



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*



**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

Petition No. 1948 / 2023, 1945 / 2023, 1947 / 2023, 1949 / 2023 and 1946 / 2023

**TRUING UP OF TARIFF FOR FY 2021-22, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2022-23**

**AND**

**APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2023-24**

**FOR**

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL)- (Petition No. 1948 / 2023)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL)- (Petition No. 1945 / 2023)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL)- (Petition No. 1947 / 2023)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL)- (Petition No. 1949 / 2023)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO)- (Petition No. 1946 / 2023)

ORDER UNDER SECTIONS 62 & 64 OF-

THE ELECTRICITY ACT, 2003

May 24, 2023



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**Before**

**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

Petition No. 1948 / 2023, 1945 / 2023, 1947 / 2023, 1949 / 2023 and 1946 / 2023

**IN THE MATTER OF:**

TRUING UP OF TARIFF FOR FY 2021-22, ANNUAL PERFORMANCE REVIEW (APR) FOR FY 2022-23 AND APPROVAL OF AGGREGATE REVENUE REQUIREMENT AND TARIFF FOR FY 2023-24

**And**

**IN THE MATTER OF:**

Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (DVVNL) - (Petition No. 1948 / 2023)

Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow (MVVNL) - (Petition No. 1945 / 2023)

Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (PVVNL) - (Petition No. 1947 / 2023)

Purvanchal Vidyut Vitran Nigam Ltd., Varanasi (PuVVNL) - (Petition No. 1949 / 2023)

Kanpur Electricity Supply Company Ltd., Kanpur (KESCO) - (Petition No. 1946 / 2023)

**ORDER**

The Commission having deliberated upon the above Petitions and the subsequent filings by the Petitioners, thereafter being admitted on February 28, 2023 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 and SAC meeting held on May 08, 2023, 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 UP 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:
  - 1.1.2. Uttar Pradesh Power Corporation Limited (UPPCL): vested with the function of Transmission and Distribution within the State.
  - 1.1.3. Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL): vested with the function of Thermal Generation within the State.
  - 1.1.4. Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL): vested with the function of Hydro Generation within the State.
  - 1.1.5. 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.
  - 1.1.6. 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)



- 1.1.7. 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.
- 1.1.8. 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.
- 1.1.9. 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 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 2024-25. 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. The Commission, vide its Order dated July 20, 2022, approved the ARR / Tariff for FY 2022-23 for State Discoms and the Annual Performance Review (APR) for FY 2021-22 and True Up for FY 2020-21.

## 2.6. DETERMINATION OF TARIFF FOR FY 2023-24, ANNUAL PERFORMANCE REVIEW (APR) of FY 2022-23 AND TRUING UP FY 2021-22

2.6.1. 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.

2.6.2. 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	<b>Business Plan for FY 2020-21 to FY 2024-25</b>		
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 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

- 2.6.3. The Commission vide email dated September 19, 2022, directed the Petitioners to furnish information / data along with each ARR / Tariff filing for smooth and speedier processing of the Tariff Petitions. The information was related to – Energy Balance, Power Purchase Cost, short term power transactions etc.
- 2.6.4. The Petitioners vide letter dated No. 608/RAU/ARR/ FY 2023-24 dated November 29, 2022, requested the Commission to provide additional time for filling for filling of True-Up / APR / ARR Petition on the ground of the following:
- (a) Requirement of time to comply the directives of the Commission given vide Tariff Order for FY 2022-23 dated July 20, 2022;
  - (b) Requirement of time to furnish the additional formats provided by the Commission vide email dated September 09, 2022;
  - (c) Pendency in approval of CAPEX under REVAMP scheme;
- 2.6.5. The Commission vide Letter No. UPERC/Secy/D(T)/2022-1400 dated January 01, 2023 has responded to the Petitioner that the delay in filling of the ARR Petition will be dealt in accordance with the provisions of MYT Regulations, 2019 as amended from time to time.
- 2.6.6. The Petitioners thereafter submitted their Petitions in the matter of Determination of Tariff for FY 2023-24, Annual Performance Review (APR) for FY 2022-23 and Truing Up for FY 2021-22 for the State Discoms (DVVNL, MVVNL, PVVNL, PuVVNL and KESCO) before the Commission, after a delay of more than one months, on January 09, 2023.
- 2.6.7. 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 and as per the provisions of MYT Regulations, 2019.

## **2.7. PRELIMINARY SCRUTINY OF THE FILINGS**

- 2.7.1. The Commission has conducted a preliminary analysis of the above Petitions and certain deficiencies were observed which were raised to the Petitioners vide Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023, wherein



information was sought which concerned Billing Determinants, power purchase, supply hours, details of penalties and compensation with regards to standards of performance, details of DBST computation, status of compliance of all the directives, billing determinants & Revenue for Torrent Power Agra DF.

- 2.7.2. Further, the Commission raised certain queries vide email dated February 13, 2023 and February 22, 2023 on issues such as category wise energy sales for distribution franchisee area (inclusive of distribution losses), abnormal trend in billing determinants for LMV-1, LMV-3 & LMV-5 category from last audited year, reconciliation of the opening and closing balances of the long-term loans for FY 2021-22 with the audited accounts for calculation of interest on long term loans, banking agreement executed and envisaged, details of four wheelers capitalised in GFA, computation of Cross Subsidy Surcharge (CSS) based revenue at proposed tariff, revenue on Discom wise basis at proposed tariff and status in regard to Standard of Performance (SoP) & Consumer Grievances Redressal Forum (CGRF).
- 2.7.3. The State-owned Distribution Licensees submitted their response to the first Data Deficiency issued on February 14, 2023. It has been observed that for certain points raised in the first deficiency note and the queries that were raised subsequent to first deficiency note were pending.
- 2.7.4. The Technical Validation Session (TVS) on the ARR Petitions of all the Petitioners was conducted on February 27, 2023, 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. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.
- 2.7.5. The ARR Petition for FY 2023-24 submitted by the Petitioners for determination of ARR/Tariff has been delayed from the due date specified in the MYT Regulations, 2019, and the same will be dealt according to the Regulations. The Commission further directed the State-owned Distribution Licensees to submit the response on the pending matters, immediately. Also, the Petitioners have been directed 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. Any fail,



in compliance of such directions, will compel the Commission to dispose the concerned matter as found deems fit by it based on the available information.

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

- 2.8.1. The Commission, vide its Admittance Order dated February 28, 2023 (annexed as **Annexure –IV** 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 2023-24, Annual Performance Review for FY 2022-23 and True-Up for FY 2021-22 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 in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. The Petitioner shall also ensure that those files are broken into such size which can be easily downloaded. The Petitioners shall also ensure that for downloading the same, there is no requirement of providing personal information.
- 2.8.2. 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.
- 2.8.3. 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.
- 2.8.4. 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.



## 2.9. PUBLICITY OF THE LICENSEES FILINGS

2.9.1. 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	Times of India	Amar Ujala
	Hindustan Times	Hindustan
MVVNL	Times of India	Amar Ujala
	Hindustan Times	Hindustan
PVVNL	Times of India	Amar Ujala
	Hindustan Times	Danik Jagran
PuVVNL	Hindustan Times	Amar Ujala
	Times of India	Hindustan
KESCO	Times of India	Dainik Jagran
	Indian Express	
	Hindustan Times	Hindustan

Source: As per data submitted by the Licensee

## 2.10. PUBLIC HEARING

2.10.1. As discussed above, the Petitions filed by the Petitioners were admitted on February 28, 2023. 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, public hearings were held by the Commission. The Public notice for the hearing was published in various Hindi and English newspapers (to be annexed) on March 28, 2023 and was also uploaded on the Commission's website. The public hearings were conducted as per below details:

Licensees Covered	Date & Time of Public Hearing	Place	Venue
PuVVNL	April 17, 2023 (Monday) @ 11:30 hrs	Varanasi	<b>Varanasi -</b> Commissioner Office Auditorium Opposite Vikas Bhavan, Hamrautia, Varanasi, Uttar Pradesh 221002
MVVNL & UPPTCL	April 21, 2023 (Friday) @ 11:30 hrs	Lucknow	Auditorium (3 <sup>rd</sup> Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak



Licensees Covered	Date & Time of Public Hearing	Place	Venue
			Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow – 226010
DVVNL & KESCO	April 27, 2023 (Thursday) @ 11:00 hrs	Agra	<b>Agra -</b> Rao Krishna Pal Singh Auditorium R.B.S. College, Pushpa Vihar Colony, Khandari, Agra, Uttar Pradesh -282002
PVVNL & NPCL	April 28, 2023 (Friday) @ 11:00 hrs	Greater Noida	<b>Greater Noida -</b> Auditorium 1, Gautam Budh University, Opposite Yamuna Expressway, Greater Noida, Uttar Pradesh -201312

2.10.2. 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.

## 2.11. STATE ADVISORY COMMITTEE

2.11.1. The State Advisory Committee meeting was also conducted on May 08, 2023 wherein the views and suggestions of the members of the SAC were sought. The same have also been taken into consideration while finalising ARR and determining the Tariff.

2.11.2. 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 2023-24.



### 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, public hearings were held by the Commission. The public hearings were conducted as per below details:

S. No	Date	Hearing in the matter of
1	April 10, 2023	PuVVNL
2	April 21, 2023	MVVNL, UPPTCL
3	April 27, 2023	DVVNL, KESCo
4	April 28, 2023	NPCL, PVVNL

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 –V** of this Tariff Order) for Public hearing dated April 10, 2023, April 21, 2023, April 27, 2023 and April 28, 2023 on its website ([www.uperc.org](http://www.uperc.org)) and the same was also published in the following daily newspapers:

Newspaper	Date of Publication
Amar Ujala (Hindi) UP Edition	March 28, 2023
The Times of India (English) Lucknow Edition	March 28, 2023
Dainik Jagran (Hindi) UP Edition	March 28, 2023
Hindustan Times (English) Delhi Edition	March 28, 2023

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 May 08, 2023 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. Further, during the whole proceedings the Petitioners have changed / updated / revised a few data and the same has been used as the final submission of the Petitioners. Also, wherever the opening of the year has not been provided by the Petitioners, its value is being considered as the closing as per their submission in the previous Tariff Order.

3.1.6. 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.



- 3.1.7. 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 email.
- 3.1.8. 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 stakeholders after May 02, 2023 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 2021-22, APR for FY 2022-23 and ARR / Tariff for FY 2023-24. 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 the Licensees have a surplus of Rs. 20,596 Crore due to Uday Scheme and True-Up of FY 2021-22, the UP Rajya Vidyut Upbhokta Parishad





filed a submission before the Commission to reduce the tariff of the State. The Commission sought a response from UPPCL and in response UPPCL submitted that the computation of Rs. 20,596 Crore has not been provided in the submission provided by Upbhokta Parishad. The UP Rajya Vidyut Upbhokta Parishad again submitted that in the Tariff Order for FY 2019-20 there is a surplus of Rs. 13,337 Crore computed by the Commission and from FY 2017-18 to FY 2021-22, if carrying cost of 12% is considered, there will be an additional surplus of Rs. 7,259 Crore on the Licensees, which will be equal to Rs. 20,986 Crore. Further, in the Tariff Order for FY 2021-22 along with True-Up Petition for FY 2019-20 surplus of Rs. 387 Crore and Rs. 672 Crore respectively was computed. Accordingly, overall surplus will come around at Rs. 22,045 Crore. Based on the same the Tariff of the State consumers can be reduced by 7% for next 5 years. Alternatively, the tariff rates for the financial year can be reduced by 35% for all consumer category. If the surplus of FY 2020-21 (True-up) is added than the tariff can be reduced by 7% for next 6 years.

- 3.3.2. Shri Avadhesh Kumar Verma UP Rajya Vidyut Upbhokta Parishad submitted that the regulatory assets computed by the Licensees is unconstitutional and Commission should not review the same. He further submitted that the Hon'ble Supreme Court in Ajit Kumar Vs State of Odisha and Kamlesh Kumar Vs Mayawati case had ruled that the Commission can't review its own Order again, the Hon'ble Court ruled that the Commission can only review its order in case of any mistake or typo error. Therefore, the Licensees submission regarding review of the Commission Order is against the ruling of the Commission.
- 3.3.3. The Commission after giving discount of 10% in tariff for NPCL has already set a precedent for the future. It is the first time in last 20 years that the discount in electricity rate has been provided. Due to the surplus of Rs. 25,133 Crore the Tariff of the State consumers can be reduced by 7% for many years. The Licensees have filed a Petition in Hon'ble APTEL regarding the surplus computed and has asked the Commission to withhold its decision till the proceeding in the Hon'ble APTEL is completed. However, it is submitted that the reduction in tariff can't be stopped by merely filing a Petition in Hon'ble APTEL. Further, the Commission can also reduce the tariff by 7% by passing on the benefit of Surplus of Rs. 3,088 Crore during FY 2020-21 to the consumers, as there is no proceeding filed by the Licensees in any Tribunal and Court regarding the same. Accordingly, the Commission is requested to provide the





regulatory discount in tariff as done in case of NPCL for the State Discoms consumers.

- 3.3.4. Further, 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 then the power companies have stated that the present case is under adjudication before Hon'ble APTEL in their various replies to the Commission and requested the Commission to withhold their decision on the matter. 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.
- 3.3.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that in the past years, there has been decrease in the consumption due to high rates of electricity and in such situation in order to provide relief to the consumers the Commission may reconsider the Tariff order and provide 7% regulatory benefit as like Noida Power Company (10% discount) or else the consumer tariff must be reduced by 42% for 1 year. Further in case of Noida Power Company 10% tariff reduction for 3 years should be considered.
- 3.3.6. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, further submitted that the power companies requested for increase in tariff rate by 18% to 23% but there is surplus of about Rs. 25,133 Crore on the power companies. An important fact has to be brought to the notice of Commission that in Uttar Pradesh per capita energy consumption as per Net State Domestic Product (NSDP) is very low and the per capita Income is also very low. Therefore, the Commission should increase the per capita energy consumption by reducing the electricity tariff.
- 3.3.7. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that the Power Corporation has submitted a reply on April 24, 2023, against the issue raised by the Upbhokta Parishad regarding the surplus amount of Rs. 25,133 Crore. It is further submitted that the Licensees have not submitted any factual response and had again submitted the same response which have been already rejected by the Commission.
- 3.3.8. It is submitted that the Licensees are in the view that by filing the Petition in the Hon'ble APTEL, they can stop the proceeding of reducing the Tariff. However, by merely filing the Petition the proceeding of the Tariff reduction can't be stopped. Further, if the UDAY subsidy had not been provided by the Government then it the matter between the Licensees and the Government. The Licensees have submitted the same reply as submitted in previous Tariff



proceedings and are trying to misleading the Commission. Moreover, the reply submitted by the Licensees is not factual and has cleared the way to reduce the Tariff of the State consumers by 7% for next 5 years. Therefore, the Commission is requested to reduce the Tariff of the State consumers.

3.3.9. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that there has been a significant increase in Tariff rates proposed by the Licensees:

Consumer Category	Average Billing Rate (Rs./Unit)		% Hike in Tariff
	Existing	Proposed	
LMV-1: Domestic Light, Fan & Power	5.60	6.64	18.59%
LMV-2: Non-Domestic Light, Fan & Power	9.81	10.94	11.55%
LMV-3: Public Lamps	10.33	11.99	16.07%
LMV-4: Light, fan & Power for Institutions	10.51	12.36	17.62%
LMV-5: Private Tube Wells/ Pumping Sets	1.79	1.97	9.97%
LMV-6: Small and Medium Power upto 100 HP (75 Kw)	8.90	10.25	15.22%
LMV-7: Public Water Works	9.13	10.54	15.48%
LMV-9: Temporary Supply	10.35	12.31	18.90%
LMV-11: Electrical Vehicles	7.46	7.51	0.71%
LMV-1: Non-Industrial Bulk Loads	9.80	11.15	13.76%
HV-2: Large and Heavy Power above 100 BHP (75 kW)	7.92	9.21	16.25%
HV-3: Railway Traction	8.53	10.06	17.85%
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	9.35	10.88	16.26%
<b>Grand Total</b>	<b>6.09</b>	<b>7.05</b>	<b>15.85%</b>

3.3.10. From the above table it can be seen that there is major increase in tariff proposed for Domestic consumers which is unacceptable. It is to be noted that the Licensees have not been able to recover the revenue at the approved tariff, if we look at the current assessment of January 2023 for Purvanchal Vidyut Vitran Nigam against Rs. 939 Crore the recovery has been done at Rs. 568 Crore, therefore, the amount of Rs. 371 Crore remains unrecovered. If we look at the assessment of February 2022, against Rs. 911 Crore only Rs. 608 Crore has been recovered and the amount of Rs. 303 Crore is unrecovered. In such situation there is no meaning to increase the tariff rates as it will only burden those ideal consumers who are paying the electricity bills. This is



similar for all the Licensees as all of them are not being able to recover the revenue.

- 3.3.11. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, further submitted that the States having coal mines have cheaper electricity relatively and also government provides royalties at large scale which improves the economic condition of the State, thus by promoting storage of Domestic coal, the economic conditions can be improved and also cheap power will be available for that State. Time has come that Union Ministry of Energy should think in this direction that imported coal purchase must be reduced and ban should be imposed on the purchase of imported coal. Moreover, every year 650 Million Ton is extracted from the domestic mines and price of this coal is around Rs. 2,600-3,000 per Ton, whereas, the imported coal is around Rs. 20,000 per Ton. The storage of domestic coal will be of dual benefit i.e. cheaper power and royalty. this will improve the economic condition of the state. Therefore, it is high time that imported coal should be completely banned. The comparison of Uttar Pradesh with Other State regarding royalties is as follows:

राज्य नाम	प्रति व्यक्ति खपत, वर्ष 2019-20	प्रति व्यक्ति आय वर्ष 2021-22
चण्डीगढ	986	रुपया 349373
दिल्ली	1572	रुपया 389529
हरियाणा	2229	रुपया 264835
हिमाचल प्रदेश	1527	रुपया 201854
पंजाब	2171	रुपया 161888
राजस्थान	1317	रुपया 135962
उत्तर प्रदेश	629	रुपया 70792
उत्तराखण्ड	1528	रुपया 211657
गुजरात	2388	रुपया 250100
मध्य प्रदेश	1086	रुपया 121594
महाराष्ट्र	1418	रुपया 215233
छत्तीसगढ	2044	रुपया 120704
बिहार	332	रुपया 49470
टोटल भारत का	1208	

- 3.3.12. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, further submitted that fishery culture consumer has been provided with the



status of agricultural consumers. Therefore, their Tariff should be similar to LMV-5.

- 3.3.13. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidut Upbhokta Parishad submitted that Uttar Pradesh is in first position when it comes to tariff charged by the commercial consumers. The Commission is requested to reduce the tariff of the commercial consumers.

#### Non-Domestic (5KW, 500 Units per month)

(Figures in Rs/kWh)					
Tariff Applicable from	State	Energy Charges	Fixed Charges	Electrical Duty	Effective Rate
27-Jul-22	Uttar Pradesh	7.50	4.50	0.56	<b>12.56</b>
01-Oct-21	Delhi	8.50	2.50	0.43	<b>11.43</b>
01-Apr-22	Karnataka	9.30	1.25	0.56	<b>11.11</b>
01-Apr-22	Maharashtra	8.42	0.85	1.77	<b>11.04</b>
01-Apr-22	Telangana	9.82	0.70	0.06	<b>10.58</b>

- 3.3.14. Shri Avadhesh Kumar Verma further submitted that there are around 14 Lakh agricultural consumers in the State tariff is charged with 50% exemption. In the Budget session the GoUP announced that from April 01, 2023 the supply of electricity will be free of cost for the agricultural consumers. The Government should clarify its stand regarding the same as the Licensees have proposed to increase the tariff of agricultural consumers by 9.97%. The Licensees should provide the explanation as to why the order of the GoUP was not implemented and the Commission is requested to take the decision regarding the same.

- 3.3.15. Shri Mohan Singh Chahar, Bhartiya Kisan Sangh UP submitted that the proposal made by the Licensees to increase the electricity rates up to 23% is completely unconstitutional, the Bharatiya Kisan Sangh, an organization of the Rashtriya Roop Sevak Sangh, opposes it and demands that the tariff proposal be repealed. As surplus of Rs. 25,133 Crore is still there with the Licensees should not be applied. Therefore, by increasing the Tariff, the Power Companies are trying to extract money from common consumers and agricultural consumers. The commission is requested to reduce the Tariff by 35% or for 5 years there must be decreased in tariff by 7%, as it is done for NPCL (the tariff has been decrease at 10%). Hence, the Bhartiya Kisan Sangh suggests that the proposal of power companies to increase electricity rates should be rejected and 35% reduction in Tariff to be provided considering surplus of Rs. 25,133 Crores.



- 3.3.16. Shri Rajendra Goyal, Agra Mandal Vyapar Sangathan, submitted that the consumers of the State should know the reason of the electricity tariff hike as the power companies are entities of Government body, hence, the reason for tariff hike must be provided to the consumers, therefore, without proper justification of tariff hike the public hearing is just a formality being done.
- 3.3.17. Further, if tariff increase is to compensate the departmental deficit, then the department should justify why deficit as there only in Govt. distribution companies and why there is no deficit in torrent power, Agra. Why should the consumer bear with the poor management of Govt. department?
- 3.3.18. Sri Manoj Kumar Gupta, Goyal MG gases, Ghaziabad submitted that we are manufacturer of Medical Oxygen and need relaxation in proposed tariff to efficiently run our industries. Currently we are taking some power from Open access to manage the Industry efficiently. However, PVVNL has proposed to increase the tariff of the Industrial consumers which was already high. The Commission is requested to reject the proposal to increase the Tariff by the Licensees and provide relaxation in the open access charges of the HV 3 (132 kV) consumer category.
- 3.3.19. Shri D.C Sharma, Chairman, Federation of All India Vyapar Mandal, Agra, Uttar Pradesh submitted that, Under Section 135 of the Electricity (Amendment) Act, 2023, the central government will recover the amount due to electricity theft from the general consumers, which is a direct violation of the constitutionally fundamental rights of all honest consumers. The central and State government never compensates any loss from its own funds to make up for the deficit as various types of taxes/taxes/electricity rates are increased regarding the same. Due to high tariff, enterprises and business will be affected and new industries and business setting up will get discouraged. Apart from Uttar Pradesh, electricity is available at a cheaper rate in many States, therefore, the enterprises and business of Uttar Pradesh are being shifted to other States. Also, due to expensive electricity, the possibility of increasing electricity theft cannot be ruled out
- 3.3.20. Shri Neeraj Agrawal, General Secretary, Federation of Udyog Vyapar Association, Agra (UP) submitted that the proposal made by the Licensees to increase the electricity rates is not appropriate considering the rising inflation rate.
- 3.3.21. Shri Pradeep Kumar Singhal, Ramway Foods Limited, Aligarh submitted that the fixed charges should be in line with other States like Punjab, Haryana and Madhya Pradesh. The comparison of fixed charges given in the table below:



**Fixed Charges applicable**

Sanctioned load	Punjab	Madhya Pradesh	Uttar Pradesh
2 KW	Nil	Nil	330/—
3 KW	Nil	Nil	330/-
4 KW	Nil	Nil	390/—
4 KW	Nil	Nil	450/—
5 KW M	Nil	Nil	450/—
6 KW	Nil	Nil	450/—
7 KW to 10 kW	70/-	Nil	450/—
10 KW	70/-	153/—	450/—
10 KW to 20 KW	70/-	220/—	450/—
20 KW to 100 KVA	100/-	220/—	450/—
100 KVA and above	110/-	220/—	450/—

- 3.3.22. Shri Rajesh Goyal, President, National Chamber of Industries & Commerce, UP submitted that the tariff should be comparable with the State of Maharashtra and Gujrat States. Further, Agra being a tourist hub, in the Taj Trapezium Zone, we have to follow norms which are very stringent. The rate of electricity should be moderate and industry friendly, as the industries were closed in 1995 and restarted recently.
- 3.3.23. Shri N.P. Singh and Shri Sher Singh Bhati from District Development Residents Welfare Association, Noida (UP) submitted that the tariff hike is not acceptable as the tariff of neighbouring States are less as compared to the Uttar Pradesh. Also as the rates of coal have been decreased, the electricity tariff should also be reduced accordingly. Further, the fixed charges which are billed on rate of 65% should be reduced to 40%.
- 3.3.24. Shri Sunil Kandu, Lucknow stated that Madhyaal Vidyut Vitran Nigam Ltd. had written off an amount of Rs. 105 crores which is not disclosed before the Commission and balance sheet, while hiding these facts MVVNL has proposed of increase in Tariff. Futher, the License of the Licensee was renewed after examining its income and expenditure. Therefore, the renewable of the License done at the time is also illegal. The Commission is requested to cancel





the license of the guilty company due to non-compliance of rules and orders of Commission by using the statutory rights and statutory power obtained from Electricity Act, 2003. Furthermore, the Commission is requested to reject the Tariff proposal submitted by the Licensees and also cancel the License of the Licensee.

- 3.3.25. Shri Raj Pal Singh S/O Shri Deep Singh submitted that per capita income of State is around Rs. 72,792 and due to high tariff rates, per capita consumption is around 629 units, now if we accept the proposal of Tariff hike, the per capita electricity consumption will further decrease. Therefore, the Commission is requested to reject the Tariff proposal made by the Licensees.
- 3.3.26. Shri Akhil Singh Charak Colonel CWE Jhansi, submitted that India Army has established number of units at Uttar Pradesh including the headquarters Chief Engineer, Command Works Engineers and Garrison Engineer. These units are consuming Electricity from UPPCL, through Military Engineer Services (MES), a small Discom paying on an average approx. Rs. 1.81 Crore per month to UPPCL as Electricity tariff.
- 3.3.27. The present charges of UPPCL to MES are as follows:
- (a) Demand Charge: Rs. 99 per KVA
  - (b) Energy Charge: Rs. 6.30 per KW (Unit)
  - (c) Total Charges per month: On average MES is being about Rs. 0.07 Crores as demand charge and Rs. 1.74 Crores as energy charge, Totalling about Rs. 1.81 Crores per months.
- 3.3.28. It is submitted that MES is non-profit making entity and is managing all receiving stations, transformers, lines, metering and billing on its own. Over and above, these following new addition have been place in last two years that will be taking place in the next two months: -
- (a) The present connection 2.15MW Solar Power Plant Est Jhansi and Babina since 2017 and connected to the national grid.
  - (b) The present connection Five Nos 33 KV/11KV Sub Stn has been est at Jhansi, Babina and Talbehat.
- 3.3.29. Shri Akhil Singh Charak Colonel CWE Jhansi, submitted that Kerala State Electricity Board (KSEB) energy Charges of six of its DISCOMs, are lower than MES (Cochin Spl Eco Zone Rs. 5.60 per unit, Rubber Park Rs. 4.75 per unit, Techno Park Rs. 5.50 per unit, Kanan Uevan Hill Plantation Rs. 4.80 per unit, Info Park Rs. 5.65 per unit, Smart City Rs. 5.65 per unit). Therefore, the charges of MES, being a non-profit Discom should be lowest.



