that they have considered the same approach as in the previous Tariff Orders to consider capital expenditure in the ratio of 70:30. The Commission approved capital investment and financing in the previous Tariff Orders considering the provisions of MYT Regulations, 2014. Whereas, True Up of FY 2020-21 is approved 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 instead of capital investment as in case of previous year order.

4.8.16. The Commission observed that out of the total capitalisation during FY 2020-21, some have been financed through consumer contributions received during FY 2020-21 and the balance have been funded through debt and equity. The Petitioners were asked to submit clarification regarding grants and funding. In the response to the Commission's query the Petitioners submitted that they have claimed capitalisation net of grants received during the year. Accordingly, the commission has also considered capitalisation net of grants received during the year. Considering the debt equity ratio of 70:30, 70% of the capitalisation is approved to be funded through debt and balance 30% through equity.

4.8.17. The portion of capitalisation financed through consumer contributions, capital subsidies and grants has been deducted as the depreciation and interest thereon would not be charged to the consumers. The Commission has also verified the same from the audited accounts of the Petitioners.

4.8.18. Based on the above, financing of the capitalisation claimed by the Petitioners and approved by the Commission is shown in the Tables below:

TABLE 4-117: FINANCING OF THE CAPITAL INVESTMNET OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	2,505.19	2,001.81	2,001.81
Less: Consumer Contribution	B	294.55	175.79	175.79
Less: Grant	C	79.18	0.00	0.00
Less: Assets De-Capitalised	D		559.55	559.55
Net Assets Capitalised	E = A-B-C-D	2,131.46	1,826.01	1,266.46
70% of Net Assets Capitalised	**70% of E**	**1,492.02**	**1,278.21**	**886.53**
30% of Net Assets Capitalised	**30% of E**	**639.44**	**547.80**	**379.94**

TABLE 4-118: FINANCING OF CAPITAL INVESTMNET OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	3,835.38	3,760.97	3,760.97
Less: Consumer Contribution	B	355.57	203.48	203.48
Less: Grant	C	1,202.59	0.00	0.00
Less: Assets De-Capitalised	D	0.00	765.26	765.26
Net Assets Capitalised	E = A-B-C-D	2,277.22	3,557.48	2,792.23
70% of Net Assets Capitalised	**70% of E**	**1,594.06**	**2,490.24**	**1,954.56**
30% of Net Assets Capitalised	**30% of E**	**683.17**	**1,067.25**	**837.67**

TABLE 4-119: FINANCING OF THE CAPITAL INVESTMNET OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	3,835.38	2,102.76	2,102.76
Less: Consumer Contribution	B	355.57	257.90	257.90
Less: Grant	C	1,202.59	0.00	0.00
Less: Assets De-Capitalised	D	0.00	612.76	612.76
Net Assets Capitalised	E = A-B-C-D	2,277.22	1,844.86	1232.10
70% of Net Assets Capitalised	**70% of E**	**1,594.06**	**1,291.40**	**862.47**
30% of Net Assets Capitalised	**30% of E**	**683.17**	**553.46**	**369.63**

TABLE 4-120: FINANCING OF THE CAPITAL INVESTMNET OF PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	3,464.42	2,350.69	2,350.69
Less: Consumer Contribution	B	283.49	281.59	281.59
Less: Grant	C	2,361.91	0.00	0.00
Less: Assets De-Capitalised	D	0.00	728.29	728.29
Net Assets Capitalised	E = A-B-C-D	819.02	2,069.11	1,340.82
70% of Net Assets Capitalised	**70% of E**	**573.32**	**1,448.37**	**938.57**
30% of Net Assets Capitalised	**30% of E**	**245.71**	**620.73**	**402.25**

TABLE 4-121: FINANCING OF THE CAPITAL INVESTMNET OF KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	193.35	48.81	48.81
Less: Consumer Contribution	B	28.71	22.61	22.61
Less: Grant	C	102.00	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00	0.00
Net Assets Capitalised	E = A-B-C-D	62.64	26.19	26.19
70% of Net Assets Capitalised	**70% of E**	**43.84**	**18.34**	**18.34**
30% of Net Assets Capitalised	**30% of E**	**18.79**	**7.86**	**7.86**

TABLE 4-122: CONSOLIDATED FINANCING OF THE CAPITAL INVESTMNET OF 5 STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	13,833.71	10,265.04	10,265.04
Less: Consumer Contribution	B	1,317.89	941.38	941.38
Less: Grant	C	4,948.26	0.00	0.00
Less: Assets De-Capitalised	D	0.00	2,665.85	2,665.85
Net Assets Capitalised	E = A-B-C-D	7,567.57	9,323.66	6,657.81
70% of Net Assets Capitalised	**70% of E**	**5,297.30**	**6,526.56**	**4,660.47**
30% of Net Assets Capitalised	**30% of E**	**2,270.27**	**2,797.10**	**1,997.34**

4.9. INTEREST AND FINANCE CHARGES

Interest on Long Terms Loan

Petitioner's Submission

4.9.1. The Petitioners submitted that they have considered the same approach for the estimation of Interest on long Term Loan as approved by the Commission in previous Tariff Order for FY 2021-22. The Petitioners had considered a normative tariff approach with a debt equity ratio of 70:30. Considering this approach, 70% of the capitalization undertaken (after deducting consumer contributions, capital subsidies and grants) in any year was financed through loan and balance 30% has been financed through equity contributions. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants are separated and the depreciation, interest and return on equity thereon was not charged to the consumers. The amounts received as consumer contributions, capital subsidies and grants were traced from the audited accounts. Subsequently, the financing of the capital investment was worked out based on the debt equity ratio of 70:30 and allowable depreciation was considered as normative loan repayment. The Petitioners have worked-out the interest on long term loan based on the same philosophy.

4.9.2. The Petitioners have considered opening loan balance equivalent to the closing loan balance for FY 2019-20 as approved by the Commission in Tariff Order for FY 2021-22 dated July 29, 2021.

4.9.3. The Petitioners submitted that allowable depreciation for the year has been considered as normative loan repayment. The actual weighted average rate per audited accounts has been considered for computing the eligible interest expenses.

4.9.4. Considering the above, interest on long term loan of Rs. 237.22 Crore, Rs. 459.64 Crore, Rs. 348.02 Crore, Rs. 617.18 Crore and Rs. 9.15 Crore has been claimed for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively.

Commission's Analysis

4.9.5. The Commission has considered 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 determination of tariff. The same approach has been considered for approval of ARR in the Tariff Order for FY 2021-22. Further, as per the Regulation 23.5, the rate of interest on long term loan is considered as the weighted average rate of interest of the actual long term loan portfolio of the year. The relevant extract is provided in the following:

Quote

23 Interest on Long- Term Loan

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

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

23.2 The normative long- term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2020, from the gross normative loan.

23.3 The repayment for each year shall be deemed to be equal to the Depreciation allowed for that year.

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

23.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long- term loan portfolio at the beginning of each year:

Provided that at the time of Truing- Up, the weighted average rate of interest of the actual long- term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long- term loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for actual loan shall be considered:

Provided also that if the Licensee, does not have actual long- term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the Licensee does not have actual long- term loan, and its other Businesses regulated by the Commission also do not have actual loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan because of which interest rate is not available, then the rate of interest for the purpose of allowing the interest on the normative long- term loan should be the weighted average SBI MCLR (1 Year) prevailing during the concerned year.

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

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

23.7 The excess interest during construction on account of time and / or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

Unquote

4.9.6. As per first proviso of Regulation 20.2 of MYT Regulations, 2019 to determine the equity capital the same shall be reduced to the extent of 30% or lower of the retirement or replacement or de-capitalisation of the assets.

4.9.7. As per Regulation 20.2, for FY 2020-21, to determine the debt capital, the opening loan base as on April 1, 2020 shall be reduced to the extent of outstanding debt component of the fixed asset base computed as on March 31, 2020 or the normative closing loan base of FY 2019-20, whichever is lower, similar approach has been considered for FY 2020-21 and FY 2021-22.

4.9.8. Capital expenditure financed through Consumer Contributions and grants has been separated as the depreciation thereon would not be charged to the consumers. Further, the allowable depreciation for the year has been considered for normative loan repayment.

4.9.9. For the purpose of arriving at the opening values of FY 2020-21, the Commission has adopted following approaches:

I. Closing GFA for FY 2019-20 as approved by the Commission in the Tariff Order dated July 29, 2021 is considered as opening GFA for FY 2020-21;
II. Reducing the opening consumer contributions as on April 01, 2020 from opening GFA as on April 01, 2020;
III. GFA addition (Capitalisation) during the year i.e., FY 2020-21 is considered as approved above;
IV. Asset deletion / adjustment is considered as per audited accounts of FY 2020-21 of respective Discom;
V. Cumulative net depreciation as on March 31, 2020 is deducted from opening normative loan to arrive at net normative opening loan as on April 01, 2020.

4.9.10. As per the Regulation 23.2, the normative long- term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as approved by the Commission up to March 31, 2020, from the gross normative loan. Accordingly, the Commission has computed net opening loan for FY 2020-21, as shown in the Table below:

TABLE 4-123: NET OPENING LOAN FOR FY 2020-21 COMPUTED BY THE COMISSION (Rs. CRORE)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Opening GFA (net of Grants)	12,734.70	8,256.47	14,615.46	11,672.71	1,287.90	**48,567.25**
Consumer Contribution	3,009.80	1,929.41	3,144.91	1,885.42	224.53	**10,194.07**
Net Opening GFA	9,724.90	6,327.06	11,470.55	9,787.30	1,063.36	**38,373.18**

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Opening Equity	2,917.47	1,898.12	3,441.17	2,936.19	319.01	**11,511.95**
Opening Debt	6,807.43	4,428.94	8,029.39	6,851.11	744.36	**26,861.23**
Cumulative Net Depreciation	3,977.46	3,235.25	5,489.42	4,181.39	356.26	**17,239.78**
Net Opening Loan	2,829.97	1,193.70	2,539.96	2,669.72	388.10	**9,621.45**

4.9.11. Further, as per Regulation 20.2, the debt capital i.e., opening loan base as on April 1, 2020 shall be reduced to the extent of outstanding debt component of the fixed asset base computed as on March 31, 2020 or the closing loan base of FY 2019-20 as approved by the Commission in the Tariff Order for FY 2021-22, whichever is lower, as shown in the Table below:

Particular	Closing for FY 2019-20 approved in the Tariff Order dated 29.07.2021	Computed by the Commission	Opening debt capital Considered for FY 2020-21
	A	B	C = Lower of (A, B)
DVVNL	3,953.85	2,829.97	2,829.97
MVVNL	4,495.28	1,193.70	1,193.70
PVVNL	4,149.70	2,539.96	2,539.96
PuVVNL	6,267.77	2,669.72	2,669.72
KESCo	101.23	388.10	101.23
Total	**18,967.82**	**9,621.45**	**9,334.58**

4.9.12. The portion of capital expenditure financed through Consumer Contributions and grants has been separated as the depreciation thereon would not be charged to the consumers. Further, the allowable depreciation for the year has been considered for normative loan repayment.

4.9.13. Further, the Commission has considered the capitalization of interest expenses per the audited accounts of the respective State Discom. The computations for interest on long term loan are shown in Tables below:

TABLE 4-124: INTEREST ON LONG TERM LOAN FOR DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	4,902.71	3,953.85	2,829.97
Additions (70% of Investments)	B	838.04	1,278.21	886.53
Less: Repayments	C	656.27	628.23	326.12

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Closing Loan Balance	D=A+B-C	5,084.48	4,603.83	3,390.37
Rate of Interest	E	9.13%	9.33%	9.30%
Interest	F= (A+D)/2*E	455.85	399.28	289.15
Less: Interest Capitalized	G	137.45	162.06	162.06
Net Interest Charged	**H=F-G**	**318.40**	**237.22**	**127.09**

TABLE 4-125: INTEREST ON LONG TERM LOAN FOR MVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	121.71	4,494.01	1,193.70
Additions (70% of Investments)	B	1,594.06	2,490.24	1,954.56
Less: Repayments	C	208.23	614.13	205.45
Closing Loan Balance	D=A+B-C	1,507.53	6,370.12	2,942.80
Rate of Interest	E	7.48%	10.95%	9.23%
Interest	F= (A+D)/2*E	60.91	594.68	190.87
Less: Interest Capitalized	G	19.76	135.04	135.04
Net Interest Charged	**H=F-G**	**41.15**	**459.64**	**55.82**

TABLE 4-126: INTEREST ON LONG TERM LOAN FOR PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	3,671.05	4,149.43	2,539.96
Additions (70% of Investments)	B	929.65	1,291.40	862.47
Less: Repayments	C	619.02	748.61	308.91
Closing Loan Balance	D=A+B-C	3,981.68	4,692.22	3,093.53
Rate of Interest	E	8.00%	9.82%	10.20%
Interest	F= (A+D)/2*E	306.13	434.23	287.25
Less: Interest Capitalized	G	143.17	86.21	86.21
Net Interest Charged	**H=F-G**	**162.96**	**348.02**	**201.04**

TABLE 4-127: INTEREST ON LONG TERM LOAN FOR PuVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	2,538.88	6,267.77	2,669.72
Additions (70% of Investments)	B	573.31	1,448.37	938.57
Less: Repayments	C	317.80	802.74	299.18
Closing Loan Balance	D=A+B-C	2,794.40	6,913.41	3,309.12
Rate of Interest	E	8.70%	11.92%	8.57%
Interest	F= (A+D)/2*E	232.03	785.34	256.10
Less: Interest Capitalized	G	50.08	168.16	168.16
Net Interest Charged	**H=F-G**	**181.95**	**617.18**	**87.94**

TABLE 4-128: INTEREST ON LONG TERM LOAN FOR KESCO FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	14.03	101.23	101.23
Additions (70% of Investments)	B	89.45	18.34	18.34
Less: Repayments	C	55.80	62.70	25.53
Closing Loan Balance	D=A+B-C	47.68	56.87	94.04
Rate of Interest	E	7.44%	11.57%	9.16%
Interest	F= (A+D)/2*E	2.29	9.15	8.95
Less: Interest Capitalized	G	0.00	0.00	0.00
Net Interest Charged	**H=F-G**	**2.29**	**9.15**	**8.95**

TABLE 4-129: CONSOLIDATED INTEREST ON LONG TERM LOAN FOR 5 STATE DISCOMS FOR FY 2020-21 (RS. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Opening Loan	A	11,248.38	18,966.29	9,334.58
Additions (70% of Investments)	B	4,024.51	6,526.56	4,660.47
Less: Repayments	C	1,857.12	2,856.41	1,165.19

Particulars	Derivation	Tariff Order for FY 2020-21 dated November 11, 2020	Claimed	Approved upon Truing Up
Closing Loan Balance	D=A+B-C	13,415.77	22,636.44	12,829.85
Rate of Interest	E	8.57%	10.69%	9.32%
Interest	F= (A+D)/2*E	1,057.21	2,222.68	1,032.31
Less: Interest Capitalized	G	350.46	551.47	551.47
Net Interest Charged	**H=F-G**	**706.75**	**1,671.21**	**480.84**

INTEREST ON CONSUMER SECURITY DEPOSITS

Petitioner's Submission

4.9.14. The Petitioners have submitted that Interest on Consumer Security Deposit is claimed as per audited accounts of FY 2020-21. The Petitioners have claimed Interest on Consumer Security Deposits for FY 2020-21 as Rs. 30.36 Crore, Rs. 31.32 Crore, Rs. 72.75 Crore, Rs. 19.95 Crore and Rs. 7.59 Crore for DVVNL, MVVNL, PVVNL, PuVVNL and KESO respectively. The Petitioners have requested the Commission to approve Interest on Consumer Security Deposit as claimed.

Commission's Analysis

4.9.15. The Commission observed that a provision has been made in the audited accounts with respect to Interest on Consumer Security Deposit. Therefore, the Commission vide MOM of TVS dated April 18, 2022 asked the Petitioners to submit the details of the Interest on Consumer Security Deposit actually disbursed to the consumers for FY 2020-21. In the response to the Commission's query the Petitioners vide reply dated April 29, 2022 submitted actual interest paid to the consumers for FY 2020-21, as shown in the Table below:

TABLE 4-130: ACTUAL INTEREST ON CONSUMER SECURITY DEPOSIT FOR FY 2020-21 (Rs. CRORE)

S. No	Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
A	Opening Interest on Consumer Security Deposit payable	39.78	52.52	145.16	58.78	51.05
B	Add: Interest on Consumer Security Deposit during the year	30.36	31.32	72.75	19.45	7.59

S. No	Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
C	Less: Closing Interest on Consumer Security Deposit payable	41.04	69.42	145.22	71.93	50.83
D	**Interest actually paid**	**29.10**	**14.42**	**72.69**	**6.30**	**7.82**

4.9.16. The Commission has approved Interest on Consumer Security Deposit for FY 2020-21 considering the actual disbursement to the consumers however, for KESCO actual disbursement is higher than the amount of Interest on consumer security deposit mentioned in audited accounts. Therefore, the Commission has approved Interest on Consumer Security Deposit for KESO for FY 2020-21 based on the audited account. Interest on consumer security deposit claimed by the Petitioners and approved by the Commission is shown in the Table below:

TABLE 4-131: INTEREST ON CONSUMER SECURITY DEPOSIT APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
DVVNL	29.14	30.36	30.36	29.10
MVVNL	32.65	31.32	31.32	14.42
PVVNL	72.97	72.75	72.75	72.69
PuVVNL	21.66	19.95	19.95	6.30
KESCO	6.61	7.59	7.59	7.59
Consolidated of 5 State Discoms	**163.03**	**161.97**	**161.97**	**130.10**

Bank and Finance Charges

Petitioner's Submission

4.9.17. The Petitioners have claimed bank and finance charges as per audited accounts of FY 2020-21. The Petitioners have claimed bank and finance charges as Rs. 57. 61 Crore, Rs. 47.43 Crore, Rs. 91.53 Crore, Rs. 66.75 Crore and Rs. 9.23 Crore for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively.

Commission's Analysis

4.9.18. 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 a part of A&G expenses. The relevant extract is provided below:

Quote

45.3 Administrative and General Expenses

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:

Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1)th year will be FY 2019-20 which is also the base year.

Unquote

4.9.19. Accordingly, the finance charges have been considered as part of the A&G expenses as discussed in the section of O&M expenses of this Chapter and the claim of the Petitioners is not allowed.

4.10. INTEREST ON WORKING CAPITAL

Petitioner's Submission

4.10.1. The Petitioners have claimed Interest on Working Capital for FY 2020-21 considering the provisions of 25 of MYT Regulations, 2019. The Petitioners have claimed Interest on Working Capital as Rs. 98.04 Crore, Rs. 116.46 Crore, Rs. 91.03 Crore, Rs. 145.68 Crore and Rs. 16.14 Crore for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively.

Commission's Analysis

4.10.2. The Commission observed that Petitioners have considered the Govt. Subsidy along with one-and-a-half-month revenue plus Govt. Subsidy Received/Declared for deriving Interest on Working Capital. The Commission vide letter UPERC/Secy/D(T)/2022-008 dated April 01, 2022 asked the Petitioners to give clarification for the same. In response of the Commission's query the Petitioners submitted that as per Regulation 54.1 of MYT Regulations, 2019, subsidy to any consumer or class of consumers in the Tariff determined by the Commission, the same shall be provided as per Section 65 of the Act. Further, extract of Section-65 of EA 2003 is reproduced below:

Section 65. (Provision of subsidy by State Government):

Quote

If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:

Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.

Unquote

4.10.3. Combined reading of Regulation 54.1 of MYT Regulations, 2019 and Section 65 of EA, 2003 itself clarifies that subsidy is the part of Tariff which State Government provides on behalf of poor consumers who can't pay their bills. Further, it is pertinent to highlight that states like Madhya Pradesh, Maharashtra also adopts the same approach and considers subsidy as a part of revenue for determining Interest on Working Capital. Accordingly, the Petitioners have considered the subsidy as a part of revenue for computing Interest on Working Capital as the tariff approved by does not includes subsidy.

4.10.4. In this regard the Commission is of view that as per Section 65 of the Act, the subsidy is received in advance and cannot be included here.

4.10.5. Regulation 25 of MYT Regulation, 2019 specifies as follows:

Quote

25.2 Distribution Business

(a) The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares at 40% of the R&M expenses for two months; and

(iii) One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);

minus

(iv) Amount held as security deposits from Distribution System Users:

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

(b) Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

(c) 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

4.10.6. Based on the methodology specified in the above Regulations, the Commission in its Tariff Order for FY 2020-21 had allowed normative interest on working capital for State Discoms. Following the similar approach and in accordance with the Regulations, the Commission in this Tariff Order has assessed the working capital and interest thereon.

4.10.7. As per the provisions of the aforesaid Regulations, the Commission for the purpose of computing Interest on Working Capital for FY 2020-21 has considered SBI MCLR (1 Year) on plus 250 basis point i.e., 9.57%. (Source:

https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data)

4.10.8. The summary of the Interest on Working Capital approved by the Commission in the Tariff Order for FY 2020-21, dated November 11, 2020, claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO and approved by the Commission upon Truing Up is shown in the Tables below:

TABLE 4-132: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2020-21(Rs. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	58.79	103.93	62.62
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,472.78	1,570.57*	1,359.85
Maintenance spares @ 40% of R&M expenses for two month	27.46	37.45	31.66
Gross Total	1,559.03	1,711.95	1,454.14
Less: Security deposits from consumers, if any	640.33	687.46	687.46
Net Working Capital	918.70	1,024.49	766.68
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**97.84**	**98.04**	**73.39**

** The Petitioner while computing one and half months equivalent of receivables, has considered revenue from GoUP subsidy also.*

TABLE 4-133: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	71.54	115.23	76.86
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,574.27	1,751.68	1,583.56
Maintenance spares @ 40% of R&M expenses for two month	21.00	25.22	23.53
Gross Total	1,666.81	1,892.13	1,683.95
Less: Security deposits from consumers, if any	745.30	675.24	675.24
Net Working Capital	921.51	1,216.89	1,008.72
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**98.14**	**116.46**	**96.56**

* The Petitioner while computing one and half months equivalent of receivables, has considered revenue from GoUP subsidy also.

TABLE 4-134: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	65.64	118.93	81.83
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	2,356.17	2,431.27*	2,159.25
Maintenance spares @ 40% of R&M expenses for two month	22.13	40.65	27.67
Gross Total	2,443.94	2,590.86	2,268.75
Less: Security deposits from consumers, if any	1,647.21	1,639.64	1,639.64
Net Working Capital	796.73	951.22	629.11
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**84.85**	**91.03**	**60.22**

* The Petitioner while computing one and half months equivalent of receivables, has considered revenue from GoUP subsidy also.

TABLE 4-135: INTEREST ON WORKING CAPITAL OF PuVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	86.50	149.35	110.98
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,698.56	1,768.14*	1,461.36
Maintenance spares @ 40% of R&M expenses for two month	36.01	59.71	39.87
Gross Total	1,821.07	1,977.20	1,612.21
Less: Security deposits from consumers, if any	487.72	461.72	461.72
Net Working Capital	1,333.35	1,515.47	1,150.48
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**142.00**	**145.68**	**110.13**

* The Petitioner while computing one and half months equivalent of receivables, has considered revenue from GoUP subsidy also.

TABLE 4-136: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2020-21(RS. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	16.31	22.17	18.87
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	337.89	314.58	314.58
Maintenance spares @ 40% of R&M expenses for two month	4.30	5.74	4.74
Gross Total	358.50	342.50	338.19
Less: Security deposits from consumers, if any	145.18	173.86	173.86
Net Working Capital	213.32	168.64	164.33
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**22.72**	**16.14**	**15.73**

TABLE 4-137: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2020-21 (RS. Crore)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
O&M expenses for 1 month	298.78	509.61	351.16
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	7,439.67	7,836.25*	6,878.60
Maintenance spares @ 40% of R&M expenses for two month	110.90	168.77	127.48
Gross Total	7,849.35	8,514.63	7,357.24
Less: Security deposits from consumers, if any	3,665.74	3,637.92	3,637.92
Net Working Capital	4,183.61	4,876.70	3,719.31
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.57%
Interest on Working Capital	**445.55**	**467.35**	**356.04**

** The Petitioner while computing one and half months equivalent of receivables, has considered revenue from GoUP subsidy also.*

4.11. DEPRECIATION

Petitioner's Submission

4.11.1. The Petitioners have submitted that the Commission in its MYT Regulations, 2019 has changed the methodology for calculating depreciation. In erstwhile MYT Tariff Regulations, 2014 depreciation was calculation based on WDV method whereas as per MYT Regulations, 2019 the same is calculated based

on SLM method. The relevant clause of MYT Regulations, 2019 is mentioned below for reference.

Regulation 21: Depreciation

Quote

.....

(b) Depreciation shall be computed annually based on. the Straight-Line Method at the rates stipulated in the Annexure- A to these Regulations.

.....

Unquote

4.11.2. The Petitioners submitted that the Commission has also directed the Petitioners to maintain a separate individual asset wise Gross Block and Depreciation for assets capitalized after April 01, 2020 and separately from the Gross Block before April 01, 2020. Accordingly, from FY 2020-21 onwards the Petitioners have maintained two separate Gross Blocks one for assets up to March 31, 2020 (Part-A) and second for assets after April 01, 2020 (Part B) from April 01, 2020 onwards.

4.11.3. Since the methodology for calculating depreciation has changed, it has become necessary to calculate the opening GFA without the impact of cumulative deprecation in it. To calculate the depreciation for Part- A for assets capitalised before April, 01, 2020, the Petitioners have taken last three years' (from FY 2017-18 to FY 2019-20) the Commission approved addition to GFA and deduction of GFA. The Petitioners have considered the Trued-up Opening GFA for FY 2017-18 and further the Commission approved additions and deductions are considered in it to derive the closing GFA for FY 2017- 18. The GFA so derived is considered as opening GFA for FY 2018-19 and further the Commission approved additions and deductions are considered in it to derive closing GFA for FY 2019-20. This GFA is considered as opening GFA for FY 2019-20 similarly closing GFA for FY 2019-20 is calculated. This closing GFA is considered as opening GFA for FY 2020-21 so that the depreciation can be calculated by SLM methodology in line with Regulation of the Commission. Below mentioned Tables summarize the calculation of opening and closing GFA.

TABLE 4-138: PARAMETERS FOR GFA CALCULATION OF DVVNL

Particulars	Derivation	GFA Calculation DVVNL		
		FY 2018	FY 2019	FY 2020
		Trued-Up		
Opening GFA	A	7,725.24	9,055.31	10,322.34
Additions to GFA (Trued-Up)	B	1,966.53	1,932.34	4,693.11
Less: Deductions to GFA (Trued-up)	C	636.46	665.31	677.01
Closing GFA	**D=A+B-C**	**9,055.31**	**10,322.34**	**14,338.44**

TABLE 4-139: PARAMETERS FOR GFA CALCULATION OF MVVNL

Particulars	Derivation	GFA Calculation MVVNL		
		FY 2018	FY 2019	FY 2020
		Trued-Up		
Opening GFA	A	6,591.91	7,579.04	9,694.46
Additions to GFA (Trued-Up)	B	1,473.96	2,683.20	3,742.94
Less: Deductions to GFA (Trued-up)	C	486.83	567.78	639.40
Closing GFA	**D=A+B-C**	**7,579.04**	**9,694.46**	**12,798.00**

TABLE 4-140: PARAMETERS FOR GFA CALCULATION OF PVVNL

Particulars	Derivation	GFA Calculation PVVNL		
		FY 2018	FY 2019	FY 2020
		Trued-Up		
Opening GFA	A	10,207.02	11,807.94	13,828.40
Additions to GFA (Trued-Up)	B	2,345.63	2,786.65	4,347.09
Less: Deductions to GFA (Trued-up)	C	744.71	766.19	636.77
Closing GFA	**D=A+B-C**	**11,807.94**	**13,828.40**	**17,538.72**

TABLE 4-141: PARAMETERS FOR GFA CALCULATION OF PuVVNL

Particulars	Derivation	GFA Calculation PUVVNL		
		FY 2018	FY 2019	FY 2020
		Trued-Up		
Opening GFA	A	8,067.39	9,404.84	11,718.21
Additions to GFA (Trued-Up)	B	2,037.68	3,014.71	6,431.04
Less: Deductions to GFA (Trued-up)	C	700.23	701.34	848.66
Closing GFA	**D=A+B-C**	**9,404.84**	**11,718.21**	**17,300.59**

TABLE 4-142: PARAMETERS FOR GFA CALCULATION OF KESCO

Particulars	Derivation	GFA Calculation KESCO		
		FY 2018	FY 2019	FY 2020
		Trued-Up		
Opening GFA	A	721.95	750.22	1,329.22
Additions to GFA (Trued-Up)	B	28.27	579.00	143.96
Less: Deductions to GFA (Trued-up)	C	0.00	0.00	0.00
Closing GFA	**D=A+B-C**	**750.22**	**1,329.22**	**1,473.18**

4.11.4. The Petitioners submitted that they have computed the allowable depreciation expense on the GFA base as per audited accounts for FY 2020-21 and at the rates stipulated by the Commission in Annexure A of MYT Regulations, 2019. The Petitioners have computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc. Further, the Petitioners have traced the figures in respect of depreciation charged on assets created out of consumer contributions, capital grants and subsidies from the audited accounts for FY 2020-21. This equivalent depreciation amounting has been reduced from the allowable depreciation for FY 2020-21. Moreover, the depreciation has been calculated in two parts (Part A & B) for the asset blocks depreciated before April 01, 2020 and asset blocks depreciated as on February 01, 2020 as per the SLM methodology prescribed in MYT Regulations, 2019. The deduction is GFA is considered as per actual. Addition to GFA is considered in GFA for assets addition after April 01, 2020. The Petitioners have requested the Commission to approve the same. Considering this philosophy, the gross depreciation has been computed as shown in the Tables below:

TABLE 4-143: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF DVVNL FOR FY 2020-21 (Rs. CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Land on lease	1.21	-	-	-	-		-
1	Buildings	313.56	90.87	-	313.56	313.56	3.34%	10.47
2	Other Civil Works	-	-	-	-	-	3.34%	0.00
3	Plants & Machinery	3,603.26	1,044.18	527.39	3,075.87	3,339.57	5.28%	176.33
4	Lines, Cables, Networks etc.	10,394.62	3,012.22	32.16	10,362.46	10,378.54	5.28%	547.99
5	Vehicles	1.20	0.35	-	1.20	1.20	6.33%	0.08
6	Furniture & Fixtures	17.56	5.09		17.56	17.56	6.33%	1.11
7	Office Equipment's	7.03	2.04		7.03	7.03	6.33%	0.45

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
8	Capital Expenditure on Assets not belonging to utility	-	-	-				
9	**TOTAL**	**14,338.44**	**4,154.74**	**559.55**	**13,777.69**	**14,057.46**	**5.24%**	**736.42**

TABLE 4-144: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF MVVNL FOR FY 2020-21 (RS. CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Land on lease	1.00	-	-	-	-		-
1	Buildings	193.04	48.30	0.00	193.03	193.04	3.34%	6.45
2	Other Civil Works	13.30	3.33	-	13.30	13.30	3.34%	0.44
3	Plants & Machinery	3,738.28	935.33	753.61	2,984.67	3,361.48	5.28%	177.49
4	Lines, Cables, Networks etc.	8,740.20	2,186.83	11.78	8,728.42	8,734.31	5.28%	461.17
5	Vehicles	5.64	1.41	0.00	5.64	5.64	6.33%	0.36
6	Furniture & Fixtures	11.28	2.82	-	11.28	11.28	6.33%	0.71
7	Office Equipment's	95.26	23.83	-0.13	95.40	95.33	6.33%	6.03
8	Capital Expenditure on Assets not belonging to utility	-	-	-				
9	**TOTAL**	**12,798.00**	**3,201.85**	**765.26**	**12,031.74**	**12,414.37**	**5.26%**	**652.65**

TABLE 4-145: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PVVNL FOR FY 2020-21 (RS. CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Land on lease	2.60	-	-	-	-		-
1	Buildings	356.61	111.99	-	356.61	356.61	3.34%	11.91
2	Other Civil Works	19.35	6.08	-	19.35	19.35	3.34%	0.65
3	Plants & Machinery	5,246.93	1,647.68	567.37	4,679.56	4,963.25	5.28%	262.06
4	Lines, Cables, Networks etc.	11,819.35	3,711.59	45.24	11,774.11	11,796.73	5.28%	622.87
5	Vehicles	2.17	0.68	0.03	2.14	2.16	6.33%	0.14
6	Furniture & Fixtures	11.85	3.72	-	11.85	11.85	6.33%	0.75
7	Office Equipment's	33.57	10.54	0.11	33.46	33.51	6.33%	2.12
8	Capital Expenditure on							

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Assets not belonging to utility							
9	TOTAL	17,538.72	5,506.80	612.76	16,877.09	17,183.47	5.24%	900.49

TABLE 4-146: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Land on lease	0.98	-	-	-	-		-
1	Buildings	194.46	44.12	0.01	194.45	194.46	3.34%	6.49
2	Other Civil Works	-	-	-	-	-	3.34%	0.00
3	Plants & Machinery	9,875.88	2,240.87	719.80	9,156.08	9,515.98	5.28%	502.44
4	Lines, Cables, Networks etc.	7,166.68	1,626.14	8.48	7,158.20	7,162.44	5.28%	378.18
5	Vehicles	1.48	0.34	-	1.48	1.48	6.33%	0.09
6	Furniture & Fixtures	2.26	0.51	-	2.26	2.26	6.33%	0.14
7	Office Equipment's	58.84	13.35	-	58.84	58.84	6.33%	3.72
8	Capital Expenditure on Assets not belonging to utility	-	-					
9	TOTAL	3,925.33	728.29	16,571.32	16,935.46	5.26%	891.08	3,925.33

TABLE 4-147: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF KESCO FOR FY 2020-21 (RS. CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	Land on lease	-	-	-	-	-		-
1	Buildings	49.87	17.12	-	49.87	49.87	3.34%	1.67
2	Other Civil Works	-	-	-	-	-	3.34%	0.00
3	Plants & Machinery	503.26	172.81	-	503.26	503.26	5.28%	26.57
4	Lines, Cables, Networks etc.	893.12	306.68	-	893.12	893.12	5.28%	47.16
5	Vehicles	4.03	1.38	-	4.03	4.03	6.33%	0.25
6	Furniture & Fixtures	2.12	0.73	-	2.12	2.12	6.33%	0.13
7	Office Equipment's	20.78	7.14	-	20.78	20.78	6.33%	1.32
8	Capital Expenditure on Assets not	-	-	-				

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
	belonging to utility							
9	TOTAL	1,473.18	505.87	-	1,473.18	1,473.18	5.23%	77.10

TABLE 4-148: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF DVVNL FOR FY 2020-21 (RS. CRORE) PART B

S.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	-	0.00%	0.00
2	Buildings	-	45.55	-	-	45.55	22.78	3.34%	0.76
3	Other Civil Works	-	-	-	-	-	-	3.34%	0.00
4	Plant & Machinery	-	446.87	-	-	446.87	223.43	5.28%	11.80
5	Lines, Cables, Network etc.	-	1,505.47	-	-	1,505.47	752.73	5.28%	39.74
6	Vehicles	-	0.17	-	-	0.17	0.09	6.33%	0.01
7	Furniture & Fixtures	-	2.55	-	-	2.55	1.28	6.33%	0.08
8	Office Equipments	-	1.02	-	-	1.02	0.51	6.33%	0.03
9	Capital Expenditure on Assets not belonging to utility		-	-	-	-			
10	**Total Fixed Assets**	-	2,001.81	-	-				
11	Non depreciable assets (Land & Land Rights)	-	-						
12	**Depreciable assets**	-	**2,001.81**			**2,001.63**	**1,000.82**	**5.24%**	**52.42**

TABLE 4-149: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF MVVNL FOR FY 2020-21 (Rs. CRORE) PART B

Sr.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	-	0.00%	0.00
2	Buildings	-	60.33	-	-	60.33	30.17	3.34%	1.01
3	Other Civil Works	-	4.16	-	-	4.16	2.08	3.34%	0.07
4	Plant & Machinery	-	932.89	-	-	932.89	466.45	5.28%	24.63
5	Lines, Cables, Network etc.	-	2,728.16	-	-	2,728.16	1,364.08	5.28%	72.02
6	Vehicles	-	1.76	-	-	1.76	0.88	6.33%	0.06
7	Furniture & Fixtures	-	3.52			3.52	1.76	6.33%	0.11
8	Office Equipments	-	29.82			29.82	14.91	6.33%	0.94

Sr.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
9	Capital Expenditure on Assets not belonging to utility		-	-	-	-			
10	**Total Fixed Assets**	-	3,760.97	-	-	3,760.97			
11	Non depreciable assets (Land & Land Rights)	-	-			-			
12	**Depreciable assets**	-	**3,760.97**			**3,760.97**	**1,880.33**	**5.26%**	**98.84**

TABLE 4-150: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PVVNL FOR FY 2020-21 (Rs. CRORE) PART B

S.No.	Particulars	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	0.00%	0.00
2	Buildings	44.42	-	-	44.42	22.21	3.34%	0.74
3	Other Civil Works	2.41	-	-	2.41	1.21	3.34%	0.04
4	Plant & Machinery	582.95	-	-	582.95	291.47	5.28%	15.39
5	Lines, Cables, Network etc.	1,466.74	-	-	1,466.74	733.37	5.28%	38.72
6	Vehicles	0.27	-	-	0.27	0.13	6.33%	0.01
7	Furniture & Fixtures	1.48	-	-	1.48	0.74	6.33%	0.05
8	Office Equipments	4.17	-	-	4.17	2.08	6.33%	0.13
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-			
10	**Total Fixed Assets**	2,102.76	-	-				
11	Non depreciable assets (Land & Land Rights)	-						
12	**Depreciable assets**	**2,102.76**			**2,102.44**	**1,051.22**	**5.24%**	**55.08**

TABLE 4-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) PART B

S.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	-	0.00%	0.00
2	Buildings	-	27.58	-	-	27.58	13.79	3.34%	0.46
3	Other Civil Works	-	-	-	-	-	-	3.34%	0.00
4	Plant & Machinery	-	1,298.74	-	-	1,298.74	649.37	5.28%	34.29
5	Lines, Cables, Network etc.	-	1,015.35	-	-	1,015.35	507.68	5.28%	26.81
6	Vehicles	-	0.21	-	-	0.21	0.11	6.33%	0.01
7	Furniture & Fixtures	-	0.32	-	-	0.32	0.16	6.33%	0.01
8	Office Equipments	-	8.35	-	-	8.35	4.17	6.33%	0.26
9	Capital Expenditure on Assets not belonging to utility		-	-	-	-			
10	**Total Fixed Assets**	-	2,350.69	-	-				
11	Non depreciable assets (Land & Land Rights)	-	-						
12	**Depreciable assets**	-	**2,350.69**			**2,350.55**	**1,175.28**	**5.26%**	**61.83**

TABLE 4-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF KESCO FOR FY 2020-21 (RS. CRORE) PART B

S.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	-	0.00%	0.00
2	Buildings	-	1.65	-	-	1.65	0.83	3.34%	0.03
3	Other Civil Works	-	-	-	-	-	-	3.34%	0.00
4	Plant & Machinery	-	16.67	-	-	16.67	8.34	5.28%	0.44
5	Lines, Cables, Network etc.	-	29.59	-	-	29.59	14.79	5.28%	0.78
6	Vehicles	-	0.13	-	-	0.13	0.07	6.33%	0.00
7	Furniture & Fixtures	-	0.07	-	-	0.07	0.04	6.33%	0.00
8	Office Equipments	-	0.69	-	-	0.69	0.34	6.33%	0.02
9	Capital Expenditure on Assets not belonging to utility		-	-	-	-			
10	**Total Fixed Assets**	-	48.81	-	-				
11	Non depreciable assets (Land & Land Rights)	-	-						
12	**Depreciable assets**	-	**48.81**			**48.81**	**24.40**	**5.23%**	**1.28**

4.11.5. Accordingly, the Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO claimed depreciation of Rs. 628.23 Crore, Rs. 614.13 Crore, Rs. 748.61 Crore, Rs. 802.74 Crore and Rs. 62.70 Crore respectively.

Commission's Analysis

4.11.6. The Regulation 21 of the MYT Regulations, 2019 provides that:

Quote

21 Depreciation:

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:

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

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

b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019.

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

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

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

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

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

21.2 In case of existing assets, the balance depreciable value as on April 01, 2020, shall be worked out taking into consideration the life of the asset, and by deducting the cumulative Depreciation as admitted by the Commission up to March 31, 2020, from the gross depreciable value of the assets.

21.3 In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets.

21.4 Depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Audited Accounts and documentary evidence of assets capitalised by the Petitioner, subject to the prudence check of the Commission.

Unquote

4.11.1. In the earlier Tariff Orders, the Commission had directed the Petitioners to maintain a separate individual asset wise Fixed Asset Register (FAR) for assets capitalized after April 01, 2020 and the Gross Block & depreciation may be computed separately from Gross Block before April 01, 2020. Accordingly, from FY 2020-21 onwards the State owned Discoms are to maintain two separate Gross Blocks (one for assets upto March 31, 2020 (Part-A) and 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 for Regulatory Accounts.

4.11.2. The Commission has observed that the Petitioners have computed depreciation for Part A and Part B. However, the Petitioners incorrectly calculated the depreciation for Part- A for assets by considering straight line method to arrive at opening GFA for FY 2020-21. The Petitioners have also not submitted FAR separately for Part – A and Part – B as per above direction. The Commission vide data gap dated April 01, 2022 asked Petitioners to provide FAR (Fixed Asset Register), Asset-wise capitalisation and details of 132 kV and above assets (in Excel). In response to the Commission's query, the FAR submitted by the Petitioners are not as per the Commission's direction.

4.11.3. The Commission has computed the depreciation wherein the written down closing of FY 2019-20 is considered as Opening for FY 2020-21, the gross allowable depreciation for each component is totalled and the equivalent

depreciation on assets created out of Consumer Contributions, capital grants and subsidies are deducted as shown in the Tables below:

TABLE 4-153: OPENING DEPRECIATION OF DVVNL FOR FY 2020-21 COMPUTED BY THE COMMISSION (RS. CRORE)

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed in True Up	Approved in True Up
Opening GFA	A	9969.73	9744.21	9744.21
Cumulative Dep	B	4288.11	3318.76	3557.05
Written Down Value: Opening	C=A-B	5817.71	6425.45	6187.15
Additions to GFA	D	1494.95	4693.11	4693.11
Less: Deductions to GFA	E		677.01	677.01
Less: Grants	F		1025.61	1025.61
Closing GFA	G=A+D-E-F	11464.68	9415.94	12734.69
Rate of Depreciation (%)	H	7.75%	5.24%	7.78%
Gross Allowable Depreciation	I	508.64	414.69	597.89
Less: Dep. On Consumer Contribution	J	49.63	68.81	250.4
Net Allowable Depreciation	K=I-J	**459.01**	**345.88**	**347.49**
Opening WDV of Assets for FY 2020-21 (Closing GFA - Gross Allowable Depreciation)		6804.02	9001.25	8579.75

TABLE 4-154: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF DVVNL FOR FY 2020-21 (RS. CRORE) (PART – A)

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	1.25	0.00	0.00	1.25	1.25	0.00%	0.00
2	Buildings	210.15	0.00	0.00	210.15	210.15	3.34%	7.02
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1398.48	0.00	527.39	871.09	1134.78	5.28%	59.92
5	Lines, Cables, Networks etc.	6958.06	0.00	32.16	6925.89	6941.97	5.28%	366.54
6	Vehicles	3.16	0.00	0.00	3.16	3.16	9.50%	0.30
7	Furniture & Fixtures	8.19	0.00	0.00	8.19	8.19	6.33%	0.52
8	Office Equipments	0.47	0.00	0.00	0.47	0.47	6.33%	0.03

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
9	**Total Fixed Assets**	**8579.75**	**0.00**	**559.55**	**8020.20**	**8299.98**		
10	Non depreciable assets (Land & Land Rights)	1.25	0.00	0.00	1.25	1.25	0.00	0.00
11	**Depreciable assets**	**8578.50**	**0.00**	**559.55**	**8018.96**	**8298.73**	**5.23%**	**434.32**

TABLE 4-155: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF DVVNL FOR FY 2020-21 (RS. CRORE) (PART – B)

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction on Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.18	0.00	0.00	0.18	0.09	0.00%	0.00
2	Buildings	0.00	45.55	0.00	0.00	45.55	22.78	3.34%	0.76
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	0.00	446.87	0.00	0.00	446.87	223.43	5.28%	11.80
5	Lines, Cables, Networks etc.	0.00	1505.47	0.00	0.00	1505.47	752.73	5.28%	39.74
6	Vehicles	0.00	0.17	0.00	0.00	0.17	0.09	6.33%	0.01
7	Furniture & Fixtures	0.00	2.55	0.00	0.00	2.55	1.28	6.33%	0.08
8	Office Equipments	0.00	1.02	0.00	0.00	1.02	0.51	6.33%	0.03
9	**Total Fixed Assets**	**0.00**	**2001.81**	**0.00**	**0.00**	**2001.81**	**1000.91**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.18	0.00	0.00	0.18	0.09	0.00	0.00
11	**Depreciable assets**	**0.00**	**2001.63**	**0.00**	**0.00**	**2001.63**	**1000.82**	**5.24%**	**52.42**

TABLE 4-156: OPENING DEPRECIATION OF MVVNL FOR FY 2020-21 COMPUTED BY THE COMMISSION (RS. CRORE)

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed in True Up	Approved in True Up
Opening GFA	A	7,920.61	6,048.00	6,047.98
Cumulative Dep	B	4,328.69	2,728.39	2,866.85
Written Down Value: Opening	C=A-B	3,591.91	3,319.89	3,181.14
Additions to GFA	D	1,576.48	3,742.94	3,742.94
Less: Deductions to GFA			639.40	639.40

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed In True Up	Approved in True Up
Less: Grants	F		895.07	895.07
Closing GFA	G=A+D-E-F	9,497.09	5,528.36	8,256.46
Rate of Depreciation (%)	H	7.93%	5.26%	7.82%
Gross Allowable Depreciation	I	347.23	232.58	335
Less: Dep. on Consumer Contribution	J	87.29	55.79	151.87
Net Allowable Depreciation	K=I-J	**259.94**	**176.79**	**183.13**
Opening WDV of Assets for FY 2020-21		4,821.16	5,295.78	5,054.61

TABLE 4-157: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF MVVNL FOR FY 2020-21 (RS. CRORE) (PART – A)

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	1.07	0.00	0.00	1.07	1.07	0.00%	0.00
2	Buildings	182.32	0.00	0.00	182.32	182.32	3.34%	6.09
3	Other Civil Works	14.27	0.00	0.00	14.27	14.27	3.34%	0.48
4	Plants & Machinery	740.04	0.00	740.04	0.00	370.02	5.28%	19.54
5	Lines, Cables, Networks etc.	4,025.40	0.00	25.35	4,000.05	4,012.72	5.28%	211.87
6	Vehicles	5.57	0.00	0.00	5.57	5.57	9.50%	0.53
7	Furniture & Fixtures	9.59	0.00	0.00	9.59	9.59	6.33%	0.61
8	Office Equipments	76.35	0.00	-0.13	76.49	76.42	6.33%	4.84
9	**Total Fixed Assets**	**5,054.61**	**0.00**	**765.25**	**4,289.36**	**4,671.98**		
10	Non depreciable assets (Land & Land Rights)	1.07	0.00	0.00	1.07	1.07	0.00	0.00
11	**Depreciable assets**	**5,053.54**	**0.00**	**765.25**	**4,288.29**	**4,670.92**	**5.22%**	**243.95**

TABLE 4-158: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF MVVNL FOR FY 2020-21 (RS. CRORE) (PART – B)

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.31	0.00	0.00	0.31	0.16	0.00%	0.00
2	Buildings	0.00	60.33	0.00	0.00	60.33	30.17	3.34%	1.01
3	Other Civil Works	0.00	4.16	0.00	0.00	4.16	2.08	3.34%	0.07
4	Plants & Machinery	0.00	932.89	0.00	0.00	932.89	466.45	5.28%	24.63
5	Lines, Cables, Networks etc.	0.00	2,728.16	0.00	0.00	2,728.16	1,364.08	5.28%	72.02
6	Vehicles	0.00	1.76	0.00	0.00	1.76	0.88	9.50%	0.08
7	Furniture & Fixtures	0.00	3.52	0.00	0.00	3.52	1.76	6.33%	0.11
8	Office Equipments	0.00	29.82	0.00	0.00	29.82	14.91	6.33%	0.94
9	**Total Fixed Assets**	**0.00**	**3,760.96**	**0.00**	**0.00**	**3,760.96**	**1,880.48**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.31	0.00	0.00	0.31	0.16	0.00	0.00
11	**Depreciable assets**	**0.00**	**3,760.65**	**0.00**	**0.00**	**3,760.65**	**1,880.33**	**5.26%**	**98.87**

TABLE 4-159: OPENING DEPRECIATION OF PVVNL FOR FY 2020-21 COMPUTED BY THE COMMISSION (RS. CRORE)

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed in True Up	Approved in True Up
Opening GFA	A	12,793.27	12,285.34	12,285.35
Cumulative Dep	B	5,884.74	4647.18	4,856.21
Written Down Value: Opening	C=A-B	7,293.37	7638.16	7428.12
Additions to GFA	D	1,809.14	4347.09	4347.10
Less: Deductions to GFA	E		636.88	636.77
Less: Grants	F		1,380.56	1,380.26
Closing GFA	G=A+D-E-F	1,4602.41	9,968.11	1,4614.40
Rate of Depreciation (%)	H	7.78%	5.24%	7.57%
Gross Allowable Depreciation	I	637.67	461.02	650.34
Less: Consumer Contribution	J	66.97	160.76	246.81
Net Allowable Depreciation	K=I-J	**570.7**	**300.26**	**403.52**
Opening WDV of Assets for FY 2020-21		8,464.84	9,506.79	9,107.85

TABLE 4-160: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) (PART – A)

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	2.67	0.00	0.00	2.67	2.67	0.00%	0.00
2	Buildings	275.93	0.00	0.00	275.93	275.93	3.34%	9.22
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1739.68	0.00	567.37	1172.31	1456.00	5.28%	76.88
5	Lines, Cables, Networks etc.	7032.87	0.00	45.24	6987.63	7010.25	5.28%	370.14
6	Vehicles	30.42	0.00	0.03	30.39	30.40	9.50%	2.89
7	Furniture & Fixtures	5.63	0.00	0.00	5.63	5.63	6.33%	0.36
8	Office Equipments	20.65	0.00	0.11	20.54	20.60	6.33%	1.30
9	**Total Fixed Assets**	**9107.85**	**0.00**	**612.76**	**8495.09**	**8801.47**		
10	Non depreciable assets (Land & Land Rights)	2.67	0.00	0.00	2.67	2.67	0.00	0.00
11	**Depreciable assets**	**9105.19**	**0.00**	**612.76**	**8492.43**	**8798.81**	**5.24%**	**460.78**

TABLE 4-161: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) (PART – B)

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.32	0.00	0.00	0.32	0.16	0.00%	0.00
2	Buildings	0.00	44.42	0.00	0.00	44.42	22.21	3.34%	0.74
3	Other Civil Works	0.00	2.41	0.00	0.00	2.41	1.21	3.34%	0.04
4	Plants & Machinery	0.00	582.95	0.00	0.00	582.95	291.47	5.28%	15.39
5	Lines, Cables, Networks etc.	0.00	1466.74	0.00	0.00	1466.74	733.37	5.28%	38.72
6	Vehicles	0.00	0.27	0.00	0.00	0.27	0.13	9.50%	0.01
7	Furniture & Fixtures	0.00	1.48	0.00	0.00	1.48	0.74	6.33%	0.05
8	Office Equipments	0.00	4.17	0.00	0.00	4.17	2.08	6.33%	0.13
9	**Total Fixed Assets**	**0.00**	**2102.76**	**0.00**	**0.00**	**2102.76**	**1051.38**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.32	0.00	0.00	0.32	0.16	0.00	0.00
11	**Depreciable assets**	**0.00**	**2102.44**	**0.00**	**0.00**	**2102.44**	**1051.22**	**5.24%**	**55.09**

TABLE 4-162: OPENING DEPRECIATION OF PuVVNL FOR FY 2020-21 COMPUTED BY THE COMMISSION (RS. CRORE)

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed In True Up	Approved in True Up
Opening GFA	A	10,434.93	8,776.85	8,776.86
Cumulative Dep	B	4,716.94	3,254.56	3,392.41
Written Down Value: Opening	C=A-B	5,290.35	5,522.29	5,384.45
Additions to GFA	D	1,639.69	6,431.04	6,431.05
Less: Deductions to GFA	E		848.66	848.66
Less: Grants	F		2,686.53	2,686.53
Closing GFA	G=A+D-E-F	12,074.62	8,418.17	11,672.74
Rate of Depreciation (%)	H	7.76%	5.26%	7.80%
Gross Allowable Depreciation	I	473.94	366.58	532.96
Less: Consumer Contribution	J	80.84	123.41	152.93
Net Allowable Depreciation	K=I-J	**393.1**	**243.17**	**380.04**
Opening WDV of Assets for FY 2020-21		6,456.1	8,051.56	7,747.35

TABLE 4-163: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) (PART – A)

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	2.32	0.00	0.00	2.32	2.32	0.00%	0.00
2	Buildings	148.58	0.00	0.01	148.58	148.58	3.34%	4.96
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	2141.87	0.00	719.80	1422.06	1781.96	5.28%	94.09
5	Lines, Cables, Networks etc.	5390.74	0.00	8.48	5382.27	5386.51	5.28%	284.41
6	Vehicles	0.43	0.00	0.00	0.43	0.43	9.50%	0.04
7	Furniture & Fixtures	4.49	0.00	0.00	4.49	4.49	6.33%	0.28
8	Office Equipments	58.91	0.00	0.00	58.91	58.91	6.33%	3.73
9	**Total Fixed Assets**	**7747.35**	**0.00**	**728.29**	**7019.06**	**7383.21**		
10	Non depreciable assets (Land & Land Rights)	2.32	0.00	0.00	2.32	2.32	0.00	0.00
11	**Depreciable assets**	**7745.03**	**0.00**	**728.29**	**7016.74**	**7380.88**	**5.25%**	**387.51**

TABLE 4-164: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF PuVVNL FOR FY 2020-21 (RS. CRORE) (PART – B)

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.14	0.00	0.00	0.14	0.07	0.00%	0.00
2	Buildings	0.00	27.58	0.00	0.00	27.58	13.79	3.34%	0.46
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	0.00	1298.74	0.00	0.00	1298.74	649.37	5.28%	34.29
5	Lines, Cables, Networks etc.	0.00	1015.35	0.00	0.00	1015.35	507.67	5.28%	26.81
6	Vehicles	0.00	0.21	0.00	0.00	0.21	0.11	9.50%	0.01
7	Furniture & Fixtures	0.00	0.32	0.00	0.00	0.32	0.16	6.33%	0.01
8	Office Equipments	0.00	8.35	0.00	0.00	8.35	4.17	6.33%	0.26
9	**Total Fixed Assets**	**0.00**	**2350.69**	**0.00**	**0.00**	**2350.69**	**1175.35**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.14	0.00	0.00	0.14	0.07	0.00	0.00
11	**Depreciable assets**	**0.00**	**2350.55**	**0.00**	**0.00**	**2350.55**	**1175.28**	**5.26%**	**61.84**

TABLE 4-165: OPENING DEPRECIATION OF KESCO FOR FY 2020-21 COMPUTED BY THE COMMISSION (RS. CRORE)

Particular	Ref	Tariff Order for FY 2019-20 dated 03.09.2019	Claimed In True Up	Approved in True Up
Opening GFA	A	863.68	1344.78	1143.94
Cumulative Dep	B	453.38	446.95	464.44
Written Down Value: Opening	C=A-B	410.31	696.99	679.5
Additions to GFA	D	120.64	143.96	143.96
Less: Deductions to GFA	E			0
Less: Grants	F			0
Closing GFA	G=A+D-E-F	984.32	1488.74	1287.9
Rate of Depreciation (%)	H	7.83%	5.23%	7.84%
Gross Allowable Depreciation	I	36.84	40.24	58.92
Less: Consumer Contribution	J	5.6	9.17	18.11
Net Allowable Depreciation	K=I-J	**31.24**	**31.07**	**40.82**
Opening WDV of Assets for FY 2020-21		494.11	800.71	764.54

TABLE 4-166: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF KESCO FOR FY 2020-21 (RS. CRORE) (PART – A)

S.No.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	34.59	0.00	0.00	34.59	34.59	3.34%	1.16
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	233.88	0.00	0.00	233.88	233.88	5.28%	12.35
5	Lines, Cables, Networks etc.	479.85	0.00	0.00	479.85	479.85	5.28%	25.34
6	Vehicles	1.87	0.00	0.00	1.87	1.87	9.50%	0.18
7	Furniture & Fixtures	1.64	0.00	0.00	1.64	1.64	6.33%	0.10
8	Office Equipments	12.71	0.00	0.00	12.71	12.71	6.33%	0.80
9	**Total Fixed Assets**	**764.54**	**0.00**	**0.00**	**764.54**	**764.54**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	**Depreciable assets**	**764.54**	**0.00**	**0.00**	**764.54**	**764.54**	**5.22%**	**39.93**

TABLE 4-167: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF KESCO FOR FY 2020-21 (RS. CRORE) (PART – B)

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	0.00	1.65	0.00	0.00	1.65	0.83	3.34%	0.03
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	0.00	16.67	0.00	0.00	16.67	8.34	5.28%	0.44
5	Lines, Cables, Networks etc.	0.00	29.59	0.00	0.00	29.59	14.79	5.28%	0.78
6	Vehicles	0.00	0.13	0.00	0.00	0.13	0.07	9.50%	0.01
7	Furniture & Fixtures	0.00	0.07	0.00	0.00	0.07	0.04	6.33%	0.00
8	Office Equipments	0.00	0.69	0.00	0.00	0.69	0.34	6.33%	0.02
9	**Total Fixed Assets**	**0.00**	**48.81**	**0.00**	**0.00**	**48.81**	**24.40**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	**Depreciable assets**	**0.00**	**48.81**	**0.00**	**0.00**	**48.81**	**24.40**	**5.24%**	**1.28**

4.11.4. As can be seen from the above Table for PVVNL, as per the audited balance sheet there is negative value in case of "Office Equipment". No explanation has been provided in the Notes to the financial statement in this respect. The

Commission has considered the values as per the balance sheet. However, the Commission directs the Petitioner to ensure that proper explanation to be provided for such negative entry in the balance sheet.

4.11.5. Further, the Commission has reduced the equivalent depreciation on the assets created out of consumer contributions, capital grants and subsidies from the gross allowable depreciation for FY 2020-21. The net depreciation claimed by the Petitioners and approved by the Commission is shown in the Tables below:

TABLE 4-168: NET APPROVED DEPRECIATION OF DVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	429.68	736.42	434.32
Gross Allowable Depreciation (Part B)	63.90	52.42	52.42
Gross Allowable Depreciation (Part A+Part B)	493.58	788.84	486.74
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	70.68	160.62	160.62
Net Allowable Depreciation	**422.90**	**628.23**	**326.12**

TABLE 4-169: NET APPROVED DEPRECIATION OF MVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	186.71	652.65	243.95
Gross Allowable Depreciation (Part B)	68.95	98.84	98.87
Gross Allowable Depreciation (Part A+Part B)	255.66	751.49	342.82
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	47.43	137.36	137.36
Net Allowable Depreciation	**208.23**	**614.13**	**205.45**

TABLE 4-170: NET APPROVED DEPRECIATION OF PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	466.47	900.49	460.78
Gross Allowable Depreciation (Part B)	23.31	55.08	55.09
Gross Allowable Depreciation (Part A+Part B)	489.78	955.57	515.87
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	132.13	206.96	206.96
Net Allowable Depreciation	**357.65**	**748.61**	**308.91**

TABLE 4-171: NET APPROVED DEPRECIATION OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	401.24	891.08	387.51
Gross Allowable Depreciation (Part B)	28.83	61.83	61.84
Gross Allowable Depreciation (Part A+Part B)	430.07	952.91	449.35
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	112.27	150.17	150.17
Net Allowable Depreciation	**317.80**	**802.74**	**299.18**

TABLE 4-172: NET APPROVED DEPRECIATION OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	38.53	77.10	39.93
Gross Allowable Depreciation (Part B)	2.38	1.28	1.28
Gross Allowable Depreciation (Part A+Part B)	40.92	78.38	41.21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	6.3	15.68	15.68
Net Allowable Depreciation	**34.62**	**62.70**	**25.53**

TABLE 4-173: CONSOLIDATED NET APPROVED DEPRECIATION OF 5 STATE DISCOMS FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Gross Allowable Depreciation (Part A)	1,522.63	3,257.74	1,566.49
Gross Allowable Depreciation (Part B)	187.37	269.45	269.49
Gross Allowable Depreciation (Part A+Part B)	1,710.01	3,527.20	1,835.98
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	368.81	670.79	670.79
Net Allowable Depreciation	**1,341.2**	**2,856.41**	**1,165.19**

4.12. PROVISION FOR BAD AND DOUBTFUL DEBT

Petitioner's Submission

4.12.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have claimed Rs. 64.02 Crore, Rs. 121.61 Crore, Rs. 75.14 Crore, Rs. 175.26 Crore and Rs. 5.67 Crore respectively towards provision for bad and doubtful debt for FY 2020-21.

4.12.2. The Regulation 46 of the MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as shown below:

Quote

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:

Provided further that such provision allowed by the Commission for any Year shall not exceed the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that Year:

Provided that the Commission, in its ARR / Tariff Order, may provisionally approve provision for write off of bad and doubtful debts based on the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the latest Audited Accounts available for the Petitioner, and as allowed by the Commission:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.

Unquote

4.12.3. The Petitioners submitted that they have computed bad and doubtful debts at 2% of the revenue receivables as per audited accounts of FY 2020-21.

Commission's Analysis

4.12.4. The Regulation 46 of MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the Revenue Receivables from sale of electricity as specified below:

Quote

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:

Provided further that such provision allowed by the Commission for any Year shall not exceed the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that Year:

Provided that the Commission, in its ARR / Tariff Order, may provisionally approve provision for write off of bad and doubtful debts based on the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the latest Audited Accounts available for the Petitioner, and as allowed by the Commission:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.

Unquote

4.12.5. It has been observed by the Commission that the bad and doubtful debt claimed by the Petitioners is as per audited accounts of respective Discoms, which comprises of doubtful debt against sale of power as well as doubtful debt other than sale of power others i.e., theft of the fixed assets etc.

TABLE 4-174: PROVISION FOR BAD AND DOUBTFUL DEBTS AS PER AUDITED ACCOUNTS (Rs. CRORE)

Particulars	Audited Accounts (Total)	Audited Accounts (Against sale of power)
DVVNL	64.02	63.80
MVVNL	121.61	121.61
PVVNL	75.14	-4.07
PuVVNL	175.26	93.34
KESCO	5.67	5.09
Consolidated of 5 State Discoms)	**441.70**	**266.45**

4.12.1. Further the Commission observed that the Petitioners did not provide electricity duty portion in the bad and doubtful debt. Therefore, the Commission has calculated rate of electricity duty based on the audited accounts for FY 2020-21 and the same rate has been applied to the actual bad debt of the Petitioners to calculate the electricity duty portion in the bad and doubtful debt, as shown in the Table below:

TABLE 4-175: COMPUTATION OF BAD AND DOUBTFUL DEBTS OF DVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Revenue	Electricity Duty	Percentage Electricity Duty to Revenue	Bad and doubtful debt	Electricity Duty	2% of Revenue	Considered for FY 2020-21
	A	B	C=B/A*100	D	E=D*C/(1+C)	F	G=D-E
DVVNL	10,878.81	650.36	5.98%	63.80	3.60	217.58	60.20
MVVNL	12,668.47	733.23	5.79%	121.61	6.65	253.37	114.96
PVVNL	17,274.00	994.51	5.76%	0.00*	0.00	345.48	0.00
PuVVNL	11,690.86	927.51	7.93%	93.34	6.86	233.82	86.48
KESCo	2,516.64	150.60	5.98%	5.09	0.29	50.33	4.80

Particulars	Revenue	Electricity Duty	Percentage Electricity Duty to Revenue	Bad and doubtful debt	Electricity Duty	2% of Revenue	Considered for FY 2020-21
	A	B	C=B/A*100	D	E=D*C/(1+C)	F	G=D-E
Consolidated of 5 State Discoms	55,028.78	3,456.22	6.28%	283.85	17.40	1100.58	266.45

** audited accounts of the PVVNL have negative entry, hence considered as Rs. 0.00 Crore*

4.12.2. Based on the above, the Commission has approved provision of bad and doubtful debt for DVVNL, MVVNL, PuVVNL and KESCO. For PVVNL, the Commission has approved provision for bad and doubtful debt as Rs. 0.00 Crore as audited accounts of the PVVNL have negative entry.

4.12.3. Provision for bad and doubtful debt claimed by the Petitioners and approved by the Commission is shown in the Tables below:

TABLE 4-176: PROVISION FOR BAD AND DOUBTFUL DEBTS OF DVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	11782.24	10878.81	
% of Provision for Bad and Doubtful Debts	1.36%	2%	
Bad and Doubtful Debts as per governing regulations	159.80	217.58	
Bad and Doubtful Debts as per Audited Account	-	64.02	
Bad Debt	**159.80**	**64.02**	**60.20**

TABLE 4-177: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF MVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	12594.19	12,668.47	
% of Provision for Bad and Doubtful Debts	1.65%	2%	
Bad and Doubtful Debts as per governing regulations	207.75	253.37	
Bad and Doubtful Debts as per Audited Account	-	121.61	
Bad Debt Claimed	**207.75**	**121.61**	**114.96**

TABLE 4-178: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	18,849.33	17,274.00	
% of Provision for Bad and Doubtful Debts	0.63%	2%	
Bad and Doubtful Debts as per governing regulations	118.28	345.48	
Bad and Doubtful Debts as per Audited Account	-	75.14	
Bad Debt Claimed	**118.28**	**75.14**	**0.00**

TABLE 4-179: PROVISION FOR BAD AND DOUBTFUL DEBTS OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	13588.44	11,690.86	
% of Provision for Bad and Doubtful Debts	1.78%	2%	
Bad and Doubtful Debts as per governing regulations	242.20	233.82	
Bad and Doubtful Debts as per Audited Account	-	93.34	
Bad Debt Claimed	**242.20**	**175.26**	**86.48**

TABLE 4-180: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	2703.16	2,516.64	
% of Provision for Bad and Doubtful Debts	0.50%	2%	
Bad and Doubtful Debts as per governing regulations	13.57	50.33	
Bad and Doubtful Debts as per Audited Account	5.67	5.67	
Bad Debt Claimed	**5.67**	**5.67**	**4.80**

TABLE 4-181: CONSOLIDATED ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF 5 STATE DISCOMS FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Total Revenue Receivables from Retail Sales			
% of Provision for Bad and Doubtful Debts			
Bad and Doubtful Debts as per governing regulations			
Bad and Doubtful Debts as per Audited Account			
Bad Debt Claimed	**741.60**	**441.70**	**266.45**

4.13. RETURN ON EQUITY (RoE)

Petitioner's Submission

4.13.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL, KESCO have claimed Rs. 558.33 Crore, Rs. 420.49 Crore, Rs. 631.25 Crore, Rs. 573.82 Crore and Rs. 46.55 Crore respectively towards RoE for FY 2020-21. The Petitioners have claimed the RoE by considering the gross GFA less consumer contributions and grants for FY 2020-21.

4.13.2. The Regulation 22 of MYT Regulations, 2019 provides for RoE @15% as specified below:

Quote

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.

Unquote

4.13.3. The Petitioners submitted that they have considered closing equity approved in the True Up Order for FY 2019-20 as opening for FY 2020-21. Equity addition during the year has been considered 30% of GFA addition during the year net

of consumer contribution, capital subsidies and grants. The Petitioners requested the Commission to approve RoE as claimed by the Petitioners.

Commission's Analysis

4.13.4. The Commission has considered 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 determination of tariff. The same approach was considered for approval of ARR in the Tariff Order for FY 2020-21 and FY 2021-22.

4.13.5. For the purpose of arriving opening equity base for FY 2020-21 the Commission has adopted following approaches:

I. Closing GFA for FY 2019-20 as approved by the Commission in the Tariff Order dated July 29, 2021 is considered as opening GFA for FY 2020-21;
II. GFA addition (Capitalisation) during the year i.e., FY 2020-21 is considered as approved above.
III. Asset deletion / adjustment is considered as per audited accounts of FY 2020-21 of respective Discom;
IV. Interest capitalisation on Interest on long term loans for FY 2020-21 is approved as per audited accounts of FY 2020-21 of respective Discom;

4.13.6. Based on the above, the Commission has computed the opening equity for FY 2020-21, as shown in the Table below:

TABLE 4-182: OPENING EQUITY FOR FY 2020-21 COMPUTED BY THE COMMISSION (Rs. CRORE)

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Opening GFA (net of Grants)	12,734.70	8,256.47	14,615.46	11,672.71	1,287.90	**48,567.25**
Less: Consumer Contribution	3,009.80	1,929.41	3,144.91	1,885.42	224.53	**10,194.07**
Net Opening GFA	9,724.90	6,327.06	11,470.55	9,787.30	1,063.36	**38,373.18**
Opening Equity (30% of Net Opening GFA)	2,917.47	1,898.12	3,441.17	2,936.19	319.01	**11,511.95**

4.13.7. As per first proviso of Regulation 20.2 of MYT Regulations, 2019 to determine the equity capital the same shall be reduced to the extent of 30% or lower of the retirement or replacement or de-capitalisation of the assets.

4.13.8. As per Regulation 20.2 of MYT Regulations, 2019, for FY 2020-21 the opening equity base, would be reduced to the extent of 30% of the fixed asset base computed as on March 31, 2020, or the closing equity base of FY 20219-20

approved by the Commission in the Tariff Order for FY 2021-22, whichever is lower. The opening equity considered by the Commission is shown in the Table below:

Particular	Closing Equity for FY 2019-20 approved in the Tariff Order dated July 29, 2021	Computed by the Commission	Considered for FY 2020-21
	A	B	C = Lower of (A, B)
DVVNL	3,448.27	2,917.47	2,917.47
MVVNL	2,269.64	1,898.12	1,898.12
PVVNL	3,931.57	3,441.17	3,441.17
PuVVNL	3,515.13	2,936.19	2,936.19
KESCO	306.37	319.01	306.37
Total	**13,470.98**	**11,511.95**	**11,499.31**

4.13.9. Further, 30% of net asset capitalised (after considering deduction / de-capitalization and consumer contribution in capitalisation) has been considered as equity addition during the year. Accordingly, the RoE has been computed by the Commission.

4.13.10. The Regulation 22 of MYT Regulations, 2019 provides for RoE @15% as specified below:

Quote

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.

Unquote

4.13.11. The Commission has considered the rate of RoE as per the provisions of above Regulation. The RoE claimed by the Petitioners and approved by the Commission for FY 2020-21 is shown in the Tables below:

TABLE 4-183: ROE OF DVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	2744.20	3448.28	2917.47
Additions (30% of net asset capitalised)	B	751.56	600.54	432.68
Less: Consumer Contribution (30%)	C	88.37	52.74	52.74
Less: Grants (30%)	D	18.54	0.00	0.00
Closing Equity	**E = A+B-C-D**	**3388.85**	**3996.08**	**3297.41**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**459.98**	**558.33**	**466.12**

TABLE 4-184: ROE OF MVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	1,411.39	2,269.63	1,898.12
Additions (30% of net asset capitalised)	B	1,150.61	1,128.29	898.71
Less: Consumer Contribution (30%)	C	106.67	61.04	61.04
Less: Grants (30%)	D	360.78	0.00	0.00
Closing Equity	**E = A+B-C-D**	**2,094.56**	**3,336.88**	**2,735.79**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**262.95**	**420.49**	**347.54**

TABLE 4-185: ROE OF PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	3,374.03	3,931.58	3,441.17
Additions (30% of net asset capitalised)	B	552.05	630.83	447.00
Less: Consumer Contribution (30%)	C	88.93	77.37	77.37
Less: Grants (30%)	D	284.79	0.00	0.00

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Closing Equity	**E = A+B-C-D**	**3,552.36**	**4,485.03**	**3,810.80**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**519.48**	**631.25**	**543.90**

TABLE 4-186: ROE OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	2,875.91	3,515.13	2,936.19
Additions (30% of net asset capitalised)	B	1,039.33	705.21	486.72
Less: Consumer Contribution (30%)	C	85.05	84.48	84.48
Less: Grants (30%)	D	708.57	0.00	0.00
Closing Equity	**E = A+B-C-D**	**3,121.61**	**4,135.86**	**3,338.44**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**449.81**	**573.82**	**470.60**

TABLE 4-187: ROE OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	297.21	306.38	306.37
Additions (30% of net asset capitalised)	B	58.01	14.64	14.64
Less: Consumer Contribution (30%)	C	8.61	6.78	6.78
Less: Grants (30%)	D	30.60	0.00	0.00
Closing Equity	**E = A+B-C-D**	**316.01**	**314.24**	**314.23**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**45.99**	**46.55**	**46.54**

TABLE 4-188: CONSOLIDATED ROE OF 5 STATE DISCOMS FOR FY 2020-21 (Rs. CRORE)

Particulars	Derivation	Tariff Order for FY 2020-21 dated 11.11.2020	Claimed	Approved upon Truing Up
Opening Equity	A	10,702.74	13,470.99	11,499.31
Additions (30% of net asset capitalised)	B	3,551.56	3,079.51	2,279.76
Less: Consumer Contribution (30%)	C	377.63	282.41	282.41
Less: Grants (30%)	D	1,403.28	0.00	0.00
Closing Equity	**E=A+B-C-D**	**12,473.40**	**16,268.09**	**13,496.66**
RoE (%)	F	15.00%	15.00%	15.00%
RoE	**G = Average (A, E)*F**	**1738.21**	**2230.43**	**1874.70**

4.14. DEEMED REVENUE

Commission's Analysis

4.14.1. The Commission had abolished the LMV-10 category in MYT Order dated November 30, 2017 and considered all consumers of LMV-10 category as LMV-1 metered category. The Commission has directed the Petitioners several times in the previous Tariff Order. Despite the repetitive directions of the Commission, the Petitioners did not comply the directions of the Commission.

4.14.2. Regulation 17.3 (b) of MYT Regulations, 2019 provides for computation of deemed revenue in case non-compliance of 100% metering of LMV – 10 categories. The relevant extract of the Regulation is as under:

Quote

17.3 The financial prudence with respect to revenue shall be assessed in terms of the following parameters:

.....

Provided further that the Licensee shall complete 100% metering of LMV-10 (Departmental Employees and Pensioners) category by 31.03.2020 failing

which deemed revenue computation shall be made by the Commission which may be enhanced progressively with continuing non- compliance.

.....

Unquote

4.14.3. Hence the revenue for LMV-10 consumers has been computed considering the average consumption per consumer per month as 770 units and at Rs. 7.00 / kWh (the rate of LMV-1, other metered category – highest slab). The Commission has adopted the methodology in the previous Tariff Orders, the specific consumption is increased by 10% per consumer per month (for True Up of FY 2019-20 – 700 units / Month, for True Up of FY 2018-19 – 650 units / Month). This revenue will be added to the final revenue of the Petitioners while carrying out the Truing Up of revenue.

4.14.4. For LMV-10 consumers, based on the provisions of above Regulations, balance sheet data, past trend and submissions of the Petitioners, the Commission has computed deemed revenue of Rs. 124.88 Crore, Rs. 158.01 Crore, Rs. 139.89 Crore and Rs. 171.70 Crore and Rs. 34.29 Crore of the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively. The Commission vide deficiencies dated May 16, 2022 required from the Petitioners the actual number of consumers, connected load, sales and revenue of this category for FY 2020-21. The Petitioners vide reply dated June 03, 2022 have submitted the required data and taking into consideration the same, the Commission has calculated the above deemed revenue. **Henceforth, the Petitioners are directed to provide the billing determinants of and revenue collected from these consumers from next Tariff filling.**

TABLE 4-189: CONSUMPTION OF LMV-10 IN FY 2020-21 (RS. CRORE)

Discoms	Actual No. of Consumers (FY 2020-21) (Petitioners Submission)	Deemend Reveneue for FY 2020-21 @770 unit per consumer per month at the highest tariff of LMV-1 - Other Metered Domestic Consumers i.e., 7/unit (Rs. Crore)
DVVNL	19,308	124.88
MVVNL	24,430	158.01
PVVNL	21,628	139.89
PuVVNL	26,546	171.70
KESCO	5,301	34.29

Discoms	Actual No. of Consumers (FY 2020-21) (Petitioners Submission)	Deemend Reveneue for FY 2020-21 @770 unit per consumer per month at the highest tariff of LMV-1 - Other Metered Domestic Consumers i.e., 7/unit (Rs. Crore)
Consolidated of 5 Discoms	97,213	628.77

TABLE 4-190: CONSOLIDATED DEEMED REVENUE OF LMV-10 FOR FY 2020-21 (RS. CRORE)

Revenue Final Figures	FY 2020-21		
LMV-10	Claimed	Approved Deemed Revenue	Additional Deemed Revenue
	(A)	(B)	C=B-A
DVVNL	35.52	124.88	89.36
MVVNL	71.05	158.01	86.96
PVVNL	53.58	139.89	86.31
PuVVNL	37.95	171.70	133.75
KESCO	8.18	34.29	26.11
Consolidated of 5 Discoms	206.28	628.77	422.49

4.15. SUBSIDY FROM GOUP

Petitioner's Submission

4.15.1. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL have claimed the subsidy from GOUP as Rs. 1685.78 Core, Rs. 1,345.00 Crore, Rs. 2,664.18 Crore and Rs. 2,454.25 Crore respectively, against Rs. 2,180.09 Crore, Rs. 2,080.93 Core, Rs. 2,176.20 Crore and Rs. 3,324.80 Crore respectively approved in the Tariff Order dated November 11, 2020.

Commission's Analysis

4.15.2. The Commission observed that the Petitioners have claimed subsidy amount as per their audited accounts. The Commission has verified the claim of the Petitioners from audited accounts and accepted the submission of the Petitioners in this regard. However, the Commission considering GoUP Letter No. 1419/24-P-1-2019 dated October 19, 2020 and the actual Billing Determinants for FY 2020-21 has computed total subsidy as Rs. 8,822.26 Crore. As shown in the Table below:

TABLE 4-191: SUBSIDY COMPUTED BY THE COMMISSION (RS. CRORE)

Type of Charge (CONSOLIDATED ALL DISCOMS)	As per GoUP Letter No. 1419/24-P-1-2019 Dated 19.10.2020			As computed (in-house)			
LMV-1: Domestic Light, Fan & Power	Unit	Subsidy/unit	Subsidy amount (Rs. Crore)	No. of Consumers	Connected Load (31.3.2021)	Sales	Subsidy computed
Domestic Lifeline	Rs/unit	3.00	469	2,187,461	2,220,945.95	2,237.70	671.31
Dom: Rural Schedule (unmetered)	Rs/unit	1.50	412	1,2,84,243	15,40,695	2662	399.35
Dom: Rural Schedule (metered) other than BPL			**3,274**	**117,91,221**	**1,15,75,661**	**8,311**	**1,389.66**
Dom: 0-100	Rs/unit	2.00	2803	76,15,952	70,52,645	2,861	**572.11**
Dom: 101 - 150	Rs/unit	1.50	471	41,75,268	45,23,015	5,450	**817.55**
SUBTOTAL (LMV-1)			**4,155**				**2,460.32**
LMV-5: Private Tube Wells/ Pumping Sets							
PTW: Rural Schedule (unmetered)	Rs/unit	4.75	5,942	12,07,522	72,45,678	11,955	**5,678.39**
PTW: Rural Schedule (metered)	Rs/unit	4.75	153	45,000	4,16,827	1460	**693.28**
SUBTOTAL (LMV-5)			**6,095**				**6,371.67**
Total Subsidy (LMV1 + LMV 5)			10,250				8,831.99

TABLE 4-192: SUBSIDY COMPUTED BY THE COMMISSION (RS. CRORE)

Particulars	Claimed	Computed by the Commission	(+) Deficit / (-) Surplus Subsidy
DVVNL	1685.78	2,108.78	423.00
MVVNL	1345.00	1,876.62	531.62
PVVNL	2176.20	2,796.92	620.72
PuVVNL	2454.25	2,049.67	-404.58
KESCO	0.00	0.00	0.00
Consolidated (5 Discoms)	**7,661.24**	**8,831.99**	**1,170.75**

4.15.3. The Government of Uttar Pradesh had committed consolidated subsidy of Rs. 10,250 Crore for all the Discoms. The subsidy allocation was done by the Commission for each Discom. It has been observed that there is shortfall in subsidy that is required for DVVNL, MVVNL and PVVNL whereas for PuVVNL there is surplus. On consolidated basis there is shortfall in subsidy that is to be provided by the Government of Uttar Pradesh. The Discom is directed to

approach the Government of Uttar Pradesh for the shortfall in subsidy that has been determined by the Commission.

4.15.4. The Commission has accepted the submission of the State Discoms under this head as listed in the table below:

TABLE 4-193: SUBSIDY OF GOUP FOR 5 STATE DISCOMS FOR FY 2020-21

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
DVVNL	2,180.09	1,685.78	1,685.78	1,685.78
MVVNL	2,080.93	1,345.00	1,345.00	1,345.00
PVVNL	2,664.18	2,176.20	2,176.20	2,176.20
PuVVNL	3,324.80	2,454.25	2,454.25	2,454.25
KESCO	0.00	0.00	0.00	0.00
Consolidated (5 Discoms)	**10,250.00**	**7,661.24**	**7,661.24**	**7,661.24**

4.16. NON-TARIFF INCOME

Petitioner's Submission

4.16.1. The Petitioners have submitted that Hon'ble BERC in its Tariff Order dated March 26, 2021 has allowed the Discom of Bihar not to treat financing cost of DPS as NTI. Further the financing cost incurred on the principal amount on which the DPS was charges was reduced from Total NTI to arrive at Net NTI. The relevant extract of the same is mentioned below:

"4.21.23 Petitioners, in their submission, have considered the financing cost on DPS (Rs. 134.66 Crore for NBPDCL and Rs. 60.15 Crore for SBPDCL) and adjusted the same against the non-tariff income and net non-tariff income claimed in truing up for FY 2019-20. Commission found the claim of petitioner's in line with the methodology considered by the Commission for financing of outstanding dues and the judgment of the APTEL dated 30 July, 2010 in Appeal No. 153 of 2009 between North Delhi Power Ltd. Vs DERC. The Judgement given by APTEL is as below-

Para 58(i). ..... Therefore, the State Commission is directed to rectify its computation of the financing cost relating to the late payment surcharge for the FY 2007-08 at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate."

4.16.2. Furthermore, it may be seen from above para that Ld. Bihar Commission has relied on APTEL Judgment dated July 30, 2010 wherein the state commission of Delhi was directed to rectify the computation of financing cost relating to DPS.

4.16.3. The Petitioners submitted that it is pertinent to highlight that the Commission in its last Tariff Order directed to demonstrate the genuineness and need of financing DPS for allowing the same. It is submitted that principal amount on which the DPS was charged to consumers was Rs. 1560.49 Crore which is substantially high and cannot be managed by working capital. Hence, financing of DPS was required to carry out the smooth working of Discom. The Discoms have procured the short-term loan at 9.57% and has incurred Rs. 149.34 Crore toward the financing of DPS for smooth operation

4.16.4. Accordingly, the Petitioners have claimed the financing costs of DPS as shown in the Table below:

TABLE 4-194: FINANCING COSTS OF DPS OF DVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21
Delayed payment Surcharge Received	180.41
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	751.70
Applicable interest rate for working capital finance	9.57%
Financing costs of DPS	71.94

TABLE 4-195: FINANCING COSTS OF DPS OF MVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21
Delayed payment Surcharge Received	383.86
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	1,599.40
Applicable interest rate for working capital finance	9.57%
Financing costs of DPS	153.06

TABLE 4-196: FINANCING COSTS OF DPS OF PVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21
Delayed payment Surcharge Received	87.17
DPS grossed-up at 2% per month	24%

Particulars	FY 2020-21
Amount after grossing-up of DPS	363.22
Applicable interest rate for working capital finance	9.57%
Financing costs of DPS	34.76

TABLE 4-197: FINANCING COSTS OF DPS OF PuVVNL FOR FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21
Delayed payment Surcharge Received	101.70
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	423.75
Applicable interest rate for working capital finance	9.57%
Financing costs of DPS	40.55

TABLE 4-198: FINANCING COSTS OF DPS OF KESCO FOR FY 2020-21 (Rs. Crore)

Particulars	FY 2020-21
Delayed payment Surcharge Received	20.30
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	84.58
Applicable interest rate for working capital finance	9.57%
Financing costs of DPS	8.09

4.16.5. The Petitioners further submitted that they have worked out the additional interest incurred for funding the cash gap due to delay in payment by consumers, etc. as shown in Table below. The same is worked out from the audited balance sheet.

TABLE 4-199: ADDITIONAL INTEREST INCURRED FOR FUNDING OF DVVNL FOR FY 2020-21 (Rs. Crore)

Total Interest Incurred in FY 2020-21 (A)	Total Interest and Finance Charges claimed (B)	Additional Interest incurred by Discoms for funding the Cash gap due to delay in payment by consumers, etc [A-B]
1,725.25	423.25	1,302.00

TABLE 4-200: ADDITIONAL INTEREST INCURRED FOR FUNDING OF MVVNL FOR FY 2020-21 (Rs. Crore)

Total Interest Incurred in FY 2020-21 (A)	Total Interest and Finance Charges claimed (B)	Additional Interest incurred by Discoms for funding the Cash gap due to delay in payment by consumers, etc [A-B]
1336.65	654.84	681.80

TABLE 4-201: ADDITIONAL INTEREST INCURRED FOR FUNDING OF PVVNL FOR FY 2020-21 (Rs. Crore)

Total Interest Incurred in FY 2020-21 (A)	Total Interest and Finance Charges claimed (B)	Additional Interest incurred by Discoms for funding the Cash gap due to delay in payment by consumers, etc [A-B]
1,291.90	603.34	688.56

TABLE 4-202: ADDITIONAL INTEREST INCURRED FOR FUNDING OF PuVVNL FOR FY 2020-21 (Rs. Crore)

Total Interest Incurred in FY 2020-21 (A)	Total Interest and Finance Charges claimed (B)	Additional Interest incurred by Discoms for funding the Cash gap due to delay in payment by consumers, etc [A-B]
1,748.89	848.91	899.97

TABLE 4-203: ADDITIONAL INTEREST INCURRED FOR FUNDING OF KESCO FOR FY 2020-21 (Rs. Crore)

Total Interest Incurred in FY 2020-21 (A)	Total Interest and Finance Charges claimed (B)	Additional Interest incurred by Discoms for funding the Cash gap due to delay in payment by consumers, etc [A-B-C]
222.78	42.11	180.67

4.16.6. The Petitioners further submitted that they have claimed only Normative financing cost of DPS.

4.16.7. The State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Non-Tariff Income (excluding the finance cost of DPS) for FY 2020-21 as Rs. 159.12 Crore, Rs. 268.86 Crore, Rs. 101.14 Crore, Rs. 90.05 Crore and Rs. 29.66 Crore, respectively as compared to Rs. 24.60 Crore, Rs. 34.73 Crore, Rs. 17.79 Crore, Rs. 13.14 Crore and Rs. 25.54 Crore respectively approved by the Commission in the Tariff Order.

Commission's Analysis

4.16.8. Regulation 47 of MYT Regulations, 2019, provides for treatment of non-tariff income, which is as follows:

Quote

47 Non-Tariff Income

47.1 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for retail supply and Wheeling Charges of the Distribution Business:

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

47.2 The Non-Tariff Income shall include:

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from investments;

d) Interest income on advances to suppliers/contractors;

e) Interest income on loans / advances to employees;

f) Income from rental from staff quarters;

g) Income from rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from delayed payment surcharge, supervision charges, etc.;

j) Supervision charges for capital works;

k) Income from recovery against theft and/or pilferage of electricity;

l) Income from advertisements;

m) Income from sale of tender documents;

n) Excess found on physical verification;

o) Prior Period Income;

p) Miscellaneous receipts; and

q) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not be included in Non-Tariff Income.

Unquote

4.16.9. As regards financing cost of delay payment surcharge, the Commission is of view that working capital is used to meet all of the short-term expenses of an organisation. These short-term expenses include mainly purchase of raw material, discharging of short-term debt liability and other day-to-day operating expenses. It is very critical to run any business smoothly & to meet its financial obligations which are due within one year.

4.16.10. Every distribution company needs working capital to meet its day-to-day operating expenses. Keeping in view the legitimacy of requirement of working capital, the UPERC made the norms in MYT Regulations, 2019 that how much working capital will be needed by a distribution company to run its business and the interest on this working capital which will be allowed in the ARR. The relevant portion of MYT Regulations, 2019 is reproduced below:

Quote

25.2 Distribution Business

(a)The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares at 40% of the R&M expenses for two months; and

(iii) One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);

minus

(iv) Amount held as security deposits from Distribution System Users:

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

(b)Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

(c)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

4.16.11. In the above Regulations, one and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty) have been taken to calculate the working capital requirement, which means that within the said period, every consumer will pay its electricity bills.

4.16.12. However, despite of due date mentioned in the bills, it is seen that ample consumers pay their electricity bills beyond this due date which results the need for additional financing for Interest on Working Capital by the distribution companies and burden of interest on this additional fund. Further, the Delayed Payment Surcharge recovered from the consumers are being shown by the Petitioners in their P & L Statement, to promote the consumers to pay their bills within the due date and strengthen of cash flow of the distribution companies, the following provisions (which are penal in nature) have been kept in the Rate Schedule of Tariff Order for the FY 2021-22 and earlier years':

Quote

7. SURCHARGE / PENALTY:

(i) DELAYED PAYMENT:

If a consumer 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.

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 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.

Unquote

4.16.13. Further, despite of recovering Delayed Payment Surcharge from consumers which is also allowed in the ARR, the Petitioners have claimed the financing cost of this surcharge. Taking into consideration the above, the Commission's views are that:

I. The 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.

II. However, seeing the genuineness of the need of financing cost of the DPS, if the Petitioners have actually incurred the financing of DPS and & Licensee can clearly have demonstrated by the records, the same can be allowed to the Petitioners.

III. If, the Petitioners have 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, Petitioners have already received return of financing cost.

4.16.14. Hence, the Commission has disallowed the financing cost of DPS, claimed by the Petitioners for FY 2020-21.

4.16.15. As regards, non-tariff income, the Commission has verified the same from audited accounts of the respective Discoms and approved as booked in the audited accounts of Discoms. Non-Tariff Income claimed by the Petitioners and approved by the Commission is shown in the Tables below:

TABLE 4-204: NON-TARIFF INCOME OF DVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Fixed Deposit / DPS			180.41	
Rents			0.14	
Interest income on loans / advances to employees;			7.49	
Interest on Advances to Suppliers / Contractors			9.37	
Miscellaneous Receipts from consumers			33.65	
Less: Financing cost of DPS			71.94	
Total	**24.6**	**231.06**	**159.12**	**231.06**

TABLE 4-205: NON-TARIFF INCOME OF MVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Fixed Deposit / DPS			383.86	
Rents			0.09	
Interest income on loans / advances to employees;			6.62	
Interest on Advances to Suppliers / Contractors			14.00	
Miscellaneous Receipts from consumers			17.36	
Less: Financing cost of DPS			153.06	
Total	**34.73**	**421.92**	**268.86**	**421.92**

TABLE 4-206: NON-TARIFF INCOME OF PVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Fixed Deposit / DPS			87.17	
Rents			0.24	

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Interest income on loans / advances to employees;			10.46	
Interest on Advances to Suppliers / Contractors			14.54	
Miscellaneous Receipts from consumers			23.48	
Less: Financing cost of DPS			34.76	
Total	17.79	**135.90**	**101.14**	**135.90**

TABLE 4-207: NON-TARIFF INCOME OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Fixed Deposit / DPS			101.70	
Rents			0.23	
Interest income on loans / advances to employees;			19.40	
Interest on Advances to Suppliers / Contractors			6.84	
Miscellaneous Receipts from consumers			2.44	
Less: Financing cost of DPS			40.55	
Total	13.14	**130.60**	**90.05**	**130.60**

TABLE 4-208: NON-TARIFF INCOME OF KESCO APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Fixed Deposit / DPS			20.30	
Rents			0.10	
Interest income on loans / advances to employees;			11.13	
Interest on Advances to Suppliers / Contractors			1.83	

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Account	Claimed	Approved upon Truing Up
Miscellaneous Receipts from consumers			4.07	
Less: Financing cost of DPS			8.09	
Total	25.54	**37.76**	**29.66**	**37.76**

TABLE 4-209: CONSOLIDTED NON-TARIFF INCOME OF 5 STATE DISCOMS APPROVED BY THE COMMISSION FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approed upon Truing Up
DVVNL	24.60	231.06	159.12	231.06
MVVNL	34.73	421.92	268.86	421.92
PVVNL	17.79	135.90	101.14	135.90
PuVVNL	13.14	130.60	90.05	130.60
KESCO	25.54	37.76	29.66	37.76
Consolidated of 5 State Discoms	**115.80**	**957.24**	**648.83**	**957.24**

4.17. INCOME TAX

Commission's Analysis

4.17.1. The Petitioners have not claimed Income Tax paid. The Commission also verify the Income Tax paid by the Petitioners, which is Nil. Accordingly, the Commission has approved Income Tax for FY 2020-21 as Nil.

4.18. REVENUE FROM SALE OF POWER

Petitioner's Submission

4.18.1. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have submitted that the actual revenue from sale of power during FY 2020-21 is Rs. 10,789 Crore, Rs. 12,668.47 Crore, Rs. 17,274 Crore, Rs. 11,691 Crore and Rs. 2,516.64 Crore respectively towards electricity sales of 19,183 MU, 18,765 MU, 27,492 MU, 21,903 MU and 3,029.253 MU respectively against Rs. 11,782.24 Crore, Rs. 12,594.19 Crore, Rs. 18,849.33Crore, Rs. 13,588.44 Crore and Rs. 2,703.16 Crore respectively approved by the Commission in its Tariff Order dated November 11, 2020.