- 3.3.30. In view of the above, the Commission is requested to review and reduce the electricity tariff of MES.
- 3.3.31. Shri Deepak Kandpal Lt. Colonel CWE Lucknow, submitted that the office requested the Commission for creation of special slab for defence forces vide this office letter. It is also informed that based on CDS DO letter dated September 19, 2021, Ministry of Power has approved to forum of regulator (FOR) for granting group housing society (CGS) slab / special slab for armed forces. The FOR has decided that appropriate decision has to be taken by respective SERCs in tariff slab. The Commission is requested to please intimate present status of the case for ensuring optimal utilization of defence revenue budget and boost the morale of the serving soldiers.
- 3.3.32. Shri Allok Kakar, Major General, submitted that MES is not profit making Discom and are managing all receiving stations, transformers, lines, metering and billing. All the work related to repair and maintenance is done by the MES.
- 3.3.33. In view of the above, the Commission is requested to reduce the tariff for the defence area. The Defence Ministry vide letter dated February 15, 2021 has also proposed a special tariff for the defence area, in which it was proposed that the tariff should be either equal to domestic consumers or electricity may be supplied at bulk tariff lower than that of domestic consumers. Therefore, the Commission is requested to make a special slab of tariff with lower rate for the Army.
- 3.3.34. Shri Suresh Singh, Chief Administrative Officer, Air Force Station, Agra stated that Ministry of Defence has taken up the issue of higher electricity tariff slabs to Armed Forces by some of the State Governments. The need for creation of a separate electricity tariff for Armed Forces has been projected since we are a large consumer of power as a bulk user and the power is not being used for any industrial activity. Therefore, the tariff slab should be lower than that applicable to domestic consumers.
- 3.3.35. Further, Kerala Electricity Regulatory Commission has given a positive response in this regard by reducing Demand Charge and Energy Charge thereby contributing in optimum utilization of Defence Revenue Budget and boosting the morale of the troops. In view of the above, it is requested to kindly look into the matter and issue suitable directions so that a special slab lower than that applicable for domestic consumers is created for the Armed Forces.



- 3.3.36. Major General ZIS Yazdani, Head Quarters Central Command, submitted that the Indian Army is a major consumer of electricity and electricity in the Army is mainly used for administrative and domestic purposes. Most of the electricity is spent for soldiers living in barracks, administrative and training work and some electricity is also spent by soldier's family. Therefore, the tariff rates should be kept lower for the armed forces. Further, for Main Receiving Station (MRS) operation and maintenance (which includes L.T cables, Distribution transformer, metering and billing, etc.) is done by Military Engineer Service (MES) and for the cantonment area the work of repair and maintenance is also performed by Military Engineer Service (MES) so that the employees of the power department is available for other works hence the tariff should be reduced for the Armed forces.
- 3.3.37. Initiative by Ministry of Defence & Direction by Hon'ble Defence Minister, Ministry of Defence Government of India vide letter No. A0062/Miscellaneous/Electric Tariff/E2W/TC dated February 15, 2021 to Secretary, Ministry of Power. A proposal has been made regarding special tariff for armed forces according to which emphasis has been laid on providing power to defence establishments at wholesale supply rates equal to or less than the domestic rates. In this regard, Hon'ble Defence Minister has also emphasized on fixing separate electricity tariff slab for Indian Army through DO letter (dated February 28, 2022) addressed to all Chief Ministers. Hence, it is proposed to make provision for special electricity tariff slab for Indian Army. A special slab with lower tariff rates would help in optimization of defence revenue thereby benefitting the military manifold.
- 3.3.38. Further Himachal Pradesh government has issued an order to implement domestic tariff on defence establishment. Kerala Electricity Regulatory Commission have given lower tariff to SNCCE (NW). it is requested that the tariff for defence establishment must be at similar to domestic connection or lower than that.
- 3.3.39. National Capital Region Transport Corporation (NCRTC) submitted that NCRTC is a Joint Venture company of Government of India (Share-50%) and participating State Governments of National Capital Territory of Delhi, Haryana, Rajasthan and Uttar Pradesh (Share-12.5% each), incorporated for designing, developing, implementing, financing, operating and maintaining Regional Rapid Transit System (RRTS) projects in the National Capital Region (NCR), which is one of the largest urban agglomerations in the world covering an area of approx. 58,000 Sq. Km with a population of around 46 Million. The



'Functional Plan on Transport for NCR-2032', prepared by National Capital Region Planning Board [constituted under the National Capital Region Planning Board Act, 1985 (2 of 1985)], in 2005, recommended eight Regional Rapid Transit System (RRTS) Corridors. NCRTC is committed to nation building and to make the said corridor operational by June, 2025 and the priority section is expected to be commissioned by June, 2023. RRTS is a high-speed (Maximum operational speed- 160 kmph), high capacity rail-based commuter transit system serving traffic nodes at 5 – 10 km.

- 3.3.40. With the aim to contain the expenditure of electricity, one of the major component of operational expenses of this project, UPPCL was requested on June 20, 2022:
- (a) to treat RRTS project of NCRTC as a separate category consumer whose tariff would be based on actual cost of supply excluding both subsidy and cross subsidy elements (i.e. at no profit and no loss basis),
  - (b) to consider the simultaneous maximum demand of all the Receiving Sub-Stations situated in the State of Uttar Pradesh as a combined demand of all the Receiving Sub-Stations put together.
- 3.3.41. NCRTC to be treated as a special category consumer whose tariff to be based on actual cost of supply excluding both subsidy and cross subsidy elements (i.e., at no profit and no loss basis). Electricity is the only source of energy for operation of RRTS Project, the cost of electricity is a major cost component in the operational stage of RRTS, which works out to approximately 30% to 35% of Operation & Maintenance ("O&M") cost excluding interest and depreciation etc. of RRTS and has thus a great bearing on the overall cost of operations. Therefore, reduced expenses on electricity as is the case for Indian Railways (IR) would go a long way in making RRTS, sustainable and affordable for the commuters. It is submitted that NCRTC will be a public oriented rail-based transport service and a non-profit sector. NCRTC does not handle commercial freight operations in addition to providing commuter service, as such there is no subsidy and cross subsidy from commercial freight operations to meet the operational costs. Further, as per the Detailed Project Report ("DPR") for Delhi-Ghaziabad Meerut Corridor (part of RRTS Project), one of the major recommendations contained in Section 1.24 (j), is to provide electricity tariff for the RRTS project by the State Government at no profit and no loss basis. RSS fall within the area of distribution of PVVNL having physical linear distance of about 20 KMS between RSSs and shall be receiving power from PVVNL.



- 3.3.42. The matter was taken up to UPPCL regarding Tariff category for NCRTC and UPPCL vide letter dated July 06, 2022 submitted that, "There is no separate Tariff category approved by the Commission for NCRTC. For railway traction, connection can be provided under Rate Schedule HV-3 (railways for traction)" and that "The Railway Traction consumer under HV 3 category' can avail provision of Tariff approved by the Commission for determination of demand"
- 3.3.43. Further, vide letter dated August 13, 2022, UPPCL was requested to confirm applicability of electricity tariff for NCRTC under category HV-3 (B) of Rate Schedule as also applicable to other Metros viz. DMRC & UPMRC till such time the tariff for NCRTC is determined as a separate category consumer by the Commission. However, UPPCL on September 09, 2022 reiterated that "The Hon'ble Commission in its Tariff Order for FY 2022-23 has not approved any separate tariff for NCRTC. The tariff category HV-3 (B) is applicable to only Metro Rail Corporation. Therefore, the connection can be provided under the rate schedule approved by the Commission for Railways Traction HV-3(A)." NCRTC vide letter dated September 27, 2022 again requested UPPCL applicability of electricity tariff for NCRTC under category HV-3 (B) of Rate Schedule. It is further submitted that during the meeting on November 23, 2022 which was chaired by Chief Secretary, UP on the issue related to determination of electricity tariff for RRTS projects, it has been directed that since RRTS projects are under the similar legal cover of metro system, hence its tariff should be considered under HV-3 (B) Rate Schedule of Metro Rail System. Therefore, NCRTC shall approach the Commission in this regard.
- 3.3.44. NCRTC further submitted that failure of Power supply from particular sub-station will lead to interruption in its feeding zone which will lead to stranding of thousands of travelling passengers on via-duct or tunnel. This situation is unsafe for travelling passengers. To tide-over such a situation, power shall be extended to the feeding zone from the nearby adjacent Receiving Sub-Station. In such cases, maximum demand of adjacent Receiving Sub-Station is likely to increase and exceed its sanctioned maximum demand. In such cases, it is prayed that PVVNL may be directed to consider the simultaneous maximum demand of all the RSS falling in the area of UP State without imposing any demand penalty. The increase in maximum demand at any supply point should not be treated as exceeding the sanctioned load until it exceeds the cumulative demand, and accordingly, the fixed charges should be recovered on normal basis and higher demand charges should not be levied.



3.3.45. NCRTC is in the service of public necessarily catering to the commuting passengers so as to provide reliable, faster, economical and eco-friendly transport services in Uttar Pradesh. Further, cost of electricity constitutes nearly 30% to 35% of the O&M cost excluding interest and depreciation etc. of NCRTC. Therefore, in terms of the tariff determination principles enshrined in Section 61 of the Electricity Act, it is submitted that NCRTC is entitled to be treated as a separate consumer category especially since it is not for a profit enterprise but shall function solely in the interest of commuters in the State and the public at large. Section 62(3) of the Electricity Act prescribes to what extent any differentiation can be done in the matter of determining tariff. The relevant extracts are: -

*“62. 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.”*

3.3.46. In view of the above, it is submitted that preference can be given to any consumer of electricity in determining tariff on the following grounds: -

(a) Consumers

- i) Load factor
- ii) Power factor
- iii) Voltage
- iv) Total consumption of electricity during any specified period or the time at which the supply is required;

(b) The geographical position of any area;

(c) Nature of supply; and

(d) Purpose for which the supply is required.

3.3.47. In view of the above, it is submitted that NCRTC’s request for considering NCRTC as a separate category consumer is in line with the treatment by various other SERCs for similarly placed projects.

3.3.48. Considering simultaneous maximum demand of all the Receiving Substations (RSS) falling in the State of Uttar Pradesh as a combined demand of all the Receiving Sub-Stations put together.





- 3.3.49. Since the priority section of Delhi-Ghaziabad-Meerut RRTS corridor project is to be commissioned in June 2023, NCRTC may be charged as per the tariff applicable for the consumers falling in the category of HV-3B, i.e., Metro Rail Corporation with no change in the tariff / rates fixed by the Commission in the tariff order passed in previous years till such time a separate consumer category as prayed for by NCRTC hereinabove, is created
- 3.3.50. 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".
- 3.3.51. Shri Atul Kumar Garg, UP Metro Rail Corporation Limited, submitted that The electricity tariff for Lucknow Metro (Rs. 7.3 per kWh presently) is one of the highest in India as compared to any other states like Rs. 5.00 per kWh in Gujarat, Rs. 4.95 per kWh in Telangana, Rs. 5.10 per kWh in Kerala and Rs. 6.60 per kWh in Karnataka etc. The average landed cost of Electricity for Lucknow Metro is Rs. 8.64 per kWh considering fixed charges & duties. Thus Electricity tariff for Lucknow Metro is about 60% higher than average of the above referred metros and the Government initiative to provide economic transport is getting affected. The infrastructure for getting the supply at HV level and the distribution within metro station, is developed by Lucknow Metro itself. 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.
- 3.3.52. Shri Atul Kumar Garg, UP Metro Rail Corporation Limited, submitted that the as per the para 12.7 of MOU signed between Government of India, Government of UP and Lucknow Metro clearly mandate that "Electric power will be made available to Metro Rail Projects at reasonable rate as decided by Electricity Regulatory Authority of the State or the GoUP." Considering unit cost of generation Rs. 4.27 per unit in 2020-21 which was approved by the commission and unit cost of transmission of Rs. 0.25, the landed tariff with no loss no profit comes out to be Rs. 4.52. Therefore, it is proposed that the unit



rate for tariff for Lucknow Metro shall be fixed at about Rs. 4.70 per unit considering a profit with 4% of ACoS so that tariff become is at par with the other metros. Thus in larger public interest, the commission is requested to reduce the exorbitantly high current tariff for energy charges of Metro Rail (category HV3B) so that such projects are made financially viable and operationally self-sufficient.

- 3.3.53. Shri Sushil Kumar UP Metro Rail Corporation Limited, submitted that for the purpose of ensuring uninterrupted power supply for metro rail operation and its maintenance, UPMRC has directly connected sub-station to Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) at 132 KV. All infrastructure required for downstream sub transmission/distribution is installed and maintained by UPMRC at its own cost. Billing of electricity consumed by UPMRC is also generally done at UPPTCL sub-stations only, except in cases where metering by UPPTCL is not possible. UPMRC is the consumer of the concerned DISCOM only for billing purposes. Based on the above, it was decided by the UP Government that power supply to UPMRC would be done on no profit-no loss basis without subsidy / cross subsidy. In this regard, the approved DPR and signed MoUs of Lucknow, Kanpur and Agra metro rail projects may be referred.
- 3.3.54. Therefore, it is proposed that for Lucknow Metro, Kanpur Metro and Agra Metro rail projects the Commission is requested to determine the electricity tariff in the financial year 2022-23 and subsequent years as per the clauses of the MoU. It is submitted that due to receiving electricity at 220 kV or 132 kV sub-station and using its own distribution network, the electricity rate is determined every year through ARR. This should be done on the basis of Bulk Electricity Supply Tariff (BST) and not Average Cost of Supply (ACOS). It is necessary to mention here that the ARR. submitted by UPPTCL for the FY 2022-23 the BST of Rs 5.40 / kWh is shown at the 132-220 kV sub-station, based on this the electricity rate should be fixed for UPMRC as well.
- 3.3.55. Delhi Metro Rail Corporation (DMRC) Limited, submitted that DMRC Tariff should be determined on the power purchase cost of PVVNL and Tariff of DMRC for FY 2023-24 should be reduced. Furthermore, exempt 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 taking into account of the public utility service provider. Therefore, the Commission is requested to issue necessary directives to M/s PVVNL to allow the DMRC to convert its previously submitted Cash Security



deposits of Rs. 5 Crores for Botanical Garden Substation, Rs. 3 Crores for Noida Sector-62 Substation and Rs. 3.75 Crore for Arthala Substation in the form of Bank Guarantee.

- 3.3.56. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that the below schedule applies to all consumers using electric energy for Light, Fan and Power loads for Non-Domestic purposes and for all companies registered under the Companies Act, 1956 with loads less than 75 kW. Mostly these are MSME establishment. The tariff for this segment have been increased abnormally.

Sl.no	Tariff	Fixed charges (Rs.)			Energy Charges (Rs.)		
		2022-23	2023-24	% increase	20-22-23	2023-24	% increase
1	<b>LMV-2 (a) (Rural metered</b>	110.00	115.00	<b>4.55</b>	5.50	6.50	<b>18.18</b>
2	<b>LMV-2 (b) Load upto 4 kW</b>						
	Upto 300 kwh/month	330.00	350.00	<b>6.06</b>	750.00	850.00	<b>13.33</b>
	Above 300 Kwh/month	330.00	350.00	<b>6.06</b>	840.00	940.00	<b>11.90</b>
	<b>Load above 4 KWH</b>						
	Upto 1000 kwh/month	450.00	470.00	<b>4.44</b>	750.00	850.00	<b>13.33</b>
	Above 1000 Kwh/month	450.00	470.00	<b>4.44</b>	875.00	975.00	<b>11.42</b>

- 3.3.57. It is submitted that LMV-2 (a) represents the rural supply. The exorbitant increase in tariff by 18.18% is abnormally high and there is no proper logic behind the same. The LMV-2 (b) represents urban supply, the fixed charge is charged for the contracted load which is independent of energy consumption. There is no basis to enhance the fixed charges for different slabs. A consumer with 75kW load connection will reach to 300kWh in four hours and 1000 kWh in 15 hours. Therefore, there should not be different slabs for different load labels. Moreover, such exorbitant increase in fixed charges may be rejected by the Commission. Furthermore, the energy charges should not be increased. The increase in energy charges coupled with enhanced fixed charges will make the business structure in MSME sector non-viable.

- 3.3.58. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that the below schedule applies to all



consumers using electric energy for Light, Fan and Power for non-Government hospitals, nursing homes / dispensaries / clinics, private research institutes, and schools/colleges/educational Institutes & charitable institutions/trusts. The tariff for this segment has been increased abnormally.

Sl.no	Tariff	Fixed charges (Rs.)			Energy Charges (Rs.)		
		2022-23	2023-24	% increase	2022-23	2023-24	% increase
1	LMV-4 (b)	330.00	380.00	15.15	9.00	10.85	18.33

- 3.3.59. Such exorbitant increase in fixed charges and energy charges should be rejected by the Commission. The increase in energy charges coupled with fixed charges will make the business structure in nursing home, private research institution and educational and charitable trust non-viable.
- 3.3.60. At present most of the businesses are governed through regulatory authorities. Therefore, there should not be any parity in the electricity tariff between Govt. supplies and private institutions.
- 3.3.61. Shri Omdutt Chauhan, Bhartiya Kisan Union Lokshakti, Noida, and Ranjeet Singh Chauhan S/o Rajendra Singh Chauhan, Noida submitted that the Commission has changed the tariff for LMV-5 rural and urban schedule in the Rate Schedule for FY 2022-23. Moreover, the tariff decided for rural and urban schedule are different i.e. for rural schedule fixed charge after subsidy is Rs. 70 per BHP and energy charge after subsidy is Rs. 2.00 per unit and for urban schedule fixed charge is Rs. 130 per BHP and energy charge after subsidy is Rs. 6.00 per unit. However, it is submitted that the variation in tariff for rural and urban area is without any basis as both area requires same amount of water and the Government provide the same rate for the yield produced. Therefore, variation in tariff based on rural area and urban area is not justified. The Commission is requested that the tariff for both urban and rural area under LMV-5 categories should be same and benefit of 100% free electricity as announced by State Government is to be provided to the LMV-5 consumers.

#### **Rural**

Fixed charge of Rs. 620 per BHP per month (including subsidy).

Fixed charge Subsidy Rs. 550 / BHP per month

Fixed charge = (Rs. 650 fixed charge -550 subsidy = Rs. 70 per BHP/month the actual Tariff

Energy charge is 6.50 Rs./unit (including subsidy)



Energy charge subsidy Rs. 4.50 /unit

Energy Charge = (Rs. 6.50-4.50 subsidy= Rs. 2.00/unit actual tariff)

### Urban

Fixed charge of Rs. 130 per BHP per month (including subsidy).

No subsidy on fixed charge

Fixed charge =130 per BHP/month the actual Tariff

Energy charge is 6.50 Rs. /unit (including subsidy)

Energy charge subsidy Rs 0.50 /unit

Energy Charge = (Rs. 6.50-0.50 subsidy= Rs. 6.00 /unit actual tariff)

- 3.3.62. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that the below schedule applies to all consumers of electrical energy having a contracted load up to 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. The status is under:

Sl.no	Tariff	Fixed charges			Energy Charges		
		2022-23	2023-24	% increase	2022-23	2023-24	% increase
	LMV 6						
	For upto 20 kW	290.00	310.00	6.90	7.30	8.55	7.12
	Above 20 kW	290.00	310.00	6.90	7.30	8.55	7.12

- 3.3.63. This schedule applies to consumer using energy having a contracted load up to 75 kW, the increase in energy charges coupled with enhanced fixed charges will make the business structure of industrial establishment non-viable
- 3.3.64. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that Commission had regularly directed the Licensees to install meter to all consumers including Departmental Employees and Pensioners who are covered under LMV-10 category of Consumers. There is persistent defiance by the Licensees in its compliance. As per the current compliance status, the Licensee has confirmed that 100% meters will be installed in the residential premises of departmental employees and pensioners by 31 March 2023. The Commission is requested to ensure 100% metering of LMV-10 consumers.



- 3.3.65. Shri D.C. Sharma, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh submitted that provision has been made under LMV-11 category for battery charging of electric vehicles whose unit rate is higher in Uttar Pradesh as compared to Delhi, Gujrat and Maharashtra. Accordingly, Uttar Pradesh should also revise the electricity rate for LMV-11 category.
- 3.3.66. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that structure of HV-1 (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 and HV-1 (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 is given below:

Sl. no	Tariff	Fixed charges (Rs.)			Energy Charges (Rs.)		
		2022-23	2023-24	% increase	2022-23	2023-24	% increase
	HV-1 (a) at 11 kV	430.00	450.00	4.65	8.32	9.57	15.02
	Hv-1 (a) at above 11 kV	400.00	425.00	6.25	8.12	9.37	15.39
	HV-1 (b) at 11 KV	380.00	400.00	5.26	7.70	8.95	16.23
	Hv-1 (b) at above 11 kV	360.00	385.00	6.94	7.70	8.75	16.66

- 3.3.67. This schedule applies to consumer using electricity having a contracted load of more than 75 kW. The recovery of electricity charges is 100% for this segment. The Commission may consider to provide some incentive in best interest of the consumers and the energy charges should also be decreased.
- 3.3.68. Shri Virendra Nath Gupta, Secretary General, Associated Chambers of Commerce & Industry of UP, submitted that Large and heavy power industries with contracted load 75 kW & above and getting supply at Single Point on 11 kV & above.

Sl. no	Tariff	Fixed charges			Energy Charges		
		2022-23	2023-24	% increase	2022-23	2023-24	% increase
1	Urban Schedule: Supply at 11 kV	300.00	330.00	10.00	710.00	830.00	16.90
2	Supply above 11 kV upto 66 kV	290.00	315.00	8.62	680.00	800.00	17.64





Sl. no	Tariff	Fixed charges			Energy Charges		
		2022-23	2023-24	% increase	2022-23	2023-24	% increase
3	Supply above 66 kV upto 132 kv	270.00	295.00	9.25	640.00	760.00	18.75
4	Supply above 132 kV	270.00	295.00	9.25	6.10	7.30	19.67

3.3.69. This schedule applies to consumer using of electrical energy having a contracted load more than 75 kW. The recovery of power charges is 100% in this segment. Some incentive should be given rather than upward revision in energy charges. The increase in Energy charges may be rejected by Commission.

3.3.70. Shri Pradeep Luthara, submitted that the Licensees to provide the justification of the Tariff Proposal submitted by the Licensees.

#### Licensees response

3.3.71. With regards to surplus of Rs. 25,133 Crore it is submitted that issue referred in-the letter relates to consequential impact of adjustment of UDAY grant with the Regulatory Asset in the Tariff Order FY 2019-20. This methodology of adjustment of UDAY grant with Regulatory Asset has been challenged in the Hon'ble APTEL. Moreover, this issue has already been clarified vide this office letter No- 499/RAU/ARR FY2023-24 dated 06.10.2022 wherein it has also been submitted that GoUP vide letter no- 445/24-1-21/73I(Budget)/2020 dated 05.03.2021 has-adjusted the takeover of loans under UDAY with electricity dues and subsidy (additional) payable by GoUP. This fact has already been brought to the knowledge of the Commission during proceeding of ARR FY 2022-23 and had been requested to revise regulatory Assets (post issue of GoUP letter) based on same methodology as prescribed by the Commission.

3.3.72. Further again to clarify the issue of adjustment of UDAY grant with the Regulatory Asset by the Commission following is submitted:

3.3.73. In order to improve the operational and financial efficiency of the Licensees, the Government of India, Government of Uttar Pradesh and UP Power Corporation Limited on behalf of State Discoms entered into a Tripartite MoU (UDAY MoU) dated January 30, 2016, thereby enabling the financial turn-around of the DISCOMs.

3.3.74. Under this scheme, the Government of Uttar Pradesh was required to take over 75% of the outstanding debt of the UP DISCOMs as on 30.09.2015 by the end of FY 2016-17.



- 3.3.75. According to the MoU, total loans as on 30.09.2015 i.e. Rs. 39,133.76 Crore was taken over by the State Govt of UP in two tranches of Rs. 24,332.48 Core and Rs. 14,801.28 Crore and the fund to Discoms were infused in the form of equity and grant as per the breakup presented here. However, the loan adjustment has happened on the basis of actual cash flow whereas the amount mentioned in the MoU was different.

Particulars	Amount (Rs. Crore)
Loan amount to be taken over by GoUP as per UDAY Agreement	39,133.76
<b>Equity Contribution from State Govt.</b>	<b>9,783.44</b>
<b>Grant provided by State Govt.</b>	<b>29,350.32</b>

- 3.3.76. The Commission in its Tariff Order FY2019-20 dated 03.09.2019 adjusted the above amount against the regulatory assets approved by this Commission in the previous tariff orders and according determined a revenue surplus of Rs. 13,337.17 Crore till FY 2017-18.
- 3.3.77. Further, in the above Tariff Order, the Commission also quoted that additional subsidy approved by UPERC in the previous Tariff Orders has not been received by the licensee from GoUP.
- 3.3.78. The following tables provide the summary of adjustments and Regulatory Surplus made by the Commission in Regulatory Asset against the Loans taken over by UP Govt. (Tariff Order dated 03.09.2019):

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)
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)



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Description	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
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)
<b>Total Net Regulatory Assets/(Surplus) till Trued Up FY 2017-18</b>	<b>(4,104.45)</b>	<b>1,165.69</b>	<b>(9,675.84)</b>	<b>2,060.32</b>	<b>(2,782.88)</b>	<b>(13,337.17)</b>

3.3.79. It is further submitted that subsequently GoUP vide letter dated March 05, 2021, adjusted the grant paid under the UDAY scheme 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. Further, GoUP has also committed to pay Rs. 14,661.54 Crore. to UP Discoms in next 10 years starting from FY 2021-22, against the total un-adjusted additional subsidy determined by UPERC up to FY 2018-19.