Commission's Analysis

4.18.2. The Commission has approved revenue for FY 2020-21 as per the audited accounts of the respective State Discoms. For LMV 10 category, the Commission has computed normative revenue as discussed above. Accordingly, the Commission has approved revenue for FY 2020-21, as shown in the Tables below:

TABLE 4-210: APPROVED REVENUE OF DVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	11,782.24	10,878.81	10,878.81	10,878.81
Deemed Revenue (LMV-10)	-	-	-	86.98
Total Revenue	**11,782.24**	**10,878.81**	**10,878.81**	**10,968.18**

TABLE 4-211: APPROVED REVENUE OF MVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	12,594.19	12,668.47	12,668.47	12,668.47
Deemed Revenue (LMV-10)	-	-	-	86.96
Total Revenue	**12,594.19**	**12,668.47**	**12,668.47**	**12,755.43**

TABLE 4-212: APPROVED REVENUE OF PVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	18,849.33	17,274.00	17,274.00	17,274.00
Deemed Revenue (LMV-10)	-	-	-	86.31
Total Revenue	**18,849.33**	**17,274.00**	**17,274.00**	**17,360.31**

TABLE 4-213: APPROVED REVENUE OF PuVVNL FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	13,588.44	11,690.86	11,690.86	11,690.86
Deemed Revenue (LMV-10)	-	-	-	133.75
Total Revenue	**13,588.44**	**11,690.86**	**11,690.86**	**11,824.61**

TABLE 4-214: APPROVED REVENUE OF KESCO FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	2,703.16	2,516.64	2,516.64	2,516.64
Deemed Revenue (LMV-10)	-	-	-	26.11
Total Revenue	**2,703.16**	**2,516.64**	**2,516.64**	**2,542.75**

TABLE 4-215: CONSOLIDATED APPROVED REVENUE OF 5 STATE DISCOM FOR FY 2020-21 (Rs. CRORE)

Particulars	Tariff Order for FY 2020-21 dated 11.11.2020	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	59,517.36	55,028.78	55,028.78	55,028.78
Deemed Revenue (LMV-10)	-	-	-	422.49
Total Revenue	**59,517.36**	**55,028.78**	**55,028.78**	**55,451.27**

4.19. ARR AND REVENUE GAP / (SURPLUS) FOR FY 2020-21 AFTER TRUING UP

4.19.1. The Aggregate Revenue Requirement, Revenue Gap / (Surplus) for the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO for FY 2020-21 is summarised below:

TABLE 4-216: SUMMARY OF ARR FOR TRUE UP OF DVVNL FOR FY 2020-21

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	10,546.04	11,279.70	11,279.70	10,160.16
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	517.09	709.02	709.02	509.86
Gross O&M Expenses	**994.90**	**1,380.59**	**1,446.11**	**932.52**
Employee Expenses	489.24	351.93	742.53	351.93
R&M Expense	411.94	507.38	561.68	474.93
A&G Expense	93.72	521.28	123.95	105.66
Smart Metering OPEX	0.00	0.00	17.95	0.00
Depreciation	422.90	480.68	628.23	326.12
Interest on Long-Term Loan	272.91	360.41	399.28	289.15
Interest on Security Deposit from Consumers and Distribution system Users	29.14	30.36	30.36	29.10
Finance/Bank Charges	0.00	57.61	57.61	0.00
Interest on Working Capital	97.84	1,438.94	98.04	73.39
Income Tax	0.00	0.00	0.00	0.00
Gross Expenditure	**12,880.82**	**15,737.30**	**14,648.34**	**12,320.30**
Less: Interest Capitalisation	104.80	162.06	162.06	162.06
Less: Employee Capitalisation	289.38	181.02	181.02	181.02
Net Expenditure	**12,486.64**	**15,394.22**	**14,305.26**	**11,977.22**
Bad and Doubtful debts	159.80	64.02	64.02	60.20
Net Expenditure with Provisions	**12,646.44**	**15,458.23**	**14,369.28**	**12,037.43**
Return on Equity	459.98	0.00	558.33	466.12
Less: Non Tariff Income	24.60	231.06	159.12	231.06
Less: Revenue from Open Access Customers	15.34	0.00	0.00	0.00
Net Annual Revenue Requirement of Licensee	**13,066.48**	**15,227.17**	**14,768.48**	**12,272.48**
Revenue Assessment at Existing Tariff	11,782.24	10,878.81	10,878.81	10,878.81
Deemed Revenue (LMV-10)				89.36
Govt. Subsidy Received/Declared	2,180.09	1,685.78	1,685.78	1,685.78
Additional Subsidy to be received				423.00
Revenue Gap / (Surplus)	**(895.85)**	**2,662.58**	**2,203.89**	**(804.48)**

TABLE 4-217: SUMMARY OF ARR FOR TRUE UP OF MVVNL FOR FY 2020-21

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	11,508.91	12,878.18	12,878.18	11,812.03
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	508.95	643.11	643.11	497.12
Gross O&M Expenses	**1,185.79**	**1,645.16**	**1,801.94**	**1,295.77**
Employee Expenses	661.05	689.36	1,062.76	689.36
R&M Expense	315.06	382.56	378.23	352.97
A&G Expense	209.68	573.24	315.21	253.44
Smart Metering OPEX	0.00	0.00	45.74	0.00
Depreciation	208.23	519.36	614.13	205.45
Interest on Long-Term Loan	60.91	352.11	594.68	190.87
Interest on Security Deposit from Consumers and Distribution system Users	32.65	31.32	31.32	14.42
Finance/Bank Charges	0.00	47.43	47.43	0.00
Interest on Working Capital	98.14	1,040.83	116.46	96.56
Income Tax	0.00	0.00	0.00	0.00
Gross Expenditure	**13,603.58**	**17,157.50**	**16,727.25**	**14,112.22**
Less: Interest Capitalisation	19.76	135.04	135.04	135.04
Less: Employee Capitalisation	327.29	373.40	373.40	373.40
Net Expenditure	**13,256.53**	**16,649.06**	**16,218.81**	**13,603.78**
Bad and Doubtful debts	207.75	121.61	121.61	114.96
Net Expenditure with Provisions	**13,464.28**	**16,770.68**	**16,340.42**	**13,718.74**
Return on Equity	262.95	0.00	420.49	347.54
Less: Non-Tariff Income	34.73	421.92	268.86	421.92
Less: Revenue from Open Access Customers	0.00	0.00	0.00	0.00
Net Annual Revenue Requirement of Licensee	**13,692.50**	**16,348.76**	**16,492.06**	**13,644.37**
Revenue Assessment at Existing Tariff	12,594.19	12,668.47	12,668.47	12,668.47
Deemed Revenue (LMV-10)				86.96
Govt. Subsidy Received/Declared	2,080.93	1,345.00	1,345.00	1,345.00
Additional Subsidy to be received				531.62
Revenue Gap / (Surplus)	**(982.62)**	**2,335.28**	**2,478.58**	**(987.69)**

TABLE 4-218: SUMMARY OF ARR FOR TRUE UP OF PVVNL FOR FY 2020-21

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	17,257.40	19,603.83	19,603.83	16,227.71
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	771.48	928.79	928.79	728.30
Gross O&M Expenses	**1,060.57**	**1,776.49**	**1,655.43**	**1,186.08**
Employee Expenses	601.49	628.38	852.68	623.23
R&M Expense	331.97	746.15	609.77	415.05
A&G Expense	127.11	401.95	168.84	147.80
Smart Metering OPEX	0.00	0.00	24.15	0.00
Depreciation	357.65	555.12	748.61	308.91
Interest on Long-Term Loan	193.50	363.53	434.23	287.25
Interest on Security Deposit from Consumers and Distribution system Users	72.97	72.75	72.75	72.69
Finance/Bank Charges	0.00	91.53	91.53	0.00
Interest on Working Capital	84.85	850.29	91.03	60.22
Income Tax	0.00	0.00	0.00	0.00
Gross Expenditure	**19,798.42**	**24,242.33**	**23,626.21**	**18,871.16**
Less: Interest Capitalisation	61.11	86.21	86.21	86.21
Less: Employee Capitalisation	272.93	204.13	204.13	204.13
Net Expenditure	**19,464.38**	**23,951.99**	**23,335.88**	**18,580.82**
Bad and Doubtful debts	118.28	75.14	75.14	0.00
Net Expenditure with Provisions	**19,582.66**	**24,027.13**	**23,411.02**	**18,580.82**
Return on Equity	519.48	0.00	631.25	543.90
Less: Non-Tariff Income	17.79	135.90	101.14	135.90
Less: Revenue from Open Access Customers	2.73	23.15	23.15	23.15
Net Annual Revenue Requirement of Licensee	**20,081.62**	**23,868.08**	**23,917.97**	**18,965.67**
Revenue Assessment at Existing Tariff	18,849.33	17,274.00	17,274.00	17,274.00
Deemed Revenue (LMV-10)				86.31
Govt. Subsidy Received/Declared	2,664.18	2,176.20	2,176.20	2,176.20
Additional Subsidy to be received				620.72
Revenue Gap / (Surplus)	**(1,431.89)**	**4,417.88**	**4,467.78**	**(1,191.56)**

TABLE 4-219: SUMMARY OF ARR FOR TRUE UP OF PuVVNL FOR FY 2020-21

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	12,815.00	13,340.51	13,340.51	11,017.69
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	601.87	756.15	756.15	582.36
Gross O&M Expenses	**1,424.40**	**2,078.24**	**2,127.90**	**1,546.61**
Employee Expenses	737.94	941.47	1,023.49	789.48
R&M Expense	540.11	598.09	895.65	598.09
A&G Expense	146.35	538.68	169.82	159.04
Smart Metering OPEX	0.00	0.00	38.94	0.00
Depreciation	317.80	814.82	802.74	299.18
Interest on Long-Term Loan	232.03	364.08	785.34	256.10
Interest on Security Deposit from Consumers and Distribution system Users	21.66	19.95	19.95	6.30
Finance/Bank Charges	0.00	66.75	66.75	0.00
Interest on Working Capital	142.00	1,466.27	145.68	110.13
Income Tax	0.00	0.00	0.00	0.00
Gross Expenditure	**15,554.76**	**18,906.77**	**18,045.03**	**13,818.37**
Less: Interest Capitalisation	50.08	168.16	168.16	168.16
Less: Employee Capitalisation	386.41	214.88	214.88	214.88
Net Expenditure	**15,118.27**	**18,523.73**	**17,661.99**	**13,435.33**
Bad and Doubtful debts	242.20	175.26	93.34	86.48
Net Expenditure with Provisions	**15,360.47**	**18,698.99**	**17,755.33**	**13,521.81**
Return on Equity	449.81	0.00	573.82	470.60
Less: Non-Tariff Income	12.57	130.60	90.05	130.60
Less: Revenue from Open Access Customers	0.57	0.00	0.00	0.00
Net Annual Revenue Requirement of Licensee	**15,797.14**	**18,568.39**	**18,239.10**	**13,861.81**
Revenue Assessment at Existing Tariff	13,588.44	11,690.86	11,690.86	11,690.86
Deemed Revenue (LMV-10)				133.75
Govt. Subsidy Received/Declared	3,324.80	2,454.25	2,454.25	2,454.25
Additional Subsidy to be received				-404.58
Revenue Gap / (Surplus)	**(1,116.10)**	**4,423.28**	**4,093.99**	**(12.47)**

TABLE 4-220: SUMMARY OF ARR FOR TRUE UP OF KESCO FOR FY 2020-21

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	2,157.39	2,535.83	2,535.83	2,074.70
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	84.85	94.42	94.42	77.54
Gross O&M Expenses	**238.50**	**335.99**	**284.25**	**231.65**
Employee Expenses	147.46	133.75	158.26	133.75
R&M Expense	64.46	71.11	86.17	71.11
A&G Expense	26.58	131.13	26.86	26.79
Smart Metering OPEX	0.00	0.00	12.95	0.00
Depreciation	34.62	51.71	62.70	25.53
Interest on Long-Term Loan	2.08	8.18	9.15	8.95
Interest on Security Deposit from Consumers and Distribution system Users	6.61	7.59	7.59	7.59
Finance/Bank Charges	0.00	9.23	9.23	0.00
Interest on Working Capital	22.72	197.78	16.14	15.73
Income Tax	0.00	0.00	0.00	0.00
Gross Expenditure	**2,546.77**	**3,240.73**	**3,019.30**	**2,441.69**
Less: Interest Capitalisation	0.00	0.00	0.00	0.00
Less: Employee Capitalisation	42.74	5.24	5.24	5.24
Net Expenditure	**2,504.03**	**3,235.49**	**3,014.06**	**2,436.45**
Bad and Doubtful debts	13.57	5.67	5.67	4.80
Net Expenditure with Provisions	**2,517.60**	**3,241.16**	**3,019.73**	2,441.25
Return on Equity	45.99	0.00	46.55	46.54
Less: Non-Tariff Income	25.54	37.76	29.66	37.76
Less: Revenue from Open Access Customers	0.00	0.00	0.00	0.00
Net Annual Revenue Requirement of Licensee	**2,538.05**	**3,203.40**	**3,036.62**	**2,450.04**
Revenue Assessment at Existing Tariff	2,703.16	2,516.64	2,516.64	2,516.64
Deemed Revenue (LMV-10)				26.11
Govt. Subsidy Received/Declared	0.00	0.00	0.00	0.00
Additional Subsidy to be received				0.00
Revenue Gap / (Surplus)	**(165.11)**	**686.76**	**519.97**	**(92.71)**

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved

TABLE 4-221: SUMMARY OF ARR FOR TRUE UP FOR FY 2020-21 (CONSOLIDATED)

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	54,284.74	59,638.04	59,638.04	51,292.29
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	2,484.24	3,131.51	3,131.51	2,395.19
Gross O&M Expenses	**4,904.16**	**7,216.46**	**7,315.63**	**5,192.63**
Employee Expenses	2,637.18	2,744.90	3,839.72	2,587.75
R&M Expense	1,663.54	2,305.28	2,531.50	1,912.15
A&G Expense	603.44	2,166.28	804.68	692.73
Smart Metering OPEX	0.00	0.00	139.73	0.00
Depreciation	1,341.20	2,421.68	2,856.41	1,165.19
Interest on Long-Term Loan	761.43	1,448.31	2,222.68	1,032.31
Interest on Security Deposit from Consumers and Distribution system Users	163.03	161.97	161.97	130.10
Finance/Bank Charges	0.00	272.55	272.55	0.00
Interest on Working Capital	445.55	4,994.11	467.35	356.04
Gross Expenditure	**64,384.35**	**79,284.63**	**76,066.14**	**61,563.74**
Less: Interest Capitalisation	235.75	551.47	551.47	551.47
Less: Employee Capitalisation	1,318.75	978.66	978.66	978.66
Net Expenditure	**62,829.85**	**77,754.49**	**74,536.00**	**60,033.61**
Bad and Doubtful debts	741.60	441.70	359.78	266.45
Net Expenditure with Provisions	**63,571.45**	**78,196.19**	**74,895.78**	**60,300.05**
Return on Equity	1,738.21	0.00	2,230.43	1,874.70
Less: Non-Tariff Income	115.23	957.24	648.83	957.24
Less: Revenue from Open Access Customers	18.64	23.15	23.15	23.15

Particulars	FY 2020-21			
	Tariff Order for FY 2020-21 dated 11.11.2020	Audited	Claimed	Approved
Net Annual Revenue Requirement of Licensee	**65,175.79**	**77,215.80**	**76,454.23**	**61,194.36**
Revenue Assessment at Existing Tariff	59,517.36	55,028.78	55,028.78	55,028.78
Deemed Revenue (LMV-10)				422.49
Govt. Subsidy Received/Declared	10,250.00	7,661.24	7,661.24	7,661.24
Additional Subsidy to be received				1,170.75
Revenue Gap / (Surplus)	**(4,591.57)**	**14,525.78**	**13,764.21**	**(3,088.90)**

4.19.2. As observed from above Tables, against the revenue Gap of total of Rs. 13,764.21 Crore claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO for truing up of FY 2020-21, the Commission has worked out the Surplus of total of Rs. 3,088.90 Crore while carrying out the Truing Up based on audited accounts.

4.19.3. Analysis on few parameters for percentage are depicted below:

TABLE 4-222: ANALYSIS ON FEW PARAMETERS FOR PERCENTAGE (%) CHANGE

Parameters	FY 2019-20	FY 2020-21	% Change
Total Sales (MU)	91,486.05	90,372.03	-1.22%
Revenue from tariff (Excluding deemed revenue) (Rs. Crore)	54,037.24	55,028.78	1.83%
Revenue from tariff (including deemed revenue) (Rs. Crore)	54,364.43	55,451.27	2.00%
Total Power Purchase (MU)	109,215.93	108,196.47	-0.93%
Total Power Purchase (Rs. Crore)	50,166.24	51,292.29	2.24%
ARR (Rs. Crore)	63,811.73	61,194.36	-4.10%
Revenue Gap / (Surplus) (Rs. Crore)	(672.71)	(3,088.90)	
BST (Rs. / kWh)	4.84	5.02	3.72%
ABR (Rs. / kWh)	5.91	6.14	3.82%
ACoS (Rs. / kWh)	6.98	6.77	-2.99%

5. ANNUAL PERFORMANCE REVIEW OF FY 2021-22

5.1. INTRODUCTION

5.1.1. In this Chapter the Commission has carried out the Annual Performance Review (APR) for FY 2021-22 in line with the provisions of the Uttar Pradesh Electricity Regulatory Commission (MYT) Regulations, 2019.

5.1.2. Regulation 7 of the MYT Regulations, 2019 specifies that under the MYT framework, the performance of the Licensee shall be subject to APR as shown under:

Quote

7 Annual Performance Review

7.1 The Licensee shall file Petition for Annual Performance Review (APR) as provided in Regulation 4.1 of these Regulations:

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

Unquote

5.2. BILLING DETERMINANTS: NUMBER OF CONSUMERS AND CONNECTED LOAD

Petitioner's Submission

5.2.1. The State Discoms have submitted the billing determinants or consumption parameters i.e., number of consumers and connected load for FY 2021-22. The State Discoms submitted that there is deviation in approved sales and revised sales for FY 2021-22. Further, under the Saubhagya Yojana, the Licensees have added substantial number of Lifeline consumers at LT network. These consumers are small consumers which are qualified under tariff sub-category "Lifeline consumers". The consumers which are flagged under different LMV-1 sub-categories are now readjusted under LMV-1 category as per their consumption pattern. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criterion will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis.

5.2.2. Based on the submissions of the Petitioners, the comparison of billing determinants as approved by the Commission vide Tariff Order dated July 29, 2021 and as submitted by State Discoms for FY 2021-22 is shown in the Tables below:

TABLE 5-1: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF DVVNL FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	48,11,625	52,37,441	61,71,395	69,19,329
LMV-2-Non domestic light fan & power	2,44,084	2,50,478	6,11,059	6,92,976
LMV-3 Public lamps	635	1,744	11,951	32,170
LMV-4 Light, fan & power for public/private institution	23,037	29,831	99,070	1,41,606
LMV-5 Private tube well/pumping sets	2,83,257	2,79,669	20,97,297	21,81,930
LMV-6 Small & medium power upto 100 hp/75kw	38,299	40,249	3,44,880	4,02,621
LMV-7 Public water works	9,616	11,086	97,829	1,12,680
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	7,321	7,483	1,50,531	1,41,144
Lmv-9 Temporary supply	2,072	5,694	3,947	29,456
LMV- 10 Departmental employees	18,741	12,815	88,865	62,622
LMV -11 Electrical Vehicles	0	10	0	695
HV-1 Non industrial bulk load	556	571	1,29,897	1,49,038
HV-2 Large & heavy power above 100 bhp (75 kw)	3,164	3,151	10,69,837	9,69,446
HV-3 Railway traction	0	2	0	36,000
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	55	41	39,865	34,791
Bulk Supply	4,92,198	487,375	11,78,779	1161313
Extra State Consumer	-	-	-	-
Total	**59,34,661**	**63,67,643**	**1,20,95,202**	**1,30,67,818**

TABLE 5-2: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF DF OF AGRA FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	4,11,630	4,09,388	7,53,163.77	7,35,566.64
LMV-2-Non domestic light fan & power	62,854	61,888	1,68,791.62	1,12,793.30
LMV-3 Public lamps	81	84	7,043.70	18,904.63
LMV-4 Light, fan & power for public/private institution	2,080	1,995	15,571.14	15,212.34
LMV-5 Private tube well/pumping sets	467	458	3,499.57	5,224.61
LMV-6 Small & medium power upto 100 hp/75kw	9,213	9,409	85,143.06	66,057.50
LMV-7 Public water works	1,812	155	11,999.73	19,332.58
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	20	18	218.86	330.98
Lmv-9 Temporary supply	1,200	1,219	3,790.30	4,619.15
LMV- 10 Departmental employees	2,356	2,266	4,950.31	2,929.07
LMV -11 Electrical Vehicles	-	2	61,171.52	-
HV-1 Non industrial bulk load	227	225	63,435.37	67,316.29
HV-2 Large & heavy power above 100 BHP (75 kw)	258	268	7,53,163.77	1,13,025.90
HV-3 Railway traction	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-	-	-	-
Bulk Supply	-	-	-	-
Extra State Consumer	-	-	-	-
Total	**4,92,198**	**4,87,375**	**11,78,778.96**	**11,61,313.00**

TABLE 5-3: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF MVVNL FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	7,566,175	7,779,751	9,831,474	10,036,293
LMV-2-Non domestic light fan & power	3,88,824	391,250	1,112,931	1,084,501
LMV-3 Public lamps	1,479	1,253	104,698	122,122

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-4 Light, fan & power for public/private institution	23,809	27,146	142,973	147,160
LMV-5 Private tube well/pumping sets	2,44,721	235,804	1,074,853	1,275,168
LMV-6 Small & medium power upto 100 hp/75kw	22,107	38,285	275,164	414,006
LMV-7 Public water works	3,792	3,794	115,196	94,372
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	10,487	11,052	175,767	110,465
Lmv-9 Temporary supply	5,727	6,299	19,967	19,855
LMV- 10 Departmental employees	27,749	23,449	87,575	75,334
LMV -11 Electrical Vehicles	-	20	-	3,473
HV-1 Non industrial bulk load	1,215	1,357	405,860	859,460
HV-2 Large & heavy power above 100 BHP (75 kw)	2,152	2,267	889,007	817,086
HV-3 Railway traction	3	2	19,000	9,671
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	11	34	7,647	29,132
Bulk Supply	-	-	-	-
Extra State Consumer	1	1	5,000	5,000
Total	**82,98,250**	**85,21,763**	**14,267,113**	**15,103,097**

TABLE 5-4: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF PVVNL FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	60,95,260	58,96,670	1,16,24,605	1,19,07,828
LMV-2-Non domestic light fan & power	4,73,249	4,66,851	14,14,641	13,21,564
LMV-3 Public lamps	1,275	1,054	57,390	54,355
LMV-4 Light, fan & power for public/private institution	18,185	19,591	1,21,195	1,18,408
LMV-5 Private tube well/pumping sets	4,60,458	4,63,270	33,64,782	32,68,121
LMV-6 Small & medium power upto 100 hp/75kw	61,038	62,433	8,95,805	8,71,153
LMV-7 Public water works	3,999	4,750	1,36,432	1,52,358
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	4,956	4,914	78,141	89,340

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Lmv-9 Temporary supply	4,668	5,795	53,366	46,786
LMV- 10 Departmental employees	20,721	17,775	1,38,845	96,408
LMV -11 Electrical Vehicles	-	43	-	542
HV-1 Non industrial bulk load	2,339	2,200	12,84,466	9,53,830
HV-2 Large & heavy power above 100 BHP (75 kw)	5,713	6,106	21,17,314	21,41,844
HV-3 Railway traction	5	5	57,933	62,659
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	2	2	317	283
Bulk Supply	0	0	0	0
Extra State Consumer	0	-	0	-
Total	**71,51,868**	**69,51,458**	**2,13,45,233**	**2,10,85,480**

TABLE 5-5: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) AND OF PUVVNL FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	81,02,853	80,82,618	1,14,85,410	1,00,57,997
LMV-2-Non domestic light fan & power	4,46,498	4,57,677	13,72,392	12,05,160
LMV-3 Public lamps	367	477	45,104	52,199
LMV-4 Light, fan & power for public/private institution	23,179	28,596	1,34,113	1,65,050
LMV-5 Private tube well/pumping sets	3,27,496	3,19,849	14,01,274	14,39,071
LMV-6 Small & medium power upto 100 hp/75kw	31,677	31,482	3,54,789	3,56,331
LMV-7 Public water works	3,528	3,647	1,16,616	1,11,623
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	12,186	12,136	2,21,674	1,63,755
Lmv-9 Temporary supply	293	2,109	3,774	4,832
LMV- 10 Departmental employees	30,595	25,495	1,01,591	89,166
LMV -11 Electrical Vehicles	0	6	0	24
HV-1 Non industrial bulk load	896	910	2,71,650	2,53,479
HV-2 Large & heavy power above 100 BHP (75 kw)	1,207	1,436	2,68,877	5,80,052

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
HV-3 Railway traction	1	1	10,800	10,800
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	33	58	1,42,045	1,30,425
Bulk Supply	0	0	0	0
Extra State Consumer	1	1	770	410
Total	**89,80,809**	**89,66,497**	**1,59,30,879**	**1,46,20,374**

TABLE 5-6: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF KESCO FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	5,63,552	5,78,356	13,97,847	13,83,677
LMV-2-Non domestic light fan & power	83,814	84,298	2,47,834	2,38,601
LMV-3 Public lamps	20	109	10,484	5,085
LMV-4 Light, fan & power for public/private institution	1,584	1,517	27,965	25,866
LMV-5 Private tube well/pumping sets	14	13	-	85
LMV-6 Small & medium power upto 100 hp/75kw	14,056	14,282	1,05,542	1,82,806
LMV-7 Public water works	1,135	1,197	43,589	51,754
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	-	-	-	-
Lmv-9 Temporary supply	106	685	447	3,305
LMV- 10 Departmental employees	5,157	5,219	20,003	20,773
LMV -11 Electrical Vehicles	-	-	-	-
HV-1 Non industrial bulk load	287	285	87,626	76,134
HV-2 Large & heavy power above 100 BHP (75 kw)	630	625	2,44,304	2,14,538
HV-3 Railway traction	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-	-	-	-
Bulk Supply	-	-	-	-
Extra State Consumer	-	-	-	-

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Total	**6,70,356**	**6,86,585**	**21,85,639**	**22,02,625**

TABLE 5-7: CONSOLIDATED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF 5 STATE DISCOMS FOR FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	2,71,39,464	2,75,74,836.00	4,05,10,731.18	4,03,05,124.21
LMV-2-Non domestic light fan & power	16,36,469	16,50,554.00	47,58,857.11	45,42,802.84
LMV-3 Public lamps	3,776	4,637.00	2,29,626.37	2,65,929.18
LMV-4 Light, fan & power for public/private institution	89,794	1,06,681.00	5,25,315.40	5,98,090.40
LMV-5 Private tube well/pumping sets	13,15,946	12,98,605.00	79,38,206.38	81,64,375.45
LMV-6 Small & medium power upto 100 hp/75kw	1,67,177	1,86,731.00	19,76,179.70	22,26,917.89
LMV-7 Public water works	22,070	24,474.00	5,09,661.80	5,22,786.75
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	34,950	35,585.00	6,26,113.45	5,04,704.47
Lmv-9 Temporary supply	12,866	20,582.00	81,501.28	1,04,233.75
LMV- 10 Departmental employees	1,02,963	84,752	4,36,878.83	3,44,303.04
LMV -11 Electrical Vehicles		79		4,734.40
HV-1 Non industrial bulk load	5,293	5,323	21,79,498.25	22,91,940.88
HV-2 Large & heavy power above 100 BHP (75 kw)	12,866	13,585	45,89,338.54	47,22,965.57
HV-3 Railway traction	9	10	0.00	1,19,130.34
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	101	134	1,89,874.25	1,94,631.36
Bulk Supply	1	1	11,78,778.96	11,61,313.00
Extra State Consumer	2	2	5,770.00	5,410.00
Total	**3,10,35,946**	**3,10,06,571**	**6,58,24,066.00**	**6,60,79,393.52**

Revised Petitioner's Submission

5.2.3. The Petitioners vide MOM of TVS dated April 18, 2022 were asked to submit revised category-wise number of consumers and category-wise connected load. In the response of the Commission's query the State Discoms vide lette dated April 29, 2022 submitted revised category-wise number of consumers and category-wise connected load for FY 2021-22, which are shown in the Tables below:

TABLE 5-8: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY DVVNL FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	5,237,441	69,19,329.40
LMV-2: Non-Domestic Light, Fan & Power	265,534	7,18,900.64
LMV-3: Public Lamps	2,031	25,388.00
LMV-4: Light, fan & Power for Institutions	31,013	1,47,214.20
LMV-5: Private Tube Wells/ Pumping Sets	298,162	23,21,564.50
LMV 6: Small and Medium Power upto 100 HP (75 kW)	40,249	4,02,620.82
LMV-7: Public Water Works	11,086	1,12,679.86
LMV-8: State Tube Wells & Pump Canals upto 100 HP	7,593	1,76,624.14
LMV-9: Temporary Supply	5,694	29,456.34
LMV-10: Departmental Employees	17,195	81,534.00
LMV-11: Electrical Vehicles	10	695.00
HV-1: Non-Industrial Bulk Loads	571	1,49,038.22
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,151	9,69,446.31
HV-3: Railway Traction	2	36,000.00
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	41	34,791.00
Bulk Supply	-	-
Extra Supply Consumer	-	-
Grand Total	**5,919,774**	**1,21,25,282**

TABLE 5-9: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY TORRENT FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	4,09,388	7,35,566.64
LMV-2: Non-Domestic Light, Fan & Power	61,888	1,12,793.30
LMV-3: Public Lamps	84	18,904.63
LMV-4: Light, fan & Power for Institutions	1,995	15,212.34
LMV-5: Private Tube Wells/ Pumping Sets	458	5,224.61
LMV 6: Small and Medium Power upto 100 HP (75 kW)	9,409	66,057.50
LMV-7: Public Water Works	155	19,332.58
LMV-8: State Tube Wells & Pump Canals upto 100 HP	18	330.98
LMV-9: Temporary Supply	1,219	4,619.15
LMV-10: Departmental Employees	2,266	2,929.07
LMV-11: Electrical Vehicles	2	
HV-1: Non-Industrial Bulk Loads	225	67,316.29
HV-2: Large and Heavy Power above 100 BHP (75 kW)	268	1,13,025.90
HV-3: Railway Traction	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-
Bulk Supply	-	-
Extra Supply Consumer	-	-
Grand Total	**4,87,375**	**11,61,312.99**

TABLE 5-10: CONSOLIDATED REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) DVVNL + TORRENT FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	56,46,829	76,54,896.04
LMV-2: Non-Domestic Light, Fan & Power	3,27,422	8,31,693.94
LMV-3: Public Lamps	2,115	44,292.63
LMV-4: Light, fan & Power for Institutions	33,008	1,62,426.54
LMV-5: Private Tube Wells/ Pumping Sets	2,98,620	23,26,789.11

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV 6: Small and Medium Power upto 100 HP (75 kW)	49,658	4,68,678.32
LMV-7: Public Water Works	11,241	1,32,012.44
LMV-8: State Tube Wells & Pump Canals upto 100 HP	7,611	1,76,955.12
LMV-9: Temporary Supply	6,913	34,075.49
LMV-10: Departmental Employees	19,461	84,463.07
LMV-11: Electrical Vehicles	12	695.00
HV-1: Non-Industrial Bulk Loads	796	2,16,354.51
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,419	10,82,472.21
HV-3: Railway Traction	2	36,000.00
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	41	34,791.00
Bulk Supply	-	-
Extra Supply Consumer	-	-
Grand Total	**64,07,149**	**1,32,86,595.05**

TABLE 5-11: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY MVVNL FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	77,79,751	1,00,36,292.59
LMV-2: Non-Domestic Light, Fan & Power	4,02,642	11,92,770.44
LMV-3: Public Lamps	1,188	1,03,637.44
LMV-4: Light, fan & Power for Institutions	27,146	1,47,160.04
LMV-5: Private Tube Wells/ Pumping Sets	2,63,083	14,52,313.00
LMV 6: Small and Medium Power upto 100 HP (75 kW)	38,285	4,14,005.80
LMV-7: Public Water Works	3,794	94,371.53
LMV-8: State Tube Wells & Pump Canals upto 100 HP	11,052	1,56,759.50
LMV-9: Temporary Supply	6,299	19,855.20
LMV-10: Departmental Employees	24,684	77,903
LMV-11: Electrical Vehicles	20	3,473.30
HV-1: Non-Industrial Bulk Loads	1,357	4,78,792.02

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
HV-2: Large and Heavy Power above 100 BHP (75 kW)	2,267	8,17,085.61
HV-3: Railway Traction	2	9,671.05
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	34	29,132.22
Bulk Supply	-	-
Extra State Consumer	1	5,000.00
Grand Total	**85,61,604**	**1,50,38,222.97**

TABLE 5-12: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY PVVNL FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	58,96,670	1,19,07,828.24
LMV-2: Non-Domestic Light, Fan & Power	4,88,161	13,82,217.03
LMV-3: Public Lamps	1,054	54,354.68
LMV-4: Light, fan & Power for Institutions	19,591	1,18,408.16
LMV-5: Private Tube Wells/ Pumping Sets	4,63,270	32,68,121.10
LMV 6: Small and Medium Power upto 100 HP (75 kW)	62,433	8,71,153.40
LMV-7: Public Water Works	4,750	1,52,357.86
LMV-8: State Tube Wells & Pump Canals upto 100 HP	4,914	70,357.45
LMV-9: Temporary Supply	5,795	46,785.67
LMV-10: Departmental Employees	21,854	1,46,439
LMV-11: Electrical Vehicles	43	542.10
HV-1: Non-Industrial Bulk Loads	2,200	9,53,830.05
HV-2: Large and Heavy Power above 100 BHP (75 kW)	6,106	21,41,843.80
HV-3: Railway Traction	5	62,659.29
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	2	282.80
Bulk Supply	-	-
Extra State Consumer	-	-
Grand Total	**69,76,847**	**2,11,77,180.40**

TABLE 5-13: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY PUVVNL FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	80,82,618	1,00,18,924.72
LMV-2: Non-Domestic Light, Fan & Power	4,70,572	12,67,849.57
LMV-3: Public Lamps	520	43,427.12
LMV-4: Light, fan & Power for Institutions	28,596	1,65,050.16
LMV-5: Private Tube Wells/ Pumping Sets	3,19,849	14,39,071.35
LMV 6: Small and Medium Power upto 100 HP (75 kW)	31,482	3,56,331.43
LMV-7: Public Water Works	3,647	1,11,623.08
LMV-8: State Tube Wells & Pump Canals upto 100 HP	12,136	2,36,054.00
LMV-9: Temporary Supply	2,109	4,831.54
LMV-10: Departmental Employees	26,800	88,989
LMV-11: Electrical Vehicles	6	24.00
HV-1: Non-Industrial Bulk Loads	940	2,68,475.63
HV-2: Large and Heavy Power above 100 BHP (75 kW)	1,436	5,80,051.71
HV-3: Railway Traction	1	10,800.00
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	58	1,30,425.34
Bulk Supply	-	-
Extra State Consumer	1	410.00
Grand Total	**89,80,770**	**1,47,22,338.85**

TABLE 5-14: REVISED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (KW) SUBMITTED BY KESCO FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	5,78,356	13,83,677.40
LMV-2: Non-Domestic Light, Fan & Power	84,298	2,38,601.34
LMV-3: Public Lamps	218	10,169.00
LMV-4: Light, fan & Power for Institutions	1,517	25,866.00
LMV-5: Private Tube Wells/ Pumping Sets	13	85.00
LMV 6: Small and Medium Power upto 100 HP (75 kW)	14,282	1,82,806.44
LMV-7: Public Water Works	1,197	51,754.42
LMV-8: State Tube Wells & Pump Canals upto 100 HP	-	-
LMV-9: Temporary Supply	685	3,305.00
LMV-10: Departmental Employees	5,147	19,967
LMV-11: Electrical Vehicles	-	-

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
HV-1: Non-Industrial Bulk Loads	285	76,133.80
HV-2: Large and Heavy Power above 100 BHP (75 kW)	625	2,14,538.14
HV-3: Railway Traction	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-
Bulk Supply	-	-
Extra State Consumer	-	-
Grand Total	**6,86,623**	**22,06,903.54**

TABLE 5-15: CONSOLIDATED Revised CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF 5-State DISCOMS FOR FY 2021-22

Category	No. of Consumer (No.)	Connected load/ Contracted Demand (kW)
LMV-1: Domestic Light, Fan & Power	2,79,84,224	4,10,01,618.99
LMV-2: Non-Domestic Light, Fan & Power	17,73,095	49,13,132.32
LMV-3: Public Lamps	5,095	2,55,880.87
LMV-4: Light, fan & Power for Institutions	1,09,858	6,18,910.90
LMV-5: Private Tube Wells/ Pumping Sets	13,44,835	84,86,379.56
LMV 6: Small and Medium Power upto 100 HP (75 kW)	1,96,140	22,92,975.39
LMV-7: Public Water Works	24,629	5,42,119.33
LMV-8: State Tube Wells & Pump Canals upto 100 HP	35,713	6,40,126.07
LMV-9: Temporary Supply	21,801	1,08,852.90
LMV-10: Departmental Employees	97,946	4,17,761.07
LMV-11: Electrical Vehicles	81	4,734.40
HV-1: Non-Industrial Bulk Loads	5,578	19,93,586.01
HV-2: Large and Heavy Power above 100 BHP (75 kW)	13,853	48,35,991.47
HV-3: Railway Traction	10	1,19,130.34
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	135	1,94,631.36
Bulk Supply	-	-
Extra Supply Consumer	2	5,410.00
Grand Total	**3,16,12,993**	**6,64,31,240.81**

Commission's Analysis

5.2.4. The Commission has observed that category-wise consolidated number of consumers and category-wise connected load of consumers submitted by the State Discoms for FY 2021-22 is higher than the approved for FY 2021-22.

5.2.5. Further analysis of variation in Number of Consumers and Connected Load for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.3. ENERGY SALES

Petitioner's Submission

5.3.1. The comparison of Energy Sales as approved by the Commission vide Tariff Order dated July 29, 2021 and as submitted by State Discoms for FY 2021-22 is shown in the Tables below:

TABLE 5-16: CATEGORY WISE SALES OF DVVNL FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	7,288	7,613
LMV-2 Non domestic light fan & power	1,034	988
LMV-3 Public lamps	40	73
LMV-4 Light, fan & power for public/private institution	291	234
LMV-5 Private tube well/pumping sets	3,613	4,377
LMV-6 Small & medium power upto 100 hp/75kw	729	534
LMV-7 Public water works	362	377
LMV-8 State tube wells & pumps canal upto 100 hp	642	1,278
LMV-9 Temporary supply	6	27
LMV- 10 Departmental employees	140	144
LMV-11 Electric Vehicles	0	0
HV-1 Non industrial bulk load	300	288
HV-2 Large & heavy power above 100 BHP (75 kw)	3,425	2,636
HV-3 Railway traction	0	62
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	137	109
Bulk supply	1,870	2186.42
Extra State Consumers	-	-
Total	**19,879**	**20,927**

TABLE 5-17: CATEGORY WISE SALES OF DF OF AGRA FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	1,090.65	1,384.86

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-2-Non domestic light fan & power	231.88	212.36
LMV-3 Public lamps	23.27	35.59
LMV-4 Light, fan & power for public/private institution	31.11	28.64
LMV-5 Private tube well/pumping sets	7.24	9.84
LMV-6 Small & medium power upto 100 hp/75kw	112.08	124.37
LMV-7 Public water works	27.15	36.40
LMV-8 State tube wells & pumps canal upto 100 hp	0.42	0.62
LMV-9 Temporary supply	9.36	8.70
LMV- 10 Departmental employees	5.06	5.51
LMV-11 Electric Vehicles	151.00	-
HV-1 Non industrial bulk load	181.00	126.74
HV-2 Large & heavy power above 100 BHP (75 kw)	1,090.65	212.80
HV-3 Railway traction	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-	-
Bulk supply	-	
Extra State Consumers	-	
Total	1,870.22	2,186.43

TABLE 5-18: CATEGORY WISE SALES OF MVVNL FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	10,098	11,652
LMV-2-Non domestic light fan & power	1,532	1,637
LMV-3 Public lamps	348	313
LMV-4 Light, fan & power for public/private institution	271	255
LMV-5 Private tube well/pumping sets	1,974	2,172
LMV-6 Small & medium power upto 100 hp/75kw	577	480
LMV-7 Public water works	491	420
LMV-8 State tube wells & pumps canal upto 100 hp	876	917
LMV-9 Temporary supply	97	21
LMV- 10 Departmental employees	167	150
LMV-11 Electric Vehicles	-	4
HV-1 Non industrial bulk load	763	815
HV-2 Large & heavy power above 100 BHP (75 kw)	1,538	1,639
HV-3 Railway traction	55	32

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	82	69
Bulk supply	-	-
Extra State Consumers	24	9
Total	**18,894**	**20,586**

TABLE 5-19: CATEGORY WISE SALES OF PVVNL FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	11,525.13	12,018
LMV-2 Non domestic light fan & power	1,747.31	1,757
LMV-3 Public lamps	188	187
LMV-4 Light, fan & power for public/private institution	230	157
LMV-5 Private tube well/pumping sets	6,159	6,185
LMV-6 Small & medium power upto 100 hp/75kw	1,220.15	1,183
LMV-7 Public water works	488	382
LMV-8 State tube wells & pumps canal upto 100 hp	246	374
LMV-9 Temporary supply	103	97
LMV- 10 Departmental employees	179	105
LMV-11 Electric Vehicles	-	0
HV-1 Non industrial bulk load	1,943	1,533
HV-2 Large & heavy power above 100 BHP (75 kw)	5,587	5,444
HV-3 Railway traction	80	88
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	1	1
Bulk supply	0	0
Extra State Consumers	0	-
Total	**29,695**	**29,514**

TABLE 5-20: CATEGORY WISE SALES OF PuVVNL FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	14,532	12,402
LMV-2-Non domestic light fan & power	2,072	2,005
LMV-3 Public lamps	117	135

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-4 Light, fan & power for public/private institution	198	258
LMV-5 Private tube well/pumping sets	2,253	2,658
LMV-6 Small & medium power upto 100 hp/75kw	572	572
LMV-7 Public water works	344	395
LMV-8 State tube wells & pumps canal upto 100 hp	1,098	1,153
LMV-9 Temporary supply	1	9
LMV- 10 Departmental employees	115	107
LMV-11 Electric Vehicles	0	0
HV-1 Non industrial bulk load	529	507
HV-2 Large & heavy power above 100 BHP (75 kw)	1,201	1,333
HV-3 Railway traction	17	8
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	486	486
Bulk supply	0	0
Extra State Consumers	3	3
Total	**23,539**	**22,028**

TABLE 5-21: CATEGORY WISE SALES OF KESCO FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	1,626	1,758
LMV-2 Non domestic light fan & power	333	333
LMV-3 Public lamps	37	27
LMV-4 Light, fan & power for public/private institution	121	62
LMV-5 Private tube well/pumping sets	0	0
LMV-6 Small & medium power upto 100 hp/75kw	327	365
LMV-7 Public water works	112	107
LMV-8 State tube wells & pumps canal upto 100 hp	-	-
LMV-9 Temporary supply	2	8
LMV- 10 Departmental employees	38	26
LMV-11 Electric Vehicles	-	-
HV-1 Non industrial bulk load	215	182
HV-2 Large & heavy power above 100 BHP (75 kw)	602	622
HV-3 Railway traction	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-	-
Bulk supply	-	-
Extra State Consumers	-	-
Total	**3,413**	**3,491**

TABLE 5-22: CONSOLIDATED CATEGORY WISE SALES OF 5 STATE DISCOMS FOR FY 2021-22 (MU)

Category	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
LMV-1 Domestic light fan & power	45,069.82	45,443.17
LMV-2-Non domestic light fan & power	6,718.84	6,720.31
LMV-3 Public lamps	730.13	747.13
LMV-4 Light, fan & power for public/private institution	1,111.28	964.72
LMV-5 Private tube well/pumping sets	13,998.82	15,392.22
LMV-6 Small & medium power upto 100 hp/75kw	3,424.86	3,134.85
LMV-7 Public water works	1,796.76	1,681.29
LMV-8 State tube wells & pumps canal upto 100 hp	2,862.50	3,721.80
LMV-9 Temporary supply	209.64	163.22
LMV- 10 Departmental employees	638.63	531.72
LMV-11 Electric Vehicles		4.17
HV-1 Non industrial bulk load	3,750.42	3,325.45
HV-2 Large & heavy power above 100 BHP (75 kw)	12,352.69	11,674.51
HV-3 Railway traction		190.41
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	706.66	664.77
Bulk supply	1,870.22	2,186.43
Extra State Consumers	26.78	11.59
Total	**95,419.90**	**96,557.76**

Revised Petitioner's Submission

5.3.2. The Petitioners vide MOM of TVS dated April 18, 2022 were asked to submit revised category-wise energy sales. In the response of the Commission's query the State Discoms vide lette dated April 29, 2022 submitted revised category-wise energy sales for FY 2021-22, which are shown in the Tables below:

TABLE 5-23: CATEGORY WISE REVISED SALES OF DVVNL FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	7,819.94
LMV-2-Non domestic light fan & power	988.19
LMV-3 Public lamps	72.77

Category	Claimed in APR
LMV-4 Light, fan & power for public/private institution	233.61
LMV-5 Private tube well/pumping sets	4,376.78
LMV-6 Small & medium power upto 100 hp/75kw	533.83
LMV-7 Public water works	377.18
LMV-8 State tube wells & pumps canal upto 100 hp	912.47
LMV-9 Temporary supply	57.48
LMV- 10 Departmental employees	119.80
LMV-11 Electric Vehicles	0.11
HV-1 Non industrial bulk load	288.22
HV-2 Large & heavy power above 100 BHP (75 kw)	2,788.61
HV-3 Railway traction	62.36
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	108.71
Bulk Supply	-
Extra Supply Consumer	-
Total	**18,740.07**

TABLE 5-24: CATEGORY WISE REVISED SALES OF TORRENT FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	1,384.86
LMV-2-Non domestic light fan & power	212.36
LMV-3 Public lamps	35.59
LMV-4 Light, fan & power for public/private institution	28.64
LMV-5 Private tube well/pumping sets	9.84
LMV-6 Small & medium power upto 100 hp/75kw	124.37
LMV-7 Public water works	36.40
LMV-8 State tube wells & pumps canal upto 100 hp	0.62
LMV-9 Temporary supply	8.70
LMV- 10 Departmental employees	5.51
LMV-11 Electric Vehicles	-
HV-1 Non industrial bulk load	126.74
HV-2 Large & heavy power above 100 BHP (75 kw)	212.80
HV-3 Railway traction	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-
Bulk Supply	
Extra State Consumers	

Category	Claimed in APR
Total	**2,180.91**

TABLE 5-25: CATEGORY WISE REVISED SALES OF DVVNL + TORRENT FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	9,204.80
LMV-2-Non domestic light fan & power	1,200.55
LMV-3 Public lamps	108.36
LMV-4 Light, fan & power for public/private institution	262.25
LMV-5 Private tube well/pumping sets	4,386.62
LMV-6 Small & medium power upto 100 hp/75kw	658.20
LMV-7 Public water works	413.58
LMV-8 State tube wells & pumps canal upto 100 hp	913.09
LMV-9 Temporary supply	66.18
LMV- 10 Departmental employees	125.31
LMV-11 Electric Vehicles	0.11
HV-1 Non industrial bulk load	414.96
HV-2 Large & heavy power above 100 BHP (75 kw)	3,001.41
HV-3 Railway traction	62.36
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	108.71
Bulk Supply	0.00
Extra Supply Consumer	0.00
Total	**20,926.50**

TABLE 5-26: CATEGORY WISE REVISED SALES OF MVVNL FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	11,652.48
LMV-2-Non domestic light fan & power	1,636.70
LMV-3 Public lamps	313.29
LMV-4 Light, fan & power for public/private institution	254.66

Category	Claimed in APR
LMV-5 Private tube well/pumping sets	2,172.09
LMV-6 Small & medium power upto 100 hp/75kw	480.48
LMV-7 Public water works	420.41
LMV-8 State tube wells & pumps canal upto 100 hp	917.34
LMV-9 Temporary supply	21.33
LMV- 10 Departmental employees	149.79
LMV-11 Electric Vehicles	3.58
HV-1 Non industrial bulk load	814.99
HV-2 Large & heavy power above 100 BHP (75 kw)	1,639.37
HV-3 Railway traction	31.70
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	69.05
Bulk Supply	-
Extra State Consumers	8.78
Total	**20,586.03**

TABLE 5-27: CATEGORY WISE REVISED SALES OF PVVNL FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	12,018.42
LMV-2-Non domestic light fan & power	1,719.24
LMV-3 Public lamps	186.57
LMV-4 Light, fan & power for public/private institution	156.87
LMV-5 Private tube well/pumping sets	6,185.38
LMV-6 Small & medium power upto 100 hp/75kw	1,183.29
LMV-7 Public water works	381.80
LMV-8 State tube wells & pumps canal upto 100 hp	374.32
LMV-9 Temporary supply	97.42
LMV- 10 Departmental employees	143.01
LMV-11 Electric Vehicles	0.45
HV-1 Non industrial bulk load	1,533.19
HV-2 Large & heavy power above 100 BHP (75 kw)	5,444.23
HV-3 Railway traction	88.45
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	1.31
Bulk Supply	-
Extra State Consumer	-
Total	**29,513.96**

TABLE 5-28: CATEGORY WISE REVISED SALES OF PuVVNL FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	12,401.91
LMV-2-Non domestic light fan & power	2,004.90
LMV-3 Public lamps	134.78
LMV-4 Light, fan & power for public/private institution	257.85
LMV-5 Private tube well/pumping sets	2,657.87
LMV-6 Small & medium power upto 100 hp/75kw	571.99
LMV-7 Public water works	395.13
LMV-8 State tube wells & pumps canal upto 100 hp	1,152.54
LMV-9 Temporary supply	9.02
LMV- 10 Departmental employees	106.61
LMV-11 Electric Vehicles	0.03
HV-1 Non industrial bulk load	506.75
HV-2 Large & heavy power above 100 BHP (75 kw)	1,332.69
HV-3 Railway traction	7.86
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	485.70
Bulk Supply	-
Extra State Consumers	2.81
Total	**22,028.44**

TABLE 5-29: CATEGORY WISE REVISED SALES OF KESCO FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	1,729.95
LMV-2-Non domestic light fan & power	333.47
LMV-3 Public lamps	54.84
LMV-4 Light, fan & power for public/private institution	61.72
LMV-5 Private tube well/pumping sets	0.11
LMV-6 Small & medium power upto 100 hp/75kw	365.27
LMV-7 Public water works	106.75
LMV-8 State tube wells & pumps canal upto 100 hp	-
LMV-9 Temporary supply	7.98
LMV- 10 Departmental employees	25.64
LMV-11 Electric Vehicles	-
HV-1 Non industrial bulk load	182.30
HV-2 Large & heavy power above 100 BHP (75 kw)	622.18

Category	Claimed in APR
HV-3 Railway traction	0.04
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-
Bulk Supply	-
Extra State Consumers	-
Total	**3,490.25**

TABLE 5-30: CONSOLIDATED CATEGORY WISE REVISED SALES OF 5 STATE DISCOMS FOR FY 2021-22 (MU)

Category	Claimed in APR
LMV-1 Domestic light fan & power	47,007.56
LMV-2-Non domestic light fan & power	6,894.86
LMV-3 Public lamps	797.84
LMV-4 Light, fan & power for public/private institution	993.35
LMV-5 Private tube well/pumping sets	15,402.07
LMV-6 Small & medium power upto 100 hp/75kw	3,259.23
LMV-7 Public water works	1,717.67
LMV-8 State tube wells & pumps canal upto 100 hp	3,357.29
LMV-9 Temporary supply	201.93
LMV- 10 Departmental employees	550.36
LMV-11 Electric Vehicles	4.17
HV-1 Non industrial bulk load	3,452.19
HV-2 Large & heavy power above 100 BHP (75 kw)	12,039.88
HV-3 Railway traction	190.41
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	664.77
Bulk Supply	-
Extra Supply Consumer	11.59
Total	**96,545.17**

Commission's Analysis

5.3.3. The Commission has observed that category-wise consolidated sales as submitted by the Petitioners for FY 2021-22 is higher than the approved category-wise consolidated sales for FY 2021-22.

5.3.4. Further analysis of increase in sales for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.4. CATEGORY / SUB-CATEGORY / SLAB WISE ABR

Petitioner's Submission

5.4.1. The Petitioners have estimated the ABR as shown in the Table below:

TABLE 5-31: ABR submitted by the petitioners for FY 2021-22

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
LMV-1	**DOMESTIC LIGHT, FAN & POWER:**							
(i)	Lifeline Consumers: With contracted load of 1.00 kW, Energy consumption upto 100 kWh/ month (both Rural and Urban)	1,33,83,584	1,33,20,115.82	13,472.70	465.07	4,041.81	4,506.88	3.35
(a)	**Consumers getting supply as per 'Rural Schedule' except Lifeline consumers**	**52,69,282**	**81,31,665.58**	**8,810.85**	**1,982.03**	**2,748.20**	**4,730.23**	**5.37**
(ii)	Un-Metered:	5,97,695	6,93,312.75	1,930.18	670.20	-	670.20	3.47
(iii)	Metered: (Dom: Rural Schedule (metered) other than BPL)	46,71,587	74,38,352.83	6,880.66	1,311.83	2,748.20	4,060.03	5.90
	Upto 100 kWh / Month	23,73,594	29,57,489.38	3,637.40	540.55	1,218.53	1,759.08	4.84
	101-150 kWh / Month	12,55,920	20,70,723.83	1,221.32	356.06	470.21	826.27	6.77
	151-300 kWh / Month	6,24,974	17,65,103.08	1,236.11	305.65	618.05	923.70	7.47
	301-500 kWh / Month	3,86,808	4,91,476.80	601.74	81.96	330.96	412.91	6.86
	Above 500 kWh / Month	30,292	1,53,559.74	184.10	27.61	110.46	138.07	7.50
(b)	**Supply at single point for bulk loads (50 kW and above, Supplied at any voltage):**	**493**	**4,03,969.66**	**735.42**	**53.42**	**514.80**	**568.22**	**7.73**
(c)	**Other Metered Domestic Consumers:**	**89,21,477**	**1,84,49,373.15**	**22,424.21**	**2,349.18**	**13,164.76**	**15,513.94**	**6.92**
(i)	Other Metered Domestic Consumers other than BPL						-	-
	Upto150 kWh / month	56,19,204	99,48,041.33	12,920.11	1,264.88	7,106.06	8,370.94	6.48
	151-300 kWh / month	15,66,217	38,15,573.53	4,521.76	485.25	2,713.06	3,198.31	7.07
	301- 500 kWh / month	10,40,016	29,15,836.57	2,839.80	369.10	1,845.87	2,214.96	7.80
	Above 500 kWh / month	6,96,039	17,69,921.72	2,142.54	229.96	1,499.78	1,729.73	8.07
	Sub Total LMV-1	**2,75,74,836**	**4,03,05,124.21**	**45,443.17**	**4,849.70**	**20,469.57**	**25,319.27**	**5.57**

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
LMV-2	**NON-DOMESTIC LIGHT, FAN & POWER:**						-	-
(a)	**Consumers getting supply as per "Rural Schedule"**	**2,20,607**	**6,90,732.15**	**1,463.82**	**116.53**	**805.10**	**921.63**	**6.30**
(i)	Un-Metered	-	-	-	19.27	-	19.27	-
(ii)	Metered	2,20,607	6,90,732.15	1,463.82	97.26	805.10	902.36	6.16
(b)	**Private Advertising / Signposts / Sign Boards / Glow Signs / Flex**	19,871	74,084.35	65.87	-	118.57	118.57	18.00
	Metered						-	-
(c)	**Other Metered Consumers: (For All Loads)**	**14,10,075**	**37,77,986.33**	**5,190.62**	**1,699.21**	**4,066.54**	**5,765.75**	**11.11**
	Upto 2 kW	**9,77,030**	**17,30,829.40**	**2,544.41**	**678.80**	**1,941.94**	**2,620.74**	**10.30**
	Upto 300 kWh / month	7,45,553	13,90,653.22	2,171.85	545.38	1,628.89	2,174.27	10.01
	301 – 1000 kWh / month	2,16,619	3,23,756.58	369.61	126.98	310.47	437.45	11.84
	Above 1000 kWh/Month	14,857	16,419.60	2.95	6.44	2.59	9.02	11.84
	Above 2 kW to 4 kW	**3,23,298**	**10,42,881.19**	**1,519.77**	**483.34**	**1,193.62**	**1,676.97**	**11.03**
	Upto 300 kWh / month	2,44,671	7,90,267.27	962.89	366.26	722.17	1,088.43	11.30
	301 – 1000 kWh / month	63,745	2,04,400.67	451.88	94.74	379.58	474.32	10.50
	Above 1000 kWh/Month	14,882	48,213.24	105.00	22.35	91.88	114.22	10.88
	Above 4 kW	**1,09,747**	**10,04,275.74**	**1,126.44**	**537.07**	**930.98**	**1,468.05**	**13.03**
	Upto 300 kWh / month	74,566	3,40,745.42	371.39	182.21	278.54	460.75	12.41
	From 301-1000 kWh / month	28,886	2,27,862.32	235.23	121.85	197.59	319.44	13.58
	Above 1001 kWh / month	6,295	4,35,668.00	519.82	233.01	454.84	687.85	13.23
	Sub Total LMV-2	**16,50,554**	**45,42,802.83**	**6,720.31**	**1,815.74**	**4,990.22**	**6,805.95**	**10.13**
LMV-3	**PUBLIC LAMPS:**						-	-
(i)	**Un-Metered Supply:**	**1,365**	**49,830.50**	**164.64**	**312.51**	**-**	**312.51**	
	Gram Panchayat.	668	6,233.00	20.46	23.56	-	23.56	
	Nagar Palika and Nagar Panchayat	466	22,581.50	68.71	130.07	-	130.07	
	Nagar Nigam	231	21,016.00	75.48	158.88	-	158.88	
(ii)	**Metered Supply:**	**3,272**	**2,16,098.68**	**570.17**	**47.85**	**476.71**	**524.57**	**9.20**
	Gram Panchayat	440	2,594.88	6.60	0.62	4.95	5.56	8.43
	Nagar Palika and Nagar Panchayat	1,822	59,492.50	145.41	13.16	116.33	129.49	8.91
	Nagar Nigam	1,010	1,54,011.30	418.16	34.07	355.44	389.51	9.31
	Sub Total LMV-3	**4,637**	**2,65,929.18**	**734.81**	**360.36**	**476.71**	**837.08**	**11.39**
LMV-4	**LIGHT, FAN & POWER FOR PUBLIC & PRIVATE INSTITUTION:**						-	-
4 (a)	**For Public Institutions:**	**92,895**	**4,41,188.28**	**751.03**	**158.07**	**628.31**	**786.38**	**10.47**
	From 0-1000 kWh/ month	82,082	3,90,719.66	521.05	139.99	429.87	569.86	10.94

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
	From1001-2000 kWh/ month	8,310	38,803.40	111.57	13.90	94.84	108.74	9.75
	Above 2001 kWh / month (From 2001st unit onwards)	2,503	11,665.22	118.40	4.18	103.60	107.78	9.10
4 (b)	**For Private Institutions:**	**13,787**	**1,56,902.12**	**213.69**	**73.20**	**195.49**	**268.69**	**12.57**
	Upto 3 kW: Upto 0-1000 kWh/Month	7,851	24,497.22	70.95	10.26	63.86	74.12	10.45
	Upto 3 kW: Above 1000 kWh/Month	2,171	7,445.92	17.97	3.11	16.72	19.83	11.03
	Above 3 kW: Upto 0-1000 kWh/Month	2,518	38,603.77	37.08	18.47	33.37	51.84	13.98
	Above 3 kW: Above 1000 kWh/Month	1,247	86,355.21	87.68	41.35	81.55	122.90	14.02
	Sub Total LMV-4	**1,06,681**	**5,98,090.40**	**964.72**	**231.27**	**823.80**	**1,055.07**	**10.94**
							-	-
LMV-5	**SMALL POWER FOR PRIVATE TUBE WELL/ PUMPING SETS FOR IRRIGATION PURPOSES:**						-	-
(a)	**Consumers getting supply as per "Rural Schedule"**	**12,54,772**	**76,83,346.35**	**13,516.31**	**2,029.50**	**312.36**	**2,341.86**	**1.73**
(i)	Un-Metered Supply	12,07,522	72,45,678.00	11,954.50	1,981.39	-	1,981.39	1.66
	Rural Schedule	12,07,522	72,45,678.00	11,954.50	1,981.39	-	1,981.39	1.66
	Rural Schedule Pumps	-	-	-	-	-	-	-
(ii)	Metered Supply	47,250	4,37,668.35	1,561.81	48.11	312.36	360.47	2.31
	Rural Schedule	47,250	4,37,668.35	1,561.81	48.11	312.36	360.47	2.31
	Rural Schedule Pumps	-	-	-	-	-	-	-
(iii)	Energy Efficient Pumps	-	-	-	-	-	-	-
(b)	**Consumers getting supply as per "Urban Schedule (Metered Supply)"**	**43,833**	**4,81,029.10**	**1,875.92**	**98.19**	**1,125.55**	**1,223.74**	**6.52**
	Sub Total LMV-5	**12,98,605**	**81,64,375.45**	**15,392.22**	**2,127.69**	**1,437.91**	**3,565.60**	**2.32**
LMV-6	**SMALL AND MEDIUM POWER:**						-	-
(a)	**Consumers getting supply as per "Rural Schedule"**	**46,207**	**4,24,399.00**	**551.63**	**101.35**	**381.17**	**482.52**	**8.75**
	Upto 1000 kWh/ month	38,512	3,56,118.90	292.53	85.07	197.53	282.60	9.66
	Upto 2000 kWh/ month	5,200	39,310.37	123.15	9.37	84.29	93.66	7.61
	Above 2000 kWh / month	2,495	28,969.74	135.95	6.91	99.35	106.25	7.82
(b)	**Consumers getting supply other than "Rural Schedule"**	**1,40,524**	**18,02,518.89**	**2,583.22**	**450.29**	**1,961.21**	**2,411.51**	**9.34**
	Upto 1000 kWh/ month	**1,98,132**	**10,05,682.57**	**1,291.61**	**450.29**	**982.68**	**1,432.97**	**11.09**
	05:00 hrs - 11:00 hrs	15,172	1,52,766.08	73.89	38.66	45.85	84.51	11.44
	11:00 hrs - 17:00 hrs	44,281	4,40,127.04	216.65	111.57	158.16	269.72	12.45
	17:00 hrs - 23:00 hrs	21,039	2,04,860.40	102.85	51.88	86.34	138.22	13.44

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
	23:00 hrs - 05:00 hrs	18,633	2,07,929.05	88.75	52.64	64.79	117.43	13.23
	Upto 2000 kWh/ month	**51,202**	**3,89,879.58**	**717.59**	**95.52**	**535.16**	**630.68**	**8.79**
	05:00 hrs - 11:00 hrs	49,668	57,225.37	54.84	13.95	34.49	48.44	8.83
	11:00 hrs - 17:00 hrs	1,49,256	1,69,402.14	161.32	41.58	119.37	160.96	9.98
	17:00 hrs - 23:00 hrs	69,032	78,898.92	79.21	19.30	67.41	86.72	10.95
	23:00 hrs - 05:00 hrs	74,134	84,353.15	66.17	20.68	48.96	69.64	10.53
	Above 2000 kWh / month	**31,714**	**4,06,956.73**	**901.68**	**100.02**	**717.68**	**817.71**	**9.07**
	05:00 hrs - 11:00 hrs	2,457	58,544.75	69.23	14.30	46.49	60.79	8.78
	11:00 hrs - 17:00 hrs	6,968	1,78,036.81	198.09	43.86	156.49	200.34	10.11
	17:00 hrs - 23:00 hrs	3,419	87,971.68	98.24	21.67	89.25	110.91	11.29
	23:00 hrs - 05:00 hrs	2,955	82,403.49	82.37	20.20	65.08	85.27	10.35
	Sub Total LMV-6	**1,86,731**	**22,26,917.89**	**3,134.85**	**551.64**	**2,342.39**	**2,894.03**	**9.23**
LMV-7	**PUBLIC WATER WORKS:**						-	-
(a)	Consumers getting supply other than "Rural Schedule"	13,750	3,96,682.15	1,268.20	175.55	1,090.65	1,266.19	9.98
(b)	Consumers getting supply as per "Rural Schedule"	10,724	1,26,104.60	413.09	49.39	328.61	378.01	9.15
	Sub Total LMV-7	**24,474**	**5,22,786.75**	**1,681.29**	**224.94**	**1,419.26**	**1,644.20**	**9.78**
LMV-8	**STW, PANCHAYTI RAJ TUBE WELL & PUMPED CANALS:**						-	-
(i)	Metered	24,136	3,07,466.47	2,253.59	139.40	1,915.55	2,054.95	9.12
(ii)	Un-Metered	11,449	1,97,238.00	1,468.21	1,570.50	-	1,570.50	10.70
	Sub Total LMV-8	**35,585**	**5,04,704.47**	**3,721.80**	**1,709.90**	**1,915.55**	**3,625.45**	**9.74**
LMV-9	**TEMPORARY SUPPLY:**						-	-
(b)	**Metered**	**20,555**	**1,04,165.78**	**157.78**	**33.41**	**138.71**	**172.11**	**10.91**
	Sub Total LMV-9	**20,582**	**1,04,233.75**	**163.22**	**34.17**	**138.71**	**172.87**	**10.59**
LMV-10	**DEPARTMENTAL EMPLOYEES AND PENSIONERS:**	84,752	3,44,303	532	294	-	294.12	5.53
	Sub Total LMV-10	**84,752**	**3,44,303.04**	**531.72**	**294.12**	-	**294.12**	**5.53**
LMV-11	**ELECTRIC VEHICLE CHARGING:**						-	-
	Multi Storey Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)						-	-
	Multi Story Buildings (Covered under LMV-1b)						-	-
	Multi Story Buildings (Covered under HV-1b)						-	-
	Public Charging Stations		**4,734.40**	**4.17**	-	**3.08**	**3.08**	**7.38**
	Public Charging Station (LT)	**67**	**997**	**1**	-	**1**	**0.62**	**7.70**
	Public Charging Station (HT)	**12**	**3,738**	**3**	-	**2**	**2.46**	**7.30**

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
	Sub Total LMV-11	79	4,734.40	4.17	-	3.08	3.08	7.38
HV-1	NON-INDUSTRIAL BULK LOAD:						-	-
(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:	2,441	9,64,641.42	1,662.72	334.45	1,431.85	1,766.30	10.62
	For Supply at 11 kV	1,292	7,04,838	1,522	241	1,313	1,554.57	10.21
	0-2500 kVAh / month	1,169	2,15,142	225	65	187	251.58	11.20
	Above 2500 kVAh / month	123	4,89,695.54	1,297.56	176.72	1,126.28	1,303.00	10.04
	For Supply above 11 kV	1,150	2,59,803.41	140.62	92.98	118.75	211.73	15.06
	0-2500 kVAh / month	872	19,968.60	13.75	7.03	11.17	18.20	13.23
	Above 2500 kVAh / month	278	2,39,834.81	126.87	85.94	107.58	193.53	15.25
(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:	2,881	13,27,299.45	1,662.72	405.74	1,309.70	1,715.45	10.32
	For Supply at 11 kV	1,749	9,92,594.25	1,522.10	298.03	1,201.75	1,499.78	9.85
	0-2500 kVAh / month	1,594	30,411.52	35.65	9.16	27.45	36.61	10.27
	Above 2500 kVAh / month	155	9,62,182.73	1,486.45	288.87	1,174.30	1,463.17	9.84
	For Supply above 11 kV	1,132	3,34,705.20	140.62	107.71	107.96	215.67	15.34
	0-2500 kVAh / month	973	41,712.80	16.10	13.43	12.08	25.51	15.84
	Above 2500 kVAh / month	159	2,92,992.40	124.52	94.28	95.88	190.16	15.27
	Sub Total HV-1	5,323	22,91,940.88	3,325.45	740.19	2,741.56	3,481.75	10.47
HV-2	LARGE AND HEAVY POWER:						-	-
(A)	Urban Schedule:	12,833	44,59,810.06	11,086.60	1,172.84	7,757.04	8,929.88	8.05
	Supply up to 11 kV	12,493	34,17,761.92	8,351.78	909.91	5,924.19	6,834.10	8.18
	05:00 hrs - 11:00 hrs	2,836	7,64,100.43	952.45	-	676.24	676.24	7.10
	11:00 hrs - 17:00 hrs	4,200	11,18,053.69	1,394.34	-	989.98	989.98	7.10
	17:00 hrs - 23:00 hrs	2,737	7,46,361.10	909.73	-	742.80	742.80	8.17
	23:00 hrs - 05:00 hrs	2,720	7,89,246.70	919.37	-	554.84	554.84	6.04
	Supply above 11 kV and up to 66 kV	305	7,42,750.74	2,187.01	191.25	1,488.86	1,680.11	7.68
	05:00 hrs - 11:00 hrs	70	1,71,878.83	250.50	-	170.34	170.34	6.80
	11:00 hrs - 17:00 hrs	103	2,49,097.25	369.33	-	251.15	251.15	6.80

Exisitng Consumer Category/sub-category/Slab		Consumer (No.)	Load (kW)	Energy Sales (MU)	Fixed Charges (Rs. Cr)	Energy Charges (Rs. Cr)	Total Revenue (Rs. Cr.)	ABR (Rs/kWh) FY 2021-22
	CONSUMER CATEGORY / SUB-CATEGORY/Slab							
	17:00 hrs - 23:00 hrs	69	1,69,919.07	246.93	-	193.10	193.10	7.82
	23:00 hrs - 05:00 hrs	63	1,51,855.58	226.74	-	131.05	131.05	5.78
	Supply above 66 kV and up to 132 kV	**29**	**2,10,148.84**	**332.54**	**50.32**	**213.18**	**263.50**	**7.92**
	05:00 hrs - 11:00 hrs	6	47,230.86	38.68	-	24.75	24.75	6.40
	11:00 hrs - 17:00 hrs	10	73,344.53	55.92	-	35.79	35.79	6.40
	17:00 hrs - 23:00 hrs	6	45,137.58	38.00	-	27.97	27.97	7.36
	23:00 hrs - 05:00 hrs	6	44,435.86	33.68	-	18.32	18.32	5.44
	Supply above 132 kV	**6**	**89,148.56**	**215.27**	**21.35**	**130.81**	**152.16**	**7.07**
	Summer Months (April to September)	6	89,148.56	107.63	21.35	65.63	86.98	8.08
	05:00 hrs - 11:00 hrs	1	18,788.32	21.49	4.50	11.14	15.64	7.28
	11:00 hrs - 17:00 hrs	2	31,110.67	38.44	7.45	23.45	30.90	8.04
	17:00 hrs - 23:00 hrs	1	18,620.07	21.25	4.46	14.91	19.37	9.11
	23:00 hrs - 05:00 hrs	1	20,629.50	26.46	4.94	16.14	21.08	7.97
(B)	Rural Schedule	**752**	**2,63,155.51**	**587.91**	**64.79**	**386.11**	**450.91**	**7.67**
	Supply up to 11 kV	752	2,63,155.51	587.91	64.79	386.11	450.91	7.67
	Sub Total HV-2	**13,585**	**47,22,965.57**	**11,674.51**	**1,237.63**	**8,143.15**	**9,380.78**	**8.04**
HV-3	**RAILWAY TRACTION & METRO RAIL:**						-	-
(A)	**Railway Traction:**	**3**	**46,800.00**	**72.11**	**16.85**	**61.29**	**78.14**	**10.84**
	For Supply at and above 132 kV	3	46,800.00	72.11	16.85	61.29	78.14	10.84
	For Supply below 132 kV	-	-	-	-	-	-	-
(B)	**METRO RAIL**	7	**72,330.34**	**118.30**	**18.11**	**86.36**	**104.46**	**8.83**
	Sub Total HV-3	**10**	**1,19,130.34**	**190.41**	**34.96**	**147.65**	**182.60**	**9.59**
HV-4	**LIFT IRRIGATION WORKS:**						-	-
	For Supply at 11 kV	101	95,236.12	313.83	29.87	266.75	296.62	9.45
	For Supply above11 kV upto 66 kV	33	99,395.24	350.95	30.26	294.79	325.05	9.26
	For Supply above66kV upto 132 kV	-	-	-	-	-	-	-
	Sub Total HV-4	**134**	**1,94,631.36**	**664.77**	**60.13**	**561.55**	**621.67**	**9.35**
	Extra State Consumer	**2**	**5,410**	**12**	**-**	**9**	**9.08**	**7.83**
	Bulk Supply Consumer	**1**	**11,61,313.00**	**2,186.43**	**-**	**1,089.15**	**1,089.15**	**4.98**
	Grand Total	**3,10,06,571**	**6,60,79,394**	**96,545**	**14,272**	**46,709**	**60,982**	**6.32**

Commission's Analysis

5.4.2. The Commission has noted the submission of the Petitioners. The analysis of ABR, norms for FY 2021-22 would be carried out during True-Up proceedings

after receipt of actual data and annual audited accounts of respective State Discoms.

5.5. DISTRIBUTION LOSS

Petitioner's Submission

5.5.1. The Petitioners have submitted that they are in the process of formulation of RDSS in the State. Based on the actual distribution loss of the Discom, the Petitioners have estimated the Loss trajectories for the coming years for the implementation of the scheme. The detailed approach has been discussed in the True-Up section.

TABLE 5-32: DISTRIBUTION LOSSES CLAIMED by the petitioners FOR FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
DVVNL	11.33%	24.58%
MVVNL	11.04%	19.19%
PVVNL	11.04%	16.94%
PuVVNL	11.36%	19.60%
KESCO	8.25%	9.20%
Consolidated	**11.08%**	**19.54%**

Commission's Analysis

5.5.2. The actual losses are higher in comparison to the approved losses. Further analysis of Distribution losses for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.6. POWER PURCHASE QUANTUM AND COST

Petitioner's Submission

5.6.1. The Petitioners have submitted that UPPCL is procuring power on behalf of Discoms at consolidated level., The Power Purchase section represents the consolidated power purchase at UPPCL level. The consolidated energy balance for FY 2021-22 is as follows:

TABLE 5-33: CONSOLIDATED ENERGY BALANCE FOR FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Retail Sales (MU)	95,419.90	96,545.44
Distribution Losses (%)	11.08%	19.54%
Energy at DISCOM Periphery for Retail Sales (MU)	107,315.40	119,994.32
Intra-State Transmission Losses %	3.33%	3.33%
Energy Available at State periphery for Transmission (MU)	111,012.09	124,127.77
Inter State Losses (MU)	1,312.73	1,991.64
Inter-State Transmission Losses % (% computed on Total input energy)	2.94%	1.58%
Purchases Required & Billed Energy (MU)	**112,324.82**	**126,119.41**

5.6.2. The Petitioners submitted that the Power Purchase Cost for FY 2021-22 is estimated based on the audited data available for Power Purchase quantum and cost for FY 2021-22 available till July 2021. The power purchase cost details for FY 2021-22 as submitted by the Petitioners are depicted as below:

TABLE 5-34: Power Purchase Cost for FY 2021-22

S. No	Source of Power (Station wise)	FY 2021-22										
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost			Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
A	Long term Sources											
a	Power procured from own Generating Stations (if any)											
b	From State Generating Stations Thermal											
1	ANPARA-A	3,419.97	0.74	254.02	1.93	659.70		-			913.72	2.67
2	ANPARA-B	6,835.14	0.46	311.73	1.80	1,232.12		-			1,543.85	2.26
3	PANKI	-	-	-	-	-		-			-	-
4	PARICHHA	-	-	-	-	-		-			-	
3	PARICHHA EXT.	460.02	1.90	87.59	3.80	175.02		-			262.60	5.71
4	OBRA-A	-	-	-		-		-			-	
5	OBRA-B	4,094.27	0.80	327.31	2.37	968.37		-2.43			1,293.25	3.16

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost			Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
6	HARDUAGANJ	145.95	5.27	76.92	2.37	34.59		-			111.51	7.64
7	HARDUAGANJ EXT.	1,465.33	3.26	478.34	3.68	539.68		-			1,018.02	6.95
8	PARICHHA EXT. STAGE-II	1,627.71	3.10	505.02	3.70	601.90		-			1,106.92	6.80
9	ANPARA-D	5,042.44	1.55	780.72	1.76	887.38		-			1,668.11	3.31
10	Panki Extension	1,018.54	2.46	250.25		374.28		0.01			624.54	
11	HARDUAGANJ EXT. Stage II	1,142.08	2.03	231.59		372.78		-			604.37	
12	OBRA-C	-	-	-		-		-			-	
13	Jawaharpur	-	-	-		-		-			-	
	UPRVUNL Consolidated	-	-	-	-	-		88.79			88.79	-
	Sub-Total	**25,251.44**		**3,303.49**		**5,845.82**		**86.37**			**9,235.69**	3.66
c	From State Generating Stations Hydro											
1	RIHAND	523.99	0.39	20.40	0.85	44.65		-			65.06	1.24
2	OBRA (H)	301.77	0.30	9.01	0.50	15.12		-			24.13	0.80
3	MATATILA	55.10	0.41	2.25	0.65	3.59		-			5.84	1.06
4	KHARA	262.81	0.52	13.70	0.44	11.68		-			25.38	0.97
5	UGC	26.40	-	-	2.85	7.52		-			7.52	2.85
6	SHEETLA	1.57	-	-	1.82	0.28		-			0.28	1.82
7	BELKA	3.23	-	-	2.13	0.69		-			0.69	2.13
8	BABAIL	4.44	-	-	2.83	1.26		-			1.26	2.83
	UPJVNL CONSOLIDATED	-	-	-	-	-		-			-	-
	Sub-Total	**1,179.31**		**45.37**		**84.79**		-			**130.15**	1.10
d	From Central Sector Generating Stations											
a	Thermal (NTPC)											
1	ANTA GPS	23.44	22.01	51.58	6.00	14.06		-0.63			65.01	27.74
2	AURAIYA GPS	62.95	16.15	101.67	7.40	46.60		-0.79			147.48	23.43
3	DADRI GPS	353.99	3.00	106.04	7.88	278.92		26.04			411.00	11.61
4	JHANOR GPS	0.04	12.70	0.05	2.60	0.01		0.00			0.06	15.38
5	KAWAS GPS	0.04	11.22	0.04	2.49	0.01		-0.00			0.05	13.70
6	TANDA TPS	932.98	3.56	332.53	3.52	328.05		11.70			672.28	7.21

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost			Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
7	FGUTPS-1	816.04	1.97	160.49	3.24	264.46		10.83			435.78	5.34
8	FGUTPS-2	522.22	1.64	85.55	3.29	171.89		37.05			294.49	5.64
9	FGUTPS-3	283.96	2.01	57.07	3.29	93.55		5.33			155.94	5.49
10	FGUTPS-4	1,010.98	2.28	230.25	3.12	315.78		11.06			557.09	5.51
11	FSTPS	105.99	1.17	12.36	3.00	31.82		4.14			48.32	4.56
12	KHTPS-1	305.95	1.59	48.57	2.52	76.97		0.44			125.98	4.12
13	KHTPS-2	1,080.90	1.51	163.62	2.42	261.21		-1.67			423.16	3.91
14	NCTPS-1	777.49	0.65	50.53	3.12	242.65		1.92			295.09	3.80
15	NCTPS-2	295.90	3.63	107.47	3.19	94.28		2.84			204.59	6.91
16	RIHAND-1	2,125.46	0.83	176.13	1.46	310.03		1.88			488.04	2.30
17	RIHAND-2	1,707.55	0.76	129.48	1.46	248.69		1.43			379.60	2.22
18	RIHAND-3	2,302.22	1.36	312.48	1.44	332.06		6.02			650.56	2.83
19	SINGRAULI	4,425.62	0.70	310.04	1.53	676.51		-0.37			986.18	2.23
20	KORBA-I STPS	16.78	0.64	1.07	1.41	2.37		0.04			3.48	2.08
21	KORBA-III STPS	8.34	1.23	1.03	1.40	1.17		0.03			2.23	2.67
22	MAUDA-I STPS	20.40	2.41	4.92	3.26	6.64		0.16			11.72	5.75
23	MAUDA-II STPS	49.09	1.64	8.05	3.44	16.88		0.00			24.93	5.08
24	SOLAPUR TPS	14.96	3.46	5.18	3.55	5.31		-0.02			10.47	7.00
25	SIPAT-I	28.82	1.32	3.80	1.53	4.40		0.02			8.22	2.85
26	SIPAT-II STPS	10.34	1.23	1.27	1.54	1.60		0.02			2.89	2.80
27	VINDHYACHAL-I STPS	15.36	0.91	1.40	1.67	2.57		0.01			3.98	2.59
28	VINDHYACHAL-II STPS	9.13	0.79	0.72	1.61	1.47		0.02			2.22	2.43
29	VINDHYACHAL-III STPS	10.01	1.17	1.17	1.61	1.61		0.00			2.78	2.78
30	VINDHYACHAL-IV STPS	14.11	1.68	2.37	1.60	2.26		0.01			4.64	3.29
31	VINDHYACHAL-V STPS	7.89	1.76	1.39	1.64	1.30		0.00			2.69	3.41
32	Tanda Stage II	4,328.94	1.64	711.43	2.71	1,175.11		20.14			1,906.68	4.40
34	SINGRAULI STAGE III	-	-	-	-	-		-			-	-
35	Indira Gandhi STPS, Jhajjar	-	-	-	-	-		-			-	-
36	GADARWARA STPS-I	12.94	3.76	4.86	2.93	3.79		-0.05			8.59	6.64
37	LARA STPS-I	22.10	1.97	4.35	2.26	4.99		-0.01			9.33	4.22
38	KHARGONE STPS	15.65	3.06	4.79	2.98	4.67		-0.04			9.42	6.02
	NTPC CONSOLIDATED	2,292.88	-	-	-	-		1,011.94			1,011.94	4.41

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost			Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
	Sub-Total	**24,011.47**		**3,193.74**		**5,023.71**		**1,149.48**			**9,366.93**	
e	NPCIL											
1	KAPS	3.06	-	-	2.29	0.70		-0.02			0.68	2.23
2	NAPP	1,141.16	-	-	3.03	345.72		30.23			375.95	3.29
3	TAPP-3 & 4	11.49	-	-	3.38	3.88		0.00			3.88	3.38
4	RAPP-3 & 4	493.27	-	-	3.33	164.04		-2.96			161.09	3.27
5	RAPP-5 & 6	855.97	-	-	3.90	333.88		-5.68			328.20	3.83
	Sub-Total	**2,504.95**		**-**		**848.23**		**21.57**			**869.80**	**3.47**
f	Hydro (NHPC)											
1	SALAL	226.96	0.85	19.20	0.75	17.10		12.28			48.58	2.14
2	TANAKPUR	91.45	2.27	20.75	1.65	15.10		0.01			35.86	3.92
3	CHAMERA-I	388.04	1.01	39.38	1.15	44.67		0.20			84.24	2.17
4	URI	593.87	0.92	54.49	0.91	53.85		11.08			119.43	2.01
5	CHAMERA-II	370.89	1.06	39.39	1.02	37.91		0.04			77.34	2.09
6	DHAULIGANGA	299.70	1.47	44.05	1.22	36.64		0.18			80.86	2.70
7	DULHASTI	584.94	2.73	159.75	2.83	165.28		17.02			342.05	5.85
8	SEWA-II	32.25	1.77	5.72	2.70	8.71		0.05			14.48	4.49
9	CHAMERA-III	249.46	2.53	63.18	1.98	49.38		0.14			112.70	4.52
10	URI-II	401.88	2.12	85.17	2.18	87.70		14.77			187.64	4.67
11	PARBATI-III	154.78	4.62	71.45	1.55	24.01		0.06			95.52	6.17
12	KISHANGANGA	641.43	2.15	137.90	2.01	128.80		4.73			271.43	4.23
13	PARBATI-II	57.34	0.85	4.89	2.30	13.16		-			18.05	3.15
14	SUBANSIRI LOWER	-	-	-	-	-		-			-	-
15	PAKALDUL	-	-	-	-	-		-			-	-
	NHPC Consolidated	-	-	-	-	-		-			-	-
	Sub-Total	**4,092.98**		**745.31**		**682.31**		**60.56**			**1,488.18**	**3.64**
g	HYDRO (NTPC)											
1	KOLDAM HPS	670.76	2.59	173.75	2.48	166.36		0.01			340.11	5.07
2	TAPOVAN VISHNUGARH	-	-		-	-		-			-	-

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost		Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
3	LATA TAPOVAN HEP	-	-	-	-	-		-		-	-
4	SINGRAULI SHPS	11.03	4.85	5.35	4.25	4.69		0.00		10.03	9.10
	Sub-Total	**681.79**		**179.09**		**171.04**		**0.01**		**350.15**	**5.14**
h	THDC										
	HYDRO										
1	TEHRI	1,248.56	1.74	217.79	2.27	283.76		6.58		508.13	4.07
2	KOTESHWAR	494.86	2.04	100.76	2.51	124.26		0.07		225.09	4.55
3	DHUKWAN	44.86	-	-	4.30	19.29		0.16		19.45	4.34
4	VISHNUGARH PIPAL KOTHI	-	-	-	-	-		-		-	-
	THDC Consolidated	-	-	-	-	-		-		-	-
	Thermal										
1	KHURJA STPP										
	Sub-Total	**1,788.27**		**318.54**		**427.31**		**6.82**		**752.67**	**4.21**
i	SJVN										
1	RAMPUR	326.52	2.69	87.98	2.11	69.02		16.09		173.09	5.30
2	NATHPA JHAKRI	1,277.73	1.50	191.56	1.12	143.47		4.29		339.32	2.66
	Sub-Total	**1,604.26**		**279.54**		**212.48**		**20.38**		**512.40**	**3.19**
j	NEEPCO										
1	Kameng HEP	253.73	-	-	4.02	101.94		0.13		102.07	4.02
k	IPP/JV										
	HYDRO										
1	TALA	123.04	-	-	2.16	26.58		0.01		26.59	2.16
2	VISHNU PRAYAG	1,605.79	0.16	26.41	1.02	163.20		-51.75		137.87	0.86
3	KARCHAM	817.32	2.07	169.38	1.61	131.24		1.95		302.56	3.70
4	TEESTA-III	903.32	3.33	300.64	2.71	244.86		4.39		549.89	6.09
5	SRI NAGAR HEP	1,214.14	4.17	506.50	3.19	387.16		-		893.66	7.36
6	Rajghat Hydro	-	-	-	-	-		-		-	-
7	Hydro (Competitive Bidding)	67.01			-	19.29			-	19.29	#DIV/0!

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost			Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
	Thermal											
1	Meja Thermal Power Plant	6,323.95	2.12	1,340.10	2.54	1,605.34		12.98			2,958.42	4.68
2	LANCO	6,845.25	0.85	585.00	1.96	1,341.89		65.03			1,991.92	2.91
3	APCPL											-
4	BEPL BARKHERA	270.39	3.46	93.63	3.65	98.77		15.85			208.25	7.70
5	BEPL KHAMBHAKHERA	267.32	3.54	94.62	3.66	97.85		-			192.47	7.20
6	BEPL KUNDRAKHI	328.47	2.87	94.20	3.29	108.10		-			202.30	6.16
7	BEPL MAQSOODAPUR	265.17	3.52	93.36	3.54	94.00		-			187.36	7.07
8	BEPL UTRAULA	304.75	3.18	96.89	3.47	105.85		-			202.74	6.65
9	KSK MAHANADI	4,096.12	3.33	1,363.58	2.65	1,085.27		-54.99			2,393.86	5.84
10	LALITPUR	9,932.20	5.19	5,157.63	3.03	3,007.40		49.74			8,214.77	8.27
11	M.B.POWER	2,324.58	2.77	645.00	2.28	529.22		8.54			1,182.76	5.09
12	PRAYAGRAJ POWER	9,690.81	1.37	1,326.92	2.32	2,249.07		13.19			3,589.19	3.70
13	R.K.M.POWER	2,338.00	2.62	612.84	1.92	449.09		0.77			1,062.70	4.55
14	ROSA-1&2	4,534.05	2.77	1,257.53	2.96	1,344.14		-35.19			2,566.48	5.66
15	SASAN	3,666.74	0.15	54.63	1.14	416.31		16.94			487.89	1.33
16	TRN ENERGY	978.23	1.58	154.90	1.61	157.37		-30.96			281.30	2.88
17	NABINAGAR POWER PROJECT	820.16	2.30	188.38	2.16	177.00		7.90			373.28	4.55
18	Ghatampur	334.38	5.88	196.63	2.25	75.38		-			272.00	8.13
	Sub-Total	**58,051.19**		**14,358.78**		**13,914.38**		**24.40**			**28,297.55**	4.87
	Total	**119,419.38**	1.88	**22,423.87**	2.29	**27,312.01**		**1,369.72**			**51,105.60**	4.28
B	Medium term Sources											
C	Short term Sources	420.04	-	-	5.50	231.02		-			231.02	5.50
	Other Sources Sub-total	**420.04**	-	-	5.50	231.02		-	-		231.02	5.50
D	Cogen/ Captive											
	Baggasse/Cogen/ CPP 1	1,958.73	0.57	110.76	2.89	565.83		0.95			677.54	3.46
	Baggasse/Cogen/ CPP 2	-	-	-				-			-	-

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost		Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
	Sub-Total Cogen/ Captive	**1,958.73**	**0.57**	**110.76**	**2.89**	**565.83**		**0.95**			**677.54**	**3.46**
E	Bilateral & Others (Power purchased trough Trading)	-3,856.23	0.93	-359.29	2.37	-916.65		8.24			-1,267.70	3.28
1	Solar (Existing)	4,518.89	-	-	3.77	1,703.35		-0.89			1,702.46	3.77
2	Sub-Total Solar	4,518.89	-	-	3.77	1,703.35		-0.89			1,702.46	3.77
3	Solar (FY 21)											
4	Solar (FY 22)	156.09	-	-	3.00	46.83		-			46.83	3.00
5	Solar (FY 23)											
6	SOLAR FY 24											
7	SOLAR FY 25											
	Sub-Total Solar	**4,674.98**		-		**1,750.18**		**-0.89**			**1,749.29**	3.74
G	Non-Solar (Renewable)											
1	WIND (Existing)							-			-	-
2	WIND	2,127.33	-	-	3.05	649.27		0.12			649.39	3.05
3	WIND (FY 22)	437.08	-	-	3.33	145.33		-			145.33	3.33
4	WIND (FY 23)	-	-	-	-	-		-			-	-
6	Biomass Existing	36.18	-	-	6.38	23.07		-			23.07	6.38
7	Biomass FY 20											
8	MSW FY 21	47.79	-	-	7.48	35.75		-			35.75	7.48
	Sub-total RE other than solar	**2,648.38**		-		**853.43**		0.12			**853.55**	3.22
	Other											
1	Slop Based Power Project	45.90	1.44	6.63	1.44	6.63		-			13.26	2.89
H	NVVN Thermal	633.78	-	-	3.20	203.10		2.66			205.75	3.25
	NVVN Solar	184.45	-	-	7.82	144.25		6.85			151.10	8.19
I	Short Term Sources	420.04	-	-	5.50	231.02		-			231.02	5.50
J	REC											
K	Banking	-	-	-	-	-		0.23			0.23	-
L	Transmission Charges	-		-		-		6,014.40			6,014.40	-

S. No	Source of Power (Station wise)	FY 2021-22									
		Units (MU)	Annual Fixed Charges		Annual Energy/ Variable charge		Annual Other Cost		Late payment Surcharge	Total cost	Avg. Cost of Energy at Generator Bus
			(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
	RRAS	-	-	-	-	-		-39.65			-39.65	-
	Any Other Charges	-	-	-	-	-		-			-	-
	Less											
	Late Payment Surcharge							-			-	
	Grand Total	126,119.41		22,181.96		30,149.80		7,362.62			59,694.38	4.73

DIFFERENTIAL BULK SUPPLY TARIFF

5.6.3. The Petitioners submitted that as the revised estimate of distribution loss is different from the distribution loss level approved by the Commission vide Order dated August 29, 2021, the power purchase cost has been worked out on the normative power procurement quantum based on the Commission's approved distribution loss level. Accordingly, the Differential Bulk Supply Tariff (DBST) for FY 2021-22 had been computed and thereafter, the Petitioners had worked out the power purchase cost for FY 2021-22 on the same.

5.6.4. The Computation of DBST as per the approved methodology by the Commission is shown in the Table below:

TABLE 5-35: DBST COMPUTATION FOR FY 2021-22

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs Cr)	A	15,434.97	25,359.37	16,452.18	15,430.20	2,809.44	75,486.16
2	Energy Sales (MU)	B	20,926.50	29,513.96	22,028.44	20,586.03	3,490.52	96,545.44
3	**Power Procurement Cost**							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr)							54,916.59

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
A2	Inter State Transmission Charges (Rs Cr)							4777.79
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C						59694.38
4	Power Procurement cost of Allocated PPAs (Rs Cr)	D	2137.85	4154.55	2268.52	2268.52	179.46	11,008.90
5	Total Power Required at Discom Periphery (MU)	E	27,746.32	35,531.70	27,398.30	25,473.97	3,844.02	119,994.32
6	Power at Discom Periphery from allocated PPAs (MU)	F	5627.42	11560.77	5741.90	5741.90	470.59	29,142.57
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,517.08	4,338.03	4,905.81	3,900.25	587.50	17,248.68
8	ABR (Rs/ Unit)	H=(A/B) *10	7.38	8.59	7.47	7.50	8.05	7.82
9	Other Cost (Rs/Unit of Sale)	I=G*10/B	1.68	1.47	2.23	1.89	1.68	1.79
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	J=D*10/B	1.02	1.41	1.03	1.10	0.51	1.14
B	Unallocated PPAs per unit of sale	K= (C-Total PP at "D") *10/Total Sale at"B"	5.04					
11	Revenue available for unallocated PPAs (Rs. /Unit of sale)	L=H-I-J	4.67	5.71	4.21	4.50	5.85	4.89
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.82	5.89	4.34	4.64	6.03	5.04
13	Total Power Purchase cost per unit of sale including allocated PPAs	N=J+M	5.84	7.30	5.37	5.74	6.55	6.18
14	Total Power Purchase Cost (Rs Crs)	O=N*B/10	12,219.59	21,541.64	11,832.57	11,815.65	2,284.94	59,694.38
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	P	3.80	3.59	3.95	3.95	3.81	3.78

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
16	DBST Computation of Unallocated PPAs	Q=M*B/(E-F)	4.56	7.25	4.42	4.84	6.24	5.36
17	**DBST of total PPAs**	**R=O*10/E**	**4.40**	**6.06**	**4.32**	**4.64**	**5.94**	**4.975**

TABLE 5-36: APPROVED POWER PURCHASE COST FOR FY 2021-22 BY THE COMMISSION IN T.O DATED 29.07.2021

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Consolidated
Allowable Power Purchase (MU)	22,417.55	21,240.39	33,381.90	26,555.42	3,720.13	1,07,315.40
DBST (Rs. / kWh)	4.95	5.43	5.60	5.42	5.99	5.40
Power Procurement Cost from UPPCL (Rs. Crore)	**11,103.63**	**11,530.48**	**18,703.77**	**14,401.15**	**2,227.75**	**57,966.78**

5.6.5. The Petitioners have submitted the allowable power purchase cost for FY 2021-22 on the basis of Differential Bulk Supply Tariff (DBST), as shown in the table below:

TABLE 5-37: POWER PURCHASE COST SUBMITTED BY THE PETITIONERS FOR FY 2021-22

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCo	Consolidated
Allowable Power Purchase (MU)	27,746	25,474	35,532	27,398	3,844	1,19,994.32
DBST (Rs. /kWh)	4.40	4.64	6.06	4.32	5.94	4.97
Power Procurement Cost from UPPCL (Rs. Crore)	**12,219.59**	**11,810.85**	**21,542.00**	**11,832.77**	**2,277.21**	**59,694.38**

5.6.6. The Consolidated the power purchase cost based on the above Differential Bulk Supply Tariff (DBST) for FY 2021-22 is shown in the table below:

TABLE 5-38: CONSOLIDATED TOTAL POWER PURCHASE COST FOR FY 2021-22

Total Power Purchase Cost Claimed for FY 2021-22 (Rs Crore) Consolidated (5 Discoms)		
Particulars	**Tariff Order for FY 2021-22 dated 29.07.2021**	**Claimed in APR**
Power Purchase Cost (including inter-state Transmission charges)	57,966.78	59,694.38
Intra-state Transmission Charges	2598.35	2905.06
Total Power Purchase Cost	60,562.13	62,599.44

Commission's Analysis

5.6.7. Regulation 14 "Procurement of Power" of the MYT Regulations, 2019 provides as under:

Quote

14.1 The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval:

Provided that such power procurement plan for the full Control Period shall be submitted along with the Petition for Business Plan for the Control Period from April 1, 2020 to March 31, 2025, as stipulated in these Regulations.

14.2 The power procurement plan of the Distribution Licensee must follow Regulation 5.4, and be optimized on cost and shall comprise the following:

(a) A quantitative forecast of the seasonal variation in unrestricted base load and peak load for electricity within its area of supply;

(b) An estimate of the optimum quantities and cost of power supply from the identified sources of power purchase, including own generation if any;

(c) Power Purchase Agreements (PPAs) and contracts/ agreements entered to meet the load requirement;
(d) An estimate of adequate availability of power to meet the seasonal variation in base load and peak load requirement:
Provided that such estimate of demand and supply shall be on month-wise basis in Mega-Watt (MW) along with the Plant Load factor (PLF) of the plant as well as expressed in Million Units (MU);
(e) Taking into consideration the sufficient long-term capacity PPAs already contracted by the State Discoms with coal based Thermal Power Station to meet the projected demand till FY 2026-2027, no new long term PPA with coal based thermal power plant shall be contracted till December 2022 or until further Orders of the Commission;

(f) Standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant Regulations or Orders of the Commission;

(g) Measures proposed for Energy Conservation, Energy Efficiency, and Demand Side Management;

(h) The requirement for new sources of power procurement, including augmentation of own generation capacity, if any, and identified new sources of supply, based on (a) to (g) above;

(i) The impact of Open Access on load;

(j) Taking into consideration the Transmission and distribution capacities;

(k) Impact of renewables on overall demand/ power procurement;

(i) Impact of Storage Capacities including Batteries, EV Charging Stations etc.;

(D) Any other aspect as required by the Commission:

Provided that the forecast or estimates contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in MU) and maximum demand (in MW).

14.3 The forecast or estimate shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:

Provided that the forecast or estimate shall take into account factors such as overall economic growth of the State, advent of competition in the electricity sector, trends in captive power and Grid migration, impact of loss reduction initiatives and Energy conservation, use of energy efficiency appliances/ equipment, fuel supply and cost, impact of renewables, etc."

Unquote

5.6.8. Since, the power purchase expense is the largest component in the ARR of a Distribution Licensee. It becomes imperative that this element of cost is incurred with utmost care based on the most efficient way of power procurement from the generating stations through long-term / short-term power purchase arrangements, through bilateral power purchase agreements or Power Exchange etc. trying to replace expensive power with cheaper power whenever possible.

5.6.9. Uttar Pradesh has got both thermal as well as Hydro generating stations. UPRVUNL owns all the thermal generating stations within the State and the hydro stations are owned by UPJVNL.

5.6.10. The Commission in its APR for FY 2021-22 has provisionally considered the BST and further allocation to Distribution Licensees (DBST) as claimed by the Petitioner and the prudence check will be carried out at the time of Truing up. The BST for FY 2021-22 on consolidated basis is shown in the table below:

TABLE 5-39: BULK SUPPLY FOR FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Power Purchase cost (Rs Crore)	57,966.78	59,694.38

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Power Input (MU)	1,07,315.40	1,19,994.32
Inter-State Trans Losses (%) (% Computed on Total Input Energy)	1.17%	1.58%
Inter-State Loss (MU)	1,312.70	1,991.64
Input at Transco End (MU)	1,11,012.10	1,24,127.77
Intra-State Trans Losses (%)	3.33%	3.33%
Input as Discom End (MU)	1,07,315.40	1,19,994.32
BST at Discom Periphery (Rs/Kwh)	**5.40**	**4.97**

5.6.11. The Petitioners have not filed the Incremental Cost (IC) submission as per the Regulations and the matter will be taken up in the True-Up.

5.6.12. Further analysis of Power Purchase for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.7. ENERGY BALANCE

Petitioner's Submission

5.7.1. The Energy Balance approved by the Commission in the Tariff Order dated July 29, 2021 and claimed by the State Discoms for FY 2021-22 is shown in the Table below:

TABLE 5-40: ENERGY BALANCE FOR FY 2021-22 APPROVED BY THE COMMISSION (TARIFF ORDER DATED 29.07.2021)

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	19,879	18,894	29,695	23,539	3,413	95,419.90
Distribution Losses (%)	11.33%	11.04%	11.04%	11.36%	8.25%	11.08%
Energy at DISCOM Periphery for Retail Sales (MU)	22,418	21,240	33,382	26,555	3,720	1,07,315.40
Intra-State Transmission Losses %*	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Energy Available at State periphery for Transmission (MU)	23,190	21,972	34,532	27,470	3,848	1,11,012.09
Inter State Losses (MU)	274	260	408	325	46	1,312.73
Inter-State Transmission Losses % (% computed on Total input energy)	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Purchases Required & Billed Energy (MU)	23,464	22,232	34,940	27,795	3,894	1,12,324.82

TABLE 5-41: ENERGY BALANCE SUBMITTED BY THE STATE DISCOMS FOR FY 2021-22

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	20,927	20,586	29,514	22,028	3,491	96,545.44
Distribution Losses (%)	24.58%	19.19%	16.94%	19.60%	9.20%	19.54%
Energy at DISCOM Periphery for Retail Sales (MU)	27,746	25,474	35,532	27,398	3,844	1,19,994.32
Intra-State Transmission Losses %*	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Energy Available at State periphery for Transmission (MU)	28,702	26,351	36,756	28,342	3,976	1,24,127.77
Inter State Losses (MU)	461	423	590	455	64	1,991.64
Inter-State Transmission Losses % (% computed on Total input energy)	1.58%	1.58%	1.59%	1.58%	1.58%	1.58%
Purchases Required & Billed Energy (MU)	29,163	26,774	37,345	28,797	4,040	1,26,119.41

Commission's Analysis

5.7.2. The analysis of Energy Balance for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.8. INTRA STATE TRANSMISSION CHARGES

Petitioner's Submission

5.8.1. The intra-State transmission charges (including SLDC charges) computed based on approved transmission rate is shown in the Table below:

TABLE 5-42: APPROVED TRANSMISSION CHARGES FOR FY 2021-22 in T.O. dated 29.07.2021

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO
Energy Input into Transmission-Distribution Interface (MU)	22,417.55	21,240.39	33,381.90	26,555.42	37,20.13
Transmission Tariff (Rs/kWh)	0.24	0.24	0.24	0.24	0.24
Transmission Cost (Rs. /Crore)	**542.78**	**514.28**	**808.26**	**642.97**	**90.07**

5.8.2. The State Discoms have submitted the transmission charges for FY 2021-22 as shown in the Table below:

TABLE 5-43: TRANSMISSION CHARGES FOR FY 2021-22 AS SUBMITTED BY THE STATE DISCOMS

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO
Energy Input into Transmission-Distribution Interface (MU)	27,746.32	25,473.97	35,531.70	27,398.30	3,844.02
Transmission Tariff (Rs/kWh)	0.24	0.24	0.24	0.24	0.24
Transmission Cost (Rs. /Crore)	**671.74**	**616.72**	**860.22**	**663.31**	**93.06**

Commission's Analysis

5.8.3. The transmission charges for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.9. O&M EXPENSES

Petitioner's Submission

5.9.1. The Operation & Maintenance (O&M) expenses comprises of Employee expenses, Repair & Maintenance (R&M) expenses and Administrative and General (A&G) expenses.

Employee expenses

5.9.2. The State Discoms submitted that they have considered the same methodology approved by the Commission in the Tariff Order for FY 2021-22, for the APR of Employee expenses for FY 2021-22. The base year value is considered as true-up value claimed for FY 2020-21. The computation for FY 2021-22 is shown below.

TABLE 5-44: COMPUTED EMPLOYEE EXPENSES OF DVVNL FOR FY 2021-22

Particulars	Claimed in True UP for FY 2020-21	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	742.53	6.00%	787.10

TABLE 5-45: COMPUTED EMPLOYEE EXPENSES OF MVVNL FOR FY 2021-22

Particulars	Claimed in True UP for FY 2020-21	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	1,063.76	6.00%	1,126.54

TABLE 5-46: COMPUTED EMPLOYEE EXPENSES OF PVVNL FOR FY 2021-22

Particulars	Claimed in True UP for FY 2020-21	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	852.68	6.00%	903.86

TABLE 5-47: COMPUTED EMPLOYEE EXPENSES OF PuVVNL FOR FY 2021-22

Particulars	Claimed in True UP for FY 2020-21	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	941.57	6.00%	998.08

TABLE 5-48: COMPUTED EMPLOYEE EXPENSES OF KESCO FOR FY 2021-22

Particulars	Claimed in True UP for FY 2020-21	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	158.26	6.00%	167.75

5.9.3. The Petitioners further submitted that the capitalisation has been projected based on same ratio of employee expenses capitalisation and employee expenses for FY 2020-21 (True-Up year). Employee expenses and its capitalisation determined for FY 2021-22 is shown in table below.