3.3.80. As, stated above, GoUP vide letter dated 05.03.2021, adjusted the grant paid under the UDAY against the additional subsidy payable by GoUP and electricity dues of some state Govt Dept. Therefore, same cannot be adjusted against the Regulatory Assets approved by UPERC. Thus Regulatory Asset computations in UPERC Tariff Order dated September 03, 2019 have to be revised accordingly as detailed below:

Description	Consolidated
True Up of 2000-01 to 2007-08 and its Regulatory Assets / (Surplus) as on 31.03.16	3,190.38
True Up of 2008-09 to 2011-12 and its Regulatory Assets / (Surplus) as on 31.03.16	16,359.99
True Up of 2012-13 and its Regulatory Assets / (Surplus) as on 31.03.16	9,097.63
True Up of 2013-14 and its Regulatory Assets / (Surplus) as on 31.03.16	6,452.82
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1,394.36)
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	(2,379.84)
<b>Total Regulatory Assets till Trued-UP FY 2015-16</b>	<b>31,326.62</b>
<b>50% of DISCOM debt taken over as per UDAY</b>	<b>0.00</b>
<b>Net RA / (Surplus) Left after UDAY</b>	<b>31,382.08</b>
Carrying Cost @ 12.50% for FY 2016-17	3,915.85
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	(3,860.36)
<b>Total Regulatory Assets Trued-Up till FY 2016-17</b>	<b>31,382.08</b>
<b>25% of Discom Debt Takenover as per UDAY</b>	<b>0.00</b>
<b>Net RA / (Surplus) Left after UDAY</b>	<b>31,382.08</b>



Description	Consolidated
Carrying Cost @ 13.75% for FY 2017-18	4,315.04
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)
<b>Total Net RA / (Surplus) till trued up for FY 2017-18</b>	<b>34,637.22</b>
Carrying cost @ 14.05% for FY 2018-19	4,866.53
Net Revenue gap / (surplus) after True up of FY 2018-19	62.65
Carrying cost @ 14.05% for FY 2018-19	4.40
<b>Total Net RA / (Surplus) trued up till FY 2018-19</b>	<b>39,570.76</b>
Carrying cost @ 13.80% for FY 2019-20	5,460.76
<b>Total Net RA / (Surplus) trued up till FY 2019-20</b>	<b>45,031.55</b>
Carrying cost @ 10.65% for FY 2020-21	4,795.86
<b>Total Net RA / (Surplus) trued up till FY 2020-21</b>	<b>49,827.41</b>
Carrying cost @ 9.50% for FY 2021-22	4,733.60
<b>Total Net RA / (Surplus) trued up till FY 2021-22</b>	<b>54,561.01</b>

3.3.81. Further, it is submitted that net regulatory assets as computed above is till FY 2021-22. It is clear from the above table, surplus as stated by Upbhokta Parishad no more exists. Further provided it is submitted that the Commission in Tariff Order for FY 2022-23 dated July 20, 2022 at Clause 7.10.1 has provided under in that this matter:

*“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.”*

3.3.82. With regards to Tariff Proposal it is submitted that the tariff proposal is submitted as per the MYT Regulations 2019 to accumulate estimated revenue gap at current tariff. Further, Subsidy is the policy matter of State Government; the Government provides subsidy to the specific class of consumers as per Section 65 of Electricity Act 2003

3.3.83. With regards to Tariff for Fisheries it is submitted that the Licensee has not proposed any change in current structure of applicability of LMV-5 category.

3.3.84. With regards to regulatory surcharge it is submitted that it is related to the Tariff Order for FY 2022-23, therefore, the same cannot be addressed under this Petition. Further stakeholder has raised issue of regulatory assets.

3.3.85. With regards to per capita consumption it is submitted that the stakeholder has compared per capita income and consumption of various States and



mentioned that no tariff should be increase as the per capita income is low in Uttar Pradesh. In this regard it is submitted that per capita consumption and income of the State of Bihar is lower w.r.t. UP. However, the State Commission of Bihar has increased the tariff of Bihar for FY 2023-24 by approximately 20% considering the requirement of State Discoms. Moreover, it is important to note that the tariff for low economic strata of consumer is already cross subsidized by other category and subsidized by the State Government.

3.3.86. With regards to imported coal it is submitted that the matter of imported coal is not applicable in the jurisdiction of Uttar Pradesh. However, the concerned raised by the stakeholder has been referred to the concerned wing for verification and necessary action

3.3.87. With regards to creation of separate Tariff Slabs for defence forces, it is submitted that in UPERC Tariff Order for FY 2022-23, already a sub-category Military Engineer Service (MES) for Defence Establishments (Mixed load without any load restriction)' is available in Domestic Light, Fan & Power. This category is classified under supply at Single Point for bulk loads (50 kW and above, Supplied at any Voltage). Further, most of the Defence Establishments have Sports Club / Health Club / Gymnasium/Swimming Pool, Educational institutions, Hospital, Gymnasium, Swimming Pool etc. situated in the same premises. It is further submitted that already a separate sub-category for Defence Establishments is available under LMV-1, further sub-category is not desirable. Moreover, it is hereby submitted that as per section 62(3) of Electricity Act 2003, the State Regulatory Commissions while determining the tariff 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. The relevant section is reproduced as under:

*"62 (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."*

3.3.88. With regards to modification of electricity tariff for Armed forces, the Licensees submitted that as per UPERC Tariff Order for FY 2022-23, Military Engineer Service (MES) for Defence Establishments (Mixed load without any



load restriction) is classified undersupply at Single Point for bulk loads (50 kW and above, Supplied at any Voltage). It can be perceived that the Hon'ble Commission has already granted facility to use the sanctioned load for the mixed nature of activities which is not granted to any other class of consumers.

3.3.89. Further, with regard to lower tariff applicable to MES for KSEB, it is submitted that the tariff is dependent on various factors as mentioned under section 63(3) of Electricity Act, therefore, comparison of applicable tariff of any State is not appropriate.

3.3.90. With regards to energy charges for army area, it is submitted that the estimated Average Cost of Supply for FY 2023-24 is Rs. 8.07 per unit. Therefore, providing any tariff less than Rs 8.07 per unit will impact on consumer tariff applicable to other category of consumers. Further, it is submitted that tariff is proposed for meeting the revenue gap between expenses incurred/to be incurred by the licensees and revenue from existing tariff. Expenses & Revenue are proposed in ARR as per UPERC (MYT Distribution & Transmission) Regulation 2019 and best estimate available with the licensees. Tariff hike, if required, is to meet the revenue gap. If tariff of one category is reduced as desired by the Stakeholder, then tariff of some other category has to be increased exorbitantly which is not warranted. It is also submitted that the Commission while approving the tariff is being guided by the provision of National Tariff Policy, Electricity Act 2003 and the Regulations framed by the Commission. Section 62(3) of Electricity Act empowers the Commission 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: -

*“62 (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.”*

3.3.91. With regards to free electricity to farmers it is submitted that supplying free electricity to any class of consumer is a policy decision of State Government.





Any relaxation in consumer tariff shall be compensated through subsidy to the Discoms as per the section 65 of the Electricity Act 2003

- 3.3.92. With regards to Rs. 105 Crore amount not disclosed by the Licensee, it is submitted that the complaint has been forwarded to the concerned department for verification and necessary action.
- 3.3.93. With regards to Tariff proposal it is submitted that the proposal for tariff increase is submitted before the Commission for consideration as per UPERC MYT Regulations 2019. It is requested to the Commission to kindly consider the submission made by the Discoms.
- 3.3.94. With regards to tariff hike proposed by Licensees it is submitted that as per the provisions set by the Commission, the Licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.3.95. With regards to decline in coal prices it is submitted that the tariff is not directly related with the coal price as per the UPERC MYT Regulations 2019. Determination of tariff is being done as per the provision of UPERC MYT Regulations 2019 under section 62 of Electricity Act 2003.
- 3.3.96. With regards to electricity tariff comparison with other State is submitted that every state has different tariff philosophy. The respective State Regulatory Commission approves the tariff based on its own philosophy considering revenue neutrality towards Discom. Therefore, comparing the tariff applicability of one State with another State is not appropriate. The Hon'ble Commission while approving the tariff under section 62 considers various facts 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, while determining the tariff.
- 3.3.97. With regards to regulatory assets it is submitted that the stakeholder's claim of Rs 25,133 Crore is not maintainable as the actual figure estimated by the Discoms and submitted to the Commission is Rs 54,561.01 Crore. This amount is due after the GoUP letter and should be recovered from the consumers of the State. Therefore, it is crucial to consider the accurate amount and take



necessary steps to recover it. The same issue was also raised by other stakeholders and detailed reply of the same is already been submitted. Further, the proposal of Tariff increase is submitted under the Regulatory provision set by the Hon'ble Commission in its MYT Regulations 2019.

- 3.3.98. With regard to the submission made by UP Metro and Rail corporation it is submitted that the stakeholder has proposed to reduce the tariff for Lucknow metro at BST rate for FY 2023-24. In this regards, it may 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: -

*“(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.”*

- 3.3.99. Further it is submitted that tariff is proposed for meeting the revenue gap between expenses incurred/to be incurred by the licensees and revenue from existing tariff. Expenses & Revenue are proposed in ARR as per UPERC (MYT Distribution & Transmission) Regulation 2019 and best estimate available with the licensees. Tariff hike, if required, is to meet the revenue gap. If tariff of one category is reduced as desired by the stakeholder, then tariff of some other category has to be increased exorbitantly which is not warranted.

- 3.3.100. With regards to reduction of electricity Tariff and Bulk Supply tariff for UP Metro Rail Corporation, 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.”*

3.3.101. Further, it is submitted that tariff is proposed for meeting the revenue gap between expenses incurred/to be incurred by the licensees and revenue from existing tariff. Expenses & Revenue are proposed in ARR as per UPERC (MYT Distribution & Transmission) Regulation 2019 and best estimate available with the licensees. Tariff hike, if required, is to meet the revenue gap. If tariff of one category is reduced as desired by the Stakeholder, then tariff of some other category has to be increased exorbitantly which is not warranted. In view of above, it is submitted that the Commission shall not allow undue benefit to be passed on to the consumers.

3.3.102. With regards to common tariff for all 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.”*

3.3.103. With regards to submission made by NCRT it is submitted that the Hon'ble Commission in its Tariff Order for FY 2022-23 has classified HV-3 (A) and HV-3 (B) tariff categories for railway traction and metro trains. It is further submitted that this approved classification of the Hon'ble Commission broadly covers all type of transport categories. Discom believes that the applicable tariff categories for rail transport is best suitable for all related transport activities. As far as the supply of power at average cost is concerned, 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.”*

- 3.3.104. It is submitted that the Commission in its Tariff Order for FY 2022-23 has defined the procedure for Determination of the Demand for Railways Traction consumers as under:

**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.*

- 3.3.105. UPPCL / associated Discoms are bound to follow the procedure set by the Commission. Further, it is submitted that the request of consumer to consider the simultaneous maximum demand of all the Receiving Sub- Stations falling in the area of the State seems irrational and may not be considered on following reasons
- 3.3.106. In case the Utility go for such arrangements, the consumer would become entitled for utilizing sanctioned load of multiple locations at a particular location, that implies, even if the consumer exceeds the sanction load at a particular location, the penalty on the consumer would not be applicable. It may be noted here that the Discoms plan for the infrastructure such as distribution transformers, power transformers, transmission and distribution lines, substations etc. keeping in view the demand of a particular area. The network of the Discoms may not be able to cater the complete demand of the consumer at a particular location.
- 3.3.107. Further, in the State of Uttar Pradesh there are 6 Distribution Licenses in the State of UP (5 Government owned and one Private). Each Distribution License is an independent Utility.
- 3.3.108. The Commission in its Tariff Order for FY 2022-23 has not approved any separate tariff for NCRTC. Further, the tariff category HV-3 B is applicable to only Metro Rail Corporation. Therefore, till the time the Hon'ble Commission recognizes as a separate category consumer to NCRTC, the connection can be provided under the rate schedule approved by the Commission for Railways Traction HV-3(A).



3.3.109. With regards to recovery of charges under Section 135, it is submitted that the Electricity Amendment Rule is the matter of central Government. Thus, Discom is not able to comment in this context.

3.3.110. Moreover, it is 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. The relevant section is 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.”*

3.3.111. With regards to submission made by DMRC it is submitted that power purchase cost of Discoms is based on DBST, resulting in different power purchase costs for each Discom. If the stakeholder's proposal is considered, then it would lead to different tariffs being applicable for the same category in different Discom areas.

3.3.112. Furthermore, it may 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: -

*“(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.”*

3.3.113. In view of above, it is submitted that the Commission shall 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.

- 3.3.114. With regards to higher tariff of LMV-2 category it is submitted that every state has different tariff philosophy. The respective State Regulatory Commission approves the tariff based on its own philosophy considering revenue neutrality towards Discom. Further every state has its different power procurement portfolio and consumer mix which affects its cost of service. Therefore, comparing the tariff applicability of one State with another State is not appropriate. The Commission while approving the tariff under section 62 considers various facts 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, while determining the tariff.
- 3.3.115. With regards to correlation of Tariff with other State it is submitted that every state has different tariff philosophy. The respective State Regulatory Commission approves the tariff based on its own philosophy considering revenue neutrality towards Discom. Therefore, comparing the tariff applicability of one State with another State is not appropriate. The Hon'ble Commission while approving the tariff under section 62 considers various facts 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, while determining the tariff.
- 3.3.116. With regards to exemption from fixed charges it is 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 the recovery of fixed charges through tariff. Additionally, the Licensee has the obligation to pay fixed charges to generating companies irrespective of the power being scheduled or not.
- 3.3.117. With regards to conversion of security deposit in the form of Bank Guarantee it is submitted that the security deposit is being collected by the Discoms as per the provisions of UP Electricity Supply code and its amendment set by the Commission.





- 3.3.118. With regards to minimum fixed charges it is submitted that the Discoms incur fixed costs for power purchase, regardless of whether or not the power is scheduled from the generating plant. As a result, it is not feasible to consider the stakeholder's request to reduce fixed charges by 50% in cases where the factory is closed.
- 3.3.119. With regards to similar LMV-5 tariff for rural and urban categories it is submitted that the applicability of tariff for Rural and Urban category of consumer for LMV-5 tariff category is different as per the tariff philosophy adopted by the Commission. It is important to note that the Hon'ble 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. The relevant section is 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.”*
- 3.3.120. With regards to higher tariff of LMV-11 category it is submitted that per the applicable tariff for LMV-11 category, there is no fixed charge approved by the Commission. Further, Discom in its tariff proposal has also not proposed any increase in LMV-11 tariff category.
- 3.3.121. With regards to fixed charges as per Haryana, MP and Punjab, it is submitted that every state has different tariff philosophy. The respective State Regulatory Commission approves the tariff based on its own philosophy considering revenue neutrality towards Discom. Therefore, comparing the tariff applicability of one State with another State is not appropriate. The Hon'ble Commission while approving the tariff under section 62 considers various facts 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, while determining the tariff.



- 3.3.122. With regards to interest on consumer security deposit submitted that the rate of interest on Security deposit is defined under the UP Electricity Supply code 2005 and its amendment from time to time. Discom provide interest to the consumers' security deposits as per the defined provision.
- 3.3.123. With regards to reason for proposal to increase Tariff it is submitted that as per the provisions set by the Commission, the licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.3.124. With regards to open access charges it is submitted that the Open Access charges proposed by the licensees are based on UPERC MYT Regulations 2019 and its amendment from time to time. It is worth mentioning here that the Commission in its MYT Regulations 49.2 has detailed the formulae and computation methodology for estimation of Open Access Charges (i.e. CSS). The Petitioner while estimating the CSS for FY 2023-24 has considered the methodology as per the Regulatory norm of UPERC.

#### **B. Commission's view**

- 3.3.125. 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.
- 3.3.126. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification. The Licensees are directed to submit the detailed report in next ARR / Tariff filings.



### 3.4. Tariff Proposal

#### A. Comments / Suggestions of the Public

- 3.4.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that the Licensees have proposed to increase tariff by 18% - 23% and already there is surplus of Rs. 25,133 Crore on the Licensees.
- 3.4.2. He further submitted that in Uttar Pradesh consumption per consumer is very low, whereas, the per capita income (NSDP - the same data was shown in Loksabha) is also very low (after Bihar). Therefore, increase in Tariff should not be considered at this stage and the Commission should reduce the tariff of the State consumers to increase the per capita consumption of the State. As increasing the tariff will lead to further decline in the per capita consumption.
- 3.4.3. In Uttar Pradesh per capita income in FY 2017-18 was Rs. 57,944, in FY 2018-19 it was Rs. 62,350 and in FY 2019-20 it was Rs. 61,374 and in FY 2021-22 it was Rs. 70,792, whereas consumption per consumer in FY 2017-18 was 628 units, in FY 2018-19 606 units and in FY 2019-20 it is 629 units.

राज्य नाम	प्रति व्यक्ति खपत, वर्ष 2019-20	प्रति व्यक्ति आय वर्ष 2021-22
चण्डीगढ़	986	रुपया 349373
दिल्ली	1572	रुपया 389529
हरियाणा	2229	रुपया 264835
हिमाचल प्रदेश	1527	रुपया 201854
पंजाब	2171	रुपया 161888
राजस्थान	1317	रुपया 135962
उत्तर प्रदेश	629	रुपया 70792
उत्तराखण्ड	1528	रुपया 211657
गुजरात	2388	रुपया 250100
मध्य प्रदेश	1086	रुपया 121594
महाराष्ट्र	1418	रुपया 215233
छत्तीसगढ़	2044	रुपया 120704
बिहार	332	रुपया 49470
टोटल भारत का	1208	

- 3.4.4. Shri Avadhesh Kumar Verma UP Rajya Vidyut Upbhokta Parishad submitted that the State Discoms have projected an Average Revenue Requirement of Rs. 92,547 Crore in which PuVVNL share is Rs. 21,506 Crore whereas MVVNL has a share of Rs. 19,163 Crore. Further, it is submitted that the Discoms have a surplus of Rs. 25,133 Crore and no law stipulates that the tariff needs to be increased if the Discoms are in surplus. Moreover, the surplus should be utilized to decrease the tariff of the State. Therefore, the Commission is



requested to start the proceedings to reduce the tariff of the State Discoms. UPPCL had filed an appeal in Hon'ble APTEL regarding the same where the proceedings are still going on. It is to be noted that the Power Corporation had filed the Petition so that the tariff of the State consumers can't be reduced till the time of the ruling of Hon'ble APTEL and the expenses of filing the case will also be passed on to the consumers. The Commission is requested to take action regarding the same so that the expenses of these cases may not be passed on to the consumers as it is against constitutional framework.

3.4.5. It is further submitted that by utilizing the surplus of the Discoms, the tariff can be reduced by next 5 years at a rate of 7%.

	वर्ष 2022-23	वर्ष 2023-24	वर्ष 2024-25	वर्ष 2025-26	वर्ष 2026-27
विद्युत दर	7 प्रतिशत कमी	7 प्रतिशत कमी	7 प्रतिशत कमी	7 प्रतिशत कमी	7 प्रतिशत कमी

Consumer Category/ Sub-Category	Average Billing Rate (Rs/Unit)		% Hike in Tariff
	Existing	Proposed	
<b>LMV-1: Domestic Light, Fan &amp; Power</b>	5.60	6.64	18.59%
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>	9.81	10.94	11.55%
<b>LMV-3: Public Lamps</b>	10.33	11.99	16.07%
<b>LMV-4: Light, fan &amp; Power for Institutions</b>	10.51	12.36	17.62%
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>	1.79	1.97	9.97%
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW)</b>	8.90	10.25	15.22%
<b>LMV-7: Public Water Works</b>	9.13	10.54	15.48%
<b>LMV-9: Temporary Supply</b>	10.35	12.31	18.90%
<b>LMV-11: Electrical Vehicles</b>	7.46	7.51	0.71%
<b>HV-1: Non-Industrial Bulk Loads</b>	9.80	11.15	13.76%
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW)</b>	7.92	9.21	16.25%
<b>HV-3: Railway Traction</b>	8.53	10.06	17.85%
<b>HV-4: Lift Irrigation &amp; P. Canals above 100 BHP (75 kW)</b>	9.35	10.88	16.26%
<b>Grand Total</b>	6.09	7.05	15.85%

3.4.6. It is submitted that the Discoms have proposed to increase the tariff at the highest rate for the domestic consumer category. The Licensees have failed to collect the revenue at current applicable tariff, so there is no point in increasing the tariff of the consumers. For example, PuVVNL collection for January 2023 was Rs. 371 Crore against the assessment of Rs. 939 Crore. Therefore, PuVVNL failed to collect the revenue of Rs. 371 Crore. Moreover, in February, revenue of Rs. 608 Crore was collected against estimated revenue of Rs. 911 Crore, PuVVNL failed to collect Rs. 303 Crore. In view of the same,



there is no need to increase the tariff of the consumers as the Discoms have very low collection efficiency.

- 3.4.7. Shri Avadhesh Kumar Verma UP Rajya Vidyut Upbhokta Parishad submitted that the Licensees have proposed to increase the tariff by 15.85% and for domestic consumers they have proposed to increase 18.59%, even BPL consumers tariff have been proposed to increase by 17% tariff. The Commission is requested to disallow the proposal made by the Licensees.
- 3.4.8. Shri Vipin Kumar Malhan of Noida Entrepreneurs Association submitted that the Licensees proposal to increase the tariff of the State by 23% due to high distribution losses and overall losses in the FY 2023-24 is strongly opposed. He submitted that the Industries had been severely affected by the Lockdown due to Covid-19 pandemic and the tariff proposal made by the Licensees will have an opposite impact on the sustainability of the Industries which may result in the loss of employment. If the Tariff proposal by the Licensees is accepted than the Industries will be forced to move out from the State which will also affect the Hon'ble Chief Minister endeavour on the investment in the State.
- 3.4.9. He further submitted that the Licensees should focus more on their collection efficiency to meet their losses. The Commission is requested to direct the employees of the Licensees to increase their collection efficiency and also focus more on the reduction in electricity theft. If the Licensees increase their collection efficiency and reduce the electricity theft in their area, then the tariff can be reduced by 40 % in the State. The inefficiencies of the Licensees should not be passed on to the State consumers. Therefore, the Commission is requested to not accept the tariff proposal made by the Licensees so that the sustainability of the Industries within the State will not get adversely affected.
- 3.4.10. It is submitted that we are a housing society of 357 flats located in Ghaziabad (Delhi NCR). We have monthly consumption of approximately 10000 kWh units for running common essential services like lifts/water pumps etc. if tariff is hiked by 20% or so from existing Rs. 7.50/kWh to 0.95/kWh (20%) then it would be very difficult for urban population to survive in the time of high cost of living. If urban population cannot spare money to have food, for whom the farmers will produce with the help of cross subsidy in electricity bill. Further, 20% hike in power purchase cost is not justified in view of the following reason:





- (a) Power Purchase Cost (as per DICOMs notice) has just increased by 5 % to 9% only.
- (b) High Subsidy for electricity supply for irrigation purpose: Instead of giving them subsidy on rates a direct benefit may be transferred to them by Govt. Why should commercial agricultural producers get subsidies? There is misuse in the name of electricity connection for irrigation purposes? who checks electricity drawl in the name of such connections that are used for irrigation only.
- (c) Review of Non-Tariff Income is required as NTI has reduced by 77.62%
- (d) Actual/Projected Distribution Loss is higher than Approved Distribution Loss by 6% to 7%, DISCOM should be penalized for this, instead of passing burden to consumers.
- (e) Bad and doubtful debts have increased by 18.77%. The impact of Bad & Doubtful Debt is being counted in ARR, however, Bad & Doubtful debt should be a penalty on DISCOM, pre-paid meters should be installed in such a case who is chronic defaulter of electricity bills.
- (f) 16% ROE is given to DISCOMs and power sector, it may be reduced to 12%
- (g) Whether Prudence check of CAPEX is done or Auditor Certificate for the same is considered. If Auditor Certificates are relied upon then some percentage must be applied on values for Capex.

3.4.11. In view of the above, the Commission is requested the followings:

- (a) The cross subsidy may be stopped, as the Commission / Discoms cannot certify real-time usage of electricity by those who avail the cross subsidy or beneficiary of the cross subsidy.
- (b) If Govt. wants to make its image through electricity subsidy, then Govt. should use its own fund instead of penalizing/charging high from sincere prayers.
- (c) The Commission should not do injustice to urban population for making good image of Govt. with the help of Cross Subsidy to lower income groups and farmers.
- (d) The Commission is requested to do prudence check of Revenue expenses/Operating Expenses/Capital Expenses at its own. While doing the prudence check the Commission is requested to not use their permanent staff, the Commission is requested to make a committee wherein representatives of those consumers who do not get cross subsidy are also involved.
- (e) That Commission may pass such order, which not only balances the interest of beneficiaries and GENCO/TRANSCO/DISCOM but also balances the various categories of consumers i.e. farmers, domestic (low, middle





and high income group), Commercial etc. Such a tariff matrix may be determined which bifurcates electricity tariff on the basis of usage instead of category and plays a mile-stone and other SERC may follow the lead taken by the Commission.

- 3.4.12. Uttar Pradesh Congress Committee submitted that the Licensees have proposed to increase the tariff in all the consumer categories by 15.85%. Moreover, the following increase in the tariff of LMV-1 and LMV-5 consumer category has been proposed by the Licensees:

घरेलू और कृषि की वर्तमान व प्रस्तावित दरें*		
श्रेणी	वर्तमान मूल्य (प्रति यूनिट) रुपये में	प्रस्तावित मूल्य (प्रति यूनिट) रुपये में
<b>घरेलू ग्रामीण</b>		
बीपीएल	3.00	3.50
0-100 यूनिट	3.35	4.35
101-150 यूनिट	3.85	4.85
151-300 यूनिट	5.00	6.00
300 यूनिट से अधिक	5.50	7.00
<b>घरेलू शहरी</b>		
बीपीएल	3.00	3.50
0-100 यूनिट	5.50	6.50
101-150 यूनिट	5.50	6.50
151-300 यूनिट	6.00	7.00
300 यूनिट से अधिक	6.50	8.00
<b>कृषि</b>		
ग्रामीण (मीटर युक्त)	2.00	2.20
शहरी	6.00	6.20

\* सभी श्रेणियों में फिक्स्ड चार्ज बढ़ाने का प्रस्ताव भी है। इसे रु. 5/- से रु. 20/- तक रखा गया है। ग्रामीण (बिना मीटर) की श्रेणी में रु. 50/- तक की वृद्धि का प्रस्ताव है।

- 3.4.13. The Licensees have proposed highest increase of 18% to 23% in the LMV-1 consumer category, 16% in Industries, 12% in commercial category, 10% to 12% in Agricultural category and 17% in Lifeline consumer category for FY 2023-24. The Uttar Pradesh Congress Committee strongly opposes the tariff proposal submitted by the Licensees and request the Commission to look into the followings:

- (a) The Licensees have submitted an ARR of Rs. 92,547 Crore by considering 14.90% line losses which is higher than the line loss approved by the Commission in the business plan of UPPCL for FY 2022-23 based on the Uday (Ujwal Discom Assurance Yojna). The Licensees have considered line RDSS (Re-vamped Distribution Sector Scheme).