TABLE 5-49: EMPLOYEE EXPENSES OF DVVNL FOR FY 2021-22

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
A	Gross Employee Expenses after escalation	538.72	787.10
B	Less: Employee Expenses capitalized	220.38	404.86
C	Net Employee Expenses	318.34	382.24

TABLE 5-50: EMPLOYEE EXPENSES OF MVVNL FOR FY 2021-22

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
A	Gross Employee Expenses after escalation	745.30	1,126.54
B	Less: Employee Expenses capitalized	433.04	610.20
C	Net Employee Expenses	312.26	516.34

TABLE 5-51: EMPLOYEE EXPENSES OF PVVNL FOR FY 2021-22

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
A	Gross Employee Expenses after escalation	642.72	903.86
B	Less: Employee Expenses capitalized	158.26	293.62

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
C	Net Employee Expenses	484.46	610.24

TABLE 5-52: EMPLOYEE EXPENSES OF PuVVNL FOR FY 2021-22

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
A	Gross Employee Expenses after escalation	836.85	998.08
B	Less: Employee Expenses capitalized	460.33	227.80
C	Net Employee Expenses	376.52	770.28

TABLE 5-53: EMPLOYEE EXPENSES OF KESCO FOR FY 2021-22

Sl No.	Particular	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
A	Gross Employee Expenses after escalation	160.98	167.75
B	Less: Employee Expenses capitalized	11.83	6.57
C	Net Employee Expenses	149.15	161.18

Administrative and General expenses (A&G)

5.9.4. The Petitioners submitted that they have considered the same methodology approved by the Commission in the Tariff Order for FY 2021-22, for the APR of Normative R&M expenses for FY 2021-22. The base year value is considered as true-up value claimed for FY 2020-21. The computation for FY 2021-22 is shown below:

TABLE 5-54: COMPUTED A&G EXPENSES OF DVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	123.95	2.42%	126.95%

TABLE 5-55: COMPUTED A&G EXPENSES OF MVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	315.21	2.42%	322.82

TABLE 5-56: COMPUTED A&G EXPENSES OF PVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	168.84	2.42%	172.92

TABLE 5-57: COMPUTED A&G EXPENSES OF PuVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	169.82	2.42%	173.93

TABLE 5-58: COMPUTED A&G EXPENSES OF KESCO FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	26.86	2.42%	27.51

5.9.5. Normative Administrative and General expenses details for FY 2021-22 have been shown in the Table below:

TABLE 5-59: A&G EXPENSES OF DVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross A&G Expenses after escalation	108.18	126.95
2	Less: A&G expenses capitalized	-	-
3	Net A&G expenses	108.18	126.95

TABLE 5-60: A&G EXPENSES OF MVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross A&G Expenses after escalation	259.48	322.82
2	Less: A&G expenses capitalized	-	-
3	Net A&G expenses	259.48	322.82

TABLE 5-61: A&G EXPENSES OF PVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross A&G Expenses after escalation	141.15	172.92
2	Less: A&G expenses capitalized	-	-
3	Net A&G expenses	141.15	172.92

TABLE 5-62: A&G EXPENSES OF PuVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order dated 29.07.2021	Normative
1	Gross A&G Expenses after escalation	160.86	173.93
2	Less: A&G expenses capitalized	-	-
3	Net A&G expenses	160.86	173.93

TABLE 5-63:: A&G EXPENSES OF KESCO FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross A&G Expenses after escalation	27.43	27.51
2	Less: A&G expenses capitalized	-	-
3	Net A&G expenses	27.43	27.51

Repairs & Maintenance expenses (R&M)

5.9.6. The Petitioners submitted that they have considered the same methodology approved by the Commission in the Tariff Order for FY 2021-22, for the APR of Normative R&M expenses for FY 2021-22. The base year value is considered as True-Up value claimed for FY 2020-21. The computation for FY 2021-22 is shown below.

TABLE 5-64: R&M EXPENSES OF DVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	561.68	2.42%	575.25

TABLE 5-65: R&M EXPENSES OF MVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	378.23	2.42%	387.37

TABLE 5-66: R&M EXPENSES OF PVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	609.77	2.42%	624.50

TABLE 5-67: R&M EXPENSES OF PuVVNL FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	895.65	2.42%	917.29

TABLE 5-68:: R&M EXPENSES OF KESCO FOR FY 2021-22

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	86.17	2.42%	88.26

5.9.7. The Petitioners submitted that the Commission vide Tariff Order dated July 29, 2021 approved Special R&M of Rs. 180.70 Crore It is hereby submitted that Petitioners have prepared software for compliance of UPERC SOP Regulations, 2019 and making required arrangements. These expenditures fall in various heads under O&M expenses and the same shall be allowed. Actual claim will be submitted during the True-up of FY 2021-22.

5.9.8. Net Normative R&M expenses details for FY 2021-22 is shown in the Table below:

TABLE 5-69: NORMATIVE R&M EXPENSES OF DVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross R&M Expenses after escalation	716.41	575.25
2	Less: R&M Expenses capitalized	-	-
3	Special R&M	238.80	238.80
4	Net R&M Expenses	955.21	814.05

TABLE 5-70: NORMATIVE R&M EXPENSES OF MVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross R&M Expenses after escalation	361.38	387.37
2	Less: R&M Expenses capitalized	-	-
3	Special R&M	180.70	180.70
4	Net R&M Expenses	542.08	568.07

TABLE 5-71: NORMATIVE R&M EXPENSES OF PVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross R&M Expenses after escalation	644.80	624.50

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
2	Less: R&M Expenses capitalized	-	-
3	Special R&M	214.93	214.93
4	Net R&M Expenses	859.73	839.43

TABLE 5-72: NORMATIVE R&M EXPENSES OF PuVVNL FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross R&M Expenses after escalation	991.17	917.29
2	Less: R&M Expenses capitalized	-	-
3	Special R&M	330.39	330.39
4	Net R&M Expenses	1,321.56	1247.68

TABLE 5-73: NORMATIVE R&M EXPENSES OF KESCO FOR FY 2021-22

Sl No.	Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Normative
1	Gross R&M Expenses after escalation	109.40	88.26
2	Less: R&M Expenses capitalized	-	-
3	Special R&M	36.47	36.47
4	Net R&M Expenses	145.87	124.73

Smart metering OPEX

5.9.9. The Petitioners submitted that the amount sought as 'Additional A&G expenses for smart metering is payable to EESL to cover cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and Commissioning of AMI solution. It may be noted that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there shall be no additional burden of depreciation, interest and return on equity on the consumer.

5.9.10. The Petitioners have submitted that the Commission in Tariff Order FY 2021-22 dated July 29, 2021, at Clause no. 5.9.14 has stated that:

"However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to improved billing & collection efficiency which would be compensated by the charges paid

in OPEX model. Hence the same cannot be allowed as additional O&M expense."

5.9.11. The Petitioners stated that the smart meter roll-out plan on Opex model was submitted to the Commission well before its implementation. The Commission while approving the roll-out plan never stated that the cost envisaged under the Opex model would not be allowed to be passed on in the ARR. Moreover, the Commission in its Tariff Order dated 03.09.2019 stated that it will carry out detailed analysis of the additional O&M expenses (on account of implementation of smart meter roll out plan) for ensuing years at the time of Truing-Up.

5.9.12. Therefore, the Petitioners have requested the Commission to allow the smart meter Opex estimated by them for FY 2021-22:

TABLE 5-74: SMART METERING OPEX SUBMITTED BY DVVNL FOR FY 2021-22

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2021-22	1,47,460	1,47,460	101.42	17.95

TABLE 5-75: SMART METERING OPEX SUBMITTED BY MVVNL FOR FY 2021-22

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2021-22	3,75,849	3,75,849	101.42	45.74

TABLE 5-76: SMART METERING OPEX SUBMITTED BY PVVNL FOR FY 2021-22

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2021-22	1,98,422	1,98,422	101.42	24.15

TABLE 5-77: SMART METERING OPEX SUBMITTED BY PuVVNL FOR FY 2021-22

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2021-22	3,19,946	3,19,946	101.42	38.94

TABLE 5-78: SMART METERING OPEX SUBMITTED BY KESCO FOR FY 2021-22

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2021-22	1,06,422	1,06,422	101.42	12.95

5.9.13. The Petitioners further stated that, smart metering OPEX was not covered under the A&G expense head in the past and therefore, shall be allowed in full, over and above the usual A&G expenses proposed by the Petitioners.

Commission's Analysis

5.9.14. Regulation 45 of MYT Regulations, 2019, stipulates the detailed methodology for determination of Operation & Maintenance (O&M) expenses for the Control Period from FY 2020-21 to FY 2024-25. The detailed methodology as stated in Regulation 45 is reproduced as under:

Quote

45 Operation and Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e., FY 2019-20) will be recomputed

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated year on year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

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.

(e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by 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.:

EMPn= EMPn-1 × (1+ CPI inflation)

Where:

EMPn: Employee expense for the nth year;

EMPn-1: Employee expense for the (n-1) th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

R&Mn= R&Mn-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for the 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.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

A&Gn= A&Gn-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:

Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) th year will be FY 2019-20 which is also the base year.

Unquote

5.9.15. The Commission vide Order dated November 15, 2018, approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh. The operative part of the Commission's Order is depicted as under:

Quote

Since installation of Smart Meters is a national programme and has produced very encouraging financial returns in private Discoms, the Commission approves the proposed roll out plan of UPPCL and Discoms submitted before the Commission.....

Unquote

5.9.16. The Commission in the Order dated November 15, 2018, as directed below:

Quote

DISCOM will pay EESL on OPEX basis as O&M expenditure. The assets will be in the books of EESL till the transfer of assets at the end of project at zero value.

Further Hon'ble Commission in its Tariff Order FY 2019-20 dt. 03.09.2019 at clause no. 6.18.7 has mentioned this expenditure under the head of A&G expenses as below:

It may kindly be noted that this type of expenses was not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20. Further, O&M Norms approved by the Hon'ble Commission were based on five-year Audited Accounts, which didn't have any O&M expenses towards smart

metering. The amount of this additional O&M has been entered as rent in the replies of comments on roll out plan submitted to Hon'ble Commission vide MD, UPPCL letter no. 352/CE(Com-II)/Smart Meter/18 dt. 25.09.2018. Therefore, this expense may be considered under the head of A&G expenses as additional expenses.

Unquote

5.9.17. Further the Petitioners mentioned that the amount sought as 'Additional A&G expenses for smart metering is payable to EESL as O&M expenses to cover the cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and commissioning of AMI solution. This cost was proposed to be recovered under Opex model based on per meter per month basis. Further, there will be no additional burden of depreciation, interest and return on equity on the end-consumer.

5.9.18. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO submitted that the amount billed by EESL inclusive of GST to the State Discoms are amounting to Rs 17.95 Crore, Rs. 45.74 Crore, Rs. 24.15 Crore, Rs. 38.94 Crore and Rs. 12.95 Crore respectively.

5.9.19. As regard to additional O&M for smart metering opex, it is noted that under the OPEX model, Petitioners have mentioned that the cost of Rs 101.42 (+ taxes) per meter per month will be charged by EESL from UPPCL as Interest & PMC (project management consulting) cost. The Petitioner have submitted that the overall benefits of the rollout will be two folds:

(i) Tangible benefits i.e., Bill quality improvement and savings due to AT&C loss reduction via increase in billing efficiency and reduction of theft (UPPCL submitted that there would be increase in Billing efficiency by 5% to 7% and Collection Efficiency will be 100%)

(ii) Intangible benefits would be consumer satisfaction, Data Analytics, MIS and monitoring of exceptions and savings on faster detection of defective meters leading to reduction in assessed bills.

5.9.20. The Commission approved the Roll Out plan for Smart Meters vide its Order dated November 15, 2018. The Commission in its Order observed as follows:

Quote

Acknowledging the advantages of smart metering the Commission has noted that the UPPCL has proposed an improvement in billing efficiency by 5-7% and in the data submitted for 40 lakh meters the maximum billing efficiency has

been projected at 85%. In smart metering the meter data has to flow on line in the billing system and if the system works efficiently, why not 100% billing can be ensured. It appears that this important aspect has not been looked into with enough seriousness while giving the projections to the Commission. The smart metering system is a costly solution and unless the value addition is commensurate with the investment the initiation of programme cannot be justified. The Commission feels that at 98% billing efficiency should be ensured in cases where the smart meters have been put up (emphasis added).

Unquote

5.9.21. The Commission approved the roll out plan subject to following conditions:

a) The Billing efficiency of the consumers having smart meters is not less than 98%
b) Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.

5.9.22. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence the total cost should stay out of the ARR.

5.9.23. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a stringent Distribution Loss trajectory in the ARR, which is much lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms /utilities efforts to reduce the losses and meet the Commission target.

5.9.24. However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to improved billing & collection efficiency which would be compensated by the charges paid in OPEX model. Hence the same cannot be allowed as additional O&M expense.

5.10. O&M COST OF UPPCL

Petitioner's Submission

5.10.1. The Summary of O&M expenses as submitted by the State Discoms along with approved values by the Commission in Tariff Order dated July 29, 2021 are as shown in the Tables below:

TABLE 5-79: OPERATION & MAINTENANCE EXPENSES OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	716.41	575.25
Employee expenses	538.72	787.10
Administrative and General expenses	108.18	126.95
Gross O&M Expenses	1363.31	1,489.30
Less:		
Employee expenses capitalized	220.38	404.86
Administrative and General expenses capitalized	-	-
Gross expenses Capitalized	220.38	404.86
Smart Meter Opex		17.95
Net O&M Expenses	**1,142.93**	**1,102.39**

TABLE 5-80: OPERATION & MAINTENANCE EXPENSES OF MVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	361.38	387.37
Employee expenses	745.30	1,126.54
Administrative and General expenses	259.48	322.82
Gross O&M Expenses	1,366.16	1,836.74
Less:		
Employee expenses capitalized	433.04	610.20
Administrative and General expenses capitalized	-	-
Gross expenses Capitalized	433.04	610.20
Smart Meter Opex		45.74
Net O&M Expenses	**933.12**	**1,272.28**

TABLE 5-81: OPERATION & MAINTENANCE EXPENSES OF PVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	644.8	624.50
Employee expenses	642.72	903.86
Administrative and General expenses	141.15	172.92
Gross O&M Expenses	1,428.67	1,701.28
Less:		
Employee expenses capitalized	158.26	293.62
Administrative and General expenses capitalized	-	-
Gross expenses Capitalized	158.26	293.62
Smart Meter Opex		24.15
Net O&M Expenses	**1,270.41**	**1,431.81**

TABLE 5-82: OPERATION & MAINTENANCE EXPENSES OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	991.17	917.29
Employee expenses	836.85	998.08
Administrative and General expenses	160.86	173.93
Gross O&M Expenses	1,988.88	2,089.30
Less:		
Employee expenses capitalized	460.33	227.80
Administrative and General expenses capitalized	-	-
Gross expenses Capitalized	460.33	227.80
Smart Meter Opex		38.94
Net O&M Expenses	**1,528.55**	**1,900.44**

TABLE 5-83: OPERATION & MAINTENANCE EXPENSES OF KESCO FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	109.4	88.26
Employee expenses	160.98	167.75
Administrative and General expenses	27.43	27.51
Gross O&M Expenses	297.81	283.52
Less:		
Employee expenses capitalized	11.83	6.57
Administrative and General expenses capitalized	-	-
Gross expenses Capitalized	11.83	6.57
Smart Meter Opex		12.95

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Net O&M Expenses	**285.98**	**289.91**

TABLE 5-84: CONSOLIDATED O&M EXPENSES OF 5 STATE DISCOMS IN FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Repair & Maintenance expenses	2,034.11	2,592.67
Employee expenses	2,942.49	3,983.33
Administrative and General expenses	707.27	824.13
Gross O&M Expenses	**5,683.87**	**7,400.14**
Less:		
Employee expenses capitalized	1,283.85	1,543.04
Administrative and General expenses capitalized	0.00	0.00
Gross expenses Capitalized	**1,283.85**	**1,543.04**
Smart Meter Opex	0.00	139.73
Net O&M Expenses	**5,398.84**	**6,998.12**

Commission's Analysis

5.10.2. The analysis of O&M cost of UPPCL expenses for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.11. CAPITAL INVESTMENT

Petitioner's Submission

5.11.1. The details of the capex schemes submitted by the Petioners are shown in the Table below:

TABLE 5-85: CAPEX OF DVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	596.71	872.66
ADB (net of Consumer Contribution and Grant)	97.34	38.94
Investments during the year (A)	694.05	911.60
Add: Employee Capitalization (B)	404.86	404.86
Add: Interest Capitalization (C)	217.84	217.84
Total (D= A+B+C)	**1,316.74**	**1,534.30**

TABLE 5-86: CAPEX OF MVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	410.35	1924.61
ADB (net of Consumer Contribution and Grant)	123.73	49.49
Investments during the year (A)	534.08	1,974.10
Add: Employee Capitalization (B)	610.20	610.20
Add: Interest Capitalization (C)	172.24	172.24
Total (D= A+B+C)	**1,316.52**	**2,756.54**

TABLE 5-87: CAPEX OF PVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	416.96	325.41
ADB (net of Consumer Contribution and Grant)	65.70	26.28
Investments during the year (A)	482.65	351.69
Add: Employee Capitalization (B)	293.62	293.62
Add: Interest Capitalization (C)	75.73	75.73
Total (D= A+B+C)	**852.00**	**721.04**

TABLE 5-88: CAPEX OF PuVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	497.73	1075.54
ADB (net of Consumer Contribution and Grant)	159.16	63.66
Total excluding Interest and employee capitalization (A)	656.88	1,139.21
Add: Employee Capitalization (B)	227.80	227.80
Add: Interest Capitalization (C)	153.38	153.38
Total (D= A+B+C)	**1,038.06**	**1,520.39**

TABLE 5-89: CAPEX OF KESCO IN FY 2021-22 (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	52.31	119.41
ADB (net of Consumer Contribution and Grant)	-	-
Investments during the year (A)	52.31	119.41
Add: Employee Capitalization (B)	6.57	6.57
Add: Interest Capitalization (C)	-	-
Total (D= A+B+C)	**58.88**	**125.98**

5.11.2. The Petitioners submitted that the investment considered for FY 2021-22 is the net investments (excluding grants and consumer contributions). This investment is funded only by debt and equity portion. The Petitioners have separately provided the amount of consumer contribution and grant for FY 2021-22.

5.11.3. Based on the methodology adopted by the Commission, 40% of the investments made during FY 2021-22 is capitalized in the same year. The Petitioners have also considered employee expense capitalization and interest capitalization during FY 2021-22 as per the methodology adopted by the Commission. Considering the Capital Work in Progress (CWIP), investment during the year and capitalisations, the Petitioners have computed the closing CWIP for FY 2021-22. The details are provided in the table below:

TABLE 5-90: CAPITAL INVESTMENT OF DVVNL IN FY 2021-22 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	**Derivation**	**Tariff Order for FY 2021-22 dated 29.07.2021**	**Claimed in APR**
Opening WIP as on 1st April	A	2,165.66	1,584.95
Investments	B	2,152.48	694.05
Employee Expenses Capitalisation	C	220.38	404.86
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	105.01	217.84
Total Investments	**F= A+B+C+D+E**	**4,643.53**	**2,901.69**
Transferred to GFA (Total Capitalisation)	G	2052.64	1534.30
Closing WIP	**H=F-G**	**2,590.89**	**1,367.40**

TABLE 5-91: CAPITAL INVESTMENT OF MVVNL IN FY 2021-22 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	**Derivation**	**Tariff Order for FY 2021-22 dated 29.07.2021**	**Claimed in APR**
Opening WIP as on 1st April	A	5,404.46	4,401.18
Investments	B	1,859.22	534.08
Employee Expenses Capitalisation	C	433.04	610.20
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	93.91	171.48

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	Derivation	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Total Investments	**F= A+B+C+D+E**	**7,790.63**	**5,716.93**
Transferred to GFA (Total Capitalisation)	G	3432.42	2755.78
Closing WIP	**H=F-G**	**4,358.21**	**2,961.16**

TABLE 5-92: CAPITAL INVESTMENT OF PVVNL IN FY 2021-22 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	Derivation	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening WIP as on 1st April	A	2,165.66	396.57
Investments	B	2,103.96	482.65
Employee Expenses Capitalization	C	158.26	293.62
A&G Expenses Capitalization	D	-	-
Interest Capitalization on Interest on long term loans	E	215.65	75.73
Total Investments	**F= A+B+C+D+E**	**4,643.53**	**1,248.58**
Transferred to GFA (Total Capitalization)	G	2,052.64	721.04
Closing WIP	**H=F-G**	**2,590.89**	**527.54**

TABLE 5-93: CAPITAL INVESTMENT OF PuVVNL IN FY 2021-22 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	Derivation	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening WIP as on 1st April	A	3,320.89	2,191.13
Investments	B	3,040.44	656.88
Employee Expenses Capitalisation	C	460.33	227.80
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	225.36	153.38
Total Investments	**F= A+B+C+D+E**	**7,047.02**	**3,229.20**
Transferred to GFA (Total Capitalisation)	G	3230.23	1520.39
Closing WIP	**H=F-G**	**3,816.79**	**1,708.81**

TABLE 5-94: CAPITAL INVESTMENT OF KESCO IN FY 2020-21 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	**Derivation**	**Tariff Order for FY 2021-22 dated 29.07.2021**	**Claimed in APR**
Opening WIP as on 1st April	A	295.27	246.21
Investments	B	154.31	52.31
Employee Expenses capitalisation	C	11.83	6.57
A&G Expenses Capitalisation	D	-	-
Interest Capitalisation on Interest on long term loans	E	-	-
Total Investments	**F= A+B+C+D+E**	**461.41**	**305.09**
Transferred to GFA (Total Capitalisation)	G	191.67	125.98
Closing WIP	**H=F-G**	**269.74**	**179.11**

TABLE 5-95: CONSOLIDATED CAPITAL INVESTMENT OF 5 DISCOMS IN FY 2021-22 (RS. CRORE)

Capital Investment in FY 2021-22 (Rs Crore)			
Particulars	**Derivation**	**Tariff Order for FY 2021-22 dated 29.07.2021**	**Claimed in APR**
Opening WIP as on 1st April	A	12,831.24	8,820.04
Investments	B	8,828.14	2,419.98
Employee Expenses capitalisation	C	1,283.85	1,543.04
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	639.93	619.20
Total Investments	**F= A+B+C+D+E**	**23,583.16**	**13,402.26**
Transferred to GFA (Total Capitalisation)	G	10,587.53	6,658.24
Closing WIP	**H=F-G**	**12,995.62**	**6,744.01**

Commission's Analysis

5.11.4. The analysis of capital investment for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES

Petitioner's Submission

5.11.5. The Table below summarises the amounts received towards consumer contributions, capital grants and subsidies in FY 2021-22:

TABLE 5-96: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF DVVNL FOR FY 2021-22 (Rs. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	4,843.68	4,735.90
Additions during the year includes consumer contribution and grants	1,555.77	-
Less: Amortisation on consumer contribution part only	84.86	160.62
Closing Balance	**6,314.59**	**4,575.29**

TABLE 5-97: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF MVVNL FOR FY 2021-22 (Rs. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6,478.10	5,547.48
Additions during the year includes consumer contribution and grants	1,448.88	-
Less: Amortisation on consumer contribution part only	88.83	137.36
Closing Balance	**7,838.15**	**5,410.12**

TABLE 5-98: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF PVVNL FOR FY 2021-22 (Rs. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6,487.13	5,701.20
Additions during the year includes consumer contribution and grants	1,171.27	-
Less: Amortisation on consumer contribution part only	169.59	207.44
Closing Balance	**7,488.81**	**5,493.77**

TABLE 5-99: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF PuVVNL FOR FY 2021-22 (Rs. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	6,911.34	4,968.16
Additions during the year includes consumer contribution and grants	2,542.71	-
Less: Amortisation on consumer contribution part only	169.45	134.69
Closing Balance	**9,284.60**	**4,833.46**

TABLE 5-100: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF KESCO FOR FY 2021-22 (Rs. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	494.75	424.33
Additions during the year includes consumer contribution and grants	58.00	-
Less: Amortisation on consumer contribution part only	8.51	15.68
Closing Balance	**544.24**	**408.65**

Commission's Analysis

5.11.6. The analysis of Consumer Contribution, Capital Grants and Subsidies for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.12. FINANCING OF THE CAPITAL INVESTMENT

Petitioner's Submission

5.12.1. The Petitioners submitted that as discussed in the above Tables, the capital investment eligible for financing after deducting consumer contribution and grant is shown in the Table below. The Petitioners have considered the same approach as in previous Orders and therefore, considered the funding of capitalisation (Asset put to use) in the ratio of 70:30. Considering this approach, 70% of the Capitalisation (Asset put to use) undertaken during the year has been financed through loan and balance 30% has been financed through equity contributions.

5.12.2. The details of funding of Capital investment for FY 2021-22 as revised by the State Discoms and as approved by the Commission in Tariff Order dated July 29, 2021, are shown in the Tables below:

TABLE 5-101: FINANCING OF CAPITAL INVESTMENT OF DVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	1,534.30
Less: Consumer Contribution and Grants	B	
Investment funded by debt and equity	C=A-B	1,534.30
Debt Funded	**70% of C**	**1,074.01**
Equity Funded	**30% of C**	**460.29**

TABLE 5-102: FINANCING OF CAPITAL INVESTMENT OF MVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	2756.54
Less: Consumer Contribution and Grants	B	-
Investment funded by debt and equity	C=A-B	2,756.54
Debt Funded	**70% of C**	**1,929.58**
Equity Funded	**30% of C**	**826.96**

TABLE 5-103: FINANCING OF CAPITAL INVESTMENT OF PVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	721.04
Less: Consumer Contribution and Grants	B	-
Investment funded by debt and equity	C=A-B	721.04
Debt Funded	**70% of C**	**504.73**
Equity Funded	**30% of C**	**216.31**

TABLE 5-104: FINANCING OF CAPITAL INVESTMENT OF PuVVNL IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	1520.39
Less: Consumer Contribution and Grants	B	-
Investment funded by debt and equity	C=A-B	1,520.39
Debt Funded	**70% of C**	**1,064.27**
Equity Funded	**30% of C**	**456.12**

TABLE 5-105: FINANCING OF CAPITAL INVESTMENT OF KESCO IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	125.98
Less: Consumer Contribution and Grants	B	-
Investment funded by debt and equity	C=A-B	125.98
Debt Funded	**70% of C**	88.18
Equity Funded	**30% of C**	37.79

TABLE 5-106: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT OF 5 STATE DISCOMS IN FY 2021-22 (RS. CRORE)

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	6,658.24
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	6,658.24
Debt Funded	**70% of C**	**4,660.77**
Equity Funded	**30% of C**	**1,997.47**

Commission's Analysis

5.12.3. The analysis of Financing of capital Investment for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.13. GROSS FIXED ASSETS (GFA) AND DEPRECIATION

Petitioner's Submission

5.13.1. The Petitioners have computed the allowable depreciation expense on the GFA base for FY 2021-22 and at the rates approved by the Commission in MYT Distribution Regulations, 2019.

5.13.2. The Petitioners submitted that they have computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc. Further, the Petitioners have reduced depreciation/amortization on assets created out of consumer contributions, capital grants and subsidies from allowable depreciation for FY 2021-22. Moreover, the depreciation has been calculated in two parts (Part A & B) for the asset blocks depreciated before April 01, 2020 and asset blocks depreciated as on February 01, 2020 as per the SLM methodology prescribed

in MYT Regulations, 2019. The addition to GFA is considered in Part B and the same is considered net of Consumer contribution and grants.

5.13.3. The gross entitlement towards depreciation has been computed as shown in the Tables below:

TABLE 5-107: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY DVVNL (RS. CRORE) PART – A

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.21	-	1.21	1.21	0.00%	-
2	Buildings	313.56	101.34	313.56	313.56	3.34%	10.47
3	Other Civil Works	-	-	-	-	3.34%	-
4	Plant & Machinery	3,075.87	1,220.51	3,075.87	3,075.87	5.28%	162.41
5	Lines, Cables, Network etc.	10,362.46	3,560.21	10,362.46	10,362.46	5.28%	547.14
6	Vehicles	1.20	0.42	1.20	1.20	6.33%	0.08
7	Furniture & Fixtures	17.56	6.20	17.56	17.56	6.33%	1.11
8	Office Equipments	7.03	2.48	7.03	7.03	6.33%	0.45
9	Capital Expenditure on Assets not belonging to utility	-	-	-	0.00%	-	-
10	**Total Fixed Assets**	13,778.89	4,891.16	13,778.89	13,778.89	5.24%	721.65
11	Non depreciable assets (Land & Land Rights)	1.21	-	-	-	-	-
12	**Depreciable assets**	13,777.69	4,891.16	-	0.00%	-	-

TABLE 5-108: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2020-21 AS SUBMITTED BY DVVNL (RS. CRORE) PART – B

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.18	0.13	0.31	0.24	0.00%	0.00
2	Buildings	45.55	34.92	80.47	63.01	3.34%	2.10
3	Other Civil Works	-	-	0.00	0.00	3.34%	0.00
4	Plant & Machinery	446.87	342.50	789.37	618.12	5.28%	32.64
5	Lines, Cables, Network etc.	1,505.47	1,153.87	2,659.34	2,082.40	5.28%	109.95
6	Vehicles	0.17	0.13	0.31	0.24	6.33%	0.02
7	Furniture & Fixtures	2.55	1.96	4.51	3.53	6.33%	0.22
8	Office Equipments	1.02	0.78	1.80	1.41	6.33%	0.09

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
9	Capital Expenditure on Assets not belonging to utility	-	-	0.00	-	-	-
10	**Total Fixed Assets**	**2,001.81**	**1,534.30**	**3,536.10**	**2,768.96**		**145.02**
11	Non depreciable assets (Land & Land Rights)	0.18	0.13	-	0.09	-	0.00
12	**Depreciable assets**	**2,001.63**	**1,534.16**	**3,536.10**	**2,768.87**	**5.24%**	**145.02**

TABLE 5-109: NET DEPRECIATION FOR ASSETS OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	576.96	866.67
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	70.68	160.62
Net Allowable Depreciation	**506.28**	**706.05**

TABLE 5-110: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY MVVNL (RS. CRORE) PART - A

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.00	-	1.00	1.00	0.00%	-
2	Buildings	193.03	54.75	193.03	193.03	3.34%	6.45
3	Other Civil Works	13.30	3.77	13.30	13.30	3.34%	0.44
4	Plant & Machinery	2,984.67	1,112.82	2,984.67	2,984.67	5.28%	157.59
5	Lines, Cables, Network etc.	8,728.42	2,648.00	8,728.42	8,728.42	5.28%	460.86
6	Vehicles	5.64	1.77	5.64	5.64	6.33%	0.36
7	Furniture & Fixtures	11.28	3.53	11.28	11.28	6.33%	0.71
8	Office Equipments	95.40	29.87	95.40	95.40	6.33%	6.04
9	Capital Expenditure on Assets not belonging to utility	-	-	-	0.00	-	-
10	**Total Fixed Assets**	**12,032.74**	**3,854.50**	**12,032.74**	**12,032.74**	**5.26%**	**632.45**

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
11	Non depreciable assets (Land & Land Rights)	1.00	-	-	-	-	-
12	**Depreciable assets**	**12,031.74**	**3,854.50**	**12,032.74**	**0.00**	**-**	**-**

TABLE 5-111: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY MVVNL (RS. CRORE) PART - B

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.31	0.23	0.54	0.43	0.00%	0.00
2	Buildings	60.33	44.22	104.56	82.45	3.34%	2.75
3	Other Civil Works	4.16	3.05	7.20	5.68	3.34%	0.19
4	Plant & Machinery	932.89	683.75	1,616.64	1,274.77	5.28%	67.31
5	Lines, Cables, Network etc.	2,728.16	1,999.57	4,727.73	3,727.95	5.28%	196.84
6	Vehicles	1.76	1.29	3.05	2.41	6.33%	0.15
7	Furniture & Fixtures	3.52	2.58	6.11	4.82	6.33%	0.30
8	Office Equipments	29.82	21.85	51.67	40.74	6.33%	2.58
9	Capital Expenditure on Assets not belonging to utility	-	-	0.00	-	-	-
10	**Total Fixed Assets**	**3,760.97**	**2,756.54**	**6,517.51**	**5,139.24**	-	**270.12**
11	Non depreciable assets (Land & Land Rights)	0.31	0.23	0.54	0.43	-	0.00
12	**Depreciable assets**	**3,760.65**	**2,756.31**	**6,516.97**	**5,138.81**	**5.26%**	**270.12**

TABLE 5-112: NET DEPRECIATION FOR ASSETS OF MVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	507.69	902.58
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	55.79	137.36
Net Allowable Depreciation	**451.90**	765.21

TABLE 5-113:: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY PVVNL (RS. CRORE) PART - A

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	2.60	-	2.60	2.60	0.00%	-
2	Buildings	356.61	123.90	356.61	356.61	3.34%	11.91
3	Other Civil Works	19.35	6.72	19.35	19.35	3.34%	0.65
4	Plant & Machinery	4,679.56	1,909.73	4,679.56	4,679.56	5.28%	247.08
5	Lines, Cables, Network etc.	11,774.11	4,334.46	11,774.11	11,774.11	5.28%	621.67
6	Vehicles	2.14	0.82	2.14	2.14	6.33%	0.14
7	Furniture & Fixtures	11.85	4.47	11.85	11.85	6.33%	0.75
8	Office Equipments	33.46	12.66	33.46	33.46	6.33%	2.12
9	Capital Expenditure on Assets not belonging to utility	-	-	-	0.00%	-	-
10	**Total Fixed Assets**	**16,879.69**	**6,392.76**	**16,879.69**	**16,879.69**	**5.24%**	**884.32**
11	Non depreciable assets (Land & Land Rights)	2.60	-	-	-	-	-
12	**Depreciable assets**	**16,877.09**	**6,392.76**	-	**0.00%**	-	-

TABLE 5-114: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY PVVNL (RS. CRORE) PART - B

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.32	0.11	0.44	0.38	0.00%	0.00
2	Buildings	44.42	15.23	59.66	52.04	3.34%	1.74
3	Other Civil Works	2.41	0.83	3.24	2.82	3.34%	0.09
4	Plant & Machinery	582.95	199.89	782.84	682.90	5.28%	36.06
5	Lines, Cables, Network etc.	1,466.74	502.95	1,969.69	1,718.22	5.28%	90.72
6	Vehicles	0.27	0.09	0.36	0.31	6.33%	0.02
7	Furniture & Fixtures	1.48	0.51	1.98	1.73	6.33%	0.11
8	Office Equipments	4.17	1.43	5.60	4.88	6.33%	0.31
9	Capital Expenditure on Assets not belonging to utility	-	-	0.00	-	-	-
10	**Total Fixed Assets**	**2,102.76**	**721.04**	**2,823.80**	**2,463.28**	-	**129.05**

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
11	Non depreciable assets (Land & Land Rights)	0.32	0.11	-	0.16	-	0
12	**Depreciable assets**	**2,102.44**	**720.93**	**2,823.80**	**2,463.12**	**5.24%**	**129.05**

TABLE 5-115: NET DEPRECIATION FOR ASSETS OF PVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	571.77	1,013.36
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	160.76	206.96
Net Allowable Depreciation	**411.01**	**806.40**

TABLE 5-116: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY PuVVNL (RS. CRORE) PART – A

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.98	-	0.98	0.98	0.00%	-
2	Buildings	194.45	50.62	194.45	194.45	3.34%	6.49
3	Other Civil Works	-	-	-	-	3.34%	-
4	Plant & Machinery	9,156.08	2,743.31	9,156.08	9,156.08	5.28%	483.44
5	Lines, Cables, Network etc.	7,158.20	2,004.32	7,158.20	7,158.20	5.28%	377.95
6	Vehicles	1.48	0.43	1.48	1.48	6.33%	0.09
7	Furniture & Fixtures	2.26	0.66	2.26	2.26	6.33%	0.14
8	Office Equipments	58.84	17.08	58.84	58.84	6.33%	3.72
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	-	-
10	**Total Fixed Assets**	**16,572.30**	**4,816.41**	**16,572.30**	**16,572.30**	**5.26%**	**871.85**
11	Non depreciable assets (Land & Land Rights)	0.98	-	-	-	-	-
12	**Depreciable assets**	**16,571.32**	**4,816.41**	**-**	**0.00%**	-	-

TABLE 5-117: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY PUVVNL (RS. CRORE) PART - B

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.14	0.09	0.23	0.18	0.00%	0.00
2	Buildings	27.58	17.84	45.42	36.50	3.34%	1.22
3	Other Civil Works	-	-	0.00	0.00	3.34%	0.00
4	Plant & Machinery	1,298.74	840.00	2,138.74	1,718.74	5.28%	90.75
5	Lines, Cables, Network etc.	1,015.35	656.71	1,672.06	1,343.71	5.28%	70.95
6	Vehicles	0.21	0.14	0.35	0.28	6.33%	0.02
7	Furniture & Fixtures	0.32	0.21	0.53	0.42	6.33%	0.03
8	Office Equipments	8.35	5.40	13.74	11.05	6.33%	0.70
9	Capital Expenditure on Assets not belonging to utility	-	-	0.00	-	-	-
10	**Total Fixed Assets**	**2,350.69**	**1,520.39**	**3,871.08**	**3,110.89**	-	**163.66**
11	Non depreciable assets (Land & Land Rights)	0.14	0.09	-	0.07	-	0
12	**Depreciable assets**	**2,350.55**	**1,520.30**	**3,871.08**	**3,110.82**	**5.26%**	**163.66**

TABLE 5-118: NET DEPRECIATION FOR ASSETS OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	537.47	1,035.51
Less: Amortisation of assets acquired out of the Consumer Contribution	112.27	134.69
Net Allowable Depreciation	425.20	900.82

TABLE 5-119: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2020-21 AS SUBMITTED BY KESCo (RS. CRORE) PART - A

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	0.00%	-
2	Buildings	49.87	18.79	49.87	49.87	3.34%	1.67
3	Other Civil Works	-	-	-	-	3.34%	-
4	Plant & Machinery	503.26	199.39	503.26	503.26	5.28%	26.57
5	Lines, Cables, Network etc.	893.12	353.84	893.12	893.12	5.28%	47.16

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
6	Vehicles	4.03	1.64	4.03	4.03	6.33%	0.25
7	Furniture & Fixtures	2.12	0.86	2.12	2.12	6.33%	0.13
8	Office Equipments	20.78	8.45	20.78	20.78	6.33%	1.32
9	Capital Expenditure on Assets not belonging to utility	-	-	-			-
10	**Total Fixed Assets**	**1,473.18**	**582.97**	**1,473.18**	**1,473.18**	**5.23%**	**77.10**
11	Non depreciable assets (Land & Land Rights)	-	-	-	-	-	-
12	**Depreciable assets**	**1,473.18**	**582.97**	-	-	-	-

TABLE 5-120: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2021-22 AS SUBMITTED BY KESCO (RS. CRORE) PART B

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	0.00%	0.00
2	Buildings	1.65	4.26	5.92	3.78	3.34%	0.13
3	Other Civil Works	-	-	-	-	3.34%	0.00
4	Plant & Machinery	16.67	43.04	59.71	38.19	5.28%	2.02
5	Lines, Cables, Network etc.	29.59	76.37	105.96	67.78	5.28%	3.58
6	Vehicles	0.13	0.34	0.48	0.31	6.33%	0.02
7	Furniture & Fixtures	0.07	0.18	0.25	0.16	6.33%	0.01
8	Office Equipments	0.69	1.78	2.47	1.58	6.33%	0.10
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	-	-
10	**Total Fixed Assets**	**48.81**	**125.98**	**174.79**	**111.80**	-	**5.85**
11	Non depreciable assets (Land & Land Rights)	-	-	-	0.00	-	0
12	**Depreciable assets**	**48.81**	**125.98**	**174.79**	**111.80**	**5.23%**	**5.85**

TABLE 5-121: NET DEPRECIATION FOR ASSETS OF KESCo FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Revised Estimate
Gross Allowable Depreciation	576.96	866.67
Less: Amortisation of assets acquired out of the Consumer Contribution	70.68	160.62
Net Allowable Depreciation	**506.28**	**706.05**

TABLE 5-122: CONSOLIDATED NET DEPRECIATION OF STATE DISCOMS FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	2242.15	3901.07
Less: Amortisation of assets acquired out of the Consumer Contribution	405.80	655.31
Net Allowable Depreciation	**1836.35**	**3245.76**

Commission's Analysis

5.13.4. The basis of determination of depreciation is stated in Regulation 21.1 of MYT Regulations, 2019. The Regulation 21.1 as quoted below:

Quote

"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:

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

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

(b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A to these Regulations.

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

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

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded while computing Depreciation

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

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

Unquote

5.13.5. The analysis of the depreciation for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.14. INTEREST ON LONG TERM LOANS

Petitioner's Submission

5.14.1. The Petitioners have considered a normative approach with a debt equity ratio of 70:30. In this approach, 70% of the capital expenditure undertaken in a year has been financed through loan and balance 30% has been considered to be funded through equity contributions.

5.14.2. The Petitioners further submitted that the portion of capital expenditure financed through consumer contributions, capital subsidies and grants was separated and the depreciation and interest thereon was not charged to the consumers & beneficiaries. The amounts received as consumer contributions, capital subsidies and grants were traced from the audited accounts. Subsequently, the financing of the capital investment was worked out based on the gearing ratio of 70:30 and allowable depreciation was considered as normative loan repayment. The Petitioners have worked-out the interest on long term loan based on the same philosophy.

5.14.3. The Petitioners submitted that the opening balance of long-term loan has been considered equivalent to the closing loan balance of FY 2020-21 as per True Up.

5.14.4. The Petitioners submitted that net allowable depreciation for the year has been considered as normative loan repayment. The actual weighted average rate for FY 2020-21 has been considered for computing interest expenses.

5.14.5. The Interest on long term loan as claimed by the State Discoms and as approved by the Commission is shown in the Tables below:

TABLE 5-123: INTEREST ON LONG TERM LOAN OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	3,506.87	4,603.83
Loan Additions (70% of Investments)	975.28	1,074.01
Less: Repayments (Depreciation allowable for the year)	506.28	706.05
Closing Loan Balance	3,975.87	4,971.78
Weighted Average Rate of Interest	11.21%	11.21%
Interest on long term loan	419.58	536.71
Less: Interest Capitalized	105.01	217.84
Net Interest on Loan term loan	**314.57**	**318.87**

TABLE 5-124: INTEREST ON LONG TERM LOAN OF MVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	3,394.28	6,370.12
Loan Additions (70% of Investments)	1,518.30	1,929.58
Less: Repayments (Depreciation allowable for the year)	451.90	765.21
Closing Loan Balance	4,460.68	7,534.48
Weighted Average Rate of Interest	10.91%	10.91%
Interest on long term loan	428.65	758.50
Less: Interest Capitalized	93.91	172.24
Net Interest on long term loans	**334.74**	**586.25**

TABLE 5-125: INTEREST ON LONG TERM LOAN OF PVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	2,944.69	4,692.22
Loan Additions (70% of Investments)	449.73	504.73
Less: Repayments (Depreciation allowable for the year)	411.01	806.40
Closing Loan Balance	2,983.41	4,390.54
Weighted Average Rate of Interest	8.40%	8.40%
Interest on long term loan	249.06	381.48
Less: Interest Capitalized	215.65	75.73
Net Interest on Loan term loan	**33.41**	**305.74**

TABLE 5-126: INTEREST ON LONG TERM LOAN OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	3,692.23	6,913.41
Loan Additions (70% of Investments)	740.38	1,064.27
Less: Repayments (Depreciation allowable for the year)	425.20	900.82
Closing Loan Balance	4,007.41	7,076.86
Weighted Average Rate of Interest	10.24%	10.24%
Interest on long term loan	394.15	716.30
Interest Capitalisation Rate	57.18%	21.41%
Less: Interest Capitalized	225.36	153.38
Net Interest on Loan term loan	**168.79**	**562.92**

TABLE 5-127: INTEREST ON LONG TERM LOAN OF KESCO FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	182.39	56.87
Loan Additions (70% of Investments)	75.09	88.18
Less: Repayments (Depreciation allowable for the year)	41.96	67.27
Closing Loan Balance	215.52	77.79
Weighted Average Rate of Interest	10.63%	10.63%
Interest on long term loan	21.15	7.16
Less: Interest Capitalized	-	-
Net Interest on Loan term loan	**21.15**	**7.16**

TABLE 5-128: CONSOLIDATED INTEREST ON LONG TERM LOAN OF 5 STATE DISCOMS FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Loan	13,720.45	22,636.44
Loan Additions (70% of Investments)	3,758.78	4,660.77
Less: Repayments (Depreciation allowable for the year)	1836.35	3245.76
Closing Loan Balance	15,642.88	24,051.46
Weighted Average Rate of Interest	10.30%	10.28%
Interest on long term loan	1,512.59	2,400.14
Less: Interest Capitalized	639.93	619.20

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Net Interest Charged	872.66	1780.95

Commission's Analysis

5.14.6. The analysis of the Interest on Loan for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.15. INTEREST ON WORKING CAPITAL

Petitioner's Submission

5.15.1. The Petitioners have worked out the interest on working capital capital for FY 2021-22 as per Regulation 25 of the MYT Regulations, 2019. The relevant extract of the Regulation is as under:

Quote

(a) The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii) Maintenance spares at 40% of the R&M expenses for two months; and

(iii) One and half month equivalent of the expected revenue from charges Distribution system at the prevailing Tariff (excluding Electricity Duty);

Minus

(iv) Amount held as security deposits from Distribution System Users:

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

(b) Rate of interest on working capital shall be simple interest and shall be equal to the SBI

MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned. Year plus 250 basis points.

Unquote

5.15.2. The interest on working capital as submitted by the State Discoms and as approved by the Commission for FY 2021-22 in Tariff Order dated July 29, 2021 is shown in the Tables below:

TABLE 5-129: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	95.25	110.27
One and half Month equivalent of expected revenue	1,503.89	1,929.45
Maintenance spares @ 40% of R&M expenses for two months	47.76	54.27
Less: Security deposits from consumers, if any	640.33	781.59
Total Working Capital Requirement	**1,006.56**	**1,312.40**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**107.20**	**139.77**

TABLE 5-130: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	92.82	117.27
One and half Month equivalent of expected revenue	1,548.68	1,928.15
Maintenance spares @ 40% of R&M expenses for two months	36.14	37.87
Less: Security deposits from consumers, if any	745.30	673.45
Total Working Capital Requirement	**932.33**	**1,409.84**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**99.29**	**150.15**

TABLE 5-131: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	105.87	135.22
One and half Month equivalent of expected revenue	2,387.27	3,169.92
Maintenance spares @ 40% of R&M expenses for two months	42.99	55.96
Less: Security deposits from consumers, if any	1,647.21	1,869.89
Total Working Capital Requirement	**888.92**	**1,491.21**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**94.67**	**158.81**

TABLE 5-132: INTEREST ON WORKING CAPITAL OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	127.38	182.66
One and half Month equivalent of expected revenue	1,801.74	2,056.52
Maintenance spares @ 40% of R&M expenses for two months	66.08	83.18
Less: Security deposits from consumers, if any	487.72	531.96
Total Working Capital Requirement	**1,507.48**	**1,790.40**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**160.55**	**190.68**

TABLE 5-133: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	23.83	26.12
One and half Month equivalent of expected revenue	346.10	351.18
Maintenance spares @ 40% of R&M expenses for two months	7.29	8.32
Less: Security deposits from consumers, if any	145.18	194.09
Total Working Capital Requirement	**232.05**	**191.53**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**24.82**	**20.40**

TABLE 5-134: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
O&M expenses for 1 month	446.13	571.53
One and half Month equivalent of expected revenue	7,587.68	9,435.22
Maintenance spares @ 40% of R&M expenses for two months	200.26	239.60
Less: Security deposits from consumers, if any	3,665.74	4,050.98
Total Working Capital Requirement	**4,568.32**	**6,195.37**
State Bank Advance Rate (SBAR) %	10.65%	10.65%
Interest on Working Capital	**486.53**	**659.81**

Commission's Analysis

5.15.3. The analysis of the Interest on Working Capital for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.16. INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

5.16.1. The Petitioners submitted that they have considered the consumer security deposit for FY 2020-21 as opening amount of consumer security deposit for FY 2021-22. To arrive at the closing amount of security deposit for FY 2021-22 the ratio of revenue assessment for FY 2021-22 and FY 2020-21 is multiplied with consumer security deposit as per the books of accounts for FY 2020-21.

5.16.2. The Petitioners submitted that the interest on consumer security deposit is calculated on average amount of consumer security deposit and at the rate of RBI as on 1st April 2021.

5.16.3. The Petitioners requested the Commission to consider the interest on security deposit for APR of FY 2021-22, which has been computed at RBI interest rate of 4.25 % as on 1st April 2021. The normative interest on consumer security deposit approved by the Commission in Tariff Order for FY 2021-22 vis-a-vis the estimated consumer security deposit is shown in table below.

TABLE 5-135: INTEREST ON SECURITY DEPOSIT FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
DVVNL	29.78	31.22
MVVNL	34.66	28.66
PVVNL	76.60	74.58
PUVVNL	22.68	21.12
KESCo	6.75	7.82
Consolidated	**170.47**	**163.39**

Commission's Analysis

5.16.4. The analysis of the interest on security deposit for FY 2021-22 would be carried out during True-Up proceedings after receipt of annual audited balance sheet & P&L statements of respective State Discoms.

5.17. BANK AND FINANCE CHARGES

Petitioner's Submission

5.17.1. The Petitioners have submitted that the banks and finance charges are legitimate charges and therefore for the estimation purpose the Petitioners have considered the same value for FY 2021-22 as recorded in the account FY 2020-21. It has been considered as below:

TABLE 5-136: BANK AND FINANCE CHARGES AS PER AUDITED ACCOUNT FOR FY 2021-22 (RS. CRORE)

Particulars	Bank and Finance Charges
DVVNL	57.61
MVVNL	47.43
PVVNL	91.53
PUVVNL	66.75
KESCO	9.23
Consolidated	**272.55**

Commission's Analysis

5.17.2. The analysis of the bank and finance for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.18. INTEREST AND FINANCE CHARGES

Petitioner's Submission

5.18.1. The comparison of interest and Finance charges as submitted by the State Discoms and as approved by the Commission for FY 2021-22 in Tariff Order dated July 29, 2021 is shown in the Tables below:

TABLE 5-137: INTEREST AND FINANCE CHARGES OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	419.58	536.71
Less: Interest Capitalisation	105.01	217.84
Net Interest on Long Term Loans	314.57	318.87
B: Finance and Other Charges		
Interest on Consumer Security Deposits	29.78	31.22

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Bank / Finance Charges		57.61
Total Finance Charges	29.78	88.82
C: Interest on Working Capital		
Total (A+B+C)	**107.20**	**139.77**

TABLE 5-138: INTEREST AND FINANCE CHARGES OF MVVNL FOR FY 2022-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A. Interest on Long Term Loans		
Gross Interest on Long Term Loan	428.65	758.50
Less: Interest Capitalisation	93.91	172.24
Net Interest on Long Term Loans	334.74	586.25
B. Finance and Other charges		
Interest on Consumer Security Deposit	34.66	28.66
Bank / Finance Charges		47.43
Total Finance Charges	34.66	76.09
C. Interest on Working Capital	99.29	150.15
Total (A+B+C)	468.69	812.49

TABLE 5-139: INTEREST AND FINANCE CHARGES OF PVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	249.06	381.48
Less: Interest Capitalisation	215.65	75.73
Net Interest on Long Term Loans	33.41	305.74
B: Finance and Other Charges		
Interest on Consumer Security Deposits	76.60	74.58
Bank / Finance Charges		91.53
Total Finance Charges	76.60	166.11
C: Interest on Working Capital	94.67	158.81
Total (A+B+C)	**204.68**	**630.67**

TABLE 5-140: INTEREST AND FINANCE CHARGES OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	394.15	716.30
Less: Interest Capitalisation	225.36	153.38
Net Interest on Long Term Loans	168.79	562.92
B: Finance and Other Charges		
Interest on Consumer Security Deposits		21.12
Bank / Finance Charges		66.75
Total Finance Charges	22.68	87.87
C: Interest on Working Capital	160.55	190.68
Total (A+B+C)	**352.02**	**841.47**

TABLE 5-141: INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	21.15	7.16
Less: Interest Capitalisation	-	-
Net Interest on Long Term Loans	21.15	7.16
B: Finance and Other Charges		
Interest on Consumer Security Deposits	6.75	7.82
Bank / Finance Charges		9.23
Total Finance Charges	6.75	17.05
C: Interest on Working Capital	24.82	20.40
Total (A+B+C)	**52.72**	**44.60**

TABLE 5-142: CONSOLIDATED INTEREST AND FINANCE CHARGES FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	1512.59	2400.14
Less: Interest Capitalization	639.93	619.20
Net Interest on Long Term Loans	**872.66**	**1780.95**
B: Finance and Other Charges		
Interest on Consumer Security Deposits	170.47	163.39
Bank / Finance Charges	0.00	272.55
Total Finance Charges	**170.47**	**435.94**
C: Interest on Working Capital	**486.53**	**659.81**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Total (A+B+C)	1529.66	2876.69

Commission's Analysis

5.18.2. The analysis of the Interest and Finance charges for FY 2021-21 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.19. PROVISION FOR DOUBTFUL DEBT

Petitioner's Submission

5.19.1. The Regulation 46 of MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as specified below:

Quote

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:

Unquote

5.19.2. The comparison of Provision for Doubtful debts as submitted by the State Discoms for FY 2021-22 and as approved by the Commission in Tariff Order dated July 29, 2021 is shown in the Table below:

TABLE 5-143: PROVISION FOR BAD AND DOUBTFUL DEBTS FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
DVVNL	179.94	247.37
MVVNL	139.68	252.70
PVVNL	45.83	393.99
PUVVNL	204.88	269.39
KESCO	23.77	56.19
Consolidated	**594.10**	**1219.64**

Commission's Analysis

5.19.3. The analysis of Provision for Doubtful debts for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.20. RETURN ON EQUITY (RoE)

Petitioner's Submission

5.20.1. The Regulation 22 of the MYT Regulations, 2019 provides for return on equity @15% post-tax per annum for Distribution Licensee as specified below:

Quote

22 Return on equity

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.

Unquote

5.20.2. The State Discoms submitted that they have considered closing equity of True-Up for FY 2020-21 as opening equity for FY 2021-22. Equity addition during the year has been considered 30% of Capitalisation (Asset put to use) during the year net of consumer contribution, capital subsidies/ grants.

5.20.3. It can be observed that the above extract of the MYT Regulations, 2019, provides for 15% post tax return on equity.

5.20.4. In line with provision of the MYT Regulations, 2019, the Commission had allowed RoE in the Tariff Order dated July 29, 2021. The comparison of approved RoE by the Commission in Tariff Order dated July 29, 2021 and Discoms claim is shown in the Tables below:

TABLE 5-144: RETURN ON EQUITY OF DVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	2,970.51	3,996.08
Additions (30% of Capitalization net of Consumer Contribution and Grants)	195.21	460.29
Closing Equity	3,165.72	4,456.37
Rate of Return on Equity (%)	15.00%	15.00%
Return on Equity	**494.38**	**633.93**

TABLE 5-145: RETURN ON EQUITY OF MVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	2,970.51	3,336.88
Net additions during the year	1,029.73	826.96
Less: Consumer Contribution	-	-
Less: Grants	379.03	-
Equity (Closing Balance)	3,621.21	4,163.84
Rate of Return on Equity (%)	15.00%	15%
Allowable Return on Equity	494.38	562.55

TABLE 5-146: RETURN ON EQUITY OF PVVNL FOR FY 2020-21 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	3,762.51	4,485.03
Additions (30% of Capitalization net of Consumer Contribution and Grants)	57.82	216.31
Closing Equity	3,820.33	4,701.35
Rate of Return on Equity (%)	15.00%	15.00%
Return on Equity	**578.83**	**688.98**

TABLE 5-147: RETURN ON EQUITY OF PuVVNL FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	3,522.65	4,135.86
Additions (30% of Capitalization net of Consumer Contribution and Grants)	95.19	456.12
Closing Equity	3,617.84	4,591.97

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Rate of Return on Equity (%)	15.00%	15.00%
Return on Equity	**552.20**	**654.59**

TABLE 5-148: RETURN ON EQUITY OF KESCO FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	352.91	314.24
Additions (30% of Capitalization net of Consumer Contribution and Grants)	9.65	37.79
Closing Equity	362.56	352.03
Rate of Return on Equity (%)	15.00%	15.00%
Return on Equity	**55.35**	**49.97**

TABLE 5-149: CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Opening Equity	13,997.24	16,268.09
Additions (30% of Capitalization net of Consumer Contribution and Grants)	3,176.26	1,997.47
Closing Equity	**15,608.14**	**18,265.56**
Rate of Return on Equity (%)	15.00%	15.00%
Return on Equity	**2,220.40**	**2,590.02**

Commission's Analysis

5.20.5. The analysis of RoE for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.21. CONTRIBUTION TO CONTINGENCY RESERVE

Commission's Analysis

5.21.1. The Commission noticed that the Petitioner has not claimed any amount for Contribution to contingency reserve for FY 2021-22 in APR. Hence the Commission for the FY 2021-22 has not considered any contribution towards contingency reserves and the analysis would be carried out during True-Up

proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.22. NON-TARIFF INCOME

Petitioner's Submission

5.22.1. The Non-Tariff income for FY 2021-22 as approved by the Commission in Tariff Order dated July 29, 2021 and as submitted by State Discoms is shown in the Table below:

TABLE 5-150: NON-TARIFF INCOME FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
DVVNL	24.60	50.65
MVVNL	34.73	38.06
PVVNL	17.79	48.73
PUVVNL	12.57	28.90
KESCO	25.54	17.46
Consolidated	**115.23**	**183.80**

Commission's Analysis

5.22.2. Non-tariff income includes income such as interest on loans & advances to employees, income from fixed rate investment deposits and other miscellaneous income from retail sources.

5.22.3. Regulation 47 of the MYT Regulations, 2019, provides for treatment of non-tariff income, which is as follows:

Quote

47 Non-Tariff Income

47.1 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for retail supply and Wheeling Charges of the Distribution Business:

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

47.2 The Non-Tariff Income shall include:

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from investments;

d) Interest income on advances to suppliers/contractors;

e) Interest income on loans / advances to employees;

f) Income from rental from staff quarters;

g) Income from rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from delayed payment surcharge, supervision charges, etc.;

j) Supervision charges for capital works;

k) Income from recovery against theft and/or pilferage of electricity;

l) Income from advertisements;

m) Income from sale of tender documents;

n) Excess found on physical verification;

o) Prior Period Income;

p) Miscellaneous receipts; and

q) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not be included in Non-Tariff Income.

Unquote

5.22.4. The analysis of Non- Tariff Income for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.23. GOUP SUBSIDY

Petitioner's Submission

5.23.1. The Petitioners mainly DVVNL, MVVNL, PVVNL and PUVVNL have submitted that the GoUP has communicated the subsidy rates to the Commission vide

letter number 883/24-1-21-1307/2020 dated 13/05/2021 as mentioned in table below for FY 2021-22.

TABLE 5-151: DETAILS OF APPROVED GoUP SUBSIDY AS SUBMITTED BY THE PETITIONERS

Consumer Category	Subsidy/unit as per GoUP directions	Total Subsidy
LMV-1 Domestic Light, Fan & Power		
Particulars	**Rs. /Unit**	**Rs. Cr**
Life Line Consumer	Rs.3.25/kWh	483
Rural Unmetered	Rs. 365 / kW / month	743
Rural Metered		
0-100 Unit	Rs. 2.45/kW	3,448
101-150 Unit	Rs. 2.00/kW	778
LMV- 5 Rural Schedule only		
	Rs. / BHP/month	**Rs. Cr**
Consumer getting supply as per Rural Schedule (unmetered)	490.00	6,198
Consumer getting supply as per Rural Schedule (metered)		
Total Subsidy		**11,650**

5.23.2. The Petitioners submitted that the impact of GoUP subsidy on cross-subsidy percentage (%) among various categories/sub-categories/slabs is demonstrated in the following table, as per the estimated APR data for FY 2021-22 and per unit rate.

TABLE 5-152: IMPACT OF GoUP SUBSIDY IN CROSS SUBSIDY IN PERCENTAGE

Consumer Category/ Sub- Category/ Slab		ABR (Rs. /unit) As approved for FY 22	GoUP Subsidy (Rs. /Unit) or (Rs. /BHP/month)	Sales (MU) As approved for FY 22	Load (kW) As approved for FY 22	Comupted Revenue from Subsidy (Rs. Cr.)	ABR (without Govt. Subsidy, as per GoUP Directions)	Cross Subsidy	
								Approved in Tariff Order for FY 21-22	As per computed ABR (at full cost tariff)
		A	B				C=A+B		
	CONSUMER CATEGORY / SUB-CATEGORY/Slab								
LMV-1	DOMESTIC LIGHT, FAN & POWER:								
(a)	Consumers getting supply as per 'Rural Schedule'	4.78					4.78		
(i)	Lifeline Consumers: With contracted load of 1.00 kW, Energy consumption upto 100 kWh/ month	3.73	3.25	1533.47	19,16,121	498.38	6.88	-50.46%	-8.69%
(ii)	Un-Metered:						-		

Consumer Category/ Sub- Category/ Slab		ABR (Rs. /unit) As approved for FY 22	GoUP Subsidy (Rs. /Unit) or (Rs. /BHP/month)	Sales (MU) As approved for FY 22	Load (kW) As approved for FY 22	Comupted Revenue from Subsidy (Rs. Cr.)	ABR (without Govt. Subsidy, as per GoUP Directions)	Cross Subsidy	
								Approved in Tariff Order for FY 21-22	As per computed ABR (at full cost tariff)
(iii)	Metered: (Dom: Rural Schedule (metered) other than BPL)	4.85					4.85	-35.68%	-35.68%
	Upto 100 kWh / Month	4.05	2.45	4,077.77	93,71,452	999.05	6.93	-46.24%	-8.05%
	101-150 kWh / Month	5.47	2.00	3,887.79	59,49,481	777.56	7.82	-27.48%	3.73%
	151-300 kWh / Month	6.23					6.23	-17.33%	-17.33%
	301-500 kWh / Month	6.68					6.68	-11.44%	-11.44%
	Above 500 kWh / Month	7.65					7.65	1.43%	1.43%
							-		
(b)	**Supply at single point for bulk loads (50 kW and above, Supplied at any voltage):**	**7.26**					**7.26**	**-3.73%**	**-3.73%**
	Deemed Franchisee of the Licensee should not charge more than 5% additional charge on the above specified rate.						-		
(c)	**Other Metered Domestic Consumers:**	**6.98**					**6.98**	**-7.49%**	**-7.49%**
(i)	Other Metered Domestic Consumers other than BPL						-		
	Upto150 kWh / month	6.51					6.51		
	151-300 kWh / month	7.16					7.16		
	301- 500 kWh / month	7.9					7.9		
	Above 500 kWh / month	8.33					8.33		
	Sub Total LMV-1	**5.79**					**5.79**	**-23.17%**	**-7.50%**
							-		
LMV-5	**SMALL POWER FOR PRIVATE TUBE WELL/ PUMPING SETS FOR IRRIGATION PURPOSES:**						-		
(a)	**Consumers getting supply as per "Rural Schedule"**	**1.25**					5.68		
(i)	Un-Metered Supply	1.22	Rs.490 /BHP/month	13,527.06	76,71,150	6,048.76	5.65	-83.78%	-25.09%
	Rural Schedule	1.22					1.22		
	Rural Schedule Pumps	-					4.43		
(ii)	Metered Supply	2.54	Rs.490 /BHP/month	479	2,70,556	213.34	6.97	-66.32%	-7.63%
	Rural Schedule	2.54					2.54		
	Rural Schedule Pumps	-					-		
(iii)	Energy Efficient Pumps	-					-		
(b)	**Consumers getting supply as per "Urban Schedule (Metered Supply)"**	**6.78**					6.78	**-10.04%**	**-10.04%**
	Sub Total LMV-5	**1.32**					5.75	**-82.52%**	**-23.83%**

Consumer Category/ Sub- Category/ Slab		ABR (Rs. /unit) As approved for FY 22	GoUP Subsidy (Rs. /Unit) or (Rs. /BHP/month)	Sales (MU) As approved for FY 22	Load (kW) As approved for FY 22	Comupted Revenue from Subsidy (Rs. Cr.)	ABR (without Govt. Subsidy, as per GoUP Directions)	Cross Subsidy	
								Approved in Tariff Order for FY 21-22	As per computed ABR (at full cost tariff)
	Total Subsidy					8,537.09			

5.23.3. The Petitioners submitted that the difference in the amount of GoUP Subsidy computed in above table with the amount communicated by GoUP to the Commission may be due to unavailability of unmetered consumers in approved data and some other factors considered by Commission while finalizing the tariff order dated July 29, 2021. It is to be further submitted that the budgeted amount of subsidy received from GoUP is Rs. 14,500 Crore for FY 2021-22 and the additional amount received may be adjusted from the overall revenue gap. Further the same has been allocated among Discoms on the basis of load of the relevant category/subcategory for unmetered categories and on the basis of sales for metered category. Further, it is submitted that Government Subsidy is not the part of expenditure and is part of the revenue only.

5.23.4. The details of GoUP subsidy for FY 2021-22 as approved by the Commission in Tariff Order dated July 29, 2021 and as submitted by State Discoms for FY 2021-22 is shown in the Table below:

TABLE 5-153: GOUP SUBSIDY FOR FY 2021-22 (RS. CRORE)

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
DVVNL	2,477.86	3,067.24
MVVNL	2,365.16	2,790.21
PVVNL	3,028.07	5,659.64
PUVVNL	3,778.92	2,982.91
KESCO	0.00	0.00
Consolidated	**11,650.01**	**14,500.00**

5.23.5. The Petitioners further submitted that the Commission in its Tariff Order for FY 2021-22 has also recognised the Government subsidy component of LMV-5 Metered Rural Consumers as per the GoUP direction, as under:

8.1.12 Further, the Commission is in receipt of a GoUP letter with Ref: 707/24-P-1/2021 dated 25.3.2021 under Section 108 of EA 2003, wherein GoUP mentioned that since majority of the rural LMV-5 consumers are unmetered, and taking into consideration the impact of Covid pandemic, GoUP has decided that tariff rates of rural LMV-5 unmetered consumers may be levied on LMV-5 metered consumers tariff and has directed the Commission to consider the same.

8.1.13 Subsequently, GoUP again sent a letter with Ref: 812/24-1-21-1307/2020 dated 12.5.2021 for billing LMV-5 rural metered as unmetered, however metering of unmetered consumers will also be done and the meter reading will be used for the purpose of energy accounting and subsidy computation. The difference between the revenue at unmetered rates & revenue as per metered energy & rates, would be provided to the Licensees by GoUP.

8.1.14 Although, this provision is not in conformity of Section 65 of Electricity Act, 2003, in regard to advance subsidy, however, in view of the State Government's commitment to provide additional subsidy in regards to the above arrangement, the Commission accepts this proposal and the additional subsidy amount, which will be computed at the time of True-up shall be payable by the State Government in conformity to Section 65 of Electricity Act, 2003.

5.23.6. The Petitioners requested the Commission to recognise this GoUP subsidy component separately.

Commission's Analysis

5.23.7. The analysis of GoUP subsidy for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.24. REVENUE FROM SALE OF POWER

Petitioner's Submission

5.24.1. The Petitioners have submitted the estimated revenue from existing tariff of Rs. 12,330.92 Crore for DVVNL, Rs. 12,601.54 Crore for MVVNL, Rs. 19,701.20 Crore for PVVNL, Rs. 13,498.43 Crore for PuVVNL and Rs. 2,816.97 Crore for KESCO.

5.24.2. The following Tables summarize the revenue approved by Commission for FY 2021-22 vide Tariff Order dated July 29, 2021 and revised revenue by State Discoms at tariff approved by the Commission for FY 2021-22.

TABLE 5-154: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR DVVNL (RS. CRORE)

Sr. No.	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	4,696.13	
B	LMV-2-Non domestic light fan & power	1,314.43	
C	LMV-3 Public lamps	57.80	
D	LMV-4 Light, fan & power for public/private institution	310.05	
E	LMV-5 Private tube well/pumping sets	471.62	
F	LMV-6 Small & medium power upto 100 HP/75kW	738.71	
G	LMV-7 Public water works	362.40	
H	LMV-8 State tube wells & pumps canal upto 100 HP	610.20	
I	LMV-9 Temporary supply	16.41	
J	LMV- 10 Departmental employees	111.56	
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	426.86	
M	HV-2 Large & heavy power above 100 BHP (75kW)	2,792.25	
N	HV-3 Railway traction	0.00	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	122.70	
P	Bulk Supply	0.00	
Q	Extra State Consumers	0.00	
R	**Total**	**12,031.11**	**12,330.92**

TABLE 5-155: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR MVVNL (RS. CRORE)

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	5,752.90	
B	LMV-2-Non domestic light fan & power	1,550.75	
C	LMV-3 Public lamps	341.79	
D	LMV-4 Light, fan & power for public/private institution	274.96	
E	LMV-5 Private tube well/pumping sets	285.98	

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
F	LMV-6 Small & medium power upto 100 hP/75kW	499.34	
G	LMV-7 Public water works	453.94	
H	LMV-8 State tube wells & pumps canal upto 100 HP	817.87	
I	LMV-9 Temporary supply	94.26	
J	LMV- 10 Departmental employees	125.76	
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	762.53	
M	HV-2 Large & heavy power above 100 BHP (75kW)	1,294.64	
N	HV-3 Railway traction	44.91	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	71.18	
P	Bulk Supply	0.00	
Q	Extra State Consumers	18.61	
R	**Total**	**12,389.41**	**12,601.54**

TABLE 5-156: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR PVVNL (RS. CRORE)

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	7,398.63	
B	LMV-2-Non domestic light fan & power	1,905.09	
C	LMV-3 Public lamps	184.57	
D	LMV-4 Light, fan & power for public/private institution	232.61	
E	LMV-5 Private tube well/pumping sets	743.89	
F	LMV-6 Small & medium power upto 100 HP/75kW	1,166.82	
G	LMV-7 Public water works	463.20	
H	LMV-8 State tube wells & pumps canal upto 100 HP	241.96	
I	LMV-9 Temporary supply	109.82	
J	LMV- 10 Departmental employees	139.42	
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	1,954.24	
M	HV-2 Large & heavy power above 100 BHP (75kW)	4,480.62	
N	HV-3 Railway traction	76.60	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	0.71	
P	Bulk Supply	0.00	
Q	Extra State Consumers	0.00	
R	**Total**	**19,098.17**	**19,701.20**

TABLE 5-157: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR PuVVNL (RS. CRORE)

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	7,763.23	
B	LMV-2-Non domestic light fan & power	2,146.53	
C	LMV-3 Public lamps	116.83	
D	LMV-4 Light, fan & power for public/private institution	208.49	
E	LMV-5 Private tube well/pumping sets	344.44	
F	LMV-6 Small & medium power upto 100 HP/75kW	521.88	
G	LMV-7 Public water works	327.05	
H	LMV-8 State tube wells & pumps canal upto 100 HP (lmv-8)	1,024.83	
I	LMV-9 Temporary supply	2.48	
J	LMV- 10 Departmental employees	90.97	
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	512.01	
M	HV-2 Large & heavy power above 100 BHP (75kW)	901.92	
N	HV-3 Railway traction	16.92	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	433.97	
P	Bulk Supply	0.00	
Q	Extra State Consumers	2.36	
R	**Total**	**14,413.91**	**13,498.43**

TABLE 5-158: REVENUE FROM SALE OF POWER FOR FY 2020-21 FOR KESCO (RS. CRORE)

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	1,130.17	
B	LMV-2-Non domestic light fan & power	375.45	
C	LMV-3 Public lamps	36.91	
D	LMV-4 Light, fan & power for public/private institution	114.95	
E	LMV-5 Private tube well/pumping sets	0.05	
F	LMV-6 Small & medium power upto 100 HP/75kW	279.71	
G	LMV-7 Public water works	111.71	
H	LMV-8 State tube wells & pumps canal upto 100 HP	0.00	
I	LMV-9 Temporary supply	1.79	
J	LMV- 10 Departmental employees	28.89	

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	209.42	
M	HV-2 Large & heavy power above 100 BHP (75kW)	479.77	
N	HV-3 Railway traction	0.00	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	0.00	
P	Bulk Supply	0.00	
Q	Extra State Consumers	0.00	
R	**Total**	**2,768.83**	**2,816.97**

TABLE 5-159: CONSOLIDATED REVENUE FROM SALE OF POWER FOR FY 2020-21 FOR (RS. CRORE)

Sr. No	Categories	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
A	LMV-1 Domestic light fan & power	26,741.06	
B	LMV-2-Non domestic light fan & power	7,292.25	
C	LMV-3 Public lamps	737.91	
D	LMV-4 Light, fan & power for public/private institution	1,141.06	
E	LMV-5 Private tube well/pumping sets	1,845.99	
F	LMV-6 Small & medium power upto 100 HP/75kW	3,206.46	
G	LMV-7 Public water works	1,718.30	
H	LMV-8 State tube wells & pumps canal upto 100 HP	2,694.86	
I	LMV-9 Temporary supply	224.74	
J	LMV- 10 Departmental employees	496.59	
K	LMV-11: Electric Vehicles	0.00	
L	HV-1 Non industrial bulk load	3,865.06	
M	HV-2 Large & heavy power above 100 BHP (75kW)	9,949.20	
N	HV-3 Railway traction	138.43	
O	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	628.56	
P	Bulk Supply	0.00	
Q	Extra State Consumers	20.97	
R	**Total**	**60,701.44**	**60,949.06**

Commission's Analysis

5.24.3. The analysis of Revenue for FY 2021-22 would be carried out during True-Up proceedings after receipt of actual data and annual audited accounts of respective State Discoms.

5.25. ARR AND REVENUE GAP

Petitioner's Submission

5.25.1. In the preceding Sections, the Commission has detailed the expenses submitted by the State Discoms for FY 2021-22. The comparison of ARR and revenue Gap as approved by the Commission in Tariff Order dated July 29, 2021 and as submitted by the State Discoms for FY 2021-22 is shown in the Tables below:

TABLE 5-160: ARR SUMMARY FOR FY 2021-22 FOR DVVNL (RS. CRORE)

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1.	Power Purchase Expenses (including PGCIL charges)	11,103.63	12,219.59
2.	Transmission Charges	542.78	671.74
3.	Total O&M expenses net of capitalization	1,142.94	1,341.19
4.	Interest and Finance charges	451.55	547.46
5.	Depreciation	506.28	706.05
6.	Bad and Doubtful Debts	179.94	247.37
7.	Add: Return on Equity	539.65	633.93
8.	**Gross Expenditure**	**14,466.77**	**16,367.33**
9.	Less: Non-tariff Incomes	24.60	50.65
10.	**Net Annual Revenue Requirement**	**14,442.17**	**16,316.68**
11.	Revenue from Tariff incl DPS	12,031.11	12,368.33
12.	Revenue from Cross-subsidy (Short-term open access consumers)	6.92	-
13.	**Total Revenue**	**12,038.03**	**12,368.33**
14.	**Revenue Gap/(Surplus) before Subsidy**	**2,404.14**	**3,948.34**
15.	GoUP Subsidy	2,477.86	3,067.24
16.	**Net Revenue Gap/(Surplus)**	**(73.72)**	**881.11**

TABLE 5-161: ARR SUMMARY FOR FY 2021-22 FOR MVVNL (RS. CRORE)

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1.	Power Purchase Expenses (including PGCIL charges)	11,530.48	11,810.85
2.	Transmission Charges	514.28	616.72
3.	Total O&M expenses net of capitalization	1,113.82	1,452.98
4.	Interest and Finance charges	468.69	812.49
5.	Depreciation	451.90	765.21
6.	Bad and Doubtful Debts	139.68	252.70
7.	Add: Return on Equity	494.38	562.55
8.	**Gross Expenditure**	**14,713.23**	**16,273.51**
9.	Less: Non-tariff Incomes	34.73	38.06
10.	**Net Annual Revenue Requirement**	**14,678.50**	**16,235.45**
11.	Revenue from Tariff incl DPS	12,389.41	12,635.00
12.	Revenue from Cross-subsidy (Short-term open access consumers)	-	-
13.	**Total Revenue**	**12,389.41**	**12,635.00**
14.	**Revenue Gap/(Surplus) before Subsidy**	**2,289.09**	**3,600.44**
15.	GoUP Subsidy	2,365.16	2,790.21
16.	**Net Revenue Gap/(Surplus)**	**(76.07)**	**810.23**

TABLE 5-162: ARR SUMMARY FOR FY 2021-22 FOR PVVNL (RS. CRORE)

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1.	Power Purchase Expenses (including PGCIL charges)	18,703.77	21,542.00
2.	Transmission Charges	808.25	860.22
3.	Total O&M expenses net of capitalization	1,270.41	1,646.74
4.	Interest and Finance charges	204.68	630.67
5.	Depreciation	411.01	806.40
6.	Bad and Doubtful Debts	45.83	393.99
7.	Add: Return on Equity	578.83	688.98
8.	**Gross Expenditure**	**22,022.78**	**26,569.01**

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
9.	Less: Non-tariff Incomes	17.79	48.73
10.	**Net Annual Revenue Requirement**	**22,004.99**	**26,520.29**
11.	Revenue from Tariff incl DPS	19,098.17	19,699.73
12.	Revenue from Cross-subsidy (Short-term open access consumers)	0.64	23.15
13.	**Total Revenue**	**19,098.81**	**19,722.88**
14.	**Revenue Gap/(Surplus) before Subsidy**	**2,906.18**	**6,797.41**
15.	GoUP Subsidy	3,028.07	5,659.64
16.	**Net Revenue Gap/(Surplus)**	**(121.89)**	**1,137.77**

TABLE 5-163: ARR SUMMARY FOR FY 2021-22 FOR PuVVNL (RS. CRORE)

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1.	Power Purchase Expenses (including PGCIL charges)	14,401.15	11,832.77
2.	Transmission Charges	642.97	663.31
3.	Total O&M expenses net of capitalization	1,528.55	2,230.83
4.	Interest and Finance charges	352.02	841.47
5.	Depreciation	425.20	900.82
6.	Bad and Doubtful Debts	204.88	269.39
7.	Add: Return on Equity	552.20	654.59
8.	**Gross Expenditure**	**18,106.97**	**17,393.17**
9.	Less: Non-tariff Incomes	12.57	28.90
10.	**Net Annual Revenue Requirement**	**18,094.40**	**17,364.27**
11.	Revenue from Tariff incl DPS	14,413.91	13,469.27
12.	Revenue from Cross-subsidy (Short-term open access consumers)	0.57	-
13.	**Total Revenue**	**14,414.48**	**13,469.27**
14.	**Revenue Gap/(Surplus) before Subsidy**	**3,679.92**	**3,895.00**
15.	GoUP Subsidy	3,778.92	2,982.91
16.	**Net Revenue Gap/(Surplus)**	**(99.00)**	**912.09**

TABLE 5-164: ARR SUMMARY FOR FY 2021-22 FOR KESCO (RS. CRORE)

Sr. No.	Particular	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1	Power Purchase Expenses including PGCIL charges	2,227.75	2,284.98
2	Transmission Charges	90.07	93.06
3	Total O&M expenses net of capitalization	285.98	326.38
4	Interest and Finance charges	52.72	44.60
5	Depreciation	41.96	67.27
6	Prior Period Expenses	-	-
7	Bad and Doubtful Debts	23.77	56.19
8	Add: Return on Equity	55.35	49.97
9	**Gross Expenditure**	**2,777.60**	**2,922.46**
10	Less: Non-tariff Incomes	25.54	17.46
11	**Net Annual Revenue Requirement**	**2,752.06**	**2,905.00**
12	Revenue from Tariff incl DPS	2,768.83	2,809.44
13	Revenue from Cross-subsidy (Short-term open access consumers)	-	-
14	**Total Revenue**	**2,768.83**	**2,809.44**
15	**Revenue Gap/(surplus) before Subsidy**	**(16.77)**	**95.56**
16	GoUP Subsidy	-	-
17	**Net Revenue Gap/(Surplus)**	**(16.77)**	**95.56**

TABLE 5-165: CONSOLIDATED ARR SUMMARY FOR FY 2021-22 FOR STATE DISCOMS (RS. CRORE)

Sr. No.	Particulars	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
1	Cost of Power Procurement (including Inter-State Transmission Charges)	57,966.78	59,690.19
2	Disallowance in PPC due to excess sales (in unmetered) wrt Normative		
3	Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	2,598.35	2,905.06
4	**Gross O&M Expenses**	**6,625.54**	**8,541.15**
5	Employee Expenses	2,924.58	3,983.33
6	R&M Expense	3,003.86	3,593.96
7	A&G Expense	697.10	824.13
8	Smart Metering OPEX	0.00	139.73

Sr. No.	Particulars	FY 2021-22	
		Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
9	Depreciation	1,836.35	3,245.76
10	Interest on Long-Term Loan	1,512.59	2,400.14
11	Interest on Security Deposit from Consumers and Distribution system Users	170.47	163.39
12	Finance/Bank Charges	0.00	272.55
13	Interest on Working Capital	486.53	659.81
14	**Gross Expenditure**	**71,196.61**	**77,878.06**
15	Less: Interest Capitalisation	639.93	619.20
16	Less: Employee Capitalisation	1,283.84	1,543.04
17	**Net Expenditure**	**69,272.84**	**75,715.82**
18	Bad and Doubtful debts	594.10	1,219.64
19	**Net Expenditure with Provisions**	**69,866.94**	**76,935.46**
20	Return on Equity	2,220.41	2,590.02
21	Less: Non-Tariff Income	115.23	183.80
22	Less: Revenue from Open Access Customers	8.13	23.15
23	**Net Annual Revenue Requirement of Licensee**	**71,963.99**	**79,318.53**
24	Revenue Assessment at Existing Tariff	60,701.43	60,981.77
25	Deemed Revenue (LMV-10)		
26	Govt. Subsidy Received/Declared	11,650.01	14,500.00
27	**Net Revenue Gap/(Surplus)**	(387.45)	3,836.76
28	Tariff Revision Impact	0.00	0.00
29	**Net Revenue Gap/(Surplus) before Tariff revision impact**	**(387.45)**	**3,836.76**

Revised Petitioner's submission

5.25.2. The Petitioners have revised the ARR summary for FY 2021-22 vide deficiency dated April, 29, 2022. The comparison of ARR and revenue Gap as approved by the Commission in Tariff Order dated July 29, 2021 and as submitted by the State Discoms for FY 2021-22 is shown in the Tables below:

TABLE 5-166: REVISED ARR SUMMARY FOR FY 2021-22 FOR DVVNL (RS. CRORE)

S.No	Particulars	APR
		FY 2021-22
		Revised Estimates
a	Cost of Power Procurement	12,085.86
b	Transmission and Load Dispatch Charges	671.74

S.No	Particulars	APR
		FY 2021-22
		Revised Estimates
c	Gross O&M Expenses	
i	R&M Expense	814.05
ii	Employee Expenses	787.10
iii	A&G Expense	126.95
e	Total Gross O&M expenses (i+ii+iii)	1,728.10
f	Smart Metering OPEX	17.95
g	Depreciation	706.05
h	Interest on Long-Term Loan	536.71
i	Interest on Security Deposit from Consumers and Distribution system Users	31.17
j	Finance/Bank Charges	57.61
k	Interest on Working Capital	138.12
l	Bad and Doubtful debts	246.62
m	Return on Equity	633.93
n	Income Tax	-
	Total Expenditure (A)	**16,853.86**
	Less:	
o	**Interest Capitalisation**	217.84
p	**Employee Capitalisation**	404.86
B	**Net Expenditure (A-q-r)**	**16,231.16**
C	Less: Non Tariff Income	50.65
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**16,180.50**
	Receipts	
a	Revenue Assessment	12,330.92
b	Income from other Business	-
c	Revenue from Open Access Customers	-
E	**Total Revenue (a+b+c)**	**12,330.92**
F	Gap/(Surplus) before tariff revision impact (E-D)	3,849.58
G	Tariff Revision Impact	-
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**3,849.58**
I	Govt. Subsidy Received/Declared	2,961.91
J	**Gap/(Surplus)(H+J)**	**887.67**

TABLE 5-167: REVISED ARR SUMMARY FOR FY 2021-22 FOR MVVNL (RS. CRORE)

S.No	Particulars	APR FY 2021-22 Revised Estimates
a	Cost of Power Procurement	11,903.42
b	Transmission and Load Dispatch Charges	616.72
c	Gross O&M Expenses	
i	R&M Expense	568.07
ii	Employee Expenses	1,126.54
iii	A&G Expense	322.82
e	Total Gross O&M expenses (i+ii+iii)	2,017.44
f	Smart Metering OPEX	45.74
g	Depreciation	765.21
h	Interest on Long-Term Loan	758.50
i	Interest on Security Deposit from Consumers and Distribution system Users	28.62
j	Finance/Bank Charges	47.43
k	Interest on Working Capital	151.46
l	Bad and Doubtful debts	252.03
m	Return on Equity	562.55
n	Income Tax	-
	Total Expenditure (A)	**17,149.12**
	Less:	
o	**Interest Capitalisation**	172.24
p	**Employee Capitalisation**	610.20
B	**Net Expenditure (A-q-r)**	**16,366.68**
C	Less: Non Tariff Income	38.06
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**16,328.62**
a	Revenue Assessment	12,601.54
b	Income from other Business	-
c	Revenue from Open Access Customers	-
E	**Total Revenue (a+b+c)**	**12,601.54**
F	Gap/(Surplus) before tariff revision impact (E-D)	3,727.08
G	Tariff Revision Impact	-
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**3,727.08**
I	Govt. Subsidy Received/Declared	2,907.78
J	**Gap/(Surplus)(H+J)**	**819.30**

TABLE 5-168: REVISED ARR SUMMARY FOR FY 2021-22 FOR PVVNL (RS. CRORE)

S.No	Particulars	APR FY 2021-22 Revised Estimates
a	Cost of Power Procurement	21,556.85
b	Transmission and Load Dispatch Charges	860.22
c	Gross O&M Expenses	
i	R&M Expense	839.43
ii	Employee Expenses	903.86
iii	A&G Expense	172.92
e	Total Gross O&M expenses (i+ii+iii)	1,916.21
f	Smart Metering OPEX	24.15
g	Depreciation	806.40
h	Interest on Long-Term Loan	381.48
i	Interest on Security Deposit from Consumers and Distribution system Users	74.58
j	Finance/Bank Charges	91.53
k	Interest on Working Capital	158.84
l	Bad and Doubtful debts	394.02
m	Return on Equity	688.98
n	Income Tax	-
	Total Expenditure (A)	**26,953.27**
	Less:	
o	**Interest Capitalisation**	75.73
p	**Employee Capitalisation**	293.62
B	**Net Expenditure (A-q-r)**	**26,583.92**
C	Less: Non Tariff Income	48.73
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**26,535.20**
a	Revenue Assessment	19,701.20
b	Income from other Business	-
c	Revenue from Open Access Customers	23.15
E	**Total Revenue (a+b+c)**	**19,724.35**
F	Gap/(Surplus) before tariff revision impact (E-D)	6,810.85
G	Tariff Revision Impact	-
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**6,810.85**
I	Govt. Subsidy Received/Declared	5,661.27
J	**Gap/(Surplus)(H+J)**	**1,149.57**

TABLE 5-169: REVISED ARR SUMMARY FOR FY 2021-22 FOR PuVVNL (RS. CRORE)

S.No	Particulars	APR FY 2021-22 Revised Estimates
a	Cost of Power Procurement	11,854.29
b	Transmission and Load Dispatch Charges	663.31
c	Gross O&M Expenses	
i	R&M Expense	1,247.68
ii	Employee Expenses	998.08
iii	A&G Expense	173.93
e	Total Gross O&M expenses (i+ii+iii)	2,419.69
f	Smart Metering OPEX	38.94
g	Depreciation	900.82
h	Interest on Long-Term Loan	716.30
i	Interest on Security Deposit from Consumers and Distribution system Users	21.14
j	Finance/Bank Charges	66.75
k	Interest on Working Capital	190.76
l	Bad and Doubtful debts	269.97
m	Return on Equity	654.59
n	Income Tax	-
	Total Expenditure (A)	**17,796.55**
	Less:	
o	**Interest Capitalisation**	153.38
p	**Employee Capitalisation**	227.80
B	**Net Expenditure (A-q-r)**	**17,415.38**
C	Less: Non Tariff Income	28.90
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**17,386.47**
a	Revenue Assessment	13,498.43
b	Income from other Business	-
c	Revenue from Open Access Customers	-
E	**Total Revenue (a+b+c)**	**13,498.43**
F	Gap/(Surplus) before tariff revision impact (E-D)	3,888.04
G	Tariff Revision Impact	-
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**3,888.04**
I	Govt. Subsidy Received/Declared	2,969.05
J	**Gap/(Surplus)(H+J)**	**918.99**

TABLE 5-170: REVISED ARR SUMMARY FOR FY 2021-22 FOR KESCO (RS. CRORE)

S.No	Particulars	APR FY 2021-22 Revised Estimates
a	Cost of Power Procurement	2,293.96
b	Transmission and Load Dispatch Charges	93.06
c	Gross O&M Expenses	
i	R&M Expense	124.73
ii	Employee Expenses	167.75
iii	A&G Expense	27.51
e	Total Gross O&M expenses (i+ii+iii)	319.99
f	Smart Metering OPEX	12.95
g	Depreciation	67.27
h	Interest on Long-Term Loan	7.16
i	Interest on Security Deposit from Consumers and Distribution system Users	7.83
j	Finance/Bank Charges	9.23
k	Interest on Working Capital	20.44
l	Bad and Doubtful debts	56.34
m	Return on Equity	49.97
n	Income Tax	-
	Total Expenditure (A)	**2,938.21**
	Less:	
o	**Interest Capitalisation**	-
p	**Employee Capitalisation**	6.57
B	**Net Expenditure (A-q-r)**	**2,931.64**
C	Less: Non Tariff Income	17.46
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**2,914.18**
a	Revenue Assessment	2,816.97
b	Income from other Business	-
c	Revenue from Open Access Customers	-
E	**Total Revenue (a+b+c)**	**2,816.97**
F	Gap/(Surplus) before tariff revision impact (E-D)	97.21
G	Tariff Revision Impact	-
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**97.21**
I	Govt. Subsidy Received/Declared	-
J	**Gap/(Surplus)(H+J)**	**97.21**

TABLE 5-171: REVISED ARR SUMMARY FOR FY 2021-22 FOR STATE DISCOMS (RS. CRORE)

S.No	Particulars	APR FY 2021-22 Revised Estimates
a	Cost of Power Procurement	59,694.38
b	Transmission and Load Dispatch Charges	2,905.06
c	Gross O&M Expenses	
i	R&M Expense	3,593.96
ii	Employee Expenses	3,983.33
iii	A&G Expense	824.13
e	Total Gross O&M expenses (i+ii+iii)	8,401.43
f	Smart Metering OPEX	139.73
g	Depreciation	3,245.76
h	Interest on Long-Term Loan	2,400.14
i	Interest on Security Deposit from Consumers and Distribution system Users	163.34
j	Finance/Bank Charges	272.55
k	Interest on Working Capital	659.62
l	Bad and Doubtful debts	1,218.98
m	Return on Equity	2,590.02
n	Income Tax	0.00
	Total Expenditure (A)	81,691.01
	Less:	
o	**Interest Capitalisation**	**619.20**
p	**Employee Capitalisation**	**1,543.04**
B	**Net Expenditure (A-q-r)**	**79,528.78**
C	Less: Non Tariff Income	183.80
D	**Net Annual Revenue Requirement of Licensee(B-C)**	**79,344.98**
a	Revenue Assessment	60,949.07
b	Income from other Business	0.00
c	Revenue from Open Access Customers	23.15
E	**Total Revenue (a+b+c)**	**60,972.22**
F	Gap/(Surplus) before tariff revision impact (E-D)	**18,372.75**
G	Tariff Revision Impact	0.00
H	**Gap/(Surplus) after tariff revision impact (F+G)**	**18,372.75**
I	Govt. Subsidy Received/Declared	14,500.00
J	**Gap/(Surplus)(H+J)**	**3,872.74**

Commission's Analysis

5.25.3. In APR of FY 2021-22, the Revised Gap/ (Surplus) claimed by DVVNL, MVVNL, PVVNL, PuVVNL and KESCO are Rs. 887.67 Crore, Rs. 819.30 Crore, Rs.

1,149.58 Crore, Rs. 918.99 Crore and Rs. 97.21 Crore respectively. The consolidated figure for FY 2021-22 is coming out to be a gap of Rs. 3,872.75 Crore as per the Licensee submissions. The above figures are subjected to be revised in the True-Up of FY 2021-22 after receipt of actual data and annual audited accounts of respective State Discoms.

TABLE 5-172: COMPARISON OF APR FOR FY 2021-22 WITH TARIFF ORDER FOR FY 2020-21 DATED 29.07.2021 (RS. CRORE)

Parameters	Tariff Order for FY 2020-21 dated 29.07.2021	APR	% Change
Total Sales (MU)	95,419.89	96,545.44	1.18%
Revenue from tariff (Rs. Crore)	60,701.43	60,949.07	0.41%
Total Power Purchase (MU)	1,07,315.39	1,19,994.32	11.81%
Average Revenue Realized	71,963.99	79,321.82	10.22%
Total Power Purchase (Rs. Crore)	57,966.78	59,694.38	2.98%
ABR (Rs. / kWh)	7.58	7.81	3.03%
ACoS (Rs. / kWh)	7.54	8.22	8.97%
Revenue Gap / (Surplus) (Rs. Crore)	(387.45)	3,872.75	

5.26. ELECTRICAL ACCIDENT

5.26.1. The Commission has observed that DVVNL, PVVNL PuVVNL and KESCO have not provided proper details of electrical accident and MVVNL has not provided any details of electrical accident in Format P10. Therefore, the Petitioners are required to provide full details as per the format. Also, it has been observed that the Excel files are not linked and formula driven which delay the proceedings. Therefore, the Petitioner is directed to ensure that all the Tariff and additional Formats are completely filled and are with formulas and links.

6. AGGREGATE REVENUE REQUIREMENT (ARR) & TARIFF FOR FY 2022-23

6.1. INTRODUCTION

6.1.1. The Commission in earlier Chapters of this Order has undertaken Truing- Up of ARR for FY 2020-21 based on the audited accounts and APR for FY 2021-22. In this section, the Commission has undertaken the process of approval of the ARR for FY 2022-23 in line with the provisions of the MYT Regulations, 2019.

6.1.2. Regulation 41.1 of the MYT Regulations, 2019, provides the principles for determination of ARR which shall contain 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;
(j) Contribution to Contingency Reserves;
(k) Return on Equity;
(l) Income Tax;

minus:

(m) Non-Tariff income;
(n) Income from other Business

6.1.3. In this Chapter, the Commission has discussed in detail, each component of ARR for FY 2022-23.

6.2. BILLING DETERMINANTS: NO. OF CONSUMERS, CONNECTED LOAD AND SALES

Petitioner's Submission

6.2.1. The Billing Determinants of the Petitioners comprises of number of consumers, connected load (kW), energy sales (billed energy), split between rural / urban consumers.

6.2.2. The Petitioners submitted that while projecting the Billing Determinants (number of consumers, load and energy sales) for FY 2022-23, they have

analysed category-wise and sub-category wise data of the sale of electricity, number of consumers, connected / contracted load, etc. of the preceding seven years i.e., from FY 2013-14 to FY 2019-20.

6.2.3. The 7-year, 6-year, 5-year, 4-year, 3-year, 2-year Compound Annual Growth Rates (CAGRs) and year on year growth rates have been considered for each sub-category for appropriate projection of Billing Determinants. The Petitioners have considered the Billing Determinants for FY 2020-21 as the base for the purpose of computation of Billing Determinants of FY 2022-23. The Petitioners have made effort to focus on reasonable growth for FY 2022-23 making required corrections in the projections of earlier years.

6.2.4. The Petitioners submitted that under Saubhagya Yojna, they have added substantial number of Lifeline consumers at LT network. Such consumers have been migrated to IT billing system resulting in change in sub-categories/slabs based on contracted load and energy consumed. This has resulted in significant variation in corresponding sub-category / slabs. The consumers which are flagged under different LMV-1 sub-categories are now readjusted under LMV-1 category as per their consumption pattern. The consumers having 1 kW load and consumption upto 100 units are covered in Life line category and any change in this criterion will result in change of sub category / slab of such consumers. This is a dynamic situation which may keep on changing on monthly basis. However, the overall number of consumers within the category exhibit normalized growth.