- (b) In terms of population and area wise Uttar Pradesh is one of the biggest State of India. To improve the viability of Power Sector within the State, line losses needs to be improved, therefore, the Govt. of Uttar Pradesh setup a target for implementation of smart meters within the State. However, there was many issued associated with the same regarding corruption in purchase of smart meters, higher cost, wrongful reading by the meters etc. It is submitted that the procurement of smart meter was being done at higher price than the market price, therefore, the Central Government had given the responsibility of procurement of smart meters to the Licensees. The Commission is requested to consider the above point regarding procurement of smart meter at higher cost. Moreover, the GoUP and the Commission has also cancelled the tender floated by MVVNL due to high cost of pre-paid smart meters. The Commission is also requested to cancel the tenders floated by DVVNL, PVVNL and PuVVNL for pre-paid meter procurement as there is a variation in the market price and tender price which is very high.
- 3.4.14. It is submitted that the Central Government is reiterating to procure imported coal in the State of Uttar Pradesh. The Commission is requested to look into the matter in a combined manner with the Tariff proposal submitted by the Licensees and the endeavour of a private group to procure NPCL.
- 3.4.15. The Uttar Pradesh Congress Committee submitted that “one of the prominent Industrialist of the world” hasn’t established any Industry primarily within the country however, has aggressively taken over the other private companies. The Commission is requested to look into this matter.
- 3.4.16. Uttar Pradesh Congress Committee submitted that in previous year the Commission after taking cognizance of the submission made by them had not allowed the Licensees to purchase the imported coal. Uttar Pradesh Congress Committee is again making the following submission regarding procurement of imported coal:
- 3.4.17. The Government of India is forcing the Generating Companies to procure 10% of their coal requirement from imported coal. This direction will be applicable till September. The Central Government in previous year had tried to do the same. It is submitted that the domestic coal is available in exorbitant amount, however the Government had tried to force the Generating Companies to procure the imported coal for 9 months.
- 3.4.18. India is in the 5th biggest producer of coal around the world and Coal India Ltd. is the biggest producer of coal in India, even then the Government had failed to provide coal in required amount to the companies.



- 3.4.19. As per data provided by Central Government, 393 Million Ton coal is the demand for the year and there is a deficit of 24 Million Ton. Therefore, the Government has proposed to meet the requirement from imported coal.
- 3.4.20. The Central Government has ignored the aspect of increasing the production of domestic coal, due to which electricity security in India is reducing continuously. In India, there is no shortage of domestic coal however the Central Government had procured a record amount imported coal in the previous year and wants to continue the same.
- 3.4.21. Uttar Pradesh Congress Committee submitted that currently there is a strain in India's Forex reserve, however the Government is trying to procure costly imported coal.
- 3.4.22. Uttar Pradesh Congress Committee, submitted that Uttar Pradesh is in 2nd last position with regard to per capita income (Source- <https://www.business-standard.com/> September 26, 2022). The proposal of the Licensees to increase the tariff will impact the livelihood of the State consumers.
- 3.4.23. Increase in Tariff will have negative impact on the investment prospect within the State. Further, the cost of production of goods will also increase. It is submitted that World Economic Forum has stated that globally, in next two years' electricity rates may increase which will economically and socially impact the consumers. The Commission is requested to consider all the above fact before taking decision regarding the tariff proposal submitted by the Licensees,
- 3.4.24. Uttar Pradesh Congress Committee, submitted that it has always oppose the draft Electricity (Amendment) Bill, 2021. However, there has been news that Adani Group may take over the NPCL which will be a violation of the power of the UP State Government. The Uttar Pradesh Congress Committee request the Commission to look into this matter and take rational decision regarding the same.
- 3.4.25. Uttar Pradesh Congress Committee, submitted that the Licensees are in surplus of Rs. 25,133 Crore which can be utilized to reduce the tariff by 7% for next 5 years. The Commission is requested to disallow the tariff proposal made by the Licensees and to pass on the benefit of the surplus amount of Rs. 25,133 Crore to the consumers to reduce the tariff rates in the State. Further, the Commission should request the State Government to oppose the Draft Electricity (Amendment Bill, 2021 and is requested to prevent the takeover of the NPCL by any other private group.



- 3.4.26. Shri Satyavan Singh, Vice President Samajvadi Party Vyapar Sabha, submitted that the Licensees have proposed to increase the tariff in all the consumer categories by 15.85% for FY 2023-24. The Licensees have proposed an increase of 16% for the Industry, 12% for Commercial and 10%-12% for Agricultural consumers. Moreover, they have proposed to increase 17% tariff for BPL consumers. It is submitted that the proposal made by the Licensees is neither judicial nor factual. As Uttar Pradesh is already a backward State, the increase in tariff will have an adverse effect on the State consumers. The Government had also promised to decrease the tariff rates before the election, however, now the Licensees have proposed to increase the Tariff for all consumer category. Therefore, the Government is requested to take back the proposal made by the Licensees regarding increase in Tariff.
- 3.4.27. Ram Nagar Industrial Association, submitted that the proposal made by the Licensees to increase the tariff will have an adverse effect on the Industry. The Licensees should focus more on reducing their Line Losses so that they can archive a profitable position. The Electricity Department doesn't even have CT/PT, mobile transformers, GO switch etc. The proposal to increase the tariff of the Industrial consumers to reduce the load of tariff of other categories is not judicial. It is further submitted that there should not be a variation of more than 40% between the power purchased from the central plants and the power supplied to the Industries. The recovery of fixed charge is not appropriate as here is a deficit in the supply of power.
- 3.4.28. Ram Nagar Industrial Association, submitted that the Industries of the area are already affected due to the delay in capacity building by the Licensees.
- 3.4.29. Shri K. L. Aggarwal, Chairman Industrial Development Forum, submitted that the Licensees have proposed to increase the tariff by 18% - 23% for Industrial consumers which is unrealistic, unjustified, irrational. The said proposed increase shall prove to be great set back not only to all the existing but as well as to newly coming industries under the State. Investor Summit Drive. The Commission is requested to consider the same before approving the tariff.
- 3.4.30. Shri Shivakant Tripathi, Uttar Pradesh Jal Kalyan Samiti, submitted that the Licensees have proposed to increase the tariff. The Commission is requested to consider the following submission regarding the same:
- The Line loss should be reduced by the Licensees.
  - Electricity theft to be stopped.
  - 100% Metering to be ensured for LMV-10 consumers.



- The line infrastructure needs to be improved. The electricity lines are loose and needs to be tightened properly. In Lucknow, Rajaji Puram Colony and L.D.A Colony are facing serious issue regarding the same.
  - Bills collected form the Government Office should be 100%.
  - Bill received should have complete details.
  - For all the consumers 100% metering should be ensured.
- 3.4.31. Shri Chandra Prakash Verma, submitted that the burden of Line loss and electricity theft should not be passed on to the State consumers. The Commission is requested to reject the tariff proposal of the Licensees.
- 3.4.32. Shri Kaushal Kishore, Gramin Vidyut Upbhokta Kalyan Parishad submitted, that the Tariff proposal submitted by the Licensees is under consideration by the Commission. However, the Licensees have not followed the direction of the Commission regarding 100% metering of the departmental employees. The Commission is requested to not consider the proposal made by the Licensees with regards to increase in tariff.
- 3.4.33. The Licensees have proposed to increase the tariff by 18% - 23% in domestic consumers, 10% - 15% in other consumers and 16% in Industrial consumers. Gramin Vidyut Upbhokta Kalyaan Parishad submitted that the increase in tariff should be uniform for all the consumer category. The Commission is requested that till the time the Licensees ensured 100% metering of departmental employees, the tariff should not be increased by the Licensees.
- 3.4.34. Shri Rajive Arora requested the Commission to reject the Tariff proposal submitted by PVVNL. As the increase in Tariff will have adverse effect on the Industrial consumers.

#### **B. Licensees response**

- 3.4.35. With regards to tariff proposal, it is submitted that as per the provisions set by the Commission, the licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.4.36. With regards to less revenue realization it is submitted that the tariff is determined based on the revenue assessed instead of Revenue realization. As per the tariff philosophy adopted by the Commission, inefficiency of discoms



towards lower realization is not passed on to the consumer tariff. However, the observation of the stakeholder has been sent to concerned discoms for appropriate action.

- 3.4.37. With regards to objections raised by the Noida Entrepreneurs Association regarding tariff increase proposed it is submitted that the Licensee has proposed 23% tariff hike. It is submitted that the average tariff hike proposed by the Licensee is only 15.85% which is required to recover the revenue Gap as estimated by the Licensee based on the Regulatory norms set by the Hon'ble Commission. The Licensee in its Petition has also detailed the reasoning why the actual distribution loss is higher in comparison to the approved distribution losses.
- 3.4.38. Petitioner appreciates the suggestion of stakeholder regarding 100% collection efficiency. In this regard it is submitted that the ARR is being approved by the Commission considering 100% collection efficiency, and therefore, any inefficiency pertaining to less collection efficiency does not pass through on to the consumers. Further, the connection and disconnection is being done as per the provision of UP Electricity supply code 2005 and its amendment from time to time.
- 3.4.39. With regards to the comments made by Uttar Pradesh Congress Committee it is submitted that Discom has prepared its petition as per the norms specified by the Commission under MYT Regulations, 2019. The Discom in its Petition has detailed the reason for allowing distribution losses as per the proposed trajectory in the Petition. The same is again reproduced herein.
- 3.4.40. UP State owned Distribution Licensee are in process of formulation of Revamp Distribution Sector Scheme in the State. Accordingly, based on the actual distribution loss, Discom has estimated the Loss trajectories for the Coming years for the implementation of the Scheme.
- 3.4.41. Further it is submitted 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.
- 3.4.42. It is further submitted that the distribution loss trajectory for the period FY 2020-21 to FY 2024-25 was approved by the Hon'ble Commission in its Business Plan Order dated 27.10.2020. The Hon'ble 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 27.10.2020 will be applicable for FY 2021-22.





- 3.4.43. Moreover, 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 are not feasible to that extent. It is also submitted that while the Hon'ble Commission has approved the Distribution losses in accordance with the trajectory as per the UDAY MoU, the Hon'ble 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 Hon'ble Commission in the True-Up Orders despite Licensees request. Therefore, considering only selected parameters of UDAY Scheme has caused huge financial loss to the Discom. Therefore, Hon'ble 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 the Licensee is supported by the fact that MYT Regulations of the Hon'ble 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 Hon'ble Commission in MYT Regulations, 2019 as compared to previous MYT Regulations. Accordingly, the changed facts and circumstances related to distribution loss trajectory should be considered.
- 3.4.44. In addition to the above it is pertinent to mention that provisions relating to sharing of distribution loss and AT & C loss does not exist in the UPERC MYT Regulations, 2019. Hence, the Petitioner 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 Petitioner has to propose the distribution loss trajectory on the basis of actual loss level of FY 2021-22, and which the Petitioner can possibly achieve, otherwise it will result in significant under recovery of power purchase cost.
- 3.4.45. It is submitted that considering the above mentioned ground realities and the significant impact of Covid-19 pandemic and further reduction in C & I category consumption and subsequent increase in the consumption at LT network such as Domestic consumer categories has adversely impacted on



the overall distribution loss of the Petitioner. Therefore, considering the actual Covid-19 scenarios and its impact on the distribution loss of subsequent years, the Petitioner further requests the Hon'ble Commission to approve the Distribution loss trajectory as proposed in the Petition.

3.4.46. 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.

3.4.47. The Hon'ble Supreme Court in the matter of civil appeal no. 1933 of 2022 dated September 23, 2022 has directed all the SERCs as under: -

*"131. We direct all State Regulatory Commissions to frame Regulations under Section 181 of the Act on the terms and conditions for determination of tariff within three months from the date of this judgment. **While framing these guidelines on determination of tariff, the Appropriate Commission shall be guided by the principles prescribed in Section 61, which also includes the NEP and NTP.** Where the Appropriate Commission(s) has already framed regulations, they shall be amended to include provisions on the criteria for choosing the modalities to determine the tariff, in case they have not been already included. The Commissions while being guided by the principles contained in Section 61 shall effectuate a balance that would create a sustainable model of electricity regulation in the States. The Regulatory Commission shall curate to the specific needs of the State while framing these regulations. Further, the regulations framed must be in consonance with the objective of the Electricity Act 2003, which is to enhance the investment of private stakeholders in the electricity regulatory sector so as to create a sustainable and effective system of tariff determination that is cost efficient so that such benefits percolate to the end consumers."*

3.4.48. It can be perceived from the above direction of Hon'ble APEX court that the Regulation shall be framed considering the provisions of National Tariff Policy. Further, clause 5.11(f) of National Tariff Policy 2016 lays down the framework for determination of operating norms for distribution tariff: -

*"5.11 Tariff 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.”*

- 3.4.49. 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.”*

- 3.4.50. In view of the above, it is submitted that the distribution loss trajectory is also a normative parameter for determination of distribution tariff and hence same ought to have been relatable to past performance of the Discoms and capable of achievement.
- 3.4.51. 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 Discoms and would result in severe under recovery of power purchase cost. Hence, it is requested to the Commission to approve the distribution loss as claimed by the Petitioner.
- 3.4.52. It is submitted that the Discom are in process of formulation of Central Government Scheme (RDSS). The implementation of smart meter is an integrated part of the scheme. The Discom follow various guideline issued by the Central Government for procurement of smart prepaid meter with competitive bidding process after duly approval of appropriate authorities. It is further submitted that the DPR in this regard is also submitted before the Commission for kind consideration.



- 3.4.53. Procurement of imported coal is a policy decision of Central Government. Hence, Discom is not able to comment on the same at this forum.
- 3.4.54. The stakeholder has requested to Commission to advise GoUP not to support Electricity Amendment Bill 2021, proposed in parliament. In this regard it is submitted that the Licensee has no comment to offer as the stakeholder has directly made its submission to the Commission.
- 3.4.55. With regards to procurement of pre-paid smart meter it is submitted that the Discom are in process of formulation of Central Government Scheme (RDSS). The implementation of smart meter is an integrated part of the scheme. The Discom follow various guideline issued by the Central Government/state government for procurement of smart prepaid meter with competitive bidding process after duly approval of appropriate authorities. It is further submitted that the DPR in this regard is also submitted before the Commission for kind consideration.
- 3.4.56. With regards to procurement of imported coal is a policy decision of Central Government. Hence, Discom is not able to comment on the same at this forum.
- 3.4.57. With regards to a surplus of Rs. 25,113 Crore, it is submitted that after the GoUP letter dated 05.03.2021 it is established that there is no surplus in account of UPPCL/Discoms. Further, the Commission in its Tariff Order for FY 2021-22 has also consented the same. The relevant section of the Tariff Order is as under:

*“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."*

- 3.4.58. With regards to request for applicability of Tariff approved in 2006 at flat rate, it is submitted that the Commission approves tariff for respective categories on annual basis. As per the applicable tariff order for FY 2022-23 the applicable tariff schedule to power looms is LMV-2 and LMV-6 based on their load profile.
- 3.4.59. The Licensee impose tariff to the power loom as per the applicable tariff for the respective year and any direction of the Government in this regard received from time to time. Further, as per the tariff schedule rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy.
- 3.4.60. It is further submitted that the GoUP vide its letter dated April 06, 2023 has notified Atal Bihari Vajpayee Power loom Bunkar Yojana for providing power to power looms on flat rate or giving subsidy on per HP basis.
- 3.4.61. With regards to Housing Society, Ghaziabad, it is submitted that since FY2022-23 Tariff Order the Commission has been determining tariff at full cost and showing subsidy provided by GoUP separately for subsidized category. Further it is submitted that Cross subsidy is determined by the Hon`ble Commission to ensure that electricity is affordable for all consumers, especially those with lower income levels or in remote areas. The Hon`ble



Commission regulate these tariffs and ensure that they are fair and reasonable, while also taking into account the financial viability of the power distribution companies.

- 3.4.62. It may be noted that the Commission under section 63(3) of the Electricity Act 2003 is empowered to determine the tariff 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.
- 3.4.63. Regarding the certification of real time usage of electricity by those who avail the cross subsidy/benefit of cross subsidy it is submitted that the electricity bills of the consumers are being computed on the monthly basis by the Discoms as per the proviso of the UP Electricity supply code and tariff order.
- 3.4.64. It is clarified that the tariff is determined by the UPERC after considering the submissions made by the various stakeholders and Discoms and after following due procedure of public consultation. The determined tariff is then charged on to the consumers by the State Discoms.
- 3.4.65. Providing subsidy to a specific of consumers or category of consumers is prerogative of the State Government which it is empowered as per Section 65. (Provision of subsidy by State Government) of the Electricity Act 2003. The relevant abstract is reproduced as under: -

*“Section 65 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, not with standing 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 license 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.”*





- 3.4.66. The Government subsidies are provided to ensure that electricity is accessible, affordable, and sustainable for all citizens and to support economic development and social welfare in the State. Further it is submitted that since FY 2022-23 tariff Order Hon'ble Commission has been determining tariff at full cost and showing subsidy provided by GoUP separately for subsidized category.
- 3.4.67. It is submitted that tariff is being determined as per the section 62 and section 64 of the Electricity Act 2003 after considering various fact, therefore, the consumer suggestion regarding unfair treatment of regulator is not maintainable.
- 3.4.68. With regards to tariff proposal it is submitted that as per the provisions set by the Commission, the licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.4.69. With regards to prudence checks by Commission it is submitted that the Commission is being conducting technical validation session along with prudent check of any submission made by the Discoms and all the submission made by Discoms in this context are available at the website of Discoms to maintain transparency in the system. Further, the consumers are also provided opportunity to analyze the various submission and submit their objections and suggestions, if any, on the submission made by the Discom.
- 3.4.70. The Licensees submitted that the Orders passed by the Hon'ble Commission are being guided by the provision of National Tariff Policy, Electricity Act 2003 and the regulation framed by the Commission. As per section 86 (3) of Electricity Act, the it is the duty of State Commission to ensure transparency. Relevant clause is as under:  
*"Section 86(3) The State Commission shall ensure transparency while exercising its powers and discharging its functions."*
- 3.4.71. It is submitted that the tariff is determined by the Commission for various class of consumers after inviting objections / suggestion on the petition filed by the licensees and considering views of all stake holders through public hearing at various places for taking.



- 3.4.72. With regards to metering of departmental employees it is submitted that the Commission determines deemed revenue for departmental employees and thus, any impact of unmetered departmental employee does not pass through on other consumers in Tariff.
- 3.4.73. With regards to distribution loss it is submitted that the stakeholder's suggestions are appreciated as they are a step in the right direction. It is worth mentioning that UPPCL / Discoms are making significant efforts to combat power theft and reduce commercial losses, resulting in considerable improvements.
- 3.4.74. Further, it is pertinent to mention here that while approving tariffs for each year, the Commission considers normative losses for estimation of power procurement cost and 100% collection efficiency for determining revenue of the Discoms. Hence, there is no burden which is passed on to the consumers on account of low collection efficiencies and power theft.
- 3.4.75. With regards to submission made by Ram Nagar Industrial Association regarding tariff proposal, it is submitted that it's a matter of record. Further it is submitted that the proposal of 0% distribution loss is technically and scientifically not possible as per the existing technologies. It is further submitted that Commission determine Tariff on the basis of normative losses and the impact of increase in line loss is not being passed on to the consumer of the State as per the philosophy adopted by the Commission in previous tariff orders.
- 3.4.76. With regard to non-availability of asset with the department, it is suggested that the specific case may be mentioned/ referred for verification of status and the stakeholder may provide the complaint raised in this context to competent authority. As far as feeder modernization is concerned, it is submitted that under various schemes of the State and the Central Government the upgradation, strengthening and modernization is being done as per the guidelines of the scheme.
- 3.4.77. With regards to burden of subsidized consumer being passed on to consumers it is submitted that subsidy is the policy related matter of the State Government. If State Government provides any subsidy to any class of consumers, the same is being done as per the section 65 of the Electricity Act 2003. Therefore, the claim of stakeholder that burden of subsidy is being passed on to the Industrial consumer is not a factual statement. Further in Tariff Order FY 2022-23, the Commission has determined the tariff for



different categories of consumers on full cost basis and subsidy provided by GoUP is being depicted separately

- 3.4.78. Further, it is submitted that the Licensees are procuring power from various sources including IPP/JV/Central Plants/State Plants/Short term/Renewable etc to fulfil the demand of the State as per the approval of the Commission. Further, tariff of various category is not only factoring the power purchase cost but also include various other cost components. The Hon'ble Commission while determining the tariff of any consumer follow the provision of Section 62 of the Electricity Act 2003. The same 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.”*

- 3.4.79. The Licensees submitted that in the State of Uttar Pradesh, a two-part tariff system is in place, which includes a fixed charge and an energy charge. The Distribution licensee incurs fixed costs for laying Distribution infrastructure such as power transformers, lines, and so on. The recovery of fixed charges should ideally match the fixed cost burden of the licensee. However, currently, the expenditure against fixed charges exceeds 66%, while the recovery of fixed charges through tariffs is only 23%. To recover the costs incurred by the licensee, fixed charges/minimum charges are required to be collected from consumers.
- 3.4.80. With regards to delay of argumentation of substation in the area it is submitted that the Stakeholder is requested to raise specific issue to the concerned office of the Discom. The progress in this regard will be provided through the procedural route of licensee.
- 3.4.81. With regards to submission of tariff proposal, it is submitted that the stakeholder in its submission has requested to the Hon'ble Commission to take action on Petitioner submission as per the applicable procedures/rules. In this context it is hereby mentioned that the Petitioner has submitted its petition as per the UPERC MYT Regulation 2019. As per the provisions set by the Commission, the licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Hon'ble Commission is requested



to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.

- 3.4.82. With regards to submission made by Jal Kalyan Samiti it is submitted that the Discoms are striving to minimize their distribution losses and have initiated the implementation of the Revamp scheme proposed by the Ministry of Power (MoP). As per the scheme, MoP has established a line loss trajectory for the Discoms. The Discoms have requested the Hon'ble Commission to approve the same trajectory for line losses and are putting in all their efforts to attain the desired loss trajectory. Further it is submitted that Hon'ble Commission decides ARR on the normative losses any excess losses are not passed on to the consumers. It is further submitted that the Discom has taken various steps to curb power theft such as replacement of bare conductor with AB cable, intensified vigilance activities etc. Recently, the discoms have launched the portal wherein any one can report about the power theft without disclosing their identity.
- 3.4.83. With regards to metered connection to employees it is submitted that the Commission determines deemed revenue for departmental employees and thus, any impact of unmetered departmental employee does not pass through on other consumers in Tariff.
- 3.4.84. With regards to tightening of electricity wires it is submitted that stakeholder may kindly raise the specific issue with the concerned office of Distribution licensee.
- 3.4.85. With regards to Government dues it is submitted that the bills are being monitored by the Discoms and various recovery activities has been initiated. Significant progress in this context has been recorded. Further it is submitted that Commission decides ARR on the basis of assessment assuming 100% recovery, so any under recovery is not passed on to the consumers.
- 3.4.86. With regards to detailed payment slip, it is submitted that all the details of energy consumption along with due date, subsidy, slab rates, fixed charge, energy charge etc. are clearly mentioned in the electricity bills of the consumer. The receipt is being provided against the payment made by the consumer as per the practice followed by the Discoms.
- 3.4.87. With regards to electrifying all the household it is submitted that the electrification of the household is a continuous process. All the new connections are being released only with meters as per the direction of the Commission for applicable categories.



### **C. Commission's view**

- 3.4.88. 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.
- 3.4.89. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification. The Licensees are directed to submit the detailed report in next ARR / Tariff filings.

## **3.5. Fuel Surcharge**

### **A. Comments / Suggestions of the Public**

- 3.5.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that on the basis of 1st amendment of MYT Regulations, 2019 UPPCL should have asked the Commission for determination of fuel surcharge on time, however, the Licensees have gone against the regulations and an approval has been sought to compensate Rs. 12 paisa per unit which is completely against the rules. Further Licensees already have a surplus of Rs. 25,133 Crore, therefore the compensation of Rs. 12 paisa per unit is not justified. Moreover, as per 1st amendment of MYT Regulations, 2019 the surplus of fuel surcharge comes out to be Rs. 1,000 Crore from July to September. on the basis of this the consumers must get benefit of about 30 to 31 paisa per unit in the tariff rates. Thus, their request should be dismissed and efforts should be made to reduce the tariff rates of all the consumers of the state.

### **B. Licensees response**

- 3.5.2. With regards to fuel surcharge, it is submitted that detail is already been submitted for the above period before the Commission for approval and is pending with the Commission. The Commission is requested to approve the Fuel surcharge and issue necessary order.

### **C. Commission's view**

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



### 3.6. New Category for BPL Consumers

#### A. Comments / Suggestions of the Public

- 3.6.1. 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

- 3.6.2. The Licensees submitted that the LMV-1 lifeline consumers in our state are already provided with the lowest tariff rates among all the domestic category consumers. These consumers are charged minimal fixed charges, making the tariff rates very affordable for them. However, any further reduction in the tariff rates for this category of consumers will have a direct impact on the tariff rates for other consumers, which may not be a feasible solution. Discoms understands the importance of maintaining a tariff structure that is equitable and balanced, one that caters to the needs of all our consumers while also ensuring the financial viability of our operations.

#### C. Commission's view

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

### 3.7. Time of Day (ToD) Tariff

#### A. Comments / Suggestions of the Public

- 3.7.1. CEEW submitted that the present ToD tariff structure needs to be revised in line with the recent load curves of the discoms, a detailed analysis of load curves of past 5 years as well as power availability for next 5 years should be carried out by the discoms and the ToD tariff structure should be redesigned for individual consumer categories, season wise for better management of demand and supply.
- 3.7.2. Further CEEW stated that given the current situation of increased power cuts, unavailability of energy supply, the 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 need to be redefined. With the ongoing progress in smart metering end-consumers as well as distribution infrastructure, it is suggested 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 discom to incentivize LT consumers (LMV2, LMVS & LMV6) to shift their loads as per the grid conditions and to effectively manage the load.

#### **B. Licensees response**

3.7.3. The Licensees submitted that the comment is suggestive.

#### **C. Commission's view**

3.7.4. The Commission has taken note of the suggestions made by the stakeholders and response the Licensee.

### **3.8. Tariff Rationalization**

#### **A. Comments / Suggestions of the Public**

3.8.1. CEEW submitted that the current tariff design accounts for lifeline consumption in both rural and urban areas. Thus, identical tariff categorisation and rates for other domestic consumers both in rural and urban areas will drive discoms to provide better quality supply and in turn, may improve revenue recovery from rural consumers.

3.8.2. To ensure affordability of electricity for poor consumers (both urban and rural), and Improve payments rates among them, we request the Commission to revisit the lifeline category and consider Same tariff design for urban and rural consumers, as is the practice across Rajasthan, Maharashtra, Madhya Pradesh, Andhra Pradesh and other such states in India. And all domestic consumers using <50 units/month are considered lifeline consumers. Consumers with consumption >50 units for any three months in the year should not be considered lifeline consumers.