6.2.5. The Category-wise Billing Determinants as projected by the Petitioners for FY 2022-23 is shown in the Table below:

TABLE 6-1: BILLING DETERMINANTS SUBMITTED BY DVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	55,27,535	73,30,179.01	8,201.75
LMV-2: Non Domestic Light, Fan & Power	2,78,714	7,54,329.55	1,037.49
LMV-3: Public Lamps	2,100	26,500.45	77.33
LMV-4: Light, fan & Power for Institutions	32,290	1,53,478.25	243.48
LMV-5: Private Tube Wells/ Pumping Sets	3,07,408	23,91,381.78	4,573.94

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV 6: Small and Medium Power upto 100 HP (75 kW)	41,859	4,18,725.65	555.18
LMV-7: Public Water Works	11,554	1,17,041.34	391.56
LMV-8: State Tube Wells & Pump Canals upto 100 HP	7,717	1,83,307.15	998.71
LMV-9: Temporary Supply	5,970	30,903.51	59.32
LMV-10: Departmental Employees	13,200	64,500.60	123.39
LMV-11: Electrical Vehicles	11	764.50	0.12
HV-1: Non-Industrial Bulk Loads	594	1,55,118.97	289.63
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,308	10,17,918.63	3,015.67
HV-3: Railway Traction	2	36,000.00	62.36
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	43	36,201.01	113.12
Extra State Consumer	-	-	-
Bulk Supply Consumer	1	11,61,313.00	2,186.43
Grand Total	**62,32,305**	**1,38,77,663.38**	**21,929.48**

TABLE 6-2: BILLING DETERMINANTS SUBMITTED BY MVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	81,31,895	1,03,99,543.19	11,849.15
LMV-2:Non Domestic Light, Fan & Power	4,22,774	12,52,408.76	1,701.69
LMV-3: Public Lamps	1,219	1,06,238.98	330.84
LMV-4: Light, fan & Power for Institutions	28,263	1,53,362.56	265.33
LMV-5: Private Tube Wells/ Pumping Sets	2,68,407	14,85,496.75	2,193.23
LMV 6: Small and Medium Power upto 100 HP (75 kW)	39,433	4,26,425.97	494.89
LMV-7: Public Water Works	3,930	97,678.55	434.87
LMV-8: State Tube Wells & Pump Canals upto 100 HP	11,220	1,57,995.75	958.52
LMV-9: Temporary Supply	6,612	20,844.66	22.65
LMV-10: Departmental Employees	23,078	74,143.26	147.43
LMV-11: Electrical Vehicles	22	3,820.63	3.94
HV-1: Non-Industrial Bulk Loads	1,410	4,96,707.50	824.28

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-2: Large and Heavy Power above 100 BHP (75 kW)	2,380	8,57,939.89	1,688.55
HV-3: Railway Traction	2	9,671.05	31.70
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	35	30,354.50	71.99
Extra State Consumer		-	-
Bulk Supply Consumer	1	5,000.00	8.78
Grand Total	**89,40,681**	**1,55,77,632.00**	**21,027.82**

TABLE 6-3: BILLING DETERMINANTS SUBMITTED BY PVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	63,53,858	1,28,00,780.95	12,749.42
LMV-2:Non Domestic Light, Fan & Power	5,12,421	14,51,037.12	1,805.11
LMV-3: Public Lamps	1,076	55,814.19	200.60
LMV-4: Light, fan & Power for Institutions	20,299	1,22,791.97	162.67
LMV-5: Private Tube Wells/ Pumping Sets	4,64,686	33,34,019.42	6,413.11
LMV 6: Small and Medium Power upto 100 HP (75 kW)	64,931	9,05,999.54	1,230.62
LMV-7: Public Water Works	5,267	1,67,225.60	416.07
LMV-8: State Tube Wells & Pump Canals upto 100 HP	5,007	71,801.80	418.60
LMV-9: Temporary Supply	5,911	47,721.33	100.05
LMV-10: Departmental Employees	18,308	99,300.61	147.30
LMV-11: Electrical Vehicles	47	596.31	0.50
HV-1: Non-Industrial Bulk Loads	2,310	10,01,521.55	1,609.85
HV-2: Large and Heavy Power above 100 BHP (75 kW)	6,352	22,31,943.98	5,673.51
HV-3: Railway Traction	5	63,285.88	89.31
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	2	285.63	1.32
Extra State Consumer	-	-	-
Bulk Supply Consumer	-	-	-
Grand Total	**74,60,480**	**2,23,54,125.85**	**31,018.05**

TABLE 6-4: BILLING DETERMINANTS SUBMITTED BY PuVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	85,13,593	1,03,25,678.68	12,771.64
LMV-2:Non Domestic Light, Fan & Power	4,93,801	13,30,219.08	2,076.56
LMV-3: Public Lamps	531	44,619.11	140.53
LMV-4: Light, fan & Power for Institutions	29,777	1,72,146.58	268.77
LMV-5: Private Tube Wells/ Pumping Sets	3,24,388	14,55,480.80	2,704.27
LMV 6: Small and Medium Power upto 100 HP (75 kW)	32,665	3,70,881.32	595.69
LMV-7: Public Water Works	3,933	1,19,100.24	402.27
LMV-8: State Tube Wells & Pump Canals upto 100 HP	12,255	2,41,828.00	1,186.16
LMV-9: Temporary Supply	2,169	4,971.91	9.28
LMV-10: Departmental Employees	26,005	90,949.69	108.75
LMV-11: Electrical Vehicles	7	26.40	0.03
HV-1: Non-Industrial Bulk Loads	987	2,82,112.08	510.95
HV-2: Large and Heavy Power above 100 BHP (75 kW)	1,485	6,03,632.99	1,384.88
HV-3: Railway Traction	1	10,800.00	7.86
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	58	1,31,729.59	490.56
Extra State Consumer	1	410.00	2.81
Bulk Supply Consumer	-	-	-
Grand Total	**94,41,657**	**1,51,84,586.48**	**22,660.99**

TABLE 6-5: BILLING DETERMINANTS SUBMITTED BY KESCO FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	6,07,272	14,52,858.31	1,789.69
LMV-2:Non Domestic Light, Fan & Power	86,749	2,45,465.64	343.47
LMV-3: Public Lamps	221	10,270.69	55.25
LMV-4: Light, fan & Power for Institutions	1,563	26,641.98	64.26
LMV-5: Private Tube Wells/ Pumping Sets	15	97.75	0.13

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV 6: Small and Medium Power upto 100 HP (75 kW)	14,996	1,91,946.76	383.54
LMV-7: Public Water Works	1,209	52,271.96	107.82
LMV-8: State Tube Wells & Pump Canals upto 100 HP	-	-	-
LMV-9: Temporary Supply	685	3,305.00	7.98
LMV-10: Departmental Employees	5,232	20,824.73	25.71
LMV-11: Electrical Vehicles	-	-	-
HV-1: Non-Industrial Bulk Loads	293	78,417.81	187.76
HV-2: Large and Heavy Power above 100 BHP (75 kW)	638	2,18,828.90	634.62
HV-3: Railway Traction	-	-	0.04
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
Extra State Consumer	-	-	-
Bulk Supply Consumer	-	-	-
Grand Total	**7,18,873**	**23,00,929.55**	**3,600.26**

TABLE 6-6: CONSOLIDATED BILLING DETERMINANTS SUBMITTED BY THE PETITIONERS FOR FY 2022-23

Category	Petitioner's Submission *		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	2,95,61,541	4,30,44,606.77	48,746.50
LMV-2:Non Domestic Light, Fan & Power	18,62,347	51,46,253.46	7,176.68
LMV-3: Public Lamps	5,232	2,62,348.06	840.14
LMV-4: Light, fan & Power for Institutions	1,14,186	6,43,633.68	1,033.15
LMV-5: Private Tube Wells/ Pumping Sets	13,65,362	86,71,701.10	15,894.52
LMV 6: Small and Medium Power upto 100 HP (75 kW)	2,03,293	23,80,036.74	3,384.28
LMV-7: Public Water Works	26,047	5,72,650.27	1,788.98
LMV-8: State Tube Wells & Pump Canals upto 100 HP	36,217	6,55,263.67	3,562.61
LMV-9: Temporary Supply	22,565	1,12,365.57	207.97
LMV-10: Departmental Employees	88,088	3,52,647.96	558.09
LMV-11: Electrical Vehicles	89	5,207.84	4.59
HV-1: Non-Industrial Bulk Loads	5,819	20,81,194.20	3,549.21

Category	Petitioner's Submission *		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-2: Large and Heavy Power above 100 BHP (75 kW)	14,432	50,43,290.29	12,610.02
HV-3: Railway Traction	10	1,19,756.93	191.27
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	138	1,98,570.73	676.99
Extra State Consumer	2	5,410.00	11.59
Bulk Supply Consumer	-	-	-
Grand Total	**3,27,93,995**	**6,92,94,937.26**	**1,00,236.61**

Billing Determinants includes Billing Determinants of DF Agra (Torrent Power)

Revised Petitioner's submission

TABLE 6-7: BILLING DETERMINANTS SUBMITTED BY DVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	55,27,535	73,30,179.01	8,201.75
LMV-2: Non Domestic Light, Fan & Power	2,78,714	7,54,329.55	1,037.49
LMV-3: Public Lamps	2,100	26,500.45	77.33
LMV-4: Light, fan & Power for Institutions	32,290	1,53,478.25	243.48
LMV-5: Private Tube Wells/ Pumping Sets	3,07,408	23,91,381.78	4,573.94
LMV 6: Small and Medium Power upto 100 HP (75 kW)	41,859	4,18,725.65	555.18
LMV-7: Public Water Works	11,554	1,17,041.34	391.56
LMV-8: State Tube Wells & Pump Canals upto 100 HP	7,717	1,83,307.15	998.71
LMV-9: Temporary Supply	5,970	30,903.51	59.32
LMV-10: Departmental Employees	17,341	82,225.03	123.39
LMV-11: Electrical Vehicles	11	765	0
HV-1: Non-Industrial Bulk Loads	594	1,55,118.97	289.63
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,308	10,17,918.63	3,015.67
HV-3: Railway Traction	2	36,000.00	62.36
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	43	36,201.01	113.12
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
Grand Total	**62,36,445**	**1,27,34,074.81**	**19,742.93**

TABLE 6-8: BILLING DETERMINANTS SUBMITTED BY TORRENT FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	4,27,388	7,35,566.64	1,384.86
LMV-2: Non Domestic Light, Fan & Power	67,888	1,12,793.30	212.36
LMV-3: Public Lamps	84	18,904.63	35.59
LMV-4: Light, fan & Power for Institutions	1,995	15,212.34	28.64
LMV-5: Private Tube Wells/ Pumping Sets	458	5,224.61	9.84
LMV 6: Small and Medium Power upto 100 HP (75 kW)	9,409	66,057.50	124.37
LMV-7: Public Water Works	155	19,332.58	36.40
LMV-8: State Tube Wells & Pump Canals upto 100 HP	18	330.98	0.62
LMV-9: Temporary Supply	1,219	4,619.15	8.70
LMV-10: Departmental Employees	2,266	2,929.07	5.51
LMV-11: Electrical Vehicles	2		
HV-1: Non-Industrial Bulk Loads	225	67,316.29	126.74
HV-2: Large and Heavy Power above 100 BHP (75 kW)	268	1,13,025.90	212.80
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-
Grand Total	**5,11,375**	**11,61,313.00**	**2,186.43**

TABLE 6-9: BILLING DETERMINANTS SUBMITTED BY DVVNL INCLUDING DF OF AGRA FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	59,54,923	80,65,745.65	9,586.61

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-2: Non Domestic Light, Fan & Power	3,46,602	8,67,122.85	1,249.85
LMV-3: Public Lamps	2,184	45,405.08	112.92
LMV-4: Light, fan & Power for Institutions	34,285	1,68,690.59	272.12
LMV-5: Private Tube Wells/ Pumping Sets	3,07,866	23,96,606.39	4,583.78
LMV 6: Small and Medium Power upto 100 HP (75 kW)	51,268	4,84,783.15	679.55
LMV-7: Public Water Works	11,709	1,36,373.92	427.96
LMV-8: State Tube Wells & Pump Canals upto 100 HP	7,735	1,83,638.13	999.33
LMV-9: Temporary Supply	7,189	35,522.66	68.02
LMV-10: Departmental Employees	19,607	85,154.10	128.90
LMV-11: Electrical Vehicles	13	765.00	0.00
HV-1: Non-Industrial Bulk Loads	819	2,22,435.26	416.37
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,576	11,30,944.53	3,228.47
HV-3: Railway Traction	2	36,000.00	62.36
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	43	36,201.01	113.12
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-
Grand Total	**67,47,820**	**1,38,95,387.81**	**21,929.36**

TABLE 6-10: BILLING DETERMINANTS SUBMITTED BY MVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	81,31,895	1,03,99,543.19	11,849.15
LMV-2:Non Domestic Light, Fan & Power	4,22,774	12,52,408.76	1,701.69
LMV-3: Public Lamps	1,219	1,06,238.98	330.84
LMV-4: Light, fan & Power for Institutions	28,263	1,53,362.56	265.33
LMV-5: Private Tube Wells/ Pumping Sets	2,68,407	14,85,496.75	2,193.23
LMV 6: Small and Medium Power upto 100 HP (75 kW)	39,433	4,26,425.97	494.89
LMV-7: Public Water Works	3,930	97,678.55	434.87

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-8: State Tube Wells & Pump Canals upto 100 HP	11,220	1,57,995.75	958.52
LMV-9: Temporary Supply	6,612	20,844.66	22.65
LMV-10: Departmental Employees	24,941	78,713.42	147.43
LMV-11: Electrical Vehicles	22	3,821	4
HV-1: Non-Industrial Bulk Loads	1,410	4,96,707.50	824.28
HV-2: Large and Heavy Power above 100 BHP (75 kW)	2,380	8,57,939.89	1,688.55
HV-3: Railway Traction	2	9,671.05	31.7
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	35	30,354.50	71.99
Bulk Supply Consumer	-	-	-
Extra State Consumer	1	5,000	9.00
Grand Total	**89,42,544**	**1,55,82,202.16**	**21,027.82**

TABLE 6-11: BILLING DETERMINANTS SUBMITTED BY PVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	63,53,858	1,28,00,780.95	12,749.42
LMV-2:Non Domestic Light, Fan & Power	5,12,421	14,51,037.12	1,805.11
LMV-3: Public Lamps	1,076	55,814.19	200.6
LMV-4: Light, fan & Power for Institutions	20,299	1,22,791.97	162.67
LMV-5: Private Tube Wells/ Pumping Sets	4,64,686	33,34,019.42	6,413.11
LMV 6: Small and Medium Power upto 100 HP (75 kW)	64,931	9,05,999.54	1,230.62
LMV-7: Public Water Works	5,267	1,67,225.60	416.07
LMV-8: State Tube Wells & Pump Canals upto 100 HP	5,007	71,801.80	418.6
LMV-9: Temporary Supply	5,911	47,721.33	100.05
LMV-10: Departmental Employees	22,510	1,50,831.93	147.3
LMV-11: Electrical Vehicles	47	596	1
HV-1: Non-Industrial Bulk Loads	2,310	10,01,521.55	1,609.85
HV-2: Large and Heavy Power above 100 BHP (75 kW)	6,352	22,31,943.98	5,673.51
HV-3: Railway Traction	5	63,285.88	89.31

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	2	285.63	1.32
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-
Grand Total	**74,64,682**	**2,24,05,657.18**	**31,018.05**

TABLE 6-12: BILLING DETERMINANTS SUBMITTED BY PuVVNL FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	85,13,593	1,03,25,678.68	12,771.64
LMV-2:Non Domestic Light, Fan & Power	4,93,801	13,30,219.08	2,076.56
LMV-3: Public Lamps	531	44,619.11	140.53
LMV-4: Light, fan & Power for Institutions	29,777	1,72,146.58	268.77
LMV-5: Private Tube Wells/ Pumping Sets	3,24,388	14,55,480.80	2,704.27
LMV 6: Small and Medium Power upto 100 HP (75 kW)	32,665	3,70,881.32	595.69
LMV-7: Public Water Works	3,933	1,19,100.24	402.27
LMV-8: State Tube Wells & Pump Canals upto 100 HP	12,255	2,41,828.00	1,186.16
LMV-9: Temporary Supply	2,169	4,971.91	9.28
LMV-10: Departmental Employees	27,056	89,839.94	108.75
LMV-11: Electrical Vehicles	7	26	0
HV-1: Non-Industrial Bulk Loads	987	2,82,112.08	510.95
HV-2: Large and Heavy Power above 100 BHP (75 kW)	1,485	6,03,632.99	1,384.88
HV-3: Railway Traction	1	10,800.00	7.86
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	58	1,31,729.59	490.56
Bulk Supply Consumer	-	-	-
Extra State Consumer	1	410.00	3
Grand Total	**94,42,708**	**1,51,83,476.72**	**22,660.99**

TABLE 6-13: BILLING DETERMINANTS SUBMITTED BY KESCO FOR FY 2022-23

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	6,07,272	14,52,858.31	1,789.69
LMV-2:Non Domestic Light, Fan & Power	86,749	2,45,465.64	343.47
LMV-3: Public Lamps	221	10,270.69	55.25
LMV-4: Light, fan & Power for Institutions	1,563	26,641.98	64.26
LMV-5: Private Tube Wells/ Pumping Sets	15	97.75	0.13
LMV 6: Small and Medium Power upto 100 HP (75 kW)	14,996	1,91,946.76	383.54
LMV-7: Public Water Works	1,209	52,271.96	107.82
LMV-8: State Tube Wells & Pump Canals upto 100 HP	-	-	-
LMV-9: Temporary Supply	685	3,305.00	7.98
LMV-10: Departmental Employees	5,188	20,125.00	25.71
LMV-11: Electrical Vehicles	-	-	
HV-1: Non-Industrial Bulk Loads	293	78,417.81	187.76
HV-2: Large and Heavy Power above 100 BHP (75 kW)	638	2,18,828.90	634.62
HV-3: Railway Traction	-	-	0.04
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-
Grand Total	**7,18,828**	**23,00,229.81**	**3,600.26**

TABLE 6-14: CONSOLIDATED BILLING DETERMINANTS SUBMITTED BY THE PETITIONERS FOR FY 2022-23

Category	Petitioner's Submission *		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	29,561,541	43,044,606.77	48,746.51
LMV-2:Non Domestic Light, Fan & Power	1,862,347	5,146,253.46	7,176.53
LMV-3: Public Lamps	5,232	262,348.06	840.14
LMV-4: Light, fan & Power for Institutions	114,186	643,633.68	1,033.15
LMV-5: Private Tube Wells/ Pumping Sets	1,365,362	8,671,701.10	15,894.52

Category	Petitioner's Submission *		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV 6: Small and Medium Power upto 100 HP (75 kW)	203,293	2,380,036.74	3,384.29
LMV-7: Public Water Works	26,047	572,650.27	1,788.85
LMV-8: State Tube Wells & Pump Canals upto 100 HP	36,217	655,263.67	3,562.61
LMV-9: Temporary Supply	22,565	112,365.57	207.63
LMV-10: Departmental Employees	99,301	424,664.38	557.89
LMV-11: Electrical Vehicles	89	5,207.84	5.00
HV-1: Non-Industrial Bulk Loads	5,819	2,081,194.20	3,549.21
HV-2: Large and Heavy Power above 100 BHP (75 kW)	14,432	5,043,290.29	12,610.03
HV-3: Railway Traction	10	119,756.93	191.27
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	138	198,570.73	676.99
Bulk Supply Consumer	-	-	-
Extra State Consumer	2	5,410.00	11.99
Grand Total	**33,316,582**	**69,366,953.68**	**100,236.61**

Billing Determinants includes Billing Determinants of DF Agra (Torrent Power)

Commission's Analysis

6.2.6. The Commission has already deliberated on the Billing Determinants for the Control Period from FY 2020-21 to FY 2024-25 and approved the same in the Business Plan Order dated October 27, 2020. The Commission has observed that the Billing Determinants submitted by the Petitioners are different from that approved in the Business Plan Order. The Business of the Petitioners in the past has been affected by the events such as COVID -19 pandemic which has led to deviations from the approval in the Business Plan Order.

6.2.7. Further, the Petitioners have projected increase in sales as 3.82% from FY 2021-22. The Petitioners filed the Petition in March 2022. However, due to weather conditions and economic activity the demand in April to June 2022 shot up beyond the expectation. Taking this into consideration and analysis of various other factors the Commission approves the increase in sales as 7.40% with respect to previous year i.e. APR of FY 2021-22. The Commission is aware that demand (sales) is beyond the control of the Licensees and will do prudence check at the time of True Up.

6.2.8. The Commission vide letter UPERC/Secy/D(T)/2022-008 dated April 01, 2022 directed DVVNL to submit the details of Billing Determinants of the

Distribution Franchisees (DF) as per Regulation 42 of the MYT Regulations, 2019. In response of the Commission's query, DVVNL submitted Billing Determinants of DF, as shown in the Table below:

TABLE 6-15: BILLING DETERMINANTS OF TORRENT POWER FOR FY 2022-23

Category	Petitioner's Submission		
	No. of consumers	Connected load/ contracted demand	Total Energy Sales
	(No.)	(kW)	(MU)
LMV-1: Domestic Light, Fan & Power	4,27,388	7,35,566.64	1,384.86
LMV-2: Non-Domestic Light, Fan & Power	67,888	1,12,793.30	212.36
LMV-3: Public Lamps	84	18,904.63	35.59
LMV-4: Light, fan & Power for Institutions	1,995	15,212.34	28.64
LMV-5: Private Tube Wells/ Pumping Sets	458	5,224.61	9.84
LMV 6: Small and Medium Power upto 100 HP (75 kW)	9,409	66,057.50	124.37
LMV-7: Public Water Works	155	19,332.58	36.40
LMV-8: State Tube Wells & Pump Canals upto 100 HP	18	330.98	0.62
LMV-9: Temporary Supply	1,219	4,619.15	8.70
LMV-10: Departmental Employees	2,266	2,929.07	5.51
LMV-11: Electrical Vehicles	2	-	-
HV-1: Non-Industrial Bulk Loads	225	67,316.29	126.74
HV-2: Large and Heavy Power above 100 BHP (75 kW)	268	1,13,025.90	212.80
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
Bulk Supply Consumer	-	-	-
Extra State Consumer	-	-	-
Grand Total	**5,11,375**	**11,61,313.00**	**2,186.43**

6.2.9. Further, as regards, Petitioners submission on the Billing Determinants of its DF of AGRA, it is observed that DVVNL has considered the Billing Determinants of its DF of AGRA as one bulk supply consumer and considered 2186 MUs input energy & not sales of consumers of DF. The Commission is of the view that this gives an aberrated picture of Billing Determinants of DVVNL and State Discoms as a whole. The consumers of Agra Franchisee are part of DVVNL in regulatory perspective and their consumption and load should form part of

DVVNL Billing Determinants to arrive at a true picture of the Billing Determinants of State Discoms. For the purpose of determination of Billing Determinants, the Commission has combined the Billing Determinants submitted by DVVNL and DF Agra to arrive at the total Billing Determinants of DVVNL. Accordingly, the Commission has considered the Billing Determinants of Torrent Power DF projected for FY 2022-23, i.e., No. of consumer 5,11,375, Connected Load of 11,61,313 kW & Sales of 2,186.43 MU. These have been combined with the billing determinants of DVVNL thereby providing the consolidated billing determinants for DVVNL.

6.2.10. The Billing Determinants approved for FY 2022-23 are shown in the Table below:

TABLE 6-16: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2022-23 FOR DVVNL (INCLUDING DF OF AGRA)

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	59,54,923	80,65,745.65	9,962.15
LMV-2-Non domestic light fan & power	3,46,602	8,67,122.85	1,303.11
LMV-3 Public lamps	2,184	45,405.08	112.92
LMV-4 Light, fan & power for public/private institution	34,285	1,68,690.59	279.31
LMV-5 Private tube well/pumping sets	3,07,866	23,96,606.39	4,583.78
LMV-6 Small & medium power upto 100 HP/75kw	51,268	4,84,783.15	696.16
LMV-7 Public water works	11,709	1,36,373.92	427.96
LMV-8 State tube wells & pumps canal upto 100 HP	7,735	1,83,638.13	977.51
LMV-9 Temporary supply	7,189	35,522.66	68.02
LMV- 10 Departmental employees	19,607	85,154.07	181.16
LMV-11 Electric Vehicles	13	764.50	0.12
HV-1 Non industrial bulk load	819	2,22,435.26	430.39
HV-2 Large & heavy power above 100 BHP (75 kw)	3,576	11,30,944.53	3,324.58
HV-3 Railway traction	2	36,000.00	62.36
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	43	36,201.01	113.12
Bulk Supply	-	-	-
Extra State Consumers	-	-	-
Grand Total	**67,47,820**	**1,38,95,387.81**	**22,522.65**

TABLE 6-17: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2022-23 FOR MVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	81,31,895	1,03,99,543.19	12,282.07
LMV-2-Non domestic light fan & power	4,22,774	12,52,408.76	1,786.00
LMV-3 Public lamps	1,219	1,06,238.98	330.84
LMV-4 Light, fan & power for public/private institution	28,263	1,53,362.56	272.11
LMV-5 Private tube well/pumping sets	2,68,407	14,85,496.75	2,193.23
LMV-6 Small & medium power upto 100 HP/75kW	39,433	4,26,425.97	510.69
LMV-7 Public water works	3,930	97,678.55	434.87
LMV-8 State tube wells & pumps canal upto 100 HP	11,220	1,57,995.75	941.04
LMV-9 Temporary supply	6,612	20,844.66	22.65
LMV- 10 Departmental employees	24,941	78,713.00	230.45
LMV-11 Electric Vehicles	22	3,820.63	3.94
HV-1 Non industrial bulk load	1,410	4,96,707.50	852.41
HV-2 Large & heavy power above 100 BHP (75 kW)	2,380	8,57,939.89	1,731.01
HV-3 Railway traction	2	9,671.05	31.70
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	35	30,354.50	71.99
Bulk supply	-	-	-
Extra State Consumers	1	5,000.00	8.78
Total	**89,42,544**	**1,55,82,202.16**	**21,703.77**

TABLE 6-18: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2022-23 FOR PVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	63,53,858	1,28,00,780.95	13,548.10
LMV-2-Non domestic light fan & power	5,12,421	14,51,037.12	1,895.15
LMV-3 Public lamps	1,076	55,814.19	200.60

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-4 Light, fan & power for public/private institution	20,299	1,22,791.97	167.48
LMV-5 Private tube well/pumping sets	4,64,686	33,34,019.42	6,413.11
LMV-6 Small & medium power upto 100 HP/75kW	64,931	9,05,999.54	1,264.98
LMV-7 Public water works	5,267	1,67,225.60	416.07
LMV-8 State tube wells & pumps canal upto 100 HP	5,007	71,801.80	409.29
LMV-9 Temporary supply	5,911	47,721.33	100.05
LMV- 10 Departmental employees	22,510	1,50,832.00	207.99
LMV-11 Electric Vehicles	47	596.31	0.50
HV-1 Non industrial bulk load	2,310	10,01,521.55	1,689.22
HV-2 Large & heavy power above 100 BHP (75 kW)	6,352	22,31,943.98	5,766.84
HV-3 Railway traction	5	63,285.88	89.31
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	2	285.63	1.32
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	**74,64,682**	**2,24,05,657.18**	**32,170.00**

TABLE 6-19: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2022-23 FOR PuVVNL

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	85,13,593	1,03,25,678.68	13,322.29
LMV-2-Non domestic light fan & power	4,93,801	13,30,219.08	2,180.43
LMV-3 Public lamps	531	44,619.11	140.53
LMV-4 Light, fan & power for public/private institution	29,777	1,72,146.58	276.33
LMV-5 Private tube well/pumping sets	3,24,388	14,55,480.80	2,704.27
LMV-6 Small & medium power upto 100 HP/75kW	32,665	3,70,881.32	615.66
LMV-7 Public water works	3,933	1,19,100.24	402.27
LMV-8 State tube wells & pumps canal upto 100 HP	12,255	2,41,828.00	1,164.77
LMV-9 Temporary supply	2,169	4,971.91	9.28
LMV- 10 Departmental employees	27,056	89,840.00	250.00
LMV-11 Electric Vehicles	7	26.40	0.03
HV-1 Non industrial bulk load	987	2,82,112.08	536.84
HV-2 Large & heavy power above 100 BHP (75 kW)	1,485	6,03,632.99	1,418.42
HV-3 Railway traction	1	10,800.00	7.86
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	58	1,31,729.59	490.56

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
Bulk supply	-	-	-
Extra State Consumers	1	410.00	2.81
Total	**94,42,708**	**1,51,83,476.72**	**23,522.34**

TABLE 6-20: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2022-23 FOR KESCO

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	6,07,272	14,52,858.31	1,891.90
LMV-2-Non domestic light fan & power	86,749	2,45,465.64	359.99
LMV-3 Public lamps	221	10,270.69	55.25
LMV-4 Light, fan & power for public/private institution	1,563	26,641.98	66.92
LMV-5 Private tube well/pumping sets	15	97.75	0.13
LMV-6 Small & medium power upto 100 HP/75kW	14,996	1,91,946.76	393.19
LMV-7 Public water works	1,209	52,271.96	107.82
LMV-8 State tube wells & pumps canal upto 100 HP	-	-	-
LMV-9 Temporary supply	685	3,305.00	7.98
LMV- 10 Departmental employees	5,188	20,125.00	47.93
LMV-11 Electric Vehicles	-	-	-
HV-1 Non industrial bulk load	293	78,417.81	196.36
HV-2 Large & heavy power above 100 BHP (75 kW)	638	2,18,828.90	639.86
HV-3 Railway traction	-	-	0.04
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	-	-	-
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Grand Total	**7,18,828**	**23,00,229.81**	**3,767.37**

TABLE 6-21: CONSOLIDATED BILLING DETERMINANTS (INCLUDING DF OF AGRA) APPROVED FOR FY 2022-23 FOR THE STATE OWNED DISCOMS

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	2,91,34,153	4,23,09,040.13	49,621.64
LMV-2-Non domestic light fan & power	17,94,459	50,33,460.15	7,312.32
LMV-3 Public lamps	5,148	2,43,443.42	804.55

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-4 Light, fan & power for public/private institution	1,12,191	6,28,421.34	1,033.50
LMV-5 Private tube well/pumping sets	13,64,904	86,66,476.49	15,884.68
LMV-6 Small & medium power upto 100/75kW	1,93,884	23,13,979.24	3,356.31
LMV-7 Public water works	25,892	5,53,317.69	1,752.58
LMV-8 State tube wells & pumps canal upto 100	36,199	6,54,932.69	3,491.99
LMV-9 Temporary supply	21,346	1,07,746.42	199.28
LMV- 10 Departmental employees	97,036	4,21,735.31	912.03
LMV-11 Electric Vehicles	87	5,207.84	4.59
HV-1 Non industrial bulk load	5,594	20,13,877.91	3,578.48
HV-2 Large & heavy power above 100 (75 kW)	14,164	49,30,264.39	12,667.91
HV-3 Railway traction	10	1,19,756.93	191.27
HV-4 Lift irrigation & p. canal above 100(75kW)	138	1,98,570.73	676.99
DF of AGRA (Torrent)	5,11,375	11,61,313.00	2,186.43
Extra State Consumers	2	5,410.00	11.59
Grand Total	**3,33,16,582**	**6,93,66,953.68**	**1,03,686.15**

TABLE 6-22: CONSOLIDATED BILLING DETERMINANTS (INCLUDING DF OF AGRA AS CATEGORY WISE CONSUMERS) APPROVED FOR FY 2022-23 FOR THE STATE OWNED DISCOMS

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	2,95,61,541	4,30,44,606.77	51,006.50
LMV-2-Non domestic light fan & power	18,62,347	51,46,253.45	7,524.68
LMV-3 Public lamps	5,232	2,62,348.05	840.14
LMV-4 Light, fan & power for public/private institution	1,14,186	6,43,633.68	1,062.14
LMV-5 Private tube well/pumping sets	13,65,362	86,71,701.10	15,894.52
LMV-6 Small & medium power upto 100 hp/75kW	2,03,293	23,80,036.74	3,480.68
LMV-7 Public water works	26,047	5,72,650.27	1,788.98
LMV-8 State tube wells & pumps canal upto 100 HP	36,217	6,55,263.67	3,492.61
LMV-9 Temporary supply	22,565	1,12,365.57	207.98
LMV- 10 Departmental employees	99,302	4,24,664.38	917.54
LMV-11 Electric Vehicles	89	5,207.84	4.59
HV-1 Non industrial bulk load	5,819	20,81,194.20	3,705.22

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-2 Large & heavy power above 100 BHP (75 kW)	14,432	50,43,290.29	12,880.71
HV-3 Railway traction	10	1,19,756.93	191.27
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	138	1,98,570.73	676.99
Extra State Consumers	2	5,410.00	11.59
Grand Total	**3,33,16,582**	**6,93,66,953.68**	**1,03,686.15**

6.3. DISTRIBUTION LOSS

Petitioner's Submission

6.3.1. The Petitioners submitted that they are in process of formulation of Revamp Distribution Sector Scheme (RDSS) in the State. Based on the actual distribution loss of the Discom, the Petitioners have estimated the loss trajectories for the coming years for the implementation of the scheme, as shown in the Table below:

TABLE 6-23: LOSS TRAJECTORY AS PER ACTION PLAN SUBMITTED BY THE PETITIONERS

Discoms	FY 2020-21	FY 2021-22	FY 2022-23
DVVNL	25.90%	24.58%	20.05%
MVVNL	20.22%	19.19%	17.21%
PVVNL	17.85%	16.94%	15.19%
PuVVNL	20.65%	19.60%	17.58%
KESCO	10.45%	9.20%	8.52%

6.3.2. The Petitioners submitted that, Ministry of Power (MoP) after considering the ground realities which have impacted UP Discom's efforts towards achieving the loss trajectory agreed under the MoU vide its letter No.06/01(01)/2020 NEF(U) dated March 06, 2020, has sought for a revised action plan for reduction in distribution losses including AT&C loss trajectory from the Government of Uttar Pradesh (GoUP). This evinces that the loss trajectory agreed under the UDAY MoU is not sacrosanct, since the same was based on then existing facts and circumstances, which have substantially changed presently.

6.3.3. The Petitioners submitted that distribution loss trajectory for the period from FY 2020-21 to FY 2024-25 was approved by the Commission in its Business Plan Order dated October 27, 2020. The Commission has not deliberated upon

the same in the Tariff Order for FY 2021-22 and merely held that distribution loss trajectory as approved in Order dated October 27, 2020, will be applicable for FY 2021-22.

6.3.4. The Petitioners submitted that the primary objective of UDAY scheme was to reduce AT&C losses which includes distribution loss as well as collection efficiency. While reduction in AT&C losses may be possible to the extent mentioned in UDAY scheme due to factors like improvement in collection efficiency, reduction in distribution losses is not feasible to that extent. It is also submitted that while the Commission has approved the distribution losses in accordance with the trajectory as per the UDAY MoU, the Commission has not adopted the collection efficiency as per the UDAY agreement and has been issuing Tariff Orders on 100% collection efficiency, thereby partially adopting the UDAY agreement. In view of the above, the approved trajectory of distribution losses in Business Plan order dated October 27, 2020, is neither achievable nor based on the adoption of UDAY agreement in totality. Even the MYT Regulations, 2014 provision related to sharing of difference of AT&C loss, was also not allowed by Commission in the True-Up Orders despite Licensee request. Therefore, considering only selected parameters of UDAY scheme has caused huge financial loss to Discom. Therefore, the Commission was also requested to delink the distribution losses for new control period from the normative losses approved for previous control period. This request of Licensee is supported by the fact that MYT Regulations of Commission are also changed at the start of new control period on the change of facts and circumstances experienced during the previous control period. Many provisions related to financial impact have been changed by the Commission in MYT Regulation 2019 as compared to previous MYT Regulation. Accordingly, the changed facts and circumstances related to distribution loss trajectory should be considered.

6.3.5. The Petitioners submitted that the provisions relating to sharing of distribution loss and AT&C loss does not exist in the MYT Regulations, 2019. Hence, Petitioners would not be able to claim any sharing on account of distribution losses during the control period FY 2020-21 to FY 2024-25. Therefore, the Petitioners have to propose the distribution loss trajectory on the basis of actual loss level of FY 2020-21, and which the Petitioners can possibly achieve, otherwise it will result in significant under recovery of power purchase cost.

6.3.6. The Petitioners submitted that, considering the abovementioned ground realities and the significant impact of Covid-19 pandemic and further reduction in Commercial and Industrial (C&I) category consumption and subsequent increase in the consumption at LT network such as Domestic consumer categorises has adversely impacted on the overall distribution loss of the petitioners. Therefore, considering the actual Covid-19 scenarios and its impact on the distribution loss of subsequent years, the Petitioners further requested the Commission to approve the distribution loss trajectory as proposed in the Petition.

6.3.7. The Petitioners submitted that it is a settled position that normative parameters under the MYT Order and Tariff Regulations ought to be fixed considering past performance (i.e., it should be relatable to past performance), actuals of the previous control period and it should be capable of achievement. In this regard the following is noteworthy: -

Clause 5.11(f) of Tariff Policy 2016 which lays down the framework for determination of operating norms for distribution tariff:

"5.11Tariff policy lays down the following framework for performance based cost of service regulation in respect of aspects common to generation, transmission as well as distribution. These shall not apply to competitively bid projects as referred to in para 6.1 and para 7.1 (6). Sector specific aspects are dealt with in subsequent sections.

f) *Operating Norms*

Suitable performance norms of operations together with incentives and disincentives would need to be evolved along with appropriate arrangement for sharing the gains of efficient operations with the consumers. Except for the cases referred to in para 5.11(h)(2), the operating parameters in tariffs should be at "normative levels" only and not at "lower of normative and actuals". This is essential to encourage better operating performance. The norms should be efficient, relatable to past performance, capable of achievement and progressively reflecting increased efficiencies and may also take into consideration the latest technological advancements, fuel, vintage of equipments, nature of operations, level of service to be provided to consumers etc. Continued and proven inefficiency must be controlled and penalized."

In terms of Clause 8.2 of the Tariff Policy 2016, the Commission is mandated to set an achievable distribution loss trajectory: -

"8.2 Framework for revenue requirements and costs 8.2.1 The following aspects would need to be considered in determining tariffs:

.....

(2) AT&C loss reduction should be incentivised by linking returns in a MYT framework to an achievable trajectory. Greater transparency and nurturing of consumer groups would be efficacious."

6.3.8. In view of the above, the Petitioners submitted that the distribution loss trajectory is also a normative parameter for determination of distribution tariff and hence for FY 2021-22 the same ought to have been relatable to past performance of the Discoms and capable of achievement. A table evincing the actual distribution losses of the Petitioners in the previous control period (i.e., FY 2018-2020) vis-à-vis the loss trajectory approved by the Commission is as below:

TABLE 6-24: ACTUL DISCOM LOSSES SUBMITTED BY PETITIONERS IN CONTROL PERIOD FY 2017-2019

Discom	FY 2017-18			FY 2018-19			FY 2019-20		
	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual
DVVNL	20.07%	20.07%	25.09%	16.25%	16.25%	20.96%	12.10%	12.10%	21.27%
MVVNL	19.16%	19.16%	22.19%	16.09%	16.09%	21.56%	11.80%	11.80%	19.37%
PVVNL	18.18%	18.18%	17.43%	15.20%	15.20%	14.83%	11.80%	11.80%	14.69%
PuVVNL	19.73%	19.73%	23.16%	16.43%	16.43%	20.49%	12.20%	12.20%	20.32%
KESCO	18.91%	15.28%	13.00%	15.13%	15.13%	8.51%	11.80%	11.80%	7.76%

6.3.9. In view of the above, the Petitioners have submitted that it is evident that in the past years (i.e., FY 2018-20) the actual distribution loss of the Petitioners was in the range of 21.56% to 22.19%. However, the Commission for FY 2020-21 has fixed a stringent and practically unachievable distribution loss trajectory for the Discoms, which is approximately 50% less than the actuals of the last fiscal year (i.e., FY 2019-20) and what was claimed by the Petitioners. There is no possible way that the Petitioners can achieve the loss trajectory approved by the Commission. It is pertinent to note that even the Commission in the True-up Order for FY 2018-19 has itself accepted that it approves a stringent distribution loss trajectory for the Petitioners, which is much lower than the actual losses of the Discoms:

Quote

6.7.40. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to both Discoms and also considering the fact that the Commission approves a stringent Distribution Loss trajectory in the ARR, which is much lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms/utilities efforts to reduce the losses and meet the Commission target.

Unquote

6.3.10. Hence, an impossible and impractical distribution loss trajectory would further impact the financial situation of the Licensees as it has a huge long-term impact on the Petitioners and would result in severe under recovery of power purchase cost.

6.3.11. Accordingly, the Petitioners projects the following distribution loss for FY 2022-23.

TABLE 6-25: DISTRIBUTION LOSS AS SUBMITTED BY THE PETITIONERS FOR FY 2022-23

Distribution loss	FY 2022-23	
	Business Plan Order dated 27.10.2020	Petitioner's Submission
DVVNL	10.90%	20.05%
MVVNL	10.63%	17.21%
PVVNL	10.63%	15.19%
PuVVNL	10.93%	17.58%
KESCO	8.12%	8.52%
Consolidated	**10.67%**	**17.05%**

Commission's Analysis

6.3.1. Regulation 8.2 of MYT Regulations, 2019 stipulates distribution losses as Controllable Factor. The relevant extract of the Regulation is as under:

Quote

8.2 The "Controllable Factors" shall include, but shall not be limited to the following:

.....

(g) Variation in Distribution losses;

.....

Unquote

6.3.2. The Petitioners have claimed distribution loss considering the actual losses. The Commission has already deliberated on the distribution loss Trajectory of the Licensees for the Control Period from FY 2020-21 to FY 2024-25 and approved the distribution loss Trajectory for the Licensees in the Business Plan Order dated October 27, 2020. Accordingly, the distribution loss approved for FY 2022-23 is shown in the Table below:

TABLE 6-26: DISTRIBUTION LOSS APPROVED BY THE COMMISSION FOR FY 2022-23

Distribution loss	FY 2022-23	
	Petitioner's Submission	Approved
DVVNL	20.05%	10.90%
MVVNL	17.21%	10.63%
PVVNL	15.19%	10.63%
PuVVNL	17.58%	10.93%
KESCO	8.52%	8.12%
Consolidated	**17.05%**	**10.67%**

6.4. ENERGY BALANCE

Petitioner's Submission

6.4.1. The Petitioners have projected that the Energy Balance for FY 2022-23, as show in the Table below:

TABLE 6-27: ENERGY BALANCE AS SUBMITTED BY THE STATE DISCOMS FOR FY 2022-23

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Retail Sales (MU)	21,929.48	21,027.82	31,018.05	22,660.99	3,600.26	1,00,236.60
Distribution Losses (%)	20.05%	17.21%	15.19%	17.58%	8.52%	17.05%
Energy at DISCOM Periphery for Retail Sales (MU)	27,429.00	25,399.49	36,574.36	27,494.71	3,935.77	1,20,833.32
Intra-State Transmission Losses %	3.27%	3.27%	3.27%	3.27%	3.27%	3.27%
Energy Available at State periphery for Transmission (MU)	28,356.25	26,258.13	37,810.78	28,424.18	4,068.82	1,24,918.15
Inter-State Transmission Losses % (% computed on Total input energy)	1.27%	1.27%	1.27%	1.27%	1.27%	1.27%

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Purchases Required & Billed Energy (MU)	28,721.43	26,596.29	38,297.72	28,790.24	4,121.22	1,26,526.89

Commission's Analysis

6.4.1. The energy balance is prepared based on the losses at various level i.e., distribution losses and transmission losses (Intra-State & Inter-State).

6.4.2. The Petitioners have prepared energy balance considering the distribution loss proposed for FY 2022-23. However, the Commission has considered above approved distribution loss while preparing the energy balance.

6.4.3. The Petitioners have submitted the energy balance by considering Inter-State transmission losses on entire power purchase & separate Inter-State losses in few Discoms. However, the Commission has prepared Energy Balance by considering Inter-State transmission loss only on energy purchase from stations connected to Inter-State transmission network in line with the Regulations. The Commission has considered Inter-State transmission loss as 3.47% (as provided by the Petitioners in the Tariff Format) applicable only on units purchased from Inter-State sources.

6.4.4. The Commission, taking into consideration the Billing Determinants, distribution loss and Intra-State transmission loss approved for FY 2022-23 has approved the energy balance for FY 2022-23, as shown in the Table below:

TABLE 6-28: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2022-23

Particulars	FY 2022-23						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Consolidated
Retail Sales	MU	22,522.66	21,703.77	32,170.00	23,522.34	3,767.37	1,03,686.15
Distribution Losses	%	10.90%	10.63%	10.63%	10.93%	8.12%	10.67%
Energy at Discom Periphery for Retail Sales	MU	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32	1,16,068.82
Intra-State Transmission Losses	%	3.27%	3.27%	3.27%	3.27%	3.27%	3.27%
Energy Available at State periphery for Transmission	MU	26,132.49	25,106.27	37,213.30	27,301.59	4,238.93	1,19,992.58
Energy Purchase from Stations connected to Intra State Transmission network (UPPTCL)	MU	17,116.30	16,493.97	24,447.88	17,876.01	2,863.05	78,797.20
Energy Purchase from Stations connected to Inter State Transmission network (PGCIL)	MU	9,016.20	8,612.30	12,765.42	9,425.58	1,375.88	41,195.38
Interstate Transmission Loss	%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%

Particulars	FY 2022-23						
	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCo	Consolidated
Net Energy Received from Stations connected to Inter State Transmission network at UPPTCL Periphery (Ex Bus)	MU	9340.30	8921.89	13224.30	9764.40	1425.34	42,676.24
Purchases Required & Billed Energy (total Ex Bus)	MU	26,456.60	25,415.86	37,672.18	27,640.41	4,288.39	1,21,473.44

6.4.5. **The Commission directs the Petitioners to follow the formats given above for the purpose of energy balance in the future fillings.**

6.5. POWER PURCHASE COST

Petitioner's Submission

6.5.1. The Petitioners have submitted that UPPCL is procuring power on behalf of Discoms at consolidated level. Accordingly, the Power Purchase section represents the consolidated power purchase at UPPCL level. The consolidated energy balance for FY 2022-23 is as follows:

TABLE 6-29: CONSOLIDATED ENERGY REQUIREMENT FOR FY 2022-23

Particulars	Unit	Formulae	Consolidated
Retail Sales	MU	A	103,686.15
Distribution Losses	%	B	10.67%
Energy at Discom Periphery for Retail Sales	MU	C=A/(1-B)	116,068.82
Intra-State Transmission Losses	%	D	3.27%
Energy available at State Periphery for Transmission	MU	E=C/(1-D)	119,992.58
Inter-State Transmission Loss*	%	F=1-E/G	1.22%
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	MU	G	121,473.44

**1.22% is computed by taking power purchase from both Intra-State and Inter-State sources. It is equivalent to Inter-State losses of 3.47% applicable only on Inter-State sources.*

6.5.2. The Petitioners have submitted that the above power purchase requirement is primarily fulfilled through multiple sources, with whom UPPCL and Discoms have long-term tied-up allocated capacities. The main sources of power procurement are broadly categorised as under:

a) State Generating Stations – UPRUVNL and UJVNL
b) Central Generating Stations – NTPC, NHPC, NPCIL, THDC, SJVNL

c) Independent Power Plants (IPPs) and Joint Ventures (JVs)
d) Renewable Energy Generating Stations – Solar, Wind, Biomass, Bagasse, MSW, etc.

6.5.3. In addition to the above sources, UPPCL also purchases power from short-term sources including power trading companies, Power Exchanges in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability.

6.5.4. The Petitioners have submitted that there are technical, regulatory and operational issues related to MOD preparation based on Merit Order Despatch and Optimization of Power Purchase Regulations, 2021 and such issues cannot be addressed by them as those issues fall in the domain of SLDC. Some of the issues that have been submitted are as follows:

(i) Actual allowable Power Purchase Cost is to be computed as per clause 16.2 MYT (First Amendment) Regulations, 2020 reproduced as under:

(Power Purchase Cost) actual allowable for a particular month will be total of actual variable costs of all the applicable variable cost of power purchase sources by applying MOD upto the (Power Purchase Quantum) actual allowable for that particular month.

(ii) The Commission in its computation has interpreted that computation of per unit variable cost shall be carried out plant wise from lowest to highest variable cost and thereafter the cut-off is to be applied as per actual allowable quantum for the month for these plants.

SLDC implements the MOD for each 15 minutes of 96 time blocks, each day on a real time basis, taking **into account the following provisions of Merit Order Dispatch and Optimization of Power Purchase Regulations, 2021 related to various technical, regulatory and operational limits of generation and transmission system:**

(I) 2. (19) "Merit Order Dispatch (MOD)" means dispatch of generating stations to supply electricity in accordance with the merit order based on variable charges taking into account any technical, regulatory and operational limits of generation and transmission facilities.

(II) 11. (1) The technical minimum for operation in respect of a coal fired/gas fired/ multi fuel based thermal generating unit connected to

the STU shall be 55% of its installed capacity or as mentioned in the ISGS."

The scheduled power of SLDC is based on the lower variable cost taking into account technical, regulatory and operational limits of generation and transmission facilities, which shall have been considered for implementing Actual MOD as per MOD Regulations.

(iii) As per the regulatory framework, the above provisions of the Regulation for all the plants are essential to be considered, which cannot be considered when the MOD is re-applied monthly. As per the above provisions of the UPERC Merit Order Dispatch and Optimization of Power Purchase Regulations, 2021, it is the responsibility of SLDC to prepare MOD stack and schedule power considering all technical, regulatory and operational constraints, therefore, any clarification pertaining to MOD stack, schedule of power may be dealt with by SLDC only as per Regulatory provisions, MOD cannot be applied without complying above provisions of the Regulations. The relevant portion of the Regulation is reproduced below: -

Quote

5. (2) The Distribution Licensee shall verify and submit the details of variable charges of all the Generating Stations/units from which they are procuring power for preparing MOD stack based on Variable Charges of (n-1)th month. In case the Variable Charges for (n-2)th month needs to be considered and submitted to SLDC for preparation of the MOD stack by 7th day and 22nd day of every month with intimation to the seller with whom it has the PPA.

5. (3) SLDC shall prepare the MOD stack by the 12th day of every month for the data it has received by 7thday of the month, which would be effective from the 16th day of the month till the last day of the month unless revised by SLDC. SLDC shall upload the fortnightly MOD stack on its website in the format given at Annexure-1 by 15:00 hours on 12th of every month.

5. (4) Similarly, SLDC shall prepare the MOD stack by the 27th day of every month for the data it has received by 22nd day of every month, which would be effective from the 1st day of every subsequent month till the 15th day of that month unless revised by SLDC. SLDC shall upload the fortnightly MOD stack on its website in the format given in Annexure-1 by 15:00 hours on the 27th of every month.

Unquote

6.5.5. As per the above provisions, SLDC is required to prepare the Stack twice in a month. Thus, two separate MODs stacks are implemented in a particular month. For each MOD the generating plant qualifying under merit can be different.

6.5.6. The Petitioners submitted that considering the facts mentioned above, the results of MOD implemented on the power purchase data being submitted with the Petition are not reflecting the true picture and should not be considered for fuel surcharge computation.

6.5.7. The Petitioners submitted that the power procurement from different sources is undertaken by adopting Merit Order Despatch (MoD) principle for optimal utilization of the available sources. For projection of availability, the entire power available from all the tied-up sources during the financial year to meet the demand have been considered. Thereafter, the MoD principle has been applied on the generating stations not having must-run status, on monthly basis to arrive at the projected power purchase for the month and accordingly the power purchase cost for the entire FY 2022-23 is computed. While full fixed (capacity) charges have been considered for all the generating stations, in respect of generating stations covered under MoD principles, the variable charges corresponding to the cheaper sources have been considered, whereas no variable charges have been considered in respect of energy not scheduled for power purchase.

6.5.8. The Petitioners have submitted that based on the capacity available and the demand projection, there is no power procurement projected from short-term sources, i.e., Traders or power exchange during FY 2022-23. This is due to the reason that the MoD principle has been applied on month-on-month basis. However, as the actual power is scheduled on 15-minute slot basis, there are bound to be deviation from the MoD, due to actual availability of long-term sources for these slots. Therefore, the actual power procurement from various sources is bound to vary accordingly. Further, there shall also be requirement to purchase power from short-term sources including power trading companies, Power Exchanges in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability. Accordingly, they have requested to consider actual power purchase at the time of Truing-up and/or computation of Fuel Surcharge Rate, in accordance with the Regulations.

6.5.9. The Petitioners further submitted that the exchange or short-term power is being procured when the actual power procurement from various sources vary, as the actual power is scheduled on 15-minute slot basis. Further, there shall also be requirement to purchase power from short-term sources including power trading companies, Power Exchanges in case of shortfall from regular sources or to meet the deviation from estimated demand depending on the availability.

6.5.10. In this regard to the short-term power purchase, the Petitioners have submitted that demand is forecasted on hourly basis considering hourly historical data for each day. Considering utility in planning and procurement, Monthly Demand Characteristic Curve with hourly resolution, representing Average Demand for the respective hour for the entire month, is forecasted. In addition to the above, hourly peak demand for the respective month is also forecasted.

6.5.11. Considering the present and upcoming plants availability and based on historic data, 78% of total Availability is considered as base supply. Generation from hydro plants have been considered as per their historic schedules. The following upcoming plants are considered as per the expected COD.

COD of Upcoming Plants				
S.No	Plant		Capacity (MW)	Expected COD
1	Harduaganj Extension	Unit-1	660	Dec-21
2	Ghatampur	Unit-1	561	Mar-22
3	Ghatampur	Unit-2	561	Jul-22
4	Jawaharpur	Unit-1	660	Aug-22
5	Obra-C	Unit-1	660	Aug-22

6.5.12. To meet the deficits in the peak hours of summer months, power is proposed to be procured through DEEP in two tranches as below

TABLE 6-30: DEEP PROCUREMENT PROPOSAL SUBMITTED BY THE PETITIONERS

Month	Period	Hours	Tranche I(MW)	Tranche II(MW)	Total MW	Tranche I MU	Tranche II MU	Total MU
May-22	00:00 - 06:00	6	800	400	1200	149	74	223
	18:00 - 24:00	6	1000	500	1500	186	93	279

Jun-22	00:00 - 06:00	6	1200	600	1800	216	108	324
	18:00 - 24:00	6	1500	500	2000	270	90	360
Jul-22	00:00 - 06:00	6	500	300	800	93	56	149
	19:00 - 24:00	5	600	400	1000	93	62	155
Aug-22	19:00 - 24:00	5	400	200	600	62	31	93
Total MU's						**1069**	**514**	**1583**

6.5.13. The Petitioners have requested the Commission to allow the short-term power purchases to fulfil contingency requirement of the Licensee via bilateral, power exchange, traders, etc. at the time of the truing-up of the respective year.

6.5.14. The assumptions considered by the Petitioners for projection of power purchase quantum and cost is as follows:

TABLE 6-31: ASSUMPTIONS CONSIDERED FOR FY 2022-23 BY PETITIONERS

Sl No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
Thermal			
1.	UPRVUNL	Month wise power purchase quantum for FY 2022-23 is projected based on the monthly average availability of generating stations from April 2016 to March 2021. For upcoming thermal generating stations of UPRVUNL, 85% PLF is considered.	For UPRVUNL, NTPC the fixed charges have been computed based on the fixed charges actually incurred by the respective plants in True up of FY 2020-21 with escalation factor of 5% per year. For UPRVUNL & NTPC, energy charges have been computed based on actual average energy charge for FY 2020-21 with escalation factor of 2%. For Case-I projects, fixed charges have been projected based on actual charges of FY 2020-21 & energy charges have been projected based on average energy charges for FY 2020-21 used in MOD. For upcoming generating stations, fixed charges have been computed based on the assumption of 85% availability for the period post Commissioning for thermal generating stations and 50% availability for the period post Commissioning for Hydro generating stations.
2.	NTPC		
3.	IPP/ JV (Thermal)		
HYDRO			

Sl No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
4.	UPJVNL	Month wise power purchase quantum for FY 2022-23 is projected based on the monthly average PLF of generating stations from April 2016 to March 2021. Further, for upcoming generating stations, 50% PLF of have been considered for projection of net power purchase quantum for FY 2022-23	The fixed charges have been computed based on the actual charges incurred in true up for FY 2020-21 with escalation factor of 5% per year. The energy charges have been computed based on actual average variable charge for the FY 2020-21 with escalation factor of 2%. For upcoming generating stations, fixed charges have been computed based on the assumption of 85% availability for the period post Commissioning for thermal generating stations and 50% availability for the period post Commissioning for Hydro generating stations
5.	NHPC		
6.	SJVN		
7.	THDC		
8.	IPP/JV (Hydro)		
Nuclear			
9.	NPCIL	The net power purchase quantum for FY 2022-23 is projected in line with generation of FY 2020-21.	Variable charges have been escalated by 2% per year.
Renewable Energy			
10.	Solar	The net power purchase quantum for FY 2022-23 is estimated based on 19% CUF.	The energy charges have been computed based on the weighted average energy charge rate of solar generating stations.
11.	Wind	The net power purchase quantum for FY 2022-23 is estimated based on 25% CUF.	The energy charges have been computed based on the weighted average energy charge rate of wind generating stations.
12.	MSW	The net power purchase quantum for FY 2022-23 is estimated based on 75% CUF in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).	The energy charges have been considered in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).
13.	Biomass	The net power purchase quantum for FY 2022-23 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Biomass generating stations.
14.	Bagasse	The net power purchase quantum for FY 2022-23 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Bagasse generating stations.

6.5.15. The details of power purchase cost from generating stations for FY 2022-23 based on above assumptions is shown in the table below:

TABLE 6-32: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2022-23 SUBMITTED BY PETITIONERS

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges (Rs. Cr.)	Annual Energy/ Variable charge (Rs. Cr.)	Total Cost (Rs. Cr.)
A	Long term Sources				
a	Power procured from own Generating Stations (if any)				
b	From State Generating Stations Thermal				
1	ANPARA-A	3,553.55	272.06	717.86	989.91
2	ANPARA-B	6,730.09	339.44	1,241.10	1,580.54
3	PANKI		-		-
4	PARICHHA		-		-
5	PARICHHA EXT.	1,192.92	367.86	462.93	830.79
6	OBRA-A		-		-
7	OBRA-B	1,841.43	367.64	468.09	835.73
8	HARDUAGANJ	-	18.18	-	18.18
9	HARDUAGANJ EXT.	1,253.07	586.95	474.96	1,061.91
10	PARICHHA EXT. STAGE-II	1,183.96	549.92	460.35	1,010.26
11	ANPARA-D	5,334.75	680.12	991.13	1,671.25
12	Panki Extension	393.38	98.35	85.95	184.29
13	HARDUAGANJ EXT. Stage II	1,941.54	972.67	646.39	1,619.07
14	OBRA-C	3,477.01	899.39	701.79	1,601.18
15	Jawaharpur	774.08	856.56	215.83	1,072.40
	Sub-Total	**27,675.80**	**6,009.14**	**6,466.38**	**12,475.52**
c	From State Generating Stations Hydro				
1	RIHAND	537.17	18.10	65.68	83.78
2	OBRA (H)	268.50	9.66	21.67	31.34
3	MATATILA	61.69	3.05	5.07	8.12
4	KHARA	257.84	13.56	13.00	26.55
5	UGC	24.00	-	7.07	7.07
6	SHEETLA	2.10	-	0.42	0.42
7	BELKA	2.36	-	0.44	0.44
8	BABAIL	2.40	-	0.79	0.79
	Sub-Total	**1,156.06**	**44.37**	**114.14**	**158.50**
d	From Central Sector Generating Stations				
a	Thermal (NTPC)				
1	ANTA GPS	42.12	55.23	19.56	74.79
2	AURAIYA GPS	-	109.96	-	109.96
3	DADRI GPS	443.41	116.84	175.26	292.10
4	JHANOR GPS	0.14	0.19	0.03	0.22

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
5	KAWAS GPS	0.14	0.17	0.03	0.20
6	TANDA TPS	921.98	370.40	333.04	703.44
7	FGUTPS-1	530.69	187.05	174.67	361.72
8	FGUTPS-2	362.90	94.18	121.73	215.92
9	FGUTPS-3	178.94	62.03	61.45	123.47
10	FGUTPS-4	613.98	254.23	203.70	457.93
11	FSTPS	-	-	-	-
12	KHTPS-1	199.58	51.67	48.84	100.50
13	KHTPS-2	626.64	153.00	149.74	302.74
14	NCTPS-1	220.62	56.29	73.79	130.08
15	NCTPS-2	128.09	118.55	49.64	168.19
16	RIHAND-1	2,247.33	190.10	353.03	543.12
17	RIHAND-2	2,075.44	156.08	317.63	473.72
18	RIHAND-3	2,375.56	346.79	374.45	721.24
19	SINGRAULI	5,140.01	356.26	789.54	1,145.79
20	KORBA-I STPS	19.95	1.22	3.00	4.22
21	KORBA-III STPS	9.52	1.21	1.46	2.67
22	MAUDA-I STPS	7.63	3.37	2.53	5.90
23	MAUDA-II STPS	10.05	4.16	3.32	7.48
24	SOLAPUR TPS	4.71	4.12	1.79	5.91
25	SIPAT-I	38.39	4.51	6.13	10.64
26	SIPAT-II STPS	12.77	1.50	2.08	3.58
27	VINDHYACHAL-I STPS	17.63	1.58	3.16	4.74
28	VINDHYACHAL-II STPS	13.17	0.93	2.27	3.20
29	VINDHYACHAL-III STPS	14.66	1.52	2.53	4.05
30	VINDHYACHAL-IV STPS	17.86	2.92	3.15	6.07
31	VINDHYACHAL-V STPS	9.17	1.68	1.66	3.34
32	Tanda Stage II	2,775.40	524.11	788.33	1,312.44
33	NABINAGAR POWER PROJECT	1,466.80	156.03	320.05	476.08
34	Indira Gandhi STPS, Jhajjar	-	-	-	-
35	GADARWARA STPS-I	-	3.38	-	3.38
36	LARA STPS-I	15.66	4.34	3.75	8.09
37	KHARGONE STPS	9.35	5.20	2.94	8.14
	Sub-Total	**20,550.28**	**3,400.79**	**4,394.25**	**7,795.04**
e	NPCIL				
1	KAPS	5.66	-	1.36	1.36
2	NAPP	1,119.98	-	352.68	352.68
3	TAPP-3 & 4	21.53	-	6.36	6.36

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
4	RAPP-3 & 4	520.65	-	177.93	177.93
5	RAPP-5 & 6	680.53	-	272.75	272.75
	Sub-Total	**2,348.35**	-	**811.07**	**811.07**
f	Hydro (NHPC)				
1	SALAL	232.34	19.89	16.05	35.94
2	TANAKPUR	80.35	19.32	14.05	33.37
3	CHAMERA-I	465.34	43.08	57.46	100.54
4	URI	562.28	55.54	49.74	105.29
5	CHAMERA-II	308.33	24.13	37.72	61.85
6	DHAULIGANGA	250.42	40.53	34.12	74.65
7	DULHASTI	504.29	156.06	137.88	293.94
8	SEWA-II	117.13	24.01	32.27	56.27
9	CHAMERA-III	219.28	60.08	47.42	107.50
10	URI-II	319.63	83.41	65.85	149.26
11	PARBATI-III	160.93	74.50	29.10	103.60
12	KISHANGANGA	463.53	106.05	101.81	207.86
13	PARBATI-II	675.08	61.58	158.03	219.61
14	SUBANSIRI LOWER	131.09	29.13	30.69	59.82
15	PAKALDUL	-	-	-	-
	Sub-Total	**4,490.01**	**797.29**	**812.19**	**1,609.48**
g	HYDRO (NTPC)				
1	KOLDAM HPS	601.23	186.04	164.14	350.18
2	TAPOVAN VISHNUGARH	-	-	-	-
3	LATA TAPOVAN HEP	-	-	-	-
4	SINGRAULI SHPS	22.71	22.45	8.01	30.46
	Sub-Total	**623.94**	**208.49**	**172.15**	**380.64**
h	THDC				
	HYDRO				
1	TEHRI	1,226.63	266.17	253.45	519.63
2	KOTESHWAR	498.96	125.52	116.03	241.55
3	Dhukwan SHP- THDC	56.49	-	28.91	28.91
4	VISHNUGARH PIPAL KOTHI	-	-	-	-
	Thermal				
1	KHURJA STPP	-	-	-	-
	Sub-Total	**1,782.08**	**391.69**	**398.39**	**790.09**

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges (Rs. Cr.)	Annual Energy/ Variable charge (Rs. Cr.)	Total Cost (Rs. Cr.)
i	SJVN				
1	RAMPUR	268.93	88.60	44.93	133.53
2	NATHPA JHAKRI	1,034.58	268.97	87.92	356.89
	Sub-Total	**1,303.51**	**357.58**	**132.84**	**490.42**
j	NEEPCO				
1	Kameng HEP	**224.18**	-	**93.32**	**93.32**
k	IPP/JV				
	HYDRO				
1	TALA	133.82	-	30.07	30.07
2	VISHNU PRAYAG	1,551.61	24.56	166.53	191.09
3	KARCHAM	800.53	202.75	111.67	314.42
4	TEESTA-III	862.62	361.50	194.51	556.01
5	SRI NAGAR HEP	1,229.07	410.11	306.21	716.33
6	Rajghat Hydro	-	-	-	-
7	Hydro (Competitive Bidding)	1,501.44	299.33	537.52	836.85
	Thermal				
1	Meja Thermal Power Plant	3,012.33	1,037.77	784.99	1,822.76
2	LANCO	7,117.81	620.13	1,508.98	2,129.10
4	BEPL BARKHERA	208.78	122.05	74.49	196.54
5	BEPL KHAMBHAKHERA	208.78	123.34	74.52	197.85
6	BEPL KUNDRAKHI	208.78	122.79	68.53	191.31
7	BEPL MAQSOODAPUR	208.78	121.69	72.45	194.14
8	BEPL UTRAULA	208.78	126.29	72.55	198.84
9	KSK MAHANADI	2,651.18	1,641.84	752.59	2,394.43
10	LALITPUR	5,824.63	3,366.19	1,806.41	5,172.61
11	M.B.POWER	2,466.86	716.39	539.33	1,255.72
12	PRAYAGRAJ POWER	4,449.91	1,498.99	1,120.35	2,619.34
13	R.K.M.POWER	2,085.62	665.97	408.80	1,074.77
14	ROSA-1&2	3,018.29	1,282.92	806.82	2,089.74
15	SASAN	3,700.10	55.71	411.91	467.62
16	TRN ENERGY	2,005.57	316.87	315.62	632.50
17	Ghatampur	6,193.35	2,359.51	1,424.03	3,783.54
	Sub-Total	**49,648.66**	**15,476.70**	**11,588.87**	**27,065.57**
	Total	**109,802.88**	**26,686.04**	**24,983.61**	**51,669.64**

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
B	Medium term Sources				
C	Short term Sources	2,720.00	-	1,496.00	1,496.00
	Station/Source 1				
D	Cogen/ Captive				
	Baggasse/Cogen/ CPP 1	3,934.14	-	1,261.54	1,261.54
	Baggasse/Cogen/ CPP 2	-	-	-	-
	Sub-Total	**3,934.14**	-	**1,261.54**	**1,261.54**
E	Bilateral & Others (Power purchased trough Trading)				-
1	Solar (Existing)	3,882.26	-	1,508.37	1,508.37
2	Solar (FY 20)	-	-	-	-
3	Solar (FY 21)	-	-	-	-
4	Solar (FY 22)	720.00	-	216.00	216.00
5	Solar (FY 23)	253.06	-	**75.92**	75.92
6	SOLAR FY (24)				
7	SOLAR FY 25				
	Sub-Total	**4,855.32**	-	**1,800.29**	**1,800.29**
					-
G	Non-Solar (Renewable)				-
1	WIND (Existing)	1,403.30	-	466.62	466.62
2	WIND (FY 20)	-	-	-	-
3	WIND (FY 21)	-	-	-	-
4	WIND (FY 22)	1,775.01	-	590.22	590.22
5	WIND (FY 23)	1,509.55	-	501.95	501.95
6	Biomass Existing	146.73	-	95.45	95.45
7	Biomass FY 20	-	-	-	-
8	MSW FY 21	193.82	-	147.49	147.49
	Sub-Total	**5,028.40**	-	**1,801.72**	**1,801.72**
	Others				
1	Slop Based Power Project	186.15	26.89	26.89	53.78
H	NVVNL Coal				

Sl. No.	Source of Power (Station wise)	FY 2022-23			
		Units despatched after MOD (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
I	Short Term Sources				
J	REC			-	-
K	Banking		-	-	-
L	PGCIL Charges		4,134.35	-	4,134.35
M	WUPPTCL Charges		919.62	-	919.62
N	SEUPPTCL Charges		316.99	-	316.99
O	Reactive Energy Charges		-	-	-
P	Case-I Transmission Charges		840.32	-	840.32
Q	STU Charges		-	-	-
	Any Other Charges		-	-	-
	Less		-	-	-
	Late Payment Surcharge				-
	Grand Total	**126,526.89**	**32,924.20**	**31,370.05**	**64,294.25**

BULK SUPPLY TARIFF

6.5.16. For the purpose of allocating the power purchase cost to the Discoms for FY 2022-23 as per DBST approach, firstly BST shall be determined based on the consolidated projected power purchase cost for FY 2022-23. The BST for FY 2022-23 on consolidated basis as submitted is shown in the table below:

TABLE 6-33: BULK SUPPLY TARIFF CLAIMED FOR FY 2022-23

Particulars	Petitioner's Submission
Power Purchase cost (Rs Crore)*	64,276.06
Power Input (MU)	1,26,526.89
Inter-State Trans Losses (%) (% computed on total Input Energy)	1.27%
Input at Transco End (MU)	1,24,918.15
Intra-State Trans Losses (%)	3.27%
Input as Discom End (MU)	1,20,833.32
BST at Discom Periphery (Rs/Kwh)	**5.32**

**Note: Rs. 18.18 Crore of Harduaganj Generating Station deducted from total power purchase cost of Rs. 64,294.25 Crore to arrive at net power purchase cost of Rs. 64,276.06 Crore for FY 2022-23.*

DIFFERENTIAL BULK SUPPLY TARIFF

6.5.17. The Petitioners submitted that it has calculated DBST based on the Commission's approved methodology and thereafter has worked out the power purchase cost for FY 2022-23 on the basis of same. The Computation of DBST as per the Commission approved methodology is shown in the below Table:

TABLE 6-34: DBST COMPUTATION FOR FY 2022-23 SUBMITTED BY PETITIONERS

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs Cr)	A	15,930.67	26,191.05	17,135.33	15,601.72	2,885.76	77,744.53
2	Energy Sales (MU)	B	21,929.48	31,018.05	22,660.99	21,027.82	3,600.26	100,236.60
3	**Power Procurement Cost**							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs Cr)							59,319.58
A2	Inter State Transmission Charges (Rs Cr)							4974.67
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs Cr)	C						64294.25
4	Power Procurement cost of Allocated PPAs (Rs. Cr)	D	2289.82	4241.48	2374.02	2374.02	130.97	11,410.32
5	Total Power Required at Discom Periphery (MU)	E	27,429.00	36,574.36	27,494.71	25,399.49	3,935.77	120,833.32
6	Power at Discom Periphery from allocated PPAs (MU)	F	5118.56	9945.09	4975.30	4975.30	216.09	25,230.34
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,533.79	4,377.79	4,891.65	4,111.44	587.50	17,502.16
8	ABR (Rs/ Unit)	H=(A/B)*10	7.26	8.44	7.56	7.42	8.02	7.76
9	Other Cost (Rs/Unit of Sale)	I=G*10/B	1.61	1.41	2.16	1.96	1.63	1.75
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	J=D*10/B	1.04	1.37	1.05	1.13	0.36	1.14
B	Unallocated PPAs per unit of sale	K=(C-Total PP at "D")*10/Total Sale at"B"	5.28					
11	Revenue available for unallocated PPAs (Rs./unit of sale)	L=H-I-J	4.61	5.67	4.36	4.34	6.02	4.87

S.No.	Particulars	Formulae	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.99	6.14	4.72	4.70	6.52	5.28
13	Total Power Purchase cost per unit of sale including allocated PPAs	N=J+M	6.04	7.50	5.76	5.82	6.88	6.41
14	Total Power Purchase Cost (Rs Crs)	O=N*B/10	13,235.53	23,271.30	13,062.63	12,246.70	2,478.09	64,294.25
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	P	4.47	4.26	4.77	4.77	6.06	4.52
16	DBST Computation of Unallocated PPAs	Q=M*B/(E-F)	4.91	7.15	4.75	4.83	6.31	5.53
17	**DBST of total PPAs**	**R=O*10/E**	**4.83**	**6.36**	**4.75**	**4.82**	**6.30**	**5.32**

6.5.18. The power purchase cost for FY 2022-23 submitted by the Petitioners is shown in the table below:

TABLE 6-35: POWER PURCHASE COST FOR FY 2022-23 SUBMITTED BY PETITIONERS

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase	MU	27,429.00	25,399.49	36,574.36	25,399.49	3,935.77	120,833.32
DBST Rate	Rs/kWh	4.83	4.82	6.36	4.82	6.32	5.32
Allowable Power Purchase Cost	**Rs Crore**	**13,235.53**	**12,246.70**	**23,271.30**	**13,062.63**	**2,478.09**	**64,294.25**

Commission's Analysis

6.5.19. Regulations 14 "Procurement of Power" of the MYT Regulations, 2019 provides as under:

Quote

The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval:

Provided that such power procurement plan for the full Control Period shall be submitted along with the Petition for Business Plan for the Control Period from April 1, 2020 to March 31, 2025, as stipulated in these Regulations.

14.1 The power procurement plan of the Distribution Licensee must follow Regulation 5.4, and be optimized on cost and shall comprise the following:

1. A quantitative forecast of the seasonal variation in unrestricted base load and peak load for electricity within its area of supply;
2. An estimate of the optimum quantities and cost of power supply from the identified sources of power purchase, including own generation if any;
3. Power Purchase Agreements (PPAs) and contracts/ agreements entered to meet the load requirement;
4. An estimate of adequate availability of power to meet the seasonal variation in base load and peak load requirement:
5. Provided that such estimate of demand and supply shall be on month-wise basis in Mega-Watt (MW) along with the Plant Load factor (PLF) of the plant as well as expressed in Million Units (MU);
6. Taking into consideration the sufficient long-term capacity PPAs already contracted by the State Discoms with coal based Thermal Power Station to meet the projected demand till FY 2026-2027, no new long term PPA with coal based thermal power plant shall be contracted till December 2022 or until further Orders of the Commission;
7. Standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant Regulations or Orders of the Commission;
8. Measures proposed for Energy Conservation, Energy Efficiency, and Demand Side Management;
9. The requirement for new sources of power procurement, including augmentation of own generation capacity, if any, and identified new sources of supply, based on (a) to (g) above;
10. The impact of Open Access on load;
11. Taking into consideration the Transmission and distribution capacities;
12. Impact of renewables on overall demand/ power procurement;
13. Impact of Storage Capacities including Batteries, EV Charging Stations etc.;
14. Any other aspect as required by the Commission:

Provided that the forecast or estimates contained in the long-term procurement plan shall be separately stated for peak and off-peak

periods, in terms of quantities of power to be procured (in MU) and maximum demand (in MW).

14.2 The forecast or estimate shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:

Provided that the forecast or estimate shall take into account factors such as overall economic growth of the State, advent of competition in the electricity sector, trends in captive power and Grid migration, impact of loss reduction initiatives and Energy conservation, use of energy efficiency appliances/ equipment, fuel supply and cost, impact of renewables, etc.

Unquote

6.5.20. In terms of the above and based on the submissions of the Petitioners, for the purpose of approval of the Power purchase for FY 2022-23, the Commission has analysed the following:

1. The station-wise PLFs of last 5 years.
2. Plant wise Capacity (MW), UPPCL share and the auxiliary consumption of each plant.
3. Energy Generation from each plant computed accordingly considering the PLF, auxiliary consumption and share of UP in the same.
4. Actual Fixed charges and energy charges of each plant for FY 2020-21.

6.5.21. There has been sporadic movement in coal prices which may result in significant changes in energy charges payable by the Petitioners to the generators. In case there is excessive increase in energy charges, it will result in Fuel Surcharge being levied on the consumers. The Petitioners have proposed energy charges for UPRVUNL & NTPC by considering escalation of 2% on actual energy charges for FY 2020-21 to arrive the energy charges for FY 2021-22. Thereafter, again 2% increase on energy charges for FY 2021-22 to arrive at energy charges for FY 2022-23. In order to ensure that uncertainty related to fuel Surcharge is kept at minimum it would be appropriate to have provision in energy charges being approved. Thus, the Commission has considered annual escalation of 6% on actual energy charges for FY 2020-21 and FY 2021-22. The treatment for surplus, if any, will be done at the time of truing-up.

6.5.22. Accordingly, the assumptions considered by the Commission for projection of power purchase quantum and Power Purchase cost is as follows:

TABLE 6-36: ASSUMPTIONS CONSIDERED FOR FY 2022-23 BY THE COMMISSION

Sl No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
Thermal			
1.	UPRVUNL	Month wise power purchase quantum for FY 2022-23 is projected based on the monthly average availability of generating stations from April 2016 to March 2021. For upcoming thermal generating stations of UPRVUNL, 85% PLF is considered.	For UPRVUNL, NTPC the fixed charges have been computed based on the fixed charges actually incurred by the respective plants in True-Up of FY 2020-21 with escalation factor of 5% per year. For UPRVUNL & NTPC, energy charges have been computed based on actual average energy charge for FY 2020-21 with escalation factor of 6%. For Case-I projects, fixed charges have been projected based on actual charges of FY 2020-21 & energy charges have been projected based on average energy charges for FY 2020-21 used in MOD. For upcoming generating stations, fixed charges have been computed based on the assumption of 85% availability for the period post Commissioning for thermal generating stations and 50% availability for the period post Commissioning for Hydro generating stations.
2.	NTPC		
3.	IPP/ JV (Thermal)		
HYDRO			
4.	UPJVNL	Month wise power purchase quantum for FY 2022-23 is projected based on the monthly average PLF of generating stations from April 2016 to March 2021. Further, for upcoming generating stations, 50% PLF of have been considered for projection of net power purchase quantum for FY 2022-23	The fixed charges have been computed based on the actual charges incurred in true up for FY 2020-21 with escalation factor of 5% per year. The energy charges have been computed based on actual average variable charge for the FY 2020-21 with escalation factor of 2%. For upcoming generating stations, fixed charges have been computed based on the assumption of 85% availability for the period post Commissioning for thermal generating stations and 50% availability for the period post Commissioning for Hydro generating stations
5.	NHPC		
6.	SJVN		
7.	THDC		
8.	IPP/JV (Hydro)		

Sl No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
Nuclear			
9.	NPCIL	The net power purchase quantum for FY 2022-23 is projected in line with generation of FY 2020-21.	Variable charges have been escalated by 2% per year.
Renewable Energy			
10.	Solar	The net power purchase quantum for FY 2022-23 is estimated based on 19% CUF.	The energy charges have been computed based on the weighted average energy charge rate of solar generating stations.
11.	Wind	The net power purchase quantum for FY 2022-23 is estimated based on 25% CUF.	The energy charges have been computed based on the weighted average energy charge rate of wind generating stations.
12.	MSW	The net power purchase quantum for FY 2022-23 is estimated based on 75% CUF in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).	The energy charges have been considered in line with UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019).
13.	Biomass	The net power purchase quantum for FY 2022-23 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Biomass generating stations.
14.	Bagasse	The net power purchase quantum for FY 2022-23 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Bagasse generating stations.

Renewable Purchase Obligation (RPO)

6.5.23. In regards to the RPO the Commission has notified first Amendment to the RPO Regulations, 2010 dated August 16, 2019, the long-term trajectory of minimum quantum of purchase of Renewable power from various renewable sources is shown in the Table below:

TABLE 6-37: RPO Trajectory as per UPERC Regulations (%)

Minimum quantum of purchase from renewable energy sources as % age of total energy consumed (in kWh)				
Financial Year	Non-Solar		Solar	Total
	Other Non-Solar	HPO		
	A	B	C	D = A+B+C
2019-20	5	1	2	8
2020-21	6	2	3	11
2021-22	6	3	4	13
2022-23	6	3	5	14
2023-24	7	3	5	15

6.5.24. The Commission vide TVS MOM dated April 18, 2022 directed the Petitioners to submit the projections for RPO compliance for FY 2022-23 along with proposed MU to be purchased from each power sources viz., solar, non-solar and hydro. In response of the Commission's query the Petitioners submitted RPO details for FY 2022-23, as shown in the Table below:

TABLE 6-38: RPO DETAILS SUBMITTED BY THE PETITIONERS

Type		Parameter	Units	FY 2020-21	FY 2021-22	FY 2022-23
Solar		RPO Target (Solar)	%	3.00%	4.00%	5.00%
		RPO Target (Solar)	MU	3017.42	4262.97	5411.45
		Solar Energy Purchased	MU	4110.33	4674.98	4855.32
		Total RPO achieved	%	136.22%	109.66%	89.72%
Non-Solar	Other Non-Solar	RPO Target (Non Solar)	%	6.00%	6.00%	6.00%
		RPO Target (Non Solar)	MU	6034.85	6394.46	6493.74
		Non Solar Energy Purchased	MU	5050.39	4698.25	9071.82
		Total RPO achieved	%	83.69%	73.47%	139.70%
		Gross Net energy consumption	MU	100580.76	106574.30	108228.98
	Hydro Purchase Obligation	HPO Target (Hydro)	%	2.00%	3.00%	3.00%
		HPO Target (Hydro)	MU	2011.62	3197.23	3246.87
		Hydro Energy Purchased	MU	266.64	364.95	2443.93
		Total HPO achieved	%	13.26%	11.41%	75.27%

6.5.25. Further, the Commission has initiated suo-moto proceeding in regard to the non-fulfilment of the RPO targets. In light of the same the opening value and the treatment is not being discussed herein, only the RPO target for FY 2022-23 is being shown in the Table below:

TABLE 6-39: RPO COMPLIANCE OF FY 2022-23 COMPUTED BY THE COMMISSION

S.No	Particular	Reference	Quantum (MU)
1	Total Sales	**A**	**121473.44**
2	Hydro Purchase during the year	B	15,658.89
3	**Net Power Sale for RPO computation**	C=A-B	105814.56
4	**Total Obligation for the year (%)**		
5	Solar (%)	D	5%
6	Non Solar (%)	E	6%
7	HPO Obligation for the year (%)	F	3%
8	**Total Obligation for year**		
9	Solar (MU)	G=D*C	5,290.73
10	Non Solar (MU)	H=E*C	6,348.87
11	HPO Obligation for the year (MU)	I=F*C	3174.44
12	**Total Obligation for the year(MU)**	**J=G+H+I**	**14,814.04**
13	**Total RPO Fulfilled during the year**		
14	Solar	K	4,855.32
15	Non Solar	L	8,962.54
16	Hydro	M	2,531.79
17	**Total RPO to be fulfilled**	N=K+L+M	**16,349.65**
18	Balance Obligation to be fulfilled	**O=P+Q+R**	**(1,535.62)**
19	Solar	P	435.41
20	Non Solar	Q	(2,613.67)
21	Hydro	R	642.65

6.5.26. The Commission directs the Petitioner to follow the RPO Trajectory set by the Commission in its first Amendment to the RPO Regulations, 2010 dated August 16, 2019.

6.5.27. The consolidated Power Purchase computed by the Commission for FY 2022-23 is given as under:

TABLE 6-40: GENERATING STATION-WISE POWER PURCHASE COST FOR FY 2022-23 APPROVED BY THE COMMISSION

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
A	Long term Sources											

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
a	**Power procured from own Generating Stations (if any)**											
b	**From State Generating Stations Thermal**											
1	ANPARA-A	630	70.37%	8.50%	100.0%	630	3553.55	272.06	2.18	775.26	1047.32	2.95
2	ANPARA-B	1000	82.21%	6.55%	100.0%	1000	6730.09	339.44	1.99	1340.35	1679.79	2.50
5	PARICHHA EXT.	420	35.68%	9.00%	100.0%	420	905.43	367.86	4.19	381.14	749.00	8.24
7	OBRA-B	1000	23.28%	9.70%	100.0%	1000	1841.43	367.64	2.75	505.52	873.16	4.74
9	HARDUAGANJ EXT.	500	31.44%	9.00%	100.0%	500	1253.07	586.95	4.09	512.94	1099.89	8.78
10	PARICHHA EXT. STAGE-II	500	29.70%	9.00%	100.0%	500	0.00	549.92	4.20	0.00	549.92	-
11	ANPARA-D	1000	64.96%	6.25%	100.0%	1000	5534.75	680.12	2.01	1070.40	1750.51	3.28
12	Panki Extension	660	7.22%	5.75%	100.0%	660	393.38	98.35	2.36	92.82	191.17	4.86
13	HARDUAGANJ EXT. Stage II	660	35.63%	5.75%	100.0%	660	1941.54	972.67	3.60	698.09	1670.76	8.61
14	OBRA-C	1320	31.90%	5.75%	100.0%	1320	3477.01	899.39	2.18	757.91	1657.30	4.77
15	Jawaharpur	1320	7.10%	5.75%	100.0%	1320	774.08	856.56	3.01	233.09	1089.66	14.08
	Sub-Total	**9010**	-	-	-	**9010**	**26,208.34**	**5,990.95**	**2.43**	**6,367.52**	**12,358.48**	**4.72**
c	**From State Generating Stations Hydro**											
1	RIHAND	300	24.29%	1.00%	85.0%	255	537.17	19.10	1.32	70.93	89.03	1.66
2	OBRA (H)	99	31.27%	1.00%	100.0%	99	268.50	9.66	0.87	23.41	33.07	1.23
3	MATATILA	30	35.57%	1.00%	66.7%	20	61.89	3.05	0.89	5.48	8.53	1.38
4	KHARA	72	51.62%	1.00%	80.0%	58	257.84	13.56	0.54	14.04	27.59	1.07
5	UGC	13.7	20.20%	1.00%	100.0%	14	24.00	0.00	3.18	7.63	7.63	3.18
6	SHEETLA	5.6	6.72%	1.00%	100.0%	4	2.10	0.00	2.17	0.46	0.46	2.17
7	BELKA	3	9.08%	1.00%	100.0%	3	2.36	0.00	1.99	0.47	0.47	1.99
8	BABAIL	3	9.23%	1.00%	100.0%	3	2.40	0.00	3.53	0.85	0.85	3.53
	Sub-Total	**524.3**	-	-	-	**454.9**	**1,156.06**	**44.37**	**1.07**	**123.27**	**167.63**	**1.45**

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
d	From Central Sector Generating Stations											
a	Thermal (NTPC)											
1	ANTA GPS	419	5.42%	2.75%	21.8%	91	0.00	55.23	5.01	0.00	55.23	-
2	AURAIYA GPS	663	0.00%	2.75%	32.1%	213	0.00	109.96	5.50	0.00	109.96	-
3	DADRI GPS	830	21.19%	2.75%	29.6%	246	0.00	116.84	4.27	0.00	116.84	-
4	JHANOR GPS	657	82.60%	2.75%	0.003%	0	0.14	0.19	2.27	0.03	0.22	15.68
5	KAWAS GPS	656	83.84%	2.75%	0.003%	0	0.14	0.17	2.28	0.03	0.20	13.87
6	TANDA TPS	440	27.03%	11.50%	100.0%	440	921.98	370.40	3.90	359.68	730.08	7.92
7	FGUTPS-1	420	26.68%	9.00%	59.5%	250	530.69	187.05	3.55	188.63	375.69	7.08
8	FGUTPS-2	420	35.63%	9.80%	30.7%	129	362.90	94.18	3.62	131.47	225.65	6.22
9	FGUTPS-3	210	35.68%	9.00%	30.0%	63	178.94	62.03	3.71	66.36	128.39	7.17
10	FGUTPS-4	500	33.53%	6.25%	44.6%	223	613.98	254.23	3.58	219.99	474.21	7.72
11	KHTPS-1	840	32.52%	9.00%	9.2%	77	199.58	51.67	2.64	52.74	104.41	5.23
12	KHTPS-2	1500	50.87%	6.25%	10.0%	150	626.64	153.00	2.58	161.71	314.71	5.02
13	NCTPS-1	840	32.77%	8.50%	10.0%	84	0.00	56.29	3.61	0.00	56.29	-
14	NCTPS-2	980	15.83%	5.75%	10.0%	98	0.00	118.55	4.19	0.00	118.55	-
15	RIHAND-1	1000	85.62%	8.00%	32.6%	326	2247.33	190.10	1.70	381.26	571.35	2.54
16	RIHAND-2	1000	85.38%	6.25%	29.6%	296	2075.44	156.08	1.65	343.03	499.12	2.40
17	RIHAND-3	1000	90.39%	6.25%	32.0%	320	2375.56	346.79	1.70	404.39	751.18	3.16
18	SINGRAULI	2000	83.84%	7.13%	37.7%	754	5140.01	856.26	1.66	852.87	1208.93	2.35
19	KORBA-I STPS	2100	64.63%	7.00%	0.18%	4	19.95	1.22	1.62	3.24	4.46	2.24
20	KORBA-III STPS	500	82.19%	6.25%	0.28%	1	9.52	1.21	1.66	1.58	2.79	2.93
21	MAUDA-I STPS	1000	32.96%	6.25%	0.28%	3	0.00	3.37	3.58	0.00	3.37	-
22	MAUDA-II STPS	1320	32.88%	6.25%	0.28%	4	0.00	4.16	3.56	0.00	4.16	-
23	SOLAPUR TPS	660	15.43%	6.25%	0.56%	4	0.00	4.12	4.10	0.00	4.12	-
24	SIPAT-I	1980	83.78%	6.25%	0.28%	6	38.39	4.51	1.72	6.62	11.13	2.90
25	SIPAT-II STPS	1000	65.68%	6.25%	0.24%	2	12.77	1.50	1.76	2.24	3.74	2.93
26	VINDHYACHAL-I STPS	1260	67.62%	9.00%	0.26%	3	17.63	1.58	1.93	3.41	4.99	2.83

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
27	VINDHYACHAL-II STPS	1000	65.20%	7.05%	0.25%	2	13.17	0.93	1.86	2.45	3.38	2.57
28	VINDHYACHAL-III STPS	1000	71.97%	6.25%	0.25%	2	14.66	1.52	1.87	2.73	4.25	2.90
29	VINDHYACHAL-IV STPS	1000	77.12%	6.25%	0.28%	3	17.86	2.92	1.90	3.40	6.32	3.54
30	VINDHYACHAL-V STPS	500	80.08%	7.25%	0.28%	1	9.17	1.68	1.95	1.79	3.47	3.79
31	Tanda II	1320	35.63%	5.75%	71.47%	943	2775.40	524.11	3.07	851.37	1375.48	4.96
32	NABINAGAR POWER PROJECT	1320	85.00%	5.75%	15.83%	209	1466.80	156.03	2.36	345.65	501.68	3.42
33	GADARWARA STPS-I	800	0.00%	-	-	2	0.00	3.38	3.34	0.00	3.38	-
34	LARA STPS-I	1600	46.31%	-	-	4	15.66	4.34	2.59	4.05	8.39	5.36
35	KHARGONE STPS	1320	83.58%	-	-	3	0.00	5.20	3.40	0.00	5.20	-
36	**Sub-Total**	**34055**	-	-	-	**4956**	**19,684.29**	**3,400.79**	**2.23**	**4,390.53**	**7,791.32**	**3.96**
e	**NPCIL**											
1	KAPS	440	39.14%	0.00%	0.4%	2	5.66	0.00	2.59	1.46	1.46	2.59
2	NAPP	440	92.65%	0.00%	31.4%	138	3119.98	0.00	3.40	380.88	380.88	3.40
3	TAPP-3 & 4	1080	60.70%	0.00%	0.4%	4	21.53	0.00	3.19	6.87	6.87	3.19
4	RAPP-3 & 4	440	90.05%	0.00%	15.0%	66	520.65	0.00	3.69	192.15	192.15	3.69
5	RAPP-5 & 6	440	90.33%	0.00%	19.5%	86	680.53	0.00	4.33	294.56	294.56	4.33
	Sub-Total	**2840**	-	-	-	**296**	**2,348.35**	-	**3.73**	**875.93**	**875.93**	**3.73**
								-				
f	**Hydro (NHPC)**							-				
1	SALAL	690	55.81%	1.00%	7.0%	48	282.84	19.89	0.75	17.83	37.22	1.60
2	TANAKPUR	94	44.21%	1.20%	22.8%	21	80.35	19.32	1.89	15.18	34.49	4.29
3	CHAMERA-I	540	48.33%	1.20%	20.2%	109	465.34	43.08	1.33	62.06	105.14	2.26
4	URI	480	67.67%	1.20%	20.0%	96	562.28	55.54	0.96	53.72	109.26	1.94
5	CHAMERA-II	300	57.46%	1.20%	20.7%	62	308.33	34.13	1.32	40.74	64.87	2.10
6	DHAULIGANGA	280	51.67%	1.20%	20.0%	56	250.42	40.53	1.47	36.85	77.38	3.09
7	DULHASTI	390	68.55%	1.20%	21.8%	85	584.29	156.06	2.55	148.90	304.96	6.05
8	SEWA-II	120	50.12%	1.20%	22.5%	27	117.13	24.01	2.98	34.85	58.86	5.02

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
9	CHAMERA-III	231	53.01%	1.20%	20.3%	47	219.28	60.08	2.94	51.21	111.29	5.08
10	URI-II	240	72.41%	1.20%	21.3%	51	319.63	83.41	2.23	71.12	154.52	4.83
11	PARBATI-III	520	13.47%	1.20%	26.5%	138	160.93	74.50	1.95	31.42	105.92	6.58
12	KISHANGANGA	330	38.92%	1.20%	41.7%	138	468.53	106.05	2.37	109.96	216.00	4.66
13	PARBATI-II	800	50.00%	1.20%	19.5%	156	675.08	61.58	2.53	170.67	232.25	3.44
14	SUBANSIRI LOWER	2000	8.32%	1.20%	9.1%	182	131.09	29.13	2.53	33.16	62.27	4.75
15	**Sub-Total**	7015	-	-	-	1216	4,490.01	797.29	1.95	877.14	1,674.43	3.73
g	**HYDRO (NTPC)**											
1	KOLDAM HPS	800	43.57%	1.00%	19.9%	159	601.25	186.04	2.95	177.27	363.30	6.04
2	SINGRAULI SHPS	8	76.23%	0.00%	42.5%	3	22.71	22.45	3.81	8.65	31.10	13.70
	Sub-Total	808	-	-	-	163	623.94	208.49	2.98	185.92	394.41	6.32
h	**THDC-Hydro**											
1	TEHRI	1000	37.90%	1.20%	37.4%	374	1226.68	266.17	2.23	273.72	539.90	4.40
2	KOTESHWAR	400	37.12%	1.00%	38.8%	155	498.96	125.52	2.51	125.31	250.83	5.03
3	Dhukwan SHP- THDC	24	26.87%	0.00%	100.0%	24	56.49	0.00	5.53	31.22	31.22	5.53
	Sub-Total	1424	-	-	-	553	1782.08	391.69	2.41	430.25	821.94	4.61
i	**SJVN**											
1	RAMPUR	412	54.40%	1.00%	13.8%	57	268.93	88.68	1.80	48.52	137.12	5.10
2	NATHPA JHAKRI	1500	54.09%	1.20%	14.7%	221	1034.58	268.57	0.92	94.95	363.92	3.52
	Sub-Total	1912	-	-	-	278	1,303.51	357.58	1.10	143.47	501.04	3.84
j	**NEEPCO**											
1	Kameng HEP	600	47.00%	1.00%	9.2%	55	224.18	0.00	4.50	100.78	100.78	4.50
	Sub-Total	600	-	-	-	55	224.18	0.00	4.50	100.78	100.78	4.50
k												
	IPP/JV-Hydro											
1	TALA	1020	35.07%	1.00%	4.3%	44	133.82	0.00	2.43	32.48	32.48	2.43

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
2	VISHNU PRAYAG	400	56.57%	0.50%	88.0%	352	1551.61	24.56	1.16	178.85	204.41	1.32
3	KARCHAM	1000	46.25%	1.20%	20.0%	200	810.58	202.75	1.51	120.60	323.35	4.04
4	TEESTA-III	1200	49.83%	1.20%	16.7%	200	862.62	361.50	2.44	210.07	571.57	6.63
5	SRI NAGAR HEP	330	48.80%	1.00%	88.0%	290	1229.07	410.11	2.69	330.70	740.81	6.03
6	Hydro (Competitive Bidding)	400	42.85%	0.00%	0.0%	400	1501.44	299.33	3.87	580.50	879.83	5.86
7	**Sub-Total**	**4350**	-	-	-	**1486.4**	**6079.10**	**1298.25**	**2.39**	**1454.19**	**2752.44**	**4.53**
1	**IPP/JV-Thermal**											
2	Meja Thermal Power Plant	1320	35.82%	6.25%	77.6%	1024	3812.35	1037.77	2.81	847.76	1885.54	6.26
3	LANCO	1200	79.86%	7.50%	91.7%	1100	7117.81	620.13	2.29	1629.65	2249.77	3.16
4	BEPL BARKHERA	90	29.34%	9.75%	100.0%	90	208.78	122.05	3.85	80.45	202.50	9.70
5	BEPL KHAMBHAKHERA	90	29.34%	9.75%	100.0%	90	208.78	123.34	3.85	80.48	203.81	9.76
6	BEPL KUNDRAKHI	90	29.34%	9.75%	100.0%	90	208.78	122.79	3.54	74.01	196.79	9.43
7	BEPL MAQSOODAPUR	90	29.34%	9.75%	100.0%	90	208.78	121.59	3.75	78.24	199.83	9.58
8	BEPL UTRAULA	90	29.34%	9.75%	100.0%	90	208.78	126.29	3.75	78.35	204.64	9.80
9	KSK MAHANADI	3600	30.28%	0.00%	27.8%	1000	2651.18	1641.84	3.07	812.77	2454.61	9.26
10	LALITPUR	1980	35.69%	5.75%	100.0%	1980	5824.63	3369.19	3.35	1950.87	5317.05	9.13
11	M.B.POWER	1200	78.01%	0.00%	30.1%	361	2466.86	716.39	2.36	582.46	1298.85	5.27
12	PRAYAGRAJ POWER	1980	30.82%	7.50%	90.0%	1782	4449.91	1498.99	2.71	1209.94	2708.93	6.09
13	R.K.M.POWER	1540	68.02%	0.00%	22.7%	350	2085.62	665.97	2.12	441.49	1107.46	5.31
14	ROSA-1&2	1320	26.53%	8.50%	100.0%	1320	3018.29	1282.92	2.89	871.84	2154.26	7.14
15	SASAN	4000	85.33%	0.00%	12.4%	495	3700.30	55.71	1.20	444.85	500.56	1.35
16	TRN ENERGY	600	58.70%	0.00%	65.0%	390	2005.57	316.87	1.70	340.86	657.74	3.28
	Ghatampur	1980	44.57%	5.75%	85.0%	1683	6183.35	2358.51	2.48	1537.90	3897.42	6.29
	Sub-Total	**21170**	-	-	-	**11935**	**43,569.56**	**14178.45**	**2.54**	**11061.43**	**25239.88**	**5.79**

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
	Total (Long Term Sources)	**83709.09**	-	-	-	**30402.07**	**107469.43**	**26567.86**	**2.42**	**26010.43**	**52678.29**	4.90
B												
	Medium Term Sources/ Short Term Sources/ Renewables											
	Cogen/ Captive											
	Baggasse/Cogen/ CPP 1	1497	30.00%	0.00%	100.0%	1497	3934.14	0.00	3.21	1261.54	1261.54	3.21
E	**Sub-Total**	**1497**	-	-	-	**1497**	**3,934.14**	**0.00**	**3.21**	**1261.54**	**1261.54**	3.21
F												
1	**Solar (Renewable)**											
2	Solar (Existing)	2943	18.92%	0.00%	100.0%	2943	3882.28	0.00	3.39	1508.37	1508.37	3.89
3	Solar (FY 22)	432	19.08%	0.00%	100.0%	432	720.00	0.00	3.00	216.00	216.00	3.00
4	Solar (FY 23)	265	10.90%	-	100.0%	265	253.06	0.00	3.00	75.92	75.92	3.00
	Sub-Total	**3640**	-	-	-	**3640**	**4,855.33**	**0.00**	**3.71**	**1800.29**	**1800.29**	3.71
G	**Non-Solar (Renewable)**											
1	WIND	-	25.03%	0.00%	100.0%	648	1403.30	0.00	3.33	466.62	466.62	3.33
2	WIND (FY 22)	-	25.03%	0.00%	100.0%	809	1775.01	0.00	3.33	590.22	590.22	3.33
3	WIND (FY 23)	-	23.59%	-	100.0%	731	1509.55	0.00	3.33	501.95	501.95	3.33
4	**Sub-Total**	-	-	-	-	**2180**	**4687.86**	**0.00**	**3.33**	**1558.78**	**1558.78**	3.33
	Biomass (Renewable)											
	Biomass Existing	-	50.00%	0.00%	100.0%	34	146.73	0.00	6.51	95.45	95.45	6.51
	Sub-Total	**0**				**34**	**146.73**	**0.00**	**6.51**	**95.45**	**95.45**	6.51

Sl No	Source	Plant Capacity (MW)	PLF (%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Total MUs	Fixed Charges (Rs. Crs)	Energy Charges (Rs/kWh)	Energy Charges (Rs. Crs)	Total cost (Rs Crs.)	Total Cost (Rs/kWh)
	Municipal Solid Waste (Renewable)											
	MSW FY 21	-	75.00%	0.00%	100.0%	30	199.82	0.00	7.61	147.49	147.49	7.61
	Sub-Total	0				30	193.82	0.00	7.61	147.49	147.49	7.61
	Slop-Based Power Projects											
	Slop Based Power Project	25	85.00%	0.00%	100.0%	25	186.15	26.89	1.44	26.89	53.78	2.89
	Sub-Total	25				25	186.15	26.89	1.44	26.89	53.78	2.89
	Total (Medium term Sources/ Short Term Sources/ Renewables)	4562				6805	14,004.01	26.89	3.49	4890.44	4917.33	3.51
	Total	88271	-	-	-	87207	121,473.44	26684.75	2.54	30900.87	57585.62	4.74

Note: Any change in Fixed Charge and Energy Charge of Generating Stations due to decommissioning / relinquishment during the APR / ARR period will be carried out at the time of Truing-Up.