3.8.3. The proposed ABR for LMV-2 non-domestic consumers is INR 10.94/unit, higher than that of HV Industrial (LMV-6 and HV-2). Due to the lack of categorisation in tariff slab for small shops/businesses, many small shops/enterprises resort to running out of homes. This problem is prevalent



in leading to many litigations and harassment cases. in many parts of Uttar Pradesh, to ensure affordable power for such small shopkeepers and provide ample growth opportunities for small businesses and prevent unauthorised use of electricity, we request the Commission 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, and Tamil Nadu. Hence, it is requested from Commission to create a new non-domestic lifeline for consumers using <100 units a month and up to 1 kW load, as proposed below.

Category	Life line units range (kWh)	Energy charge (INR/kWh)	Fixed charge (INR)	Total charge in INR (for consumption of 100 units/month)
LMV-2 life line	0-100	1.5	50 per KW	200

#### B. Licensees response

3.8.4. The Licensees have submitted that the stakeholder has provided suggestion regarding reclassification of lifeline consumer based on consumption pattern. In this regard, it is submitted that classification of consumer category is the purview of Hon'ble Commission. Discoms have not proposed any change in the existing criteria for lifeline consumers.

#### C. Commission's view

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

### 3.9. Distribution Losses

#### A. Comments / Suggestions of the Public

3.9.1. Shri Avadhesh Kumar Verma, UP Rajya Vidyut Upbhokta Parishad, submitted that PuVVNL received 29,049 MUs and sold 23,930 MUs in February 2023. Therefore, there was a loss of 5119 MUs i.e. 17.62 % loss. If 9% loss is due to theft, then it will not be wrong to say that 2500 MUs has been lost due to theft. Considering a rate of Rs. 5 per unit, a total of Rs. 1,250 Crore was lost annually due to theft and Rs. 104 Crore was lost monthly. This case is similar for all the Licensees. There is need for the Licensees to become self-



sustainable. However, the Commission approved the distribution loss as per the Business Plan Trajectory.

- 3.9.2. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the DVVNL estimate for revenue collection for month of February 2023 is Rs. 1,029 Crore, against which the collection was Rs. 660 Crore. Whereas for Torrent power the revenue estimate was Rs. 109 Crore, however, the collection was Rs. 110 Crore. Furthermore, for KESCO the estimate was Rs. 201 Crore and collection was Rs. 232 Crore.
- 3.9.3. He further submitted that the total energy received by DVVNL in February 2023 is 26,148 MU and the sales was 20,315 MU. That means 5,833 MU was lost or 22.31 % energy was lost. From the same, it can be concluded that 11% energy was lost due to energy theft i.e. 2,916 MU energy was lost due to theft. If we assume that the cost of the same was around 5 per unit then a total of Rs. 1,458 Crore was lost due to theft annually and Rs. 121 Crore was lost monthly.
- 3.9.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted, that in case of UPPCL, distribution loss is 14.90% that means a total of 20,078 MU is loss and considering that half the units lost is due to technical losses than still 10,039 MU is lost due to theft and again assuming a rate of Rs, 5 per unit, it can be seen that Rs. 5,019 Crore is lost annually and Rs. 418 Crore is lost monthly due to electricity theft.

State Discoms	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
DVVNL	11.80%	11.33%	10.90%	10.52%	10.15%
MVVNL	11.51%	11.04%	10.63%	10.26%	9.90%
PVVNL	11.51%	11.04%	10.63%	10.26%	9.90%
PuVVNL	11.83%	11.36%	10.93%	10.55%	10.18%

- 3.9.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that CEA has already provided technical parameters w.r.t T&D loss and AT&C loss. However, the Licensees evaluates them performs daily on the same technical parameters.



- 3.9.6. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Central Government is amending the Electricity Rule, 2023, where it is proposed that the distribution trajectory set by the Central and State Government will be applicable to the State and the Commission will need to approve the same. The loss due to this will be borne by Licensees and the consumers at 50-50 ratio. The State Government has also agreed to the RDSS Scheme introduced by the Central Government. The new rule will have an adverse effect on to the consumers, as the loss due to theft and Licensees inefficiency is not passed on to the consumers. Therefore, it is requested that a high level enquiry may be sought for Power Ministry
- 3.9.7. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry UP, submitted that the T& D Losses and AT & C line loss are putting heavy tariff burden to the consumers. It also gives direct impact on the availability of power supply, the line loss data submitted by licensee has impact in determination of the tariff. The line loss data needs scrutiny by independent agency appointed by UPERC before its acceptance.
- 3.9.8. Further, strict measures should be taken to prevent theft and pilferage of power. LT lines may be converted to underground lines to prevent hooking, the transformers should not be in capacity excess of 20% of the contracted load and inbuilt audit meters should be provided to identify theft, incentives may be given to theft information provider and areas of more than 50%-line loss should be given reduced supply. Further, the licensee should implement Aerial Bunch Conductors (ABC), strengthening and repair and maintenance of distribution networks etc.
- 3.9.9. The line loss is lower at High Voltage. There is need to examine AT&C loss voltage wise and record in the tariff order. As per loss trajectory approved by the Commission, the Discoms are not able to reduce their loss level and is going beyond the control of Discoms. The Discoms should bear the loss.
- 3.9.10. CEEW submitted that it is observed that the consolidated capital expenditure (CAPEX) by the Discoms in the past six years is above Rs. 58,000 Crore under various schemes such as RAPORP, IPDS, Saubhagya, UDAY, etc. Despite such a huge capex on infrastructure upgradation, the losses have not been reduced to the approved limits prescribed by the Commission and the Discoms 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 Discoms diverges significantly from the approved trajectory.



- 3.9.11. Shri Rajesh Goyal, President, National Chamber of Industries & Commerce, Uttar Pradesh, submitted that as in Agra, the line losses have gone down drastically from 65% to 12%, so Discoms are now in profit which has to be passed on to the consumers.
- 3.9.12. Shri Pradeep Luthara and Agra Mandal Vyapar Sangathan submitted that the Torrent Power is not in loss in Agra however, the State owned Licensees is facing losses.

#### **B. Licensees response**

- 3.9.13. With regards to distribution loss and power theft it is submitted that the Commission, in its previous tariff orders, had approved the tariff based on the normative Distribution losses that were endorsed in the Business Plan. However, the Discom has taken a proactive approach and has observed that the distribution loss trajectory approved by the Commission are stringent and does not cater to the actual ground realities. Furthermore, it does not take into account the large demographical challenges and higher number of LT connections released under Saubhagya scheme for various Majhras.
- 3.9.14. With regards to Electricity Theft and its impact on Distribution losses it is submitted that the esteemed Commission, in its previous tariff orders, had approved the tariff based on the normative Distribution losses that were endorsed in the Business Plan. It is important to note that any inefficiency in this regard has not been passed on to the consumers of the State. Further it is submitted that distribution loss trajectory approved by the Hon'ble Commission are stringent and does not cater to the actual ground realities. Furthermore, it does not take into account the large demographical challenges and higher number of LT connections released under Saubhagya scheme for various Majhras.
- 3.9.15. Therefore, in light of the aforementioned issues, the Discom has filed a petition with the Commission to consider the actual ground scenario and allow the distribution loss trajectory as approved by the Ministry of Power. This will enable the Discom to implement upcoming Central Government schemes more effectively. Licensees request the Commission to take the aforementioned matters into consideration and allow loss trajectory proposed by the Discom in the petitions.
- 3.9.16. With regards to trajectory for distribution loss it is submitted that the Stakeholder has proposed to adopt the RDSS trajectory for approval of tariff.



Discoms appreciates the positive submission of CEEW. Licensee believes that realistic target emphasis licensee to perform better towards achieving the target.

- 3.9.17. With regards to performance of State Discoms w.r.t Torrent Power it is submitted that Torrent Power Agra operates as a Distribution franchise, serving a relatively small area under the broader jurisdiction of the Distribution Licensee. However, the Licensees under its USO are responsible for providing electricity connections to consumers of all classes. This is significant because almost half of Discom's consumers fall into the lower income bracket, and their tariff rates are considerably lower than the cost of supply. In addition, the norms for performance of Distribution Licensees are very strict, and legitimate expenses and losses incurred by them are not always adequately compensated. In order to address these issues, there may be a need for appropriate norms that take into account the unique challenges faced by Distribution franchises and other licensees. This could involve revisiting the norms and regulations governing their operations.
- 3.9.18. With regards to AT&C losses it is submitted that the Commission in its previous tariff orders, had approved the tariff based on the normative Distribution losses that were endorsed in the Business Plan. It is important to note that any inefficiency in this regard has not been passed on to the consumers of the State. However, the Discom has taken a proactive approach and has observed that the distribution loss trajectory approved by the Hon'ble Commission are stringent and does not cater to the actual ground realities. Furthermore, it does not take into account the large demographical challenges and higher number of LT connections released under Saubhagya scheme for various Majhras.
- 3.9.19. Therefore, in light of the aforementioned issues, the Discom has filed a petition with the Commission to consider the actual ground scenario and allow the distribution loss trajectory as approved by the Ministry of Power. This will enable the Discom to implement upcoming Central Government schemes more effectively. The Commission is requested to take the aforementioned matters into consideration and allow losses proposed in the petition.
- 3.9.20. With regards to reduction of losses in Agra it is submitted that the Commission as per the philosophy adopted in the previous tariff order has approved tariff on normative losses. Therefore, any gain/loss on account of distribution loss does not pass on to the consumer.





### C. Commission's view

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

### 3.10. Cross Subsidy Surcharges

#### A. Comments / Suggestions of the Public

3.10.1. The Indian Electricity Exchange (IEX), submitted that the Licensees have claimed CSS in the current Petitions. On examination, it appears that the Licensees have made an inadvertent error in the computations.

3.10.2. Error in considering the transmission charges, the Discoms have considered inter-state and intra-state transmission charge, however the Licensees has not considered the transmission cost claimed with respect to WUPPTCL (FRS. 867.19 Crore) and SEUPPTCL (Rs. 310.09 Crore)

3.10.3. The claim of the Discoms and the CSS after considering transmission charges is depicted below:

Category	ABR (Rs./kwh)	Wt. Avg. pp Cost	ISTS Charge	laS TS	Distribution Charge	Wh. Charge	Aggregate 'D'	PGCI	STU	Wheeling (%)	Carrying Cost	CSS (A)	20% *ABR (B)	Min (A,B)
<b>UPPCL CLAIM</b>														
HT-I: 11 kV	9.38	4.84	0.26	0.25	0.39			0.04	0.03	0.15	0.00		1.88	1.58
HT-1:>11 kV	14.55	4.84	0.26	0.25	0.39	0.5	1.4	0.04	0.03	0.01	0.00	7.9	2.91	2.91
HT-2: 11 kV	8.05	4.84	0.26	0.25	0.39	0.8		0.04	0.03	0.15	0.00	0.2	1.61	0.24
HT-2 kV	7.66	4.84	0.26	0.25	0.39	0.5		0.04	0.03	0.01	0.00	1.0	1.53	
HT-2: <132 kV	7.37	4.84	0.26	0.25	0.39	0.5		0.04	0.03	0.00	0.00	0.7	1.47	0.76
HT-2: >132kV	6.92	4.84	0.26	0.25	0.39	0.5		0.04	0.03	0.00	0.00	0.3	1.38	0.31
<b>PROPOSED COMPUTATION</b>														
HT-1: 11 kV	9.38	4.84	0.26	0.33	0.39	0.8		0.04	0.03	0.15	0.00		1.88	1.46
HT-1:> 11kV	14.55	4.84	0.26	0.33	0.39	0.5	1.4	0.04	0.03	0.01	0.00		2.91	2.91
HT-2: 11 kV	8.05	4.84	0.26	0.33	0.39	0.8		0.04	0.03	0.15	0.00			0.13
HT-2kV	7.66	4.84	0.26	0.33	0.39	0.5	1.4	0.04	0.03	0.01	0.00	0.9	1.53	0.91



Category	ABR (Rs./kwh)	Wt. Avg. pp Cost	ISTS Charge	laS TS	Distribution Charge	Wh. Charge	Aggregate 'D'	PGCI	STU	Wheeling (%)	Carrying Cost	CSS (A)	20% *ABR (B)	Min (A,B)
HT-2: <132 kV	7.37	4.84	0.26	0.33	0.39	0.5	1.4	0.04	0.03	0.00	0.00	0.6	1.47	0.67
HT-2: >132 kV	6.92	4.84	0.26	0.33	0.39	0.5	1.4	0.04	0.03	0.00	0.00	0.2	1.38	0.22

3.10.4. Therefore, the Commission is requested to consider the CSS computation as above. IEX submitted that as per Clause 8.5 of the Tariff Policy CSS is to be restricted to 20% of the Average Billing Rate (ABR). Further, from para 8.3 of the Tariff Policy 2016, it is evident that the cross subsidies in the tariff need to be brought within +/-20% of the Average Cost of Supply (ACoS). Apparently, the tariff policy provided a much higher ceiling of 20% of ABR in para 8.5.1 in the determination of CSS while it should be capped to 20% of the ACoS. The Ministry of Power has recently amended the Electricity Rules, 2005, and notified the Electricity (Amendment) Rules, 2022 on 29.12.2022. The Ministry in the notified Rules has capped the surcharge on open access at 20% of ACoS. Since the tariffs are being set with reference to the ACoS, the Hon'ble Commission is requested to cap the surcharge on open access with reference to the ACoS, in line with the Electricity (Amendment) Rules, 2022

3.10.5. IEX submitted that as per Regulation 7 of the UPERC (Terms and Conditions for Open Access) Regulations, 2019, the Commission has allowed open access to consumers with contracted capacity more than 1 MIN and connected at 11 kV or above.

3.10.6. The Commission in the Order for Truing Up of Tariff for FY 2020-21, APR for FY 2021-22 and approval of ARR and Tariff for FY 2022-23 dated July 20, 2022 has determined single wheeling charges for Distribution System including the cost associated with both LT and HT network of the Distribution Licensee.

3.10.7. In view of the above it is evident that there is a requirement to align the computation of wheeling charges in the Tariff Order with the UPERC Open Access Regulations. Further it is submitted that the Hon'ble APTEL has in plethora of judgements (e.g. Judgement dated 17.12.2014 in Appeal Nos. 142 of 2013 & 168 of 2013 between M/S Mawana Sugar Ltd Versus Punjab State Electricity Regulatory Commission and Punjab State Power Corporation Ltd.) held that the wheeling charges and losses must be computed voltage wise. The Hon'ble APTEL has emphasised on the necessity of imposing voltage wise



wheeling losses and charges on the open access consumers. It is submitted that the Chhattisgarh State Electricity Regulatory Commission IS in line with the Hon'ble APTEL Order has determined voltage wise wheeling charges in its Tariff Orders. Further, states such as Gujarat, Maharashtra, Delhi, Karnataka, etc. compute wheeling charge separately for LT and HT network and voltage wise wheeling charge for HT network is computed for the purpose of open access. The table below gives wheeling charge details of few states computing voltage wise wheeling charges:

	Wheeling ARR (Rs Cr)	Wheeling Charge for LT (Rs./ unit)	Wheeling Charge for HT (Rs./ unit)		
			11 kV	33 kV	66 kV
Gujarat	6239.05	0.80	0.18	0.00	0.00
Delhi (BRPL)	1393.89	1.143	1.061	1.048	0.00
Haryana (Inc Wheeling Loss)	3698.39	1.21	0.86	0.00	0.00
Madhya Pradesh	6116.61			0.17	0.00
Karnataka (BESCOM)	2830.04	0.673	0.288	0.288	0.00
Maharashtra (MSEDCL)	11754	1.30	0.55	0.55	0.00

\* Madhya Pradesh- Wheeling charge for 33 kV is computed at ~17% of Wheeling ARR (i.e Rs 1087.54 Cr).

- 3.10.8. IEX submitted that the States referred in the above table compute wheeling cost separately for LT and HT network and also voltage wise in the HT network to arrive at the actual wheeling charge for that particular network. Therefore, the Commission is requested to align the computation of wheeling charge in Tariff Order with the UPERC Open Access Regulations, for determination of voltage wise wheeling charges.
- 3.10.9. M/s Rimjhim Ispat, submitted that the steel industry is facing very tough times and as such the tariff for industrial consumers should be reduced to make it sustainable and survivable, as the exiting industrial tariffs of UP are higher than other industrial States. Steel exports have become more expensive because of duties, inflation & ongoing war and hence we are on the verge of closing. GoUP has gone all out for promotion of industrializing of the Sate, recently in concluded a very successful Invertors Meet. This all can be a huge success if industrial tariffs are lowered and OA charges are exempted.
- 3.10.10. Further, it is submitted that the licensee has proposed a steep rise in the tariffs across all categories of consumers. The proposed 2-digit (12.63%) rise in



tariffs, is indeed a tariff shock and must be rejected by the Commission. The CSS should be made to zero because the cross-subsidised consumers i.e. LMV-1 & LMV-5 is being already heavily subsidized by GoUP. It is pertinent to note that the revenue gained from CSS by DVVNL is insignificant compared to the total revenue. Hence making it to zero will have almost no impact on the Discoms but will act as a boon for the industry thereby generating employment and economic prosperity for the State.

3.10.11. If, CSS is to be retained due to various compulsions, then the ABR (the Tariff component in the CSS formula) calculation must be taken without the fixed charges as we continue paying the full demand / fixed charges even when we take energy from open access. Hence, as per the CSS principle, the compensation for revenue should only be of 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. This aspect needs to be seen & considered by Commission this time, which was ignored in the earlier times. We have been repeatedly raising this important issue since last few years.

3.10.12. Currently the CSS for us (66-132 kV) consumers is Rs. 76 paise. The State Discoms have proposed this year (FY 2023-24) Rs. 1.73/-. This is 127.63% rise and is surely a tariff shock which cannot be allowed in any case by the Commission. The State Discoms have this year (FY 2023-24) provided the following details of losses at various voltage levels:

<b>FY 2023-24</b>	<b>DVVNL</b>	<b>MVVNL</b>	<b>PVVNL</b>	<b>PuVVNL</b>	<b>KESCO</b>	<b>Consolidated</b>
Total Sales (MU) at 11 kV	21,151.98	22,228.72	31,599.06	26,449.60	478.53	1,01,907.89
System Loss (%)	18.11%	12.09%	14.91%	14.34%	0.42%	<b>14.38%</b>
System Loss (MU)	3,830.53	2,687.93	4,711.90	3,794.09	2.02	14,655.55
Total Sales (MU) above 11 & upto 66 kV	1,049.03	661.88	3,113.63	1,199.90	239.62	6,264.06
System Loss (%)	0.03%	3.64%	0.03%	2.10%	0.98%	<b>1.35%</b>
System Loss (MU)	0.28	24.08	0.79	25.15	2.34	84.29
Total Sales (MU) above 66 & upto 132 kV	95.44	100.44	765.46	118.34	444.37	1,524.04
System Loss (%)	0.09%	0.05%	0.03%	0.00%	0.00%	<b>0.02%</b>
System Loss (MU)	0.09	0.05	0.23	0.00	0.00	0.27
Total Sales (MU) above 132 kV	422.73	14.64	186.57	0.00	0.89	624.83
System Loss (%)	0.00%	0.00%	0.12%	0.00%	0.00%	<b>0.04%</b>



FY 2023-24	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
System Loss (MU)	0.00	0.00	0.22	0.00	0.00	0.22

3.10.13. It is submitted that as per above Table, in regard to the system losses for 66 & upto 132 kV, there is such a big variance in the values of each Discom, which gives a suspicion of data being fudged / manipulated. They have not even provided the full working of as to how they computed or measured these figures. Till they give a proper scientific and audited way of computing these losses, the same be considered as zero (0%) for all Discoms for voltage level of 66 & upto 132 kV. The Commission may kindly approve the above and pass suitable directions in the Tariff Orders for FY 2023-24.

3.10.14. Load factor rebate may be reintroduced in the State to promote industry & industrial consumption. In the past it was there in UP also and the same was approved by the Hon'ble Commission. Many other competing States have this in their tariff.

3.10.15. As the largest pie of consumers is LMV-1, hence their consumption plays a very important part in purchase of electricity and hence the overall power purchase cost & ARR. To bring in more discipline & responsible behaviour, the TOD tariffs must be introduced in LMV-1 consumers. This will reduce the overall power purchase cost as we will be buying lesser power at peak demand periods.

3.10.16. Uttar Pradesh Solar Energy Policy, 2017 calls 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.”***

3.10.17. The Commission is requested to consider the same and offer concessional tariff for Bundelkhand, in spirit of Uttar Pradesh Solar Energy Policy 2017, to further promote industrialization and development of the region.



- 3.10.18. It is submitted that UPPCL is not scheduling the power in proper manner and purchasing power at very high rates due to which the consumers feel the burden by paying high Tariffs. Why do not they surrender all expensive power of central sector and take medium term power from DEEP Portal? This will have a huge impact on ACOS and as such the CSS of OA consumers too. Why should the OA consumers suffer because of expensive power purchases made by the Discoms? The Commission is requested to put a ceiling / cap on the power purchase rates of the Discoms purchased from various sources.
- 3.10.19. M/s Rimjhim Ispat, submitted that the Licensees are also selling power in the exchange at very cheap rates, however they are also buying from the exchange at very high rates. The Commission may conduct an enquiry on this serious matter.
- 3.10.20. The Commission is aware that the Tariff in the State of Uttar Pradesh is already on the higher side and further increase in the Tariff will put the industries into a standstill position. There are already very few industries in the State and further hike in the Tariff or in any other charges such Cross Subsidy Surcharge (CSS) will result in full closure of operation of the Industries in the State. The Government of India and GoUP are running different incentives schemes to promote the industries. Also, since electricity is like a raw material to the Steel company, it will be very difficult to operate if there will be further increase in the Retail Tariff, Transmission Tariff (UPPTCL) and CSS for FY 2023-24.
- 3.10.21. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP, submitted that the provision of Cross-subsidy was made in 2003 when Govt. did not have enough funds to support below Poverty Line Populations. Now our nation is distributing food to over 8 crore population. The cross subsidy is a social obligation. It should be borne by the Govt. not by the industries.
- 3.10.22. CEEW submitted that from the submission of the discoms, it can be clearly observed 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 must 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).
- 3.10.23. CEEW submitted that that the Discoms have not computed the open access charges for each category / sub- category as per the methodology defined by





the Commission in the Tariff Order of FY 2022-23. Also, the Discoms 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 the methodology adopted, voltage-wise losses, JERC methodology can be referred- as voltage-wise asset break-out.

- 3.10.24. Further, CEEW proposed that the Commission may work out a differential CSS for the Discoms based on the DBST values submitted by them. This would help align the CSS with the performance of Discoms and avoid cross-subsidisation of one discom by another. Differential CSS would also encourage industrial consumers to opt for open access, which is currently discouraged by a common but high CSS. For example, an industry in Meerut may find a supplier in the NCR region and go for open access, compared to an industry in Kanpur. Such practice has already been adopted by SERCS of Gujarat and Maharashtra.

#### **B. Licensees response**

- 3.10.25. With regards to computation of CSS, the Licensees submitted that it's a matter of record.
- 3.10.26. With regards to error in computation of CSS it is submitted that the Petitioner while computing the CSS for various consumer categories has adopted the similar principle as approved by the Commission in its previous Tariff Order. The detailed computation along with the computation methodology has also been submitted before the Commission for kind consideration.
- 3.10.27. It is submitted that the Petitioner has submitted cross subsidy surcharge as per the methodology stated above. The Commission has already notified MYT Regulation 2019 for determination of tariff for respective years of control period. The submission of Petitioner is as per the Regulation prescribed by the Commission
- 3.10.28. The Petitioner has computed the wheeling charges as per the methodology determined by the Commission under Regulation 51 of UPERC MYT Regulations 2019. It is requested that the Commission may consider the submission of Petitioner in this regard.
- 3.10.29. With regards to comparison of tariff with other State the Licensees submitted that 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.

- 3.10.30. With regards to submission made by Rimjhim Ispat it is 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:

$$S = T - [C/(1-L/100) + D + R]$$

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 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; AND*

*R is the per unit cost of carrying regulatory assets."*

- 3.10.31. As per the highlighted section of the above quoted para, 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. The stakeholder's contention is untrue in this regard.
- 3.10.32. It is submitted that 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. The Commission is requested to consider the Petitioner submission in this regard.
- 3.10.33. It is submitted that the detailed working of CSS is already submitted before the Commission for consideration. The losses at various voltage level is



estimated based on the actual historical losses recorded at various voltage levels at Discom level. The submission of Petitioner that submission of Petitioner is fudged/manipulated is not acceptable.

- 3.10.34. With regards to Load Factor Rebate it is submitted that as per the tariff philosophy adopted by the Commission, presently there is no load factor rebate or penalty applicable. Discom has also not proposed any submission in this context.
- 3.10.35. With regards to Time of the day Tariff it is submitted that a significant portion of LMV-1 consumers belong to the low economic stratum and exhibit comparable load curves. As a result, the imposition of Time-of-Day (TOD) tariffs on these consumers would not influence the state's load profile. Consequently, the Licensee does not recommend the implementation of TOD tariffs for LMV-1 consumers.
- 3.10.36. With regards to concessional Tariff it is submitted that GoUP has issued UP Solar Policy 2022 wherein no such provision is mentioned.
- 3.10.37. With regards to cross subsidy, it is submitted that the tariff is being designed considering various factor as per the provision of section 62 of Electricity Act 2003 and the guiding principal of National Tariff policies wherein cross subsidy is integral part of tariff design. Further, it is a policy level decision of the Government to take cross subsidy burden.
- 3.10.38. With regards to cross subsidy level beyond the range, it is submitted that Discom believe that tariff should be cost reflective, however, the consumer mix of discom having high proportionate of LT/ Low paying consumers and lifeline consumers. The industrial and the commercial mix are relatively very low. Further, the roadmap for reduction of Cross subsidy is not yet approved in the State. Further, the detailed computation of step by step cross subsidy as per the MYT Regulations 2019 is prepared and submitted before the Commission for consideration.
- 3.10.39. With regards to differential cross subsidy it is submitted that the proposed methodology is not applicable as per UPERC MYT Regulations 2019 and therefore any revised methodology cannot be considered during the control period.
- 3.10.40. With regards to Power scheduling power it is submitted that UPPCL is not scheduling power in proper manner and purchasing power at very high rate is not maintainable. Further, 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 licensee 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 Licensee submitted that Power Purchase data is duly approved by Commission after detailed prudence check.