MERIT ORDER DISPATCH

6.5.28. Till FY 2020-21, the Merit Order Dispatch was computed on the ex-bus variable cost of the generators.

6.5.29. However, the Commission issued the Merit Order Dispatch & Optimization of Power Purchase Regulations 2021 (MoD Regulations 2021) on February 03, 2021. Regulations 4 (2) of the MoD Regulations, 2021 provides as under:

Quote

The Distribution Licensee shall draw up the Merit Order Stack at the State Periphery for Intra-state and Inter-State Generation sources after taking into account the variable cost of each generating stations as submitted by the generating company, along with the inter-state transmission losses and AC-UBC charges as specified under Central Electricity Regulatory Commission

(Sharing of Inter-State transmission charges and losses) Regulations 2020, wherever applicable:

Provided that the inter-state transmission loss and inter-state transmission AC-UBC charges for the applicable period corresponding to each generating station shall be considered based on average of (n-1)th month and in case the last month's inter-state transmission loss or charges are not available then the last available loss or charges shall be considered.

Unquote

6.5.30. As per above, the Merit Order Stack is to be prepared at the State Periphery for Intra-State and Inter-State generation sources after taking into account the variable cost of each generating stations as submitted by the generating company, along with the inter-state transmission losses and AC-UBC charges. Accordingly, the Commission asked the Licensees to submit generating plant/source wise transmission loss and charges, the Petitioners submitted that:

Quote

It is hereby submitted that the data cannot be provided in the requisite format as source wise Transmission energy loss is not available with the Petitioner, considering that power purchase accounting is done on basis of power purchase bills raised by different generators.....

Unquote

6.5.31. Further, the Petitioners in Format F 13D have submitted the MOD Stack on the basis of ex bus variable cost of each plant only.

6.5.32. Hence, the Commission, for the purpose of this Order, computes MOD on ex-bus variable cost of plants, **and directs to Petitioners to submit the MOD stack in accordance with MOD Regulation, 2021.** The same also shall be considered for the Computation of Fuel Surcharge.

6.5.33. The Merit Order Dispatch for computation of power purchase cost as approved by the Commission is given in the Table below:

TABLE 6-41: MERIT ORDER DESPATCH FOR COMPUTATION OF POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2022-23

Generating Stations	Must Run / Merit	Energy Charges Per Unit (Rs./kWh)	Energy Charges (Rs. Cr.)
RIHAND	Must Run	1.32	70.93

Generating Stations	Must Run / Merit	Energy Charges Per Unit (Rs./kWh)	Energy Charges (Rs. Cr.)
OBRA (H)	Must Run	0.87	23.41
MATATILA	Must Run	0.89	5.48
KHARA	Must Run	0.54	14.04
UGC	Must Run	3.18	7.63
SHEETLA	Must Run	2.17	0.46
BELKA	Must Run	1.99	0.47
BABAIL	Must Run	3.53	0.85
KAPS	Must Run	2.59	1.46
NAPP	Must Run	3.40	380.88
TAPP-3 & 4	Must Run	3.19	6.87
RAPP-3 & 4	Must Run	3.69	192.15
RAPP-5 & 6	Must Run	4.33	294.56
SALAL	Must Run	0.75	17.33
TANAKPUR	Must Run	1.89	15.18
CHAMERA-I	Must Run	1.33	62.06
URI	Must Run	0.96	53.72
CHAMERA-II	Must Run	1.32	40.74
DHAULIGANGA	Must Run	1.47	36.85
DULHASTI	Must Run	2.95	148.90
SEWA-II	Must Run	2.98	34.85
CHAMERA-III	Must Run	2.34	51.21
URI-II	Must Run	2.23	71.12
PARBATI-III	Must Run	1.95	31.42
KISHANGANGA	Must Run	2.37	109.96
PARBATI-II	Must Run	2.53	170.67
SUBANSIRI LOWER	Must Run	2.53	33.14
KOLDAM HPS	Must Run	2.95	177.27
SINGRAULI SHPS	Must Run	3.81	8.65
TEHRI	Must Run	2.23	273.72
KOTESHWAR	Must Run	2.51	125.31
Dhukwan SHP- THDC	Must Run	5.53	31.22
RAMPUR	Must Run	1.80	48.52
NATHPA JHAKRI	Must Run	0.92	94.95
Kameng HEP	Must Run	4.50	100.78
TALA	Must Run	2.43	32.48

Generating Stations	Must Run / Merit	Energy Charges Per Unit (Rs./kWh)	Energy Charges (Rs. Cr.)
VISHNU PRAYAG	Must Run	1.16	179.85
KARCHAM	Must Run	1.51	120.60
TEESTA-III	Must Run	2.44	210.07
SRI NAGAR HEP	Must Run	2.69	330.70
Hydro (Competitive Bidding)	Must Run	3.87	580.50
Baggasse/Cogen/ CPP 1	Must Run	3.21	1261.54
Solar (Existing)	Must Run	3.89	1508.37
Solar (FY 22)	Must Run	3.00	216.00
Solar (FY 23)	Must Run	3.00	75.92
WIND	Must Run	3.33	466.62
WIND (FY 22)	Must Run	3.33	590.22
WIND (FY 23)	Must Run	3.33	501.95
Biomass Existing	Must Run	6.51	95.45
MSW FY 21	Must Run	7.61	147.49
Slop Based Power Project	Merit	1.44	26.89
RIHAND-2	Merit	1.65	343.03
RIHAND-1	Merit	1.70	381.26
RIHAND-3	Merit	1.70	404.39
ANPARA-B	Merit	1.99	1,340.35
ANPARA-D	Merit	2.01	1,070.40
SASAN	Merit	1.20	444.85
OBRA-C	Merit	2.18	757.91
ANPARA-A	Merit	2.18	775.26
LANCO	Merit	2.29	1,629.65
Panki Extension	Merit	2.36	92.82
Ghatampur	Merit	2.48	1,537.90
KORBA-I STPS	Merit	1.62	3.24
KORBA-III STPS	Merit	1.66	1.58
SINGRAULI	Merit	1.66	852.67
TRN ENERGY	Merit	1.70	340.86
SIPAT-I	Merit	1.72	6.62
PRAYAGRAJ POWER	Merit	2.72	1,209.94
SIPAT-II STPS	Merit	1.76	2.24
OBRA-B	Merit	2.75	505.52
Meja Thermal Power Plant	Merit	2.81	847.76
VINDHYACHAL-II STPS	Merit	1.86	2.45

Generating Stations	Must Run / Merit	Energy Charges Per Unit (Rs./kWh)	Energy Charges (Rs. Cr.)
VINDHYACHAL-III STPS	Merit	1.87	2.73
VINDHYACHAL-IV STPS	Merit	1.90	3.40
ROSA-1&2	Merit	2.89	871.34
VINDHYACHAL-I STPS	Merit	1.93	3.41
VINDHYACHAL-V STPS	Merit	1.95	1.79
Jawaharpur	Merit	3.01	233.09
Tanda II	Merit	3.07	851.37
R.K.M.POWER	Merit	2.12	441.49
JHANOR GPS	Merit	2.27	0.03
KAWAS GPS	Merit	2.28	0.03
NABINAGAR POWER PROJECT	Merit	2.36	345.65
M.B.POWER	Merit	2.36	582.46
LALITPUR	Merit	3.35	1,950.87
BEPL KUNDRAKHI	Merit	3.54	74.01
FGUTPS-1	Merit	3.55	188.63
KHTPS-2	Merit	2.58	161.71
LARA STPS-I	Merit	2.59	4.05
FGUTPS-4	Merit	3.58	219.99
HARDUAGANJ EXT. Stage II	Merit	3.60	698.09
KHTPS-1	Merit	2.64	52.74
FGUTPS-2	Merit	3.62	131.47
FGUTPS-3	Merit	3.71	66.36
BEPL MAQSOODAPUR	Merit	3.75	78.24
BEPL UTRAULA	Merit	3.75	78.35
BEPL BARKHERA	Merit	3.85	80.45
BEPL KHAMBHAKHERA	Merit	3.85	80.48
TANDA TPS	Merit	3.90	359.68
KSK MAHANADI	Merit	3.07	812.77
HARDUAGANJ EXT.	Merit	4.09	512.94
PARICHHA EXT.	Merit	4.19	381.14

6.5.34. As mentioned in the Business Plan Order, it is again reiterated that that it can be inferred that the existing contracts entered into by the Petitioners are adequate for meeting the consolidated connected load and power purchase till 2024-25. Also, the alternative options for purchase of power through

exchange during contingency or when the power purchase from exchange is financially viable are there. The Commission in its Order dated July 09, 2019 in Petition No. 1478/2019 has passed directions to the Licensees on power purchase planning as quoted below:

Quote

27. In view of the above, the Commission directs that UPPCL and its Discoms should: -

a) *Procure/ contract long term renewable power through competitive bidding process to meet their renewable power obligations keeping in view the lead time in setting up different types of renewable power plants. If there is any unmet load demand even after meeting the RPO, it should be met preferable form large Hydro sources, if available.*

b) *In case the economics justifies and when the battery prices fall below per MW cost of setting up a new TPP with evacuation system. Discoms may consider contracting some capacity from the battery storage- based power plants located near load canters to meet their short duration peak demand.*

c) *Since sufficient long – term capacity PPAs have already been contracted with coal based TPPs to meet the projected demand till FY2027, no new long term PPA with coal based thermal power plant should be contracted till Dec, 2022 by UPPCL or its Discoms, Commission will review the capacity & energy demand; and its availability status in Dec, 2022 to reassess the need for any new long term PPA with coal based thermal power plant keeping in view 54 months gestation period required.*

d) *Petitioner will have full liberty to procure short term seasonal peak power from power exchanges or Govt. of India DEEP portal or through bilateral banking arrangement will other States' Discoms.*

Unquote

6.5.35. The power purchase is being done by the Petitioners considering the above directions as approval for purchase of power through short term. It is clarified that the above directions are provided from the perspective of taking benefit of low-price prevailing in short term power market (including exchange or bilateral mode). It is pertinent to give clarification that no approval will be required for purchasing power through exchange or to fulfil contingent requirements, however for all other purchases, prior approval of the Commission is required. The Licensees are also required to strictly follow the

Central Government Guidelines for Procurement of power for short term (i.e., for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal.

BULK SUPPLY TARIFF (BST)

6.5.36. The PGCIL charges as submitted by the Licensees is Rs. 4,134.35 Crore. The Licensees also claimed the WUPPTCL, SUEPPTCL, and Case-I transmission charges of for FY 2022-23 as shown below:

TABLE 6-42 PROPOSED TRANSMISSION CHARGES FOR FY 2022-23

Transmission Charges	Petitioner's Submission
PGCIL Charges	4,134.35
WUPPTCL Charges	919.62
SEUPPTCL Charges	316.99
Case-I Transmission Charges	840.32
Sub-Total	**6,211.28**

6.5.37. The Commission has gone through the submission of the Petitioners and approves the transmission charges as claimed by the Petitioners for FY 2022-23. The actual Inter-State transmission charges for FY 2022-23 would only be allowed as pass through during True-Up, subject to prudence check by the Commission.

6.5.38. The Commission has determined the bulk supply rate by dividing the power purchase cost including PGCIL charges so computed considering the energy input (MU) at transmission-distribution interface. Accordingly, the Commission has approved the bulk power supply tariff for FY 2022-23 as given in the Table below:

TABLE 6-43: BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS AS APPROVED BY THE COMMISSION FOR FY 2022-23

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Power Purchase Required & Billed Energy (MU) (Ex Bus)	A	1,26,526.89	1,21,473.44
Purchase from Inter-State Source (MU)	B	-	42,676.24
Interstate Transmission Loss (%)	C	1.27%	3.47%
Energy Available at State periphery from Inter-State Source (MU)	D=B*(1-C)	-	41,195.38
Energy Available at State periphery from Intra-State Source (MU)	E	-	78,797.20

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Net Energy Available at State periphery for Transmission (MU)	F=D+E	1,24,918.15	1,19,992.58
Intra -State Transmission losses %	G	3.27%	3.27%
Net Energy Input at Discoms end i.e., Transmission-Distribution Interface for Retail Sales (MU)	H=F*(1-G)	1,20,833.32	1,16,068.82
Power Purchase Cost (Rs. Cr.)	I	58,082.97	57,595.62
Total transmission charges excluding UPPTCL charges (Rs. Crore) (J=J1+J2+J3+J4)	J	6,211.28	5,927.71
PGCIL Charges (J1)	J1	4,134.35	3850.79
Case-I Transmission Charges (J2)	J2	840.32	840.32
WUPPTCL Charges (J3)	J3	919.62	919.62
SEUPPTCL Charges (J4)	J4	316.99	316.99
Total Power Procurement Cost (Rs. Cr.)	K=I+J	64,294.25	63,523.33
APPC (including Renewables, excluding Transmission Charges) (Ex Bus) (Rs./Unit)	**L=I/A*10**	**4.59**	**4.74**
APPC (excluding Renewables & Transmission Charges) (Ex Bus) (Rs./Unit)	M=(I-Q)/(A-P)*10	-	**5.18**
Bulk Supply Tariff (BST) (Rs./Unit)	N=(K/H)*10	**5.32**	**5.47**
BST excluding WUPPTCL & SEUPPTCL Charges (Rs./Unit)	O=((K-J3-J4)/H)*10	-	**5.37**
Power purchase from Renewable Sources (MU)	P	-	13,817.86
Power Purchase Cost from Renewable Sources (Rs. Cr.)	Q	-	4,863.55

TABLE 6-44: APPC CLAIMED BY THE PETITIONERS AND COMPUTED BY THE COMMISSION

Particulars	Derivation	Petitioner's Submission	Approved
Total Power Purchase (Mus)	A	126526.89	121473.44
Total Fixed Charges (Rs. Crore)	B	26694.75	26694.75
Fixed Charges (Rs. /Unit)	C=B/A	2.11	2.20
Total Energy Charges (Rs. Crore)	D	31,370.05	30,900.87
Energy Charges (Rs. / Unit)	E=D/A	2.48	2.54
Total Power Purchase Cost (Rs. Crore)	**F=B+D**	**64,276.07**	**63,523.33**
Average Power Purchase Cost (Rs./ Unit)	**G=F/A**	**5.08**	**5.23**

6.5.1. It has been observed form above table that APPC claimed by the Petitioners is Rs. 5.08 whereas approved by the Commissions is Rs. 5.23. The Petitioners have computed the total power purchase requirement of 126,526.89 MUs considering the consolidated distribution loss for all five Discoms as 17.05%. However, the Commission has considered consolidated distribution loss, as approved in the Business Plan Order dated October 26, 2020, as 10.67%. Also, the impact of transmission losses as discussed as above is also there. As result of these factors total power purchase requirement comes out to be 1,21,473.44 MUs. As result of this the total fixed cost has to be recovered from lower number of units than the units that have been considered by the Petitioners. Therefore, the APPC claimed by the Petitioners is lower than the approved by the Commission resulting in higher BST approval.

6.5.2. The Commission has approved total power purchase cost of Rs. 63,523.33 Crore against claim of Rs. 64,276.07 Crore. The Commission has taken sales as approved above however, while approving the Power Purchase the Commission has considered distribution loss trajectory as approved in the Business Plan Order.

6.5.3. The Commission has considered solar, non-solar (wind, bagasse cogen / captive plant), small hydro plants (Singrauli, Belka, Babail, Sheetla & Dhukwan SHPs) for computation of CERC APPC of Rs. 4.90 / unit. Accordingly, BST of Rs. 5.47 / unit & APPC of Rs. 4.74 / unit is approved for FY 2022-23.

DIFFERENTIAL BULK SUPPLY TARIFF

6.5.4. As discussed in power purchase section of the True-Up Chapter above, considering the Order dated December 13, 2018, the Commission has approved DBST for FY 2022-23 for allocation of power purchase cost among the State Discoms. The DBST for FY 2022-23 for various State Discoms is shown in the Table below:

TABLE 6-45: DIFFERENTIAL BULK SUPPLY TARIFF FOR STATE OWNED DISCOMS FOR FY 2022-23

S. No.	Particulars	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs. Cr.)	A	17,238.22	16,992.85	24,948.48	17,849.59	3,017.49	80,046.63
2	Energy Sales (MU)	B	22,522.66	21,703.77	32,170.00	23,522.34	3,767.37	1,03,686.15
3	**Power Procurement Cost**							

S. No.	Particulars	Formulae	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
A1	Power Procurement Cost - Allocated and Unallocated PPAs (Rs. Cr.)							57,595.62
A2	Inter State Transmission Charges (Rs. Cr.)							5927.71
A1+A2	Total Power Procurement Cost excluding Intra-State Transmission Charges (Rs. Cr.)	C						63523.33
4	Power Procurement cost of Allocated PPAs (Rs. Cr.)	D	2089.50	2224.95	3802.52	2224.95	135.45	10,477.36
5	Total Power Required at Discom Periphery (MU)	E	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32	1,16,068.82
6	Power at Discom Periphery from allocated PPAs (MU)	F	3996.12	4210.89	7132.63	4210.89	214.78	19,765.30
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	3,108.00	3,308.26	3,538.22	4,084.17	513.82	14,552.47
8	ABR (Rs/ Unit)	H=(A/B)*10	7.65	7.83	7.76	7.59	8.01	7.72
9	Other Cost (Rs/Unit of Sale)	I=G*10/B	1.38	1.52	1.10	1.74	1.36	1.40
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	J=D*10/B	0.93	1.03	1.18	0.95	0.36	1.01
B	Unallocated PPAs per unit of sale	K=(C-D)*10/B	5.12					
11	Revenue available for unallocated PPAs (Rs./unit of sale)	L=H-I-J	5.35	5.28	5.47	4.91	6.29	5.31
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	5.15	5.09	5.28	4.73	6.06	5.12
13	Total Power Purchase cost per unit of sale including allocated PPAs	N=J+M	6.08	6.12	6.46	5.68	6.42	6.13
14	Total Power Purchase Cost (Rs Cr)	O=N*B/10	13,698.90	13,274.08	20,779.50	13,352.01	2,418.83	63,523.33
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	P	5.23	5.28	5.33	5.28	6.31	5.30
16	DBST Computation of Unallocated PPAs	Q=M*B/(E-F)	5.46	5.50	5.88	5.01	5.88	5.51
17	**DBST of total PPAs**	**R=O*10/E**	**5.42**	**5.47**	**5.77**	**5.06**	**5.90**	**5.47**

6.5.5. Considering the above, the allowable power purchase cost for FY 2022-23 approved by the Commission is shown in the Table below:

TABLE 6-46: POWER PURCHASE COST APPROVED BY COMMISSION FOR FY 2022-23

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase (Energy Input into Transmission-Distribution Interface)	MU	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32	1,16,068.82
DBST Rate	Rs/kWh	5.42	5.47	5.77	5.06	5.90	5.47
Allowable Power Purchase Cost	**Rs Crore**	**13,698.90**	**13,274.08**	**20,779.50**	**13,352.01**	**2,418.83**	**63,523.33**

TABLE 6-47: APPROPRIATION OF POWER PURCHASE APPROVED BY COMMISSION FOR FY 2022-23

Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under Fuel Surcharge Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	Mus	VC (Rs. Cr.)
April	**5,851.83**	Long Term	5729.70	2065.37	1171.81	3237.18	4646.50	943.08
		RE-Solar (A)	385.09	0.00	143.90	143.90		
		RE-Non-Solar (B)	725.62	0.00	248.11	248.11		
		RE (A+B)	1110.71	0.00	392.01	392.01		
		Others	15.30	2.24	2.21	4.45		
		Total	**6855.71**	**2067.61**	**1566.03**	**3633.64**	**4646.50**	**943.08**
May	**11,735.21**	Long Term	12577.53	2065.37	3405.04	5470.41	10772.24	2974.30
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	399.00	0.00	149.02	149.02		
		RE-Non-Solar (B)	756.03	0.00	258.45	258.45		
		RE (A+B)	1155.04	0.00	407.47	407.47		
		Others	15.81	2.24	2.28	4.52		
		Total	**13748.37**	**2067.61**	**3814.80**	**5882.41**	**10772.24**	**2974.30**
June	**12,111.91**	Long Term	13063.69	2065.37	3605.27	5670.64	10867.79	3093.21
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	385.09	0.00	143.90	143.90		
		RE-Non-Solar (B)	725.62	0.00	248.11	248.11		

Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under Fuel Surcharge Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	Mus	VC (Rs. Cr.)
		RE (A+B)	1110.71	0.00	392.01	392.01		
		Others	15.30	2.24	2.21	4.45		
		Total	**14189.70**	**2067.61**	**3999.49**	**6067.10**	**10867.79**	**3093.21**
July	12,700.40	Long Term	13715.60	2065.37	3657.55	5722.92	11405.59	3140.75
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	397.93	0.00	148.70	148.70		
		RE-Non-Solar (B)	749.81	0.00	256.38	256.38		
		RE (A+B)	1147.73	0.00	405.08	405.08		
		Others	15.81	2.24	2.28	4.52		
		Total	**14879.14**	**2067.61**	**4064.91**	**6132.52**	**11405.59**	**3140.75**
August	13,218.61	Long Term	14322.71	2288.50	3769.13	6057.63	11929.03	3227.94
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	397.93	0.00	148.70	148.70		
		RE-Non-Solar (B)	749.81	0.00	256.38	256.38		
		RE (A+B)	1147.73	0.00	405.08	405.08		
		Others	15.81	2.24	2.28	4.52		
		Total	**15486.26**	**2290.75**	**4176.49**	**6467.24**	**11929.03**	**3227.94**
September	12,608.33	Long Term	13606.64	2288.50	3538.25	5826.75	11520.90	3073.58
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	405.61	0.00	150.06	150.06		
		RE-Non-Solar (B)	743.73	0.00	254.13	254.13		
		RE (A+B)	1149.34	0.00	404.19	404.19		
		Others	15.30	2.24	2.21	4.45		
		Total	**14771.28**	**2290.75**	**3944.65**	**6235.39**	**11520.90**	**3073.58**
October	6,312.33	Long Term	6191.75	2288.50	1252.41	3540.91	4635.80	885.44
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	419.13	0.00	155.06	155.06		
		RE-Non-Solar (B)	768.52	0.00	262.60	262.60		
		RE (A+B)	1187.65	0.00	417.66	417.66		
		Others	15.81	2.24	2.28	4.52		
		Total	**7395.21**	**2290.75**	**1672.35**	**3963.10**	**4635.80**	**885.44**
November	5,234.58	Long Term	4967.93	2288.50	961.42	3249.92	4085.16	759.54

Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under Fuel Surcharge Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	Mus	VC (Rs. Cr.)
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	405.61	0.00	150.06	150.06		
		RE-Non-Solar (B)	743.73	0.00	254.13	254.13		
		RE (A+B)	1149.34	0.00	404.19	404.19		
		Others	15.30	2.24	2.21	4.45		
		Total	**6132.57**	**2290.75**	**1367.82**	**3658.56**	**4085.16**	**759.54**
December	**5,915.75**	Long Term	5733.97	2288.50	1143.74	3432.24	4882.46	946.51
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	412.30	0.00	151.47	151.47		
		RE-Non-Solar (B)	768.52	0.00	262.60	262.60		
		RE (A+B)	1180.82	0.00	414.07	414.07		
		Others	15.81	2.24	2.28	4.52		
		Total	**6930.60**	**2290.75**	**1560.09**	**3850.83**	**4882.46**	**946.51**
January	**5,931.13**	Long Term	5734.55	2288.50	1140.69	3429.19	4894.42	947.03
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	429.73	0.00	158.24	158.24		
		RE-Non-Solar (B)	768.52	0.00	262.60	262.60		
		RE (A+B)	1198.25	0.00	420.84	420.84		
		Others	15.81	2.24	2.28	4.52		
		Total	**6948.61**	**2290.75**	**1563.81**	**3854.56**	**4894.42**	**947.03**
Feburary	**5,918.62**	Long Term	5837.39	2288.50	1184.99	3473.49	5112.44	1025.56
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	388.15	0.00	142.93	142.93		
		RE-Non-Solar (B)	694.14	0.00	237.19	237.19		
		RE (A+B)	1082.29	0.00	380.12	380.12		
		Others	14.28	2.24	2.06	4.30		
		Total	**6933.96**	**2290.75**	**1567.17**	**3857.91**	**5112.44**	**1025.56**
March	**6,147.45**	Long Term	5987.98	2386.85	1180.14	3566.99	5101.85	980.62
		Medium Term	0.00	0.00	0.00	0.00		
		Short Term	0.00	0.00	0.00	0.00		
		RE-Solar (A)	429.73	0.00	158.24	158.24		
		RE-Non-Solar (B)	768.52	0.00	262.60	262.60		

Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under Fuel Surcharge Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	Mus	VC (Rs. Cr.)
		RE (A+B)	1198.25	0.00	420.84	420.84		
		Others	15.81	2.24	2.28	4.52		
		Total	**7202.04**	**2389.09**	**1603.27**	**3992.36**	**5101.85**	**980.62**

6.5.6. As per MOD Regulations the MOD stack has to be prepared on fortnightly basis. The relevant extract of the Regulation is as under:

Quote

5. PERIODICITY AND DATE OF PREPARATION OF MOD STACK

(1) The Generating Company shall furnish variable charges of the immediate preceding (n-l)th month by first day and 15th day of every month to Distribution Licensees for the purposes of MOD.

(2) The Distribution Licensee shall verify and submit the details of variable charges of all the Generating Stations/ units from which they are procuring power for preparing the MOD stack based on Variable Charge of (n-l)th month. In case the Variable Charge of immediately preceding month is not available, the Variable Charge for (n-2)th month needs to be considered and submitted to SLDC for preparation of the MOD Stack by the 7th day and 22nd day of every month with intimation to the seller with whom it has the PPA.

(3) SLDC shall prepare the MOD Stack by the 12th day of every month for the data it has received by 7th day of the month, which would be effective from the 16th day of the month till the last day of the month unless revised by SLDC. SLDC shall upload the fortnightly MOD Stack on its website in the format given at Annexure-I by 15:00 hours on 12th of every month.

(4) Similarly, SLDC shall prepare the MOD Stack by the 27th day of every month for the data it has received by 22nd day of every month, which would be effective from the 1st day of every subsequent month till the 15th day of that month unless revised by SLDC. SLDC shall upload the fortnightly MOD Stack on its website in the format given at Annexure-I by 15:00 hours on the 27th day of every month.

Unquote

6.5.7. The Commission vide TVS MoM dated April 18, 2022 asked the Petitioners to submit the month-wise as well as fortnightly details of power purchase for FY

2022-23 for determination of MOD and Fuel Surcharge. In response to the Commission's query the Petitioners submitted that the bills submitted by various Generators are raised on monthly basis. The projections are carried out on the basis of monthly PLF of the generator based on last 5 years' data. Therefore, the data available for projections for FY 2022-23 is on monthly basis.

6.5.8. As per the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission), (First Amendment) Regulations, 2020 (MYT First Amendment Regulations, 2020) provides that the Fuel Surcharge shall be computed and charged on the basis of variation in actual variable cost of the approved power sources having two-part Tariff and having Fuel as source of energy. Accordingly, monthly True Up of power purchase for the sources covered under the above Regulation will be done to determine the allowable amount to recovered in the form of Fuel Surcharge. However, as per UPERC (Merit Order Despatch and Optimization of Power Purchase) Regulations, 2021, the MOD stack has to be prepared on fortnightly basis. Thus, there will be an issue in monthly Truing Up for determination of Fuel Surcharge. Taking into consideration the above, the Commission directs the Petitioners that for the purpose of determination of Fuel Surcharge, the Commission is approving the monthly energy sales and variable cost provided in the above Table. The Petitioner shall divide the monthly energy approved by the Commission in two equal halves. The Fuel Surcharge for the first half will be determine based on the MOD stack prepared for the first fortnight and the Fuel Surcharge for the second half will be determine based on the MOD stack prepared for the second fortnight. In case of any data not available explicitly in the Tariff Order, may be computed on prorate basis using monthly and yearly approvals. The Fuel Surcharge mechanism takes care of the cash flow of the Petitioners, however all variations, exclusions etc., will be taken care in the True Up.

6.5.9. The Fuel Surcharge for the complete month will be determine as the sum of fortnightly Fuel Surcharge as determined above. Category / Sub-Category – wise Fuel surcharge to be charged as provided in Regulation 16.4 of MYT First Amendment Regulations, 2020.

6.6. INTRA STATE TRANSMISSION CHARGES

Petitioner's Submission

6.6.1. The Petitioners have submitted the proposed intra State transmission charges that have been computed at the intra-State transmission rate approved by the Commission in the Tariff Order for FY 2021-22 dated July 29, 2021, as shown in the Tables below:

TABLE 6-48: TRANSMISSION CHARGES AS SUBMITTED BY STATE DISCOMS FOR FY 2022-23

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units Wheeled (MUs)	27,429.00	25,399	36,574.36	27,494.71	3,935.77	1,20,832.84
Transmission Rate (Approved in the Tariff Order for FY 2020-21 dated 11.11.2020) (Rs./Unit)	0.24	0.24	0.24	0.24	0.24	0.24
Transmission Charges (Rs. Crore)	**664.06**	**614.92**	**885.47**	**665.65**	**95.28**	**2925.37**

Commission's Analysis

6.6.2. The Commission has approved the Intra-State transmission charges for FY 2022-23 based on the energy delivered as approved in the energy balance above and the intra-State transmission rate approved by the Commission in the Tariff Order of UPPTCL for FY 2022-23, as shown in the Tables below:

TABLE 6-49: TRANSMISSION CHARGES AS APPROVED BY THE COMMISSION FOR FY 2022-23

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units delivered to Discoms (MU)	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32	1,16,068.83
Transmission Rate (Approved in the UPPTCL Tariff Order for FY 2022-23) (Rs./kWh)	0.2465	0.2465	0.2465	0.2465	0.2465	0.2465
Transmission Charges (Rs. Crore)	**623.14**	**598.67**	**887.36**	**651.02**	**101.08**	**2861.27**

6.7. O&M EXPENSES

Petitioner's Submission

6.7.1. Operation and Maintenance (O&M) expenses comprise of employee related costs, A&G expenses and R&M expenditure. The Petitioners' submissions on each of the heads of O&M expenditure for FY 2020-21, and the Commission's analysis on truing up of the O&M expenditure heads have been discussed in the subsequent paragraphs.

6.7.2. Regulation 45 of Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019, stipulates the

methodology for consideration of the O&M Expenses, wherein such expenses are linked to the inflation index determined under these Regulations. The relevant extract of the Regulations is as follows:

Quote

45. Operation & Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values (without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated years-on-year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

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.

e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by 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.:

EMPn= EMPn-1 × (1+ CPI inflation)

Where:

EMPn: Employee expense for the nth year;

EMPn-1: Employee expense for the (n-1)th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

R&Mn= R&Mn-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for the 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.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

A&Gn= A&Gn-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: Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) th year will be FY 2019-20 which is also the base year.

Unquote

6.7.3. The Petitioners further submitted that the Commission disallowed the O&M expenses claimed by Petitioners in Tariff Order dated November 11, 2020 for ARR of FY 2020-21 owing to the following:

(i) The Commission has arrived at the mid-year (FY 2016-17) value of each component of O&M expenses based on the average of last 5 years trued-up values of FY 2014-15 to FY 2018-19. The mid-year value of each component of O&M expenses has been escalated year on year with the escalation factor considering Consumer Price Index (CPI) and Whole-sale Price Index (WPI) of respective years in the ratio 60:40, for subsequent years up to FY 2019-20.

(ii) Accordingly, the Commission computed the O&M expenses of the base year which escalated at Inflation / Escalation rate notified by Labour Bureau, Govt. of India (http://labourbureau.gov.in/LBO_indexes.htm) and Economic Advisor Govt. of India (https://eaindustry.nic.in/) respectively for different years. Accordingly, the Commission has computed the average WPI and CPI inflation of the last 3 years (average) at 2.96% and 5.35%, respectively.

(o) In terms of this methodology: -

(iii) Employee expenses for FY 2020-21 have been computed by escalating the base year (FY 2019-20) employee expenses by average CPI inflation of last 3 years.

(iv) The A&G expenses (including Finance Charges) and R&M expenses for FY 2020-21 have been computed by escalating the base year (FY 2019-20) by average WPI inflation of last 3 years.

6.7.4. It is submitted that O&M expenses comprise of employee related costs, A&G expenses and R&M expenditure. The Petitioners intend to recover their legitimate actual O&M expenses and do not intend to get any additional benefit out of the same.

6.7.5. The Petitioners submitted that the O&M expenses allowed by the Commission are insufficient to cover the actual cost / impact of O&M expenses likely to be incurred by the Petitioners. As such, the methodology adopted by the

Commission will lead considerable loss to the Petitioners whose financial condition is already precarious and stressed.

6.7.6. Further, the O&M expenses are computed on normative basis in terms of the norms prescribed under the Tariff Regulations. It is submitted that the methodology prescribed by the Commission for computation of normative O&M expenses is significantly different in MYT Regulations, 2019 as compared to the methodology provided under the erstwhile regime i.e., MYT Regulations, 2014. Under MYT Regulations, 2014 computation of O&M expenses was based on the trajectory of norms derived on average of past five years audited figures. It is noteworthy that the draft MYT Regulations, 2019 issued by the Commission also had similar provisions for computation of O&M expenses. However, in the final MYT Regulations, 2019, the Commission has completely changed the methodology and adopted a completely new methodology for computation of O&M expenses, which is based on escalation factor considering CPI and WPI based on the average of last 5 years Trued-Up values (that too without consideration of efficiency gain / loss on O&M expenses). Such a change was affected without giving any opportunity to the stakeholders including the Petitioners to submit their suggestions/objections on the same.

6.7.7. The Petitioners submitted that the new approach adopted by the Commission will result in substantial losses to the Petitioners as it is likely that the Petitioners will not be able to meet its regular expenses including employee costs, A&G and R&M expenses.

6.7.8. The Petitioners submitted that owing to the implementation of the Government's Saubhagya Scheme in the last three financial years (i.e., FY 2017-18 onwards), Petitioners have added a significant consumer base leading to an increase in load, extension of LT Network and backbone distribution infrastructure, which leads to a significant increase in O&M expenses.

6.7.9. As deliberated above, computation of O&M expenses as per the methodology provided in the MYT Regulations, 2019 will cause severe financial hardship to the Petitioners.

6.7.10. The Petitioners submitted that since the Commission has already trued up the O&M expenses for FY 2019-20, the same shall be considered as the base value rather than deriving the base value for FY 2019-20 as stipulated in Regulation 45 of MYT Regulations, 2019. The Commission while truing-up for FY2019-20

has Trued-up O&M expenses for FY 2019-20. However, while computing the O&M expenses in the Tariff Order dated July 29, 2021 has computed the base year value (FY 2019-20) which is less than the approved O&M expenses, as shown in the Table below:

TABLE 6-50: TRUED UP AND BASE YEAR O&M EXPENSES FOR FY 2019-20 (RS.CRORE)

Particulars	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Total (in Crore)
Trued-up O&M expenses	1,193.06	1,433.57	1,360.66	1,804.31	246.43	6,038.03
Computed O&M expenses	1,038.11	1,256.36	1,117.22	1,,528.79	239.36	5179.84

6.7.11. The Petitioners submitted that it can be perceived from the above Table that the Commission has estimated two different O&M expenses for the same year. Thus, the Petitioners has considered the Trued-Up value for FY 2019-20 as a base value for the escalation of normative O&M expenses for FY 2020-21 as per the MYT Regulations, 2019.

6.7.12. The Petitioners requested the Commission to allow the O&M expenses as proposed in the Tariff Petitions, which is based on the Trued-up O&M Expenses for FY 2019-20 and considering the applicable CPI escalation factors (for Employee Expenses) and WPI escalation factors (for R&M and A&G Expenses) for FY 2020-21, FY 2021-22 and FY 2022-23.

6.7.13. The Petitioners further submitted that, the Commission has also issued the Uttar Pradesh Electricity Regulatory Commission (Standard of Performance) Regulation, 2019 dated December 16, 2019 wherein stringent norms for Standards of Performance are to be followed by the Distribution Licensee for providing various services to the consumers in a time bound manner failing which the Distribution Licensee is required to pay compensation.

6.7.14. Therefore, while the Commission has laid down stringent Standards of Performance which can only be complied with by enhancing the office and field workforce, implementation of various IT & Automation systems etc. entailing more expenditure on employees, R&M and A&G expenses the prescribed norms for approval of O&M expenses are such that even the existing manpower and facilities cannot be retained.

6.7.15. The Petitioners submitted that these expenses are over and above the normative expense trajectory followed by the Commission. They requested the Commission to allow a separate provision to reduce the hardship on account of the O&M expenses.

6.7.16. Therefore, the Petitioners requested the Commission to allow the O&M expenses by considering the methodology of the Petitioners.

WPI AND CPI ESCALATION RATES

6.7.17. The Petitioners submitted that they have calculated the inflation index based on the weighted average index of WPI and CPI. The WPI and CPI index has been considered, as available on the website of Economic Advisor and Ministry of Labour Bureau, Govt. of India respectively. The summary of WPI & CPI Escalation rate is shown in table below:

TABLE 6-51: INFLATION INDEX AS SUBMITTED BY THE PETITIONERS

Financial Year	Index		Inflation rate		Average of Last 3 Years	
	WPI	CPI	WPI	CPI	WPI	CPI
FY 2017-18	114.88	284.42	2.92%	3.08%		
FY 2018-19	119.79	299.92	4.28%	5.45%		
FY 2019-20	121.83	322.50	1.70%	7.53%	2.97%	5.35%
FY 2020-21	123.38	338.71	1.27%	5.03%	2.42%	6.00%
FY 2021-22	137.69	353.40	4.86%	5.63%	4.86%	5.63%

Employee expense

6.7.18. The Petitioners submitted that it has projected the employee expenses based on the employee expenses computed in APR. The computation for the same is shown below:

TABLE 6-52: COMPUTATION OF EMPLOYEE EXPENSES SUBMITTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	787.10	5.63%	831.42

TABLE 6-53: COMPUTATION OF EMPLOYEE EXPENSES SUBMITTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	1,126.54	5.63%	1,189.98

TABLE 6-54: COMPUTATION OF EMPLOYEE EXPENSES SUBMITTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	903.86	5.63%	954.76

TABLE 6-55: COMPUTATION OF EMPLOYEE EXPENSES SUBMITTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Particular	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	998.08	5.63%	1,054.29

TABLE 6-56: COMPUTATION OF EMPLOYEE EXPENSES SUBMITTED BY KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
Employee Expenses	167.75	5.63%	177.20

6.7.19. Further, the Capitalisation has projected based on same ratio of employee expenses capitalisation and employee for FY 2020-21 (True-up year). Accordingly, employee expenses and its capitalisation determined for FY 2022-23 is shown in table below:

TABLE 6-57: EMPLOYEE EXPENSE SUBMITTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses after escalation	831.42
2	Less: Employee Expenses capitalized	427.65
3	**Net Employee Expenses**	403.77

TABLE 6-58: EMPLOYEE EXPENSE SUBMITTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	1,189.98
2	Less: Employee Expenses capitalized	644.56
3	**Net Employee Expenses**	545.42

TABLE 6-59: EMPLOYEE EXPENSE SUBMITTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	954.76
2	Employee Expenses Capitalised	310.15
3	**Net Employee Expenses**	644.61

TABLE 6-60: EMPLOYEE EXPENSE SUBMITTED BY PUVVNL FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	1,054.29
2	Less: Employee Expenses capitalized	240.63
3	**Net Employee Expenses**	813.66

TABLE 6-61: EMPLOYEE EXPENSE SUBMITTED BY KESCO FOR FY 2022-23 (RS. CRORE)

S. No.	Particulars	Petitioner's Submission
1	Gross Employee Expenses	177.20
2	Less: Employee Expenses capitalized	6.94
3	**Net Employee Expenses**	170.26

TABLE 6-62: CONSOLIDATED EMPLOYEE EXPENSE SUBMITTED BY THE PETITIONERS FOR FY 2022-23 (RS. CRORE)

S. No.	Particulars	Petitioner's Submission
1	Gross Employee Expenses	4,207.66
2	Less: Employee Expenses capitalized	1,629.93
3	**Net Employee Expenses**	2,577.72

TABLE 6-63: SUMMARY OF EMPLOYEE EXPENSE OF THE PETITIONERS FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)	Employee Expenses capitalized	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	787.1	5.63%	831.42	427.65	403.77
MVVNL	1,126.54	5.63%	1,189.98	644.56	545.42
PVVNL	903.86	5.63%	954.76	310.15	644.61
PuVVNL	998.08	5.63%	1054.29	240.63	813.66
KESCO	167.75	5.63%	177.2	6.94	170.26
Consolidated (5 Discoms)	**3983.33**	**5.63%**	**4207.65**	**1629.93**	**2577.72**

Administrative & General expenses

6.7.20. The Petitioners submitted that it has projected their A&G Expenses for FY 2022-23 as shown in table below:

TABLE 6-64: A&G EXPENSES SUBMITTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	126.95	4.86%	133.11

TABLE 6-65: COMPUTATION A&G EXPENSES AS SUBMITTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	322.82	4.86%	338.50

TABLE 6-66: COMPUTATION A&G EXPENSES SUBMITTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	624.5	4.86%	654.84

TABLE 6-67: COMPUTATION A&G EXPENSES SUBMITTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	173.93	4.86%	182.38

TABLE 6-68: COMPUTATION A&G EXPENSES AS SUBMITTED BY KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
A&G Expenses	27.51	4.86%	28.85

6.7.21. Accordingly, Net R&M Expenses determined for FY 2022-23 is shown in table below:

TABLE 6-69: A&G EXPENSES SUBMITTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

S. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses after escalation	133.11
2	Less: A&G expenses capitalized	-
3	**Net A&G expenses**	133.11

TABLE 6-70: A&G EXPENSES SUBMITTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

S. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	338.50
2	Less: A&G expenses capitalized	-
3	**Net A&G expenses**	338.50

TABLE 6-71: A&G EXPENSES SUBMITTED BY PVVNL FOR FY 2022-23

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	181.32
2	Less: A&G expenses capitalized	-
3	**Net A&G expenses**	181.32

TABLE 6-72: A&G EXPENSES SUBMITTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	182.38
2	Less: A&G expenses capitalized	-
3	**Net A&G expenses**	182.38

TABLE 6-73: A&G EXPENSES SUBMITTED BY KESCO FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	28.85
2	Less: A&G expenses capitalized	-
3	**Net A&G expenses**	28.85

TABLE 6-74: CONSOLIDATED A&G EXPENSES AS SUBMITTED BY THE PETITIONERS FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	864.16
2	Less: A&G expenses capitalized	0.00
3	**Net A&G expenses**	864.16

TABLE 6-75: SUMMARY OF A&G EXPENSES OF THE PETITIONERS FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)	Employee Expenses capitalized	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	126.95	4.86%	133.11	0.00	133.11
MVVNL	322.82	4.86%	338.5	0.00	338.50
PVVNL	624.5	4.86%	654.84	0.00	654.84
PuVVNL	173.93	4.86%	182.38	0.00	182.38
KESCO	27.51	4.86%	28.85	0.00	28.85
Consolidated	1275.71	4.86%	1337.68	0.00	1337.68

Repair and Maintenance expenses

6.7.22. The Petitioners submitted that it has projected their R&M Expenses for FY 2022-23 as shown in table below:

TABLE 6-76: COMPUTATION R&M EXPENSES SUBMITTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	575.25	4.86%	603.20

TABLE 6-77: COMPUTATION R&M EXPENSES SUBMITTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	387.37	4.86%	406.19

TABLE 6-78: COMPUTATION R&M EXPENSES SUBMITTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	624.5	4.86%	654.84

TABLE 6-79: COMPUTATION R&M EXPENSES SUBMITTED BY PUVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	917.29	4.86%	961.85

TABLE 6-80: COMPUTATION R&M EXPENSES SUBMITTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)
R&M Expenses	88.26	4.86%	92.54

TABLE 6-81: R&M EXPENSES SUBMITTED BY DVVNL FOR FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	603.20
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	**603.20**

TABLE 6-82: R&M EXPENSES SUBMITTED BY MVVNL FOR FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	406.19
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	406.19

TABLE 6-83: R&M EXPENSES SUBMITTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	654.84
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	654.84

TABLE 6-84: R&M EXPENSES SUBMITTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	961.85
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	**961.85**

TABLE 6-85: R&M EXPENSES SUBMITTED BY KESCO FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	92.54
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	92.54

TABLE 6-86: CONSOLIDATED R&M EXPENSES AS SUBMITTED BY THE PETITIONERS FOR FY 2022-23 (RS. CRORE)

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	2,718.61
2	Less: R&M expenses capitalized	-
3	**Net R&M expenses**	**2,718.61**

TABLE 6-87: SUMMARY OF R&M EXPENSES OF PETITIONERS FOR FY 2022-23 (RS. CRORE)

Particulars	Claimed in Instant Petition for FY 2021-22	Average CPI Escalation of last 3 years.	Computed (Rs. Cr)	Employee Expenses capitalizeds	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	575.25	4.86%	603.2	0.00	603.20
MVVNL	387.37	4.86%	406.19	0.00	406.19
PVVNL	624.5	4.86%	654.84	0.00	654.84
PuVVNL	917.29	4.86%	961.85	0.00	961.85
KESCO	88.26	4.86%	92.54	0.00	92.54
Consolidated	**2592.67**	**4.86%**	**2718.62**	**0.00**	**2718.61**

Additional O&M for Smart metering OPEX

6.7.23. The Petitioners have submitted that the MoP (GoI) vide their letter dated September 08, 2016, wrote to Forum of Regulators (FOR) about the strategy for roll out of advance metering infrastructure in the States sighting clause 8.4 of the revised National Tariff Policy issued on January 28, 2016 regarding installation and provision of smart meters. Central Electricity Authority (CEA) also reiterated the said clause of revised National Tariff Policy and intimated the Power Secretaries of all the States including State of Uttar Pradesh about technical specification of smart meters. The CEA also asked the States to prepare a detailed plan for installation of smart meters and submit the same to respective State Regulatory Commissions for approval.

6.7.24. The Petitioners submitted that the Commission vide its letter dated May 16, 2018 directed UPPCL to submit the detailed roll out plan of installation of smart meters for the State Discoms of Uttar Pradesh for the approval of the Commission

6.7.25. Further, the Petitioners submitted that in response to the directions of the Commission and letter received from CEA, UPPCL vide its letter dated August 06, 2018 submitted the smart meter roll out plan for the State Discoms under "Opex Model". Under "Opex Model", State Discoms are required to pay monthly fee (arrived at through competitive bidding process conducted by EESL) for each meter reading through Smart Meter to Energy Efficiency Services Limited (EESL), a Government of India company and there is no additional burden of depreciation, interest and return on equity on the consumer towards the cost of Smart Meter. A presentation in this regard was also made at UPERC on September 11, 2018 to address the queries raised by the Commission.

6.7.26. The Commission vide Order dated November 15, 2018 approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh. The operative part of the Commission's Order is reproduced as under:

"Since installation of Smart Meters is a national programme and has produced very encouraging financial returns in private Discoms, the Commission approves the proposed roll out plan of UPPCL and Discoms submitted before the Commission....."

6.7.27. The Petitioners submitted that following is mentioned in the Commission order dated November 15, 2018 at Sl No. 5 of reply of UPPCL.

Quote

DISCOM will pay EESL on OPEX basis as O&M expenditure. The assets will be in the books of EESL till the transfer of assets at the end of project at zero value.

Unquote

6.7.28. Further, the Commission in its Tariff Order FY 2019-20 dated September 03, 2019 at clause no. 6.18.7 has mentioned this expenditure under head of &G expenses as below:

Quote

6.18.7 It may kindly be noted that this type of expenses were not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20. Further, O&M Norms approved by the Hon'ble Commission were based on five year Audited Accounts, which didn't have any O&M expenses towards smart metering. The amount of this additional O&M has been entered as rent in the replies of comments on roll out plan submitted to Hon'ble Commission vide MD, UPPCL letter no. 352/CE(Com-II)/Smart Meter/18 dt. 25.09.2018. Therefore, this expense may be considered under the head of A&G expenses as additional expenses.

Unquote

6.7.29. The Petitioners submitted that the amount sought as 'Additional A&G Expenses for smart metering is payable to EESL to cover cost towards smart meter and box installation, AMI software cost, consumer indexing, training, integration and Commissioning of AMI solution. It may be noted that this cost has been proposed to be recovered under Opex model based on per meter per month basis and there shall be no additional burden of depreciation, interest and return on equity on the consumer.

(a)The same was not envisaged during projection of MYT O&M norms for FY 2017-18 to FY 2019-20 and for the control period 2021-2025.

(b)The normative O&M norms approved by the Commission are based on previous five-year Audited Accounts, which does not include any O&M expenses towards smart metering

6.7.30. Moreover, the Commission's observation that the smart-meter roll out project is a self-sustaining model since the Opex cost to be paid by the licensees will be compensated by overall reduction in O&M cost due to

improved billing and collection efficiency on account of installation of smart meters is debatable since:

(a) It is an attempt to compensate the present additional O&M expenses on account of smart meters Opex with future probable reduction in O&M cost, which may or may not happen. The Commission in its Order dated November 15, 2018 has itself noted that the Petitioners would incur substantial Opex cost (to be paid to EESL) towards implementation of Smart Metering Rollout Plans. Hence, there is no reason to now disallow the said cost.

(b) The approach of compensating the Opex cost with likely savings in billing and collection efficiency is conceptually erroneous. Presently, the tariff is already being determined based on 100% collection efficiency, despite the actual percentage being substantially lower. Therefore, even if billing and collection efficiency increases by installation of smart meters, the same will not have any impact on the tariff of the Petitioners.

6.7.31. The following table summarises the cost of Smart Meters under Opex Model for the Petitioners for FY 2022-23:

TABLE 6-88: SMART METERING OPEX OF DVVNL FOR FY 2022-23

Particulars	Smart Meters installed till March 2022	Smart Meters to be installed till March 2023	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2022-23	1,47,460	14,23,134	101.42	85.08

TABLE 6-89: SMART METERING OPEX OF MVVNL FOR FY 2022-23

Particulars	Smart Meters installed till March 2022	Smart Meters to be installed till March 2023	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2022-23	3,75,849	21,68,467	101.42	139.33

TABLE 6-90: SMART METERING OPEX OF PVVNL FOR FY 2022-23

Particulars	Smart Meters installed till March 2022	Smart Meters to be installed till March 2023	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2022-23	1,98,422	18,09,249	101.42	110.73

TABLE 6-91: SMART METERING OPEX OF PuVVNL FOR FY 2022-23

Particulars	Smart Meters installed till March 2022	Smart Meters to be installed till March 2023	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2022-23	3,19,946	23,23,904	101.42	144.76

TABLE 6-92: SMART METERING OPEX OF KESCO FOR FY 2022-23

Particulars	Smart Meters installed till March 2022	Smart Meters to be installed till March 2023	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2022-23	1,06,422	2,43,692	101.42	20.17

6.7.32. The Petitioners submitted under RDSS the Petitioners will install 10,35,061 smart meters and under EESL scheme, the Petitioners will install 3,88,073 smart meters.

6.7.33. The Petitioners requested the Commission to approve the smart metering OPEX estimated in the above Table.

6.7.34. Based on the above submission, the summary of the O&M projected for FY 2022-23 are shown in the table below:

TABLE 6-93: OPERATION & MAINTENANCE EXPENSES PROJECTED BY DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	603.20
Employee expenses	831.42
Administrative and General expenses	133.11
Gross O&M Expenses	1,567.73
Less:	
Employee expenses capitalized	427.65
Administrative and General expenses capitalized	-
Gross expenses Capitalized	427.65
Smart Meter Opex	85.08
Net O&M Expenses	**1,225.15**

TABLE 6-94: OPERATION & MAINTENANCE EXPENSES PROJECTED BY MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	406.19
Employee expenses	1,189.98

Particulars	Petitioner's Submission
Administrative and General expenses	338.50
Gross O&M Expenses	1,934.68
Less:	
Employee expenses capitalized	644.56
Administrative and General expenses capitalized	-
Gross expenses Capitalized	644.56
Smart Meter Opex	139.33
Net O&M Expenses	1,429.44

TABLE 6-95: OPERATION & MAINTENANCE EXPENSES PROJECTED BY PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	654.84
Employee expenses	954.76
Administrative and General expenses	181.32
Gross O&M Expenses	1,790.91
Less:	
Employee expenses capitalized	310.15
Administrative and General expenses capitalized	-
Gross expenses Capitalized	310.15
Smart Meter Opex	110.73
Net O&M Expenses	1,591.49

TABLE 6-96: OPERATION & MAINTENANCE EXPENSES PROJECTED BY PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	961.85
Employee expenses	1,054.29
Administrative and General expenses	182.38
Gross O&M Expenses	2,198.52
Less:	
Employee expenses capitalized	240.63
Administrative and General expenses capitalized	-
Gross expenses Capitalized	240.63
Smart Meter Opex	144.76

Particulars	Petitioner's Submission
Net O&M Expenses	2,102.64

TABLE 6-97: OPERATION & MAINTENANCE EXPENSES PROJECTED BY KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	92.54
Employee expenses	177.20
Administrative and General expenses	28.85
Gross O&M Expenses	298.59
Less:	
Employee expenses capitalized	6.94
Administrative and General expenses capitalized	-
Gross expenses Capitalized	6.94
Smart Meter Opex	20.17
Net O&M Expenses	311.82

TABLE 6-98: CONSOLIDATED OPERATION & MAINTENANCE EXPENSES PROJECTED BY STATE DISCOMS FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Repair & Maintenance expenses	2,718.61
Employee expenses	4,207.66
Administrative and General expenses	864.16
Gross O&M Expenses	**7,790.43**
Less:	
Employee expenses capitalized	1,629.93
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	1,629.93
Smart Meter Opex	500.05
Net O&M Expenses	**6,660.55**

Commission's Analysis

Smart Metering Opex

6.7.35. As regard to smart metering opex, it is noted that under the OPEX model, Petitioners have mentioned that the cost of Rs 101.42 / Meter / Month (including GST@18%) For FY 2022-23, the Opex Cost for State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO is Rs. 85.08 Crore, Rs. 139.33 Crore Rs. 110.73 Crore, Rs. 144.76 Crore and Rs. 20.17 Crore respectively. The

consolidated Opex Cost towards Smart Metering is Rs. 500.07 Crore, as shown in the Table below:

TABLE 6-99: CONSOLIDATED OPERATION & MAINTENANCE EXPENSES PROJECTED BY STATE DISCOMS FOR FY 2022-23 (RS. CRORE)

Particulars	Smart Meters installed till Mar-2022	Smart Meters installed till Mar-2023	Rate (Rs./meter/month) including GST@18%	OPEX (Rs. Crore)
DVVNL	1,47,460	14,23,134	101.42	85.08
MVVNL	3,75,849	21,68,467	101.42	139.33
PVVNL	1,98,422	18,09,249	101.42	110.73
PuVVNL	3,19,946	23,23,904	101.42	144.76
KESCO	1,06,422	2,43,692	101.42	20.17
Consolidated (5 Discoms)	**11,48,099**	**79,68,446**	**101.42**	**500.07**

6.7.36. The Commission approved the Roll Out plan for Smart Meters vide its Order dated November 15, 2018. The Commission in its Order had observed as follows:

Quote

Acknowledging the advantages of smart metering the Commission has noted that the UPPCL has proposed in improvement in billing efficiency by 5-7% and in the data submitted for 40 lakh meters the maximum billing efficiency has been projected at 85%. In smart metering the meter data has to flow on line in the billing system and if the system works efficiently, why not 100% billing can be ensured. It appears that this important aspect has not been looked into with enough seriousness while giving the projections to the Commission. The smart metering system is a costly solution and unless the value addition is commensurate with the investment the initiation of programme cannot be justified. The Commission feels that at 98% billing efficiency should be ensured in cases where the smart meters have been put up (emphasis added).

Unquote

6.7.37. The Commission approved the roll out plan subject to following conditions:

(i) The Billing efficiency of the consumers having smart meters is not less than 98%

(ii) Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.

6.7.38. Keeping the above in view, since the net improvement in Collection and Billing Efficiency has been envisaged keeping the net consumer tariff (ABR) constant and the Net benefit/gain to the Discoms is without any increase in the consumer tariffs, and the above scheme would be in OPEX mode, it means the scheme is self-sustaining and hence the total cost should stay out of the ARR.

6.7.39. In past, the Commission has approved several schemes for theft reduction and power quality improved like replacement of LT lines with ABC conductor, whose CAPEX was allowed in the ARR considering the merit of the schemes and benefits to Discoms and also considering the fact that the Commission approves a distribution loss trajectory in the ARR, which is lower than the actual losses of the Discoms and such schemes like ABC cables should be allowed to encourage and support the Discoms /utilities efforts to reduce the losses and meet the Commission target.

6.7.40. However, the Smart Meter Rollout scheme is OPEX model and not CAPEX model. With roll out of Smart Meters, the billing and collection efficiency of Discoms will increase thereby reducing the commercial losses. It is expected that the overall O&M cost of the Discoms would also decrease due to improved billing & collection efficiency which would be compensated by the charges paid in OPEX model. Further, since the MYT Regulations, 2019 provide for the O&M expenses on the normative basis, hence the same cannot be allowed as additional O&M expense.

O&M Expenses for State Owned Discoms

6.7.41. Further, the Regulations 45 (b) of MYT Regulations, 2019 provides as follows:

Quote

45. Operation & Maintenance Expenses

a) The Operation and Maintenance expenses for the Distribution Business shall be computed as stipulated in with these Regulations.

b) The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-Up values (without efficiency gain / loss) for the last five (5) financial years ending March 31, 2019 subject to prudence check by the Commission. However, if Trued-Up values (without efficiency gain / loss) are not available for FY 2018-19, then last five (5) available Trued-Up values

(without efficiency gain / loss) will be considered and subsequently when the same are available the base year value (i.e. FY 2019-20) will be recomputed.

c) The average of such operation and maintenance expenses shall be considered as Operation and Maintenance expenses for the middle year and shall be escalated years-on-year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2019-20.

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.

e) At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

45.1 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by 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.:

EMPn= EMPn-1 × (1+ CPI inflation)

Where:

EMPn: Employee expense for the nth year;

EMPn-1: Employee expense for the (n-1)th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

45.2 Repairs and Maintenance Expense

Repairs and Maintenance expense shall be calculated by following formula:

R&Mn= R&Mn-1 (1+ WPI inflation)

Where:

R&Mn: Repairs & Maintenance expense for the 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.

45.3 Administrative and General Expense

A&G expense shall be computed as per the following formula escalated by wholesale price index (WPI) and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Distribution Licensee and validated by the Commission) or other expected one-time expenses:

A&Gn= A&Gn-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: Provided that Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges shall be a part of A&G expenses.

Illustration: For FY 2020-21, (n-1) the year will be FY 2019-20 which is also the base year.

Unquote

6.7.42. The Regulation 45.3 of MYT Regulations, 2019, stipulates that the Interest and Finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges have been considered a part of A&G expenses. Accordingly, the finance charges have been considered as part of the A&G expenses and not approved separately as claimed by the Petitioner.

6.7.43. The Commission has 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 2020-21. Considering the Trued-Up employee expenses, A&G expenses and R&M expenses and inflation indices the Commission has computed O&M expenses for FY 2021-22.

6.7.44. The inflation indices considered by the Commission for FY 2022-23 is shown in the Table below:

TABLE 6-100: INFLATION INDEX FOR FY 2022-23 CONSIDERED BY THE COMMISSION

FY	INDEX		INFLATION RATE		60:40 Index	60:40 Index Inflation	Average of Last 3 Years	
	WPI	CPI	WPI	CPI			WPI	CPI
FY 2013-14	112.46	236.00	5.20%	9.68%	186.58	8.57%		
FY 2014-15	113.88	250.83	1.26%	6.29%	196.05	5.07%		
FY 2015-16	109.72	265.00	-3.65%	5.65%	202.89	3.49%		
FY 2016-17	111.62	275.92	1.73%	4.12%	210.20	3.60%		
FY 2017-18	114.88	284.42	2.92%	3.08%	216.60	3.05%		
FY 2018-19	119.79	299.92	4.28%	5.45%	227.87	5.20%		
FY 2019-20	121.80	322.50	1.68%	7.53%	242.22	6.30%	2.96%	5.35%
FY 2020-21	123.26	338.69	1.20%	5.02%	252.52	4.25%	2.57%	6.00%
FY 2021-22	139.37	355.44	12.46%	4.95%	269.01	6.42%	5.29%	5.83%

6.7.45. The employee expenses for FY 2022-23 are computed by escalating the base year (FY 2021-22) employee expenses by average CPI inflation of last 3 years. The A&G expenses (including Finance Charges) and R&M expenses for FY 2022-23 are computed by escalating the base year (FY 2021-22) by average WPI inflation of last 3 years. The Commission for FY 2022-23 has considered the employee expense capitalisation same as claimed by the Licensees.

6.7.46. The Commission in the ARR for FY 2021-22 has allowed the additional 50% of R&M expenses to comply with the SoP Reguations to the Petitioners vide Tariff Order dated July 29, 2021. The relevant extract of the the Tariff Order is as under:

Quote

Further, the Commission has directed the Licensees to strictly comply with the SoP regulations. Hence, for the first year of implementation, they would need additional support over and above the norms, to carry out the work and comply with the SoP Regulations and better consumer satisfaction. Hence, 50% of R&M expenses allowed for the year (as per norms) has been provided as additional one-time R&M expenses for proper execution of work in these difficult Covid time and to provide better services to the consumers also. The same shall be reviewed at the time of True-Up wrt to the actuals to the satisfaction of the Commission.

Unquote

6.7.47. Further, in addition to the above, the Commission has approved new Regulations, which provides the framework for development of CGRF across the State in line with the provisions in the Electricity (Right of Consumers) Rules, 2020 notified dated December 31, 2020. The Regulation will be published in official Gazette shortly. As per this the constitution of CGRFs will be different from the existing framework which will result in increase in the number of CGRFs etc. As a result, the Petitioners will have to incur additional cost for successful implementation of these Regulations. Therefore, the Commission, provisionally allows 50% of R&M as additional O&M expenses for FY 2022-23 for constitution of CGRFs along with the implementation of SoP Regulations. The same shall be reviewed at the time of True-Up with respect to the actuals to the satisfaction of the Commission. The Petitioners are required to submit the expenses incurred under the above provisional additional O&M expenses allowed along with the True Up of FY 2022-23.

6.7.48. The normative O&M expenses allowed by the Commission for FY 2022-23 are shown in the Table below:

TABLE 6-101: O&M EXPENSES OF DVVNL APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	831.42	394.81	394.81
2	R & M Expenses	603.20	512.91	512.91
3	A&G Expenses (with FC)	133.11	114.11	114.11
4	**Gross O&M Expenses**	**1567.73**	**1021.83**	**1021.83**
5	Employee Expenses Capitalisation	427.65	427.65	427.65
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**427.65**	**427.65**	**427.65**
	Add: Smart Metering Opex	85.08	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	256.46	256.46
8	**Net O&M Expenses**	**1225.15**	**850.63**	**850.63**

TABLE 6-102: O&M EXPENSES OF MVVNL APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	1189.98	773.35	773.35
2	R & M Expenses	406.19	381.19	381.19
3	A&G Expenses (with FC)	338.50	273.70	273.70
4	**Gross O&M Expenses**	**1934.68**	**1428.24**	**1428.24**
5	Employee Expenses Capitalisation	644.56	644.56	644.56
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**644.56**	**644.56**	**644.56**
	Add: Smart Metering Opex	139.33	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	190.60	190.60
8	**Net O&M Expenses**	**1429.44**	**974.28**	**974.28**

TABLE 6-103: O&M EXPENSES OF PVVNL APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	954.76	699.16	699.16
2	R & M Expenses	654.84	448.24	448.24
3	A&G Expenses (with FC)	181.32	159.62	159.62
4	**Gross O&M Expenses**	**1790.91**	**1307.02**	**1307.02**
5	Employee Expenses Capitalisation	310.15	310.15	310.15
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**310.15**	**310.15**	**310.15**
	Add: Smart Metering Opex	110.73	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	224.12	224.12
8	**Net O&M Expenses**	**1591.49**	**1220.98**	**1220.98**

TABLE 6-104: O&M EXPENSES OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	1054.29	885.66	885.66

S. No	Particulars	Petitioner's Submission	Normative	Approved
2	R & M Expenses	961.85	645.92	645.92
3	A&G Expenses (with FC)	182.38	171.76	171.76
4	**Gross O&M Expenses**	**2198.52**	**1703.34**	**1703.34**
5	Employee Expenses Capitalisation	240.63	240.63	240.63
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**240.63**	**240.63**	**240.63**
	Add: Smart Metering Opex	144.76	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	322.96	322.96
8	**Net O&M Expenses**	**2102.64**	**1785.67**	**1785.67**

TABLE 6-105: O&M EXPENSES OF KESCO APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	177.20	150.04	150.04
2	R & M Expenses	92.54	76.80	76.80
3	A&G Expenses (with FC)	28.85	28.94	28.94
4	**Gross O&M Expenses**	**298.59**	**255.77**	**255.77**
5	Employee Expenses Capitalisation	6.94	6.94	6.94
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**6.94**	**6.94**	**6.94**
	Add: Smart Metering Opex	20.17	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	38.40	38.40
8	**Net O&M Expenses**	**311.82**	**287.23**	**287.23**

TABLE 6-106: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	4,207.66	2,903.00	2,903.00
2	R & M Expenses	2,718.61	2,065.06	2,065.06
3	A&G Expenses (with FC)	864.16	748.13	748.13
4	**Gross O&M Expenses**	**7,790.43**	**5,716.19**	**5,716.19**

S. No	Particulars	Petitioner's Submission	Normative	Approved
5	Employee Expenses Capitalisation	1,629.93	1,629.93	1,629.93
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	**Total Capitalisation**	**1,629.93**	**1,629.93**	**1,629.93**
	Add: Smart Metering Opex	500.05	0.00	0.00
	Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	1,032.53	1,032.53
8	**Net O&M Expenses**	**6,660.55**	**5,118.79**	**5,118.79**

6.8. CAPITAL INVESTMENT, CAPITALISATION AND FINANCING

6.8.1. The Petitioners have submitted that the Central Government has approved the RDSS, a Reforms-based and Results-linked Scheme with a five-year budget of Rs. 3,03,758 Crore, to improve the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector. The key objective of the scheme is to reduce AT& C losses to 12-15 percent across India, and the ACS-ARR gap to zero, by increasing operational efficiencies and financial sustainability of all DISCOMs/Power Departments, excluding private sector DISCOMs.

6.8.2. The Scheme is specifically for modernization and loss reduction using proper utilization of funds for works on Pre-Paid Smart Metering, System Metering, and Distribution Infrastructure. Many Steps have also been taken for automation and use of Information Technology (IT) in the Distribution Sector under IPDS and R-APDRP which includes the establishment of Data Centres, GIS mapping of consumers, Asset Mapping, Online energy auditing & accounting, Consumer care centers, AMI meters on feeders & Distribution Transformers, provision of Smart Metering to reduce losses etc. in urban areas.

6.8.3. The Revamped Reforms-based and Results-linked, Distribution Sector Scheme seeks to improve the operational efficiencies and financial sustainability, by providing financial assistance to Discoms for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

6.8.4. The Revamped Distribution Sector Scheme is covered under two parts namely as Part-A covers metering & distribution infrastructure works and Part-B covers training & capacity building and other enabling & supporting activities.

Part A – Metering & Distribution Infrastructure Works:

- Facilitating in installing prepaid smart meters for all consumers along with associated AMI, communicable meters for DTs & Feeders, ICT including Artificial Intelligence (AI), Machine Learning (ML), etc. based solutions for power Sector and a unified billing and collection system;
- Distribution infrastructure works as required for strengthening and modernizing the system as well as measures for loss reduction. The infrastructure strengthening works will include separation of Agriculture feeders to enable implementation of the KUSUM scheme, Aerial Bunch cables and HVDS for loss reduction, replacement of HT/LT lines as required, construction of new/ upgradation of substations, SCADA and DMS system etc. Each DISCOM/ State will draw up the scheme according to its requirement with the end objective of reducing losses and ensuring 24 x 7 supply.

Part B - Training & Capacity Building and other Enabling & Supporting Activities:

Supporting and enabling components, such as Nodal Agency fee, enabling components of MoP (communication plan, publicity, consumer awareness, consumer survey and other associated measures such as third party evaluation etc.), up-gradation of Smart Grid Knowledge Centre, training and capacity building, awards and recognitions etc.

1) The proposal of UP states based on present scenarios are followings-
2) ACS-ARR gap with revenue on an accrual basis to be zero at the end of FY 2024 -25
3) AT&C Loss target to be in line with the trajectory proposed
4) DPRs to be rationalized keeping in view that the proposed works for loss reduction are targeted in high loss areas in order of priorities
5) Liquidation of outstanding subsidy to be ensured as per scheme guidelines
6) Consumer, DTR, and Feeder Smart Metering timelines to be as per scheme guidelines

6.8.5. As per the action plan the Discoms has considered the capital expenditure to be incurred (net of Grants) for FY 2022-23 towards the Loss Reduction and Modernization works. Further, the tendering process of smart meters is in progress and it is expected that the same will be finalized by the end of June 2022. Thus, the expanses regarding Smart meter have been claimed under Opex mode as per the existing monthly rate discovered. The actual rate when discovered under the current tendering process same shall be informed to the Commission.

6.8.6. The Petitioners have considered a normative debt: equity ratio of 70:30. Considering this approach, 70% of the capital expenditure (excluding consumer contribution and grants) undertaken in FY 2021-22 has been considered to be financed through loan and balance 30% has been considered to be financed through equity contributions. The portion of capital expenditure financed through consumer contribution, capital subsidies and grants has been deducted as the depreciation and interest thereon would not be charged to the beneficiaries.

Implementation of ADB funded Scheme

6.8.7. The Petitioners submitted that Uttar Pradesh Power Distribution Network Rehabilitation Project is in progress under ADB funding. Under the program electricity distribution network in rural habitations improvement will consist of the replacement of existing bare conductors with aerial bundle conductors (ABC) in rural low voltage distribution networks. In addition to this, system for separating electricity distribution for agriculture consumers from residential consumers established will be separated. The Discoms has considered the capex in this context for the approval of the Commission during FY 2021-22 and FY 2022-23.

6.8.8. The Petitioners stated that Regulation 44 of MYT Regulations, 2019 provides for consideration of capital expenditure for the purpose of determination of ARR for the Control Period. Accordingly, the Petitioners has projected the capital expenditure to be undertaken in FY 2022-23 in this Petition. The details of proposed Capital Expenditure for FY 2022-23 are depicted in the table below:

TABLE 6-107: PROPOSED CAPITAL EXPENDITURE FOR FY 2022-23 FOR DVVNL (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	271.21	655.44

Particulars	Investments	Capitalisation
ADB (net of Consumer Contribution and Grant)	476.16	190.46
Revamp Scheme (net of Consumer Contribution and Grant)	1302.76	521.11
Total excluding Interest and employee capitalization (A)	**2,050.13**	**1,367.01**
Add: Employee Capitalization (B)	**427.65**	**427.65**
Add: Interest Capitalization (C)	**240.43**	**240.43**
Total (D= A+B+C)	**2,718.22**	**2,035.10**

TABLE 6-108: PROPOSED CAPITAL EXPENDITURE FOR FY 2022-23 FOR MVVNL (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	450.51	1,364.67
ADB (net of Consumer Contribution and Grant)	568.47	227.39
Revamp Scheme (net of Consumer Contribution and Grant)	515.61	206.24
Total excluding Interest and employee capitalization (A)	**1,534.60**	**1,798.30**
Add: Employee Capitalization (B)	**644.56**	**644.56**
Add: Interest Capitalization (C)	**198.33**	**198.33**
Total (D= A+B+C)	**2,377.49**	**2,641.19**

TABLE 6-109: PROPOSED CAPITAL EXPENDITURE FOR FY 2022-23 FOR PVVNL (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	397.87	370.16
ADB (net of Consumer Contribution and Grant)	568.82	227.53
Revamp Scheme (net of Consumer Contribution and Grant)	802.32	320.93
Total excluding Interest and employee capitalization (A)	**1,769.02**	**918.62**
Add: Employee Capitalization (B)	**310.15**	**310.15**
Add: Interest Capitalization (C)	**73.65**	**73.65**
Total (D= A+B+C)	**2,152.82**	**1,302.43**

TABLE 6-110: PROPOSED CAPITAL EXPENDITURE FOR FY 2022-23 FOR PuVVNL (RS. CRORE)

Particulars	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	24.20	693.20
ADB (net of Consumer Contribution and Grant)	490.82	196.33
Revamp Scheme (net of Consumer Contribution and Grant)	1100.06	440.02
Total excluding Interest and employee capitalization (A)	**1,615.08**	**1,329.56**
Add: Employee Capitalization (B)	**240.63**	**240.63**
Add: Interest Capitalization (C)	**157.62**	**157.62**
Total (D= A+B+C)	**2,013.33**	**1,727.80**
Total (F= D+E))	**2,013.33**	**1,727.80**

TABLE 6-111: PROPOSED CAPITAL EXPENDITURE FOR FY 2022-23 FOR KESCO (RS. CRORE)

Scheme wise	Investments	Capitalisation
Other Schemes (net of Consumer Contribution and Grant)	33.36	84.99
ADB (net of Consumer Contribution and Grant)	-	-
Revamp Scheme (net of Consumer Contribution and Grant)	156.20	62.48
Total excluding Interest and employee capitalization (A)	**189.56**	**147.47**
Add: Employee Capitalization (B)	**6.94**	**6.94**
Add: Interest Capitalization (C)	-	-
Total (D= A+B+C)	**196.50**	**154.41**

6.8.9. The Petitioners submitted that the Investment considered for FY 2022-23 is the net investments (excluding grants and consumer contributions). The Petitioners have separately provided the amount of consumer contribution and grant for FY 2022-23 in relevant section of the Petition and in Tariff Formats as well.

6.8.10. The Petitioners submitted that based on the methodology adopted by the Commission, 40% of the investments made during FY 2022-23 is capitalized in the same year. The Petitioners have also considered employee expense capitalization and interest capitalization during FY 2022-23 as per the methodology adopted by the Commission. Considering CWIP, investment during the year and capitalisations, the Petitioners have computed the closing CWIP for FY 2022-23.

6.8.11. Considering the aforementioned submissions, the capitalisation and capital work in progress for FY 2022-23 are shown in the Table below:

TABLE 6-112: CAPITALISATION AND WIP OF INVESTMENT FOR FY 2022-23 FOR DVVNL (RS. CRORE)

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2022	A	1,367.40
Investments	B	2,072.93
Employee expenses capitalisation	C	404.86
A&G expenses capitalisation	D	-
Interest capitalisation in Interest on long term loans	E	240.43
Total Investments	**F=A+B+C+D+E**	**4,085.61**
Transferred to GFA (total capitalisation)	G=F*40%	2035.10
Closing WIP	**H=F-G**	**2,050.52**

TABLE 6-113: CAPITAL INVESTMENT FOR FY 2022-23 FOR MVVNL (RS. CRORE)

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2022	A	2,961.16
Investments	B	1,568.96
Employee expenses capitalisation	C	610.20
A&G expenses capitalisation	D	-
Interest capitalisation in Interest on long term loans	E	196.14
Total Investments	**F=A+B+C+D+E**	**5,336.45**
Transferred to GFA (total capitalisation)	G=F*40%	2639.00
Closing WIP	**H=F-G**	**2,697.45**

TABLE 6-114: CAPITAL INVESTMENT FOR FY 2022-23 FOR PVVNL (RS. CRORE)

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2022	A	527.54
Investments	B	1,785.55
Employee expenses capitalisation	C	293.62
A&G expenses capitalisation	D	-
Interest capitalisation in Interest on long term loans	E	73.65
Total Investments	**F=A+B+C+D+E**	**2,680.36**
Transferred to GFA (total capitalisation)	G=F*40%	1302.43
Closing WIP	**H=F-G**	**1377.93**

TABLE 6-115: CAPITAL INVESTMENT FOR FY 2022-23 FOR PuVVNL (RS. CRORE)

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2022	A	1,708.81
Investments	B	1,627.91
Employee expenses capitalisation	C	227.80
A&G expenses capitalisation	D	-
Interest capitalisation in Interest on long term loans	E	157.62
Total Investments	**F=A+B+C+D+E**	**3,722.14**
Transferred to GFA (total capitalisation)	G=F*40%	1727.80

Particulars	Derivation	Petitioner's Submission
Closing WIP	**H=F-G**	**1,994.34**

TABLE 6-116: CAPITAL INVESTMENT FOR FY 2022-23 FOR KESCO (RS. CRORE)

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2022	A	179.11
Investments	B	189.93
Employee expenses capitalisation	C	6.57
A&G expenses capitalisation	D	-
Interest capitalisation in Interest on long term loans	E	-
Total Investments	**F=A+B+C+D+E**	**375.61**
Transferred to GFA (total capitalisation)	G=F*40%	154.41
Closing WIP	**H=F-G**	**221.20**

Commission Analysis

6.8.12. The MYT Regulations, 2019 provide as under:

Quote

18 Capital Expenditure/ Cost and Capital Structure

Capital cost for a capital investment Project shall include:

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

capitalised initial spares subject to the ceiling rates stipulated in these Regulations;

expenses incurred by the Licensee on obtaining right of way, as admitted by the Commission after prudence check;

additional capital expenditure determined under Regulation 19;

Incidental expenditure during construction including apportioned expenditure on relevant components of O&M:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost;

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

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

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

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

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

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

The actual capital expenditure on a scheme as on COD for the original scope of work based on audited accounts of the Licensee or Project, as the case may be, shall be considered subject to prudence check by the Commission.

Capital cost to be allowed by the Commission for the purpose of determination of Tariff will be based on the capital investment plan prepared by the Licensee and approved by the Commission, prior to the Petition for determination of ARR / Tariff filing

.....

19 Additional Capitalisation

19.1 The capital expenditure, actually incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date, may be admitted by the Commission subject to prudence check:

(i) Undischarged liabilities recognized to be payable at a future date;

(ii) Works deferred for execution;

(iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 18;

(iv) Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law; and

(v) Change in law or compliance of any existing law

Provided that the details of works included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the Petition for determination of final Tariff after the date of commercial operation.

19.2 The capital expenditure, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

(i) Liabilities to meet award of arbitration or for compliance of the Order or decree of a court of law;

(ii) Change in law or compliance of any existing law;

(iii) Any liability for works executed prior to the cut-off date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.;

(iv) Any liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;

(v) Any additional capital expenditure which has become necessary for efficient operation

Provided that the claim shall be substantiated with the technical justification duly supported by documentary evidence like test results carried out by an independent agency in case of deterioration of assets, damage caused by natural calamities, obsolescence of technology, up-gradation of capacity for the technical reason such as increase in fault level;

(vi) Any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, batteries, tower strengthening, communication equipment, emergency restoration system, insulators cleaning infrastructure, which has become necessary for successful and efficient operation of Transmission System; and

(vii) Any capital expenditure found justified after prudence check necessitated on account of modifications required;

Provided that any expenditure, which has been claimed under Renovation and Modernisation or repairs and maintenance under O&M expenses, shall not be claimed under Additional Capitalisation.

19.3 Impact of additional capitalisation on Tariff, if any, shall be considered during Tariff determination proceedings.

.....

44 Capital Investment Plan

44.1 The Distribution Licensee shall submit a detailed Capital Investment Plan, financing plan and physical targets for each year of the Control Period for meeting the requirement of growth in number of consumers, strengthening and augmentation of its distribution network, meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, reduction in congestion, etc., to the Commission for approval, as a part of the Business Plan:

Provided that in case of non-submission of the Capital Investment plan by the Distribution Licensee for a year of the Control Period, the Commission may disallow the Capital expenditure for that year.

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 Crore and must have prior approval of the Commission on quarterly basis, and will be subject to prudence check.

44.3 The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information such as number of distribution sub-stations, consumer sub-stations, transformation capacity in MVA and details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost / benefit analysis and other aspects that may have a bearing on the Tariff for retail supply of electricity and the Wheeling Charges:

Provided that the Distribution Licensee shall submit separate details of Capital Investment Plan for each Distribution Franchisee area within its Licence area.

Unquote

6.8.13. The Commission vide letter dated April 01, 2022 directed the Petitioners to submit the capital expenditure of each project and take prior approval for projects with cost above Rs. 10 Crore. Petitioners should submit the CAPEX accordingly and provide all submissions / information / documents for approval of the projects in line with Regulation 44 MYT Regulations, 2019. In response to the Commission's query, the Petitioners have made submission only in regard to Revamped Distribution Sector Scheme (RDSS) as per which Ministry of Power has approved the capex plan.

6.8.14. The Commission finds that the Petitioners have neither sought the approval nor have they apprised the Commission on such Capital Investment Plan. Any scheme launched by the Government has to be approved by the Commission. Accordingly, the Capital Investment under the RDSS scheme has been disallowed. **The Commission directs the Petitioners to seek approval of the Capital Investment under this scheme and appropriate treatment shall be done at the time of True-Up. Similarly, the Petitioners are directed also to seek approval for any other scheme / projects as well in which the cost incurred is more than threshold limit of Rs. 10 Crore as provided in Regulation 44 of MYT Regulations, 2019.**

6.8.15. The Commission has followed the following approach to approve the Capital Investment for the Licensees:

(i) Closing CWIP for FY 2021-22 as computed in APR for 2021-22 by the Commission, is considered as opening CWIP for FY 2022-23;

(ii) Investment during the year i.e., FY 2022-23 is allowed excluding CAPEX claimed for RDSS;

(iii) Employee expenses capitalised for FY 2022-23 is allowed provisionally as claimed by the Petitioners;

(iv) Interest Capitalisation on Interest on long term loans for FY 2022-23 is allowed provisionally as claimed by the Petitioners.

6.8.16. As regards asset transferred to GFA (Capitalisation), the Commission has allowed capitalisation during the year as claimed by the Petitioners except for capitalisation under RDSS.

6.8.17. Accordingly, the Commission has approved CWIP, Capital Investment and Capitalisation for FY 2020-21 as claimed by the Petitioners after prudence check.

TABLE 6-117: CAPITAL INVESTMENT OF DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	1,367.40	849.05
Investments	B	2,050.13	747.37
Employee Expenses capitalization	C	427.65	427.65
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	240.43	240.43
Total Investments	**F= A+B+C+D+E**	**4,085.61**	**2,264.51**
Transferred to GFA (Total Capitalisation)	G	2,035.10	1,513.99
Closing WIP	**H=F-G**	**2,050.52**	**750.51**

TABLE 6-118: CAPITAL INVESTMENT OF MVVNL FOR FY 2022-23(RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	2,961.16	1,465.93
Investments	B	1,534.60	1,018.99
Employee Expenses capitalization	C	644.56	644.56
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	198.33	198.33
Total Investments	**F= A+B+C+D+E**	**5,338.64**	**3,327.81**
Transferred to GFA (Total Capitalisation)	G	2,641.19	2,434.95
Closing WIP	**H=F-G**	**2,697.45**	**892.86**

TABLE 6-119: CAPITAL INVESTMENT OF PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	527.54	521.68
Investments	B	1,769.02	966.70
Employee Expenses capitalization	C	310.15	310.15
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	73.65	73.65
Total Investments	**F= A+B+C+D+E**	**2,680.36**	**1,872.18**
Transferred to GFA (Total Capitalisation)	G	1,302.43	1,096.18
Closing WIP	**H=F-G**	**1,377.93**	**776.00**

TABLE 6-120: CAPITAL INVESTMENT OF PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	1,708.81	1,708.79
Investments	B	1,615.08	515.02
Employee Expenses capitalization	C	240.63	240.63

Particulars	Derivation	Petitioner's Submission	Approved
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	157.62	157.62
Total Investments	**F= A+B+C+D+E**	**3,722.14**	**2,622.06**
Transferred to GFA (Total Capitalisation)	G	1,727.80	1,287.78
Closing WIP	**H=F-G**	**1,994.34**	**1,334.28**

TABLE 6-121: CAPITAL INVESTMENT OF KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	179.11	56.36
Investments	B	189.56	33.36
Employee Expenses capitalization	C	6.94	6.94
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
Total Investments	**F= A+B+C+D+E**	**375.61**	**96.66**
Transferred to GFA (Total Capitalisation)	G	154.41	91.93
Closing WIP	**H=F-G**	**221.20**	**4.73**

TABLE 6-122: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	6,744.01	4,601.81
Investments	B	7,158.38	3,281.43
Employee Expenses capitalization	C	1,629.93	1,629.93
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	670.04	670.04
Total Investments	**F= A+B+C+D+E**	**16,202.37**	**10,183.21**
Transferred to GFA (Total Capitalisation)	G	7,860.93	6,424.83
Closing WIP	**H=F-G**	**8,341.44**	**3,758.38**

Consumer Contribution, Capital Grants and Subsidies

Petitioner's Submission

6.8.18. The Petitioners have submitted that the portion of capital expenditure financed through consumer contribution, capital subsidies and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

6.8.19. The Petitioners have claimed addition to consumer contribution for FY 2022-23 as Nil.

Commission Analysis

6.8.20. The Commission observed that the Petitioners have claim consumer contribution for FY 2022-23 as Nil. The Petitioners in the Petitions have also submitted in regard to equity addition as well as for long term loan addition during the year has been considered net of consumer contribution, capital subsidies/ grants. There are discrepancies in the submission by the Petitioners. The Commission decide not to deliberate on consumer contribution at this stage and appropriate treatment shall be done at the time of True Up. Accordingly, the Commission approves the Consumer Contribution as Nil.

6.8.21. The Consumer Contributions, capital grants and subsidies as submitted by the Petitioners and KESCO and as allowed by the Commission are shown in the Table below:

TABLE 6-123: CONSUMER CONTRIBUTIONS RECEIVED OF DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	4,735.90	4,735.90
Additions during the year	-	-
Less: Amortisation on consumer contribution	160.62	160.62
Closing Balance	**4,575.29**	**4,575.29**

TABLE 6-124: CONSUMER CONTRIBUTIONS RECEIVED OF MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	137.36	137.36
Additions during the year	-	-
Less: Amortisation on consumer contribution	-	-
Closing Balance	**137.36**	**137.36**

TABLE 6-125: CONSUMER CONTRIBUTIONS RECEIVED OF PVVNL IN FY 2022-23 (Rs. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	207.44	207.44

Particulars	Petitioner's Submission	Approved
Additions during the year	-	-
Less: Amortisation on consumer contribution	-	-
Closing Balance	**207.44**	**207.44**

TABLE 6-126: CONSUMER CONTRIBUTIONS RECEIVED OF PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	4,968.16	4,968.16
Additions during the year	-	-
Less: Amortisation on consumer contribution	134.69	134.69
Closing Balance	**4,833.46**	**4,833.46**

TABLE 6-127: CONSUMER CONTRIBUTIONS RECEIVED OF KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	424.33	424.33
Additions during the year	-	-
Less: Amortisation on consumer contribution	15.68	15.68
Closing Balance	**408.65**	**408.65**

TABLE 6-128: CONSOLIDATED CONSUMER CONTRIBUTIONS RECEIVED OF PETITIONERS FOR FY 2022-23 (Rs. CRORE)

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	10,473.19	10,473.19
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	**310.99**	**310.99**

Financing of Capital Investment

Petitioner's Submission

6.8.1. The Petitioners have considered a normative debt: equity ratio of 70:30. Considering this approach, 70% of the capitalisation (excluding consumer contribution and grants) undertaken in FY 2022-23 has been considered to be

financed through loan and balance 30% has been considered to be financed through equity contributions.

Commission's Analysis

6.8.2. The Petitioners have considered a normative debt: equity ratio as 70:30 of the capitalisation (excluding consumer contribution and grants) for FY 2022-23. The Commission also consider debt: equity ratio as 70:30 of capitalisation approved for FY 2022-23.

TABLE 6-129: DEBT: EQUITY ADDITION OF DVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	2,035.10	1,513.99
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**2,035.10**	**1,513.99**
70% of Net Assets Capitalised	**F=70% * E**	**1,424.57**	**1,059.80**
30% of Net Assets Capitalised	**G=30% *E**	**610.53**	**454.20**

TABLE 6-130: DEBT: EQUITY ADDITION OF MVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	2,641.19	2434.95
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**2,641.19**	**2,434.95**
70% of Net Assets Capitalised	**F=70% * E**	**1,848.84**	**1,704.46**
30% of Net Assets Capitalised	**G=30% *E**	**792.36**	**730.48**

TABLE 6-131: DEBT: EQUITY ADDITION OF PVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	1,302.43	1,096.18

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**1,302.43**	**1,096.18**
70% of Net Assets Capitalised	**F=70% * E**	**911.70**	**767.33**
30% of Net Assets Capitalised	**G=30% *E**	**390.73**	**328.85**

TABLE 6-132: DEBT: EQUITY ADDITION OF PuVVNL FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	1,727.80	1,287.78
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**1,727.80**	**1,287.78**
70% of Net Assets Capitalised	**F=70% * E**	**1,209.46**	**901.45**
30% of Net Assets Capitalised	**G=30% *E**	**518.34**	**386.33**

TABLE 6-133: DEBT: EQUITY ADDITION OF KESCO FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	154.41	91.93
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**154.41**	**91.93**
70% of Net Assets Capitalised	**F=70% * E**	**108.09**	**64.35**
30% of Net Assets Capitalised	**G=30% *E**	**46.32**	**27.58**

TABLE 6-134: CONSOLIDATED DEBT: EQUITY ADDITION OF STATE DISCOM FOR FY 2022-23 (RS. CRORE)

Particulars	Derivation	FY 2022-23	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation)	A	7,860.93	6,424.83
Less: Consumer Contribution	B	0.00	0.00
Less: Grant	C	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00
Net Assets Capitalised	**E = A-B-C-D**	**7,860.93**	**6,424.83**
70% of Net Assets Capitalised	**F=70% * E**	**5,502.65**	**4,497.38**
30% of Net Assets Capitalised	**G=30% *E**	**2,358.28**	**1,927.45**

6.9. DEPRECIATION

Petitioner's Submission

6.9.1. The basis of determination of depreciation is stated in Regulation 21.1 of MYT Regulations, 2019. The Regulation 21.1 as quoted below:

Quote

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:

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

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

(b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A to these Regulations.

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

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

Provided that land owned shall not be treated as a Depreciable asset and shall be excluded while computing Depreciation

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

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

Unquote

6.9.2. The Petitioners have computed the allowable depreciation expense on the GFA base FY 2022-23 as per the SLM approach and at the rates approved by the Commission in MYT Regulations, 2019. The Petitioners have computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc. The addition during the year is considered as net additions excluding Consumer Contribution and Grant.

6.9.3. Accordingly, the Petitioners have computed depreciation for FY 2022-23 as shown in table below:

TABLE 6-135: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY DVVNL FOR FY 2022-23 (RS CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.21	-		1.21	1.21	0.00%	-
2	Buildings	313.56	111.81		313.56	313.56	3.34%	10.47
3	Other Civil Works	-	-		-	-	3.34%	-
4	Plant & Machinery	3,075.87	1,382.91		3,075.87	3,075.87	5.28%	162.41
5	Lines, Cables, Network etc.	10,362.46	4,107.35		10,362.46	10,362.46	5.28%	547.14
6	Vehicles	1.20	0.50		1.20	1.20	6.33%	0.08
7	Furniture & Fixtures	17.56	7.31		17.56	17.56	6.33%	1.11
8	Office Equipments	7.03	2.93		7.03	7.03	6.33%	0.45
9	Capital Expenditure on Assets not belonging to utility	-	-		-			
10	**Total Fixed Assets**	**13,778.89**	**5,612.81**		**13,778.89**	**13,778.89**	**5.24%**	**721.65**
11	Non depreciable assets (Land & Land Rights)	1.21	-					

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
12	Depreciable assets	13,777.69	5,612.81					

TABLE 6-136: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 1.04.2020 AS SUBMITTED BY DVVNL FOR FY 2021-22 (RS. CRORE) PART B

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	0.00	0.00	0.00%	0.00
2	Buildings	80.47	46.31	-	-	126.78	103.63	3.34%	3.46
3	Other Civil Works	-	-	-	-	0.00	0.00	3.34%	0.00
4	Plant & Machinery	789.37	454.30	-	-	1,243.66	1,016.52	5.28%	53.67
5	Lines, Cables, Network etc.	2,659.34	1,530.50	-	-	4,189.84	3,424.59	5.28%	180.82
6	Vehicles	0.31	0.18	-	-	0.49	0.40	6.33%	0.03
7	Furniture & Fixtures	4.51	2.59	-	-	7.10	5.80	6.33%	0.37
8	Office Equipments	1.80	1.04	-	-	2.84	2.32	6.33%	0.15
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	0.00			
10	**Total Fixed Assets**	**3,536.10**	**2,035.10**	-	-	**5,571.20**	**4,553.65**		**238.49**
11	Non depreciable assets (Land & Land Rights)	0.31	0.18	-	-		0.31		0
12	**Depreciable assets**	**3,535.80**	**2,034.92**	-	-	**5,570.72**	**4,553.26**	**5.24%**	**238.49**

TABLE 6-137: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY MVVNL FOR 2022-23 (RS CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.00	-		1.00	1.00	0.00%	-
2	Buildings	193.03	61.19		193.03	193.03	3.34%	6.45
3	Other Civil Works	13.30	4.22		13.30	13.30	3.34%	0.44
4	Plant & Machinery	2,984.67	1,270.41		2,984.67	2,984.67	5.28%	157.59
5	Lines, Cables, Network etc.	8,728.42	3,108.86		8,728.42	8,728.42	5.28%	460.86
6	Vehicles	5.64	2.12		5.64	5.64	6.33%	0.36
7	Furniture & Fixtures	11.28	4.25		11.28	11.28	6.33%	0.71
8	Office Equipments	95.40	35.91		95.40	95.40	6.33%	6.04

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
9	Capital Expenditure on Assets not belonging to utility	-	-		-			
10	**Total Fixed Assets**	**12,032.74**	**4,486.96**		**12,032.74**	**12,032.74**	**5.26%**	**632.45**
11	Non depreciable assets (Land & Land Rights)	1.00	-					
12	**Depreciable assets**	**12,031.74**	**4,486.96**					

TABLE 6-138: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS SUBMITTED BY MVVNL FOR 2022-23 (RS CRORE) PART B

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	0.00	0.00	0.00%	0.00
2	Buildings	104.56	42.37	-	-	146.93	125.74	3.34%	4.20
3	Other Civil Works	7.20	2.92	-	-	10.12	8.66	3.34%	0.29
4	Plant & Machinery	1,616.64	655.14	-	-	2,271.78	1,944.21	5.28%	102.65
5	Lines, Cables, Network etc.	4,727.73	1,915.89	-	-	6,643.63	5,685.68	5.28%	300.20
6	Vehicles	3.05	1.24	-	-	4.29	3.67	6.33%	0.23
7	Furniture & Fixtures	6.11	2.47	-	-	8.58	7.34	6.33%	0.46
8	Office Equipments	51.67	20.94	-	-	72.61	62.14	6.33%	3.93
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	0.00			
10	**Total Fixed Assets**	**6,517.51**	**2,641.19**	-	-	**9,158.70**	**7,838.11**		**411.98**
11	Non depreciable assets (Land & Land Rights)	0.54	0.22	-	-		0.54		0
12	**Depreciable assets**	**6,516.97**	**2,640.97**	-	-	**9,157.94**	**7,837.45**	**5.26%**	**411.98**

TABLE 6-139: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY PVVNL FOR 2022-23 (RS CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	2.60	-		2.60	2.60	0.00%	-
2	Buildings	356.61	135.81		356.61	356.61	3.34%	11.91
3	Other Civil Works	19.35	7.37		19.35	19.35	3.34%	0.65
4	Plant & Machinery	4,679.56	2,156.82		4,679.56	4,679.56	5.28%	247.08
5	Lines, Cables, Network etc.	11,774.11	4,956.13		11,774.11	11,774.11	5.28%	621.67

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
6	Vehicles	2.14	0.96		2.14	2.14	6.33%	0.14
7	Furniture & Fixtures	11.85	5.22		11.85	11.85	6.33%	0.75
8	Office Equipments	33.46	14.78		33.46	33.46	6.33%	2.12
9	Capital Expenditure on Assets not belonging to utility	-	-		-			
10	**Total Fixed Assets**	**16,879.69**	**7,277.08**		**16,879.69**	**16,879.69**	**5.24%**	**884.32**
11	Non depreciable assets (Land & Land Rights)	2.60	-					
12	**Depreciable assets**	**16,877.09**	**7,277.08**					

TABLE 6-140: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 1.04.2020 AS SUBMITTED BY PVVNL FOR 2022-23 (RS CRORE) PART B

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	0.00	0.00	0.00%	0.00
2	Buildings	59.66	27.52	-	-	87.17	73.42	3.34%	2.45
3	Other Civil Works	3.24	1.49	-	-	4.73	3.98	3.34%	0.13
4	Plant & Machinery	782.84	361.07	-	-	1,143.91	963.38	5.28%	50.87
5	Lines, Cables, Network etc.	1,969.69	908.48	-	-	2,878.17	2,423.93	5.28%	127.98
6	Vehicles	0.36	0.17	-	-	0.52	0.44	6.33%	0.03
7	Furniture & Fixtures	1.98	0.91	-	-	2.90	2.44	6.33%	0.15
8	Office Equipments	5.60	2.58	-	-	8.18	6.89	6.33%	0.44
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	0.00			
10	**Total Fixed Assets**	**2,823.80**	**1,302.43**	-	-	**4,126.23**	**3,475.01**		**182.05**
11	Non depreciable assets (Land & Land Rights)	0.44	0.20	-	-		0.44		0
12	**Depreciable assets**	**2,823.37**	**1,302.22**	-	-	**4,125.59**	**3,474.48**	**5.24%**	**182.05**

TABLE 6-141: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY PuVVNL FOR 2022-23 (RS CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.98	-		0.98	0.98	0.00%	-

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
2	Buildings	194.45	50.62		194.45	194.45	3.34%	6.49
3	Other Civil Works	-	-		-	-	3.34 %	-
4	Plant & Machinery	9,156.08	2,743.31		9,156.08	9,156.08	5.28%	483.44
5	Lines, Cables, Network etc.	7,158.20	2,004.32		7,158.20	7,158.20	5.28%	377.95
6	Vehicles	1.48	0.43		1.48	1.48	6.33 %	0.09
7	Furniture & Fixtures	2.26	0.66		2.26	2.26	6.33 %	0.14
8	Office Equipments	58.84	17.08		58.84	58.84	6.33%	3.72
9	Capital Expenditure on Assets not belonging to utility	-	-		-			
10	**Total Fixed Assets**	**16,572.30**	**4816.41**		16,572.30	16,572.30	**5.26%**	**871.85**
11	Non depreciable assets (Land & Land Rights)	0.98	-					
12	**Depreciable assets**	**16,571.32**	**4,816.41**			0.00%		

TABLE 6-142: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS SUBMITTED BY PuVVNL FOR 2022-23 (RS CRORE) PART B

S. No	Particulars	Opening GFA as on 01.04.2022	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	0.00	0.00	0.00%	0.00
2	Buildings	45.42	20.27	65.70	55.56	3.34%	1.86
3	Other Civil Works	-	-	0.00	0.00	3.34%	0.00
4	Plant & Machinery	2,138.74	954.60	3,093.34	2,616.04	5.28%	138.13
5	Lines, Cables, Network etc.	1,672.06	746.30	2,418.37	2,045.22	5.28%	107.99
6	Vehicles	0.35	0.15	0.50	0.42	6.33%	0.03
7	Furniture & Fixtures	0.53	0.24	0.76	0.65	6.33%	0.04
8	Office Equipments	13.74	6.13	19.88	16.81	6.33%	1.06
9	Capital Expenditure on Assets not belonging to utility	-	-	0.00			
10	**Total Fixed Assets**	3,871.08	1,727.80	5,598.88	4,734.98		249.10

S. No	Particulars	Opening GFA as on 01.04.2022	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
11	Non depreciable assets (Land & Land Rights)	0.23	0.10		0.23		0
12	**Depreciable assets**	3,870.85	1,727.70	5,598.55	4,734.70	5.26%	249.10

TABLE 6-143: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY KESCO FOR 2022-23 (RS CRORE) PART A

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-		-	-	0.00%	-
2	Buildings	49.87	20.45		49.87	49.87	3.34%	1.67
3	Other Civil Works	-	-		-	-	3.34%	-
4	Plant & Machinery	503.26	225.96		503.26	503.26	5.28%	26.57
5	Lines, Cables, Network etc.	893.12	401.00		893.12	893.12	5.28%	47.16
6	Vehicles	4.03	1.89		4.03	4.03	6.33%	0.25
7	Furniture & Fixtures	2.12	1.00		2.12	2.12	6.33%	0.13
8	Office Equipments	20.78	9.77		20.78	20.78	6.33%	1.32
9	Capital Expenditure on Assets not belonging to utility	-	-		-			
10	**Total Fixed Assets**	**1,473.18**	660.06		1,473.18	**1,473.18**	**5.23%**	**77.10**
11	Non depreciable assets (Land & Land Rights)	-	-					
12	**Depreciable assets**	**1,473.18**	**660.06**			-		

TABLE 6-144: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS SUBMITTED BY KESCO FOR 2022-23 (RS CRORE) PART B

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land & Land Rights	-	-	-	-	-	-	0.00%	-
2	Buildings	5.92	5.23	-	-	**11.14**	**8.53**	3.34%	**0.28**
3	Other Civil Works	-	-	-	-	**0.00**	**0.00**	3.34%	**0.00**
4	Plant & Machinery	59.71	52.75	-	-	**112.46**	**86.08**	5.28%	**4.55**
5	Lines, Cables, Network etc.	105.96	93.61	-	-	**199.57**	**152.77**	5.28%	**8.07**
6	Vehicles	0.48	0.42	-	-	**0.90**	**0.69**	6.33%	**0.04**
7	Furniture & Fixtures	0.25	0.22	-	-	**0.47**	**0.36**	6.33%	**0.02**
8	Office Equipments	2.47	2.18	-	-	**4.64**	**3.55**	6.33%	**0.22**

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deduction of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
9	Capital Expenditure on Assets not belonging to utility	-	-	-	-	0.00			
10	**Total Fixed Assets**	174.79	154.41	-	-	329.19	251.99		13.19
11	Non depreciable assets (Land & Land Rights)	-	-	-	-		0.00		0
12	Depreciable assets	174.79	154.41	-	-	329.19	251.99	5.23%	13.19

6.9.4. The Petitioners submitted that they have reduced the equivalent depreciation on the assets created out of consumer contributions, capital grants and subsidies from the gross allowable depreciation for FY 2022-23.

6.9.5. Thus, the allowable depreciation for FY 2022-23 is shown in the table below

TABLE 6-145: NET ALLOWABLE DEPREIATION AS SUBMITTED BY DVVNL FOR 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Gross Allowable Depreciation	960.14
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	160.62
Net Allowable Depreciation	**799.52**

TABLE 6-146: NET ALLOWABLE DEPREIATION AS SUBMITTED BY MVVNL FOR 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Gross Allowable Depreciation	1,044.43
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	137.36
Net Allowable Depreciation	**907.07**

TABLE 6-147: NET ALLOWABLE DEPREIATION AS SUBMITTED BY PVVNL FOR 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Gross Allowable Depreciation	1,066.37
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	206.96
Net Allowable Depreciation	859.41

TABLE 6-148: NET ALLOWABLE DEPREIATION AS SUBMITTED BY PuVVNL FOR 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Gross Allowable Depreciation	1,120.95
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	134.69
Net Allowable Depreciation	**986.26**

TABLE 6-149: NET ALLOWABLE DEPREIATION AS SUBMITTED BY KESCO FOR 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
Gross Allowable Depreciation	90.29
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	15.68
Net Allowable Depreciation	**74.61**

Commission's Analysis

6.9.6. The Regulation 21 of the MYT Regulations, 2019 provides that:

Quote

21 Depreciation:

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:

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

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

b) Depreciation shall be computed annually based on the Straight- Line Method at the rates stipulated in the Annexure- A of the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution & Transmission) Regulations, 2019.

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

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

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

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

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

21.2 In case of existing assets, the balance depreciable value as on April 01, 2020, shall be worked out taking into consideration the life of the asset, and by deducting the cumulative Depreciation as admitted by the Commission up to March 31, 2020, from the gross depreciable value of the assets.

21.3 In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets.

21.4 Depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Audited Accounts and documentary evidence of assets capitalised by the Petitioner, subject to the prudence check of the Commission.

Unquote

6.9.7. The Commission directed the Petitioners 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 State Owned Discoms to maintain two separate Gross Blocks (one for assets upto March 31, 2020 (Part-A) and 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.

6.9.8. As per above, the Commission has computed the depreciation. The written down closing of FY 2021-22 is considered as Opening for FY 2022-23, the gross allowable depreciation for each component is totalled and the equivalent depreciation on assets created out of Consumer Contributions, capital grants and subsidies are deducted as shown under:

TABLE 6-150: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF DVVNL FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	1.25	0.00	0.00	1.25	1.25	0.00%	0.00
2	Buildings	210.15	0.00	0.00	210.15	210.15	3.34%	7.02
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	871.09	0.00	0.00	871.09	871.09	5.28%	45.99
5	Lines, Cables, Networks etc.	6925.89	0.00	0.00	6925.89	6925.89	5.28%	365.69
6	Vehicles	3.16	0.00	0.00	3.16	3.16	9.50%	0.30
7	Furniture & Fixtures	8.19	0.00	0.00	8.19	8.19	6.33%	0.52
8	Office Equipment	0.47	0.00	0.00	0.47	0.47	6.33%	0.03
9	**Total Fixed Assets**	**8020.20**	**0.00**	**0.00**	**8020.20**	**8020.20**		
10	Non depreciable assets (Land & Land Rights)	1.25	0.00	0.00	1.25	1.25	0.00	0.00
11	**Depreciable assets**	**8018.96**	**0.00**	**0.00**	**8018.96**	**8018.96**	**5.23%**	**419.55**

TABLE 6-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS 01.04.2020 ONWARDS OF DVVNL FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.35	0.13	0.00	0.49	0.42	0.00%	0.00
2	Buildings	92.27	34.45	0.00	126.72	109.49	3.34%	3.66
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	905.08	337.97	0.00	1243.05	1074.06	5.28%	56.71
5	Lines, Cables, Networks etc.	3049.17	1138.60	0.00	4187.77	3618.47	5.28%	191.06
6	Vehicles	0.35	0.13	0.00	0.49	0.42	6.33%	0.03
7	Furniture & Fixtures	5.17	1.93	0.00	7.10	6.13	6.33%	0.39
8	Office Equipment	2.07	0.77	0.00	2.84	2.46	6.33%	0.16
9	**Total Fixed Assets**	**4054.46**	**1513.99**	**0.00**	**5568.45**	**4811.45**		
10	Non depreciable assets (Land & Land Rights)	0.35	0.13	0.00	0.49	0.42	0.00	0.00

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
11	Depreciable assets	4054.10	1513.86	0.00	5567.96	4811.03	5.24%	251.99

TABLE 6-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF MVVNL FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	1.07	0.00	0.00	1.07	1.07	0.00%	0.00
2	Buildings	182.32	0.00	0.00	182.32	182.32	3.34%	6.09
3	Other Civil Works	14.27	0.00	0.00	14.27	14.27	3.34%	0.48
4	Plants & Machinery	0.00	0.00	0.00	0.00	0.00	5.28%	0.00
5	Lines, Cables, Networks etc.	4000.05	0.00	0.00	4000.05	4000.05	5.28%	211.20
6	Vehicles	5.57	0.00	0.00	5.57	5.57	9.50%	0.53
7	Furniture & Fixtures	9.59	0.00	0.00	9.59	9.59	6.33%	0.61
8	Office Equipment	76.49	0.00	0.00	76.49	76.49	6.33%	4.84
9	**Total Fixed Assets**	**4289.36**	**0.00**	**0.00**	**4289.36**	**4289.36**		
10	Non depreciable assets (Land & Land Rights)	1.07	0.00	0.00	1.07	1.07	0.00	0.00
11	**Depreciable assets**	**4288.29**	**0.00**	**0.00**	**4288.29**	**4288.29**	**5.22%**	**223.75**

TABLE 6-153: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF MVVNL FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.54	0.20	0.00	0.75	0.64	0.00%	0.00
2	Buildings	104.56	39.06	0.00	143.62	124.09	3.34%	4.14
3	Other Civil Works	7.20	2.69	0.00	9.90	8.55	3.34%	0.29
4	Plants & Machinery	1616.64	603.98	0.00	2220.62	1918.63	5.28%	101.30
5	Lines, Cables, Networks etc.	4727.73	1766.29	0.00	6494.02	5610.87	5.28%	296.25
6	Vehicles	3.05	1.14	0.00	4.20	3.62	9.50%	0.34

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
7	Furniture & Fixtures	6.11	2.28	0.00	8.39	7.25	6.33%	0.46
8	Office Equipment	51.67	19.30	0.00	70.97	61.32	6.33%	3.88
9	**Total Fixed Assets**	**6517.51**	**2434.95**	**0.00**	**8952.46**	**7734.98**		
10	Non depreciable assets (Land & Land Rights)	0.54	0.20	0.00	0.75	0.64	0.00	0.00
11	**Depreciable assets**	**6516.97**	**2434.75**	**0.00**	**8951.71**	**7734.34**	**5.26%**	**406.67**

TABLE 6-154: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PVVNL FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	2.67	0.00	0.00	2.67	2.67	0.00%	0.00
2	Buildings	275.93	0.00	0.00	275.93	275.93	3.34%	9.22
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1172.31	0.00	0.00	1172.31	1172.31	5.28%	61.90
5	Lines, Cables, Networks etc.	6987.63	0.00	0.00	6987.63	6987.63	5.28%	368.95
6	Vehicles	30.39	0.00	0.00	30.39	30.39	9.50%	2.89
7	Furniture & Fixtures	5.63	0.00	0.00	5.63	5.63	6.33%	0.36
8	Office Equipment	20.54	0.00	0.00	20.54	20.54	6.33%	1.30
9	**Total Fixed Assets**	**8495.09**	**0.00**	**0.00**	**8495.09**	**8495.09**		
10	Non depreciable assets (Land & Land Rights)	2.67	0.00	0.00	2.67	2.67	0.00	0.00
11	**Depreciable assets**	**8492.43**	**0.00**	**0.00**	**8492.43**	**8492.43**	**5.24%**	**444.60**

TABLE 6-155: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PVVNL FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.44	0.17	0.00	0.60	0.52	0.00%	0.00
2	Buildings	59.66	23.16	0.00	82.82	71.24	3.34%	2.38

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
3	Other Civil Works	3.24	1.26	0.00	4.49	3.87	3.34%	0.13
4	Plants & Machinery	782.84	303.89	0.00	1086.74	934.79	5.28%	49.36
5	Lines, Cables, Networks etc.	1969.69	764.62	0.00	2734.31	2352.00	5.28%	124.19
6	Vehicles	0.36	0.14	0.00	0.50	0.43	9.50%	0.04
7	Furniture & Fixtures	1.98	0.77	0.00	2.75	2.37	6.33%	0.15
8	Office Equipment	5.60	2.17	0.00	7.77	6.68	6.33%	0.42
9	**Total Fixed Assets**	**2823.80**	**1096.18**	**0.00**	**3919.98**	**3371.89**		
10	Non depreciable assets (Land & Land Rights)	0.44	0.17	0.00	0.60	0.52	0.00	0.00
11	**Depreciable assets**	**2823.37**	**1096.01**	**0.00**	**3919.38**	**3371.37**	**5.24%**	**176.66**

TABLE 6-156: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PuVVNL FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020								
S. No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	2.32	0.00	0.00	2.32	2.32	0.00%	0.00
2	Buildings	148.58	0.00	0.00	148.58	148.58	3.34%	4.96
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1422.06	0.00	0.00	1422.06	1422.06	5.28%	75.08
5	Lines, Cables, Networks etc.	5382.27	0.00	0.00	5382.27	5382.27	5.28%	284.18
6	Vehicles	0.43	0.00	0.00	0.43	0.43	9.50%	0.04
7	Furniture & Fixtures	4.49	0.00	0.00	4.49	4.49	6.33%	0.28
8	Office Equipment	58.91	0.00	0.00	58.91	58.91	6.33%	3.73
9	**Total Fixed Assets**	**7019.06**	**0.00**	**0.00**	**7019.06**	**7019.06**		
10	Non depreciable assets (Land & Land Rights)	2.32	0.00	0.00	2.32	2.32	0.00	0.00
11	**Depreciable assets**	**7016.74**	**0.00**	**0.00**	**7016.74**	**7016.74**	**5.25%**	**368.29**

TABLE 6-157: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF PuVVNL FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.23	0.08	0.00	0.31	0.27	0.00%	0.00
2	Buildings	45.42	15.11	0.00	60.53	52.98	3.34%	1.77
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	2138.74	711.49	0.00	2850.23	2494.49	5.28%	131.71
5	Lines, Cables, Networks etc.	1672.06	556.24	0.00	2228.31	1950.19	5.28%	102.97
6	Vehicles	0.35	0.12	0.00	0.46	0.40	9.50%	0.04
7	Furniture & Fixtures	0.53	0.18	0.00	0.70	0.62	6.33%	0.04
8	Office Equipments	13.74	4.57	0.00	18.32	16.03	6.33%	1.01
9	**Total Fixed Assets**	**3871.08**	**1287.78**	**0.00**	**5158.86**	**4514.97**		
10	Non depreciable assets (Land & Land Rights)	0.23	0.08	0.00	0.31	0.27	0.00	0.00
11	**Depreciable assets**	**3870.85**	**1287.70**	**0.00**	**5158.55**	**4514.70**	**5.26%**	**237.54**

TABLE 6-158: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF KESCO FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020								
S. No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	34.59	0.00	0.00	34.59	34.59	3.34%	1.16
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	233.88	0.00	0.00	233.88	233.88	5.28%	12.35
5	Lines, Cables, Networks etc.	479.85	0.00	0.00	479.85	479.85	5.28%	25.34
6	Vehicles	1.87	0.00	0.00	1.87	1.87	9.50%	0.18
7	Furniture & Fixtures	1.64	0.00	0.00	1.64	1.64	6.33%	0.10
8	Office Equipment	12.71	0.00	0.00	12.71	12.71	6.33%	0.80
9	**Total Fixed Assets**	**764.54**	**0.00**	**0.00**	**764.54**	**764.54**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	**Depreciable assets**	**764.54**	**0.00**	**0.00**	**764.54**	**764.54**	**5.22%**	**39.93**

TABLE 6-159: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF KESCO FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards								
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	5.92	3.90	0.00	9.81	7.86	3.34%	0.26
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	59.71	39.32	0.00	99.02	79.37	5.28%	4.19
5	Lines, Cables, Networks etc.	105.96	69.77	0.00	175.73	140.85	5.28%	7.44
6	Vehicles	0.48	0.31	0.00	0.79	0.63	9.50%	0.06
7	Furniture & Fixtures	0.25	0.17	0.00	0.42	0.33	6.33%	0.02
8	Office Equipment	2.47	1.62	0.00	4.09	3.28	6.33%	0.21
9	**Total Fixed Assets**	**174.79**	**115.08**	**0.00**	**289.87**	**232.33**		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	**Depreciable assets**	**174.79**	**115.08**	**0.00**	**289.87**	**232.33**	**5.24%**	**12.18**

TABLE 6-160: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF 5 STATE DISCOMS FOR FY 2022-23 (RS. CRORE) (Part – A)

For assets upto 31.3.2020									
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation	Net Allowable Depreciation
1	Land on lease	7.30	0.00	0.00	7.30	7.30	0.00%	0.00	0.00
2	Buildings	851.57	0.00	0.00	851.57	851.57	3.34%	28.44	16.42
3	Other Civil Works	14.27	0.00	0.00	14.27	14.27	3.34%	0.48	0.21
4	Plants & Machinery	3699.34	0.00	0.00	3699.34	3699.34	5.28%	195.33	122.87
5	Lines, Cables, Networks etc.	23775.70	0.00	0.00	23775.70	23775.70	5.28%	1255.36	741.60
6	Vehicles	41.42	0.00	0.00	41.42	41.42	9.50%	3.93	2.19
7	Furniture & Fixtures	29.54	0.00	0.00	29.54	29.54	6.33%	1.87	1.05
8	Office Equipments	169.12	0.00	0.00	169.12	169.12	6.33%	10.71	5.88
9	**Total Fixed Assets**	**28588.26**	**0.00**	**0.00**	**28588.26**	**28588.26**			
10	Non depreciable assets (Land & Land Rights)	7.30	0.00	0.00	7.30	7.30	0.00	0.00	0.00
11	**Depreciable assets**	**28580.95**	**0.00**	**0.00**	**28580.95**	**28580.95**	**5.23%**	**1496.11**	**890.22**

TABLE 6-161: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON 01.04.2020 OF 5 STATE DISCOMS FOR FY 2022-23 (RS. CRORE) (PART – B)

For assets from 1.4.2020 onwards									
S.No.	Particulars	Balance Depreciable Value	Addition to GFA	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation	Net Allowable Depreciation
1	Land on lease	1.56	0.58	0.00	2.14	1.85	0.00%	0.00	0.00
2	Buildings	307.82	115.68	0.00	423.50	365.66	3.34%	12.21	11.65
3	Other Civil Works	10.44	3.95	0.00	14.39	12.42	3.34%	0.41	0.40
4	Plants & Machinery	5503.02	1996.65	0.00	7499.66	6501.34	5.28%	343.27	326.13
5	Lines, Cables, Networks etc.	11524.62	4295.52	0.00	15820.14	13672.38	5.28%	721.90	690.48
6	Vehicles	4.59	1.84	0.00	6.43	5.51	9.50%	0.51	0.49
7	Furniture & Fixtures	14.04	5.32	0.00	19.36	16.70	6.33%	1.06	1.01
8	Office Equipments	75.55	28.44	0.00	103.99	89.77	6.33%	5.68	5.46
9	**Total Fixed Assets**	**17441.63**	**6447.99**	**0.00**	**23889.62**	**20665.63**			
10	Non depreciable assets (Land & Land Rights)	1.56	0.58	0.00	2.14	1.85	0.00	0.00	0.00
11	**Depreciable assets**	**17440.07**	**6447.41**	**0.00**	**23887.48**	**20663.77**	**5.25%**	**1085.05**	**1035.63**

6.9.9. The Petitioners have reduced the equivalent depreciation on the assets created out of consumer contributions, capital grants and subsidies from the gross allowable depreciation for FY 2022-23.

6.9.10. Thus, the allowable depreciation for FY 2022-23 is as shown in the tables below:

TABLE 6-162: NET APPROVED DEPRECIATION OF DVVNL FOR FY 2022-23 (RS. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	721.65	419.55
2	Gross Allowable Depreciation (Part B)	238.49	251.99
3	Gross allowable Depreciation (Part A+Part B)	960.14	671.54
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	160.62	160.62
5	**Net allowable Depreciation (for the year)**	**799.52**	**510.92**

TABLE 6-163: NET APPROVED DEPRECIATION OF MVVNL FOR FY 2022-23 (Rs. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	632.45	223.75
2	Gross Allowable Depreciation (Part B)	411.98	406.67
3	Gross allowable Depreciation (Part A+Part B)	1044.43	630.42
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	137.36	137.36
5	**Net allowable Depreciation (for the year)**	**907.07**	**493.06**

TABLE 6-164: NET APPROVED DEPRECIATION OF PVVNL FOR FY 2022-23 (Rs. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	884.32	444.60
2	Gross Allowable Depreciation (Part B)	182.05	176.66
3	Gross allowable Depreciation (Part A+Part B)	1066.37	621.27
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	206.96	206.96
5	**Net allowable Depreciation (for the year)**	**859.41**	**414.31**

TABLE 6-165: NET APPROVED DEPRECIATION OF PuVVNL FOR FY 2022-23 (Rs. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	871.85	368.29
2	Gross Allowable Depreciation (Part B)	249.10	237.54
3	Gross allowable Depreciation (Part A+Part B)	1120.95	605.83

S. No.	Particulars	Petitioner's Submission	Allowable
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	134.69	134.69
5	**Net allowable Depreciation (for the year)**	**986.26**	**471.13**

TABLE 6-166: NET APPROVED DEPRECIATION OF KESCO FOR FY 2022-23 (Rs. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	77.10	39.93
2	Gross Allowable Depreciation (Part B)	13.19	12.18
3	Gross allowable Depreciation (Part A+Part B)	90.29	52.11
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	15.68	15.68
5	**Net allowable Depreciation (for the year)**	**74.61**	**36.43**

TABLE 6-167: CONSOLIDATED NET APPROVED DEPRECIATION OF 5 STATE DISCOMS FOR FY 2022-23 (Rs. CRORE)

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	3,187.37	1,496.11
2	Gross Allowable Depreciation (Part B)	1,094.81	1,085.05
3	Gross allowable Depreciation (Part A+Part B)	4,282.18	2,581.16
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	655.31	655.31
5	**Net allowable Depreciation (for the year)**	**3,626.87**	**1,925.85**

6.10. INTEREST AND FINANCE CHARGES

INTEREST ON LONG TERM LOANS

Petitioner's Submission

6.10.1. The Petitioner submitted that they have considered a normative approach with a debt equity ratio of 70:30. Considering this approach, 70% of the capital expenditure (asset put to use) undertaken in any year was financed through loan and balance 30% has been financed through equity contributions. The portion of capital expenditure financed through consumer contributions, capital subsidies and grants are separated and the depreciation, interest and return on equity thereon was not charged to the consumers. Subsequently, the financing of the capital investment was worked out based on the debt equity ratio of 70:30 and allowable depreciation was considered as normative loan repayment.

6.10.2. The Petitioners submitted that they have worked-out the interest on long term loan based on the same philosophy. Allowable depreciation for the year has been considered as normative loan repayment. The weighted average interest rate for FY 2022-23 has been considered as per audited accounts for computing the eligible interest expenses.

6.10.3. Considering the above, the gross interest on long term loan has been computed below. The interest capitalisation has been considered at the same rate as for FY 2022-23. The computations for interest on long term loan are shown in table below:

TABLE 6-168: INTEREST ON LONG TERM LOAN AS SUBMITTED BY DVVNL FOR 2020-21 (RS CRORE)

Particulars	Petitioner's Submission
Opening Loan	4,971.78
Loan Additions (70% of Investments)	1,424.57
Less: Repayments (Depreciation allowable for the year)	799.52
Closing Loan Balance	5,596.83
Weighted Average Rate of Interest	11.21%
Interest on long term loan	592.37
Less: Interest Capitalized	240.43
Net Interest on Loan term loan	351.94

TABLE 6-169: INTEREST ON LONG TERM LOAN AS SUBMITTED BY MVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
Opening Loan	7,534.48
Loan Additions (70% of Investments)	1,848.84
Less: Repayments (Depreciation allowable for the year)	907.07
Closing Loan Balance	8,476.25
Weighted Average Rate of Interest	10.91%
Interest on long term loan	**873.39**
Less: Interest Capitalized	198.33
Net Interest on Loan term loan	675.05

TABLE 6-170: INTEREST ON LONG TERM LOAN AS SUBMITTED BY PVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
Opening Loan	4,390.54
Loan Additions (70% of Investments)	911.70
Less: Repayments (Depreciation allowable for the year)	859.41
Closing Loan Balance	4,442.83
Weighted Average Rate of Interest	8.40%
Interest on long term loan	**371.00**
Less: Interest Capitalized	73.65
Net Interest on Loan term loan	**297.35**

TABLE 6-171: INTEREST ON LONG TERM LOAN AS SUBMITTED BY PuVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
Opening Loan	7,076.86
Loan Additions (70% of Investments)	1,209.46
Less: Repayments (Depreciation allowable for the year)	986.26
Closing Loan Balance	7,300.06
Weighted Average Rate of Interest	10.24%
Interest on long term loan	**736.10**
Less: Interest Capitalized	157.62
Net Interest on Loan term loan	**578.48**

TABLE 6-172: INTEREST ON LONG TERM LOAN AS SUBMITTED BY KESCO FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
Opening Loan	77.79
Loan Additions (70% of Investments)	108.09
Less: Repayments (Depreciation allowable for the year)	74.61
Closing Loan Balance	111.27
Weighted Average Rate of Interest	10.63%
Interest on long term loan	**10.05**
Less: Interest Capitalized	0.00
Net Interest on Loan term loan	**10.05**

Commission's Analysis

6.10.4. The Commission has considered 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 determination of Tariff. The same approach has been considered for approval of ARR in the Tariff Order for FY 2020-21 and FY 2021-22. Further, as per the Regulation 23.5, the rate of interest on long term loan is considered as the weighted average rate of interest of the actual long term loan portfolio of the year. The relevant extract is provided in the following:

Quote

23 Interest on Long- Term Loan

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

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

23.2 The normative long- term loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2020, from the gross normative loan.

23.3 The repayment for each year shall be deemed to be equal to the Depreciation allowed for that year.

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

23.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long- term loan portfolio at the beginning of each year:

Provided that at the time of Truing- Up, the weighted average rate of interest of the actual long- term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long- term loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for actual loan shall be considered:

Provided also that if the Licensee, does not have actual long- term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the Licensee does not have actual long- term loan, and its other Businesses regulated by the Commission also do not have actual loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan because of which interest rate is not available, then the rate of interest for the purpose of allowing the interest on the normative long- term loan should be the weighted average SBI MCLR (1 Year) prevailing during the concerned year.

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

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

23.7 The excess interest during construction on account of time and / or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to

the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

Unquote

6.10.5. The Commission has discussed detailed approach taken for computation of opening loan while doing True Up for FY 2020-21. The opening loan balance for FY 2021-22 is calculated by taking into consideration the closing normative loan balance of FY 2020-21. Based on this closing loan balance for FY 2021-22 has been determine. Further, the Commission has considered normative closing loan balance of APR year FY 2021-22 as opening loan balance for FY 2022-23. Further, the Commission has considered the rate of interest as claimed by the Petitioners, appropriate treatment shall be done at the time of True Up. The interest on long term loan projected by the Petitioners and approved by the Commission is shown in the Table below:

TABLE 6-173: INTEREST ON LONG TERM LOAN OF DVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	4,971.78	4,409.70
Loan Additions (70% of Capitalisation)	1,424.57	1,059.80
Less: Repayments (Depreciation allowable for the year)	799.52	510.92
Closing Loan Balance	5,596.83	4,958.57
Weighted Average Rate of Interest	11.21%	11.21%
Interest on long term loan	**592.37**	**525.31**
Less: Interest Capitalized	240.43	240.43
Net Interest on long term loans	**351.94**	**284.87**

TABLE 6-174: INTEREST ON LONG TERM LOAN OF MVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	7,534.48	4,515.80
Loan Additions (70% of Capitalisation)	1,848.84	1,704.46

Particulars	Petitioner's Submission	Approved
Less: Repayments (Depreciation allowable for the year)	907.07	493.06
Closing Loan Balance	8,476.25	5,727.20
Weighted Average Rate of Interest	10.91%	10.91%
Interest on long term loan	**873.39**	**558.96**
Less: Interest Capitalized	198.33	198.33
Net Interest on long term loans	**675.05**	**360.63**

TABLE 6-175: INTEREST ON LONG TERM LOAN OF PVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	4,390.54	3,231.55
Loan Additions (70% of Capitalisation)	911.70	767.33
Less: Repayments (Depreciation allowable for the year)	859.41	414.31
Closing Loan Balance	4,442.83	3,584.57
Weighted Average Rate of Interest	8.40%	8.40%
Interest on long term loan	**371.00**	**286.37**
Less: Interest Capitalized	73.65	73.65
Net Interest Charged	**297.35**	**212.72**

TABLE 6-176: INTEREST ON LONG TERM LOAN OF PuVVNL FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	7,076.86	3,976.13
Loan Additions (70% of Capitalisation)	1,209.46	901.45
Less: Repayments (Depreciation allowable for the year)	986.26	471.13
Closing Loan Balance	7,300.06	4,406.44
Weighted Average Rate of Interest	10.24%	10.24%
Interest on long term loan	**736.10**	**429.11**
Less: Interest Capitalized	157.62	157.62
Net Interest on long term loans	**578.48**	**271.49**

TABLE 6-177: INTEREST ON LONG TERM LOAN OF KESCO FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	77.79	152.12
Loan Additions (70% of Capitalisation)	108.09	64.35
Less: Repayments (Depreciation allowable for the year)	74.61	36.43
Closing Loan Balance	111.27	180.04
Weighted Average Rate of Interest	10.63%	10.63%
Gross Interest on long term loan	**10.05**	**17.66**

Particulars	Petitioner's Submission	Approved
Less: Interest Capitalized	0.00	0.00
Net Interest on long term loans	**10.05**	**17.66**

TABLE 6-178: CONSOLIDATED INTEREST ON LONG TERM LOAN OF THE STATE DISCOMS FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
Opening Loan	24,051.46	16,285.28
Loan Additions (70% of Capitalization)	5,502.65	4,497.38
Less: Repayments (Depreciation allowable for the year)	3,626.87	1,925.85
Closing Loan Balance	25,927.24	18,856.82
Rate of Interest	10.34%	10.34%
Interest on long term loan	**2,582.90**	**1,817.41**
Less: Interest Capitalized	670.04	670.04
Net Interest on long term loans	**1,912.87**	**1,147.37**

INTEREST ON WORKING CAPITAL

6.10.6. The Petitioners have determined Interest on Working Capital for FY 2022-23 as per Regulation 25.2 (a) & 25.2 (b) of MYT Regulations, 2019. The Regulation 25.2 (a) & 25.2 (b) is quoted below:

Quote

"(a) The working capital requirement of the Distribution Business shall cover:

(i) Operation and maintenance expenses for one month;

(ii)Maintenance spares at 40% of the R&M expenses for two months; and

(iii)One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);

minus

(iv) Amount held as security deposits from Distribution System Users:

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

(b) Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points:

Provided that for the purpose of Truing-Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

Unquote

6.10.7. The Petitioners have claimed Interest on Working Capital of Rs. 139.44 Crore, Rs. 148.11 Crore, Rs. 157.33 Crore, Rs. 194.60 Crore and Rs. 20.43 Crore for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO respectively.

Commission's Analysis

6.10.8. The Petitioners submitted that they have computed Interest on Working Capital as per Regulation 25.2 (a) & 25.2 (b) of MYT Regulations, 2019. The Commission observed that the Petitioners while calculating the Interest on Working Capital considered rate of interest on Working Capital requirement as 10.65% (State Bank Advance Rate (SBAR) %). However, the Commission has considered rate of interest on Working Capital requirement as 9.50% (SBI MCLR, 1 Year, as on October 01, 2021 i.e., 7% plus 250 basis point. As per Regulation, in case of ARR, rate of interest on Working Capital requirement is to be taken equal to the SBI MCLR (1 Year) on October 01, 2019 plus 250 basis points. However, the Commission is of the view that rate of interest on Working Capital requirement is to be taken the prevailing rate as on 1st October preceding to the date of filing as provided in the Regulation 4.1 of MYT Regulations, 2019. The link for the same is: https://www.sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data. The same will be revisited at the time of True-up in line with the Regulations.

6.10.9. The Interest on Working Capital as per MYT Regulations, 2019, is determined in the tables below:

TABLE 6-179: INTEREST ON WORKING CAPITAL OF DVVNLAPPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	95.01	70.89
One and half month's equivalent of expected revenue	B	1991.41	2154.78
Maintenance spares @ 40% of R&M expenses for two months	C	40.21	51.29

Particulars	Derivation	Petitioner's Submission	Approved
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	E	817.29	817.29
Net Working Capital Requirement	F =D-E	1309.34	1459.66
Interest rate	G	10.65%	9.50%
Interest on working capital	**H = F x G**	**139.44**	**138.67**

TABLE 6-180: INTEREST ON WORKING CAPITAL OF MVVNL APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M expenses	A	107.51	81.19
One and half month's equivalent of expected revenue	B	1949.67	2124.11
Maintenance spares @ 40% of R&M expenses for two months	C	27.08	38.12
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act, 2003	E	693.55	693.55
Net Working Capital Requirement	F =D-E	1390.71	1549.86
Interest rate	G	10.65%	9.50%
Interest on working capital	**H = F x G**	**148.11**	**147.24**

TABLE 6-181: INTEREST ON WORKING CAPITAL OF PVVNL APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	123.40	101.75
One and half month's equivalent of expected revenue	B	3273.88	3118.56
Maintenance spares @ 40% of R&M expenses for two months	C	43.66	44.82
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	E	1963.63	1963.63
Net Working Capital Requirement	F =D-E	1477.30	1301.50
Interest rate	G	10.65%	9.50%

Particulars	Derivation	Petitioner's Submission	Approved
Interest on working capital	**H = F x G**	**157.33**	**123.64**

TABLE 6-182: INTEREST ON WORKING CAPITAL OF PuVVNL APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	163.16	148.81
One and half month's equivalent of expected revenue	B	2141.92	2231.20
Maintenance spares @ 40% of R&M expenses for two months	C	64.12	64.59
Less: Security Deposit from consumers, if any	E	541.96	541.96
Net Working Capital Requirement	F =D-E	1827.24	1902.64
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	9.50%
Interest on working capital	**H = F x G**	**194.60**	**180.75**

TABLE 6-183: INTEREST ON WORKING CAPITAL OF KESCO APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	24.30	23.94
One and half month's equivalent of expected revenue	B	360.72	377.19
Maintenance spares @ 40% of R&M expenses for two months	C	6.17	7.68
Less: Security Deposit from consumers, if any	E	199.36	199.36
Net Working Capital Requirement	F =D-E	191.83	209.44
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	9.50%
Interest on working capital	**H = F x G**	**20.43**	**19.90**

TABLE 6-184: CONSOLIDATED INTEREST ON WORKING CAPITAL OF THE STATE DISCOMS APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	513.37	426.57
One and half month's equivalent of expected revenue	B	9717.60	10005.83

Particulars	Derivation	Petitioner's Submission	Approved
Maintenance spares @ 40% of R&M expenses for two months	C	181.24	206.51
Less: Security Deposit from consumers, if any	E	4215.79	4215.79
Net Working Capital Requirement	F =D-E	6196.42	6423.11
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	9.50%
Interest on working capital	**H = F x G**	**659.92**	**610.20**

INTEREST ON CONSUMER SECURITY DEPOSIT

Petitioner's Submission

6.10.10. The Petitioners submitted that the opening balance of long-term loan has been considered equivalent to the closing loan balance for previous year as per the present Petition.

6.10.11. The Petitioners submitted that as per Regulation 25.2 (c) of MYT Regulations, 2019, 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.

6.10.12. The Petitioners submitted that the opening balances of security deposits have been considered as per closing figures of FY 2022-23 and no additions during the year FY 2022-23 is estimated as per the % increase in Revenue Assessment for FY 2022-23 w.r.t FY 2021-22. Accordingly, Petitioners have computed the interest on security deposit for FY 2022-23.

TABLE 6-185: INTEREST ON SECURITY DEPOSITS FOR STATE DISCOM FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission
DVVNL	33.98
MVVNL	29.05
PVVNL	81.46
PuVVNL	22.82
KESCO	8.36
Consolidated (5 Discom)	**175.67**

Commission's Analysis

6.10.13. The Regulation 25.2 (c) of MYT Regulations, 2019 states that,

Quote

(c) 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

6.10.14. Accordingly, the Commission has considered the projections of the Petitioners. Accordingly, Commission has computed and approved the interest on security deposit for FY 2022-23, which is shown in the Tables below.

TABLE 6-186: INTEREST ON SECURITY DEPOSITS FOR STATE DISCOM FOR FY 2022-23 (RS. CRORE)

Particulars	Petitioner's Submission	Approved
DVVNL	33.98	33.98
MVVNL	29.05	29.05
PVVNL	81.46	81.46
PuVVNL	22.82	22.82
KESCO	8.36	8.36
Consolidated (5 Discom)	**175.67**	**175.67**

6.11. RETURN ON EQUITY (RoE)

6.11.1. The Petitioners submitted that the Regulation 22 of the MYT Regulations, 2019 provides for return on equity @15% post-tax per annum for Distribution Licensee as specified below:

Quote

22 Return on equity

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.

Unquote

6.11.2. The Petitioners submitted that they have considered closing equity in APR for FY 2021-22 as opening for FY 2022-23. Equity addition during the year has been considered 30% of GFA addition during the year net of consumer contribution, capital subsidies/ grants.

Commission's Analysis

6.11.3. The Commission has considered 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 determination of tariff. The same approach has been considered for FY 2020-21 & FY 2021-22 both.

6.11.4. The Commission has discussed detailed approach taken for computation of opening equity considered for FY 2020-21. The opening equity balance for FY 2021-22 is calculated by taking into consideration the closing equity balance of FY 2020-21. Based on this closing equity for FY 2021-22 has been determine. Further, the Commission has considered closing equity balance of APR year FY 2021-22 as opening equity balance for FY 2022-23.

6.11.5. As per Regulation22 of MYT Regulations, 2019 the Commission has considered rate of return on equity as 15%. The relevant extract of the Regulation is as under:

Quote

22 Return on equity

22.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 14.5% post-tax per annum for the Transmission Licensee and at the rate of 15% post-tax per annum for Distribution Licensee respectively as determined in accordance with Regulation 20:

Provided that assets funded by Consumer Contribution / Deposit works, Capital Subsidies / Grants and corresponding Depreciation shall

not form part of the Capital Cost. Actual Equity infused by the Licensee as per book value shall be considered and shall be used for computation in these Regulations.

Unquote

6.11.6. The return on equity proposed by the Petitioners and approved by the Commission is shown in the Table below:

TABLE 6-187: RETURN ON EQUITY OF DVVNL FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,456.37	3,913.20
Additions (30% of Capitalization)	B	610.53	454.20
Closing Equity	C = A+B	5,066.90	4,367.40
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**714.25**	**621.05**

TABLE 6-188: RETURN ON EQUITY OF MVVNL FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,163.84	3,562.75
Additions (30% of Capitalization)	B	792.36	730.48
Closing Equity	C = A+B	4,956.20	4,293.23
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**684.00**	**589.20**

TABLE 6-189: RETURN ON EQUITY OF PVVNL FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,701.35	4,027.11
Additions (30% of Capitalization)	B	390.73	328.85
Closing Equity	C = A+B	5,092.07	4,355.96
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**734.51**	**628.73**

TABLE 6-190: RETURN ON EQUITY OF PuVVNL FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,591.97	3,794.55
Additions (30% of Capitalization)	B	518.34	386.33
Closing Equity	C = A+B	5,110.32	4,180.88
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**727.67**	**598.16**

TABLE 6-191: RETURN ON EQUITY OF KESCO FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	352.03	352.02
Additions (30% of Capitalization)	B	46.32	27.58
Closing Equity	C = A+B	**398.35**	**379.60**
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**56.28**	**54.87**

TABLE 6-192: CONSOLIDATEED RETURN ON EQUITY OF STATE DISCOMS FOR 2022-23 (RS CRORE)

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	18,265.56	15,649.63
Additions (30% of Capitalization)	B	2,358.28	1,927.45
Closing Equity	C = A+B	20,623.84	17,577.08
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	**E = Average (A, C)*D**	**2,916.71**	**2,492.00**

6.12. PROVISION ON BAD AND DOUBTFULL DEBT

Petitioner's Submission

6.12.1. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 258.67 Crore, Rs. 260.24 Crore, Rs. 413.75 Crore, Rs. 274.45 Crore and Rs. 57.72 Crore respectively towards provision for bad and doubtful debts for FY 2022-23.

6.12.2. The Regulation 46 of MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables as specified below:

Quote

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.....

Unquote

Commission's Analysis

6.12.3. The Regulation 46 of MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the Revenue Receivables from sale of electricity as specified below:

Quote

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:

Provided further that such provision allowed by the Commission for any Year shall not exceed the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the audited accounts of that Year:

Provided that the Commission, in its ARR / Tariff Order, may provisionally approve provision for write off of bad and doubtful debts based on the actual provision for write off of bad and doubtful debts made by the Distribution Licensee in the latest Audited Accounts available for the Petitioner, and as allowed by the Commission:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included under the Non-Tariff Income of the year in which such revenue is realised.

Unquote

6.12.4. The Petitioners have claimed provision for bad and doubtful debt for FY 2022-23 considering the revenue from the Tariff with the subsidy. The Regulations also provides that the Commission in the ARR / Tariff Order may provisionally

approve provision for write off of bad debt based on the actual provision for write off of bad and doubtful debt made by the Distribution Licensee in the latest audited accounts.

6.12.5. The Commission, for computation of provision for bad and doubtful debt has considered the actual percentage of bad debts approved in True-Up of FY 2020-21 i.e., for 0.55% for DVVNL, 0.91% for MVVNL, 0.74% for PuVVNL and 0.19% for KESCO of revenue. For PVVNL, no provision provision for bad and doubtful debt has been approved by the Commission as result of which the principle adopted for other Petitioner cannot be adopted. Thus, the Commission has considered provision of bad and doubtful debt for FY 2022-23 equals to the provision approved for FY 2019-20 in the Tariff Order date July 29, 2021. Apprppriate treatment shall be done at the time of True Up.

6.12.6. The Commission will carry out the Truing Up of bad debts subject to actual writing off of the bad debts during the year. The provision of bad and doubtful debts allowed for FY 2022-23 is depicted in the tables below:

TABLE 6-193: CONSOLIDATED BAD AND DOUBTFUL DEBT FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
DVVNL	258.08	95.40
MVVNL	259.66	154.20
PVVNL	413.96	40.89
PuVVNL	276.65	132.03
KESCO	57.96	5.76
Consolidated (5 Discoms)	**1266.31**	**428.28**
Consolidated Revenue of 5 Discoms	**63,315.60**	**80,046.63**
% Bad Debt	**2.00%**	**0.54%**

6.12.7. Further, any variation on this account would be taken up at the time of True-up based on the audited accounts.

6.13. NON-TARIFF INCOME

Petitioner's Submission

6.13.1. The Petitioners submitted the estimated non-tariff income for FY 2022-23 as shown in the Table below:

TABLE 6-194: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
DVVNL	50.65
MVVNL	38.06
PVVNL	48.73
PuVVNL	28.90
KESCO	17.46
Consolidated (5 Discoms)	**183.80**

6.13.2. Regulation 47 of MYT Regulations, 2019, provides for treatment of non-tariff income, which is as follows:

Quote

47 Non-Tariff Income

47.1 The amount of Non-Tariff Income relating to the Distribution Business as approved by the Commission shall be deducted from the ARR in determining the Tariff for retail supply and Wheeling Charges of the Distribution Business:

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

47.2 The Non-Tariff Income shall include:

a) Income from rent of land or buildings;

b) Income from sale of scrap;

c) Income from investments;

d) Interest income on advances to suppliers/contractors;

e) Interest income on loans / advances to employees;

f) Income from rental from staff quarters;

g) Income from rental from contractors;

h) Income from hire charges from contactors and others;

i) Income from delayed payment surcharge, supervision charges, etc.;

j) Supervision charges for capital works;

k) Income from recovery against theft and/or pilferage of electricity;

l) Income from advertisements;

m) Income from sale of tender documents;

n) Excess found on physical verification;

o) Prior Period Income;

p) Miscellaneous receipts; and

q) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Distribution Business shall not be included in Non-Tariff Income.

Unquote

6.13.3. Accordingly, the Commission approves Non-Tariff Income as claimed by the Petitioners for FY 2022-23 as shown in the Table below:

TABLE 6-195: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission	Approved
DVVNL	50.65	50.65
MVVNL	38.06	38.06
PVVNL	48.73	48.73
PuVVNL	28.90	28.90
KESCO	17.46	17.46
Consolidated (5 Discoms)	**183.80**	**183.80**

6.13.4. Further, any variation on this account would be taken up at the time of True-Up based on the audited accounts.

6.13.5. 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, which are suitable from the perspective of numbers, size and other technical requirements. 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 incentive to the licensee through revenue sharing based on implementation of the same.

6.14. INCOME TAX

Commission's Analysis

6.14.1. Regulation 26 of MYT Regulations, 2019 provide for income tax. The relevant extract of the Regulation is as under:

Quote

26 Income Tax

26.1 Income Tax, if any, on the licensed business of the Licensee shall be treated as expense and shall be recoverable from consumers through Tariff. However, tax on any income other than that through its Licenced business shall not be a pass through, and it shall be payable by the Licensee itself.

***26.2** Notwithstanding anything contained in Regulation 26.1, total Income Tax payable by the Licensee, in any year, shall be lowest of the following:*

(a) Actual payment made;

(b) ROE allowed in that year x MAT (%) or ROE allowed in that year x Corporate tax (%), whichever is applicable.

***26.3** Any under recoveries or over recoveries of Tax on income shall be adjusted every year on the basis of Income Tax assessment under the Income Tax Act 1961, subject to Regulation 26.2 above, as certified by the Statutory Auditors.*

Unquote

6.14.2. The Petitioners have not claimed provision of income tax for FY 2022-23. The Commission verified the income tax paid by the Petitioners from the audited accounts, which is Nil for FY 2020-21. Accordingly, the Commission has approved income tax for FY 2022-23 as Nil.

6.15. GOUP SUBSIDY

Petitioner's Submission

6.15.1. The Petitioners submitted that the Government subsidy for FY 2022-23 is yet to be approved in state budget for FY 2022-23. As such this is not available at present. Therefore, for this Licensees has taken same provisional value as budgeted for FY2021-22 by GoUP. Further, it is submitted that as per the Section 65 of electricity Act, 2003 the GoUP provides the Government subsidy details directly to the Commission.

6.15.2. The Petitioners submitted that the Commission may substitute this provisional amount of Government subsidy by the actual subsidy details communicated by the Government of UP to the Commission for FY 2022-23 and the revenue gap shall be modified accordingly.

6.15.3. The Petitioners submitted that in the previous tariff Order the Commission has directed the Licensees to submit the road map for DBT in transparent manner. Accordingly, the Petitioners have explained vide letter 421/RAU/ARR 2022-23 dated October 12, 2021 (Annexure-1) to the the Commission that desired roadmap has already been communicated by the GoUP vide letter dated March 26, 2021 to the Commission wherein GoUP has described the roadmap as below:

a. The GoUP has approved the mechanism of mentioning the rate of Govt. Subsidy as decided by GoUP in the monthly bills of consumers and making adjustment of the subsidy amount in the billed amount of consumers.
b. The quarterly account of the utilization of Govt. subsidy provided in advance as per the actual per unit/per BHP/per KW consumption for subsidized consumers categories/sub-categories/slabs will be submitted by UPPCL to GoUP within one month of the completion of every quarter.
c. On the basis of quarterly account the amount of subsidy for next quarter will be revised after adjusting the amount of remaining subsidy or the amount of additional subsidy required from the Govt.
d. The above process will start from the quarter April-June, 2022.

6.15.4. On the basis of the above roadmap, the details of the per unit rate of the GoUP subsidy may be mentioned in the Tariff Order separately.

6.15.5. Accordingly, the Petitioners submitted that they have complied the directive issued by the Commission in Tariff order August 29, 2021 regarding the scheme for transfer of subsidy in a transparent manner with the approval of the State Government, which is to be implemented with effect from April 01, 2022.

6.15.6. Above table also highlights that if cross subsidy is computed on full cost tariff including slab wise subsidy, this will project true picture of cross subsidization.

TABLE 6-196: GOUP SUBSIDY AS SUBMITTED BY THE STATE DISCOMS FOR 2022-23 (RS CRORE)

Particulars	Petitioner's Submission
DVVNL	2,895.97
MVVNL	2,710.96
PVVNL	5,479.73
PuVVNL	3,413.33
KESCO	0.00
Consolidated (5 Discoms)	**14,500.01**

Commission's Analysis

6.15.1. The GoUP provides subsidy for certain sub-categories / slabs of domestic and agriculture consumers. The GoUP in reply to the Commission's Letter No. UPERC / Director (Tariff)/ 2022-137 dated April 28, 2022 to which they submitted the following category / sub-category / slab wise subsidy details vide Letter No. 703/24-1-2022-1307/2020 dated June 07, 2022:

TABLE 6-197: GoUP SUBSIDY VIDE Letter No. 703/24-1-2022-1307/2020 dated June 07, 2022 FOR FY 2022-23

Consumer Category	FY 2022-23		
	Unit	Subsidy per Unit	Total Subsidy (Rs. Crore)
LMV-1: Domestic Light, Fan & Power			6,503
Lifeline (Rural and Urban)	Rs./Unit	3.50	4,875
Rural Schedule unmetered	Rs. /kW/Month	435	180
Rural Schedule metered (for all Consumers)	Rs. / unit		
0-100 Unit		2.70	1,189
101-150 Unit		2.00	259
Private Tube Wells/ Pumping Sets (Rural Schedule)			7,097
Rural Schedule metered and unmetered	Rs./BHP/Month	550	7,097

Consumer Category	FY 2022-23		
	Unit	Subsidy per Unit	Total Subsidy (Rs. Crore)
Total Subsidy			13,600

6.15.1. As can be seen from the above Table that the GoUP has provided details for a subsidy totalling to Rs. 13,600 Crore instead of Rs. 14,500 Crore as claimed by the Petitioners in their ARR / Tariff Petitions. The final subsidy computation will be done after the True Up of FY 2022-23 based on actual / audited data. The Commission has checked the subsidy requirement based on the approved Billing Determinants and the subsidy available for certain consumers and has found the same to be adequate.

6.15.2. GoUP & the State owned Discoms submitted that they are considering to prepare the consumer electricity bills on "Tariff Excluding Subsidy" and the "amount of Subsidy Per Unit" shall be mentioned separately in the bill. Accordingly, for this purpose for each category / sub-category / slab wise "Tariff Excluding Subsidy" and "Subsidy Per Unit" will be required.

6.15.3. The transfer of subsidy to consumers should be done through DBT mechanism. With reference to direct benefit transfer (DBT), the Commission in its Tariff Order dated November 11, 2020 has directed the Petitioner as under:

"10.2.1. The State Government is providing annual subsidy of Rs. 10250 Crores for FY 2020-21. The Petitioners have not developed any transparent mechanism for proper utilization of this subsidy only for the directed class of consumers namely, agricultural, lifeline, rural domestic etc. In view of ensuring transparent utilization of public resources by way of subsidy, the Petitioners are directed to prepare a scheme for transfer of subsidy in a transparent manner with the approval of the State Government to be implemented with effect from 1st April 2022. For introduction of DBT, the Petitioners will need to achieve 100% metering of all consumers and also computerise the details of all those consumers who are to be benefitted with subsidy under DBT including agricultural consumers. The Petitioners shall submit the roadmap for DBT in their next ARR filing for year 2021-22."

6.15.4. The Commission reiterates the above reasoning and directs the Petitioners to submit the roadmap for DBT in their next ARR filing for its consideration subject to meeting the provisions under Section 65 of the Electricity Act, 2003, wherein the subsidy amount is to be provided in advance.

6.15.5. The Commission approves the subsidy amount as per the letter received from GoUP (Letter No. 703/24-1-2022-1307/2020 Dated June 07, 2022) as shown in the Table below:

TABLE 6-198: GOUP SUBSIDY APPROVED BY THE COMMISSION FOR 2022-23 (RS CRORE)

Particulars	Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) (Rs. Crore)
LMV-1: Domestic Light, Fan & Power	
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	**4,963.41**
Dom: Rural Schedule (unmetered)	**271.43**
Dom: Rural Schedule (metered) other than BPL	
Dom: 0-100	328.29
Dom: 101-150	503.29
SUBTOTAL (LMV-1)	**6,066.42**
LMV-5: Private Tube Wells/ Pumping Sets	**5,497.43**
PTW: Rural Schedule (unmetered)	6,410.39
PTW: Rural Schedule (metered)	641.50
SUBTOTAL (LMV-5)	**7,051.89**
Total Subsidy (LMV1 + LMV 5)	**13,118.31**

6.15.6. The subsidy shown in the above table is determined based on the rate provided in the GoUP Letter No. 703/24-1-2022-1307/2020 Dated June 07, 2022 and the billing determinants as approved by the Commission and is subject to True-Up.

6.16. AGGREGATE REVENUE REQUIREMENT (ARR) FY 2022-23

6.16.1. The ARR projected by the Petitioners and approved for FY 2022-23 is as shown in the tables below:

TABLE 6-199: ARR SUMMARY FOR DVVNL FOR 2022-23 (RS CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	13,084.04	13,698.90
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	664.06	623.14
Gross O&M Expenses	**1,652.81**	**1,278.28**
Employee Expenses	831.42	394.81
R&M Expense	603.20	512.91
A&G Expense	133.11	114.11
Smart Metering OPEX	85.08	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	256.46
Depreciation	799.52	510.92
Interest on Long-Term Loan	592.37	525.31
Interest on Security Deposit from Consumers and Distribution system Users	33.89	33.98
Finance/Bank Charges	57.61	0.00
Interest on Working Capital	137.89	138.67
Income Tax	0.00	0.00
Gross Expenditure	**17,022.18**	**16,809.19**
Less: Interest Capitalisation	240.43	240.43
Less: Employee Capitalisation	427.65	427.65
Net Expenditure	**16,354.10**	**16,141.10**
Bad and Doubtful debts	258.08	95.40
Net Expenditure with Provisions	**16,612.17**	**16,236.50**
Return on Equity	714.25	621.05
Less: Non Tariff Income	50.65	50.65
Less: Revenue from Open Access Customers	0.00	0.00
Net Annual Revenue Requirement of Licensee	**17,275.77**	**16,806.89**
Revenue Assessment at Existing Tariff	12,903.95	17,238.22
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	**2,716.24**	0.00
Total Gap/(Surplus)	**1,655.58**	**(431.33)**

TABLE 6-200: ARR SUMMARY FOR MVVNL FOR 2022-23 (RS. CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	12,331.35	13,274.08
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	614.92	598.67
Gross O&M Expenses	**2,074.00**	**1,618.84**
Employee Expenses	1,189.98	773.35
R&M Expense	406.19	381.19
A&G Expense	338.50	273.70
Smart Metering OPEX	139.33	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	190.60
Depreciation	907.07	493.06
Interest on Long-Term Loan	873.39	558.96
Interest on Security Deposit from Consumers and Distribution system Users	28.98	29.05
Finance/Bank Charges	47.43	0.00
Interest on Working Capital	149.56	147.24
Income Tax	0.00	0.00
Gross Expenditure	**17,026.69**	**16,719.90**
Less: Interest Capitalisation	198.33	198.33
Less: Employee Capitalisation	644.56	644.56
Net Expenditure	**16,183.80**	**15,877.00**
Bad and Doubtful debts	259.66	154.20
Net Expenditure with Provisions	**16,443.47**	**16,031.21**
Return on Equity	684.00	589.20
Less: Non Tariff Income	38.06	38.06
Less: Revenue from Open Access Customers	0.00	0.00
Net Annual Revenue Requirement of Licensee	**17,089.41**	**16,582.34**
Revenue Assessment at Existing Tariff	12,983.22	16,992.85
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	2,542.69	0.00
Total Gap/(Surplus)	**1,563.49**	**(410.51)**

TABLE 6-201: ARR SUMMARY FOR PVVNL FOR 2022-23 (RS. CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	23,228.90	20,779.50
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	885.47	887.36
Gross O&M Expenses	**1,901.64**	**1,531.13**
Employee Expenses	954.76	699.16
R&M Expense	654.84	448.24
A&G Expense	181.32	159.62
Smart Metering OPEX	110.73	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	224.12
Depreciation	859.41	414.31
Interest on Long-Term Loan	371.00	286.37
Interest on Security Deposit from Consumers and Distribution system Users	81.49	81.46
Finance/Bank Charges	91.53	0.00
Interest on Working Capital	157.05	123.64
Income Tax	0.00	0.00
Gross Expenditure	**27,576.49**	**24,103.79**
Less: Interest Capitalisation	73.65	73.65
Less: Employee Capitalisation	310.15	310.15
Net Expenditure	**27,192.68**	**23,719.99**
Bad and Doubtful debts	413.96	40.89
Net Expenditure with Provisions	**27,606.64**	**23,760.88**
Return on Equity	734.51	628.73
Less: Non Tariff Income	48.73	48.73
Less: Revenue from Open Access Customers	23.15	23.15
Net Annual Revenue Requirement of Licensee	**28,269.27**	**24,317.73**
Revenue Assessment at Existing Tariff	20,698.13	24,948.48
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	5,139.61	0.00
Total Gap/(Surplus)	**2,431.54**	**(630.75)**

TABLE 6-202: ARR SUMMARY FOR PuVVNL FOR 2022-23 (RS. CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	13,162.44	13,352.01
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	665.65	651.02
Gross O&M Expenses	**2,343.27**	**2,026.29**
Employee Expenses	1,054.29	885.66
R&M Expense	961.85	645.92
A&G Expense	182.38	171.76
Smart Metering OPEX	144.76	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	322.96
Depreciation	986.26	471.13
Interest on Long-Term Loan	736.10	429.11
Interest on Security Deposit from Consumers and Distribution system Users	22.94	22.82
Finance/Bank Charges	66.75	0.00
Interest on Working Capital	195.61	180.75
Income Tax	0.00	0.00
Gross Expenditure	**18,179.01**	**17,133.13**
Less: Interest Capitalisation	157.62	157.62
Less: Employee Capitalisation	240.63	240.63
Net Expenditure	**17,780.76**	**16,734.89**
Bad and Doubtful debts	276.65	132.03
Net Expenditure with Provisions	**18,057.41**	**16,866.92**
Return on Equity	727.67	598.16
Less: Non Tariff Income	28.90	28.90
Less: Revenue from Open Access Customers	0.00	0.00
Net Annual Revenue Requirement of Licensee	**18,756.18**	**17,436.18**
Revenue Assessment at Existing Tariff	13,832.26	17,849.59
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	3,201.47	0.00
Total Gap/(Surplus)	**1,722.46**	**(413.41)**

TABLE 6-203: ARR SUMMARY FOR KESCO FOR 2022-23 (RS. CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	2,487.52	2,418.83
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	95.28	101.08
Gross O&M Expenses	**318.76**	**294.17**
Employee Expenses	177.20	150.04
R&M Expense	92.54	76.80
A&G Expense	28.85	28.94
Smart Metering OPEX	20.17	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	38.40
Depreciation	74.61	36.43
Interest on Long-Term Loan	10.05	17.66
Interest on Security Deposit from Consumers and Distribution system Users	8.39	8.36
Finance/Bank Charges	9.23	0.00
Interest on Working Capital	20.50	19.90
Income Tax	0.00	0.00
Gross Expenditure	**3,024.34**	**2,896.42**
Less: Interest Capitalisation	0.00	0.00
Less: Employee Capitalisation	6.94	6.94
Net Expenditure	**3,017.41**	**2,889.48**
Bad and Doubtful debts	57.96	5.76
Net Expenditure with Provisions	**3,075.37**	**2,895.24**
Return on Equity	56.28	54.87
Less: Non Tariff Income	17.46	17.46
Less: Revenue from Open Access Customers	0.00	0.00
Net Annual Revenue Requirement of Licensee	**3,114.19**	**2,932.65**
Revenue Assessment at Existing Tariff	2,898.04	3,017.49
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	0.00	0.00
Total Gap/(Surplus)	**216.15**	**(84.84)**

TABLE 6-204: CONSOLIDATED ARR SUMMARY FOR PETITIONERS FOR2022-23 (RS. CRORE)

Particulars	FY 2022-23	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	64,294.25	63,523.33
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	2,925.37	2,861.27
Gross O&M Expenses	**8,290.48**	**6,748.72**
Employee Expenses	4,207.66	2,903.00
R&M Expense	2,718.61	2,065.06
A&G Expense	864.16	748.13
Smart Metering OPEX	500.05	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	1,032.53
Depreciation	3,626.87	1,925.85
Interest on Long-Term Loan	2,582.90	1,817.41
Interest on Security Deposit from Consumers and Distribution system Users	175.68	175.67
Finance/Bank Charges	272.55	0.00
Interest on Working Capital	660.61	610.20
Gross Expenditure	**82,828.72**	**77,662.44**
Less: Interest Capitalisation	670.04	670.04
Less: Employee Capitalisation	1,629.93	1,629.93
Net Expenditure	**80,528.75**	**75,362.46**
Bad and Doubtful debts	1,266.31	428.28
Net Expenditure with Provisions	**81,795.06**	**75,790.75**
Return on Equity	2,916.71	2,492.00
Less: Non Tariff Income	183.80	183.80
Less: Revenue from Open Access Customers	23.15	23.15
Net Annual Revenue Requirement of Licensee	**84,504.81**	**78,075.80**
Revenue Assessment at Existing Tariff	63,315.60	80,046.63
Deemed Revenue (LMV-10)		
Govt. Subsidy Received/Declared	13,600.00	0.00
Total Gap/(Surplus)	**7,589.22**	**(1,970.83)**

7. REGULATORY ASSETS

Petitioner's Submission

7.1.1. The Petitioners submitted that the Commission had ordered as below in the Tariff Order for FY 2021-22 regarding the Petitioners request related to the Regulatory Assets:

Quote

7.1.6 Accordingly, the Licensee`s requested the Commission to approve the above Regulatory Asset on the basis of GoUP letter and provide a roadmap for recovery of the same in line with the provisions of National Tariff Policy, 2016 and UPERC MYT Distribution Regulations, 2019.

7.1.7 They further apprised that as per clause 1.2(i) of the UP UDAY MOU, the State Government has given the commitment for taking over the future losses of Discoms in a graded manner. The total liability of State Government on this account was Rs. 12,049.49 Crore upto FY 2019 against which the Govt. has already provided support of Rs. 5771.02 Crore and for the remaining balance of Rs. 6278.47 crore, the State Govt. has committed that the same will be provided in next 10 years. The subsidy support from Govt. mentioned in point 5 of the letter is towards the cash losses incurred by the Petitioner due to lower collection efficiency and thus is not related to Regulatory Assets and ARR/Tariff approval procedure.

7.1.8 The Commission has gone through the letter dated 5.3.2021 received from GOUP and the submissions of the Licensees. At the outset, it is pertinent to mention that the UDAY agreement (MOU) was a tri-partite agreement between GoUP, Central Govt (GOI) and Discoms, wherein GOI facilitated GoUP to take over 75% of the outstanding debt of the Discoms, and facilitated Banks/FIs not to levy any prepayment charges on the Discom debt and waived off any unpaid o)verdue interest and penal interest on Discom debt. The same was done by the GoUP and Banks/FIs. However, the above letter changes the provisions of the tri-partite UDAY agreement and now the GoUP is unilaterally backing out from its obligations from a retrospective date and changing its share to 'debt' instead of 'taking over the debt'.

7.1.9 Since, the Commission had also approved the UDAY MoU, the Commission is of the view that giving effect to such arrangement in the manner as provided in the letter by the GOUP will have retrospective

implication and will affect all the Tariff Orders (which have already been Trued-up) in which the treatment of UDAY has already been done. Also, such treatment of the funds would affect the interest of public at large and will lead to huge 'tariff-shock'. The same was also discussed in the State Advisory Committee (SAC). The Commission has taken note of the strong opposition by the SAC member, stakeholder and public at large against the revision in computation of Regulatory Assets approved by the Commission as proposed by the Discoms.

7.1.10 The Commission cannot decide the matter unilaterally under these ARR proceedings and without taking in consideration the outcome of the legal matter pending before Hon`ble APTEL in this respect.

7.1.11 Therefore, it would not be prudent to accept this change unilaterally on the advice of State Government from the retrospective date, and accordingly, is not accepted.

Unquote

7.1.2. The Petitioners submitted that the Commission has further mentioned that the Commission cannot decide the matter unilaterally under these ARR proceedings and without taking in consideration the outcome of the legal matter pending before the Hon'ble APTEL in this respect.

7.1.3. However, it is clear from the above order that consequent to the GoUP letter no. 445/24-1-21-731 (Budget)/2020 dated March 05, 2021, the Petitioners namely DVVNL, MVVNL, PVVNL and PuVVNL are surplus of the amount of Rs 4,104.47 Crore, Rs. 1,165.59 Crore, Rs. 9,675.84 Crore and Rs. 2,060.33 Crore respectively based on the methodology adopted by the Commission for arriving at the surplus of Rs. 13,337.21 Crore which doesn't exist anymore.

7.1.4. The Petitioners submitted that the carrying cost component will continuously increase with the passing years. The Petitioners requested the Commission to consider the above facts and issue suitable orders while finalizing the Tariff Order.

7.1.5. Regulatory Asset from FY 2000-01 to FY 2021-22 - (post issue of GOUP Letter) along with the carrying cost is depicted below which shall also be considered while approving the ARR of FY 2022-23: Regulatory Assets from FY 2000-01 to FY 2020-21- (post issue of GOUP Letter), as shown in the Table below:

TABLE 7-1: REGULATORY ASSETS FROM FY 2000-01 TO FY 2020-21 SUBMITTED BY THE PETITIONERS (RS. CRORE)

Description	DVVNL	MVVNL	PVVNL	PUVVNL	Consolidated
True Up of 2000-01 to 2007-08 and its Regulatory Assets / (Surplus) as on 31.03.16	964.35	247.61	446.36	1,805.35	3463.67
True Up of 2008-09 to 2011-12 and its Regulatory Assets / (Surplus) as on 31.03.16	4,563.00	4,375.37	1,767.72	4,970.79	15676.88
True Up of 2012-13 and its Regulatory Assets / (Surplus) as on 31.03.16	2,329.44	2,425.86	1,493.98	2,383.93	8633.21
True Up of 2013-14 and its Regulatory Assets / (Surplus) as on 31.03.16	2,661.25	1,769.23	563.24	1,586.58	6580.3
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1,412.38)	59.48	(663.03)	480.08	(1535.85)
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	466.37	(217.37)	(1,899.05)	(523.45)	(2173.5)
Total Regulatory Assets till Trued-UP FY 2015-16	**9,572.03**	**8,660.18**	**1,709.22**	**10,703.28**	**30644.71**
50% of DISCOM debt taken over as per UDAY					0.00
Net RA / (Surplus) Left after UDAY	**9,572.03**	**8,660.18**	**1,709.22**	**10,703.28**	**30,644.71**
Carrying Cost @ 12.50% for FY 2016-17	1196.5	1082.52	213.65	1337.91	3,830.58
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	0.00	(265.48)	(2,295.81)	(947.96)	(3509.25)
Total Regulatory Assets Trued-Up till FY 2016-17	**10,768.53**	**9,477.22**	**-372.94**	**11,093.23**	**30,966.04**

Description	DVVNL	MVVNL	PVVNL	PUVVNL	Consolidated
25% of Discom Debt Takenover as per UDAY					0.00
Net RA / (Surplus) Left after UDAY	**10,768.53**	**9,477.22**	**(372.94)**	**11,093.23**	**30,966.04**
Carrying Cost @ 13.75% for FY 2017-18	1,480.67	1,303.12	-51.28	1,525.32	4,257.83
Regulatory Assets/(Surplus) in True Up with carrying cost for FY 2017-18	0.00	(334.01)	0.00	0.00	(334.01)
carrying cost @ 13.75% for FY 2017-18	-	-22.96	-	-	-22.96
Total Net RA / (Surplus) till trued up for FY 2017-18	**12,249.21**	**10,423.37**	**(424.22)**	**12,618.55**	**34,866.91**
Carrying cost @ 14.05% for FY 2018-19	1,721.01	1,464.48	-59.6	1,772.91	4898.8
Net Revenue gap / (surplus) after True up of FY 2018-19	811.86	(1567.14)	580.12	575.9	400.74
Carrying cost @ 14.05% for FY 2018-19	57.03	-110.09	40.75	40.46	28.15
Total Net RA / (Surplus) trued up till FY 2018-19	**14,839.11**	**10,210.62**	**137.05**	**15,007.81**	**40,194.59**
Carrying cost @ 13.80% for FY 2019-20	2,047.80	1,409.07	18.91	2,071.08	5546.86
Total Net RA / (Surplus) trued up till FY 2019-20	**16,886.91**	**11,619.68**	**155.97**	**17,078.89**	**45,741.45**
Carrying cost @ 10.65% for FY 2020-21	1,798.46	1,237.50	16.61	1,818.90	4871.47
Total Net RA / (Surplus) trued up till FY 2020-21	**18,685.37**	**12,857.18**	**172.58**	**18,897.79**	**50,612.92**

Commission's Analysis

7.1.6. The Government of India, Government of Uttar Pradesh (GoUP) and UP Power Corporation Limited on behalf of UP Discoms entered into a Tripartite MoU (UDAY MoU) dated January 30, 2016 in order to improve the operational and financial efficiency of the U.P. Discoms, thereby enabling the financial turnaround of the Discoms. Under the said scheme, the GoUP was required to take over 75% of the outstanding debt of the UP DISCOMs as on September 30, 2015 by the end of FY 2016-17. As per the provisions of the UDAY scheme, GoUP took over total loans of Rs. 39,133.76 Crore in two tranches of Rs. 24,332.48 Core and Rs. 14,801.28 Crore.

7.1.7. Further, the Regulatory Surcharge was abolished by the Commission vide Tariff Order dated September 03, 2019, by adjusting the value of Regulatory Asset against the Loans taken over by UP Govt. under the Ujjawal Discom Assurance Yojna (UDAY) Scheme notified by Ministry of Power, Govt. of India for financial turnaround of State Discoms, and accordingly computed a revenue surplus of Rs. 13,337.17 Crore at end of FY 2017-18.

7.1.8. Further, the Petitioners have submitted that the legal matter pending before the Hon'ble APTEL is against the methodology adopted by the Commission for the determination of surplus of Rs. 13,337.21 Crore while the request of the Petitioners related to Rs. 50,612.92 Crore is based on the same methodology prescribed by the Commission.

7.1.9. The Commission in the above matter in the Tariff Order dated July 29, 2021 for FY 2021-22 has not accepted the submission of the Petitioners in this regard. The relevant extracts of the Tariff Order for FY 2021-22 are as under:

Quote:

7.1.6 Accordingly, the Licensee's requested the Commission to approve the above Regulatory Asset on the basis of GoUP letter and provide a roadmap for recovery of the same in line with the provisions of National Tariff Policy, 2016 and UPERC MYT Distribution Regulations, 2019.

7.1.7 They further apprised that as per clause 1.2(i) of the UP UDAY MOU, the State Government has given the commitment for taking over the future losses of Discoms in a graded manner. The total liability of State Government on this account was Rs. 12,049.49 Crore upto FY 2019 against which the Govt. has already provided support of Rs. 5771.02 Crore and for the remaining balance of Rs. 6278.47 crore, the State Govt. has committed that the same will be provided in next 10 years. The subsidy support from Govt.

mentioned in point 5 of the letter is towards the cash losses incurred by the Petitioner due to lower collection efficiency and thus is not related to Regulatory Assets and ARR/Tariff approval procedure.

7.1.8 The Commission has gone through the letter dated 5.3.2021 received from GOUP and the submissions of the Licensees. At the outset, it is pertinent to mention that the UDAY agreement (MOU) was a tri-partite agreement between GoUP, Central Govt (GOI) and Discoms, wherein GOI facilitated GoUP to take over 75% of the outstanding debt of the Discoms, and facilitated Banks/FIs not to levy any prepayment charges on the Discom debt and waived off any unpaid overdue interest and penal interest on Discom debt. The same was done by the GoUP and Banks/FIs. However, the above letter changes the provisions of the tri-partite UDAY agreement and now the GoUP is unilaterally backing out from its obligations from a retrospective date and changing its share to 'debt' instead of 'taking over the debt'.

7.1.9 Since, the Commission had also approved the UDAY MoU, the Commission is of the view that giving effect to such arrangement in the manner as provided in the letter by the GOUP will have retrospective implication and will affect all the Tariff Orders (which have already been Trued-up) in which the treatment of UDAY has already been done. Also, such treatment of the funds would affect the interest of public at large and will lead to huge 'tariff-shock'. The same was also discussed in the State Advisory Committee (SAC). The Commission has taken note of the strong opposition by the SAC member, stakeholder and public at large against the revision in computation of Regulatory Assets approved by the Commission as proposed by the Discoms.

7.1.10 The Commission cannot decide the matter unilaterally under these ARR proceedings and without taking in consideration the outcome of the legal matter pending before Hon`ble APTEL in this respect.

7.1.11 Therefore, it would not be prudent to accept this change unilaterally on the advice of State Government from the retrospective date, and accordingly, is not accepted.

Unquote

7.1.10. Therefore, the Commission reiterates that the matter cannot be decided unilaterally under these ARR proceedings as the legal matter is pending before Hon'ble APTEL in this respect. Also, it would not be prudent to accept this change unilaterally on the advice of State Government from the retrospective date, and accordingly, is not accepted.

8. TARIFF PHILOSOPHY

8.1. CONSIDERATIONS IN TARIFF DESIGN

8.1.1. 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.

8.1.2. 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 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.

8.1.3. The Commission has approved the tariffs for FY 2022-23 taking into consideration the Electricity Act, 2003, Tariff Policy and MYT Regulations, 2019. The Commission in its earlier Tariff Orders during determination of ARR/Tariff has been allowing tariff hikes to the Licensees in view of the approved gaps.

8.1.4. The Commission has also considered the suggestions and objections of the stakeholders and public at large and SAC Member while determination of ARR and fixation of the tariffs. The Commission in its past Tariff Orders had laid emphasis on adoption of factors that encourages economy, efficiency, effective performance, autonomy, regulatory discipline and improved conditions of supply & services. On these lines, the Commission, in this Tariff Order too, has applied similar principles keeping in view the ground realities.

8.1.5. As regards to the linkage of Tariff with the Cost of Supply, the Regulations 53 of MYT 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

8.1.6. In terms of the MYT Regulations, 2019, Tariff Policy 2016 and the Electricity Act, 2003, the Commission opines 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 not available completely and scientifically verified, 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 2022-23. Efforts are made as far as possible, to move the tariff of appropriate consumer categories, towards the band of +/- 20% to meet the declared objectives of the MYT Regulations, 2019, Tariff Policy, 2016 and the Electricity Act, 2003.

8.1.7. It has been observed that in general, there are many issues in the figures of Billing Determinants and have changed several times in various submissions, hence the Petitioners are directed to check and verify the Billing Determinants properly and report the same responsibly to the Commission in next tariff filing.

8.1.8. The Petitioners in the Petitions submitted a proposal for tariff rationalisation for consumer category / sub-category / slab simplification under uniform tariff for Petitioners, thereby reducing the number of categories. However, the Petitioners, even after repeated directions of the Commission, did not submit the revised rates & revenue proposed after rationalization. Various stakeholders, public at large and SAC Committee members have opposed the above proposal. However, the Commission feels that even if the proposal of the Petitioners for Tariff Rationalization is not taken into consideration, it is high time that rationalisation should take place as the same would benefit the consumers and the Petitioners by making tariff simpler and would also be in line with the MoP / FOR recommendations. Taking in consideration the same, the Commission has decided to do the Tariff Rationalisation and while doing so it has ensured that Tariff approved in the rationalised structure does not have a negative impact (Tariff Increase) on any consumer. The details of the same has been discussed below.

8.2. TARIFF RATIONALISATION

Petitioner's Submission

8.2.1. The Petitioners submitted that the Commission has made the following observations regarding the proposal for Tariff Category Rationalization submitted along with ARR petition for FY 2020-21 vide letter No. 427/RAU/ARR 2020-21 dated September 01, 2020 to the Commission in tariff order dated November 11, 2020, as mentioned as below:

Quote

> *8.1.11. The State owned Discoms vide letter No. 427/RAU/ARR 2020-21 dated September 01, 2020 has submitted a tariff rationalisation for Consumer category / sub-category / slab simplification under uniform tariff for Discoms. However, after consideration of views / comments of various stakeholders, SAC Committee members and the Licensees, the Commission has decided to not approve the tariff category rationalisation as the said proposal was filed at very later stage of Tariff proceedings.*

Unquote

8.2.2. The Petitioners resubmitted that the consumer category/sub-category/slabs rationalization proposal for consideration of the Commission. The Petitioner submits that the same is required due to following:

a) Existing Tariff Schedule is very complex to understand by consumers and complicated to implement by the Licensees.

b) Proper implementation of Government Subsidy is also difficult due to large number of slabs.

c) The difference in slabs of rural and urban consumers necessitates rationalization.

d) Category rationalization will help IT system, commercial & finance wings to implement UPERC Tariff orders effectively.

e) It will be easier to cross subsidize consumer categories as per Tariff Policy.

f) Tariff rationalization exercise has been carried out under the reforms suggested by Ministry of Power, Govt. of India

8.2.3. The Petitioners viz DVVNL, MVVNL, PuVVNL, PVVNL and KESCO under Petition No. 1690/2021, 1689/2021, 1687/2021, 1688/2021 and 1691/2021 had requested the Commission to determine tariff on the basis of tariff rationalization of consumer category/sub-category/slab submitted in the petition. The Commission vide Tariff Order dated July 29, 2021 in the abovementioned Petitions has mentioned in clause 8.1.8 that the said proposal needs more deliberations from the stakeholders and public at large. The relevant extract is reproduced as follows:

Quote

8.1.8. The State owned Discoms in the Petition submitted a proposal for tariff rationalisation for consumer category / sub-category / slab simplification under uniform tariff for Discoms, thereby reducing the number of categories. However, the Licensees, even after repeated directions of the Commission, did not submit the revised rates & revenue proposed after rationalization. Further, after consideration of suggestions & objections of various stakeholders, public at large and SAC Committee members, who have strongly opposed the above proposal. Taking in consideration the same, the Commission has decided not to approve the proposal Approval of ARR and Tariff for State Discoms for FY 2021-22, APR of FY 2020-21 and True-up of FY 2019-20 Page 518 of 627 for Tariff rationalisation as the said proposal needs more deliberations from the stakeholders and public at large.

Unquote

8.2.4. The Petitioners submitted to the Commission vide letter 434/RAU/ARR 2022-23 dated October 18, 2021 that the Licensees had published the above referred tariff categories rationalization proposal in leading newspapers vide advertisement on September 4, 2020 in compliance to the UPERC Order issued vide letter no. UPERC/Secy/D(Tariff)Hearing/2020-21-22 dated September 02, 2020 during the ARR proceedings for FY 2020-21 for soliciting views of stakeholders and public at large.

8.2.5. The Petitioners further submitted that the tariff rationalization proposal submitted to Commission has not been prepared to increase tariff and gain additional revenue by the Petitioners. Any tariff determined by the Commission as per existing structure of consumer category or on the basis of rationalized consumer categories will be to meet approved revenue gap of ARR / True-Up and thus there will be no additional gain of revenue to the Licensee from the change in tariff categories / respective tariff. The Petitioners have also tried to remove unmetered sub categories as far as possible and introduce a new slab for low income consumers of LMV-2 category consuming up to 100 units considering the difficulties being faced due to Covid-19 pandemic. It should also be noticed that the units of LMV-6 have been changed to meet the future requirements of voltage wise tariff determination which will ultimately benefit the industrial consumers. The rationalization of government consumer's categories has been proposed which will not make any adverse impact on non- domestic / non - commercial consumers.

8.2.6. The Petitioners submitted that their proposal includes the consumer categories of light & fan and commercial consumers, Govt. Dept./Public Sector undertaking consumers and industrial consumers at large. There was no objection from Govt. Dept. / Public Sector undertakings and industries. As regard to light & fan and commercial consumers no specific objections/suggestion were provided by any stakeholders. The Commission's specific observations/suggestions on this proposal are also not available in the Commission's Tariff Order.

8.2.7. The Petitioners further submitted to the Commission vide letter no. 434/ RAU/ARR 2022-23 dated October 18, 2021 that Petitioners have not received suggestions of the Commission in this regard which is essential for submitting

Billing Determinants as per rationalized consumer categories/sub-categories/slab and computation of projected revenue accordingly.

8.2.8. The Petitioners submitted that it is also pertinent to highlight that MOP has come up with RDSS: A Reforms based and Results linked Scheme. The draft guideline of the scheme was released on March 16, 21 whereas the final approval for the same was awarded on June 30, 21. The objective of the scheme is to improve the quality, reliability and affordability of power supply to consumers. It further focuses to reduce AT&C Losses to pan India level of 12-15% by FY 2024-25 and reduce ACS-ARR gap to zero by FY 2024-25.

8.2.9. The Petitioners submitted that the scheme consists of three parts. The policy and structural reforms that are to be taken under Part 2 for improving Petitioners viability have been specifically mentioned in the guidelines and Tariff Reforms, but not limited to rationalization of consumer categories and annual tariff fixation are also the important part of Part-II guidelines. Further the evaluation matrix gives weightage of 10% to Policy and Structural Reforms.

8.2.10. The Petitioners submitted that the REC (nodal agency for implementing RDSS in Uttar Pradesh) has provided format for deciding roadmap of rationalization of consumer category till FY 2024-25 as a part of goal setting under RDSS. Hence it is of utmost priority for rationalization of consumer categories for improving DISCOM viability. In line with this the aim is to implement the proposed rationalization structure as already submitted to Commission during last two years reducing 80 consumer category/sub category /slab to 53 consumer category/sub category /slab as detailed below.

8.2.11. During deliberations in public hearing last year the concern was raised for providing the data of consumers falling in the slab of 101-150 kWh. Therefore, Petitioners are providing the data of this slab also along with the rationalized structure being proposed, for ease of understanding and decision making of the Commission.

8.2.12. The Petitioners submitted that they have provided the Billing Determinants for FY 2022-23 as per the rationalized structure.

8.2.13. The Petitioners submitted that the following impact on subsidized Categories/ Sub-categories/ Slabs and others will occur due to tariff rationalization:

Impact on subsidized Categories/ Sub-categories/ Slabs and others:

a) No change has been proposed in the sub-category of Life line consumers

b) No change has been proposed in the slab up to 100 units for rural consumers

c) No change has been proposed for the Agriculture Consumers

d) Unmetered slab for commercial category (LMV 2) has been removed

e) New slab for commercial consumers up to 100 units consumption has been proposed

f) New sub-category has been proposed for Private Educational Institute (under LMV 4)

g) New sub-category has been proposed for Temporary connection for maximum 15 days requirement (LMV 9)

TABLE 8-1: STATUS OF OTHER STATES NUMBER OF CATEGORIES / SUB-CATEGORIES AS SUBMITTED BY THE PETITIONERS

State	No. of Categories/ Sub-Categories
UP State Discoms (Existing Tariff Schedule)	80
UP State Discoms (After Rationalization)	53
Bihar	34
Delhi	39
Haryana	41
Rajasthan	45
Punjab	57
Maharashtra	59
Madhya Pradesh	92

TABLE 8-2: CONSOLIDATED IMPACT ON CATEGORIES

Tariff category		Type of Consumer	Existing	Proposed	Remarks
LMV-1	Domestic light, fan & power:	Domestic	12	9	Total 4 slabs have been proposed based on unit consumption. Slabs have been made identical for urban and rural categories.
LMV-2	Non-domestic light, fan & power:	Commercial	12	6	As per the recent practice single phase connection is being provided up to 4 kW load. Therefore, connected load up to 2 kW and above 2

Tariff category		Type of Consumer	Existing	Proposed	Remarks
					kW to 4 kW has been merged into single sub-category having connected load of upto 4 kW. Unmetered slab for Rural consumers has been scrapped.
LMV-3	Public lamps:	Institutional (Govt.)	6	2	Power supply to the all unmetered and metered - Gram Panchayat, Nagar Palika & Nagar Panchayat, Nagar Nigam are in common schedule. Therefore, all metered are merged. However, there will be no impact on billing determinants This category doesn't impact Domestic, Commercial, Industrial or Agricultural consumers.
LMV-4	Light, fan & power for public & private institution:	Commercial	7	3	Consumption wise slab for public and private institutions have been scrapped. However, there will be no impact on billing determinants. For providing relief to Educational Institute, a separate sub-category has been created with lower Energy Charge
LMV-5	Small power for private tube well/ pumping sets for irrigation purposes:	Agricultural	4	4	**No changes proposed**
LMV-6	Small and medium power:	Industrial	6	4	Load based tariff is proposed based on the analysis applicable tariff in various states

Tariff category		Type of Consumer	Existing	Proposed	Remarks
					Load wise slab has been proposed to replace consumption wise slab. Two slabs- upto 20 kW and above 20kW has been proposed- to enable providing a lower tariff to very small industrial units as compared to medium and large industrial units connected on LT voltage
LMV-7	Public water works:	Institutional (Govt.)	2	3	LMV -8. Category was scrapped and has been merged with LMV-7. For rural consumers, a new slab for unmetered consumers has been proposed. This doesn't impact Domestic, Commercial, Industrial or Agricultural consumers Only categories are merged no changed in existing billing determinants of the categories.
LMV-9	Temporary supply:	Commercial	5	3	By eliminating separate slab for metered consumers, they are merged with their respective parent categories with additional increase for temporary connections. Only categories are merged no changed in existing billing determinants of the categories.
LMV-10	Dept emp. & pensioners:	Inst. (Govt.)/Dom	1	1	**No changes proposed**
LMV-11	Electric vehicle charging:	Commercial	4	4	**No changes proposed**
HV-1	Non-industrial bulk load:	Industrial	8	4	Consumption wise slabs have been replaced with voltage wise slabs.

Tariff category		Type of Consumer	Existing	Proposed	Remarks
					HV-1 Category under the current tariff schedule has two sub-categories, which are further sub-divided based on the Voltage level (Supply at 11 kV and Supply above 11 kV) and further sub-divided into slabs based on consumption. All slabs have been merged considering Revenue neutrality.
HV-2	Large and heavy power:	Industrial	5	5	**No changes proposed**
HV-3	Railway traction & metro	Institutional (Govt.)	3	2	Single slab proposed for railway traction.
HV-4	Lift irrigation works:	Institutional (Govt.)	3	3	**No changes proposed**
	Total		**80**	**53**	

8.2.14. The Petitioners requested the Commission to approve the proposed tariff category rationalization.

Commission's Analysis

8.2.15. The Commission finds that there is a scope of rationalisation in the existing structure to reduce the number of categories/ sub-categories/ slab to make it simpler, easy to understand & implementation. Therefore, the Commission decides to rationalise the consumer category/ sub-category/ slabs. Further, while rationalising the Commission has ensured that tariffs do not increase for any consumer. The Commission has also retained the LMV-3, LMV-5, LMV-9, LMV-11, HV-2 and HV-4 consumer categories.

8.2.16. In order to reduce the cross subsidy burden on high tariff consumers as envisaged in National Tariff Policy, 2016 as well as Electricity Act, 2003 and also to promote rapid economic development of the state and make the

business competitive the Commission finds strong rational for doing away with highest tariff slabs of those commercial and industrial consumers which were disproportionately paying cross subsidy. Further, the same logic was extended on the highest tariff slab of domestic consumer category as well. However, Uttar Pradesh being a progressive state is bound to witness increase in consumption of consumers who are currently in the lower slab. Also, the Tariff Rationalisation will lead to increase in the energy consumption and thereby will reduce the ACOS for the Discoms given its existing power purchase arrangements which currently stands at 30 GW (Commissioned capacity) capable of providing more than around 170 BU of energy against present requirement of around 121.473 BU. In other words, the additional energy sale by the Discom will increase its net margin contribution towards meeting the fixed charges.

8.2.17. Further, in FY 2022-23, after considering the position of gap/(surplus) of various Discoms and the rationalisation of tariff, the Commission has approved tariffs for the various categories / sub-categories of consumers which have been detailed in Rate Schedule for FY 2022-23 annexed at the end of this Tariff Order.

8.2.18. Further, the GoUP Letter No. 998/ Chaubis-P-3-2021-969-2021 dated March 26, 2021 regarding subsidy has been received by the Commission, which mentions of a direction under Section 108 of Electricity Act, 2003 regarding category/sub-category/slab wise "Tariff Excluding Subsidy" and "Subsidy Per Unit" to be provided by the Commission.

8.2.19. Taking into consideration the same the Commission has provided the 'Tariff Excluding Subsidy', 'GoUP Subsidy + Cross Subsidy' and 'Tariff Payable' for each category/ sub-category of subsidised consumers in the Rate Schedule for FY 2022-23.

8.2.20. The Commission while designing Tariff has considered average energy charge component of 'Tariff Excluding Subsidy' as Rs. 6.50/ kWh against ACOS of Rs. 7.53/ kWh for all the categories which are cross subsidized. However, the Commission has not rationalised the EV tariff at this time because

1. The revenue that is expected to be realized from LMV-11 category for FY 2022-23 is only Rs. 3.35 Crore in comparison to total revenue of Rs. 80,046.63 Crore of all the Dsicoms.

2. EV category needs to be encouraged with objective of promoting usage of clean energy in line with government policy.

The Commission vide its Order dated March 7, 2019 had given the Tariff for EV Charging Stations considering the Tariff provided in the Tariff Order applicable at that time i.e., Tariff Order dated January 22, 2019 for FY 2018-19. Thereafter, in the Tariff Order dated September 03, 2019 the rates were revised for all categories of consumers except EV Charging Stations with objective of promoting usage of clean energy. The Commission has observed that no information (Billing Determinants) have been provided in the True Up and only for the first time Billing Determinants for EV Charging Station (LMV-11) have been provided in the APR for FY 2021-22. Since no information is available to properly determine the Tariff of this category and efforts are being made across the country to promote EV, the Cross Subsidy for LMV-11, which is having energy charges under 'Tariff Excluding Subsidy' below Rs. 6.50 / kWh, has not been dealt in the above manner as it is a Tariff designed to promote EV.

8.2.21. Further, the Commission is in receipt of a GoUP Letter No. 707 / 24 – P- 1-2021 dated March 25, 2021 under Section 108 of EA 2003, wherein GoUP mentioned that since majority of the rural LMV-5 consumers are unmetered, and taking into consideration the impact of Covid pandemic, GoUP has decided that tariff rates of rural LMV-5 unmetered consumers may be levied on LMV-5 metered consumers tariff and has directed the Commission to consider the same.

8.2.22. Subsequently, GoUP again sent a letter with Ref: 812/24-1-21-1307/2020 dated May 12, 2021 for billing LMV-5 rural metered as unmetered, however metering of unmetered consumers will also be done and the meter reading will be used for the purpose of energy accounting and subsidy computation. The difference between the revenue at unmetered rates & revenue as per metered energy & rates, would be provided to the Licensees by GoUP.

8.2.23. The Commission had accepted the above proposal in Tariff Order for FY 2021-22 dated July 29, 2021 with Directions to confirm to section 65 of the Electricity Act, 2003 in regard to advance subsidy.

8.3. COMPLIANCE OF 13TH AMENDMENT TO UP ELECTRICTY SUPPLY CODE, 2005

8.3.1. The Commission is in receipts of several complaints from several consumers in multi-storied buildings regarding harassment by the builders/ RWA. They further highlighted their inability to get electricity supply directly from the distribution licensee due to the single point arrangement in their multi-storied buildings. Taking into consideration the need of the consumers, the 13th amendment to the UP Electricity Supply Code 2005 was implemented by the Commission wherein it was directed that all residential multi-storied buildings having single point connection shall be converted to multi point system. As per the amendments and the subsequent directions under the suo-moto proceedings, subsequent to, Conversion of single point to multi point connection in existing building or in buildings under construction, where electrical load was sanctioned on single point & installation of electrical work has been completed or about to complete, will not be done only if 51% or more residents / occupiers / owners / allotees are willing to retain single point connection. Further, it has also been directed that all new residential multi-storied buildings will not be having single point connection.

8.3.2. DVVNL and PuVVNL have fully complied with the directions of the Commission and all the societies have either been converted or the single point connection has been retained in case such resolutions have been submitted. However, the work is still in progress in other Discoms and is being monitored by the Commission. It has been alleged by the consumers in multi-storied buildings that the hindrances are being caused by the builders/ RWA in converting from single point to multi point connection.

8.3.3. It has been submitted by the consumers in the Single Point Category (LMV-1b – supply at single point for bulk loads) that the other charges associated with the maintenance of the societies/ residential buildings are also being levied along with the electricity bills. The Commission in the past had given directions that any charges as per Tariff Order shall only be levied as part of the electricity bills. Expenses towards supply of electricity, distribution loss, electrical maintenance, billing, accounting and audit etc. are to be borne by the builders / RWA. These charges are neither levied by the distribution licensee nor are realized by the licensee. Hence, these should also not form part of the tariff. The tariff is determined only for the ARR of the licensee and not for the builders/ RWA. Thus, the Commission decides to abolish 5% additional charge for the Single Point Category (LMV-1b – supply at single

point for bulk loads) for expenses towards supply of electricity, distribution loss, electrical maintenance, billing, accounting and audit etc, in order to address the concerns and further contributes towards the conversion from single point to multi point connections.

8.4. PROPOSAL FOR GREEN POWER TARIFF

Petitioner's Submission

8.4.1. UPPCL has received the request from few consumers to adopt Green Power Tariff in the State of Uttar Pradesh to supply Renewable Energy to the consumers who opt for green energy for meeting their full or partial energy demand.

8.4.2. Accordingly, the Petitioners (the Licensees) have requested the Commission under Section 86 (1) (k) of the Electricity Act, 2003 (EA, 2003) read with Regulation 57 and 58 of Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2019, for the approval for "Green Power Tariff" for supply of Renewable Energy (RE) to consumers for meeting their requirement of utilizing 100% green energy for their entire demand.

8.4.3. The Petitioners submitted that Maharashtra Electricity Regulatory Commission (MERC) approved Rs. 0.66/kWh as additional tariff to be charged for 100% RE consumer (50% of Rs. 1.33/kWh). Rs. 1.33/kWh was derived as difference of pooled RE power and Variable Charges of conventional Power of all Discoms in the State.

8.4.4. The Maharashtra Discoms are to use all the energy from tied-up RE sources to meet the demand of 100% RE of consumers. In case of additional requirement of RE power, Discoms can tie-up for additional energy. Same energy can be used to meet RPO obligation if the consumer requesting for 100% RE is not an obligated consumer.

8.4.5. The Licensees have analysed the methodology adopted by the State of Maharashtra and computed the Green Tariff applicability in the State of Uttar Pradesh.

**Re power Procurement for FY 2022-23			Non-RE power procurement (only variable) FY 2022-23			Diff Bet RE & Non-RE power
MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh	Rs/kWh

29476.75	11,030.77	3.74	97,047.05	19,114.55	1.97	1.77

*** RE Power Procurement consists of Power from all the Hydro source, Solar and Non-Solar & Cogens.*

8.4.6. Rs. 1.77 / kWh is the difference between RE & Non-RE power. Therefore 50% of charge determined above i.e., Rs. 0.89 / kWh as Green Power Tariff to the consumer opting for meeting its 100% of power requirement through RE sources. Such Green Power Tariff would be in addition to regular tariff approved by the Commission.

8.4.7. Further, the Petitioners have requested the Commission that only 50% of the revenue earned through the Green Tariff may be treated as Tariff Income and the remaining 50% of the amount, may be utilized at the discretion of the Distribution Licensee.

Commission's Analysis

8.4.8. The Petitioners have been mandated to purchase renewable energy as per Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 and its amendments. These Regulations were amended in August 2019 to incorporate the guideline given by MNRE. However, before this, the Petitioners have been procuring long term power through conventional means and have till date contracted PPAs of commissioned plants exceeding 30 GW whereas the peak demand is around 26.5 GW and average demand is less than 18.5 GW leading to stranded capacity situation. Therefore, adding new renewable energy has added to its stranded capacity costs. Similarly, various Central and State policies of giving concessions on ISTS and Intra-State transmission charges, cost of balancing power towards grid integration of renewable etc., making grid integration of renewable energy expensive as compared to RE cost of generation.

8.4.9. Further, there is an increased awareness in certain class of consumers specially from C&I segment who want to contribute towards their responsibilities by way of Environment, Social and Governance (ESG) and are willing to pay a premium for "Green Energy". This will also help the C&I segment in getting market access to countries where green energy is given priority.

8.4.10. Furthermore, Govt. of India has notified Green Open Access Rules, 2022, incorporating provision for a tariff for Green energy by appropriate Commission and the Petitioners have also requested for the same.

8.4.11. Taking consideration of the above, the Commission approves the introduction of green power tariff in the State and the same will be called as "Green Energy Tariff" for consumers except domestic and agriculture who opts for it. However, such consumption cannot be taken into consideration in the RPO fulfilment of such consumers if any.

8.4.12. The Commission had computed the Green Energy Tariff payable by opting consumers as 50% of the difference in the APPC Renewable (Solar+Wind) for FY 2022-23 (Rs. 3.52 per kWh) and the APPC Thermal (Variable Charge) for FY 2022-23 (Rs. 2.44 per kWh). Although, this cost does not include the socialized transmission cost of ISTS/ Intra State transmission system charges for green energy, the Commission, in order to promote green energy, has decided not to load this in the green tariff as it is already socialized in the regular transmission charges. Thus, the additional cost of green energy as compared to its conventional sources is around Rs. 1.08 per kWh, however, the Commission at this stage decides to introduce Green Energy Tariff at 50% of this additional cost which is Rs. 0.54 per kWh.

8.4.13. This optional Tariff will be applicable for all the consumers except domestic and agriculture consumers who **"opt"** for it by requesting for the same to respective licensee. This Tariff will be in addition to the regular Tariff as approved by the Commission and will be included in the applicable billings.

8.4.14. Further, the Petitioners 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 include it in their annual financial statements as a separate item and provide the full details to the Commission every year along with the tariff filings.

8.4.15. The total tariff earned under "Green Energy Tariff" will be considered as a part of the revenue / tariff income of the Petitioners. Further, the licensee must file all details along with each ARR / Tariff filings with a list of consumers opting for it. Also, the Petitioners to ensure that the total consumption of these consumers must be met by renewable energy sources.

8.5. RATE SCHEDULE FOR 'RAILWAY TRACTION' AND 'METRO RAIL CORPORATION' (HV-3)

8.5.1. The Commission has also received representation from U.P Metro Rail Corporation Limited, wherein it is submitted that there is no tariff available for the supply at voltage level above 132 kV for the category HV-3B (Metro Rail).

8.5.2. The Commission finds that there is inadvertent error in the Rate Schedule which is being removed by amendment to 'Character of Service and Point of Supply'. Now as per this, 'at, below and above 132 kV' has been provided in place of '132 kV or below' for 'Railway Traction' (HV-3 A) and 'Metro Rail Corporation' (HV-3 B).

8.6. APPLICABILITY OF TARIFF CATEGORY & RATES

8.6.1. 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 inconformity, the Rate Schedule shall prevail over the details given in the various sections of this Tariff Order.

9. REVENUE, GoUP SUBSIDY AND REVENUE GAP / (SURPLUS)

9.1. REVENUE FROM SALE OF ELECTRICITY AT EXISTING TARIFF

Petitioner's Submission

9.1.1. The Petitioners submitted that for projecting the total Fixed Charges for FY 2022-23, the average load of March 2022 and March 2023 has been considered as the consumer and the corresponding load has been added during the FY 2022-23. They have submitted that for HV category consumers, the Petitioner has considered the billable load / demand at 75% of the contracted load / demand considering it to be as maximum load / demand.

9.1.2. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL & KESCO projected their revenue from sale of power for the FY 2022-23 as Rs. 12,933.30 Crore, Rs. 13,012.08 Crore, Rs. 20,687.32 Crore and Rs. 13,722.34 Crore Rs. 2,885.76 Crore respectively at the existing tariffs.