- 3.10.41. 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.
- 3.10.42. With regards to power from exchange it is submitted that there is a huge difference in discoms peak and off peak demands. The power is purchased from the Exchange only in peak hours when there is shortage and it is being sold on exchange in off peak hours, when there is a surplus capacity available. As the rates are high during peak hours and low during off peak hours, hence, the power purchase cost is high and sales is low.

### **C. Commission's view**

- 3.10.43. 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.

## **3.11. Power Purchase**

### **A. Comments / Suggestions of the Public**

- 3.11.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that from April 2021 to March 2022 power corporation has



purchased 1295 MU's from Power Exchange at amount of Rs. 929 Crore for which per unit cost comes to be Rs. 7.18 per unit. Further on other side the power corporation has sold 7271 MU's for amount of Rs. 2,749 crore for which the per unit cost comes to be Rs. 3.78 per unit, it seems that power corporation is buying power at higher rate and when other states have requirement of power it sells the power at lower rate through the exchange. The commission should investigate the same and power corporation cannot escape by giving excuse of buying power when there is peak and selling power in off-peak. if corporation has to sell the power it should be done through tendering process.

The details are tabulated as under: -

IEX MONTHWISE PURCHASE/SALE DETAILS FOR FY 2021-2022						
Month	ENERGY (in MUs)	PURCHASE COST (in Rs. Crore)	COST PER UNIT (Rs/kWh)	ENERGY (in MUs)	SALE COST (in Rs. Crore)	COST PER UNIT (Rs/kWh)
Apr-21	109.93	50.95	4.63	1,272.29	406.99	3.20
May-21	31.69	12.28	3.88	628.06	163.55	2.60
Jun-21	106.61	54.06	5.07	424.71	110.13	2.59
Jul-21	307.09	127.97	4.17	216.22	54.11	2.50
Aug-21	103.08	56.45	5.48	624.12	234.72	3.76
Sep-21	143.11	69.84	4.88	896.59	333.58	3.72
Oct-21	180.70	236.30	13.08	105.66	64.20	6.08
Nov-21	22.92	17.98	7.84	25.09	8.62	3.44
Dec-21	35.89	27.85	7.76	483.42	191.15	3.95
Jan-22	45.40	27.42	6.04	711.05	278.40	3.92
Feb-22	25.22	18.01	7.14	947.02	404.73	4.27
Mar-22	183.51	230.47	12.56	937.47	499.26	5.33
<b>TOTAL</b>	<b>1,295.14</b>	<b>929.58</b>	<b>7.18</b>	<b>7,271.72</b>	<b>2,749.45</b>	<b>3.78</b>

3.11.2. IEX submitted that the Licensees have the option to trade power at our platform for delivery of conventional and non-conventional power upto 90 days of trade. The Central Electricity Regulatory Commission vide Order dated June 07, 2022 allowed IEX to trade power on its platform for delivery upto next 90 days. These contracts allow the participants to contract power sale or purchase for the near future at competitive prices. IEX introduced 4 products under this segment namely, Daily Contracts, Weekly Contracts, Monthly Contracts and Any Day Single Sided Contracts (Reverse Auction). The Commission is requested to approve the products available in the short term



market for optimising power purchase costs through sale of surplus power and power purchase to meet the deficit requirements of the Licensees.

- 3.11.3. CEEW submitted that the cost of power constitutes about 79% of the annual revenue requirement of the discoms. It is, therefore, necessary to optimise the power procurement cost so that the financial burden on discom can be reduced.
- 3.11.4. Based on the true-up figures, it can be observed that the discoms incurred almost Rs. 510 Crore on account of the unscheduled interchange (due to excess drawal than scheduled). Further, it is also observed that the discoms have purchased 1295 MUs from exchange @ Rs. 7.18 /unit, however, have sold almost 7272 MUS @ Rs. 3.78/unit which is much lower than the overall average purchase cost of Rs. 4.47/unit.

**High short-term prices paid by UPPCL in FY 22**

Source	FY 2021-22					
	Total Available Units (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Other Charges (Rs. Crore)	Total Cost (Rs. Crore)	Average Energy Cost at interface Point (Rs./Kwh)
UI Charges	-508.06	-	-509.8	-	-509.8	10.03
Reactive Energy Charges	-	-	-	18.11	18.11	-
OA	830.15	-	366.09	-	366.09	4.41
IEX purchase	1295.14	-	929.58	0	929.59	7.18
IEX sale	7271.72	-	2,749.45	-	2,749.45	3.78
Overall Power Purchase	1,23,406.88	18,870.02	27,605.79	9,019.36	55,152.13	4.47

- 3.11.5. In FY 2022, the petitioner sold 7,272 MUs on IEX at an average cost of Rs. 3.78/unit, while the overall APPC was Rs. 4.47/unit and the average Market clearing Price (MCP) on IEX was Rs. 4.4/unit<sup>2</sup>, it is evident that the licensee did not optimise the procurement and selling of power. The table below shows the approximate loss for selling the 7,272 MUS on IEX at prices lower than the APPC and the MCP for FY 2022.

**Low selling price by UPPCL on IEX compared to APPC and Average MCP on IEX**

Units Sold on IEX	APPC	Average MCP on IEX for FY 22	Cost for selling at APPC	Cost for selling at Average MCP of IEX	Total loss for selling below	
MU	INR/Unit	INR/Unit	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
7,271.72	4.47	4.4	3,250.46	3,199.55	501.01	405.11





- 3.11.6. Due to the unavailability of granular time-block-wise data, we could ascertain the exact impact, however based on above assessment, broadly, the discoms could have saved an approx. Rs. 1000 Crore by optimizing short term power procurement, which would have reduced the overall gap. This points to inefficient power purchase planning & optimization and discoms not being able to leverage the real-time markets, which were clear directions by the Commission in previous tariff orders.
- 3.11.7. Discoms' submission shows about a 4% increase in total projected energy purchased in FY24 over FY23, However, the total fixed cost burden is projected to increase by almost 50%, from Rs. 21,006 Crore (revised for FY23) to INR 31,783 crore in FY24. As per the Discoms, the significant component of fixed costs (FC) for FY24 has been estimated by apply 5% escalation factor to the plant-wise FC per kWh, as approved by the Commission in the Tariff Order de July 20, 2022, and further applying these to the total dispatch, derived from the estimated total demand. However, we observe that the actual fixed charges are going in a downward trend year-on-year. Hence, we humbly submit that the Commission must take a realistic view of the potential growth in retail sales in FY24 and accordingly approve the power purchase quantum and costs (including fixed cost).

***Claimed, Approved and actual Variable Charges (average) in INR/unit in past 6 years***

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>VC claimed</b>	2.55	2.68	2.35	2.37	2.39	2.48	2.92
<b>VC approved</b>	2.43	2.61	2.31	2.29	2.3	2.54	-
<b>VC Actual</b>	2.32	2.37	2.45	2.37	2.14	2.80	-

***Claimed, Approved and Actual Fixed costs in INR Crore in past 6 years***

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>FC claimed</b>	16643	17402	20709	28070	33350	32024	31783.09
<b>FC approved</b>	16516	15464	19122	22774	25319	26695	
<b>FC Actual</b>	13901	16977	17953	19419	22182	21006	

- 3.11.8. It is observed that discoms have considered a power purchase quantum of 391.20 MU for FY24 from NCTPS, Dadri Stage-1. Whereas the Commission vide its Order dated April 25, 2022 in the Petition No. 1806 of 2021 matter of "seeking permission to relinquish purchase of power from NCTPS, Dadri Stage-1 Generating in light of MoP Letter dated 22 March 2021 and in terms of Regulation 17 of CERC (Terms and Condit Tariff) Regulations, 2019" allowed UPPCL to relinquish the power of 84 MW of NCTPS Dadri-I. Hence, NCTPS-I shall not be considered in power purchase cost computation by the discoms.



3.11.9. It is further submitted that an increase in the Average Power Purchase Cost (APPC) of UPPCL has been projected for FY24 (Rs. 5.17/unit) compared to FY 22-23, due to payments of fixed charges of stranded capacity. It should be noted that the stranded cost burden on the consumers impacts the overall affordability of electricity (being a direct pass-through in ARR). 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. Uttar Pradesh, with high RE potential and surplus power, may approach to Ministry of Power for relinquishment of its share from Central Generating Stations (CGS). This will result in reducing the fixed cost burden of expensive and inefficient plants that are being sparingly dispatched. We have listed the plants identified on the basis of their age and cost in the table below.

S.No	Source	Contracted Capacity (MW)	Units (MU)	Annual Fixed Charges		Annual Energy / Variable charge		Total cost		Age
		(Rs. / Kwh)	(Rs. Cr)	(Rs/Kwh)	(Rs. Cr.)	(Rs/Kwh)	(Rs. Cr.)	(Rs/Kwh)	(Rs. Cr.)	Years
1	ANTA GPS	91.2	16.38	28.61	46.88	6.71	10.99	34.93	57.24	34
2	DADARI GPS	245.61	296.69	3.17	94.03	267.37	13.06	13.06	387.48	31
3	TANDA TPS	3.11	913.98	3.34	305.42	3.54	323.46	7.03	642.88	32
4	FGUTPS-I	286	633.98	2.42	153.11	3.04	192.76	5.73	362.91	33
5	FGUTPS-II	129	349.00	2.08	72.52	3.37	117.73	6.14	214.45	33
6	FGUTPS-III	63	200.03	2,62	52.46	3.42	68.42	6.47	129.33	33
7	FGUTPS-IV	223	789.08	2,68	211.81	2.98	234.97	5.87	462.97	33
8	KHTPS-I	326	279.14	1,62	45.33	2.43	67.93	4.05	133.15	29
9	NCTPS-I	1.56	983.93	0.54	53.41	2.84	279.69	3.39	333.10	31
10	KORBA-I STPS	3.79	16.51	0.59	0.97	1.25	2.06	1.86	3.07	40
11	RIHAND-I	3.11	1,968.42	0.83	163.70	1.29	274.38	2.23	439.68	35
12	SINGRAULI	6.16	3,938.48	0.72	284.44	1.48	582.91	2.20	867.07	39
		1,381.54	10,385.5	4.10	1,484.09	3.46	2,422.66	7.75	4,013.33	33.58

*\*The coloured rows signify our suggestion of plants that can be considered for relinquishing power.*

3.11.10. In this regard, we propose that the discoms must identify a list of plants and include them in the "stranded capacity bucket". 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. Moreover, the Ministry of Power, with the objective to facilitate the states to optimize their electricity generation/availability portfolio, considering the request of the States, vide guidelines dated 22.03.2021,



allowed the States to exit from PPAs with Central Power Sector Utilities after the expiry of the PPA period. In line with this trend, MoP has finalised the "Scheme for Pooling of Tariff of those plants whose PPAs have Expired on 2011 April 2023, under which MoP has created a common pool for plants that have completed the terms of their earlier PPAs, and offering a common tariff for the power procured from the pool. The States Discom(s) shall be billed a uniform capacity charge in Rs. Crore / MW based on percentage allocation and total capacity charge of power from the Common Pool.

- 3.11.11. Further, Discoms can also leverage the Ministry of Power scheme "Flexibilisation of PPA for Optimal Utilization of Resources and Reduction on Cost of Power for Consumers" also called as 'PushP scheme, to reduce their fixed charges from the plants not being scheduled or sparingly schedule and benefiting the consumers, the generator as well.

#### **B. Licensees response**

- 3.11.12. With regards to higher cost of power purchase it is submitted that the process of power procurement is being carried out in strict adherence to the guidelines set forth by the Hon'ble Commission, and all necessary approvals have been duly obtained. The procurement of short-term power is primarily done to mitigate any contingency requirement, and the Commission is duly informed of the same. We strive to ensure that our power procurement practices are transparent and in compliance with all regulatory norms. It is imperative to ensure that power procurement is done in a manner that is both reliable and cost-effective. As such, we always work towards securing the best possible rates for the power we purchase, while also ensuring that our procurement practices are sustainable and in line with regulatory norms. In cases where we need to purchase short-term power to meet our contingency requirements, we take all necessary steps to ensure that the procurement is carried out in a manner that is in compliance with all applicable regulations. Discoms/UPPCL are committed to ensure that our power procurement practices are efficient, transparent, and in the best interest of all our stakeholders.
- 3.11.13. With regards to short term power procurement of exchange it is submitted that the Licensees have made its submission in the Petition under Chapter 4 and has requested that the Commission may allow the short-term power purchases to fulfil contingency requirement of the Licensee via bilateral, power exchange, traders, etc.



- 3.11.14. 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.
- 3.11.15. With regards to power purchase planning it is submitted that it is submitted that the power procurement is being done considering various direction of the the Commission along with the approval of Commission. The procurement of power is being scrutinized by the Commission during the true-up of respective years. The objection of CEEW that Discom has purchased power at Rs 7.18 / kW against exchange price of Rs. 3.78 / kW is not factually correct as there is a huge difference in discoms peak and off peak demands. It may be noted that the power is purchased from the Exchange only in peak hours when there is shortage and it is being sold on exchange in off peak hours, when there is a surplus capacity available. As the rates are high during peak hours and low during off peak hours, hence, the power purchase cost is high and sales is low.
- 3.11.16. With regards to high fixed and variable charge projected for FY 2023-24. 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 2023-23. In its submission the Petitioner has detailed the plant wise assumptions and procedure for projection of cost component is also detailed in the submission.
- 3.11.17. With regards to relinquishing old and stranded capacity it is 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.
- 3.11.18. 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.

### **C. Commission's view**

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



### 3.12. Renewable Energy and REC trade

#### A. Comments / Suggestions of the Public

- 3.12.1. IEX submitted that the Commission has recently notified REC Regulations 2022 wherein the energy sold by RE capacity registered under REC mechanism in any conventional market (DAM/RTM/ TAM) at Power Exchange shall be eligible for issuance of RECs and in case the energy is sold in the Green Market (for fulfilment of RPO by the buyers) by such RE capacity then no such RECs will be issued against such energy sold in the Green Markets at Power Exchanges. Additionally, the Licensees can seek RECs for their RE consumption in excess of the targets. Therefore, as against the earlier practice, the new regulations provide complete flexibility in so far as the fulfilment of RPO and issuance of REC is concerned.
- 3.12.2. In view of the above, the Commission may allow an explicit provision to the Discoms for sale and purchase of RE power through conventional/ green market. The Commission may also allow the Discoms to take benefit of the flexibility of the RE market at the power exchange for sale of surplus RE power (if any) beyond the RPO target.
- 3.12.3. IEX further submitted that the Licensees under the Act are mandated to procure power through competitive bidding for the benefit of the end consumers. Accordingly, the Commission is requested to include such proviso or conditions directing distribution Licensees to procure RECs through competitive bidding route.
- 3.12.4. IEX submitted that the current RPO trajectory followed in the state is governed under the Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Power Purchase Obligation) Regulation, 2010 and amendment thereof. Thereafter, the Ministry of Power issued revised trajectory allowing complete fungibility of solar and wind power vide notification dated July 22, 2022. The REC Regulations 2022 issued by CERC have also introduced a single REC with technology-based multiplier. Since the current RE market at the Power Exchange as well the REC market is undergoing transition in alignment with the above significant changes, the Commission is requested to amend the RPO regulations to consider the trajectory notified by the Ministry of Power on July 22, 2022.



## **B. Licensees response**

- 3.12.5. 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.
- 3.12.6. 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.
- 3.12.7. The Licensees submitted that the stakeholder has mentioned that the Commission may allow an explicit provision to the Discoms for sale and purchase of RE power through conventional/ green market. The Commission may also allow the Discoms to take benefit of the flexibility of the RE market at the power exchange for sale of surplus RE power (if any) beyond the RPO target. In this regard, it is submitted that the Licensees are obligated to follow direction of Commission.
- 3.12.8. With regards to amendment in RPO Regulation it is submitted that the RPO trajectory determined by the Commission considering various ground realities, potential of the various RE resources in the State and the State RE Policies. Therefore, the suggestion of stakeholder to adopt the RPO trajectory approved by the MoP is not appropriate.
- 3.12.9. With regards to REC through bidding route it is submitted that as per the various directions of the Commission, the Licensees are obligated to procure power through competitive route only. Licensee is always intended to procure most economical power so that the burden of power could be minimized on consumer tariff.

## **C. Commission's view**

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

## **3.13. Revamped Distribution Sector Scheme**

### **A. Comments / Suggestions of the Public**

- 3.13.1. CEEW stated that the Commission should direct the Discoms 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.

- 3.13.2. Further Commission should direct the Discoms 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 Discoms and the State as a whole.

#### **B. Licensees response**

- 3.13.3. It is submitted that the Petitioner has submitted separate RDSS Petition before the Commission in accordance with the regulatory procedures set by the Commission.

#### **C. Commission's view**

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

### **3.14. Incentive Rebate & Surcharge**

#### **A. Comments / Suggestions of the Public**

- 3.14.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Viduyt Upbhokta Parishad and Shri Raj Pal Singh submitted that in Uttar Pradesh around 20 Lakh rural unmetered consumers had shifted under metered consumer category. There was a provision of 10% discount for the same by the Commission in its Tariff Order from FY 2015-16 to FY 2018-19. However, the Licensees didn't provide the provisional discount of 10% to the consumers. The same issue was raised by Vidyut Upbhokta Parishad before Power Minister and the Commission. The Ministry of Power issued the Order for compliance of the Order issued by the Commission. The Commission also directed the Licensees to submit the report regarding the same, however, the Licensees still have not provided the 10% discount to its rural consumers. The Commission is requested to take strict action regarding the same. The Commission in its Tariff Order for had directed that the consumers shifting from unmetered to metered Category will be given a discount of 10% from FY 2015-16 to FY 2018-19. This 10% discount pertains to Rs. 150 Crore which the Licensees have not released. The Commission had also taken strict action regarding the same, however the same is limited to papers. Therefore, the Commission is requested to provide 2% additional regulatory discount to the consumers. Further stated that there



should be rebate of 2% on timely payment of the bill by the consumers. And the consumers with pre-paid meters should be provided rebate of 5%.

- 3.14.2. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that the consumers submitting bills on time should be provided with 2.5% discount and pre-paid consumers should be provided with 5% discount.
- 3.14.3. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that a provision should be made for the Licensees so that if correct bill was not raised by the Licensees no surcharge should be applicable till correct bill is raised by the Licensees.
- 3.14.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that expenses of Licensees to be only allowed as per MYT Regulations notified by the Commission.
- 3.14.5. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP submitted that Every year OTS scheme is launched in which 50% to 100% surcharge waiver is allowed. Because of this scheme, the consumers who pay their bills on time feels betrayed. The rebate on payment of bill on time should be increased to 1.5% for encouraging honest consumers.
- 3.14.6. CEEW submitted tha State discoms have claimed a late payment surcharge (LPS) of about Rs. 499 Crore (excluding the LPS paid for Transmission Charges) in FY22. We observe 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. The Commission has not been allowing these Late Payment expenses in the past and it is expected these will not have passed on to the consumers this year as well.

#### **B. Licensees response**

- 3.14.7. With regards to shifting of unmetered to metered category, it is submitted that the matter is not directly related to the current proceeding of ARR. However, the concerned raised by the stakeholder has been referred to the concerned wing for verification.
- 3.14.8. With regards to 10% discount to unmetered consumers it is submitted that this facility was introduced along with some specific conditions. It is requested that if stakeholder observed that all the conditions is being fulfilled and



committed relaxation is not provided. The stakeholder may raise specific concern before the appropriate authority.

- 3.14.9. With regards to rebate of 2.5% and 5% it is submitted that rebate is being provided as per the tariff schedule of the Commission for respective year. Discom has not proposed any change in the current structure of rebate in its proposal.
- 3.14.10. 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.
- 3.14.11. With regards to 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.

### **C. Commission's view**

- 3.14.12. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification. The Licensees are directed to submit the detailed report in next ARR / Tariff filings.

## **3.15. Differential bulk supply Tariff (DBST)**

### **A. Comments / Suggestions of the Public**

- 3.15.1. CEEW submitted that it is observed that the DBST (in lieu of PPA allocation to discoms) was approved by the Commission in the tariff order dated July 20, 2022. However, the discoms have not claimed any True-up of DBST, but have only claimed DBST for APR & ARR projections in the FY24 petition.
- 3.15.2. Further, it is for the Commission's consideration that the DBST mechanism promotes cross-subsidisation among discoms. Good-performing discoms



(with better billing and collection efficiency) bear the brunt of the lesser-performing discoms. This dilutes the incentive for discoms to improve their operational and financial performance. The low-performing discoms should be nudged towards strict compliance and improvements.

- 3.15.3. In the medium term, the Commission, GoUP and UPPCL should move towards the actual allocation of power purchase agreements (PPAs) among discoms rather than UPPCL and allow the power purchase cost for each discom to be reflective of the expenses incurred by them. This, in turn, would enable each discom to improve their operational efficiency and scheduling and dispatch principles.

#### **B. Licensees response**

- 3.15.4. The Licensees submitted that the Petitioner has computed the power purchase cost for FY 2023-24 based on Commission approved methodology for DBST.

#### **C. Commission's view**

- 3.15.5. The Commission has taken note of the suggestions made by the stakeholders and response of the Licensees.

### **3.16. Lifeline Consumers**

#### **A. Comments / Suggestions of the Public**

- 3.16.1. CEEW submitted that in Uttar Pradesh, the lifeline category encompasses a broader consumption slab (0-100 units) compared to the other three states. Nearly 50% (1.57 crores) of domestic consumers fall under lifeline category (both urban & rural consumers). The financial burden on Consumer for consumption up to 30 units is more than twice that in Gujarat and Maharashtra (despite a subsidy of Rs. 3.50/unit).

State	Lifeline units' range (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		81
Maharashtra	0-30	1.1	25 per connection	58



- 3.16.2. CEEW submitted that the current ABR for LMV-2 Non-Domestic consumers is Rs. 10.70 per unit, higher than that of HV industrial (LMV6, HV-I and HV-2). Further, many small shops / enterprises run out of homes. This problem is prevalent in many parts of Uttar Pradesh, leading to many litigations and harassment cases. Ensuring affordable power for such small shopkeepers provides growth opportunity for small businesses and prevents unauthorized use of electricity. This will give impetus to rural enterprises and overall economic activity. Example of other states like Andhra Pradesh, Madhya Pradesh, Punjab, Rajasthan, Uttarakhand, Chhattisgarh, Telangana, Tamil Nadu already have a separate slab for lifeline Non-domestic consumers.
- 3.16.3. CEEW proposed that a new tariff slab 'non-domestic lifeline' for 0-100 units a month or 1kW load. The subsidy reduced from LMV-I lifeline can be diverted to LMV-2 lifeline.

Category	Lifeline units' range (kWh)	Energy charge (INR/kWh)	Fixed charge (INR)	Total charge in INR (for consumption of 50 units/month)
LMV-I Lifeline	0-50	1.5	50 per KW	125
Category	Lifeline units' range (kWh)	Energy charge (INR/kWh)	Fixed charge (INR)	Total charge in INR (for consumption of 100 units/month)
LMV-2 Lifeline	0-100	1.5	50 per KW	200

#### B. Licensees response

- 3.16.4. With regards to reassessment of lifeline consumers it is submitted that CEEW has compared eligibility criteria of lifeline consumers across various States in India and requested to reduce the consumption norm. In this regard, it is submitted that considering the socio- economical condition of the State, the Commission has fixed the eligibility criteria of lifeline consumers in the State. Discom in its Petition has not submitted any proposal for re-estimation of the same

#### C. Commission's view

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



### 3.17. Billing

#### A. Comments / Suggestions of the Public

- 3.17.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that in large scale bills of the consumers are being tempered with. The Chairman of UPPCL has accepted the fact about the error in electricity bills and stated that its being corrected. Therefore, at a large scale exploitation of the consumers is going on in the State. This is a very serious issue and the Commission is requested to conduct a high level investigation time to time regarding the same, so that, the culprits may be dismissed on the spot.
- 3.17.2. Further on large scale consumers are not paying their bills timely as billing is not been done as per meter reading which causes disputes, till the end of February 2022 there were about 10,50,0000 consumers in the State who never paid electricity bills and the maximum numbers were from Purvanchal i.e. about 43,75,000 consumers. And as per March 19, 2023 there are still 35,44,000 consumers from Purvanchal who have never paid electricity bills. The main reason for this is NANR, RDF and YDF. If billing is done properly by the Licensees, then revenue can be increased. PuVVNL has 16,363 consumers and till March 16, 2023 there are 3,246 departmental employees whose registration has not been done.
- 3.17.3. Shri V.S. Pal, District Vice Chairman, Bhartiya Janta Party, submitted that the Licensees are not following the Tariff Schedule approved by the Commission. As per Letter no. 9964 dated December 08, 2022, a religious place was being billed under LMV-4 and later after the action taken by the Commission in response to an RTI, is now being billed under LMV-1 category. Therefore, the Commission is requested to direct all the Licensees to follow the rate schedule approved by the Commission for billing of religious places in the State.
- 3.17.4. Shri Chandra Prakash Verma, submitted that the consumers should be provided with both online and offline bills with complete details. The connection of the consumers should not be removed without informing the consumers through offline and online means both.
- 3.17.5. Shri Raj Pal Singh, submitted that bills are being raised against the provision of the Supply Code of the State. The Commission is requested to look into the matter.





## **B. Licensees response**

- 3.17.6. With regards to meter based billing it is submitted that the matter does not pertain to the current proceeding of ARR. It may further be noted that the Commission determines the ARR on revenue Assessment basis considering normative distribution loss. However, the concerned raised by the stakeholder has been referred to the concerned wing/Discom for verification and necessary action
- 3.17.7. With regards to billing of religious place the Licensees submitted that the matter has been noted and forwarded to concerned Discoms.
- 3.17.8. With regards to electricity billing, it is submitted that the bills are being raised to the various categories of consumers as per the provisions set by the Hon'ble Commission in UP Electricity Supply Code and its subsequent amendments from time to time. It is submitted that the Electricity Disconnection is being done by the Discoms as per the provisions of UP Electricity Supply Code and its subsequent amendments from time to time after following the adequate procedure as set by the Commission and further it is submitted that intimation regarding dues and disconnection date is intimated through SMS to consumers.
- 3.17.9. With regards to bill being raised against supply code it is submitted that It is submitted that the bill is generated by the Discoms as per the various provisions of UP Electricity Supply Code 2005 and its amendment. It is highly recommended that the stakeholder provide a specific bill with a list of their concerns to the concerned authority or Discom so that the same can be addressed in effective manner.

## **C. Commission's view**

- 3.17.10. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification. The Licensees are directed to submit the detailed report in next ARR / Tariff filings.