9.1.3. Category-wise revenue worked-out based on above assumptions and projected billing determinants claimed by the Petitioners are shown in the Tables below:

TABLE 9-1: CATEGORY WISE REVENUE OF DVVNL CLAIMED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	727.59	3,563.57	4,291.16
LMV-2-Non domestic light fan & power	268.54	770.73	1,039.27
LMV-3 Public lamps	23.94	55.84	79.78
LMV-4 Light, fan & power for public/private institution	55.95	207.71	263.66
LMV-5 Private tube well/pumping sets	561.22	603.76	1,164.98
LMV-6 Small & medium power upto 100 hp/75kw	105.94	406.99	512.93
LMV-7 Public water works	49.99	326.38	376.37
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	207.31	1,152.77	1,360.08
Lmv-9 Temporary supply	8.87	24.47	33.35

Category	Fixed Charges	Energy Charges	Total Revenue
LMV- 10 Departmental employees	80.01		80.01
LMV-11 Electric Vehicle	-	0.09	0.09
HV-1 Non industrial bulk load	54.34	239.29	293.63
HV-2 Large & heavy power above 100 BHP (75 kw)	263.74	1,911.89	2,175.62
HV-3 Railway traction	12.96	53.01	65.97
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	11.16	96.09	107.26
Bulk supply	-	1,089.15	1,089.15
Total	**2,431.57**	**10,501.73**	**12,933.30**

TABLE 9-2: CATEGORY WISE REVENUE OF MVVNL CLAIMED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,041.98	5,059.11	6,101.09
LMV-2-Non domestic light fan & power	434.36	1,247.31	1,681.66
LMV-3 Public lamps	69.66	258.00	327.66
LMV-4 Light, fan & power for public/private institution	57.59	226.08	283.67
LMV-5 Private tube well/pumping sets	344.42	66.37	410.79
LMV-6 Small & medium power upto 100 hp/75kw	107.51	367.78	475.29
LMV-7 Public water works	42.39	367.74	410.13
LMV-8 State tube wells & pumps canal upto 100 hp	260.38	456.17	716.54
Lmv-9 Temporary supply	7.07	19.76	26.83
LMV- 10 Departmental employees	75.14		75.14
LMV-11 Electric Vehicle	-	2.89	2.89
HV-1 Non industrial bulk load	314.99	669.17	984.16
HV-2 Large & heavy power above 100 BHP (75 kw)	220.99	1,192.29	1,413.27
HV-3 Railway traction	2.61	23.14	25.75
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	9.32	61.00	70.32
Bulk supply	-	-	-

Category	Fixed Charges	Energy Charges	Total Revenue
Extra State Consumers	-	6.88	6.88
Total	**2,988.40**	**10,023.68**	**13,012.08**

TABLE 9-3: CATEGORY WISE REVENUE OF PVVNL CLAIMED FOR FY 2022-23

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,444.12	6,737.44	8,181.56
LMV-2-Non domestic light fan & power	586.61	1,401.95	1,988.56
LMV-3 Public lamps	66.10	150.46	216.55
LMV-4 Light, fan & power for public/private institution	47.00	138.69	185.68
LMV-5 Private tube well/pumping sets	855.90	762.08	1,617.97
LMV-6 Small & medium power upto 100 hp/75kw	230.13	931.54	1,161.67
LMV-7 Public water works	71.08	354.69	425.76
LMV-8 State tube wells & pumps canal upto 100 hp	81.70	319.67	401.37
Lmv-9 Temporary supply	16.04	83.48	99.51
LMV- 10 Departmental employees	69.54		69.54
LMV-11 Electric Vehicle	-	0.39	0.39
HV-1 Non industrial bulk load	342.46	1,329.96	1,672.42
HV-2 Large & heavy power above 100 BHP (75 kw)	584.09	3,998.59	4,582.68
HV-3 Railway traction	17.00	65.43	82.43
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	0.09	1.13	1.21
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	**4,411.85**	**16,275.47**	**20,687.32**

TABLE 9-4: CATEGORY WISE REVENUE OF PUVVNL CLAIMED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,134.09	5,492.36	6,626.45
LMV-2-Non domestic light fan & power	459.36	1,523.93	1,983.28
LMV-3 Public lamps	45.24	104.80	150.04
LMV-4 Light, fan & power for public/private institution	66.14	228.89	295.03
LMV-5 Private tube well/pumping sets	380.95	221.32	602.27
LMV-6 Small & medium power upto 100 hp/75kw	91.66	435.11	526.77
LMV-7 Public water works	50.79	353.18	403.97
LMV-8 State tube wells & pumps canal upto 100 hp	417.29	561.60	978.89
Lmv-9 Temporary supply	1.68	7.81	9.50
LMV- 10 Departmental employees	55.72		55.72
LMV-11 Electric Vehicle	-	0.02	0.02
HV-1 Non industrial bulk load	92.01	419.43	511.44
HV-2 Large & heavy power above 100 BHP (75 kw)	155.26	956.80	1,112.07
HV-3 Railway traction	3.89	6.68	10.57
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	40.46	413.67	454.13
Bulk supply			
Extra State Consumers	-	2.20	2.20
Total	**2,994.53**	**10,727.81**	**13,722.34**

TABLE 9-5: CATEGORY WISE REVENUE OF KESCO CLAIMED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	187.21	1,071.76	1,258.97
LMV-2-Non domestic light fan & power	102.26	273.94	376.20
LMV-3 Public lamps	19.22	-	19.22
LMV-4 Light, fan & power for public/private institution	10.35	55.92	66.27
LMV-5 Private tube well/pumping sets	0.02	0.07	0.09

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-6 Small & medium power upto 100 hp/75kw	48.91	294.70	343.61
LMV-7 Public water works	23.41	92.73	116.13
LMV-8 State tube wells & pumps canal upto 100 hp	-	-	-
Lmv-9 Temporary supply	1.19	7.16	8.35
LMV- 10 Departmental employees	17.67		17.67
LMV-11 Electric Vehicle	-	-	-
HV-1 Non industrial bulk load	28.17	155.49	183.66
HV-2 Large & heavy power above 100 BHP (75 kw)	58.50	437.06	495.57
HV-3 Railway traction	-	0.03	0.03
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	-	-	-
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	**496.91**	**2,388.85**	**2,885.76**

TABLE 9-6: CONSOLIDATED CATEGORY WISE REVENUE OF 5 STATE DISCOMS CLAIMED FOR FY 2021-22 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	4,534.99	21,924.24	26,459.23
LMV-2-Non domestic light fan & power	1,851.13	5,217.86	7,068.97
LMV-3 Public lamps	224.16	569.10	793.25
LMV-4 Light, fan & power for public/private institution	237.03	857.29	1,094.31
LMV-5 Private tube well/pumping sets	2,142.51	1,653.60	3,796.10
LMV-6 Small & medium power upto 100 hp/75kw	584.15	2,436.12	3,020.27
LMV-7 Public water works	237.66	1,494.72	1,732.36
LMV-8 State tube wells & pumps canal upto 100 hp	966.68	2,490.21	3,456.88
Lmv-9 Temporary supply	34.85	142.68	177.54
LMV- 10 Departmental employees	298.08	0.00	298.08

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-11 Electric Vehicle		3.39	3.39
HV-1 Non industrial bulk load	831.97	2,813.34	3,645.31
HV-2 Large & heavy power above 100 BHP (75 kw)	1,282.58	8,496.63	9,779.21
HV-3 Railway traction	36.46	148.29	184.75
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	61.03	571.89	632.92
Bulk supply		1,089.15	1,089.15
Extra State Consumers	0.00	9.08	9.08
Total	**13,323.26**	**49,917.54**	**63,240.80**

9.1.4. Category-wise consolidated sales, revenue and Average Billing Rate (ABR) are shown in the Table below:

TABLE 9-7: CONSOLIDATED SUBCATEGORY WISE SALES, REVENUE AND ABR OF 5 STATE DISCOMS FOR FY 2022-23 CLAIMED BY PETITIONERS

Billing Determinants as per ARR		Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	CONSUMER CATEGORY / SUB-CATEGORY/Slab			
LMV-1	**DOMESTIC LIGHT, FAN & POWER:**			
(i)	Lifeline Consumers: With contracted load of 1.00 kW, Energy consumption upto 100 kWh/ month (both Rural and Urban)	13,928.35	4,991.76	3.58
(a)	**Consumers getting supply as per 'Rural Schedule' except Lifeline consumers**	8,642.44	4,195.21	4.85
(ii)	Un-Metered:	898.53	311.99	3.47
(iii)	Metered: (Dom: Rural Schedule (metered) other than BPL)	7,743.91	3,883.21	5.01
	Upto 100 kWh / Month	4,402.87	1,810.34	4.11
	101-150 kWh / Month	1,293.18	732.70	5.67
	151-300 kWh / Month	1,314.50	857.40	6.52
	301-500 kWh / Month	607.98	390.13	6.42
	Above 500 kWh / Month	125.39	92.64	7.39
(b)	**Supply at single point for bulk loads (50 kW and above, Supplied at any voltage):**	726.06	555.21	7.65

	Billing Determinants as per ARR	Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	Deemed Franchisee of the Licensee should not charge more than 5% additional charge on the above specified rate.			
(c)	**Other Metered Domestic Consumers:**			
(i)	Other Metered Domestic Consumers other than BPL			
	Upto150 kWh / month	13,816.19	8,954.42	6.48
	151-300 kWh / month	4,828.48	3,417.36	7.08
	301- 500 kWh / month	3,068.76	2,392.31	7.80
	Above 500 kWh / month	2,351.37	1,886.81	8.02
	Sub Total LMV-1	47,361.65	26,393.04	5.57
LMV-2	**NON-DOMESTIC LIGHT, FAN & POWER:**			
(a)	**Consumers getting supply as per "Rural Schedule"**	1,527.81	950.01	6.22
(i)	Un-Metered			
(ii)	Metered	1,527.81	950.01	6.22
(b)	**Private Advertising / Signposts / Sign Boards / Glow Signs / Flex**	66.75	120.16	18.00
	Metered	0.00	0.00	
(c)	**Other Metered Consumers: (For All Loads)**	5,369.75	6,026.09	11.22
	Upto 2 kW	2,633.67	2,736.39	10.39
	Upto 300 kWh / month	2,260.86	2,279.12	10.08
	301 – 1000 kWh / month	347.28	428.14	12.33
	Above 1000 kWh/Month	25.53	29.13	11.41
	Above 2 kW to 4 kW	1,571.42	1,750.19	11.14
	Upto 300 kWh / month	1,011.26	1,150.68	11.38
	301 – 1000 kWh / month	461.11	489.02	10.61
	Above 1000 kWh/Month	99.07	110.49	11.15
	Above 4 kW	1,164.66	1,539.52	13.22
	Upto 300 kWh / month	390.24	489.57	12.55
	From 301-1000 kWh / month	239.80	332.87	13.88
	Above 1001 kWh / month	534.63	717.08	13.41
	Sub Total LMV-2	6,964.32	7,096.26	10.19
LMV-3	**PUBLIC LAMPS:**			
(i)	**Un-Metered Supply:**	82.33	156.25	18.98
	Gram Panchayat.	10.23	11.78	11.52
	Nagar Palika and Nagar Panchayat	34.35	65.03	18.93

Billing Determinants as per ARR		Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	Nagar Nigam	37.74	79.44	21.05
(ii)	**Metered Supply:**	722.24	665.06	9.21
	Gram Panchayat	7.98	6.70	8.40
	Nagar Palika and Nagar Panchayat	173.87	154.85	8.91
	Nagar Nigam	540.35	503.50	9.32
	Sub Total LMV-3	804.55	821.34	10.21
LMV-4	**LIGHT, FAN & POWER FOR PUBLIC & PRIVATE INSTITUTION:**			
4 (a)	**For Public Institutions:**	780.27	817.47	10.48
	From 0-1000 kWh/ month	508.08	563.87	11.10
	From1001-2000 kWh/ month	131.40	126.07	9.59
	Above 2001 kWh / month (From 2001st unit onwards)	140.76	127.54	9.06
4 (b)	**For Private Institutions:**	224.23	280.94	12.53
	Upto 3 kW: Upto 0-1000 kWh/Month	74.65	77.84	10.43
	Upto 3 kW: Above 1000 kWh/Month	18.72	20.64	11.03
	Above 3 kW: Upto 0-1000 kWh/Month	39.05	54.30	13.91
	Above 3 kW: Above 1000 kWh/Month	91.81	128.16	13.96
	Sub Total LMV-4	1,004.51	1,098.41	10.93
LMV-5	**SMALL POWER FOR PRIVATE TUBE WELL/ PUMPING SETS FOR IRRIGATION PURPOSES:**	0.00	0.00	
(a)	**Consumers getting supply as per "Rural Schedule"**	13,739.82	2,420.10	1.76
(i)	*Un-Metered Supply*	11,954.50	1,981.39	1.66
	Rural Schedule	11,954.50	1,981.39	1.66
	Rural Schedule Pumps	0.00	0.00	
(ii)	*Metered Supply*	1,785.33	438.71	2.46
	Rural Schedule	1,785.33	438.71	2.46
	Rural Schedule Pumps	0.00	0.00	
(iii)	*Energy Efficient Pumps*	0.00	0.00	
(b)	**Consumers getting supply as per "Urban Schedule (Metered Supply)"**	2,144.85	1,413.02	6.59
	Sub Total LMV-5	15,884.68	3,833.00	2.41
LMV-6	**SMALL AND MEDIUM POWER:**			
(a)	**Consumers getting supply as per "Rural Schedule"**	569.90	497.98	8.74
	Upto 1000 kWh/ month	302.21	291.47	9.64
	Upto 2000 kWh/ month	127.21	96.75	7.61
	Above 2000 kWh / month	140.47	109.77	7.81
(b)	**Consumers getting supply other than "Rural Schedule"**	2,690.02	2,522.29	9.38

	Billing Determinants as per ARR	Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	Upto 1000 kWh/ month	1,003.82	1,005.54	10.02
	Summer Months (April to September)	153.93	144.64	9.40
	05:00 hrs - 11:00 hrs	450.92	446.38	9.90
	11:00 hrs - 17:00 hrs	214.15	234.35	10.94
	17:00 hrs - 23:00 hrs	184.82	180.17	9.75
	23:00 hrs - 05:00 hrs	747.29	661.05	8.85
	Winter Months (October to March)	113.37	92.78	8.18
	05:00 hrs - 11:00 hrs	333.47	291.83	8.75
	11:00 hrs - 17:00 hrs	163.82	160.39	9.79
	17:00 hrs - 23:00 hrs	136.65	116.04	8.49
	23:00 hrs - 05:00 hrs	938.89	855.69	9.11
	Upto 2000 kWh/ month	747.29	661.05	8.85
	Summer Months (April to September)	113.37	92.78	8.18
	05:00 hrs - 11:00 hrs	333.47	291.83	8.75
	11:00 hrs - 17:00 hrs	163.82	160.39	9.79
	17:00 hrs - 23:00 hrs	136.65	116.04	8.49
	23:00 hrs - 05:00 hrs	938.89	855.69	9.11
	Winter Months (October to March)	145.00	121.61	8.39
	05:00 hrs - 11:00 hrs	415.45	375.62	9.04
	11:00 hrs - 17:00 hrs	206.00	210.58	10.22
	17:00 hrs - 23:00 hrs	172.45	147.88	8.58
	23:00 hrs - 05:00 hrs	4,604.92	4,039.28	8.77
	Above 2000 kWh / month	938.89	855.69	9.11
	Summer Months (April to September)	145.00	121.61	8.39
	05:00 hrs - 11:00 hrs	415.45	375.62	9.04
	11:00 hrs - 17:00 hrs	206.00	210.58	10.22
	17:00 hrs - 23:00 hrs	172.45	147.88	8.58
	23:00 hrs - 05:00 hrs	4,604.92	4,039.28	8.77
	Winter Months (October to March)	501.71	367.84	7.33
	05:00 hrs - 11:00 hrs	76.97	56.18	7.30
	11:00 hrs - 17:00 hrs	225.29	164.46	7.30
	17:00 hrs - 23:00 hrs	107.01	89.84	8.40
	23:00 hrs - 05:00 hrs	92.45	57.36	6.20
	Sub Total LMV-6	3,259.92	3,020.27	9.26
LMV-7	**PUBLIC WATER WORKS:**			
(a)	Consumers getting supply other than "Rural Schedule"	1,315.00	1,313.34	9.99
(b)	Consumers getting supply as per "Rural Schedule"	437.59	403.30	9.22

Billing Determinants as per ARR		Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	Sub Total LMV-7	1,752.59	1,716.64	9.79
LMV-8	**STW, PANCHAYTI RAJ TUBE WELL & PUMPED CANALS:**			
(i)	Metered	2,827.88	2,668.82	9.44
(ii)	Un-Metered	734.10	785.25	10.70
	Sub Total LMV-8	3,561.99	3,454.06	9.70
LMV-9	**TEMPORARY SUPPLY:**			
(a)	**Un-Metered**	5.71	0.53	0.93
	Illumination / Public Address / ceremonies for loads upto 20 kW / connection plus Rs.100.00 / kW / day for each additional kW	0.05	0.30	60.00
	Temporary shops set-up during festivals / melas or otherwise and having load up to 2 kW	5.66	0.23	0.41
	PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e. period between November to February in any year.	0.00	0.00	
(b)	**Metered**	193.57	205.07	10.59
	(i) Individual Residential Consumers	34.63	35.35	10.21
	(ii) Others	158.94	169.72	10.68
	From 3rd Year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	0.00	0.00	
	Sub Total LMV-9	199.28	205.61	10.32
LMV-10	**DEPARTMENTAL EMPLOYEES AND PENSIONERS:**			
	Sub Total LMV-10	552.58	311.00	5.63
LMV-11	**ELECTRIC VEHICLE CHARGING:**			
	Multi Storey Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)	0.00	0.00	
	Multi Story Buildings (Covered under LMV-1b)	0.00	0.00	
	Multi Story Buildings (Covered under HV-1b)	0.00	0.00	
	Public Charging Stations	0.00	0.00	
	Public Charging Station (LT)	1.00	0.00	
	Summer Months (April to September)	0.00	0.00	

Billing Determinants as per ARR		Energy Sales (MU) (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
	05:00 hrs-11:00 hrs	0.00	0.00	
	11:00 hrs-17:00 hrs	0.00	0.00	
	17:00 hrs-23:00 hrs	0.00	0.00	
	23:00 hrs-05:00 hrs	0.00	0.00	
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs-11:00 hrs	0.00	0.00	
	11:00 hrs-17:00 hrs	0.00	0.00	
	17:00 hrs-23:00 hrs	0.00	0.00	
	23:00 hrs-05:00 hrs	0.00	0.00	
	Public Charging Station (HT)	4.00	3.00	
	Summer Months (April to September)	0.00	0.00	
	05:00 hrs-11:00 hrs	0.00	0.00	
	11:00 hrs-17:00 hrs	0.00	0.00	
	17:00 hrs-23:00 hrs	0.00	0.00	
	23:00 hrs-05:00 hrs	0.00	0.00	
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs-11:00 hrs	0.00	0.00	
	11:00 hrs-17:00 hrs	0.00	0.00	
	17:00 hrs-23:00 hrs	0.00	0.00	
	23:00 hrs-05:00 hrs	0.00	0.00	
	Sub Total LMV-11	5.00	3.00	6.00
HV-1	**NON-INDUSTRIAL BULK LOAD:**			
(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:**	1,711.24	1,791.03	10.47
	For Supply at 11 kV	1,567.00	1,572.00	10.03
	0-2500 kVAh / month	228.00	238.00	10.44
	Above 2500 kVAh / month	1,338.50	1,333.47	9.96
	For Supply above 11 kV	145.26	219.07	15.08
	0-2500 kVAh / month	14.24	18.70	13.13
	Above 2500 kVAh / month	131.03	200.35	15.29
(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:**	1,711.24	1,728.70	10.10
	For Supply at 11 kV	1,565.97	1,505.61	9.61
	0-2500 kVAh / month	36.60	36.50	9.97
	Above 2500 kVAh / month	1,529.38	1,469.11	9.61

	Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
		(MU)		
	For Supply above 11 kV	145.26	223.11	15.36
	0-2500 kVAh / month	16.72	26.44	15.81
	Above 2500 kVAh / month	128.54	196.65	15.30
	Sub Total HV-1	3,422.47	3,519.73	10.28
HV-2	**LARGE AND HEAVY POWER:**			
(A)	**Urban Schedule:**	11,784.54	9,458.69	8.03
	Supply up to 11 kV	8,820.00	7,198.10	8.16
	Summer Months (April to September)	8,820.00	7,198.10	8.16
	05:00 hrs - 11:00 hrs	2,006.82	1,528.57	7.62
	11:00 hrs - 17:00 hrs	2,948.74	2,401.84	8.15
	17:00 hrs - 23:00 hrs	1,919.54	1,773.04	9.24
	23:00 hrs - 05:00 hrs	1,944.89	1,494.63	7.68
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs - 11:00 hrs	0.00	0.00	
	11:00 hrs - 17:00 hrs	0.00	0.00	
	17:00 hrs - 23:00 hrs	0.00	0.00	
	23:00 hrs - 05:00 hrs	0.00	0.00	
	Supply above 11 kV and up to 66 kV	2,386.87	1,823.30	7.64
	Summer Months (April to September)	2,386.87	1,823.30	7.64
	05:00 hrs - 11:00 hrs	543.73	387.99	7.14
	11:00 hrs - 17:00 hrs	807.89	616.03	7.63
	17:00 hrs - 23:00 hrs	536.26	464.80	8.67
	23:00 hrs - 05:00 hrs	499.01	354.50	7.10
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs - 11:00 hrs	0.00	0.00	
	11:00 hrs - 17:00 hrs	0.00	0.00	
	17:00 hrs - 23:00 hrs	0.00	0.00	
	23:00 hrs - 05:00 hrs	0.00	0.00	
	Supply above 66 kV and up to 132 kV	348.83	276.05	7.91
	Summer Months (April to September)	348.83	276.05	7.91
	05:00 hrs - 11:00 hrs	81.08	59.79	7.37
	11:00 hrs - 17:00 hrs	117.39	93.44	7.96
	17:00 hrs - 23:00 hrs	79.64	69.88	8.77
	23:00 hrs - 05:00 hrs	70.73	52.96	7.49
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs - 11:00 hrs	0.00	0.00	

	Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore)	ABR (Rs. /kWh)
		(MU)		
	11:00 hrs - 17:00 hrs	0.00	0.00	
	17:00 hrs - 23:00 hrs	0.00	0.00	
	23:00 hrs - 05:00 hrs	0.00	0.00	
	Supply above 132 kV	228.85	161.24	7.05
	Summer Months (April to September)	228.85	161.24	7.05
	05:00 hrs - 11:00 hrs	45.66	30.43	6.66
	11:00 hrs - 17:00 hrs	81.73	57.60	7.05
	17:00 hrs - 23:00 hrs	45.16	36.32	8.04
	23:00 hrs - 05:00 hrs	56.29	36.89	6.55
	Winter Months (October to March)	0.00	0.00	
	05:00 hrs - 11:00 hrs	0.00	0.00	
	11:00 hrs - 17:00 hrs	0.00	0.00	
	17:00 hrs - 23:00 hrs	0.00	0.00	
	23:00 hrs - 05:00 hrs	0.00	0.00	
(B)	**Rural Schedule**	612.68	469.75	7.67
	Supply up to 11 kV	612.68	469.75	7.67
	Sub Total HV-2	12,397.23	9,928.43	8.01
HV-3	**RAILWAY TRACTION & METRO RAIL:**			
(A)	**Railway Traction:**	72.11	78.14	10.84
	For Supply at and above 132 kV	72.11	78.14	10.84
	For Supply below 132 kV			
(B)	**METRO RAIL**	119.17	106.60	8.95
	Sub Total HV-3	191.27	184.75	9.66
HV-4	**LIFT IRRIGATION WORKS:**			
	For Supply at 11 kV	321.59	303.77	9.45
	For Supply above11 kV upto 66 kV	355.40	329.15	9.26
	For Supply above66kV upto 132 kV	0.00	0.00	
	Sub Total HV-4	676.99	632.92	9.35
	Extra State Consumer	12.00	9.00	7.50
	Bulk Supply Consumer	2,186.43	1,089.00	4.98
	Grand Total	**1,00,236.60**	**63,315.60**	**6.32**

9.1.1. The Petitioners vide in the reply of the data gap dated June 29, 2022 submitted revised revenue, as shown in the Tables below:

TABLE 9-8: REVISED CATEGORY WISE REVENUE OF DVVNL PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	727.59	3,704.57	4,432.16
LMV-2-Non domestic light fan & power	272.05	769.70	1,041.75
LMV-3 Public lamps	22.09	55.84	77.93
LMV-4 Light, fan & power for public/private institution	58.17	208.40	266.57
LMV-5 Private tube well/pumping sets	584.21	603.76	1,187.97
LMV-6 Small & medium power upto 100 hp/75kw	105.94	406.99	512.93
LMV-7 Public water works	49.99	326.38	376.37
LMV-8 State tube wells & pumps canal upto 100 hp (lmv-8)	227.84	749.30	977.14
Lmv-9 Temporary supply	8.87	51.94	60.81
LMV- 10 Departmental employees	66.68		66.68
LMV-11 Electric Vehicle	-	0.09	0.09
HV-1 Non industrial bulk load	54.34	239.29	293.63
HV-2 Large & heavy power above 100 BHP (75 kw)	263.74	2,083.81	2,347.55
HV-3 Railway traction	12.96	53.01	65.97
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	11.16	96.09	107.26
Extra State	-	-	-
Bulk supply	-	1,089.15	1,089.15
Total	**2,465.62**	**10,438.32**	**12,903.95**

TABLE 9-9: REVISED CATEGORY WISE REVENUE OF MVVNL PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,041.98	4,984.11	6,026.08

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-2-Non domestic light fan & power	465.93	1,227.64	1,693.57
LMV-3 Public lamps	63.84	258.00	321.84
LMV-4 Light, fan & power for public/private institution	57.59	226.08	283.67
LMV-5 Private tube well/pumping sets	368.07	66.37	434.44
LMV-6 Small & medium power upto 100 hp/75kw	107.51	367.78	475.29
LMV-7 Public water works	42.39	367.74	410.13
LMV-8 State tube wells & pumps canal upto 100 hp	288.64	600.33	888.96
Lmv-9 Temporary supply	7.07	19.76	26.83
LMV- 10 Departmental employees	74.98		74.98
LMV-11 Electric Vehicle	-	2.89	2.89
HV-1 Non industrial bulk load	175.48	675.55	851.03
HV-2 Large & heavy power above 100 BHP (75 kw)	220.99	1,169.58	1,390.56
HV-3 Railway traction	2.61	23.14	25.75
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	9.32	61.00	70.32
Bulk supply	-	-	-
Extra State Consumers	-	6.88	6.88
Total	**2,926.39**	**10,056.83**	**12,983.22**

TABLE 9-10: REVISED CATEGORY WISE REVENUE OF PVVNL PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,444.12	6,737.44	8,181.56
LMV-2-Non domestic light fan & power	614.86	1,368.12	1,982.98
LMV-3 Public lamps	66.90	150.46	217.36
LMV-4 Light, fan & power for public/private institution	47.00	139.26	186.25
LMV-5 Private tube well/pumping sets	855.90	762.08	1,617.97

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-6 Small & medium power upto 100 hp/75kw	230.13	931.54	1,161.67
LMV-7 Public water works	71.08	354.69	425.76
LMV-8 State tube wells & pumps canal upto 100 hp	71.12	319.67	390.79
Lmv-9 Temporary supply	16.04	84.08	100.12
LMV- 10 Departmental employees	94.53		94.53
LMV-11 Electric Vehicle	-	0.39	0.39
HV-1 Non industrial bulk load	342.46	1,329.96	1,672.42
HV-2 Large & heavy power above 100 BHP (75 kw)	584.09	3,998.59	4,582.68
HV-3 Railway traction	17.00	65.43	82.43
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	0.09	1.13	1.21
Bulk supply	-	-	-
Extra State Consumers	-	-	-
Total	4,455.31	16,242.82	20,698.13

TABLE 9-11: REVISED CATEGORY WISE REVENUE OF PuVVNL PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,129.06	5,390.83	6,519.89
LMV-2-Non domestic light fan & power	476.65	1,525.11	2,001.76
LMV-3 Public lamps	42.96	104.80	147.76
LMV-4 Light, fan & power for public/private institution	66.14	228.89	295.03
LMV-5 Private tube well/pumping sets	380.95	211.70	592.65
LMV-6 Small & medium power upto 100 hp/75kw	91.66	435.11	526.77
LMV-7 Public water works	50.79	337.46	388.25
LMV-8 State tube wells & pumps canal upto 100 hp	462.77	734.40	1,197.17
Lmv-9 Temporary supply	1.68	7.81	9.50
LMV- 10 Departmental employees	55.51		55.51

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-11 Electric Vehicle	-	0.02	0.02
HV-1 Non industrial bulk load	97.62	421.37	518.99
HV-2 Large & heavy power above 100 BHP (75 kw)	155.26	956.80	1,112.07
HV-3 Railway traction	3.89	6.68	10.57
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	40.46	413.67	454.13
Bulk supply	-	-	-
Extra State Consumers	-	2.20	2.20
Total	**3,055.40**	**10,776.86**	**13,832.26**

TABLE 9-12: REVISED CATEGORY WISE REVENUE OF KESCO PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	187.21	1,046.14	1,233.35
LMV-2-Non domestic light fan & power	102.26	273.94	376.20
LMV-3 Public lamps	21.14	35.31	56.45
LMV-4 Light, fan & power for public/private institution	10.35	56.54	66.89
LMV-5 Private tube well/pumping sets	0.02	0.07	0.09
LMV-6 Small & medium power upto 100 hp/75kw	48.91	294.70	343.61
LMV-7 Public water works	23.41	92.73	116.13
LMV-8 State tube wells & pumps canal upto 100 hp	-	-	-
Lmv-9 Temporary supply	1.19	7.16	8.35
LMV- 10 Departmental employees	17.72		17.72
LMV-11 Electric Vehicle	-	-	-
HV-1 Non industrial bulk load	28.17	155.49	183.66
HV-2 Large & heavy power above 100 BHP (75 kw)	58.50	437.06	495.57
HV-3 Railway traction	-	0.03	0.03
HV-4 Lift irrigation & p. canal above 100 bhp (75kw)	-	-	-
Bulk supply	-	-	-

Category	Fixed Charges	Energy Charges	Total Revenue
Extra State Consumers	-	-	-
Total	**498.88**	**2,399.16**	**2,898.04**

TABLE 9-13: REVISED CONSOLIDATED CATEGORY WISE REVENUE OF 5 STATE DISCOMS PROPOSED FOR FY 2022-23 (RS. CRORE)

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	4,529.96	21,863.09	26,393.04
LMV-2-Non domestic light fan & power	1,931.75	5,164.51	7,096.26
LMV-3 Public lamps	216.93	604.41	821.34
LMV-4 Light, fan & power for public/private institution	239.25	859.17	1,098.41
LMV-5 Private tube well/pumping sets	2,189.15	1,643.98	3,833.12
LMV-6 Small & medium power upto 100 hp/75kw	584.15	2,436.12	3,020.27
LMV-7 Public water works	237.66	1,479.00	1,716.64
LMV-8 State tube wells & pumps canal upto 100 hp	1,050.37	2,403.70	3,454.06
Lmv-9 Temporary supply	34.85	170.75	205.61
LMV- 10 Departmental employees	309.42	0.00	309.42
LMV-11 Electric Vehicle	0.00	3.39	3.39
HV-1 Non industrial bulk load	698.07	2,821.66	3,519.73
HV-2 Large & heavy power above 100 BHP (75 kw)	1,282.58	8,645.84	9,928.43
HV-3 Railway traction	36.46	148.29	184.75
HV-4 Lift irrigation & p. canal above 100 BHP (75kw)	61.03	571.89	632.92
Bulk supply	0.00	1,089.15	1,089.15
Extra State Consumers	0.00	9.08	9.08
Total	**13,401.60**	**49,913.99**	**63,315.60**

9.1.1. The Petitioners also informed that apart from revenue of Rs. 63,315.60 Crore, they would be getting GoUP subsidy of Rs. 14,500 Crore.

Commission's Analysis

9.1.2. The GoUP provides subsidy for certain sub-categories / slabs of domestic and agriculture consumers. The GoUP in reply to the Commission's Letter No. UPERC / Director (Tariff)/ 2022-137 dated April 28, 2022 to which they submitted the following category / sub-category / slab wise subsidy details vide Letter No. 703/24-1-2022-1307/2020 dated June 07, 2022:

TABLE 9-14: GoUP SUBSIDY VIDE Letter No. 703/24-1-2022-1307/2020 dated June 07, 2022 FOR FY 2022-23

Consumer Category	FY 2022-23		
	Unit	Subsidy per Unit	Total Subsidy (Rs. Crore)
LMV-1: Domestic Light, Fan & Power			6,503
Lifeline (Rural and Urban)	Rs./Unit	3.50	4,875
Rural Schedule unmetered	Rs. /kW/Month	435	180
Rural Schedule metered (for all Consumers)	Rs. / unit		
0-100 Unit		2.70	1,189
101-150 Unit		2.00	259
Private Tube Wells/ Pumping Sets (Rural Schedule)			7,097
Rural Schedule metered and unmetered	Rs./BHP/Month	550	7,097
Total Subsidy			**13,600**

9.1.3. As can be seen from the above Table that the GoUP has provided details for a subsidy totalling to Rs. 13,600 Crore instead of Rs. 14,500 Crore as claimed by the Petitioners in their ARR / Tariff Petitions. The final subsidy computation will be done after the True Up of FY 2022-23 based on actual / audited data. The Commission has checked the subsidy requirement based on the approved

Billing Determinants and the subsidy available for certain consumers and has found the same to be adequate.

9.1.4. As discussed in the Tariff Philosophy Chapter of this Order, the Commission has rationalised the Tariff structure. Further, while rationalising the Commission has ensured that no additional burden is to be imposed on/ impacted to any class of consumers and accordingly Tariff Rates have been approved in this Order. The Commission has computed the revenue as per the rationalised structures approved in this Tariff Order and the approved Billing Determinants for FY 2022-23. The category / sub-category wise details of the revenue at approved Tariff for FY 2022-23 is annexed at Annexure –III in this Tariff Order. The following Tables summarize the revenue approved by the Commission for FY 2022-23 at approved Tariff Rates (Tariff Excluding Subsidy):

TABLE 9-15: APPROVED TARIFF REVENUE FOR DVVNL (INCLUDING DF OF AGRA) (RS. CRORE)

Consumer Categories (DVVNL+ DF of Agra)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	6,985.22	1,195.10	5,790.12
LMV-2: Non-Domestic	1,314.47	-	1,314.47
LMV-3: Public Lamps	170.55	-	170.58
LMV-4: Institutions	298.18	-	298.18
LMV-5: Private Tube Wells	3,093.72	1,898.75	1,194.96
LMV 6: Small and Medium Power	629.70	-	629.70
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,359.18	-	1,359.18
LMV-9: Temporary Supply	70.30	-	70.30
LMV-10: Departmental Employees	128.95	-	128.95
LMV-11: Electric Vehicles	0.09	-	0.09
HV-1: Non-Industrial Bulk Loads	424.53	-	424.53
HV-2: Large and Heavy Power	2,590.10	-	2,590.10
HV-3: Railway Traction	65.97	-	65.97
HV-4: Lift Irrigation	107.26	-	107.26
Extra State Consumer	-	-	-
Total	**17,238.22**	**3,093.85**	**14,144.40**

**Inclusive of Cross Subsidization.*

TABLE 9-16: APPROVED TARIFF REVENUE FOR MVVNL (RS. CRORE)

Consumer Categories (MVVNL)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	8,628.23	2,172.39	6,455.84
LMV-2: Non-Domestic	1,753.57	-	1,753.57
LMV-3: Public Lamps	321.84	-	321.84
LMV-4: Institutions	284.62	-	284.62
LMV-5: Private Tube Wells	1,691.45	1,257.01	434.44
LMV 6: Small and Medium Power	472.94	-	472.94
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,270.71	-	1,270.71
LMV-9: Temporary Supply	26.83	-	26.83
LMV-10: Departmental Employees	160.13	-	160.13
LMV-11: Electric Vehicles	2.88	-	2.88
HV-1: Non-Industrial Bulk Loads	858.12	-	858.12
HV-2: Large and Heavy Power	1,418.60		1,418.60
HV-3: Railway Traction	25.75	-	25.75
HV-4: Lift Irrigation	70.32	-	70.32
Extra State Consumer	6.88	-	6.88
Total	**16,992.85**	**3,429.40**	**13,563.45**

**Inclusive of Cross Subsidization.*

TABLE 9-17: APPROVED TARIFF REVENUE FOR PVVNL (RS. CRORE)

Consumer Categories (PVVNL)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	9,588.24		
LMV-2: Non-Domestic	2,053.66	559.66	9,028.58
LMV-3: Public Lamps	217.36	-	2,053.66
LMV-4: Institutions	186.97	-	217.36
LMV-5: Private Tube Wells	4,271.18	-	186.97
LMV 6: Small and Medium Power	1,153.53	2,653.21	1,617.97

Consumer Categories (PVVNL)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	799.34	-	1,153.53
LMV-9: Temporary Supply	100.12	-	799.34
LMV-10: Departmental Employees	154.81	-	100.12
LMV-11: Electric Vehicles	0.37	-	154.81
HV-1: Non-Industrial Bulk Loads	1,692.31	-	0.37
HV-2: Large and Heavy Power	4,646.95	-	1,692.31
HV-3: Railway Traction	82.43		4,646.95
HV-4: Lift Irrigation	1.21	-	82.43
Extra State Consumer	-	-	1.21
Total	**24,948.48**	**3,212.87**	**21,735.61**

**Inclusive of Cross Subsidization.*

TABLE 9-18: APPROVED TARIFF REVENUE FOR PuVVNL (RS. CRORE)

Consumer Categories (PuVVNL)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	9,137.12	2,139.28	6,997.84
LMV-2: Non-Domestic	2,043.79	-	2,043.79
LMV-3: Public Lamps	147.76	-	147.76
LMV-4: Institutions	296.78	-	296.78
LMV-5: Private Tube Wells	1,835.56	1,242.91	592.65
LMV 6: Small and Medium Power	527.64	-	527.64
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,549.69	-	1,549.69
LMV-9: Temporary Supply	9.50	-	9.50
LMV-10: Departmental Employees	174.30	-	174.30
LMV-11: Electric Vehicles	0.02	-	0.02
HV-1: Non-Industrial Bulk Loads	526.03	-	526.03
HV-2: Large and Heavy Power	1,134.50		1,134.50
HV-3: Railway Traction	10.57	-	10.57
HV-4: Lift Irrigation	454.13	-	454.13

Consumer Categories (PuVVNL)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
Extra State Consumer	2.20	-	2.20
Total	**17,849.59**	**3,382.19**	**14,467.39**

**Inclusive of Cross Subsidization.*

TABLE 9-19: APPROVED TARIFF REVENUE FOR KESCO (RS. CRORE)

Consumer Categories (KESCo)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	1,313.85	-	1,313.85
LMV-2: Non-Domestic	397.84	-	397.84
LMV-3: Public Lamps	56.45	-	56.45
LMV-4: Institutions	66.20	-	66.20
LMV-5: Private Tube Wells	0.09	-	0.09
LMV 6: Small and Medium Power	340.97	-	340.97
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	115.05	-	115.05
LMV-9: Temporary Supply	8.35	-	8.35
LMV-10: Departmental Employees	33.80	-	33.80
LMV-11: Electric Vehicles	-	-	-
HV-1: Non-Industrial Bulk Loads	185.53	-	185.53
HV-2: Large and Heavy Power	499.33		499.33
HV-3: Railway Traction	0.03	-	0.03
HV-4: Lift Irrigation	-	-	-
Extra State Consumer	-	-	-
Total	**3,017.49**	-	**3,017.49**

**Inclusive of Cross Subsidization.*

TABLE 9-20: APPROVED TARIFF REVENUE FOR ALL STATE OWNED DISCOMS (INCLUDING DF OF AGRA) (RS. CRORE)

Consumer Categories (Consolidated)	FY 2022-23		
	Revenue (Tariff Excluding Subsidy)*	Revenue (GoUP Subsidy)	Revenue (Tariff Payable)
LMV-1: Domestic	35,652.65	6,066.42	29,586.23
LMV-2: Non-Domestic	7,563.34	-	7,563.34
LMV-3: Public Lamps	913.95	-	914
LMV-4: Institutions	1,132.75	-	1,132.75
LMV-5: Private Tube Wells	10,892.00	7,051.89	3,840.11
LMV 6: Small and Medium Power	3,124.78	-	3,124.78
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	5,093.96	-	5,093.96
LMV-9: Temporary Supply	215.10	-	215.10
LMV-10: Departmental Employees	652.00	-	652.00
LMV-11: Electric Vehicles	3.35	-	3.35
HV-1: Non-Industrial Bulk Loads	3,686.52	-	3,686.52
HV-2: Large and Heavy Power	10,289.49	-	10,289.49
HV-3: Railway Traction	184.74	-	184.74
HV-4: Lift Irrigation	632.91	-	632.91
Extra State Consumer	9.08	-	9.08
Total	**80,046.63**	**13,118.31**	**66,928.32**

**Inclusive of Cross Subsidization.*

9.2. TREATMENT OF GAP / (SURPLUS)

9.2.1. Taking into consideration the ARR & revenue at approved Tariff for FY 2022-23. The estimated Gap / (Surplus) for FY 2022-23 of State owned Discoms is as given in the Table below:

TABLE 9-21: ESTIMATION OF GAP/(SURPLUS) FOR DVVNL FOR FY 2022-23 (RS. CRORE)

DVVNL	Claimed	Approved
Net Aggregate Revenue Requirement	17,275.77	**16,806.89**
Revenue at the approved Tariff (rationalised)	12,903.95*	17,238.22
GoUP Subsidy	2,716.24	0.00
Impact of Tariff Revision	0.00	0.00
Gap/ (Surplus)	**1,475.85**	**(431.33)**

** The Petitioner has proposed revenue for FY 2022-23 considering existing tariff*

TABLE 9-22: ESTIMATION OF ARR GAP/SURPLUS FOR MVVNL FOR FY 2022-23 (RS. CRORE)

MVVNL	Claimed	Approved
Net Aggregate Revenue Requirement	**17,089.41**	**16,582.34**
Revenue at the approved Tariff (rationalised)	12,983.22*	16,992.85
GoUP Subsidy	2,542.69	0.00
Impact of Tariff Revision	0.00	0.00
Gap/ (Surplus)	**1,395.22**	**(410.51)**

** The Petitioner has proposed revenue for FY 2022-23 considering existing tariff*

TABLE 9-23: ESTIMATION OF ARR GAP/SURPLUS FOR PVVNL FOR FY 2022-23 (RS. CRORE)

PVVNL	Claimed	Approved
Net Aggregate Revenue Requirement	**28,269.27**	**24,317.73**
Revenue at the approved Tariff (rationalised)	20,698.13*	24,948.48
GoUP Subsidy	5,139.61	0.00
Impact of Tariff Revision	0.00	0.00
Gap/ (Surplus)	**2,091.41**	**(630.75)**

** The Petitioner has proposed revenue for FY 2022-23 considering existing tariff*

TABLE 9-24: ESTIMATION OF ARR GAP/SURPLUS FOR PuVVNL FOR FY 2022-23 (RS. CRORE)

PuVVNL	Claimed	Approved
Net Aggregate Revenue Requirement	**18,756.18**	**17,436.18**
Revenue at the approved Tariff (rationalised)	13,832.26*	17,849.59
GoUP Subsidy	3,201.47	0.00
Impact of Tariff Revision	0.00	0.00
Gap/ (Surplus)	**1,510.59**	**(413.41)**

** The Petitioner has proposed revenue for FY 2022-23 considering existing tariff*

TABLE 9-25: ESTIMATION OF ARR GAP/SURPLUS FOR KESCo FOR FY 2022-23 (RS. CRORE)

KESCO	Claimed	Approved
Net Aggregate Revenue Requirement	**3,114.19**	**2,932.65**
Revenue at the approved Tariff (rationalised	2,898.04*	3,017.49
GoUP Subsidy	0.00	0.00
Impact of Tariff Revision	0.00	0.00
Gap/ (Surplus)	**216.15**	**(84.84)**

** The Petitioner has proposed revenue for FY 2022-23 considering existing tariff*

TABLE 9-26: CONSOLIDATED ESTIMATION OF ARR GAP/SURPLUS OF STATE DISCOMS FOR FY 2022-23 (RS. CRORE)

Consolidated (5 Discoms)	FY 2022-23	
	Claimed	Approved
Net Aggregate Revenue Requirement	**84,504.81**	**78,075.80**
Revenue at the approved Tariff (rationalised	63,315.60*	80,046.63
GoUP Subsidy	13,600	0.00
Impact of Tariff Revision		
Gap/ (Surplus)	**7,589.22**	**(1,970.83)**

** The Petitioners have proposed revenue for FY 2022-23 considering existing tariff*

9.2.2. Further, the Commission has allowed carrying cost on the Gap/(Surplus) in accordance with the provisions of Regulation 28.5 of MYT Regulations, 2015. The relevant extract of the Regulation is as under:

> *"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."*

9.2.3. The Commission vide Review Order dated August 18, 2021 in the Petition No. 1718 of 2021 computed impact of Rs. 96.41 Crore, which is considered in this Tariff Order for arriving at cumulative Gap/(Surplus) for FY 2022-23.

9.2.4. Accordingly, the Commission has computed cumulative Surplus consolidated of 5 State Discoms as Rs. 2,074.66 Crore with carrying cost (Surplus of Rs. 1,970.83 Crore and carrying cost of Rs. 103.83 Crore). Further, the Commission has taken note of the several other payment liabilities of the Petitioners, however the Commission has considered only payment to be made to Lalitpur Power Generation Company Ltd (LPGCL) of Rs. 2,183.61 Crore as the same is payable and has not been taken into consideration as yet in any ARR / True-Up. Accordingly, the Commission has arrived a cumulative revenue gap of Rs. 5.47 Crore, as shown in the Table below:

TABLE 9-27: CUMULATIVE GAP/(SURPLUS) FOR ALL 5 STATE DISCOMS (CONSOLIDTED) (RS.CRORE)

Total Revenue Gap/(Surplus)#	FY 2020-21		FY 2021-22		FY 2022-23	
	Claimed (True-UP)	In-house (True-Up)	Claimed (APR)	In-house (APR)	Claimed (ARR)	In-house (ARR)
Opening (i.e. closing of last year)		(610.06)	14,422.83	(3,799.56)	19,612.74	(103.83)
Gap/(Surplus) on Review of True-up for FY 2018-19		96.41				

Total Revenue Gap/(Surplus)#	FY 2020-21		FY 2021-22		FY 2022-23	
	Claimed (True-UP)	In-house (True-Up)	Claimed (APR)	In-house (APR)	Claimed (ARR)	In-house (ARR)
Gap/(surplus)during the year	13,764.21	(3,088.90)	3,872.74	3,872.74	6,689.23	(1,970.83)
Closing GAP/(Surplus)	13,764.21	(3,602.55)	18,295.57	73.18	26,301.97	(2,074.66)
carrying cost rate (%) @IWC	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%
Carrying cost (Rs. Crore) for the year	658.62	(197.01)	1,317.17	(177.00)	658.59	(103.48)
Cumulative Gap/(Surplus)	**14,422.83**	**(3,799.56)**	**19,612.74**	**(103.83)**	**26,960.56**	**(2,178.14)**
For compliance of Commission's Order dated March 19, 2021 in the Petition No. 1611 of 2020 based on Orders by the Hon'ble APTEL in the Appeal No. 365 of 2018 and Hon'ble Supreme Court (The final impact shall be subject to the final outcome of the above Petition and true-ups of the periods covered in the same)						2,183.61
Cumulative Gap/(Surplus)	**14,422.83**	**(3,799.56)**	**19,612.74**	**(103.83)**	**26,960.56**	**5.47**

#Discom wise revenue Gap/(Surplus) is annexed in this Tariff Order

9.2.5. Further, the computations of ARR and revenue for FY 2022-23 in the Tariff Order are estimated figures only and may vary hence, the projected Gap / (Surplus) will also undergo the changes accordingly. The Commission will analyse these in future True Up proceedings.

9.2.6. Further, the Commission had approved a surplus of Rs. 13,337.17 Crores as determined in the Tariff Order for FY 2019-20 dated September 03, 2019. In regards to the same, the Commission is aware that the matter is sub-judice in the Hon'ble APTEL and as the outcome of the matter will have a significant impact, hence it is decided to deal the same in future tariff proceedings at appropriate time otherwise it may cause volatility in tariff. The matter is discussed in details in Chapter 7 of this Tariff Order.

9.3. AVERAGE COST OF SUPPLY

9.3.1. The Table below summarises the per unit revenue realisation (average billing rate) as a percentage of ACoS (Consolidated for Distribution Licensees' namely DVVNL, MVVNL, PVVNL PuVVNL and KESCO). Consolidated ACoS (Tariff Excluding Subsidy) is worked out to be Rs. 7.53 / kWh (Rs. 78,075.80 Crore / 1,03,686.15 MU x 10).

TABLE 9-28: REVENUE REALIZED AS % OF ACOS (TARIFF EXCLUDING SUBSIDY)

Consumer Sub-Category	Average Billing Rate Rs. / kWh	(ABR – ACOS) as % of ACOS (+/-)
LMV-1: Domestic Light, Fan & Power	6.99	-7.19%
LMV-2: Non-Domestic Light, Fan & Power	10.05	33.46%
LMV-3: Public Lamps	10.88	44.44%
LMV-4: Light, Fan & Power for Institutions	10.66	41.60%
LMV-5: Private Tube Wells/ Pumping Sets	6.85	-9.01%
LMV 6: Small and Medium Power up to 100 HP (75 kW)	8.98	19.20%
LMV-7 & 8: Public Water Works & LMV, State Tube Wells & Pump Canals up to 100 HP	9.64	28.06%
LMV-9: Temporary Supply	10.34	37.32%
LMV-10: Departmental Employees	7.11	-5.65%
LMV-11: Electrical Vehicles	7.30	-3.07%
HV-1: Non-Industrial Bulk Loads	9.95	32.11%
HV-2: Large and Heavy Power above 100 BHP (75 kW)	7.99	6.06%
HV-3: Railway Traction	9.66	28.24%
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	9.35	24.13%
Extra State Consumer	7.83	3.96%
Grand Total	**7.72**	**2.50%**
ACOS	**7.53**	

9.3.2. The Petitioners should ensure that they must at least achieve & maintain the category wise ABRs approved, failing which the Commission may take an appropriate view and necessary action.

10. OPEN ACCESS CHARGES

10.1. BACKGROUND

10.1.1. In regard to Open Access, the Commission has finalized the necessary regulatory framework as 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;
- Procedures for Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Sources, 2020.

10.1.2. The Electricity Act, 2003 has defined Open Access as non-discriminatory provision for use of transmission lines or distribution system or associated facilities thereof. Considering the operation constraints and other relevant factors, the Commission directs that the 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.

10.1.3. 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.

10.1.4. Further, the 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.

10.2. OPEN ACCESS TRANSMISSION CHARGES

10.2.1. The Commission in the Tariff Order for FY 2022-23 of UPPTCL determines the Transmission Charges payable by Open Access customers for use of UPPTCL transmission network for transmission of electricity.

10.2.2. Similarly, the Commission also determines the wheeling charges payable by the Open Access customers for utilising the distribution network of the Distribution Licensees for wheeling of electricity in subsequent section.

10.3. OPEN ACCESS WHEELING CHARGES

Petitioner's Submission

10.3.1. Regulation 39.1 of the MYT Regulations, 2019 provide that ARR / Tariff filing by the Distribution Licensee shall separately records for the Distribution Wires Business and Retail Supply Business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately for the Distribution Wires Business and Retail Supply Business. In case complete accounting segregation has not been done between the Distribution Wires Business and Retail Supply Business of the Distribution Licensee, the ARR of the Distribution Licensee shall be apportioned between the Distribution Wires Business and Retail Supply Business in accordance with an Allocation Matrix to be prepared by the Licensee and submitted for the Commission's approval.

10.3.2. The Petitioners submitted that complete segregation of account between wheeling and retail supply has still not taken place, therefore the State Discoms have adopted the basis of allocation of the expenses in line with the methodology used by the Commission in last Tariff Order.

10.3.3. Accordingly, the Petitioners submitted the allocations of Consolidated ARR into wheeling & retail supply in the following Table:

TABLE 10-1: WHEELING AND RETAIL SUPPLY ARR SUBMITTED BY THE PETITIONER FOR FY 2022-23 (RS. CRORE)

Particulars	Allocation %		Allocation (FY 2022-23)		
	Wheeling	Supply	Wheeling ARR	Retail Supply ARR	Total Approved ARR
Power Purchase Expenses (incl all transmission charges other than UPPTCL)	0%	100%	0.00	64,294.25	64,294.25
Apportionment of O&M Expenses & Interest & Finance Charges of UPPCL	0%	100%	0.00	0.00	0.00
Transmission Charges - Intra state (incl SLDC Charges)	0%	100%	0.00	2,925.37	2,925.37
Gross O&M Expenses					
Gross Employee cost	60%	40%	2,524.59	1,683.06	4,207.66
Gross A&G expenses	40%	60%	345.66	518.50	864.16
Gross R&M expenses	90%	10%	2,446.75	271.86	2,718.61
Smart Metering OPEX	0%	100%	0.00	500.05	500.05
Gross Interest & Finance charges	90%	10%	3,321.94	369.10	3,691.04
Depreciation	90%	10%	3,264.18	362.69	3,626.87
Gross Expenditure			**11,903.13**	**70,924.89**	**82,828.01**
Expense capitalization					
Employee cost capitalized	60%	40%	977.96	651.97	1,629.93

Particulars	Allocation %		Allocation (FY 2022-23)		
	Wheeling	Supply	Wheeling ARR	Retail Supply ARR	Total Approved ARR
Interest capitalized	90%	10%	603.03	67.00	670.04
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
Net Expenditure			**10,322.13**	**70,205.91**	**80,528.04**
Provision for Bad & Doubtful debts	0%	100%	0.00	1,264.82	1,264.82
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
Total net expenditure with provisions			**10,322.13**	**71,470.73**	**81,792.86**
Add: Return on Equity	90%	10%	2,625.04	291.67	2,916.71
Less: Non-Tariff Income	0%	100%	0.00	183.80	183.80
Aggregate Revenue Requirement (ARR)			**12,947.17**	**71,578.59**	**84,525.76**

10.3.4. Further the Petitioners submitted that the wheeling charge has been computed on consolidated basis keeping in line with the philosophy of the Commission in past Tariff Orders and Regulation 51 of MYT Regulations, 2019. The wheeling charge submitted by the Petitioners is shown in the Table below:

TABLE 10-2: WHEELING CHARGES SUBMITTED BY PETITIONERS FOR FY 2022-23

S. No	Particulars	Units	Claimed
1	Wheeling ARR	Rs. Crores	12,908.65
2	Retail sales	MU	1,00,236.60
3	Average Wheeling charge	Rs. / kWh	1.29

TABLE 10-3: VOLTAGE-WISE WHEELING CHARGES SUBMITTED BY PETITIONERS FOR FY 2022-23

S. No.	Particulars	Units	% of Avg. wheeling charge	Claimed
1	Connected at 11 Kv			
i	Long Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	80%	1.030
ii	Medium Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	80%	1.030
iii	Short Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	80%	1.030
2	Connected above 11 Kv			
i	Long Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.644
Ii	Medium Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.644

S. No.	Particulars	Units	% of Avg. wheeling charge	Claimed
Iii	Short Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.644

Commission's Analysis

10.3.1. The Commission has considered the allocation as per the Licensee and has approved the wheeling and retail supply ARR for FY 2022-23 as shown in the Table below:

TABLE 10-4: WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2022-23

Particulars	Allocation %		Allocation (FY 2022-23)		
	Wheeling	Supply	Wheeling	Supply	Total
Power Purchase Expenses (Incl PGCIL charges)	0%	100%	0.00	63,523.33	63,523.33
Apportionment of O&M Expenses & Interest & Finance Charges of UPPCL	0%	100%	0.00	0.00	0.00
Transmission Charges - Intra state (incl SLDC Charges)	0%	100%	0.00	2,861.27	2,861.27
Gross O&M Expenses					
Gross Employee cost	60%	40%	1,741.80	1,161.20	2,903.00
Gross A&G expenses	40%	60%	299.25	448.88	748.13
Gross R&M expenses	90%	10%	2,787.83	309.76	3,097.59
Gross Interest & Finance charges	90%	10%	2,342.94	260.33	2,603.27
Depreciation	90%	10%	1,733.26	192.58	1,925.85
Gross Expenditure			**8,905.09**	**68,757.35**	**77,662.44**
Expense capitalization					
Employee cost capitalized	60%	40%	977.96	651.97	1,629.93
Interest capitalized	90%	10%	603.03	67.00	670.04
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
Net Expenditure			**7,324.10**	**68,038.37**	**75,362.46**
Provision for Bad & Doubtful debts	0%	100%	0.00	428.28	428.28
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
Total net expenditure with provisions			**7,324.10**	**68,466.65**	**75,790.75**
Add: Return on Equity	90%	10%	2,242.80	249.20	2,492.00
Less: Non-Tariff Income	0%	100%	0.00	206.95	206.95
Aggregate Revenue Requirement (ARR)			**9,566.90**	**68,508.90**	**78,075.80**

10.3.2. Based on the above, the wheeling charges for FY 2022-23 has been worked out by the Commission as shown in the Table below:

TABLE 10-5: WHEELING CHARGES APPROVED BY THE COMMISSION FOR FY 2022-23 ('WC' OF D)

S. No	Particulars	Units	Claimed	Approved (FY 2022-23)
1	Wheeling ARR (A)	Rs. Crore	12,908.65	9,566.90
2	Retail sales (B)	MU	1,00,236.60	1,03,686.15
3	Wheeling charge ((A/B)*10)	Rs. / kWh	1.29	0.92

10.3.3. The Commission has approved the ACoS of Rs. 7.53 / kWh for FY 2022-23 compared to Rs. 7.54 / kWh approved for FY 2021-22 vide Tariff Order dated July 29, 2021.

10.3.4. The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly through the State transmission network.

10.3.5. In addition to the payment of wheeling charges, the open access customers also have to bear the wheeling losses in kind.

10.4. CROSS SUBSIDY SURCHARGE (CSS)

Petitioner's Submission

10.4.1. The cross-subsidy surcharge for Open Access consumers has been computed in accordance with the methodology specified in Regulation 49 of the MYT Regulations, 2019.

10.4.2. The Petitioners submitted that as per Regulation 49.2 of the MYT Regulations, 2019, the Cross Subsidy Surcharge is to be computed based on the difference between (i) the tariff applicable to the relevant category of consumers and (ii) the cost of the Petitioners to supply electricity to the consumers of the applicable class. Further mentioned that, in case of a consumer opting for open access, the Petitioners could be in a position to discontinue purchase of power at the margin in the merit order. Accordingly, the cost of supply to the consumer for this purpose is computed as the aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the Commission; (c)

transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable.

10.4.3. The methodology specified in Regulation 49 of MYT Regulations, 2019 the CSS for the relevant consumer categories, the relevant extract of the Regulation is as under:

Quote

49.1 A consumer situated within the area of supply of a Distribution Licensee availing Open Access as per the provisions of UPERC Open Access Regulations, as amended from time to time, shall be liable to pay Cross-Subsidy Surcharge as determined by the Commission. Such Cross-Subsidy Surcharge will be determined based on the provisions of Tariff Policy 2016, issued by the Government of India and its subsequent notified revisions/ amendments/ addendums.

49.2 As per Tariff Policy 2016, issued by the Government of India the provision for computing Cross Subsidy Surcharge is as follows:

The cost of supply of electricity for the Distribution Licensee to consumers of the applicable class is aggregate of (a) per unit weighted average cost of power purchase including meeting the Renewable Purchase Obligation; (b) transmission and distribution losses applicable to the relevant voltage level and commercial losses allowed by the Commission; (c) transmission, distribution and wheeling charges up to the relevant voltage level; and (d) per unit cost of carrying regulatory assets, if applicable.

Surcharge 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 the per unit cost of carrying regulatory assets:

Provided that the Cross Subsidy Surcharge shall not exceed 20% of the Tariff applicable to the category of the consumers seeking Open Access.

Unquote

10.4.4. The Petitioners submitted the category-wise Cross Subsidy Surcharge computed by the Petitioner for FY 2022-23 as part of the Petition as given in the Table below:

TABLE 10-6: CROSS SUBSIDY SURCHARGE PROPOSED IN THE PETITION BY THE PETITIONERS FOR FY 2022-23

Cross Subsidy Surcharge For FY 2022-23																
S. No.	Categories	Revenue (Rs. Crore)	Sales (MU)	Average Billing Rate (T)* (Rs./kWh)	Wt. Avg. Pur. Cost (C)** (Rs./kWh)	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (Rs./kWh)					System Loss (% to the relevant voltage level)			Carrying Cost of Regulatory Assets (Rs./kWh) (R)	S=T-[C/(1-L/100)]+D+R]	S*** (Rs./kWh)
						Transmission Charge		Distribution Charge	Wheeling Charge	Aggregate of Trasn., Dist. & Wh. Charges applicable to the relevant voltage level (D)	PGCIL	UPPTCL	Dist. Loss			
						Inter-State Trns. Charges	Intra-State Trns. Charges									
1	HV-1 (Supply at 11 kV)	3204.59	3122.25	10.26	4.59	0.412	0.024	0.432	1.030	1.90	1.27%	3.27%	17.32%	0.00	2.55	2.05
2	HV-1 (Supply above 11 kV)	440.72	290.10	15.19	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.46%	0.00	8.85	3.04
3	HV-2 (Supply upto 11 kV)	7581.93	7726.46	9.81	4.59	0.412	0.024	0.432	1.030	1.90	1.27%	3.27%	17.32%	0.00	2.10	1.96
4	HV-2 (Supply above 11 kV & upto 66 kV)	1762.01	2296.36	7.67	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.46%	0.00	1.33	1.33
5	HV-2 (Supply above 66 kV & above 132 kV)	275.76	348.38	7.92	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	1.58	1.58
6	HV-2 (above 132 kV)	159.52	226.00	7.06	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	0.73	0.73
7	HV-3 (Supply at & above 132 kV)	78.14	72.11	10.84	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	4.50	2.17
8	HV-3 (For Metro Traction)	106.60	119.16	8.95	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.28%	0.00	2.61	1.79
9	HV-4 (Supply at 11 kV)	303.77	321.60	9.45	4.59	0.412	0.024	0.432	1.030	1.90	1.27%	3.27%	17.32%	0.00	1.73	1.73
10	HV-4 (Supply above 11 kV upto 66kV)	329.14	355.39	9.26	4.59	0.412	0.024	0.432	0.644	1.51	1.27%	3.27%	0.46%	0.00	2.92	1.85

*Including reflecting the Renewable Purchase Obligation.

**Including meeting the Renewable Purchase Obligation.

***CSS shall not exceed 20% of the Tariff Applicable to the category of the consumer seeking Open Access.

Commission's Analysis

10.4.1. As part of the prudence check various deficiencies were raised by the Commissions. It is pertinent to mention that the Petitioners provided three sets of Cross Subsidy Surcharge values in various deficiencies. However, the last submission is being considered and details reproduced below:

TABLE 10-7: CROSS SUBSIDY SURCHARGE SUBMISSITED BY THE PETITIONERS FOR FY 2022-23

S No.	Categories	Proposed in the Petitions	Revised Submission dated April 29, 2022	Revised Submission June 03, 2022
1	HV-1 (Supply at 11 kV)	2.05	1.97	1.89
2	HV-1 (Supply above 11 kV)	3.04	3.04	3.04
3	HV-2 (Supply at 11 kV)	1.96	1.96	1.88
4	HV-2 (Supply above 11 kV and upto 66kV)	1.33	1.32	1.08
5	HV-2 (Supply above 66 kV and upto 132kV)	1.58	1.58	1.36
6	HV-2 (Supply above 132 kV)	0.73	0.73	0.49
7	HV-3 (at and above 132 kV)	2.17	2.17	2.17
8	HV3 For Metro traction	1.79	1.79	1.79
9	HV-4 (Supply at 11 kV)	1.73	1.75	1.51
10	HV-4 (Supply above 11 kV and upto 66kV)	1.85	1.85	1.85

10.4.2. The Commission observed that the Petitioners have combined the 2 sub-categories of HV -2 namely (i) HV-2 Above 66 kV & upto 132 kV and (ii) HV-2 above 132 kV, and have computed one single CSS i.e., 'S' for both the categories. However, since both the categories are different and have different tariffs, their CSS should also be computed separately. The Commission in its earlier Tariff Orders had done it separately and the Petitioners should have followed the same.

10.4.3. 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 above, Transmission Charges – Inter-State Charges (PC) & Intra State Charges (TC), Retail Supply / Distribution Charges (DC). 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) in the tables below:

TABLE 10-8: DISTRIBUTION/ RETAIL SUPPLY CHARGES FOR PURPPOSE OF COMPUTATION OF 'DC' OF D FOR FY 2022-23

S. No	Particulars	Units	Approved (FY 2022-23)
1	Supply ARR (excluding Power Purchase & Transmission charges) (A)	Rs. Crore	2,124.30
2	Retail sales (B)	MU	103,686.15
3	Retail Supply / Distribution charge ((A/B)*10)	Rs. / kWh	0.20

TABLE 10-9: INTRA-STATE TRANSMISSION CHARGES FOR PURPOSE OF COMPUTATION OF 'TC' OF D FOR FY 2022-23

S.No	Particulars	Units	Approved (FY 2022-23)
1	Transmission Charge (Rs. Crore) (A)	Rs. Crore	2,861.27
2	Energy Handled in Open access (Retail sales) (B)	MU	103,686.15
3	Intra-state Transmission Charge (TC) ((A/B) * 10)	Rs. / kWh	0.276

TABLE 10-10: INTER-STATE TRANSMISSION CHARGE FOR PURPOSE OF COMPUTATION OF 'PC' OF D FOR FY 2022-23

S. No	Particulars	Units	Approved (FY 2022-23)
1	Transmission Cost (A)	Rs. Crore	5,927.71
2	Energy Handled in Open access (Retail sales) (B)	MU	103,686.15
3	Inter-State Transmission Charge (PC) ((A/B) *10)	Rs. / kWh	0.572

TABLE 10-11: AGGREGATE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL) D = PC + TC + DC + WC FOR THE STATE DISCOMS FOR FY 2022-23

S. No	Particulars	Units	Approved (FY 2022-23)
1	PC + TC + DC + WC upto 132 kV	Rs. / kWh	1.98
2	TC + PC (above 132 kV)	Rs. / kWh	0.85

10.4.4. Further, the formula provides for computation of 'L', where L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level. The Petitioners have

considered the same voltage wise losses for computation of Cross Subsidy Surcharge as approved by the Commission in the earlier Tariff Orders. The distribution losses at various voltage level submitted by the Petitioners from various submission is shown in the Table below:

TABLE 10-12: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2022-23 AS SUBMITTED BY PETITIONERS

FY 2022-23	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
Voltage Level (kV)	Loss (%)	Loss (%)	Loss (%)	Loss (%)	Loss (%)
220 kV	0.00%	0.00%	0.07%	0.00%	0.00%
132 kV	0.11%	0.00%	0.51%	0.00%	0.00%
33 kV	0.56%	0.33%	0.38%	0.58%	0.92%
11 kV & LT	21.57%	16.28%	15.95%	16.72%	1.91%

10.4.1. As the Petitioners have not submitted the consolidated Distribution Loss (%) of all Discoms at all voltage levels for FY 2022-23 and there is much difference in the loss levels submitted by each Licensee. The Commission has also observed that in a few voltage level losses have increased which is not logical and acceptable as the overall losses has been gone down. The Commission directs the Petitioners to provide genuine loss level and cost of service at each voltage level for each consumer category supported with detailed computation.

10.4.2. Accordingly, voltage wise loss at each voltage level considered for computation of Cross Subsidy Surcharge as under:

TABLE 10-13: VOLTAGE WISE LOSSES APPROVED FOR OPEN ACCESS COMPUTATION (CONSOLIDATED-5 DISCOMS)

S.No	Particulars	Loss Levels (%)
1	Inter State Transmission Loss (PGCIL)	1.22%
2	Intra State Transmission Loss (UPPTCL)	3.27%
4	Distribution Loss above 33 kV (132kV,66 kV)	0.21%
4	Distribution Loss at 33 kV	0.46%
5	Distribution Loss at 11 kV	7.75%
6	Approved Distribution Loss of all 5 Discoms (Consolidated)	10.67%

10.4.1. The computation of Inter-state transmission loss for the purpose of computation of CSS is as under:

TABLE 10-14: INTER-STATE TRANSMISSION LOSS FOR THE PURPOSE OF COMPUTATION OF CROSS SUBSIDY SURCHARGE

Particulars	Unit	Formulae	Consolidated
Retail Sales	MU	A	103,686.15
Distribution Losses	%	B	10.67%
Energy at Discom Periphery for Retail Sales	MU	C=A/(1-B)	116,068.82
Intra-State Transmission Losses	%	D	3.27%
Energy available at State Periphery for Transmission	MU	E=C/(1-D)	119,992.58
Inter-State Transmission Loss	%	F=1-E/G	1.22%
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	MU	G	121,473.44

10.4.2. As per the formula provided in the MYT Regulations, 2019 the details of Cost of Supply for the category of consumers at various voltage levels is given below:

TABLE 10-15: COST OF SUPPLY AS COMPUTED BY THE COMMISSION FOR FY 2022-23 (RS. / KWH)

S No.	Categories	Wh. Charge (D= PC+TC+DC+WC)	Wt. Avg. Pr. Cost (C)	Wt. Avg Power Purchase Variable Cost (VC)	Wt. Avg. Pr. 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	0.85	2.20	2.54	4.74	1.22%	3.27%	0.00%	0.00	5.81
2	HV Categories above 33 KV (132, 66kV)	1.98	2.20	2.54	4.74	1.22%	3.27%	0.21%	0.00	6.95
3	HV Categories at 33 KV	1.98	2.20	2.54	4.74	1.22%	3.27%	0.46%	0.00	6.96
4	HV Categories at 11 KV	1.98	2.20	2.54	4.74	1.22%	3.27%	7.75%	0.00	7.35

Note: L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level.

TABLE 10-16: CROSS SUBSIDY SURCHARGE COMPUTED BY THE COMMISSION FOR FY 2022-23 (RS. /KWH)

S No.	Categories	Average Billing Rate (ABR)	T = ABR + R (i.e., Regulatory Surcharge)	Cost of Supply	Cross Subsidy Surcharge "CSS" (Computed)	Cross Subsidy Surcharge "CSS" (with a cap of 20% of T)
1	HV-1 (Supply at 11 kV)	9.53	9.53	7.35	2.18	1.91
2	HV-1 (Supply above 11 kV)	14.11	14.11	6.96	7.15	2.82
3	HV-2 (Supply at 11 kV)	8.13	8.13	7.35	0.77	0.77
4	HV-2 (Supply above 11 kV and upto 66kV)	7.63	7.63	6.96	0.67	0.67
5	HV-2 (Supply above 66 kV and upto 132kV)	7.70	7.70	6.95	0.76	0.76
6	HV-2 (Supply above 132 kV)	6.87	6.87	5.81	1.06	1.06
7	HV-3 (at and above 132 kV)	10.84	10.84	6.95	3.89	2.17
9	HV3 For Metro traction	8.95	8.95	6.96	1.99	1.79
10	HV-4 (Supply at 11 kV)	9.45	9.45	7.35	2.09	1.89
11	HV-4 (Supply above 11 kV and upto 66kV)	9.26	9.26	6.96	2.30	1.85

**R = 0, as there is no Regulatory Surcharge at present*

10.4.3. However, as per Petitioner's submission, the CSS computed in few categories/sub-categories comes out to be lower. As the same was published (put in the public domain) for the comments of the stakeholder & public at large, the Commission, to ensure that consumers are not adversely affected and get best rates possible, approves the lower of its computations and Licensee's proposal. The approved CSS for FY 2022-23 is as under:

TABLE 10-17: CROSS SUBSIDY SURCHARGE APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. /KWH)

Categories	Units	FY 2022-23		Approved CSS for FY 2022-23
		Claimed by Petitioner	Computed	
		A	B	Minimum of A, B
HV-1 (Supply at 11 kV)	Rs. / kWh	1.89	1.91	1.89
HV-1 (Supply above 11 kV)	Rs. / kWh	3.04	2.12	2.12
HV-2 (Supply at 11 kV)	Rs. / kWh	1.88	0.77	0.77
HV-2 (Supply above 11 kV and upto 66kV)	Rs. / kWh	1.08	0.67	0.67
HV-2 (Supply above 66 kV and upto 132kV)	Rs. / kWh	1.36	0.76	0.76
HV-2 (Supply above 132 kV)	Rs. / kWh	0.49	0.82	0.49
HV-3 (For Railway Traction)	Rs. / kWh	2.17	2.01	2.01
HV-3 (For Metro Traction)	Rs. / kWh	1.79	1.77	1.77
HV-4 (Supply at 11 kV)	Rs. / kWh	1.51	1.77	1.51
HV-4 (Supply above 11 kV and upto 66kV)	Rs. / kWh	1.85	1.81	1.81
HV-4 (Supply above 66 kV and upto 132kV)	Rs. / kWh	-	-	1.99*

** The Petitioners have not proposed Cross Subsidy Surcharge for HV-4 (Supply above 66 kV and upto 132kV) as well as the Billing Determinants have not been provided by the Licensees, hence the value of CSS for this category has been taken as approved for FY 2021-22 in the Tariff Order dated July 29, 2021.*

11. DIRECTIVES

11.1. COMPLIANCE WITH DIRECTIVES ISSUED IN THE ORDER DATED JULY 29, 2021

11.1.1. The Commission has issued certain directives to the Petitioners in the Order dated July 29, 2021. The status of compliance submitted by the Petitioners with the same are as shown in the table given below:

Table 11-1: STATUS OF COMPLIANCE / PETITIONER'S REPLY TO COMMISSION 'S DIRECTIVES

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
1.	The State Government is providing annual subsidy of Rs. 11650 Crore for FY 2021- 22. The Petitioners have not developed any transparent mechanism for proper utilization of this subsidy only for the directed class of consumers namely, agricultural, lifeline, rural domestic etc. In view of ensuring transparent utilization of public resources by way of subsidy, the Petitioners are directed to prepare a scheme for transfer of subsidy in a transparent manner with the approval of the State Government to be implemented with effect from 1st April 2022. For introduction of DBT, the Petitioners will need to achieve 100% metering of all consumers and also computerise the details of all those consumers who are to be benefitted with subsidy under DBT including agricultural consumers. The Petitioners shall submit the roadmap for DBT in their next ARR filing for year 2022-23.	The Petitioners submitted that GoUP vide letter dated March 26, 2021 has provided the following: a) Mechanism of mentioning the rate of Govt. Subsidy as decided by GoUP in the monthly bills of consumers and making adjustment of the same in the amount billed to consumers. b) The quarterly account of the utilization of Govt. subsidy provided as per the actual per unit / per BHP / per KW consumption for subsidized consumers' categories sub categories/slabs will be submitted by UPPCL to GoUP within one month of the completion of every quarter. C) On the basis of quarterly account, the amount of subsidy for next quarter will be revised after adjusting the amount of remaining subsidy or the amount of additional subsidy required from the Govt. Further, the point-b of above roadmap approved by GoUP meets the requirement of advance subsidy as per Electricity Act, 2003. The GoUP letter no. 833/24-1-21-1307/2020 dated May 13, 2021 was also issued under section-65 of Electricity Act, 2003 and was accepted by the Commission. This fulfils the requirement of transfer of subsidy in a transparent manner with the approval of the State Government.

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
2.	The Commission also directs the Petitioners to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132 kV) - Energy Sales and Losses. Also, the now mandatory energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) shall also be submitted every year along with the ARR Petitions.	The Petitioners submitted that they complied the Commission's directive.
3.	The Commission directs the Petitioners, not to book excess sales under the unmetered categories.	The Petitioners submitted that they have not booked any excess sales under unmetered categories. The sale booked under the unmetered categories are as per the norms approved by the Commission in its order dated December 09, 2016 and as considered by the Commission in its order dated August 18, 2021 in the matter of P. No. 1718 of 2021.
4.	The Commission directs the Petitioners to submit details of the amount of Rs. 116.21 Crore of M/s PTC claimed as 'PTC unverified' power purchase related expenses, along with the bills at the time of Truing up of FY 2020-21, clearly mention the revision if any. Further, if there are no revisions, the same should be deducted (not claimed) in the Power purchase cost of FY 2020-21.	The Petitioners submitted that they provided the details to the Commission.
5.	The Commission directs Petitioners to submit the detailed explanation for the variation in O&M expenses with respect to True-Up (wherein the Commission had approved the lower of the two i.e. actual and normative) in its next filings.	The Petitioners submitted that they submit the details in the Petition.
6.	The Licensees must submit the details of each investment scheme / project	The Petitioners submitted that they have provided the cost benefit analysis as per the format provided

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	exceeding Rs. 10 Crore 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 disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges	by the Commission for the IT capex schemes (letter 219/RAU/IT dated June 28, 2021). Based on the approval, Petitioner will prepare the reports for other schemes for prior approval on the basis of the mechanism approved by the Commission for the IT Schemes. Further, the Petitioner informs that Ministry of Power has approved the capex plan under the Revamped Distribution Sector Scheme. The same will be submitted to the Commission.
7.	The Commission directs 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 Petitioner, assets created out of Grants and assets created out of consumer contribution.	The Petitioners submitted that they complied the Commission's directive.
8.	Petitioners have not made any submission for LMV-11 i.e. Electric Vehicle Charging consumer category. It is important that proper assessment is made for consumers of this category and submissions are made taking into account the initiatives taken by the Government for promotion of this consumer category.	The Petitioners submitted that they complied the Commission's directive.
9.	The details of category/sub-category wise billing determinants and revenue of consumers of Franchisee for DVVNL is to be properly submitted in similar manner as is done for own consumers i.e. rather than showing	DVVNL: The Petitioner submitted that they submit the Billing Determinants of Distribution Franchisee Torrent Power Ltd to the Commission.

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	billing determinants of Torrent Power as bulk supply, category wise billing determinants are to be submitted from next filing otherwise the Torrent Power could be subsidize rest of the consumers which should not be the case.	
10.	There is lack of clarity on the interest of security deposited that has been given to the consumers. This concern has been raised by several consumers in the public hearing. Petitioner 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.	The Petitioners submitted to the Commission to deal this matter separately. The petitioners are continuously apprising Commission on the matter of updating of Consumer Security Deposit. The Petitioners have submitted the latest details on affidavit in the matter of P. No. 780/2012. Further, the latest information submitted by the Petitioner in the above matter is attached for kind consideration of the Commission.
11.	The Petitioners are directed to ensure 100% feeder metering and DT metering within next one year.	DVVNL: The Petitioners submitted that 100% feeder metering is completed. Further, they submitted that 9.45% of DTs have been metered as on date and the metering of balance DTs will done under RDSS. KESCO: The Petitioner submitted that 100% feeder metering is completed. Further, they submitted that 97.08% of DTs have been metered as on date and the metering of balance DTs will done under RDSS. MVVNL: The Petitioner submitted that 100% feeder metering is completed. Further, they submitted that 20.10% of DTs have been metered as on date and the metering of balance DTs will done under RDSS. PUVVNL: The petitioner submitted that 100% feeder metering is completed. Moreover, 417854 No. of New DT meters are proposed (Conversion + New) under RDSS Program. PVVNL: The Petitioner submitted that 100% feeder metering is completed. Further, they submitted that 3.43% of DTs have been metered as on date and the metering of balance DTs will done under RDSS.

<table>
<tr><th>Sr. No.</th><th>Description of Directive(s)</th><th>Status of Compliance / Petitioner's Reply</th></tr>
<tr><td>12.</td><td>Petitioners are directed to submit year wise data regarding Surcharge Waiver in various One-Time Settlement (OTS) schemes from the year the same was abolished, to FY 2020-21, in the next filing.</td><td>The Petitioners submitted that OTS details are under compilation.</td></tr>
<tr><td>13.</td><td>All procurements made by Petitioners should be through Competitive Bidding only.</td><td>The Petitioners submitted that all Power Purchase are being carried out by UPPCL through Competitive Bidding process only. Further, the new PPAs signed during FY 2021-22 are as under:
<table>
<tr><th>Sr. No.</th><th>Developer</th><th>PPA date</th><th>Commissions' Approval date & Petition No.</th><th>Quantum</th><th>Source</th></tr>
<tr><td>1.</td><td>M/s SJVN Ltd.</td><td>16th June 2021</td><td>17th Jan 2022 (1773/2021)</td><td>75 MW</td><td>Solar</td></tr>
<tr><td>2.</td><td>M/s GMR Bajoli Holi Hydro Power Pvt Ltd</td><td>17th May 2021 & 8th Oct 2021 (SPPA)</td><td>27th Aug 2021 (1744/2021)</td><td>60 MW</td><td>Hydro</td></tr>
<tr><td>3.</td><td>TIDONG Power Generation Pvt. Ltd.</td><td>17th May 2021 & 8th Oct 2021 (SPPA)</td><td>27th Aug 2021 (1744/2021)</td><td>75 MW</td><td>Hydro</td></tr>
<tr><td>4.</td><td>TEESTA Urja Limited</td><td>17th May 2021 & 8th Oct 2021 (SPPA)</td><td>27th Aug 2021 (1744/2021)</td><td>265 MW</td><td>Hydro</td></tr>
</table></td></tr>
<tr><td>14.</td><td>Petitioner are directed to strictly follow the Central Government Guidelines for Procurement of power for short term (i.e. for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal. However, no approval will be required for purchasing power (i) through exchange or (ii) to fulfil contingent short term power requirements. For all other power purchases, prior approval of the Commission is necessary.</td><td>The Petitioners submitted that they are obligated to follow the Central Government Guidelines for Procurement of power for short term (i.e. for a period more than one day to one year) through tariff-based bidding process using National e-bidding portal. Accordingly, the petitioners through the Petition No. 1805/2021 have taken the Commissions' approval for the approval of procurement of bilateral power from DEEP Portal of Government of India for the Period May 2022 to September 2022.</td></tr>
<tr><td>15.</td><td>Petitioners are directed to ensure that they fulfil all the Renewable Purchase Obligations (solar, non-</td><td>The Petitioners submitted that UPPCL has executed Solar and Hydro PPAs of 475 MW for meeting its RPO Obligations. The detailed</td></tr>
</table>

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	solar, HPO) and may procure power from GTAM markets or as per Central Government Guidelines, and get prior approval of the Commission wherever required.	bifurcation of PPAs signed is already provided under point no. 13 of these directives.
16.	The Commission directs the Petitioners to submit the MOD stack in accordance with MOD Regulation 2021.	The Petitioners submitted that as per clause 5(2) of UPERC Merit order despatch and optimization of power purchase regulations 2021, UPPCL on behalf of the discoms submited the details of variable charges (includes transmission charges and losses) at discom periphery for all the Generating Stations / units to SLDC for preparation of the MOD stack on fortnightly basis. Further, the Petitioners submitted that SLDC schedules power based on the lower variable cost taking into account technical, regulatory, and operational limits of generation and transmission facilities.
17.	The Commission directs Petitioners to ensure to file its ARR/ Tariff Petition on time strictly in accordance with the applicable UPERC MYT Regulations.	The Petitioners submitted that the Commission vide letter dated 06/10/2021 and 02/11/2021 has directed to submit additional details along with ARR petition. The detailed information desired by the Commission was voluminous in nature. Therefore, UPPCL vide letter no. 503/RAU/ARR 2022-23 dated 30-11-2021 requested the Hon'ble Commission to provide additional time to file the petitions by the Discoms. Further, the petition was filed on March 08, 2022 before the Commission along with the additional submissions.
18.	The Commission directs that metering of LMV-10 consumers should be completed by end of FY 2021-22. The Petitioners shall also strive to ensure metering of consumers in LMV-5 category as well because 100% metering of consumers is necessary for implementing DBT mechanism.	DVVNL: The Petitioner submitted that for LMV-5, 2,36,505 number of consumers are unmetered (as on Feb'22). Discoms are in process of metering of these consumers. Further, for LMV-10, the petitioner requested the Commission to allow additional time till March, 2023 for installation of meters.

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
		KESCO: The Petitioner submitted that there are 13 consumers in LMV 5 category which are under Metered Urban schedule and 100% metering for LMV 5 consumers have been done. Further, for LMV-10, the petitioner requested the Commission to allow additional time till March, 2023 for installation of meters. MVVNL: The Petitioner submitted that for LMV-5, 1,80,933 number of consumers are unmetered (as on Feb'22). Discoms are in process of metering of these consumers. Further, for LMV-10, the petitioner requested the Commission to allow additional time till March, 2023 for installation of meters. PUVVNL: The Petitioner submitted that for LMV-5, 2,71,744 number of consumers are unmetered (as on Feb'22). Discoms are in process of metering of these consumers. Further, for LMV-10, the petitioner requested the Commission to allow additional time till March, 2023 for installation of meters. PUVVNL: The Petitioner submitted that for LMV-5, 4,51,848 number of consumers are unmetered (as on Feb'22). Discoms are in process of metering of these consumers. Further, for LMV-10, the petitioner requested the Commission to allow additional time till March, 2023 for installation of meters.
19.	The Commission directs that the direction of earlier Tariff Orders which have not been complied yet may be complied with immediately.	The Petitioners submitted that they are obligated to follow the Commission's directive. The status of compliance of directives issued by Commission has been provided in the instant petition. Further, the status on the directives which could not be complied, is being submitted through to this letter.

<table>
<tr><th>Sr. No.</th><th>Description of Directive(s)</th><th>Status of Compliance / Petitioner's Reply</th></tr>
<tr><td>20.</td><td>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.</td><td>The Petitioners submitted that they complied the Commission's directive.</td></tr>
<tr><td>21.</td><td>The Commission has noted that Petitioners have successfully completed a pilot implementation of peer to peer (P2P) trading of electricity in rooftop solar energy using Blockchain technology. The Commission directs Petitioners to take the pilot forward to its next phase for integrating it with the existing billing system (ERP)/ financial settlement etc. so that P2P rooftop solar energy may become operational for the prosumers and consumers of the State.</td><td>The Petitioners submitted that as per the direction of the Commission. UPPCL has appointed M/s ISGF for the same. The Pilot Project report on Block chain Technology is submitted.</td></tr>
<tr><td>22.</td><td>The Commission has approved the Smart Meter rollout plan for State Discoms of Uttar Pradesh vide Order dated November 15, 2018. Petitioners had sought the date for extension of the timeline, the same has expired. Petitioner is directed to submit the status of completion of the rollout and also submit the technical/financial impact of such rollout on their system.</td><td>The Petitioners submitted that total 40 lac smart meters were to be installed by EESL. As of March 31, 2022, number of smart meters installed is as per below Table:
<table>
<tr><th>Discom</th><th>Smart Meters to be Installed</th><th>Installed Meters (till 31.03.2022)</th></tr>
<tr><td>DVVNL</td><td>6,28,686</td><td>1,47,991</td></tr>
<tr><td>MVVNL</td><td>9,04,150</td><td>3,78,838</td></tr>
<tr><td>PVVNL</td><td>11,63,000</td><td>1,98,726</td></tr>
</table></td></tr>
</table>

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
		PuVVNL 11,47,225 3,21,433 KESCO 1,56,532 1,07318 **Total 39,99,593 11,54,306** Further the Petitioners submitted that the revised roll-out plan will be submitted before the Commission as soon as M/s EESL submits the same to UPPCL after incorporation of all the required changes.
23.	The Commission encourages Petitioner implement more of such projects including battery storage. Petitioners are directed to seek innovative solutions based on energy storage systems, other innovative technologies to reduce the system losses, provide better services to the consumers etc.	The Petitioners submitted that UPPCL is presently considering battery energy storage as an option to meet its peak demand. In this regard, consent has already been provided to SECI vide letter 425/CEPPA dated March 26, 2022 for 1000 MWh Energy Storage. Further, The Petitioners submitted that UPPCL is also exploring feasibility of energy storage at various substations in U.P. as per the directions of Commission in order dated March 11, 2022.

11.2. COMPLIANCE TO DIRECTIVES (VIDE COMMISSION'S LETTER NO. UPERC / SECY / D(T) / 2021-826 06.10.2021)

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
1	Provide the details of all the pending cases filed against UPERC in various forums along with the status of the same.	The Petitioners submitted that the details of the court cases pending in various forums are submitted along with the instant petition.
2	Provide the details of the land capitalised during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalised. Also,	The Petitioners submitted that as per the audited account for FY 2020-21, no land capitalization is recorded during the period.

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	provide the list of un-utilised land capitalised.	
3	Provide list of Open Access consumers (Long Term, Short Term, Medium Term) along with their respective Consumption from Open Access, Contracted Demand, Contracted Demand for Open Access, Wheeling Charges collected and Cross Subsidy Surcharge collected.	The Petitioners submitted that they submit the details to the Commission.
4	Wherever the opening values in the new audited account doesn't match with the closing shown in the previous audited account, the reasons for the same to be provided as part of Balance Sheet.	The Petitioners submitted that they submit the details in the instant Petition.
5	Provide the detailed breakup of CWIP claimed for the year along with the Petition,	The Petitioners submitted that they submit the details in the instant Petition.
6	Provide the portion of electricity duty in the Bad Debts along with the Petition and reconcile the same with the Balance Sheet for the year.	The Petitioners submitted that the Petitioners have claimed the provisions for bad debts as per the audited balance sheet. It is further submitted that the provisioning is being done on the basis of bad debts policy and the bifurcation of electricity duty is not possible from the same.
7	Submit the month-wise actual category/ sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year along with the Petition.	The Petitioners submitted that they submit the details in the instant Petition.
8	Submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M	The Petitioners submitted that reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	expenses) vis-à-vis the normative expenses for the year.	vis the normative expenses is submitted in the ARR petition.
9	Petitioner is directed to ensure that actual Power Purchased (MUs) & ex-bus & at energy delivered at Discom periphery (MU) along with inter & intra state losses are made part of the Audited Balance Sheet	The Petitioners submitted that Audited Balance Sheet is prepared as per the requirements of Company's Act.
10	Ensure that the actual category/ sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue are made part of the Audited Balance Sheet.	The Petitioners submitted that Audited Balance Sheet is prepared as per the provisions of Company's Act. Further, category-wise Revenue is already a part of the Balance Sheet. Making sub-category wise billing determinants part of Balance Sheet is under discussion with finance department.
11	Petitioner is directed to ensure that the actual Power Purchase Cost with detailed breakup of each source, inter-state transmission charges, intra-state transmission charges are made part of the Audited Balance Sheet.	The Petitioners submitted that Audited Balance Sheet is prepared as per the provisions of Company's Act. Further, Petitioner submits that UPPCL is the sole power supplier for all state Discoms. Petitioner receives the energy bill from UPPCL only. However, the reconciled statement duly certified by auditor is submitted.
12	Submit the PPA's, Commission's approval and bills of each source from which power is procured, along with the True-up/ARR Petition.	The Petitioners submitted the PPA's, Commission's approval for the power procured, along with the instant Petition. Further they also submitted the source wise power purchase bills for the month of August 2021.
13	Submit the details of each investment scheme/project exceeding Rs. 10 Crore. And obtain prior approval of the Commission as per Regulations for inclusion as regulatory expenditure in the ARR. Further, Petitioner should submit the Petitions on quarterly basis for approval of the Commission in line	The Petitioners submitted that they provide the cost benefit analysis as per the format provided by the Commission for the IT capex schemes (letter 219/RAU/IT dated June 28, 2021). Based on the approval, Petitioner will prepare the reports for other schemes for prior approval on the basis of the mechanism approved by the Hon'ble Commission for the IT Schemes.

Sr. No.	Description of Directive(s)	Status of Compliance / Petitioner's Reply
	with the MYT Regulations, 2019. Failure to do so will result in disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges.	The Petitioner further informs that Ministry of Power has approved the capex plan under the Revamped Distribution Sector Scheme. The same will be submitted to the Commission.
14	Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange.	The Petitioners submitted that they submit the details to the Commission.

11.3. DIRECTIVES ISSUED IN THIS ORDER

11.3.1. The Commission also directs the Petitioners to submit the voltage wise (440V, 11kV, 33kV, 66kV, 132 kV) - Energy Sales and Losses. Also, it is mandatory energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules 2014) shall also be submitted every year along with the ARR Petitions.

11.3.2. The Commission directs the Petitioners, not to book excess sales under the unmetered categories.

11.3.3. The Petitioners must submit the details of each investment scheme / project exceeding Rs. 10 Crore 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 disallowance of such investment in the ARR in order to safeguard the consumers from unjust and unfair charges.

11.3.4. The Commission directs the Petitioners to submit the detailed Fixed Asset Register (FAR) in excel with all the details of the assets opening, addition, deduction & closing values, as well as depreciation & cumulative depreciations, with the bifurcation of the assets owned by the Petitioners, assets created out of Grants and assets created out of consumer contribution.

11.3.5. The details of category / sub-category wise billing determinants and revenue of consumers of Franchisee for DVVNL is to be properly submitted in similar manner as is done for own consumers i.e. rather than showing billing determinants of Torrent Power Ltd as bulk supply, category wise billing determinants are to be submitted from next filing otherwise the Torrent

Power Ltd could be subsidize rest of the consumers which should not be the case. DVVNL also to get an audit done every year on the operational parameters, implementation of Tariff approved by the Commission, billing and collection, infrastructure and service delivery adequacy, status of defaults and dues etc of Torrent Power Ltd (franchisee of Agra) and submit the report to the Commission, along with the ARR / Tariff filling each year.

11.3.6. 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.

11.3.7. The Petitioners are directed to ensure 100% feeder metering and DT metering.

11.3.8. The Petitioners are directed to submit year wise data regarding Surcharge Waiver in various One-Time Settlement (OTS) schemes from the year the same was abolished, to FY 2021-22, in the next filing.

11.3.9. All procurements made by the Petitioners should be through Competitive Bidding only.

11.3.10. The Petitioners are directed to procure all power through tariff-based competitive bidding process or power exchange or DEEP Portal and obtain approval of the Commission. The Petitioners may procure short term power within approved ARR limits through power exchange without prior approval of the Commission.

11.3.11. The Commission directs the Petitioners to submit the MOD stack in accordance with MOD Regulation 2021.

11.3.12. The Commission directs the Petitioners to ensure to file its ARR/ Tariff Petition on time strictly in accordance with the applicable MYT Regulations, 2019.

11.3.13. The Commission directs that metering of LMV-10 consumers should be completed immediately.

11.3.14. 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 equipments 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 incentive to the licensee through revenue sharing based on implementation of the same.

11.3.15. The Petitioners 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.

11.3.16. The Commission has noted that the Petitioners have successfully completed a pilot implementation of peer to peer (P2P) trading of electricity in rooftop solar energy using Blockchain technology and has undertaken a pilot study on Time of Use Metering structure. The Commission directs the Licensees to take the pilot forward to its next phase for integrating it with the existing billing system (ERP)/ financial settlement etc. so that P2P rooftop solar energy may become operational for the prosumers and consumers of the State.

11.3.17. The Commission encourages the Petitioners to implement a few projects of battery storage. The Licensees are directed to seek innovative solutions based on energy storage systems, other innovative technologies to reduce the system losses, provide better services to the consumers etc.

11.3.18. Provide the details of all the pending cases filed by Petitioners against the Commission in various forums along with the status of the same.

11.3.19. The Petitioners are directed to submit DSM account details separately from the power purchase along with ARR/ Tariff fillings.

11.3.20. Provide the details of land capitalized during the year, along with the purpose of usage and status of usage of land, along with the lease deed for each land capitalized. Also, provide the list of un-utilized land capitalized.

11.3.21. Provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption and consumer category, along with Petition.

11.3.22. Wherever the opening values in the new audited account doesn't match with the closing shown in the previous audited account, the reasons for the same to be provided as part of balance sheet.

11.3.23. Provide the detailed breakup of CWIP claimed for the year along with the Petition.

11.3.24. Provide the portion of electricity duty in the Bad Debts along with the Petition and reconcile the same with the balance sheet for the year.

11.3.25. Submit the month-wise actual category / sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & actual Revenue for the year along with the Petition.

11.3.26. 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.

11.3.27. The Petitioners are directed to ensure that actual Power Purchased Cost with detailed break-up of each source, inter-state transmission charges, intra-state transmission charges are made part of the Audited Balance Sheet.

11.3.28. 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 Balance Sheet.

11.3.29. The Petitioners are directed to ensure that actual Power Purchased (MUs) & ex-bus & energy delivered at Discom periphery (MUs), inter & intra power purchase (MUs) along with inter & intra state losses are made part of the Audited Balance Sheet.

11.3.30. Submit the PPA's, Commission's approval and bills of each source from which power is procured, along with the True-up / ARR petition.

11.3.31. The Petitioners are directed to provide Discom wise details of all the expenses allocated by UPPCL, along with the True-up / ARR petition.

11.3.32. Submit the details of actual Number of consumers, Connected Load, Sales and Revenue for LMV-10 category consumer, along with the True-up Petition.

11.3.33. Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange.

11.3.34. The Commission observed that the Petitioners have not filled a few formats like P10. and in the few formats the data is incomplete. Also, it has been observed that the Excel files are not linked and formula driven which delay the proceedings. Therefore, the Petitioner is directed to ensure that all the Tariff and additional Formats are completely filled and are with formulas and links.

11.3.35. The Petitioners are directed to define a roadmap for cross-subsidy reduction and take steps to reduce such subsidy to +/- 20% of the Average Cost of Supply (ACos) in compliance with the provisions of the Tariff Policy, 2016.

11.3.36. The Petitioners are directed to provide consolidated data for all Discoms along with each Discoms in ARR / Tariff Petition.

11.3.37. The Petitioners are directed to show SOP and CGRF expenses separately in the Audited Balance Sheet.

11.3.38. The Petitioners are directed to provide the details of approval of power purchase sources in the annexed format (Annexure – II).

11.3.39. Apart from the above directions the Petitioners to comply to the directions provided at various places in this Tariff Order.

11.3.40. The proceedings under Petition No. 780 of 2012 are going on in the matter of Security Deposit and the final Orders of the Commission will have a bearing on the Security Deposit treatments for the years that have been Trued Up and due to the above proceedings all approvals will be treated as provisional. The Petitioners are directed to make a detailed filing due to the impact of the final order in the above proceedings in the ARR / Tariff filings to be made after issuance of the final order.

11.3.41. As per the approved roll out plan for the Smart Meter opex of the Petitioners is approximately Rs. 101.42/Meter/Month. The monthly bill of the lifeline consumers will be around Rs. 350 as per the Rate Schedule, excluding other charges i.e., Electricity Duty etc. Therefore, cost benefit of providing Smart Meters to such consumers on opex model as for each bill the Licensee needs careful consideration. Accordingly, the Petitioners are directed to take decisions in prudent manner while taking forward the initiatives as per the Smart Meter Roll Out Plan approved by the Commission. The Petitioners are also directed to make detailed submission on the benefits that have been realised viz-a viz the benefits that were submitted for approval of the Smart Meter Roll Out Plan in the next ARR/ Tariff filling.

11.3.42. The Petitioners are directed to enhance the quality of distribution network by employing state-of-the-art technology and contemporary technological solutions which is essential to address the upcoming and new challenges in the sector. Further, the Licensees are directed to focus on institutional capacity building, especially for operations related smart metering, prepaid charging infrastructure, demand response, time of use (TOU), cyber security

and privacy of data, usage of AI tools etc. As part of this, inhouse Training Centers/ Programs need to be developed to widen the knowledge-base and upgradation competencies of their employees in line with the trend in technology implementation in the sector which will assist them in bridging the capacity gaps and reduce the reliance on outsourcing of such essential and sensitive services. The Petitioners are required to conduct trainings on SOP and CGRF of the concern and responsible.

11.3.43. The Petitioners are directed to make submission at the time of True Up for the provisions for R&M expenses that were approved provisionally by the Commission for FY 2021-22 towards implementation of the SOP Regulations failing which disallowance may be done and action may be taken accordingly.

11.3.44. The Commission directs that the direction of earlier Tariff Orders which have not been complied shall be complied immediately.

12. APPLICABILITY OF THE ORDER

The State owned Discoms / Licensees, 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 Petitioners are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication.

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.

(Vinod Kumar Srivastava)	(Kaushal Kishore Sharma)	(Raj Pratap Singh)
Member (Law)	**Member**	**Chairman**

Place: Lucknow

Date: July 20, 2021

13. ANNEXURE

13.1. RATE SCHEDULE FOR FY 2022-23

Rate Schedule for FY 2022-23

(Applicable for DVVNL, MVVNL, PVVNL, PuVVNL and KESCO)

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 Electricity Supply Code 2005 and its amendments.

3. BILLING WHEN METER IS NOT MADE ACCESSIBLE:

A penalty of Rs. 50.00 / kW or as decided by the Commission through an Order shall be levied for the purposes of Clause 6.2 (c) of the applicable Electricity Supply Code 2005 and its amendments.

4. BILLING IN CASE OF DEFECTIVE METERS:

As per the applicable provisions of 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.

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, then the Licensee will raise the bill at 75% of the contracted load and 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 noted wrong, 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 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. Further, if the consumer is found to have exceeded the contracted load / demand for continuous previous three months, the consumer shall be served a notice of one month advising him to get the contracted load enhanced as per the provisions of the Electricity Supply Code, 2005 and amendments thereof. However, the consumer shall be charged for excess load for the period the load is found to exceed the contracted load. The Licensee shall merge the excess load with the previously sanctioned load, and levy additional charges calculated as above, along with additional security. Subsequent action regarding the increase in contracted load, or otherwise shall be taken only after due examination of the consumer's reply to the notice and a written order in this respect by the Licensee.

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 as per the maximum load / demand recorded by the meter.

c) 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.

d) Provided where no TVM / TOD / Demand recording meter is installed, the excess load / demand charge shall be levied as per the Electricity Supply Code, 2005 as amended from time to time.

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 section H - 'LIST OF POWER FACTOR APPARATUS' of this Rate Schedule.

iii. In respect of the consumers 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.

iv. 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, emanating from sub-station, 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 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 consumers of light, fan & power (excluding motive power loads) not covered under any rate schedule or expressly excluded from any LMV rate schedule will be categorized under LMV-2.

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 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 dues from the Licensee which may arise out of 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. 0.54 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. However, such consumption cannot be taken into consideration in the RPO fulfilment of such consumers if any.

d. The consumer can request for opting out, however the same shall only be come into force after the issuance of Commission's next Tariff Order.

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.

B. RETAIL TARIFFS FOR FINANCIAL YEAR 2022-23

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 higher charge.

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 upto 1 kW, energy consumption up to 100 kWh / month.

Description	Tariff Excluding Subsidy		Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy		Tariff Payable	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
	A	B	A1	B1	= A - A1	= B - B1
Load upto 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 6.50/ kWh	-	Rs. 3.50 / kWh	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	Tariff Excluding Subsidy		Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy		Tariff Payable	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
	A	B	A1	B1	= A - A1	= B - B1
i) Un-Metered	Rs. 935.00 / kW / month	-	Rs. 435.00 / kW / month	-	Rs. 500.00 / kW / month	-

Description	Consumption Range	Tariff Excluding Subsidy		Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy		Tariff Payable	
		Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
		A	B	A1	B1	= A - A1	= B - B1
ii) Metered	Upto 100 kWh / month	Rs. 90.00/ kW / month	Rs. 6.50 / kWh	-	Rs. 3.15 / kWh	Rs. 90.00/ kW / month	Rs. 3.35 / kWh
	101 - 150 kWh / month		Rs. 6.50 / kWh		Rs. 2.65 / kWh		Rs. 3.85 / kWh
	151 – 300 kWh / month		Rs. 6.50/ kWh		Rs. 1.50/ kWh		Rs. 5.00 / kWh
	Above 300 kWh / month		Rs. 6.50 / kWh		Rs. 1.00/ kWh		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 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.

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.

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	Tariff Excluding Subsidy		Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy		Tariff Payable	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
	A	B	A1	B1	= A - A1	= B - B1
Load upto 1 kW and for consumption up to 100 kWh / month	Rs. 50.00 / kW / month	Rs. 6.50 / kWh	-	Rs. 3.50 / kWh	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	Tariff Excluding Subsidy		Cross Subsidy		Tariff Payable	
		Fixed Charge	Tariff Excluding Subsidy	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
		A	B	A1	B1	= A - A1	= B - B1
Metered	Upto 100 kWh / month	Rs. 110.00 / kW / month	Rs. 6.50 / kWh	-	Rs. 1.00 / kWh	Rs. 110.00 / kW / month	Rs. 5.50 / kWh
	101 - 150 kWh / month		Rs. 6.50 / kWh		Rs. 1.00 / kWh		Rs. 5.50 / kWh
	151- 300 kWh / month		Rs. 6.50 / kWh		Rs. 0.50 / kWh		Rs. 6.00 / kWh
	Above 300 kWh / month		Rs. 6.50 / kWh		-		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.

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, Power Looms with less than 5 kW load and for all companies registered under the Companies Act, 1956 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	Tariff Excluding Subsidy		Cross Subsidy		Tariff Payable	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
	A	B	A1	B1	= A - A1	= B - B1
Metered	Rs. 110.00 / kW / month	Rs. 6.50 / kWh	-	Rs. 1.00 / kWh	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 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) 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

TOD Rates applicable for the metered supply (% of Energy Charges):

18:00 hrs – 06:00 hrs	0%
06:00 hrs – 18:00 hrs	(+) 20%

4. For 'Maintenance Charges', 'Provision of Lamps' and 'Verification of Load' Point refer Section C - 'PUBLIC LAMPS' of 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 1956.

(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.

LMV-4 (B) - PRIVATE INSTITUTIONS:

This schedule shall apply to non-Government hospitals, nursing homes / dispensaries / clinics, private research institutes, and schools / colleges / educational institutes & charitable institutions / trusts not covered under **(A)** above.

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:

Description	Fixed Charge	Energy Charge
(A) For Public Institutions	Rs. 300.00 / kW / month	Rs. 8.25 / kWh
(B) For 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 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	Tariff Excluding Subsidy		Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) or Applicable GoUP Orders		Tariff Payable	
	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge	Fixed Charge	Energy Charge
	A	B	A1	B1	= A - A1	= B - B1
Un-Metered	Rs. 720.00 / BHP / month	-	Rs. 550.00 / BHP / month	-	Rs. 170.00 / BHP / month	-

* Consumer under this category will be allowed a maximum lighting load of 120 watts

(ii) Metered Supply

Description	Tariff Excluding Subsidy			Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy			Tariff Payable		
	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge
	A	B	C	A1	B1	C1	= A – A1	= B – B1	= C – C1
Metered	Rs. 620.00 / BHP / month	Rs. 710.00 / BHP / month	Rs. 6.50 / kWh	Rs. 550.00 / BHP / month	Rs. 550.00 / BHP / month	Rs. 4.50 / kWh	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	Tariff Excluding Subsidy			Subsidy (as per GoUP Letter No. 703/24-1-2022-1307/2020 Dated 07.06.2022) and Cross Subsidy			Tariff Payable		
	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge
	A	B	C	A1	B1	C1	= A – A1	= B – B1	= C – C1
Metered	Rs. 620.00 / BHP/ month	Rs. 690.00 / BHP/ month	Rs. 6.50 / kWh	Rs. 550.00 / BHP/ month	Rs. 550.00 / BHP/ month	Rs. 4.85 / kWh	Rs. 70.00 / BHP / month	Rs. 140.00 / BHP / month	Rs. 1.65 / kWh

Note: *Minimum amount payable by a consumer under the category "Rural Schedule (Energy Efficient Pumps) shall be Rs. 140.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra*

(B) For consumers getting supply as per **Urban Schedule** (Metered Supply) including consumers getting supply through rural feeders exempted from scheduled rostering or through co-generating radial feeders in villages and towns.

Description	Tariff Excluding Subsidy			Cross Subsidy			Tariff Payable		
	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge	Fixed Charge	Minimum Charge Payable	Energy Charge
	A	B	C	A1	B1	C1	= A – A1	= B – B1	= C – C1
Metered	Rs. 130.00 / BHP / month	Rs. 215.00 / BHP / month	Rs. 6.50 / kWh	-	-	Rs. 0.50 / kWh	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.*

For PTW consumers of Bundelkhand Area located in Gram Sabha, the minimum amount payable by a consumer shall be Rs. 170.00 per BHP per month, till the installation of the meter. Regulatory Surcharge, Duty, Taxes etc. will be payable extra.

4. Provision Related to Single Crop Consumers of Bundelkhand Area:

- This shall apply to all consumers of Bundelkhand area getting supply as per Rural / Urban Schedule for Private Tube-wells / Pumping Sets for irrigation purposes.
- Only such consumers who use electrical pumps for irrigation purpose during the period from November to February, in a financial year, only will be entitled for the benefit of these seasonal tariffs. The other conditions for availing the benefit of seasonal tariff shall be as under:
- In a Financial year, the continuous period of operation of such consumers shall in no case be more than 4 months i.e. from November to February.
- Any consumer, desirous of availing this benefit, shall specifically declare his option

of availing benefit of seasonal tariffs at the divisional office, which will be duly incorporated in the agreement as well as in the billing system.

- For the off-season period i.e. period of 8 months depending upon the declaration of the consumer, metered consumers opting for seasonal use will get a discount of 75% on the normal monthly Fixed Charges or Minimum Charges as applicable. In case of consumers under Rural Schedule, such Fixed Charges or Minimum Charges shall be Tariff Payable as provided in Rate Schedule for LMV – 5(A). In case of consumers under Urban Schedule the Fixed Charges or Minimum Charges shall be as provided in Rate Schedule for LMV – 5 (B).

- Similarly, Un-Metered consumer opting for seasonal use will get a discount of 50% on the monthly Fixed Charges or Minimum Charges, as applicable for the off-season period of 8 months. In case of consumers under Rural Schedule, such Fixed Charges or Minimum Charges shall be Tariff Payable as provided in Rate Schedule for LMV – 5(A). In case of consumers under Urban Schedule the Fixed Charges or Minimum Charges shall be as provided in Rate Schedule for LMV – 5 (B).

- During the period of off-season, the consumer will not be allowed to use electricity from this connection for any purpose. In case of default the consumers would be penalized by charging 50% higher than the normally applicable tariff (Fixed and Energy Charges or Minimum Charges, whichever is higher), for the complete period for which he has availed the seasonal benefit. In that case seasonal benefit for rest of the off-season period shall be forfeited. In case of consumers under Rural Schedule, such Fixed Charges or Minimum Charges shall be Tariff Payable as provided in Rate Schedule for LMV – 5(A). In case of consumers under Urban Schedule the Fixed Charges or Minimum Charges shall be as provided in Rate Schedule for LMV – 5 (B).

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 to other power consumers, not covered under any other rate schedule. Floriculture, Mushroom and Farming units with contracted load less than 100 BHP (75kW) shall also be covered under this rate schedule. This schedule shall also apply to pumping sets above 25 BHP.

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 (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:

Contracted Load	Fixed Charge	Energy Charge
Upto 20 kW	Rs. 290.00 / kW / month	Rs. 7.30 / kWh
Above 20 kW	Rs. 290.00 / kW / month	Rs. 7.30 / kWh

TOD Structure:

Summer Months (April to September)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
23:00 hrs – 05:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

(B) Consumers getting supply as per Rural Schedule:

The consumer under this category shall be entitled to a rebate of 7.5% on '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 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
Un - Metered	Rs. 3300.00 / BHP / month	-

(B) Consumers getting supply as per "Rural Schedule":

The consumer under this category shall be entitled to a rebate of 7.5% on 'RATE' as given for 'Consumer getting supply other than Rural Schedule'.

RATE SCHEDULE LMV – 8:

STATE TUBE WELLS / PANCHAYTI RAJ TUBE WELL & PUMPED CANALS:

1. APPLICABILITY:

(i) This schedule shall apply to supply of power for all State Tube wells, including Tube wells operated by Panchayti Raj, World Bank Tube wells, Indo Dutch Tube wells, Pumped Canals and Lift Irrigation schemes with contracted load less than 100 BHP (75 kW).

(ii) Laghu Dal Nahar having load above 100 BHP (75 kW).

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of Electricity Supply Code, 2005 and its amendments.

3. RATE:

This Category has been merged with LMV- 7. 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 Section D - 'STATE TUBE – WELLS' of this Rate Schedule.

RATE SCHEDULE LMV – 9:

TEMPORARY SUPPLY:

1. APPLICABILITY:

A) Un-metered Supply for Illumination / Public Address / Temporary Shops in Melas:

This schedule shall apply to temporary supply of light, fan & power up to 20 KW, Public address system and illumination loads during functions, ceremonies and festivities and temporary shops, not exceeding three months and PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e., period between November to February in any year.

B) Metered Supply for all other purposes:

This schedule shall apply to all temporary supplies of light, fan and power load for the purpose other than mentioned in (A) above.

This schedule shall also apply for power taken for construction purposes including civil work by all consumers and Govt. Departments.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of 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:

(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

(iii) PTW consumers of Bundelkhand Area having requirement of electricity only for the Rabi Crop i.e. period between November to February in any year.	Rs. 500.00 / BHP / month

B.Metered*:

Description	Fixed Charge	Energy Charge
Individual Residential Consumers	Rs. 200.00 / kW / Month	Rs. 8.00 / kWh
	From 3rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	
Others	Rs. 300.00 / kW / Month	Rs. 9.00 / kWh
	From 3rd year onwards: Base Tariff applicable for current year plus additional 10% of the applicable Energy Charge.	

** Minimum bill payable by a consumer under the category "Metered" shall be Rs. 450.00 / kW / week.*

4. Charge/Rate as specified, above shall be paid by the consumer in advance.

RATE SCHEDULE LMV – 10:

DEPARTMENTAL EMPLOYEES AND PENSIONERS:

1. **APPLICABILITY:**

This schedule shall apply only to such employees (including the cases of retired / voluntary retired or deemed retired) of Licensees / successor entities of erstwhile Uttar Pradesh State Electricity Board (UPSEB), who own electricity connection in their own name and opt for the same for their own use for light, fan and power for domestic appliances, where the energy is being fed directly from Licensee mains. The Schedule shall also apply to spouse of employees served under Licensees / successor entities of erstwhile UPSEB.

2. **RATE:**

For all such consumers LMV-1 rate schedule will be applicable.

3. **ELECTRICITY DUTY:**

Electricity duty on the above shall be levied in addition at the rates as may be notified by the State Government from time to time.

4. **OTHER PROVISIONS:**

(i) For serving / retired employees and their spouse, the supply will only be given at one place where Licensee's mains exist. The electric supply under this tariff will be given only at one place, within the area of erstwhile UPSEB / its successor companies.

(ii) Concerned executive engineers will take an affidavit from all employees and pensioners that the electricity supplied to their premises is being used exclusively for the purpose of domestic consumption of themselves and their dependants. It will have to be certified by the employees/pensioners that such electricity is not being used for any other purpose or to any individual to whom his house has been rented out. Without any prejudice to any legal action as provided in the legal framework, any misuse to above effect shall invalidate him from the facility of LMV-10 on permanent basis.

(iii) In the event of transfer of the employee, this tariff shall be applied at the new place of posting only when a certificate has been obtained from the concerned Executive Engineer of the previous place of posting, that the supply under this tariff has been withdrawn at previous place of posting. Further, the employee shall also be

required to submit an affidavit that he is not availing the benefit of LMV-10 connection anywhere else in the state.

(iv) Those who are not availing this tariff shall also give a declaration to this effect. This declaration shall be pasted / kept in his service book / personal file / Pensioners record. If the declaration is found wrong, necessary action against the employee shall be taken as per the provisions of service rules. If declaration has already been given at the present place of posting then further declaration is not necessary, due to this revision. Pensioners shall also have to give a similar declaration for availing departmental tariff at only one place. In case this declaration is found wrong, this tariff shall be withdrawn forever.

(v) No other concession shall be admissible on this tariff.

(vi) The schedule of miscellaneous charges as appended with Licensee's General Tariff as amended from time to time and Electricity Supply (Consumers) Regulation, 1984 as enforced from time to time shall also be applicable on the employee / pensioner receiving supply under this schedule.

(vii) Retired employees drawing pension from the Treasury / Bank will have to pay the monthly electricity charges as per the rates given in the rate schedule applicable to their category.

RATE SCHEDULE LMV - 11:

ELECTRIC VEHICLE CHARGING

1. **Domestic Consumers**

   All the metered domestic consumers covered under the LMV-1 category will be allowed to charge their Electric Vehicle at their residence, provided the load of Electric Vehicle does not exceed the connected / contracted load. The Tariff that is applicable as per the rate schedule will be applicable on Electric Vehicle Charging as well.

2. **Multi Storey Buildings (covered under LMV-1b & HV-1b of the Rate Schedule)**

   Those who wish to install Electric Vehicle Charging station in the premises Multi Storey Building, will have to take a separate connection for EV Charging Station. The Tariff applicable for such Charging Station in the Multi Storey Building will be as follows:

Category	Demand Charge	Energy Charge
Multi Story Buildings (Covered under LMV-1b)	-	Rs. 6.20 / kWh
Multi Story 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**

   The Tariff applicable for Public Charging Stations will be as follows:

Category	Demand Charge	Energy Charge
Public Charging Station (LT)	-	Rs. 7.70 / kWh
Public Charging Station (HT)	-	Rs. 7.30 / kWh

The consumer will be required to pay one-time charges etc. wherever applicable.

Time of Day (ToD) Structure for public Charging Stations:

Summer Months (April to September)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

4. Other Consumers

The consumers of other categories (any metered consumers of LMV-2, LMV-4, LMV-6, LMV-7, LMV-8 (Metered), LMV-9 (Metered), HV-1 (excluding Multi Storey Buildings covered under LMV-1b & HV-1b of the Rate Schedule), HV-2, HV-3 and HV-4), will be charged as per the Tariff applicable for their respective category or to say they need not to take a separate connection, they can do the Charging within their respective connections, provided the load of EV does not exceed the connected / contracted 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 consumer's load breaches the contract demand.

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 having loads above 75 kW and getting supply at 11 kV & above voltages.

2. CHARACTER AND POINT OF SUPPLY:

As per the applicable provisions of 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 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.

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.

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 and Farming units and to any other HT consumer not covered under any other rate schedule.

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.

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 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
Energy Charges	Rs. 7.10 / kVAh	Rs. 6.80 / kVAh	Rs. 6.40 / kVAh	Rs. 6.10 / kVAh

TOD Structure:

Summer Months (April to September)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	(-) 15%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	0%

Winter Months (October to March)

Hours	% of Energy Charges
05:00 hrs – 11:00 hrs	0%
11:00 hrs – 17:00 hrs	0%
17:00 hrs – 23:00 hrs	(+) 15%
23:00 hrs – 05:00 hrs	(-) 15%

(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:

1. APPLICABILITY:

This schedule shall apply to the Metro Rail Corporation.

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 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 (₹)
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	50.00
	e. Smart Meters consumers having load above 5 kW	Per Job	100.00
	f. Pre-Paid Meters	Per Job	NIL
3.	Replacement of Meters:		

S. No.	NATURE OF CHARGES	UNIT	RATES (₹)
	a. By higher capacity Meter		
	b. Installation of Meter and its subsequent	Per Job	50.00
	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		
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	20.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per Job	25.00
		Per wireman /day of 6 Hrs.	60.00
	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc.)	Per Meter	
5.			100.00
	Checking of Capacitors (other than initial checking) on consumer's request:		
	a. At 400 V / 230 V	Per Job	100.00
6.	b. At 11 kV and above.	Per Job	200.00

F. LIST OF POWER FACTOR APPARATUS

FOR MOTORS:

S. No.	Rating of Individual Motor	KVAR Rating of Capacitor			
		750 RPM	1000 RPM	1500 RPM	3000 RPM
1.	Up to 3 HP	1	1	1	1
2.	5 HP	2	2	2	2
3.	7.5 HP	3	3	3	3
4.	10 HP	4	4	4	3
5.	15 HP	6	5	5	4
6.	20 HP	8	7	6	5
7.	25 HP	9	8	7	6
8.	30 HP	10	9	8	7
9.	40 HP	13	11	10	9
10.	50 HP	15	15	12	10
11.	60 HP	20	20	16	14
12.	75 HP	24	23	19	16
13.	100 HP	30	30	24	20
14.	125 HP	39	38	31	26
15.	150 HP	45	45	36	30
16.	200 HP	60	60	48	40

FOR WELDING TRANSFORMERS:

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
1.	1	1
2.	2	2
3.	3	3
4.	4	3
5.	5	4
6.	6	5
7.	7	6
8.	8	6
9.	9	7
10.	10	8
11.	11	9
12.	12	9
13.	13	10
14.	14	11
15.	15	12
16.	16	12
17.	17	13
18.	18	14
19.	19	15
20	20	15
21.	21	16
22.	22	17

S. No.	Name Plate Rating in KVA of Individual Welding Transformer	Capacity of the Capacitors (KVAR)
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. LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING

DVVNL, PVVNL & KESCO

List of persons who attended the virtual public Hearing on June 21, 2022		
S. No	**Name**	**Organisation**
1	Shri Avadhesh Kumar Verma	UPRVUP
2	Shri Amit Kishore	MD, DVVNL
3	Shri Arvind Mallapa Bangari	MD, PVVNL
4	Sri Pankaj Kumar	MD, UPPCL
5	Shri Manoj Jain	NPCL
6	Shri Akash Kumar	Consultant
7	Shri Desh Deepak Tiwari	Advocate
8	Shri Spandan Rastogi	DevShree Cotsyn Private Limited
9	Shri S.K. Gupta	Director Commercial DVVNL
10	Shri Gaurav Nand	Uttar Pradesh, Udyog, Aligarh
11	Shri Anil Dhingra	MD, KESCO
12	Shri Harinder Singh	NPCL
13	Shri Somya Tripathi	DMRC
14	Shri Chanmeet Singh Syal	Council on Energy, Environment and Water
15	Smt. Rashi Singh	Council on Energy, Environment and Water
16	Shri Himani Kulshrestha	Consumer
17	Shri Hitesh Ahuja	Consumer
18	Shri Jai Hemrajani	Consumer
19	Shri Lalit Krishna	KESCO
20	Shri Sumit Garg	Consultant UPPCL
21	Shri Satish Chandar Maheshwari	UP UDYOG VYAPAR MANDAL
22	Shri Sanjay Agarwal	CE, Merut
23	Shri A. K. Saxena	CE, Banda
24	Shri Deepti Mittal	CEO Jhansi
25	Shri Pankaj Kumar Gupta	DMRC
26	Shri Pankaj Srivastav	Consumer
27	Shri Paras Bhattarai	Council on Energy, Environment and Water
28	Shri Parthiva Kumar Singh	DMRC
29	Smt. Preeti Singh	Consumer
30	Shri Pawan Sahu	Consumer
31	Shri Pramod Kumar Garg	CE, PVVNL
32	Shri Girraj Kumar Maheshwari	Aligarh Cold Storage Owner's Association Aligarh
33	Shri Manoj Kumar Agrawal	Aligarh Cold Storage Owner's Association Aligarh

List of persons who attended the virtual public Hearing on June 21, 2022		
S. No	Name	Organisation
34	Shri Sarnath Ganguly	NPCL
35	Shri S. K. Agarwal	CE, Distribution, DVVNL
36	Shri Rohan Singh	IERS
37	Shri Vikram Singh	Consumer
38	Shri Yogesh Kumar	Consumer
39	Shri Amit Singh	Bundelkhand Chamber of Commerce Industries
40	Shri Dinesh Barasia	Secretary, IIA
41	Shri B. R. Chaudhary	Consumer
42	Shri Anil Arora	Consumer
43	Shri Himanshu Chopara	Consumer
44	Shri Nihar Varshney	Rimjhim Ispat
45	Shri Pratik Srivastva	Consumer
46	Shri Tanhauser D Pierce	NPCL
47	Shri Sanket Srivastava	NPCL
48	Shri Mohit Goel	Consultant UPPCL
49	Shri Mukul Singhal	Chief Engineer
50	Shri Sanjiv Kumar Goel	MD NPCL
51	Shri A. K. Arora	NPCL
52	Shri Giriraj Sharma	Aligarh Cold Storage Association
53	Shri Sumit Garg	Consumer
54	Shri Rajat Srivastav	Consumer
55	Shri Rudransh Gupta	Consumer
56	Shri Shafiullah Shafiullah	Consumer

MVVNL & PuVVNL

List of persons who attended the virtual Public Hearing on June 22, 2022		
S. No	Name	Organisation
1	Shri Avadhesh Kumar Verma	UPRVUP
2	Shri Vidya Bhushan	MD, PUVVNL
3	Shri Surya Pal Gangwar	MD, MVVNL
4	Shri Brahm Pal	Director Commercial, MVVNL
5	Sri Pankaj Kumar	MD, UPPCL
6	Shri Satyendra Kumar Saxenna	CE, Devi Patan
7	Shri Gaurav Nand	Uttar Pradesh, Udyog, Aligarh
8	Shri Pradeep Singhal	Consumer
9	Shri Chandrakant Shrivas	Jt. CEE Traction, Lucknow Metro
10	Shri Vikram Singh	Consumer

List of persons who attended the virtual Public Hearing on June 22, 2022		
S. No	**Name**	**Organisation**
11	Smt. Rashi Singh	Council on Energy, Environment and Water
12	Shri Manoj Jain	NPCL
13	Shri Santosh Kumar Jadia	DF, PUVVNL
14	Smt. Deepti Mittal	CEO Jhansi
15	Shri Niraj Agrawal	CE (RAU)
16	Shri R. D. Pal	Consumer
17	Shri S. K. Verma	Consumer
18	Shri Nidhi Kumar Narang	DF, UPPCL
19	Shri Chanmeet Singh Syal	Council on Energy, Environment and Water
20	Shri Munish Chopra	EE, Gomtinagar
21	Smt. Pratyusha Khandelwal	Consultant
22	Shri Arvind Kumar Singh	CE, PUVVNL
23	Shri Anil Kumar Gupta	Consumer
24	Smt. Navsirat Kaur	Consumer
25	Shri Paras Bhattarai	Council on Energy, Environment and Water
26	Shri Madhukar Verma	CE, Lesa
27	Shri Bharat Sharma	Council on Energy, Environment and Water
28	Shri Kumar Singh	Consumer
29	Shri Shubham	Consumer
30	Shri Manoj Jain	NPCL
31	Shri Tanhauser D Pierce	NPCL
32	Shri Sanket Srivastava	NPCL
33	Shri A. K. Arora	NPCL
34	Shri Harinder Singh	NPCL
35	Shri Himani Kulshrestha	Consumer
36	Smt. Kanika Balani	Council on Energy, Environment and Water
37	Shri Alok Kumar Verma	Consumer
38	Shri Satish Chandar Maheshwari	UP UDYOG VYAPAR MANDAL
39	Shri Shafiullah Shafiullah	Consumer

13.3. CATEGORY / SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2022-23

CATEFORY / SUB-CATEGORY WISE CONSOLIDATED FOR 5 DISCOMS AVERAGE BILLING RATE (ABR) FOR FY 2022-23

Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
LMV-1: Domestic Light, Fan & Power *	
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	3.58
Dom: Rural Schedule (unmetered)	3.47
Dom: Rural Schedule (metered) other than BPL	5.58
Dom: Supply at Single Point for Bulk Load	7.65
Other Metered Domestic Consumers other than BPL	7.08
LMV-2:Non Domestic Light, Fan & Power	
Non Dom: Rural Schedule	6.18
Non Dom: Other Metered Non-Domestic Supply	11.10
LMV-3: Public Lamps	
Gram Panchayat	10.15
Nagar Palika & Nagar Panchayat	10.56
Nagar Nigam	11.01
LMV-4: Light, fan & Power for Institutions	
Inst: Public	10.31
Inst: Private	11.80
LMV-5: Private Tube Wells/ Pumping Sets *	
Consumers getting supply as per "Rural Schedule"	
PTW: Rural Schedule (unmetered)	1.66
PTW: Rural Schedule (metered)	2.46
Consumers getting supply as per "Urban Schedule (Metered Supply)"	6.59
LMV 6: Small and Medium Power upto 100 HP (75 kW) #	
Consumers getting supply other than "Rural Schedule"	
Connected Load upto 20 kW	9.39

Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
Connected Load above 20 kW	8.50
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP #	
Urban Schedule (Metered)	9.51
Urban Schedule (Unmetered)	10.70
LMV-9: Temporary Supply	**10.34**
LMV-10: Departmental Employees	**7.11**
LMV-11: Electrical Vehicles	**7.30**
HV-1: Non-Industrial Bulk Loads	
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.	
Supply at 11 kV	9.69
Supply above 11 kV	13.86
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	
Supply at 11 kV	9.37
Supply above 11 kV	14.37
HV-2: Large and Heavy Power above 100 BHP (75 kW) #	
HV2 Urban Schedule: Supply at 11 kV	8.16
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	7.63
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	7.70
HV2 Urban Schedule: Supply above 132 kV	6.87
HV-3: Railway Traction	
HV3 Railway Traction	10.84
HV3 Metro traction	8.95
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	

Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
HV4 Supply at 11kV	9.45
HV4 Supply above 11kV & upto 66kV	9.26
HV4 Supply above 66 kV & upto 132kV ##	9.26
Extra State Consumer	7.83
Grand Total	**7.72**

Note: ABR given in the above Table shall be used only for computation of Fuel Surcharge.
**For these categories / sub-categories the ABR has been determined on 'Tariff Payable'.*
 # Rebate of 7.5% for 'Rural Scheduled Consumers'.
The Petitioners have not provided Billing Determinants for this category hence, the ABR of 'HV4 Supply above 11kV & upto 66kV' is considered.

Annexure – I: Details of Grants and Subsidy submitted by the Petitioners

DVVNL

Capex	FY 2015-16					FY 2016-17				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	1644.02	-	-		-	1316.27	-	-		-
RGGVY 11th Plan	6.84	90%	6.16		6.16	129.57	90.00%	116.61		116.613
DDUGJY	-	-	-		-	248.40	60.00%	149.04		149.04
ADB	0	-	-		-	0.00	-	-		-
RAPDRP	16.43	25%	4.11		4.11	0.00	25.00%	0.00		0
IPDS	0	60%	0.00		0.00	106.25	60.00%	63.75		63.75
SAUBHAGYA YOJNA	0	-	-		-	0	-	-		-
As per Audited Accounts				4129.69					2769.76	
Less: UDAY Grants				4099.74					2534.3	
Total	1667.29		10.2635	29.95	10.2635	1800.49		329.403	235.46	329.403

Note: UDAY grants are deducted from the scheme-wise capitalisation as per Audited Accounts.

DVVNL

Capex	FY 2017-18					FY 2018-19				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	1796.74	-	-			2871.31	0%	0.00		0.00
RGGVY 11th Plan	93.85	90%	84.47		84.47	235.88	90%	212.29		212.29
DDUGJY	0	60%	0.00		0.00	67.62	60%	40.57		40.57
ADB	-	-	-		-	-	-	-		-
RAPDRP	241.82	25%	60.45		60.45	186.35	25%	46.59		46.59
IPDS	5.03	60%	3.02		3.02	97.15	60%	58.29		58.29
SAUBHAGYA YOJNA	-	-	-		-	140.46	60%	84.28		84.28
As per Audited Accounts				297.29					3065.11	
Less: UDAY Grants									1669	
Total	2137.43		147.94	297.29	147.94	3,598.77		442.02	396.11	442.02

DVVNL

Capex	FY 2019-20					FY 2020-21				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)
Other Schemes	801.9	-	-		-	1321.07	-	-		-
RGGVY 11th Plan	747.97	90%	673.17		673.17	17.32	90%	15.59		15.59
DDUGJY	225.17	60%	135.10		135.10	67.82	60%	40.69		40.69
ADB	-	-	-		-	-	-	-		
RAPDRP	70.24	25%	17.56		17.56	0.00	25%	0.00		0.00
IPDS	21.61	60%	12.97		12.97	18.13	60%	10.88		10.88
SAUBHAGYA YOJNA	544.79	60%	326.88		326.88	102.83	60%	61.70		61.70
As per Audited Accounts				1608.43					590.16	
Less: UDAY Grants				1669						
Total	2,411.68		1,165.69	-60.57	1,165.69	1,527.17		128.86	590.16	128.86

DVVNL

Capex	FY 2021-22					Total			
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)	Capex (Rs. Crore)	Grant (%)	Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)
Other Schemes	596.71	-	-		-	10348.01	-	0.00	0.00
RGGVY 11th Plan	0.00	90%	0.00		0.00	1231.43	90%	1108.29	0.00
DDUGJY	0.00	60%	0.00		0.00	609.01	60%	365.41	0.00
ADB	97.34	0%	0.00		0.00	97.34	0%	0.00	0.00
RAPDRP	0.00	25%	0.00		0.00	514.83	25%	128.71	0.00
IPDS	0.00	60%	0.00		0.00	248.17	60%	148.90	0.00
SAUBHAGYA YOJNA	0.00	60%	0.00		0.00	788.08	60%	472.87	0.00
As per Audited Accounts									10280.12
Less: UDAY Grants									9972.04
Total	694.05		-	-	-	13,836.87		2224.17	308.08

DVVNL

Capex	Normative Grant from approved for FY 2015-16 to FY 2019-20 including Normative Grants for FY 2020-21 (Rs. Crore)
Other Schemes	0.00
RGGVY 11th Plan	1108.29
DDUGJY	365.41
ADB	0.00
RAPDRP	128.71
IPDS	148.90
SAUBHAGYA YOJNA	472.87
As per Audited Accounts	0.00
Less: UDAY Grants	0.00
Total	**2224.17**

DVVNL

FY 2020-21							
Name of Licensee	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	1321.07	1570.60	0.00	0.00	100%	1321.07	1570.60
RGGVY 11th Plan	17.32	131.78	15.59	118.60	100%	17.32	131.78
DDUGJY	67.82	82.14	40.69	49.28	100%	67.82	82.14
ADB	0.00	0.00	0.00	0.00		0.00	0.00
RAPDRP	0.00	0.00	0.00	0.00		0.00	0.00
IPDS	18.13	22.57	10.88	13.54	100%	18.13	22.57
SAUBHAGYA YOJNA	102.83	194.72	61.70	115.83	100%	102.83	194.72
Revamp Scheme	0.00	0.00	0.00	0.00			
Less: Employee Capitalisation	181.02	181.02			100%	181.02	
Less: Interest Capitalization	162.06	162.06			100%	162.06	162.06
Total excluding Interest and employee capitalisation	**1,184.09**	**1,658.73**	**128.86**	**298.26**		**1,184.09**	**1,839.75**
Add: Employee Capitalisation	181.02	181.02			100%	181.02	181.02
Add: Interest Capitalization	162.06	162.06			100%	162.06	162.06
Total	**1,527.17**	**2,001.81**	**128.86**	**298.26**		**1,527.17**	**2,182.83**

DVVNL

Name of Licensee	FY 2021-22						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	596.71	872.66	0.00	0.00		596.71	872.66
RGGVY 11th Plan	0.00	0.00	0.00	0.00		0.00	0.00
DDUGJY	0.00	0.00	0.00	0.00		0.00	0.00
ADB	97.34	38.94	0.00	0.00		97.34	38.94
RAPDRP	0.00	0.00	0.00	0.00		0.00	0.00
IPDS	0.00	0.00	0.00	0.00		0.00	0.00
SAUBHAGYA YOJNA	0.00	0.00	0.00	0.00		0.00	0.00
Revamp Scheme	0.00	0.00	0.00	0.00		0.00	0.00
Less: Employee Capitalisation	404.86	404.86			100%	404.86	404.86
Less: Interest Capitalization	217.84	217.84			100%	217.84	217.84
Total excluding interest and employee capitalisation	**71.35**	**288.90**	-	-		**71.35**	**288.90**
Add: Employee Capitalisation	404.86	404.86			100%	404.86	404.86
Add: Interest Capitalization	217.84	217.84			100%	217.84	217.84
Total	**694.05**	**911.60**	-	-		**694.05**	**911.60**

DVVNL

Name of Licensee	FY 2022-23						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	271.21	655.44	0.00	0.00		271.21	655.44
RGGVY 11th Plan	0.00	0.00	0.00	0.00		0.00	0.00
DDUGJY	0.00	0.00	0.00	0.00		0.00	0.00
ADB	476.16	190.46	0.00	0.00		476.16	190.46
RAPDRP	0.00	0.00	0.00	0.00		0.00	0.00
IPDS	0.00	0.00	0.00	0.00		0.00	0.00
SAUBHAGYA YOJNA	0.00	0.00	0.00	0.00		0.00	0.00
Revamp Scheme	1302.76	521.11	0.00	0.00		1302.76	521.11
Less: Employee Capitalisation	427.65	427.65			100%	427.65	427.65
Less: Interest Capitalization	240.43	240.43			100%	240.43	240.43
Total excluding interest and employee capitalisation	**1,382.04**	**698.92**	-	-		**1,382.04**	**698.92**
Add: Employee Capitalisation	427.65	427.65			100%	427.65	427.65
Add: Interest Capitalization	240.43	240.43			100%	240.43	240.43
Total	**2,050.13**	**1,367.01**	-	-		**2,050.13**	**1,367.01**



PVVNL

Name of Licensee	FY 2019-20							FY 2021-22							FY 2022-23						
	Claimed		Normative Grants / Deductions		Normative			Claimed		Normative Grants / Deductions		Normative			Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	1,586.34	1,495.25	-	-		1,586.34	1,495.25	617.35	5,804.81	-	-		400.38	1,434.81	944.61	1,466.67	-	-		400.38	1,434.81
RGGVY 11th Plan	238.56	216.38	124.21	675.52		20.46	73.06	-	-	-	-		-	-	-	-	-	-		-	-
DDUGJY	94.55	662.85	56.73	397.71		37.82	265.14	-	-	-	-		-	-	-	-	-	-		-	-
ADB	-	-	-	-		-	-	123.73	65.49	-	-		123.73	65.49	988.67	337.39	-	-		988.67	337.39
RAPDRP	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-	-		-	-
IPDS	57.43	157.67	49.61	354.61		27.18	143.08	-	-	-	-		-	-	-	-	-	-		-	-
SAUBHAGYA YOJNA	138.93	132.32	119.38	442.77		78.78	254.43	-	-	-	-		-	-	-	-	-	-		-	-
Revamp Scheme	-	-	-	-		-	-	-	-	-	-		-	-	513.61	284.16	-	-		513.61	284.16
Less Employee Capitalisation	474.40	474.40	-	-		474.40	-														
Less Interest Capitalisation	186.69	186.69	-	-		186.69	186.69														
Total excluding interest and employee capitalisation	1,245.44	1,232.68	400.81	1,869.61		1,118.02	1,842.98	534.68	1,574.18	-	-		574.58	1,574.18	1,536.66	1,756.58	-	-		1,536.66	1,756.58
AG Employee Capitalisation	474.40	474.40	-	-	100%	474.40	474.40	442.20	442.20	-	-	100%	442.20	442.20	449.56	442.20	-	-	100%	449.56	442.20
AG Interest Capitalisation	186.69	186.69	-	-	100%	186.69	186.69	177.14	177.14	-	-	100%	177.14	177.14	198.11	198.84	-	-	100%	198.84	198.84
Total	1,906.53	1,893.77	400.81	1,869.61		1,779.11	2,504.07	1,153.82	2,193.52	-	-		1,193.92	2,193.52	2,184.33	2,397.62	-	-		2,184.33	2,397.62

PVVNL

Capex	FY 2015-16					FY 2016-17				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	1,814.85	0%	-			1,896.49	0%	-		
RGSVY 11th Plan	21.24	90%	19.12			353.47	90%	338.12		
DDUGJY	-	60%	-			20.61	60%	12.37		
ADB	-		-			-		-		
RAPDRP/ APDRP	375.49	25%	93.87			632.11	25%	158.03		
IPDS	-	60%	-			4.16	60%	2.50		
SAUBHAGYA YOJNA	-		-			-		-		
As per Audited Account				2,283.52	112.99				1,406.84	311.01
Less : UDAY Grants				2,165.24					1,395.42	
Total	2,211.58		112.99	118.28	112.99	2,706.84		311.01	11.42	311.01

Note: UDAY grants are deducted from the scheme-wise capitalisation as per Audited Accounts.

Note: While the composition of grants towards SAUBHAGYA was 60%, UPERC has considered the same to be 90% for the FY 2018-19. There is an arithmetic error in the computation of grants for the FY 2018-19 in the UPERC Order dated 29.07.21. Hence, there is a difference between Grant and Grant approved.

PVVNL

Capex	FY 2017-18					FY 2018-19				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	1,964.55	0%	-			1,162.63	0%	-		
RGGVY 11th Plan	206.20	90%	185.58			344.91	90%	310.42		
DDUGJY	46.31	60%	27.79			550.53	60%	330.32		
ADB	-		-			-		-		
RAPDRP/ APDRP	322.88	25%	80.72			218.38	25%	55.02		
IPDS	147.54	60%	88.52			514.07	60%	308.44		
SAUBHAGYA YOJNA	-		-			108.18	60%	64.91		
As per Audited Account				-	382.61				943.20	1,235.02
Less : UDAY Grants				-					943.20	
Total	2,687.48		382.61	-	382.61	2,898.70		1,069.11	0.00	1,235.02

PVVNL

Capex	FY 2019-20					FY 2020-21				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)
Other Schemes	1,432.16	0%	-			1,169.08	0%	-		
RGGVY 11th Plan	143.30	90%	128.97			41.19	90%	37.07		
DDUGJY	650.00	60%	385.45			226.44	60%	135.86		
ADB	-		-			-		-		
RAPDRP/ APDRP	155.37	25%	38.84			-	25%	-		
IPDS	353.32	60%	211.99			124.91	60%	74.95		
SAUBHAGYA YOJNA	652.36	60%	391.42			351.57	60%	210.94		
As per Audited Account				943.20	1,166.67				-1,057.13	458.82
Less : UDAY Grants				943.20					-1,057.13	
Total	3,395.60		1,166.67	-	1,166.67	1,913.19		458.82	-	458.82

PVVNL

Capex	FY 2021-22					Total				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)	Capex (Rs. Crore)	Grant (%)	Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Normative Grant approved from FY 2015-16 to FY 2019-20 including Normative Grants for FY 2020-21 (Rs. Crore)
Other Schemes	416.98	0%	-			9,856.72	0%	-	0.00	0.00
RGGVY 11th Plan	-	90%	-			910.31	90%	819.28	0.00	0.00
DDUGJY	-	60%	-			1,502.98	60%	901.79	0.00	0.00
ADB	65.70	0%	-			65.70		-	0.00	0.00
RAPDRP/ APDRP	-	25%	-			1,704.23	25%	426.49	0.00	0.00
IPDS	-	60%	-			1,144.00	60%	686.40	0.00	0.00
SAUBHAGYA YOJNA	-	60%	-			1,112.11	60%	667.27	0.00	0.00
As per Audited Account									4519.62	3667.12
Less : UDAY Grants									4389.93	0.00
Total	482.65		-	-	-	16,296.04		3,501.22	129.70	3,667.12

PVVNL

Name of Licensee	FY 2020-21						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	1,169.08	1,361.08	-	-		1,169.08	1,361.08
RGGVY 11th Plan	41.19	41.19	37.07	37.07		4.12	4.12
DDUGJY	226.44	224.90	135.86	134.94		90.58	89.96
ADB	-	-	-	-		-	-
RAPDRP	-	-	-	-		-	-
IPDS	124.91	124.02	74.95	74.41		49.96	49.61
SAUBHAGYA YOJNA	351.57	351.57	210.94	210.94		140.63	140.63
Revamp Scheme	-	-	-	-		-	-
Less: Employee Capitalisation	204.13	204.13	-	-			204.13
Less: Interest Capitalization	86.21	86.21	-	-		86.21	86.21
Total excluding interest and employee capitalisation	**1,622.86**	**1,812.43**	**458.82**	**457.37**		**1,368.16**	**1,355.06**
Add: Employee Capitalisation	204.13	204.13	-	-	100%	204.13	204.13
Add: Interest Capitalization	86.21	86.21	-	-	100%	86.21	86.21
Total	**1,913.19**	**2,102.76**	**458.82**	**457.37**		**1,658.50**	**1,645.40**

PVVNL

	FY 2021-22						
Name of Licensee	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	416.96	325.41	-	-		416.96	325.41
RGGVY 11th Plan	-	-	-	-		-	-
DDUGJY	-	-	-	-		-	-
ADB	65.70	26.28	-	-		65.70	26.28
RAPDRP	-	-	-	-		-	-
IPDS	-	-	-	-		-	-
SAUBHAGYA YOJNA	-	-	-	-		-	-
Revamp Scheme	-	-	-	-		-	-
Less: Employee Capitalisation							
Less: Interest Capitalization							
Total excluding Interest and employee capitalisation	**482.65**	**351.69**	-	-		**482.65**	**351.69**
Add: Employee Capitalisation	293.62	293.62	-	-	100%	293.62	293.62
Add: Interest Capitalization	75.73	75.73	-	-	100%	75.73	75.73
Total	**852.00**	**721.04**	-	-		**852.00**	**721.04**

PVVNL

	FY 2022-23						
Name of Licensee	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	397.87	370.16	-	-		397.87	370.16
RGGVY 11th Plan	-	-	-	-		-	-
DDUGJY	-	-	-	-		-	-
ADB	568.82	227.53	-	-		568.82	227.53
RAPDRP	-	-	-	-		-	-
IPDS	-	-	-	-		-	-
SAUBHAGYA YOJNA	-	-	-	-		-	-
Revamp Scheme	802.32	320.93	-	-		802.32	320.93
Less: Employee Capitalisation			-	-			
Less: Interest Capitalization			-	-			
Total excluding Interest and employee capitalisation	**1,769.02**	**918.62**	-	-		**1,769.02**	**918.62**
Add: Employee Capitalisation	310.15	310.15	-	-	100%	310.15	310.15
Add: Interest Capitalization	73.65	73.65	-	-	100%	73.65	73.65
Total	**2,152.82**	**1,302.43**	-	-		**2,152.82**	**1,302.43**

PUVVNL

	FY 2015-16					FY 2016-17				
Capex	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	3,284.89	0%	-			1,844.66	0%	-		
RGGVY 11th Plan	673.97	90%	606.57			543.88	90%	489.49		
DDUGJY	17.64	60%	10.58			202.81	60%	121.68		
ADB			-					-		
RAPDRP		25%	-				25%	-		
IPDS	34.42	60%	20.65			154.02	60%	92.41		
SAUBHAGYA YOJNA			-					-		
As per Audited Accounts				2,752.90	637.81				1,543.97	703.57
Less: UDAY Grants				2,752.90					1,543.97	
Total	4,010.92		637.81	0.00	637.81	2,545.37		703.59	0.00	703.57

Note: UDAY grants are deducted from the scheme-wise capitalisation as per Audited Accounts

Note: Towards RAPDRP, there was no Capex however UPERC has considered grants amounting to Rs. 106.37 Cr. during the FY 2018-19, hence the difference between Grant and Gran

PUVVNL

Capex	FY 2017-18					FY 2018-19				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes	1,392.45	-	-			1,224.03	0%	-		
RGGVY 11th Plan	562.63	90%	506.37			242.79	90%	218.51		
DDUGJY	458.71	60%	275.23			455.03	60%	273.02		
ADB			-			-		-		
RAPDRP	182.40	25%	45.60			-	25%	-		
IPDS	266.54	60%	159.92			417.48	60%	250.49		
SAUBHAGYA YOJNA			-			2,320.58	60%	1,392.35		
As per Audited Accounts				-	987.12				1,259.50	2,238.73
Less: UDAY Grants				-	-				1,074.22	
Total	2,852.73		987.12	-	987.12	4,659.91		2,134.37	185.28	2,238.73

Note: UDAY grants are deducted

Note: Towards RAPDRP, there was approved.

PUVVNL

Capex	FY 2019-20					FY 2020-21				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)
Other Schemes	1,880.26	0%	-			1,502.21	0%	-		
RGGVY 11th Plan	36.88	90%	33.19			98.10	90%	88.29		
DDUGJY	185.72	60%	111.43			145.26	60%	87.16		
ADB	-		-					-		
RAPDRP	-	25%	-				25%	-		
IPDS	291.08	60%	174.65			155.16	60%	93.10		
SAUBHAGYA YOJNA	724.87	60%	434.92			356.42	60%	213.85		
As per Audited Accounts				1,289.00	754.19				-6,445.30	482.39
Less: UDAY Grants				1,074.22					-4,832.17	
Total	3,098.81		754.19	214.78	754.19	2,256.15		482.39	-1,613.13	482.39

Note: UDAY grants are deducted

Note: Towards RAPDRP, there was

PUVVNL

Capex	FY 2021-22					Total				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)	Capex (Rs. Crore)	Grant (%)	Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Normative Grant approved from FY 2015-16 to FY 2019-20 including
Other Schemes	457.73	0%	-			11,405.23	0%	-	0.00	0.00
RGGVY 11th Plan		90%	-			2,156.25	90%	1,942.43	0.00	0.00
DDUGJY		60%	-			1,465.12	60%	879.10	0.00	0.00
ADB	159.16	0%	-			159.16		-	0.00	0.00
RAPDRP		25%	-			182.40	25%	45.60	0.00	0.00
IPDS		60%	-			1,318.70	60%	791.22	0.00	0.00
SAUBHAGYA YOJNA		60%	-			3,401.87	60%	2,041.12	0.00	0.00
As per Audited Accounts									400.07	5803.82
Less: UDAY Grants									1613.12	0.00
Total	656.88		-	-	-	20,050.77		5,695.47	-1213.06	5803.82

Note: UDAY grants are deducted

Note: Towards RAPDRP, there was

PUVVNL

Name of Licensee	FY 2020-21						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	1,501.21	1,320.75	-	-		1,501.21	1,320.75
RGGVY 11th Plan	98.10	137.48	88.29	123.73		9.81	13.75
DDUGJY	145.26	126.86	87.16	76.12		58.10	50.74
ADB	-	-	-	-		-	-
RAPDRP	-	-	-	-		-	-
IPDS	155.16	187.39	93.10	112.43		62.06	74.96
SAUBHAGYA YOJNA	356.42	578.21	213.85	346.93		142.57	231.28
Revamp Scheme	-	-	-	-		-	-
Less: Employee Capitalisation	214.88	214.88	-	-			214.88
Less: Interest Capitalization	168.16	168.16	-	-		168.16	168.16
Total excluding Interest and employee capitalisation	**1,873.11**	**1,967.65**	**482.39**	**659.21**		**1,605.59**	**1,308.44**
Add: Employee Capitalisation	214.88	214.88	-	-	100%	214.88	214.88
Add: Interest Capitalization	168.16	168.16	-	-	100%	168.16	168.16
Total	**2,256.15**	**2,350.69**	**482.39**	**659.21**		**1,988.63**	**1,691.48**

PUVVNL

Name of Licensee	FY 2021-22						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	497.73	1,075.54	-	-		497.73	1,075.54
RGGVY 11th Plan	-	-	-	-		-	-
DDUGJY	-	-	-	-		-	-
ADB	159.16	63.66	-	-		159.16	63.66
RAPDRP	-	-	-	-		-	-
IPDS	-	-	-	-		-	-
SAUBHAGYA YOJNA	-	-	-	-		-	-
Revamp Scheme	-	-	-	-		-	-
Less: Employee Capitalisation							
Less: Interest Capitalization							
Total excluding Interest and employee capitalisation	**656.88**	**1,139.21**	-	-		**656.88**	**1,139.21**
Add: Employee Capitalisation	227.80	227.80	-	-	100%	227.80	227.80
Add: Interest Capitalization	153.38	153.38	-	-	100%	153.38	153.38
Total	**1,038.06**	**1,520.39**	-	-		**1,038.06**	**1,520.39**

PUVVNL

Name of Licensee	FY 2022-23						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	24.20	693.20	-	-		24.20	693.20
RGGVY 11th Plan	-	-	-	-		-	-
DDUGJY	-	-	-	-		-	-
ADB	490.82	196.33	-	-		490.82	196.33
RAPDRP	-	-	-	-		-	-
IPDS	-	-	-	-		-	-
SAUBHAGYA YOJNA	-	-	-	-		-	-
Revamp Scheme	1,100.06	440.02	-	-		1,100.06	440.02
Less: Employee Capitalisation			-	-			
Less: Interest Capitalization			-	-			
Total excluding Interest and employee capitalisation	**1,615.08**	**1,329.56**	-	-		**1,615.08**	**1,329.56**
Add: Employee Capitalisation	240.63	240.63	-	-	100%	240.63	240.63
Add: Interest Capitalization	157.62	157.62	-	-	100%	157.62	157.62
Total	**2,013.33**	**1,727.80**	-	-		**2,013.33**	**1,727.80**

ANNEX

TPSODL

Capex	FY 2019-20					FY 2020-21					FY 2021-22				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)
Other Schemes		0%	-				0%	-				0%	-		
RGGVY 11th Plan		90%	-				90%	-				90%	-		
DDUGJY		60%	-				60%	-				60%	-		
ADB			-					-					-		
RAPDRP		25%	-				25%	-				25%	-		
IPDS		60%	-	-			60%	-	15.59			60%	-	28.55	
SAUBHAGYA YOJNA			-					-					-		
As per Audited Accounts														-	142.54
Less: UDAY Grants				204.08					238.15					-	
Total	-		-	-204.08	-	-		-	-270.89	-	-		-	28.55	142.54

Note: UDAY grants are deducted from the scheme-wise capitalisation as per Audited Accounts.

WESCO

Capex	FY 2018-19					FY 2019-20					FY 2020-21				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Approved (Rs. Crore)	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)
Other Schemes	41.17	0%	-			154.65	0%	-			56.16	0%	-		
RGGVY 11th Plan	-	90%	-			-	90%	-				90%	-		
DDUGJY	-	60%	-			-	60%	-				60%	-		
ADB	-		-			-		-					-		
RAPDRP	-	25%	-			-	25%	-				25%	-		
IPDS	237.57	60%	142.54	167.13		-	60%	-	0.19			60%	-	6.33	
SAUBHAGYA YOJNA	-	60%	-			-	60%	-				60%	-		
As per Audited Accounts															
Less: UDAY Grants				204.69					238.34					140.86	
Total	278.74		142.54	40.34	-	154.65		-	-238.17	-	56.16		-	1,049.43	-

KESCO

Capex	FY 2021-22					Total				
	Capex (Rs. Crore)	Normative Grant (%)	Normative Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Grant Claimed (Rs. Crore)	Capex (Rs. Crore)	Grant (%)	Grant (Rs. Crore)	Grant Received as per Audited Accounts (Rs. Crore)	Normative Grant approved from FY 2015-16 to FY 2019-21 including Normative Grants Audit Accepted (Rs. Cr.)
Other Schemes	52.11	0%	-			378.20	0%	-	0.00	0.00
RGGVY 11th Plan		90%	-			-	90%	-	0.00	0.00
DDUGJY		60%	-			-	60%	-	0.00	0.00
ADB		0%	-			-		-	0.00	0.00
RAPDRP		25%	-			-	25%	-	0.00	0.00
IPDS		60%	-	17.193		237.57	60%	142.54	271.54	0.00
SAUBHAGYA YOJNA		60%	-			-	60%	-	0.00	0.00
As per Audited Accounts									0.00	142.54
Less: UDAY Grants									0.00	0.00
Total	52.11		-	17.19	-	616.77		142.54	271.54	142.54

KESCO

Name of Licensee	FY 2020-21						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	56.16	43.57	-	-		56.16	43.57
RGGVY 11th Plan			-	-		-	-
DDUGJY			-	-		-	-
ADB			-	-		-	-
RAPDRP			-	-		-	-
IPDS			-	-		-	-
SAUBHAGYA YOJNA			-	-		-	-
Revamp Scheme			-	-		-	-
Less: Employee Capitalisation			-	-			-
Less: Interest Capitalization			-	-		-	-
Total excluding interest and employee capitalisation	56.16	43.57	-	-		56.16	43.57
Add: Employee Capitalisation	5.24	5.24	-	-	100%	5.24	5.24
Add: Interest Capitalization			-	-	100%	-	-
Total	61.40		-	-		61.40	48.81

KESCO

Name of Licensee	FY 2021-22						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	52.31	119.41	-	-		52.31	119.41
RGGVY 11th Plan			-	-		-	-
DDUGJY			-	-		-	-
ADB			-	-		-	-
RAPDRP			-	-		-	-
IPDS			-	-		-	-
SAUBHAGYA YOJNA			-	-		-	-
Revamp Scheme			-	-		-	-
Less: Employee Capitalisation							
Less: Interest Capitalization							
Total excluding interest and employee capitalisation	52.31	119.41	-	-		52.31	119.41
Add: Employee Capitalisation	6.57	6.57	-	-	100%	6.57	6.57
Add: Interest Capitalization			-	-	100%	-	-
Total	58.88	125.98	-	-		58.88	125.98

KESCO

Name of Licensee	FY 2022-23						
	Claimed		Normative Grants / Deductions		Normative		
Scheme wise	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	Investments (Rs. Crore)	Capitalisation (Rs. Crore)	% Allowed	Investments	Capitalisation
Other Schemes	33.36	84.99	-	-		33.36	84.99
RGGVY 11th Plan			-	-		-	-
DDUGJY			-	-		-	-
ADB			-	-		-	-
RAPDRP			-	-		-	-
IPDS			-	-		-	-
SAUBHAGYA YOJNA			-	-		-	-
Revamp Scheme	156.20	62.48	-	-		156.20	62.48
Less: Employee Capitalisation			-	-			
Less: Interest Capitalization			-	-			
Total excluding interest and employee capitalisation	189.56	147.47	-	-		189.56	147.47
Add: Employee Capitalisation	6.94	6.94	-	-	100%	6.94	6.94
Add: Interest Capitalization			-	-	100%	-	-
Total	196.50	154.41	-	-		196.50	154.41

Annexure – II: Details of approval of Power Purchase

Details of approval of Power Purchase												
S. No.	Source	Type (Logn Term/ Medium Term/ Short Term/ RE - Solar/ RE - Hydro/ RE-Non-Solar)	Procurement Method (PPA, Deep Portal, Exchange etc.)	Delivering Point	Fixed Charges	Energy Charges	Inter-State Transmission Charges	Inter-State Losses	Intra-State Transmission Charges	Intra-State Losses	Approved by the Commission (Y/N)	If Approved (Petition No./ Date of Order)
1												
2												
3												
4												
5												
6												
7												

Note: The petitioner is required to provide the separate format for True-Up, APR & ARR)

Annexure – III: Category / sub-category wise details of the revenue at approved Tariff for FY 2022-23

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
LMV-1: Domestic Light, Fan & Power	**4,895.70**	**30,756.95**	**35,652.65**	**271.43**	**5,794.99**	**6,066.42**	**4,624.27**	**24,961.96**	**29,586.23**
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	815.57	9,217.76	10,033.33	0.00	4,963.41	4,963.41	815.57	4,254.35	5,069.92
Dom: Rural Schedule (unmetered)	583.42	0.00	583.42	271.43	0.00	271.43	311.99	0.00	311.99
Dom: Rural Schedule (metered) other than BPL	843.51	4,717.07	5,560.58	0.00	831.58	831.58	843.51	3,885.49	4,729.00
0-100 kWh/month	335.38	735.61	1,070.99	0.00	328.29	328.29	335.38	407.32	742.70
101-150 kWh/month	234.82	1,472.13	1,706.95	0.00	503.29	503.29	234.82	968.84	1,203.66
151-300 kWh/month	200.16	985.30	1,185.47	0.00	0.00	0.00	200.16	985.30	1,185.47
Above 300 kWh/Month (starting from 301 unit)	73.15	1,524.03	1,597.17	0.00	0.00	0.00	73.15	1,524.03	1,597.17
Dom: Supply at Single Point for Bulk Load	**52.48**	**563.32**	**615.80**	**0.00**	**0.00**	**0.00**	**52.48**	**563.32**	**615.80**
Other Metered Domestic Consumers other than BPL	**2,600.72**	**16,258.80**	**18,859.52**	**0.00**	**0.00**	**0.00**	**2,600.72**	**16,258.80**	**18,859.52**
0-100 kWh/month	1,053.48	2,700.51	3,754.00	0.00	0.00	0.00	1,053.48	2,700.51	3,754.00
101-150 kWh/month	314.02	1,729.14	2,043.17	0.00	0.00	0.00	314.02	1,729.14	2,043.17
151-300 kWh/month	543.84	3,085.26	3,629.10	0.00	0.00	0.00	543.84	3,085.26	3,629.10
Above 300 kWh/Month (starting from 301 unit)	689.38	8,743.88	9,433.26	0.00	0.00	0.00	689.38	8,743.88	9,433.26
LMV-2:Non Domestic Light, Fan & Power	**1,936.45**	**5,626.89**	**7,563.34**	**0.00**	**0.00**	**0.00**	**1,936.45**	**5,626.89**	**7,563.34**
Non Dom: Rural Schedule (metered)	109.72	884.30	994.02	0.00	0.00	0.00	109.72	884.30	994.02
Non Dom: Other Metered Non-Domestic Supply (Sub-Total)	**1,826.73**	**4,742.59**	**6,569.32**	**0.00**	**0.00**	**0.00**	**1,826.73**	**4,742.59**	**6,569.32**
Upto 4 kW	**1,211.26**	**3,679.81**	**4,891.08**	**0.00**	**0.00**	**0.00**	**1,211.26**	**3,679.81**	**4,891.08**
Upto 300 kWh / month	925.37	1,676.47	2,601.84	0.00	0.00	0.00	925.37	1,676.47	2,601.84
Above 300 kWh/Month	285.90	2,003.34	2,289.24	0.00	0.00	0.00	285.90	2,003.34	2,289.24
Load above 4 kW	**615.46**	**1,062.78**	**1,678.25**	**0.00**	**0.00**	**0.00**	**615.46**	**1,062.78**	**1,678.25**
Upto 1000 kWh / month	335.77	430.67	766.44	0.00	0.00	0.00	335.77	430.67	766.44
Above 1000 kWh/Month	279.69	632.11	911.80	0.00	0.00	0.00	279.69	632.11	911.80
LMV-3: Public Lamps	**308.17**	**605.78**	**913.95**	**0.00**	**0.00**	**0.00**	**308.17**	**605.78**	**913.95**
Unmetered	**247.27**	**0.00**	**247.27**	**0.00**	**0.00**	**0.00**	**247.27**	**0.00**	**247.27**
Unmetered - Gram Panchayat	11.78	0.00	11.78	0.00	0.00	0.00	11.78	0.00	11.78
Unmetered - Nagar Palika & Nagar Panchayat	65.03	0.00	65.03	0.00	0.00	0.00	65.03	0.00	65.03
Unmetered - Nagar Nigam	170.46	0.00	170.46	0.00	0.00	0.00	170.46	0.00	170.46
Metered	***60.90***	***605.78***	***666.68***	***0.00***	***0.00***	***0.00***	***60.90***	***605.78***	***666.68***
Metered - Gram Panchayat	***0.71***	***6.00***	***6.71***	***0.00***	***0.00***	***0.00***	***0.71***	***6.00***	***6.71***

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
18:00 hrs - 06:00 hrs (0%)	*0.71*	*6.00*	*6.71*	*0.00*	*0.00*	*0.00*	*0.71*	*6.00*	*6.71*
06:00 hrs - 18:00 hrs (+20%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Metered - Nagar Palika & Nagar Panchayat	***15.75***	***139.11***	***154.85***	***0.00***	***0.00***	***0.00***	***15.75***	***139.11***	***154.85***
18:00 hrs - 06:00 hrs (0%)	*15.75*	*139.11*	*154.85*	*0.00*	*0.00*	*0.00*	*15.75*	*139.11*	*154.85*
06:00 hrs - 18:00 hrs (+20%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Metered - Nagar Nigam	***44.44***	***460.68***	***505.12***	***0.00***	***0.00***	***0.00***	***44.44***	***460.68***	***505.12***
18:00 hrs - 06:00 hrs (0%)	*44.44*	*460.51*	*504.95*	*0.00*	*0.00*	*0.00*	*44.44*	*460.51*	*504.95*
06:00 hrs - 18:00 hrs (+20%)	*0.00*	*0.17*	*0.17*	*0.00*	*0.00*	*0.00*	*0.00*	*0.17*	*0.17*
LMV-4: Light, fan & Power for Institutions	**237.42**	**895.33**	**1,132.75**	**0.00**	**0.00**	**0.00**	**237.42**	**895.33**	**1,132.75**
Inst: Public	**166.26**	**666.65**	**832.91**	**0.00**	**0.00**	**0.00**	**166.26**	**666.65**	**832.91**
Inst: Private	**71.17**	**228.67**	**299.84**	**0.00**	**0.00**	**0.00**	**71.17**	**228.67**	**299.84**
LMV-5: Private Tube Wells/ Pumping Sets	**9,242.12**	**1,649.88**	**10,892.00**	**7,051.89**	**0.00**	**7,051.89**	**2,190.24**	**1,649.88**	**3,840.11**
Unmetered (Sub-Total)	**8,391.78**	**0.00**	**8,391.78**	**6,410.39**	**0.00**	**6,410.39**	**1,981.39**	**0.00**	**1,981.39**
PTW: Rural Schedule (unmetered)	8,391.78	0.00	8,391.78	6,410.39	0.00	6,410.39	1,981.39	0.00	1,981.39
Metered	**850**	**1,650**	**2,500**	**642**	**0**	**642**	**209**	**1,650**	**1,859**
PTW: Rural Schedule (metered)	723.15	357.07	1,080.21	641.50	0.00	641.50	81.65	357.07	438.71
PTW: Rural Schedule (Energy Efficient Pumps)									
PTW: Urban Schedule (metered)	127.20	1,292.81	1,420.01	0.00	0.00	0.00	127.20	1,292.81	1,420.01
LMV 6: Small and Medium Power upto 100 HP (75 kW)	**601.38**	**2,523.40**	**3,124.78**	**0.00**	**0.00**	**0.00**	**601.38**	**2,523.40**	**3,124.78**
Consumers getting supply as per "Rural Schedule" (7.5% discount)	**104.18**	**399.95**	**504.13**	**0.00**	**0.00**	**0.00**	**104.18**	**399.95**	**504.13**
Connected Load upto 20 kW	97.05	302.40	399.45	0.00	0.00	0.00	97.05	302.40	399.45
Connected Load Above 20 kW	7.13	97.55	104.68	0.00	0.00	0.00	7.13	97.55	104.68
Consumers getting supply other than "Rural Schedule"	**497.20**	**2,123.45**	**2,620.65**	**0.00**	**0.00**	**0.00**	**497.20**	**2,123.45**	**2,620.65**
Summer Months (April to September)									
Connected Load upto 20 kW	**379.03**	**709.78**	**1,088.81**	**0.00**	**0.00**	**0.00**	**379.03**	**709.78**	**1,088.81**
05:00 hrs to 11:00 hrs(-15%)	*56.86*	*93.61*	*150.46*	*0.00*	*0.00*	*0.00*	*56.86*	*93.61*	*150.46*
11:00 hrs to 17:00 hrs(0%)	*165.44*	*303.93*	*469.36*	*0.00*	*0.00*	*0.00*	*165.44*	*303.93*	*469.36*
17:00 hrs to 23:00 hrs(+15%)	*77.92*	*181.94*	*259.87*	*0.00*	*0.00*	*0.00*	*77.92*	*181.94*	*259.87*
23:00 hrs to 05:00 hrs(0%)	*78.81*	*130.31*	*209.12*	*0.00*	*0.00*	*0.00*	*78.81*	*130.31*	*209.12*
Connected Load above 20 kW	**118.17**	**403.26**	**521.43**	**0.00**	**0.00**	**0.00**	**118.17**	**403.26**	**521.43**
05:00 hrs to 11:00 hrs(-15%)	*16.98*	*54.06*	*71.04*	*0.00*	*0.00*	*0.00*	*16.98*	*54.06*	*71.04*
11:00 hrs to 17:00 hrs(0%)	*51.55*	*172.30*	*223.85*	*0.00*	*0.00*	*0.00*	*51.55*	*172.30*	*223.85*
17:00 hrs to 23:00 hrs(+15%)	*26.38*	*103.74*	*130.12*	*0.00*	*0.00*	*0.00*	*26.38*	*103.74*	*130.12*
23:00 hrs to 05:00 hrs(0%)	*23.26*	*73.17*	*96.42*	*0.00*	*0.00*	*0.00*	*23.26*	*73.17*	*96.42*
Winter Months (October to March)									

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Connected Load upto 20 kW	**0.00**	**656.87**	**656.87**	**0.00**	**0.00**	**0.00**	**0.00**	**656.87**	**656.87**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*104.56*	*104.56*	*0.00*	*0.00*	*0.00*	*0.00*	*104.56*	*104.56*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*285.24*	*285.24*	*0.00*	*0.00*	*0.00*	*0.00*	*285.24*	*285.24*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*161.44*	*161.44*	*0.00*	*0.00*	*0.00*	*0.00*	*161.44*	*161.44*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*105.63*	*105.63*	*0.00*	*0.00*	*0.00*	*0.00*	*105.63*	*105.63*
Connected Load above 20 kW	***0.00***	***353.53***	***353.53***	***0.00***	***0.00***	***0.00***	***0.00***	***353.53***	***353.53***
05:00 hrs to 11:00 hrs(0%)	*0.00*	*56.88*	*56.88*	*0.00*	*0.00*	*0.00*	*0.00*	*56.88*	*56.88*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*152.70*	*152.70*	*0.00*	*0.00*	*0.00*	*0.00*	*152.70*	*152.70*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*87.03*	*87.03*	*0.00*	*0.00*	*0.00*	*0.00*	*87.03*	*87.03*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*56.92*	*56.92*	*0.00*	*0.00*	*0.00*	*0.00*	*56.92*	*56.92*
LMV-7: Public Water Works and State Tube Wells & Pump Canals upto 100 HP	**1,256.49**	**3,837.47**	**5,093.96**	**0.00**	**0.00**	**0.00**	**1,256.49**	**3,837.47**	**5,093.96**
Metered									
Rural Schedule (7.5% iscounts)	55.20	344.06	399.26	0.00	0.00	0.00	55.20	344.06	399.26
Urban Schedule	416.04	3,493.41	3,909.45	0.00	0.00	0.00	416.04	3,493.41	3,909.45
Un-Metred									
Rural Schedule (7.5% Discount)									
Urban Schedule	785.25	0.00	785.25	0.00	0.00	0.00	785.25	0.00	785.25
Merged with LMV-7									
LMV-9: Temporary Supply	**36.52**	**178.58**	**215.10**	**0.00**	**0.00**	**0.00**	**36.52**	**178.58**	**215.10**
Metered (Sub-total)	**35.98**	**178.58**	**214.56**	**0.00**	**0.00**	**0.00**	**35.98**	**178.58**	**214.56**
Metered TS: Individual residential consumers	7.64	27.71	35.35	0.00	0.00	0.00	7.64	27.71	35.35
Metered TS: Others	28.35	150.87	179.21	0.00	0.00	0.00	28.35	150.87	179.21
Unmetered (Sub-Total)	**0.54**	**0.00**	**0.54**	**0.00**	**0.00**	**0.00**	**0.54**	**0.00**	**0.54**
Illumination / Public Address / ceremonies for loads upto 20 kW / connection plus Rs.100.00 / kW for each additional kW	0.30	0.00	0.30	0.00	0.00	0.00	0.30	0.00	0.30
Temporary shops set-up during festivals / melas or otherwise and having load up to 2 kW	0.23	0.00	0.23	0.00	0.00	0.00	0.23	0.00	0.23
LMV-10: Departmental Employees	**55.60**	**596.40**	**652.00**	**0.00**	**0.00**	**0.00**	**55.60**	**596.40**	**652.00**
LMV-11: Electrical Vehicles	**0.00**	**3.35**	**3.35**	**0.00**	**0.00**	**0.00**	**0.00**	**3.35**	**3.35**
Multi Story Buildings (Sub-Total)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
LMV-1b	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HV-1b	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Charging Station (Sub-Total)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
LT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Summer Months (April to September)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
05:00 hrs to 11:00 hrs(-15%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
23:00 hrs to 05:00 hrs(0%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Winter Months (October to March)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
23:00 hrs to 05:00 hrs(-15%)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
HT	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Summer Months (April to September)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
05:00 hrs to 11:00 hrs(-15%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*0.02*	*0.02*	*0.00*	*0.00*	*0.00*	*0.00*	*0.02*	*0.02*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
23:00 hrs to 05:00 hrs(0%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
Winter Months (October to March)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*0.02*	*0.02*	*0.00*	*0.00*	*0.00*	*0.00*	*0.02*	*0.02*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*0.01*	*0.01*	*0.00*	*0.00*	*0.00*	*0.00*	*0.01*	*0.01*
HV-1: Non-Industrial Bulk Loads	**722.89**	**2,963.63**	**3,686.52**	**0.00**	**0.00**	**0.00**	**722.89**	**2,963.63**	**3,686.52**
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.	**335.31**	**1,571.70**	**1,907.02**	**0.00**	**0.00**	**0.00**	**335.31**	**1,571.70**	**1,907.02**
Supply at 11 kV	**235.56**	**1,430.54**	**1,666.10**	**0.00**	0.00	0.00	235.56	1,430.54	1,666.10
Supply above 11 kV	**99.75**	**141.17**	**240.92**	**0.00**	0.00	0.00	99.75	141.17	240.92
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	**387.58**	**1,391.92**	**1,779.50**	**0.00**	**0.00**	**0.00**	**387.58**	**1,391.92**	**1,779.50**
Supply at 11 kV	**274.58**	**1,268.60**	**1,543.18**	**0.00**	**0.00**	**0.00**	**274.58**	**1,268.60**	**1,543.18**
Supply above 11 kV	**113.00**	**123.32**	**236.32**	**0.00**	0.00	0.00	113.00	123.32	236.32
HV-2: Large and Heavy Power above 100 BHP (75 kW)	**1,312.93**	**8,976.56**	**10,289.49**	**0.00**	**0.00**	**0.00**	**1,312.93**	**8,976.56**	**10,289.49**
HV2 Urban Schedule: Supply at 11 kV	**967.24**	**6,425.45**	**7,392.69**	**0.00**	**0.00**	**0.00**	**967.24**	**6,425.45**	**7,392.69**
Summer Months (April to September)	**967.24**	**3,211.31**	**4,178.55**	**0.00**	**0.00**	**0.00**	**967.24**	**3,211.31**	**4,178.55**

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
05:00 hrs to 11:00 hrs(-15%)	*235.94*	*621.99*	*857.93*	*0.00*	*0.00*	*0.00*	*235.94*	*621.99*	*857.93*
11:00 hrs to 17:00 hrs(0%)	*308.25*	*1,066.16*	*1,374.40*	*0.00*	*0.00*	*0.00*	*308.25*	*1,066.16*	*1,374.40*
17:00 hrs to 23:00 hrs(+15%)	*205.73*	*810.28*	*1,016.01*	*0.00*	*0.00*	*0.00*	*205.73*	*810.28*	*1,016.01*
23:00 hrs to 05:00 hrs(0%)	*217.32*	*712.88*	*930.20*	*0.00*	*0.00*	*0.00*	*217.32*	*712.88*	*930.20*
Winter Months (October to March)	**0.00**	**3,214.14**	**3,214.14**	**0.00**	**0.00**	**0.00**	**0.00**	**3,214.14**	**3,214.14**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*731.76*	*731.76*	*0.00*	*0.00*	*0.00*	*0.00*	*731.76*	*731.76*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*1,066.16*	*1,066.16*	*0.00*	*0.00*	*0.00*	*0.00*	*1,066.16*	*1,066.16*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*810.28*	*810.28*	*0.00*	*0.00*	*0.00*	*0.00*	*810.28*	*810.28*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*605.95*	*605.95*	*0.00*	*0.00*	*0.00*	*0.00*	*605.95*	*605.95*
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	**203.70**	**1,690.42**	**1,894.12**	**0.00**	**0.00**	**0.00**	**203.70**	**1,690.42**	**1,894.12**
Summer Months (April to September)	**203.70**	**844.33**	**1,048.03**	**0.00**	**0.00**	**0.00**	**203.70**	**844.33**	**1,048.03**
05:00 hrs to 11:00 hrs(-15%)	*50.98*	*162.63*	*213.61*	*0.00*	*0.00*	*0.00*	*50.98*	*162.63*	*213.61*
11:00 hrs to 17:00 hrs(0%)	*66.64*	*281.15*	*347.79*	*0.00*	*0.00*	*0.00*	*66.64*	*281.15*	*347.79*
17:00 hrs to 23:00 hrs(+15%)	*45.46*	*221.02*	*266.48*	*0.00*	*0.00*	*0.00*	*45.46*	*221.02*	*266.48*
23:00 hrs to 05:00 hrs(0%)	*40.63*	*179.53*	*220.15*	*0.00*	*0.00*	*0.00*	*40.63*	*179.53*	*220.15*
Winter Months (October to March)	**0.00**	**846.10**	**846.10**	**0.00**	**0.00**	**0.00**	**0.00**	**846.10**	**846.10**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*191.33*	*191.33*	*0.00*	*0.00*	*0.00*	*0.00*	*191.33*	*191.33*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*281.15*	*281.15*	*0.00*	*0.00*	*0.00*	*0.00*	*281.15*	*281.15*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*221.02*	*221.02*	*0.00*	*0.00*	*0.00*	*0.00*	*221.02*	*221.02*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*152.60*	*152.60*	*0.00*	*0.00*	*0.00*	*0.00*	*152.60*	*152.60*
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	**52.44**	**262.49**	**314.93**	**0.00**	**0.00**	**0.00**	**52.44**	**262.49**	**314.93**
Summer Months (April to September)	**52.44**	**131.24**	**183.67**	**0.00**	**0.00**	**0.00**	**52.44**	**131.24**	**183.67**
05:00 hrs to 11:00 hrs(-15%)	*11.78*	*24.77*	*36.56*	*0.00*	*0.00*	*0.00*	*11.78*	*24.77*	*36.56*
11:00 hrs to 17:00 hrs(0%)	*18.31*	*40.76*	*59.07*	*0.00*	*0.00*	*0.00*	*18.31*	*40.76*	*59.07*
17:00 hrs to 23:00 hrs(+15%)	*11.26*	*36.67*	*47.93*	*0.00*	*0.00*	*0.00*	*11.26*	*36.67*	*47.93*
23:00 hrs to 05:00 hrs(0%)	*11.09*	*29.03*	*40.12*	*0.00*	*0.00*	*0.00*	*11.09*	*29.03*	*40.12*
Winter Months (October to March)	**0.00**	**131.25**	**131.25**	**0.00**	**0.00**	**0.00**	**0.00**	**131.25**	**131.25**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*29.15*	*29.15*	*0.00*	*0.00*	*0.00*	*0.00*	*29.15*	*29.15*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*40.76*	*40.76*	*0.00*	*0.00*	*0.00*	*0.00*	*40.76*	*40.76*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*36.67*	*36.67*	*0.00*	*0.00*	*0.00*	*0.00*	*36.67*	*36.67*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*24.68*	*24.68*	*0.00*	*0.00*	*0.00*	*0.00*	*24.68*	*24.68*
HV2 Urban Schedule: Supply above 132 kV	**22.18**	**176.12**	**198.30**	**0.00**	**0.00**	**0.00**	**22.18**	**176.12**	**198.30**
Summer Months (April to September)	**22.18**	**88.53**	**110.71**	**0.00**	**0.00**	**0.00**	**22.18**	**88.53**	**110.71**
05:00 hrs to 11:00 hrs(-15%)	*4.67*	*14.43*	*19.10*	*0.00*	*0.00*	*0.00*	*4.67*	*14.43*	*19.10*
11:00 hrs to 17:00 hrs(0%)	*7.74*	*27.98*	*35.72*	*0.00*	*0.00*	*0.00*	*7.74*	*27.98*	*35.72*
17:00 hrs to 23:00 hrs(+15%)	*4.63*	*22.86*	*27.49*	*0.00*	*0.00*	*0.00*	*4.63*	*22.86*	*27.49*
23:00 hrs to 05:00 hrs(0%)	*5.13*	*23.27*	*28.40*	*0.00*	*0.00*	*0.00*	*5.13*	*23.27*	*28.40*
Winter Months (October to March)	**0.00**	**87.59**	**87.59**	**0.00**	**0.00**	**0.00**	**0.00**	**87.59**	**87.59**
05:00 hrs to 11:00 hrs(0%)	*0.00*	*16.98*	*16.98*	*0.00*	*0.00*	*0.00*	*0.00*	*16.98*	*16.98*
11:00 hrs to 17:00 hrs(0%)	*0.00*	*27.98*	*27.98*	*0.00*	*0.00*	*0.00*	*0.00*	*27.98*	*27.98*
17:00 hrs to 23:00 hrs(+15%)	*0.00*	*22.86*	*22.86*	*0.00*	*0.00*	*0.00*	*0.00*	*22.86*	*22.86*
23:00 hrs to 05:00 hrs(-15%)	*0.00*	*19.78*	*19.78*	*0.00*	*0.00*	*0.00*	*0.00*	*19.78*	*19.78*
HV2 Rural Schedule: Supply at 11 kV (7.5% discount)	**67.37**	**422.08**	**489.45**	**0.00**	**0.00**	**0.00**	**67.37**	**422.08**	**489.45**

Consumer Sub-Category (Tariff Structure Rationalization in-house FY 2022-23)	Revenue (Tariff Excluding Subsidy)			Revenue (GoUP Subsidy)			Revenue (Tariff Payable)		
	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue	Fixed Charges	Energy Charges	Total Revenue
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
HV-3: Railway Traction	**36.46**	**148.28**	**184.74**	**0.00**	**0.00**	**0.00**	**36.46**	**148.28**	**184.74**
HV3 Railway Traction (at, below and above 132 kV)	16.85	61.29	78.14	0.00	0.00	0.00	16.85	61.29	78.14
HV3 Metro traction (at, below and above 132 kV)	19.61	86.99	106.60	0.00	0.00	0.00	19.61	86.99	106.60
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	**61.03**	**571.89**	**632.91**	**0.00**	**0.00**	**0.00**	**61.03**	**571.89**	**632.91**
HV4 Supply at 11kV	30.42	273.36	303.77	0.00	0.00	0.00	30.42	273.36	303.77
HV4 Supply above 11kV & upto 66kV	30.61	298.53	329.14	0.00	0.00	0.00	30.61	298.53	329.14
HV4 Supply above 66 kV & upto 132kV	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bulk Supply (Torrent Power Consumers Sales)									
Extra State Consumer	0.00	9.08	9.08	0.00	0.00	0.00	0.00	9.08	9.08
Grant Total	20,703.17	59,343.47	80,046.63	7,323.32	5,794.99	13,118.31	13,379.85	53,548.47	66,928.32

Annexure IV– Discom wise Gap/ (Surplus)

Particulars	DVVNL						MVVNL					
	FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)		FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening Gap/ (Surplus)	-	1,409.86	2,309.35	716.77	3,407.92	1,714.69	-	(2,661.14)	2,597.18	(3,928.78)	3,653.68	(3,443.80)
Gap/(Surplus) on Review of True-up for FY 2018-19		13.63						20.13				
Addition in Gap/(Surplus) during the year	2,203.89	(804.48)	887.67	887.67	1,655.58	(431.33)	2,478.58	(987.69)	819.30	819.30	1,563.49	(410.51)
Carrying Cost on Gap	105.46	97.76	210.91	110.26	105.46	142.41	118.60	(300.09)	237.20	(334.32)	118.60	(346.66)
Carrying Cost (%)	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%
Closing Gap/(Surplus)	2,309.35	716.77	3,407.92	1,714.69	5,168.97	1,425.77	2,597.18	(3,928.78)	3,653.68	(3,443.80)	5,335.77	(4,200.97)
Cumulative Gap/(Surplus)	2,309.35	716.77	3,407.92	1,714.69	5,168.97	1,425.77	2,597.18	(3,928.78)	3,653.68	(3,443.80)	5,335.77	(4,200.97)
For compliance of Commission's Order dated March 19, 2021 in the Petition No. 1611 of 2020 based on Orders by the Hon'ble APTEL in the Appeal No. 365 of 2018 and Hon'ble Supreme Court (The final impact shall be subject to the final outcome of the above Petition and true-ups of the periods covered in the same)*												
Cumulative Gap/(Surplus)												

**LPGCL - Lalitpur Power Generation Company Limited*

Particulars	PVVNL						PuVVNL					
	FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)		FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening Gap/ (Surplus)	-	469.24	4,681.56	(694.98)	6,258.70	443.17	-	865.72	4,289.86	964.71	5,600.59	2,019.00
Gap/(Surplus) on Review of True-up for FY 2018-19		36.00						26.64				
Addition in Gap/(Surplus) during the year	4,467.78	(1,191.56)	1,149.57	1,149.57	2,431.54	(630.75)	4,093.99	(12.47)	918.99	918.99	1,722.46	(413.41)
Carrying Cost on Gap	213.78	(8.67)	427.57	(11.42)	213.78	12.14	195.87	84.82	391.73	135.30	195.87	172.17
Carrying Cost (%)	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%
Closing Gap/(Surplus)	4,681.56	(694.98)	6,258.70	443.17	8,904.02	(175.44)	4,289.86	964.71	5,600.59	2,019.00	7,518.91	1,777.76
Cumulative Gap/(Surplus)	4,681.56	(694.98)	6,258.70	443.17	8,904.02	(175.44)	4,289.86	964.71	5,600.59	2,019.00	7,518.91	1,777.76
For compliance of Commission's Order dated March 19, 2021 in the Petition No. 1611 of 2020 based on Orders by the Hon'ble APTEL in the Appeal No. 365 of 2018 and Hon'ble Supreme Court (The final impact shall be subject to the final outcome of the above Petition and true-ups of the periods covered in the same)*												
Cumulative Gap/(Surplus)												

LPGCL - Lalitpur Power Generation Company Limited

Particulars	KESCo						Consolidated (5 Discoms)					
	FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)		FY 2020-21 (True-up)		FY 2021-22 (APR)		FY 2022-23 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening Gap/ (Surplus)	-	(693.74)	544.85	(857.29)	691.82	(836.91)		(610.06)	14,423.01	(3,799.56)	19,612.92	(103.83)
Gap/(Surplus) on Review of True-up for FY 2018-19		-						96.41				
Addition in Gap/(Surplus) during the year	519.97	(92.71)	97.21	97.21	216.15	(84.84)	13,764.21	(3,088.90)	3,872.74	3,872.74	7,589.22	(1,970.83)
Carrying Cost on Gap	24.88	(70.85)	49.76	(76.83)	24.88	(83.54)	658.80	(197.01)	1,317.17	(177.00)	658.59	(103.48)
Carrying Cost (%)	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%	9.57%	9.57%	9.57%	9.50%	9.57%	9.50%
Closing Gap/(Surplus)	544.85	(857.29)	691.82	(836.91)	932.85	(1,005.28)	14,423.01	(3,799.56)	19,612.92	(103.83)	27,860.72	(2,178.14)
Cumulative Gap/(Surplus)	544.85	(857.29)	691.82	(836.91)	932.85	(1,005.28)	14,423.01	(3,799.56)	19,612.92	(103.83)	27,860.72	(2,178.14)
For compliance of Commission's Order dated March 19, 2021 in the Petition No. 1611 of 2020 based on Orders by the Hon'ble APTEL in the Appeal No. 365 of 2018 and Hon'ble Supreme Court (The final impact shall be subject to the final outcome of the above Petition and true-ups of the periods covered in the same)*												**2,183.61**
Cumulative Gap/(Surplus)							**14,423.01**	**(3,799.56)**	**19,612.92**	**(103.83)**	**27,860.72**	**5.47**

LPGCL - Lalitpur Power Generation Company Limited

ANNEXURE V: ADMITTANCE ORDER

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

Petition No. 1837 / 2022, 1835 / 2022, 1833 / 2022, 1834 / 2022 & 1836 / 2022

(Date of Order: - 21-04-2022)

IN THE MATTER OF:

1. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23– (Petition No. - 1837 of 2022) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)

2. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23– (Petition No. - 1835 of 2022) of Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).

3. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23– (Petition No. - 1833 of 2022) of Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).

4. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23– (Petition No. - 1834 of 2022) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).

5. Petition for Truing-Up for FY 2020-21, Annual Performance Review (APR) for FY 2021-22 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2022-23– (Petition No. - 1836 of 2022) of Kanpur Electricity Supply Company Ltd. (KESCO).

ORDER

As per provisions of Section 64 of the Electricity Act, 2003, it is incumbent upon the Licensee to make an application to the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

The Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') were notified on September 23, 2019. These Regulations are 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.

As per the provisions stipulated in the Regulation 4 of MYT Regulations, 2019, the Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR)/Tariff, complete in all respect have to be filed by the Distribution Licensee for each year of the Control Period (FY 2020-21 to FY 2020-25) before the Commission on or before November 30 of each year.

The Commission vide its letter dated October 06, 2021, directed the State Owned Distribution Licensees to furnish information/data along with each ARR/Tariff filing. The information was related to - list of Open Access Consumers along with their consumptions, billing determinates, reconciliation of actual O&M expenses vis-à-vis the normative O&M expenses etc. Further, the Commission vide its letter dated November 02, 2021, directed State owned Distribution Licensees to provide data in the approved additional formats along with the prescribed MYT formats.

The Petitioner vide its letter dated November 30, 2021, requested the Commission for additional time for the filing of True-Up/APR/ARR Petition on the ground of the following:

(I) Requirement of time to comply the directives of the Commission given vide its letter dated November 02, 2021;

(II) FY 2021-22 has also been affected by COVID-19 pandemic, which has significantly affected the working of the Licensees.

Further, the Commission granted permission vide its letter dated December 09, 2021.

The State-owned Distribution Licensees namely Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Paschimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., Kanpur Electricity Supply Company Ltd. (hereinafter referred to as "DVVNL", "MVVNL", "PVVNL", "PuVVNL", "KESCO" respectively & collectively called as the State-owned Distribution Licensees / Discoms) filed the Petitions for determination of True-Up for the FY 2020-21, Annual Performance Review of FY 2021-22 and Aggregate Revenue Requirement and Tariff for FY 2022-23 on the following dates:

S. No.	Distribution Licensee	Date of Filing	Petition No.
1	DVVNL	08.03.2022	1837
2	MVVNL	08.03.2022	1835
3	PVVNL	08.03.2022	1833
4	PuVVNL	08.03.2022	1834
5	KESCO	08.03.2022	1836

A preliminary analysis was conducted, wherein the Commission asked the Petitioners to reconcile power purchase cost claimed in the Petition vis-à-vis submitted in the Formats, re-submit details of GFA, detailed breakup of subsidy, detailed computation

of revenue and Tariff Proposal along with various other deficiencies observed, which were communicated vide letters dated April 01, 2022. The Commission directed the State-owned Distribution Licensees to submit the CAG Audit Report for FY 2019-20 and FY 2020-21, category-wise, sub-category-wise, slab-wise Tariff Proposal at existing Tariff and at proposed category / sub-category / slab wise Tariff rationalisation for FY 2022-23 along with the Excel sheet, details of voltage-wise (132 kV, 33kV, 11kV & LT) distribution losses essentially required for computing CSS, compliance report on metering status of consumers, category & sub-category wise billing determinants & Revenue for Torrent Power Agra DF, Fixed Asset Registers (FAR), Asset-wise capitalisation and details of 132 kV and above assets (in Excel) for FY 2020-21. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. The Commission also directed the State-owned Distribution Licensees to provide detailed breakup of subsidy to be provided for each consumer category along with documentary evidence for the same. The State-owned Distribution Licensees submitted their response to the deficiencies in respect to True Up for FY 2020-21, APR for FY 2021-22 and ARR for FY 2022-23, on April 11, 2022.

From the submissions of the State-owned Distribution Licensees, it has been observed that the State-owned Distribution Licensees have not submitted the category-wise, sub-category-wise, slab-wise Tariff Proposal for FY 2022-23 along with the Excel sheet. The Commission further directed the State-owned Distribution Licensees that the Tariff Proposal should be full cost (without subsidy) and must be designed to achieve +/- 20% Cross Subsidisation and zero gap. Further, the State-owned Distribution Licensees have not submitted detailed breakup of subsidy to be provided for each consumer category along with documentary evidence.

The Commission further raised certain queries vide its email dated 13.04.2022 on issues such as Tariff Proposal, Reconciliation of Power Purchase Cost between the values in the Tariff Petition, Audited Accounts of the State Distribution Licensees and Audited Accounts of UPPCL, details of Inter-State Transmission Losses and Charges, details of power purchase from new stations like HARDUAGANJ EXT. Stage II, OBRA-C, Jawaharpur, etc., DBST Calculation for FY 2022-23, reconciliation of Open Access Charges as submitted in its response to the Commission's queries and the values as per the Audited Accounts for FY 2020-21, reconciliation of the Billing Determinants of Torrent- Distribution Franchisee, details of Grant for FY 2020-21, loan details for FY 2020-21 and reconciliation of Bad Debt of PUVVNL as it does not match with the Audited Accounts. The response to the queries is still awaited.

The Technical Validation Session (TVS) covering all the Petitions was conducted on April 18, 2022, at the office of the Commission, which was attended by the senior officials of the Commission and the State-owned Distribution Licensees and during

TVS, the State-owned Distribution Licensees explained various issues raised in the deficiencies. Further, the Commission directed State-owned Distribution Licensees to submit the station-wise Inter-State and Intra-State Transmission Charges and Losses for FY 2022-23 along with sample bills for FY 2020-21 and FY 2021-22, details of RRAS (Reserves Regulation Ancillary Services) claimed for FY 2020-21 along with a detailed note on the mechanism of RRAS, Compliance status of RPOs for FY 2020-21 to FY 2022-23, supporting documents of GoUP on the subsidy claim of Rs. 14500 Crore for FY 2022-23, monthly analysis of the huge gap (actual vs. approved) in power purchase cost and MUs in FY 2020-21 even after the provision of Incremental Cost, Approval of Capex for FY 2020-21 in compliance of Regulation No. 44.2 of UPERC MYT Regulations, 2019, justification for the claim of Rs. 3353.87 Crore against Late Payment Surcharge (LPS) for FY 2020-21, Comptroller and Auditor General of India (CAG) Reports for FY 2019-20 & FY 2020-21 for Discoms and UPPCL, the proposal for Roadmap for reduction of Cross-subsidies as per the Tariff Policy, details of "Extra State Consumers", two separate FAR's depicting addition of Assets details from 01.04.2020 onwards for the purpose of depreciation computation for Regulatory Accounts, month-wise as well as fortnightly details of Power purchase for FY 2022-23, details of monthly short term power sales/purchase and monthly power purchase from bilateral contracts, details of any OTS scheme implemented along with the details of consumer Category-wise/ Subcategory-wise surcharge waived-off, rebate in revenue and revenue collected, Interest on Consumer Security Deposit actually disbursed to the consumers for FY 2020-21, details of penalties and compensation paid by the licensee for failure to meet standards of performance per the Regulations 41.1 of the UPERC SOP Regulations, 2019 for FY 2020-23, the maximum Peak Demand (Restricted and Unrestricted), Peak Availability Assessed, Shortfall in meeting Peak Demand as per Form P7 of MYT Distribution Tariff Regulations, 2019 and other queries raised during the TVS. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

The Commission would like to reiterate that the Licensees have not submitted any tariff proposal, rate schedule & treatment of gap.

Further, since the determination of ARR / Tariffs has already been delayed, the Commission admits the Petitions for further processing. The Commission directs the State-owned Distribution Licensees to submit the pending responses immediately and also directs them that they shall furnish further information / clarifications, if any, as deemed necessary by the Commission during the processing of the Petitions and provide the same to the satisfaction of the Commission within the time frame as stipulated by the Commission, failing which the Commission may proceed to dispose of the matter as it deems fit based on the information available with it.

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 Petitioners 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, proposed Tariff, proposed category / subcategory / slab rationalisation, proposed treatment of gap, approved and actual Distribution and Transmission losses for FY 2020-21 & 2021-22 along with proposed losses for FY 2022-23, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, Average Retail tariff from each category / sub-category / slab of consumers, wheeling charges, cross subsidy surcharge for Open Access consumers, category-wise, sub-category-wise, slab-wise subsidy by GoUP etc. and such other matters, if any, as directed by the Commission, 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.

The Public Notices should indicate that the stakeholders should regularly check the websites of the Petitioners for further submissions made in respect to these proceedings.

The Petitioners shall also upload on its website the Petitions 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. The Petitioners shall also ensure that for downloading the same, there is no requirement of providing personal information. The Petitioners 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 Petitioners 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 Petitioners are also required to submit the copies of the newspapers and screen shots of the website within 7 days of publication of the Public Notice.

It is pertinent to mention that the Commission, in wake of prevailing waves of COVID-19 pandemic outbreak and due to the subsequent requirement of social distancing for prevention of spread of the disease, proposes to hold the Public Hearings in June through video conferencing.

The details of the same will be provided subsequently on the Commission's website www.uperc.org. The Petitioners 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.

(Vinod Kumar Srivastava)	(Kaushal Kishore Sharma)	(Raj Pratap Singh)
Member (Law)	Member	Chairman

Place: Lucknow
Date: 21st April, 2022

U.P. Electricity Regulatory Commission

Vidyut Niyamak Bhawan, Vibhuti Khand,
Gomti Nagar, Lucknow-226010

Telephone : 0522-2720426, Fax No. : 0522-2720423, E-mail : secretary@uperc.org, Website : www.uperc.org

Ref : UPERC / D(Tariff)/2022-23/264 Dated : May 30, 2022

Public Notice

The Distribution licensees, viz. Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL), Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL), Paschimanchal 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 2022-23, Annual Performance Review for FY 2021-22 and True-Up for FY 2020-21 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission).

The Commission vide Orders dated 21st April 2022 has admitted the Petitions and has decided to hold "Public Hearings" to invite suggestions and objections from the stakeholders and public at large. In wake of prevailing pandemic of COVID-19 pandemic outbreak and due to the subsequent requirement of social distancing for prevention of spread of disease, the " Public Hearing" will be conducted through Video Conferencing (VC) as per below details:

Licensee	Date	Time	Venue
DVVNL, PVVNL & KESCo	June 21, 2022 (Tuesday)	11.00 hrs onwards	Through Video Conferencing (VC)
MVVNL & PuVVNL	June 22, 2022 (Wednesday)	11.00 hrs onwards	
NPCL	June 24, 2022 (Friday)	11.00 hrs onwards	
UPPTCL	June 24, 2022 (Friday)	15.00 hrs onwards	

All stakeholders who wish to participate in the Public Hearing shall send an e-mail on office@uperc.org latest by June 20, 2022 providing their name, organization, designation, consumer account no., mobile number, address, name of licensees whose public hearing they want to attend, to register themselves and shall follow the "Instructions For Public Hearings in UPERC through Video Conferencing" available on UPERC website (www.uperc.org). The Participants will be heard by the Commission in a sequence.

All the stakeholders who are participating in the Public Hearing through VC 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.

The Licensee has already published the summary of the Petitions in news-papers, inviting suggestions and objections. The Stakeholders should regularly check the websites of Commission i.e. www.uperc.org & concerned Licensee for updates/ information.

Secretary

ANNEXURE VI: PUBLIC 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)/2022-23/264 Dated: May 30, 2022

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 2022-23, Annual Performance Review for FY 2021-22 and True-Up for FY 2020-21 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission).

The Commission vide Orders dated 21st April 2022 has admitted the Petitions and has decided to hold "**Public Hearings**" to invite suggestions and objections from the stakeholders and public at large. In wake of prevailing pandemic of COVID-19 pandemic outbreak and due to the subsequent requirement of social distancing for prevention of spread of disease, the "**Public Hearing**" will be conducted through Video Conferencing (VC) as per below details:

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Secretary