### 3.18. Tariff for Weaver consumers

#### A. Comments / Suggestions of the Public

- 3.18.1. Shri Sardar Maqbool Hasan submitted that the Commission vide its letter directed the Licensees to bill weaver consumers and collect the revenue as per the Tariff Schedule approved by the Commission. After which, the weaver consumers had a meeting with Minister Hathkardha and additional Chief Secretary Hathkardha where it was decided that the order for billing of weaver consumers as per the rate approved in FY 2005-06 will be issued shortly, following which the additional Chief Secretary vide letter dated February 03, 2021 issued the Order that till the time the Order regarding rate of weaver consumer is passed in the Cabinet Ministry, the billing and disconnection process of weaver consumers to be stopped. However, the Commission vide its Letter dated October 29, 2022 directed the Licensees to bill weaver consumers and collect the revenue as per the Tariff Schedule currently approved by the Commission. Therefore, the Commission is requested to set aside its order issued vide letter dated October 29, 2022.

#### B. Licensees response

- 3.18.2. The Licensees haven't submitted any response.

#### C. Commission's view

- 3.18.3. The rebate to Power Loom consumers shall be provided in accordance with the applicable Government orders subject to adherence of provision of advance subsidy. The same has also been provided in the Rate Schedule.

### 3.19. Sales and Revenue

#### A. Comments / Suggestions of the Public

- 3.19.1. CEEW submitted that despite repeated directions by the Commission, the discoms are still projecting unmetered consumers under several categories with no substantial plan submitted for metering them.



**Unmetered Consumers in various consumer categories in UP**

Unmetered consumers (FY 2023-24)	No. of consumers	Sales (Mu)
LMV-1 Dom: Rural Schedule (unmetered)	2,22,461	755
LMV-3 : Public Lamps	983	81
LMV-5: Rural Schedule (unmetered)	11,76,559	16,095
LMV 7: Public Water works	4,310	553
LMV-10 Departmental Employees	98,581	639
<b>Total</b>	<b>15,02,894</b>	<b>18,123</b>

- 3.19.2. Discoms should take up phase-wise metering campaigns for all major unmetered categories (LMV-1, LMV-3, LMV-5 and LMV-10) consumers under RDSS for the purpose of energy accounting, whilst ensuring these consumers that metering will not necessarily impact their electricity bills. This energy accounting will also help discoms to better forecast their energy demands.
- 3.19.3. CEEW further stated that the DISCOMs in their tariff petitions have been periodically projecting higher sales and there is much variance from the actual sales achieved (during true-up). Although the error margin between the projected and actual sales is decreasing year-on-year (y-o-y), there are still high gaps in projections, if one looks at category-wise projections. The Commission should take into consideration the past growth trends and current realities before approving final sales to ensure that the projections are realistic and not overestimated, as such a situation affects revenue gaps subsequently.
- 3.19.4. Further, it would also be prudent to take into consideration the CEA draft guidelines for long term and medium-term demand forecasting released on 11 April 2023 that could be used as guiding document by the discoms to for medium term (more than 1 year and up to 5 years) as well as for long term (more than 5 years).
- 3.19.5. CEEW stated that un-metered agricultural demand for FY24 projected by the petitioner accounts for about 83% of the total LMV-5 sales. The LMV-5 category is the predominant recipient of subsidies. The estimation of sales (though in is for normative booking/accounting under the discoms 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

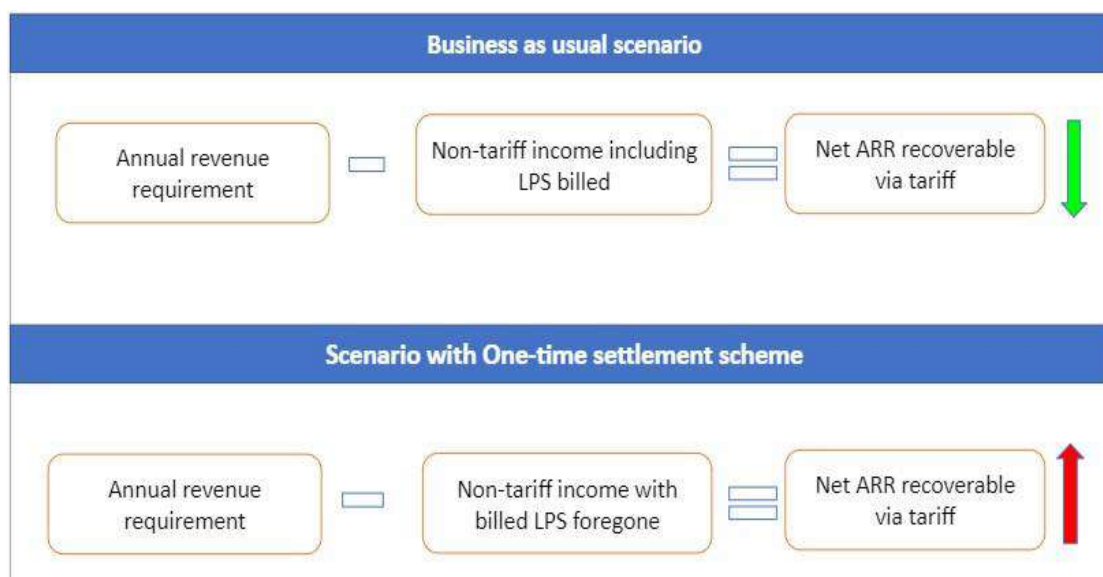
- 3.19.6. Based on FY 21-22 data it is observed that 98% of agricultural LMV 5 consumers fall under rural areas. The actual consumption of rural metered LMV 5 consumer is 73.75 kWh/kW/month and urban metered consumer is 147 kWh/kW/month. However, almost all rural consumers are unmetered and their consumption is booked as per norm of 140 kWh/kW/month, which is much higher when compared to the actual consumption of metered rural consumers. Hence, there is a need to reassess the consumption norms.
- 3.19.7. Moreover, the Commission vide order UPERC/Secy/D(T)/2016/336 dated December 09, 2016 approved the normative consumption on an interim basis for six months (till June 30, 2017) and directed the discoms 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. The study of consumption norms is yet to be carried out by the discoms.
- 3.19.8. CEEW submitted that in Uttar Pradesh, significant agriculture feeder separation has been done. 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 FY25 onwards. As an independent think-tank, CEEW will be happy to assist the commission on this front.
- 3.19.9. CEEW further submitted that the impact of demand-side interventions such as solarisation of agriculture feeders under the PM-KUSUM scheme seems to be lacking from discoms sales projections. MNRE has already sanctioned a 225 MW capacity target for UP under Component A of the scheme. The Government of UP (GOUP) recently issued an order dated January 13, 2021, sanctioning capacities of 150 MW to various State Implementing Agencies (SIA)/Discoms to implement Component-A. UPPCL had proposed a ceiling tariff of Rs. 3.10/kWh, approved by the Hon'ble Commission, for the procurement of solar energy under KUSUM
- 3.19.10. We estimate that 225 MW of solar capacity can fulfil 355 MU of agricultural demand. The discoms 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 in power purchase cost



required to cater for the demand of Agricultural consumers and the ceiling tariff of Rs. 3.10/kWh.

- 3.19.11. 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 discoms. 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. We request the Commission to direct the discoms to leverage feeder solarisation actively and include them as part of their power procurement strategy. Further, if the feeder segregation has not been done, once smart metered, smart metering infrastructure can be leveraged to create virtual feeder segregation based on consumer category. Discoms can leverage the same under the RDSS scheme.
- 3.19.12. CEEW submitted that UPERC (MYT) Regulation, 2014 disallowed any OTS scheme post 31st March 2017 and was abolished by Commission However, discoms and state governments keep on providing OTS schemes to non-paying consumers. Further, the Discoms were directed to submit year-wise OTS data from the beginning of FY 2021-22 by the Commission in the last order. However, Discoms haven't provided any data.

**FIGURE: IMPACT OF OTS ACROSS CONSUMER CATEGORIES**



3.19.13. The 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.

3.19.14. Shri Vikas Chandra raised the accountability issue regarding OTS scheme. He submitted that burden of the same should not be passed on to the State consumers.

### **B. Licensees response**

3.19.15. With regards to unmetered consumers it is submitted that Discoms has projected declining number under unmetered consumer categories. Therefore, the CEEW submission regarding phase wise metering compliance for unmetered consumers has already been taken care of by the Petitioner in respective applicable categories.

3.19.16. With regards to improvement in sales projection it is submitted that due to the COVID affected years FY 2019-20 and FY 2020-21, the historical sales trajectory has deteriorated. Further, Discoms in FY 2022-23 under the business as usual scenario has witnessed substantial growth in energy sales during the first half of FY 2022-23. The detailed reasoning for the same is also





mentioned in the Petition. The sales projection for FY 2023-24 is being done based on the various ground realities and existing government policies.

- 3.19.17. It is submitted that Discoms has projected declining number under unmetered consumer categories. Therefore, the CEEW submission regarding phase wise metering compliance for unmetered consumers has already taken care by the Petitioner in respective applicable categories.
- 3.19.18. With regards to OTS it is submitted that OTS is being funded by Distribution Licensees through its internal resources. The Commission while approving the ARR considers revenue on assessment basis.
- 3.19.19. With regards to impact of PM-KUSUM scheme it is submitted that Discoms has projected the sales as per the norms provided for LMV-5 category in the Order approved by the Commission.
- 3.19.20. With regards to accountability under OTS scheme, it is submitted that OTS is a policy decision and is being funded by Discoms own fund like ROE and therefore, no impact of ROE is being passed on to the consumer.

### **C. Commission's view**

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

## **3.20. Domestic Consumers**

### **A. Comments / Suggestions of the Public**

- 3.20.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Consumer Council had given a proposal before the Commission in the year 2019, in which the issue was raised that the domestic villagers open small shops in their homes at many places for their sustenance and when the vigilance or departmental personnel visit their premises, they assessed revenue on them, in such cases Commission is requested to provide relief for up to 2 KW. Further, the Commission had asked for a report from the power companies against which power corporation RAU wing on letter number 765, dated October 17, 2019 has sent reply to the commission which suggested to take appropriate decision in the case of domestic consumers up to 2 kW in rural areas, leaving them out of the purview of revenue assessment and allowing them for domestic purposes only.



## B. Licensees response

- 3.20.2. The Licensees submitted that the identification of consumers in the system is carried out based on their respective tariff categories. As a result, the request of stakeholders to categorize rural consumers with a 2kW load who engage in commercial activities under the LMV-1 category may not be fulfilled. It is important to note that consumers cannot be differentiated under different categories for similar usage solely due to their geographical privilege. Such a practice may result in an unfair and unbalanced tariff structure, affecting the financial sustainability of the operations. However, the Discom recognizes the importance of providing fair and affordable electricity to all consumers and is continually striving to improve its services and practices.

## C. Commission's view

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

### 3.21. LMV-5 Consumers category

#### A. Comments / Suggestions of the Public

- 3.21.1. CEEW submitted that unmetered consumers booked as per norm of 140 kwh/kW/month in FY22. However, average consumption of metered PTW consumers is 73.75 kwh/kW/month and 147 kwh/kW/month for rural and urban areas, respectively. Almost 98% PTW consumers are rural. There is a need for reassessment of consumption norms since Average metered rural consumption almost half the current Commission norms and excess booking suppresses distribution losses and increases exchequer's subsidy burden.
- 3.21.2. It is submitted that despite Commission's directions, no scientific study to assess consumption norms conducted with Discoms. The Commission requested to direct Discoms initiate study to inform consumption norms for FY25 (similar to Maharashtra, Haryana and Punjab) through analysis of feeder and DT input data, sample survey.
- 3.21.3. Shri Om Dutt, Bhartiya Kisan Union Lok Shakti and Ranjit Singh Chauhan submitted that the Commission has changed the tariff for LMV-5 rural and urban schedule in the Rate Schedule for FY 2022-23. Moreover, the tariff decided for rural and urban schedule are different i.e. for rural schedule fixed charge after subsidy is Rs. 70 per BHP and energy charge after subsidy is Rs.



Rs. 2.00 per unit and for urban schedule fixed charge is Rs. 130 per BHP and energy charge after subsidy is Rs. 6.00 per unit. However, it is submitted that the variation in tariff for rural and urban area is without any basis as both area requires same amount of water and the Government provide the same rate for the yield produced. Therefore, variation in tariff based on rural area and urban area is not justified. The Commission is requested that the tariff for both urban and rural area under LMV-5 categories should be same and benefit of 100% free electricity as announced by State Government is to be provided to the LMV-5 consumers.

#### **B. Licensees response**

- 3.21.4. With regards to normative consumption for unmetered agriculture connections using feeder-level data it is submitted that the Commission vide its Order dated December 09, 2016 in the matter of revision of consumption norm for unmetered category of consumers has approved the consumption norms for various unmetered consumer categories based on applicable supply hours to respective categories. The Petitioner has projected the sales considering the direction of Commission.
- 3.21.5. With regards to normative consumption for unmetered LMV-5 connections submitted that the Commission vide its Order dated December 09, 2016 in the matter of revision of consumption norm for unmetered category of consumers has approved the consumption norms for various unmetered consumer categories based on applicable supply hours to respective categories. The Petitioner has projected the sales considering the direction of the Commission.
- 3.21.6. The Licensees submitted that as per section 62(3) of Electricity Act 2003, the State Regulatory Commissions are empowered to determine the tariff based on 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. The relevant section is reproduced as under.

*“62(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.”*

- 3.21.7. It is submitted that the tariff is being determined based on various parameters as per section 63(2) of the Act. Therefore, the stakeholder submission for similar tariff applicability to rural and urban consumer may not be consider.
- 3.21.8. With regards to similar tariff for LMV-5 consumers, it is submitted that the applicability of tariff for Rural and Urban category of consumer for LMV-5 tariff category is different as per the tariff philosophy adopted by the Hon’ble Commission. It is important to note that the Hon’ble 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. The relevant section is as under:

*“62(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.”*

### **C. Commission’s view**

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

## **3.22. Transparency w.r.t. State Government subsidy disbursal**

### **A. Comments / Suggestions of the Public**

- 3.22.1. CEEW the Council submitted that the Commission and Discoms have ushered transparency through providing tariff with & without subsidies in the tariff orders and providing subsidy details in the consumer bills. In FY22, GoUP directed billing of LMV-5 metered consumers as unmetered consumers with GoUP bearing the difference as subsidy.

Quote



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 conform to section 65 of the Electricity Act, 2003 in regard to the advance subsidy.

Unquote

- 3.22.2. The Commission is requested to direct Discoms to submit any reconciliation of the difference between metered and booked energy for metered consumers.

#### **B. Licensees response**

- 3.22.3. With regards to transparency w.r.t State Government subsidy disbursement, it is submitted that subsidy is the policy matter of the State Government. Discom submits detail of subsidy received before the Commission during annual filing of true-up for respective categories in transparent manner. The CEEW has suggested that the subsidy details should be included in the consumer bill, which has already been implemented. The CEEW also proposed that the Tariff Order should include both tariff with and without subsidy, it is submitted that Discom in its Petition has requested the Commission to approve Full cost tariff and Tariff payable.

#### **C. Commission's view**

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



### 3.23. LMV-10 Departmental Category

#### A. Comments / Suggestions of the Public

- 3.23.1. Shri Ramnath Singh Vidyut Pension Association Uttar Pradesh submitted that the Commission is requested to clear the confusion with regards to termination of the facilities provided under LMV-10 during FY 2021-22, 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.
- 3.23.2. Shri Ramnath Singh Vidyut Pension Association Uttar Pradesh submitted that the departmental pensioner / family pensioners of erstwhile UP Electricity council have not been provided with the departmental connection. He submitted that the agreement formed after tripartite meeting on January 25, 2000 should be respected.
- 3.23.3. He further submitted that in case the violation of the agreed act, mandate and tripartite agreement, then the organisation will be forced to file the Petition in court and for which the UP Power Corporation / UP government will be responsible. Therefore, the Commission is requested that the relaxation provided under LMV-10 should be prolonged.
- 3.23.4. Shri Pradeep Luthara submitted that the Power Corporation employees have very high wages, the Commission is requested to not pass the high wages of employees expenses on the consumers.

#### B. Licensees response

- 3.23.5. With regards to changes in Tariff of LMV-10, it is submitted that the 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 14th January, 2000.





- 3.23.6. With regards to wages of employees it is submitted that the Commission has set the norm for employee cost and only normative employee cost is passed on through to tariff.

#### **C. Commission's view**

- 3.23.7. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee and has appropriately dealt with the matter in Tariff Order.

### **3.24. Smart Metering**

#### **A. Comments / Suggestions of the Public**

- 3.24.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that there was a case in Nizampur (Gorakhpur) where two consumers having ice factory was involved in Electricity theft by distorting the neutral of the Smart Meter. This proves that there are still issues with the 12 Lakh smart meter installed previously in the State. Therefore, the Power Corporation should take cognizance of this and conduct proper technical evaluation required in the smart meters to be installed. Further, a high level investigation to be done in the issue of smart meters installed in Gorakhpur and strict action to be taken against anyone involved in the same. The Central agency evaluating the smart meters should also look into this matter.
- 3.24.2. So in the case of Uttar Pradesh, the Power Corporation should take prompt action and evaluate which Smart prepaid meters are to be installed in the state at present, it is very important to scrutinize them so that such deficiencies may be avoided, and if necessary, only after making technical changes in them, new smart prepaid meters should be installed. For the meters that have been installed at the homes of the electricity consumers of the State till now, it is better to remove them. It should be noted that the Consumer Council has continuously raised many questions whether it is a case of load jumping or a case of light failure in the meter, and now when electricity theft has been caught in the smart meter in Gorakhpur, it also proves the same.
- 3.24.3. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted Central government under pressure of power ministry has stated to install 2.5 crore 4G smart meters and still for this the approval has been not granted by the regulatory commission. Meanwhile the electricity companies



have started opening of tender regarding this costing about Rs 25,000 crore and no meter manufacturing companies have taken part in this tenders and only selected private entities have filled the tender. It seems that the meter manufacturer companies do not have eligibility to apply for this tender. further the Tender part 1 has been opened in Purvanchal, Madhyanchal, Dakhinanchal and Pachimanchal in which the Adani Group, GMR group, LNT group and EESL's partner company Intelli Smart are the leaders. As already informed to the Commission that due to pressure of Power Ministry on Central government the private entities will try to take the tender. And at present the same is happening. We can see that in the past when power companies use to release their tenders for metering or transformer change, it was mandatory that the manufacturing companies must take part in the tender. It is submitted that only 4 tenders have been released so that the cost of the project will be very high (approx. Rs. 6000 Crore or more) and the manufacturing companies will be unable to take part in the same. Furthermore, all the Licensees have asked the Commission for the line losses as approved in the RDSS scheme, however they have floated the tender for the smart meters Tender without taking approval from the Commission.

- 3.24.4. Under the Guideline Revamp Scheme issued by the Central Government, the plan to install prepaid smart meters in the homes of all domestic electricity consumers in the entire State, whose tender has been done by the Licensees, but the biggest question arises that why the consumer of the state will compensate for the expenses incurred under the Scheme of Central Government. The cost of the prepaid meter installed under this scheme should be incurred by the Central Government and should not pass onto the consumers. The Upbhokta Parishad strongly oppose this as the State consumers has already paid for the meters installed in their premises at the time of electricity connection, whose guarantee is also for 5 years. Moreover, if the meters are being changed due to some new scheme then its cost should not be passed on to the consumers. Similarly, the collection of GST every month from the consumer along with the capital cost from of the project is also against the consumers. Further, the consumers are already paying electricity duty to the State and will be forced to pay GST every month due to smart meter project of the Licensees. It will be unconstitutional if the expenses incurred for the smart meter installation is passed on the consumers and it will be opposed at every stage by the Upbhokta Parishad.
- 3.24.5. Therefore, the Commission is requested that the expenses that will be incurred for smart-meters installation by the Licensees not to be passed on to



the consumers. Further, the Central Government should cover the cost of Rs. 6000 as stipulated in the Bidding documents for smart meters and convert it into grant, so that the cost may not be passed on to the State consumers. Furthermore, cost of smart meters under OPEX model should not be allowed by the Commission.

- 3.24.6. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, further submitted that as per Electricity Act 2003, Section 47 (5) without the permission of the consumers prepaid meters can't be installed in their homes. Furthermore, in Section 56 of Electricity Act, 2003 it is submitted that before disconnecting the electricity supply due to unpaid dues, a notice of 15 days needs to be provided to the consumers. As such the rule made by Central government is in contradiction of the Electricity Act, 2003. The Licensees have forgotten that the upgradation work of 2G and 3G smart metes already installed in the State needs to be done by the Licensees as per their own rollout plan. It is submitted that till the time Licensees will plan to procure 4 G smart meters, new 5 G smart meter technology may come in the market. Therefore, it is requested that before the procurement of smart meters' proper technical evaluation should be done so that the smart meter can be upgraded with better technology in future, otherwise it will only be profitable for Private Entities.
- 3.24.7. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that PVVNL has awarded the tender for prepaid smart meter to Intelli Smart at 36%-40% more than the actual price. There needs to be a CBI enquiry for the same. Due to Central Government pressure, the Rs. 6,000-meter cost has increased upto Rs. 8,415 and 3-phase meter who's cost is Rs. 7,500 has increased to Rs. 10,000. The Commission has already stated that the cost of smart meters will not be passed on to the consumers. So, from where the Power Corporation will pay for that tender, an investigation needs to be done regarding the same. Further, there is no clarity regarding upgradation of 4G smart meters to new technology. Energy Efficiency Limited had demanded a lot of money to upgrade the meters already installed to 4G smart meters. The tender awarded by PVVNL does not provide any clarity regarding upgradation of smart meter to new technology free of cost. Moreover, the Commission had already clarified that the expense of smart meters will not be passed on to the consumers. The Power Corporation is again making the same mistake of installing the 4G smart meters when there is already a new technology for present for the same. In the future the same issue of upgradation of smart meters will be present that will have adverse effect of



the State Power Sector. An audit of the expenses incurred by the Power Corporation regarding meter installation from last 5 years needs to be done to clarify the situation

- 3.24.8. It is submitted that PVVNL has awarded the tender to Telismart company at the cost of Rs. 7,529 Crore that is 36%-46% more than Rs. 5,517 Crore. Further, for single phase smart meter cost has been decided at Rs. 8,415 per Meter and for 3-phase cost has been decided at Rs. 11,897 per Meter, which is 40% more than the base rate of Rs. 6,000 per Meter. Accordingly, the project cost will become high for PuVVNL, MVVNL and DVVNL also. The Power Corporation has therefore admitted that the cost of smart meter will be higher than the rate approved by the Central Government. The consumers premise where smart meters got installed are already suffering as there are many issues regarding recharge, power supply etc. The Commission is requested to look into the matter.
- 3.24.9. Shri D.C. Sharma, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh, submitted that price of prepaid meters in Uttar Pradesh is 5 to 6 thousand rupees per meter which is very expensive and money is also being collected by the power corporation in the name of its maintenance. On termination of connection, prepaid meters are taken out by the department whose meter value is not refunded to the consumer.

#### **B. Licensees response**

- 3.24.10. With regards to tempering of smart meter it is submitted that the stakeholder has put forth a suggestion that the proposed smart meters to be implemented under the upcoming scheme should be technically tamper-proof, and any tampering activity should be duly recorded. The Licensee acknowledges and appreciates the suggestion of the stakeholder. It is further submitted that all the guidelines issued by the central government regarding the procurement of smart meters will be strictly adhered to, ensuring the best quality and tamper-proof meters are procured. However, the concerned raised by the stakeholder has been referred to the concerned wing for verification and necessary action.
- 3.24.11. With regards to cost of smart meters it is submitted that it is a policy related matter, therefore, no comments to offer. However, the concerned raised by the stakeholder has been referred to the concerned wing for verification and necessary action.



- 3.24.12. With regards to issues related to Tender process it is submitted that the power sector is a critical component of the country's infrastructure, and the government is committed to ensuring that it is modernized and optimized to meet the needs of the people. To this end, the government has launched several initiatives to improve the efficiency and effectiveness of the power distribution system, including the Reform of Distribution Sector Scheme (RDSS). As part of this scheme, Discoms are in the process of formulating plans to implement smart meters across the State. Smart meters are advanced digital meters that are capable of providing real-time information about electricity usage to both the consumer and the utility provider. This technology has several advantages over traditional meters, including improved accuracy, faster billing, and greater flexibility in billing options.
- 3.24.13. The implementation of smart meters is a key part of the RDSS, as it will help Discoms to improve their overall efficiency and reduce their losses. By providing real-time data about electricity usage, smart meters can help Discoms to identify areas of inefficiency and take steps to reduce losses. For example, if a Discom notices that a particular area is experiencing high levels of electricity theft, they can use the data from smart meters to identify the source of the theft and take corrective action. In order to ensure that the procurement of smart meters is done in a fair and transparent manner, the government has issued several guidelines that Discoms must follow. These guidelines include the use of competitive bidding processes to select suppliers, the requirement for all bids to be evaluated based on objective criteria, and the need for appropriate approvals from relevant authorities before finalizing any contracts. However, the concerned raised by the stakeholder has been referred to the concerned wing/ Discom for verification and necessary action.
- 3.24.14. With regards to irregularity in Tendering process it is submitted that the issue raised by the stakeholder is of complaint nature and does not directly relates to the immediate proceedings of ARR for FY 2023-24. However, the observation of the stakeholder has been sent to concerned discoms for appropriate action.
- 3.24.15. With regards to high cost tender allocation it is submitted that the matter does not pertain to the current proceeding of ARR, hence, no comments to offer. However, matter has been sent to concerned unit / Discom for appropriate action.



- 3.24.16. With regards to smart meter with old technology it is submitted that the matter does not pertain to the current proceeding of ARR, hence, no comments to offer. However, matter has been sent to concerned unit for appropriate action
- 3.24.17. With regards to pre-paid meter it is submitted the Cost of electrical infrastructure, as recovered by the consumer, is duly approved by the Commission in its Cost Data Book. Accordingly, Discoms recover the cost of electrical infrastructure from the consumer.

### **C. Commission's view**

- 3.24.18. The Commission has taken note of the objections/suggestions made by the stakeholders and comment of the Licensee. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification. The Licensees are directed to submit the report in next ARR Filing.

## **3.25. RPO and REC**

### **A. Comments / Suggestions of the Public**

- 3.25.1. CEEW submitted that it is observed that the energy purchased under the KUSUM scheme and from RSPV consumers is not being accounted for towards the RPO/HPO compliance. The discoms are requested to take note of such distributed energy resources that can be accounted for towards RPO compliance.
- 3.25.2. Moreover, we would like to bring to the notice of the Commission that presents RPO and HPO targets are up to FY24. 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 Discoms, we suggest the commission should come out with much higher targets for the obligated entities up to FY30. 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.
- 3.25.3. The Ministry of Power (MOP) has notified the renewable purchase obligation (RPO) and energy storage obligation (ESO) up to the fiscal year 2029-2030. The ESO will be calculated in energy terms as a proportion of total electricity consumption and will be regarded as satisfied only when at least 85 per cent of the total energy stored in the energy storage system is obtained from





renewable energy sources each year. The prescribed storage obligation is 1 per cent in 2023-24 and increases up to 4 percent in 2029-30.

- 3.25.4. Energy storage obligations will expedite the implementation of technologies such as Battery energy storage systems (BESS), in line with the discoms' efforts of implementing the same. Such technologies can help the discoms to reduce their UI charges and optimise their power procurement in a more efficient manner.
- 3.25.5. Present RPO and HPO targets vide UPERC/Secy/Regulation/2019-294 are up to FY24. 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 Discoms, we suggest the commission should come out revised RPO and HPO (including ESO) trajectory with much higher targets for the obligated entities, up to FY30.

#### **B. Licensees response**

- 3.25.6. With regards to HPO and RPO targets it is submitted that UPPCL is committed to follow the RPO and HPO trajectory set by the 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.

#### **C. Commission's view**

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

### **3.26. Non-Tariff Income**

#### **A. Comments / Suggestions of the Public**

- 3.26.1. CEEW submitted that last year, the Commission passed the UPERC (Facilitation of Telecommunication Network) Regulations, 2022. This is a welcome move as this may reduce the financial burden through extra income by leveraging the distribution assets and deriving income from such activities on an annual basis through ARR. The regulation instructs the licensee to claim the income from renting & related services of distribution assets towards non-tariff income in respective tariff order in accordance with the classification given under MYT Tariff Regulations.



- 3.26.2. Hence, it is requested that the petitioner should provide an estimate of income projected from Non-tariff income for FY 24 and from the next filing onwards the Discom's present a detailed breakup of the Non-tariff income, including the income from renting the distribution assets

#### B. Licensees response

- 3.26.3. With regards to non-tariff income it is submitted that the Discoms balance sheets are available on websites of the respective Discoms wherein Stakeholders can see all the breakup of item of attributes.

#### C. Commission's view

- 3.26.4. The Commission has taken note of the suggestions made by the stakeholders and comment of the Licensee.

### 3.27. Security Deposit

#### A. Comments / Suggestions of the Public

- 3.27.1. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP submitted that Security Deposit is being calculated on Electricity Duty also. As electricity duty is being recovered by discoms on behalf of GoUP, no Security Deposit should be asked for the same.
- 3.27.2. CEEW stated that discoms are required to share the interest on security deposits with the consumers. It is humbly requested from the Hon'ble Commission to direct the discoms to provide the data on interest on security deposit in ARR petition. The below format is suggested for Commission's consideration.

Sr.no	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
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				



Sr.no	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
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				

3.27.3. Shri Akhilesh Chandra Gupta, Akhil Brothers, Camp Agra, stated that the security money deposited by the industries to the distribution companies, there is provision that interest on the security deposit amount must be adjusted in the bills issued for the first 3 months of the financial year which is not being followed by the distribution company, perhaps the amount is not even mentioned in many bills. This is completely done deliberately and even on asking the interest is not calculated by the distribution company. Therefore, it is suggested that there must be provision for financial punishment regarding this on the distribution companies.

3.27.4. Shri Pradeep Kumar Singhal, Ramway Foods Limited, Aligarh, submitted that Vidyut Vitran Nigam for their employees on their deposit of P.P.F till the end of 31st March accepts the rate of interest as declared by the Ministry of Finance. The same rate of interest should be accepted to be applicable on the security amount of the electricity consumers so that the practice of constitutional equality is maintained. Further, for the delay in calculation of interest on security deposit the distribution company makes excuse that they are not receiving information on fixed interest from their head office, the consumers suffer financial losses without any reason. Hence, interest announced by the Ministry of Finance on P.P.F should be made applicable on the security deposit also.

#### **B. Licensees response**

3.27.5. With regards to security deposit it is submitted that security deposit is being calculated as per the provision of UP Electricity Supply Code and its amendment. Thus, matter is not related to the current proceeding of ARR.

3.27.6. With regards to data on interest accrued on security deposits it is submitted that the Discom are providing details as per the format shared by the Commission from time to time.

#### **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. Subsidy

#### A. Comments / Suggestions of the Public

3.28.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that as per Section 65 of Electricity Act, 2003, many States are providing subsidy for the rural domestic and agricultural consumer category. The State of Uttar Pradesh had also provided a subsidy of Rs. 14,516 Crore during FY 2020-21. This amount may increase for FY 2023-24 so that Tariff may be restricted for the State consumers. Further, the Government has also announced free electricity for agricultural consumers. It is unfortunate that even after increasing the rates of Tariff in past years, the Licensees have failed to recover the revenue completely. However, the Licensees have proposed to increase the Tariff by 18%-23% for the State consumers.

3.28.2. The following States provides highest subsidy:

राज्य	राजकीय टैरिफ सब्सिडी - वर्ष 2001-22
राजस्थान	रुपया 19873 करोड
कर्नाटक	रुपया 19312 करोड
उत्तर प्रदेश	रुपया 14516 करोड
पंजाब	रुपया 11888 करोड
महाराष्ट्र	रुपया 10462 करोड

3.28.3. He further submitted that the Licensees have accumulated a Surplus of Rs. 25,133 Crore. Therefore, the Commission is requested to pass on the benefit of the surplus amount to State consumers and reduce the Tariff.

3.28.4. CEEW submitted that GoUP had directed the discoms and the commission to bill, the rural metered LMV-5 consumers as unmetered consumers. However, the government has clearly instructed that the unmetered LMV-5 consumers has to be metered for the purpose of energy accounting and subsidy computation.

3.28.5. As on date the unmetered LMV-5 rural consumers comprise about 84% of the total LMV-5 consumers. The Licensee have to ensure that 100% metering needs to be completed as the bill for metered LMV-5 rural consumers is more than or equal to twice of that of the unmetered consumers. This can lead to increased subsidy requirement from the government.



- 3.28.6. Metering is the backbone of the financial health of discoms. Without 100% metering discoms can never ascertain the loss level and energy leakages to improve upon the same. We suggest that Discoms should take up phase-wise metering campaigns for rural unmetered consumers for the purpose of Energy accounting, whilst ensuring these consumers that metering will not necessarily impact their electricity bills. This energy accounting will also help discoms to better forecast their energy demands and calculate subsidy. Further, in line with GOUP directions, the reconciliation of the difference between the revenue at unmetered rates & revenue as per metered energy & rates, must be submitted by the discoms.
- 3.28.7. Further CEEW submitted that despite the repeated directions of the Commission, the discoms have not submitted a roadmap for the DBT of subsidy payments in the ARR for FY 2023-24. The discoms must review the DBT models being practised across states and plan pilot projects following different models. Also, the objectives of the DBT model should be clearly specified.
- 3.28.8. Shri Sanjiv Chaturvedi, Laghu Udyog Bharti, Sultanganj, Agra, submitted that the recovery of subsidy amount should be done from government and not through the industries by increasing their tariff rates.

#### **B. Licensees response**

- 3.28.9. With regards to proving subsidy by the State Government it is submitted that Subsidy is the policy matter of State Government; the Government provides subsidy to the specific class of consumers as per section 65 of Electricity Act 2003.
- 3.28.10. With regards to to subsidy, it is submitted that Discom provides details to the State Government for its consideration.
- 3.28.11. With regards to DBT it is 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 petitioner has explained to the Hon'ble Commission that desired roadmap has already been communicated by the GoUP wherein GoUP has described the roadmap.
- 3.28.12. With regards to recovery of subsidy it is submitted that subsidy is the policy related matter of the State Government. If State Government provides any subsidy to any class of consumers, the same is being done as per the section



65 of the Electricity Act 2003. Therefore, the claim of stakeholder that burden of subsidy is being passed on to the other consumer is not a factual statement.

### C. Commission's view

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

## 3.29. Telecommunication Sector

### A. Comments / Suggestions of the Public

3.29.1. M/s Bharti Airtel submitted that as National Telecom Policy, 2012 has recognized and granted infrastructure status to the telecom service provider to boost development of telecom infra structure in India. Further, it is submitted that the Advisory Guidelines dated August 01, 2013 issued by the Government of India for various State Government not only reaffirms the recognition and grant of Infrastructure status to Telecom Towers but also recommends to the State Governments to accord and extend all benefits available to the infrastructure industry to the telecom service providers for their towers, including provision of electricity connections.

*DEPARTMENT OF TELECOMMUNICATIONS - ADVISORY GUIDELINES FOR STATE GOVERNMENTS FOR ISSUE OF CLEARANCE FOR INSTALLATION OF MOBILE TOWERS (Effective from 01.08.2013)*

*"B. Action by State government/Local body*

.....

*III. Telecom towers have been give infrastructure status by Government of India vide gazette notification no. 81 dated 28.03.2012. All benefits, as applicable to infrastructure industry, should be extended. Electricity connection may be provided to BTS site on priority."*

3.29.2. Similar recognition was granted to the Telecom Service Providers by the Ministry of Finance, Government of India vide its Ministry of Finance (Department of Economic Affairs) (Infrastructure Section) Notification dated 7.10.2013, wherein it was prescribed that:

"Updated Harmonised Master List of infrastructure sub-sectors

.....





<b>4.</b>	<b>Communication</b>	<ul style="list-style-type: none"><li>• <b>Telecommunication (Fixed network)</b></li><li>• <b>Telecommunication towers</b></li><li>• <b>Telecommunication &amp; Telecom Service</b></li></ul>
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3.29.3. In view of the above, it would now be appurtenant to draw the attention of this Commission to the various applicable policies and legislations at the Central as well as the ones prescribed by the State of Uttar Pradesh, which unequivocally establishes that the Objector is considered, recognized, and held to be an **"Industry"**.

3.29.4. Airtel submitted that the telecom services are Essential Services under Section 2(A) (i) of the Essential Service Maintenance Act, 1968 and there are numerous judgments of the various High Courts and other judicial bodies in the country that have rendered categorical and unequivocal findings that the telecom services fall within the category of IT enabled Services.

3.29.5. Further, it is submitted that DEFINITION OF INDUSTRY UNDER UP INDUSTRIAL DISPUTES ACT, 1947.

*"[2. Definitions.*

*(k) 'Industry' means any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft, or industrial occupation or avocation of workman:"*

3.29.6. The definition of IT industry and IT enabled services under Uttar Pradesh Information Technology & Start-up Policy, 2017-2022 were accorded Industrial Status, which has not been altered till date. Moreover, as per the Uttar Pradesh Information Technology & Start-up Policy, 2017-2022, all the IT and IT enabled Services providers are to be charged under Industrial Tariff.

3.29.7. Airtel Submitted that the Hon'ble Appellate Tribunal for electricity has considered the telecom service providers, including the objector, to be an "industry" for the purposes of The Electricity Act, 2003. Hon'ble Appellate Tribunal for Electricity ("Hon'ble APTEL") was seized of Appeal No. 337 of 2016 and the related matters, which were decided vide its judgment dated 12.02.2020. In this case, the Hon'ble APTEL adjudicated upon a batch of appeals challenging the Ld. Maharashtra Electricity Regulatory Commission's ("Ld. MERC") order dated 03.11.2016 in Petition No. 48 of 2016, wherein, the



Ld. MERC had. inter alia. reclassified the industries using power for mobile/telecommunication towers, etc., who were being charged under Industrial category since 2004, into Commercial category, unless the same were specifically included in the IT/ITES Policy of the Government of Maharashtra for coverage under the Industrial category. It is submitted that among the issues dealt with by the Hon'ble APTEL, the categorical findings rendered are reproduced herein below for the convenience of the Commission:

*“13.15 After careful consideration and analysis of the submissions of both the parties, it transpires that as per the ruling of the State Commission, in the impugned order, the telecom towers registered under the State Govt Policy would be classified as Industry and other telecom towers would be classified as commercial which is contrary to Section 62(3) of the Electricity Act, 2003. The very rationale adopted by the State Commission In granting Industrial tariff to mobile/telecom towers was that these services are essential in nature and tantamount to industrial category despite having no manufacturing activities. It is noticed that vide the impugned order, it is not that all mobile/telecom towers have been put under commercial category but the only criteria for their decision is the registration under the IT/ITES Policy of Govt. of Maharashtra. Resultantly, such pre-requisite condition may put some towers under industrial category and some towers under commercial category which is contrary to the purpose of electricity classification due to the fact that use/purpose of the electricity is not affected by any registration process as the nature of the activities whether registered or not continues to be the same. Moreover, it has been presented by the Appellants during proceedings that they are registered under the IT/ITES Policy and some sample certificates were also produced before us. It is, thus clear that the discom/MSEDCL is now insisting a separate certificate for each of the thousand's odd telecom towers of the Appellants to avail the industrial tariff. Further, the fact that the mobile towers and related instalments of the Appellants were treated and covered in the definition of IT/ITES under the policy of the Govt. of Maharashtra will also be evident from the registration certificate issued by the Govt. for the said instalments of the Appellants right since the year 2004. We have taken note of various judgments relied upon by the parties and the National Telecom Policy, 2012 which provide that telecom services are part / sub-set of the information technologies and hence as industrial units. It is also relevant to note that based on the nature of services, many services including telecom services have been recognised as an important infrastructure, public utility services, essential services etc. and have been considered under the incentive scheme as far as electricity tariff is concerned. For instance, airports, hospitals, cold storage, LPG/CNG boiling*



*plants etc have been considered under the industrial tariff which clearly do not involve manufacturing activities.”*

- 3.29.8. Pursuant to the decision of the Hon'ble APTEL, the Hon'ble MERC, vide its order dated March 30, 2020 in Case no. 322/2019, directed that Industrial Tariff be made applicable to Telecom industries, irrespective of the fact whether they were registered under the IT/ITES Policy of the Government of Maharashtra.
- 3.29.9. Hence, it is humbly requested before this Commission to categorise telecommunication towers under the Industry (General) Tariff Category, by prescribing a new sub-category for IT and IT enabled services.

#### **B. Licensees response**

- 3.29.10. With regards to submission made by M/s Airtel Bharti it is submitted that the stakeholder has requested to make applicable industrial tariff to the telecom towers instead of Non domestic tariff. In this regard, it is submitted that Discoms are of the view that no activity of manufacturing is being carried out in the telecom towers. Therefore, the existing classification of telecom tower under non domestic category is appropriate and same shall be continued.

#### **C. Commission's view**

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

### **3.30. Electricity Duty**

#### **A. Comments / Suggestions of the Public**

- 3.30.1. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP, submitted that the Electricity duty is imposed @ 7.5% on the amount of rate charges (amount of Energy Charges and Demand Charges). With total revenue requirement of approx. Rs. 1,00,000.00 Crore by all Discoms, the share of Electricity Duty would be approx. Rs. 7500.00 Crore. A roadmap is required to define productive use of recovered Electricity Duty in the best interest of the electrical consumer. Alternatively, the old mode of collecting electricity duty @ Re 0.09 per consumption of energy units may be fixed.



- 3.30.2. Shri O.P. Rathi, Shri Satish Maheshwari, Shri Pradeep Kumar Singhal, Shri Raj Pal Singh and Shri Yatendra Mohan Jha, Uttar Pradesh Udyog Vyapar Pratinidhi mandal, Aligarh submitted that in year 2004, the government had implemented electricity duty but its benefits were not taken by industries. So, Hon'ble Supreme Court had made system to calculate it in time intervals which was any how operated by the electricity department but didn't turn out beneficial. Further, the details of electricity duty deposited have been asked for year 2004 to 2010 but the distribution companies say that they have no records for electricity duty collected from the consumers.
- 3.30.3. Further, for claim of Electricity Duty the consumers have to visit Industrial department, Distribution Section and Security Department and then upload the E.D application on website which cannot be done efficiently. After uploading the same they are providing excuses like document is unreadable or some other issues, due to which the industries are not getting benefits of Electricity Duty. The partial solution for this problem is that at least for the new industries and industries setup in past 10 years' arrangement should be made to provide ED through distribution company from their own level and no application should be required for the same.

#### **B. Licensees response**

- 3.30.4. With regards to electricity duty it is submitted that Electricity Duty is the matter of Government. Licensee collect it on behalf of Government and submits the same. Therefore, change in any provision for Electricity Duty or any relaxation in this context may be raised before the appropriate authority.

#### **C. Commission's view**

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

### **3.31. Solar Energy**

#### **A. Comments / Suggestions of the Public**

- 3.31.1. Shri Yetandra Mohan Jha, Aligarh, submitted that according to Ministry of Power there is provision of net metering till sanction load of 500 KW but still in Uttar Pradesh there is different situations for LMV-1,2,3,4 and 5. That net metering is allowed for LMV-1 but not for LMV-2, this shows inefficiency and inability to step forward with the progress.



- 3.31.2. Shri Rajesh Goyal, President, National Chamber of Industries & Commerce, UP submitted that the rules for net metering should be simplified to make them very transparent and relevant to the current times.

**B. Licensees response**

- 3.31.3. With regards to net metering it is submitted that Net metering is allowed for only LMV-1 and LMV-5 category consumers. However, net billing/feed in facility can be availed by any category of consumer.

**C. Commission's view**

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

**3.32. General / Miscellaneous**

**A. Comments / Suggestions of the Public**

- 3.32.1. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the quality of the assets acquired by the Licensees is not upto mark. In the State, a total of 4,366 transformers got burnt till March 18, 2023. PuVVNL had the largest share in those burnt transformers i.e. 1,262. Some of the transformers got damaged due to overloading however, the employees had again installed the same capacity transformers in their places. This shows the level of training of their employees as before replacing the asset the reason for overloading should have been determined. Further it is submitted that the supply of Power in FY 2022-23 has also decreased by the Licensees.
- 3.32.2. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Licensees have submitted Tariff proposal to increase electricity rates however they have reduced the supply of Power in the State. In April 2021, 18 hours 1 minute of electricity was supplied to rural area whereas in 2022 it was only 15 hours 52 minutes, In May 2021, 18 hours 4 minute of electricity was supplied to rural area whereas in May 2022 it was only 17 hours 37 minutes, in June 2022 16 hours 3 minute of electricity was supplied to rural area, in July 2022, 18 hours 10 minutes of electricity was supplied to rural area. Moreover, in FY 2021-22, electricity was supplied for 18 hours 11 minutes, whereas, for FY 2022-23 only for 17 hours 28 minutes' electricity was supplied to rural area. Therefore, as the Licensees have



reduced the supply hours to rural area, the proposal to increase tariff need not be considered.

- 3.32.3. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that submitted that the Commission is requested that a high level committee must be formed to investigate the various rules and regulations drafted by MoP in last 2 years.
- 3.32.4. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that as per the Power Finance Corporation (PFC), the rating of the Licensees has gone down to C and C+ in FY 2023. This decrease in efficiency will mostly affect the State consumers as the ability of the Licensees to take loan will be affected and a higher interest rate will be charged to them. For example, in FY 2021-22 interest on long term loan was 8.79 % whereas the interest on long-term loans was 10.73% in FY 2022-23. Moreover, the Licensees submits that their parameters have improved from previous years, however their rating is going down constantly. Therefore, the Commission is requested to also look into this matter as it will have adverse effect on the State consumers. Further the expenses incurred by the Licensees due to consultants should also be looked into. It is further submitted that the corruption inside the Power Corporation is still on the rise even after the action taken by the Corporation against its employees.
- 3.32.5. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted there was a strike conducted by the UPPCL employees due to which the State consumers suffered and the Licensees suffered loss in large scale. As, whole matter is before the Allahbaad High Court, therefore the loss incurred due to strike should not be passed on to the consumers. Furthermore, cost of renovation done by the Licensees to their employee's home should be done at employees' own expense.
- 3.32.6. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Commission directed the Licensees to install battery storage in the sub-station where there is an ample amount of space. The Licensees in their endeavour have gone one step more and started the process of development of multiplex or post offices etc. in the vacant area. However, as these are regulatory assets the Licensees are required to take the approval of the Licensees.
- 3.32.7. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad, submitted that the Licensees have not provided any compensation to any consumers as per SOP. The Commission has also issued strict order regarding



the same, however, the Licensees haven't complied with the direction issued by the Licensees. The provision for online compensation has not been implemented till date. The Commission is requested to take strong action against the Licensees so that SoP guidelines can be properly implemented.

- 3.32.8. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that due to the demand of Upbhokta Parishad the government had made a committee to conduct an enquiry regarding Torrent Power and NPCL. As per the report submitted by the Licensees Torrent Power hasn't transferred an amount of Rs. 2,221 Crore to DVVNL. Further Regulatory surcharge collected by Torrent hasn't been passed on to DVVNL. Therefore, based on the above there is a need to conduct a high level investigation of Torrent Power. Moreover, the execution of agreement with Torrent Power is not being carried out as per the appropriate procedure. The Commission is requested to take strict action regarding the same.
- 3.32.9. It is further submitted that the Upbhokta Parishad had strongly opposed the Roll out plan of Torrent Power, however the Commission has approved the same. There should be proper enquiry regarding roll out plan of Torrent Power. DVVNL auditor has raised the issue regarding selling cheap power to Torrent by DVVNL i.e. in Rs. 4.45 per unit (0.81 paisa per unit loss to DVVNL).
- 3.32.10. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that there are many discrepancies in the tendering process of DVVNL. Therefore, the Commission is requested to check some of the Tender randomly so that the clear situation may come out.
- 3.32.11. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that PVVNL is using Industrial connection for electricity supply for the purpose of commercial activity.
- 3.32.12. Shri Avadhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that the electricity connection to Doob region has not been provided by the Licensee. Therefore, electricity theft has been going on at large scale in that area.
- 3.32.13. Shri Avedhesh Kumar Verma, Chairman, UP Rajya Vidyut Upbhokta Parishad submitted that supply hours were reduced by the Licensees. If the supply has reduced, the Tariff should be reduced as well.
- 3.32.14. He further submitted that Adani group has filed a Petition to procure Parallel Licensing in the area of Ghaziabad and Noida which is completely unconstitutional and needs to be rejected.





- 3.32.15. Shri D.C. Sharma, Chairman, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh stated that due to lack of policy making and administrative management in Uttar Pradesh no Discoms have achieved their target of revenue collection. Further, according to the details received, the rating of Paschimanchal Vidyut Vitran Nigam is 'C', Purvanchal, Madhyanchal, Dakshinanchal and KESCO's rating has come in the category of 'C' Minor, which is clear that except Paschimanchal, other Discoms have collected less than 15 to 30 per cent revenue, which is a sign of failure of policy making and decisions.
- 3.32.16. Shri Raj Pal Singh S/O Shri Deep Singh, stated that the Chairman of the Commission for past 4 years had committed reforms in the power sector, for the first time in the State he took the initiative to fix electricity rates based on performance. He also made efforts to ensure that if the performance of any discom/license is poor then the consumers do not have to bear the consequences for the same. At present, tireless efforts are being made by the Commission for the same purpose, however there is no improvement in discoms performance rating, distribution losses are increasing and power theft is also not being reduced. Further efforts are being made to increase the electricity rates so that the losses due to all these reasons are compensated by the consumers of the State
- 3.32.17. He further stated that in Uttar Pradesh for 3,52,98,672 consumers the connected load is 74,75,9332 while the capacity of 132 KV sub stations is 5,21,00,000 KVA thus, there is mismatch and consumers have to face tripping, power cuts and issues of low voltage. According to the UP Electricity Regulatory Commission (Standards of Performance) Regulations 2019, the limit prescribed by the licensee at the point of commencement of supply to the consumer (there is a provision to maintain the voltage within +6% and -6%) the said regulation is not being implemented as they have to pay penalty for it.
- 3.32.18. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP, submitted the industry is being charged electricity on the basis of 1 unit =1 KVAH whereas it should be 1 KWH. Since  $KWH = KVAH * PF$ , KWH will be equal to KVAH only when P.F. is 1 which is practically never achieved due to several technical reasons. UP Electricity tariff demands this to be at least 0.90 which means that they also admit that PF can be up to 0.90. If this value is substituted for P.F. the unit charges now levied would be only 90% of the charges being billed. Currently, the electricity is



already being charged in KWH for some of other tariff categories of consumers, while for Industrial consumers it is in KVAH and thus they end up paying electricity unit charges more than technically permitted. This is discriminatory. From the basic electrical engineering it is clear that the unit of energy consumed is in KWH and not VAH We, therefore, suggest that the billing of all industrial consumers be on the basis of KWH as was being done in years and is prevalent all across the world. UP electricity DISCOM's do not provide the PF correction Capacitors at each of their substations and distribution transformers while they are forcing the industrial consumers to put PF correction capacitors. Currently they are only forcing the industrial consumers to put capacitors at their end to see that the PF value does not go below 0.9. If the Discoms put PF improvement equipment as above, they will be saving a lot of energy to serve more people and increase their own revenue.

- 3.32.19. Shri Virdendra Nath Gupta, Secretary General, Associate Chambers of Commerce and Industry of UP, submitted that the licensee has proposed to bear the transaction charges upto Rs. 4,500. The Govt. of India and GoUP are encouraging Digital Payment. It is suggested that transaction charges upto Rs. 10,000.00 should be borne by Licensee.
- 3.32.20. It has been noticed that unmetered rural supplies are still being made by the Licensees. This is highly objectionable and Licensees should complete the metered supply by June 30, 2023. The unmetered connection is a source of pilferage of the electricity.
- 3.32.21. The net metering has been allowed only to residential accommodation. It should be allowed to industries also. There should not be any disparity.
- 3.32.22. In case the factory remains close due to any reason what so ever. 75% of the fixed charge is levied. It should be reduced to 50%. The Discoms are charging supervision charges at the rate of 15% even the work is performed by private contractor. It should be reduced to 8%.
- 3.32.23. While computing ARR the employee expenses of Rs. 745.3 Crore which is very high. Even the claimed amount is Rs. 1,152 Crore. This should be reconsidered and reduced at par with the prevailing private industries.
- 3.32.24. It has been reported that over Rs. 25,000 crore has been collected in excess by Licensees during the previous years. This should be adjusted against the shortfall in ARR (Aggregate Revenue Requirement) and there should not be any increase in the electricity tariff.



- 3.32.25. Our Prime Minister of India has announced an ambitious plan of Zero Carbon Emission by 2070. He has asked all the stake holders to work from ground level immediately. There should be progressive and encouraging Solar and other non-conventional subsidy scheme. The industries can support to greater extent.
- 3.32.26. The GoUP has taken-up massive industrialization of the State and signed over 20,000 MOU's amounting Rs. 34.5 Lakh Crore. The electricity is the major and essential requirement of the industry. The electricity charges and other aspects should be industry friendly otherwise some of the industry may shift to other state where they find opportunities favourable to industries
- 3.32.27. Shri Manish Kumar Tyagi, Gardenia Glamor Phase-1, Ghaziabad, stated that the builder Shri Sanjiv Sharma who is defaulter from Housing development authority on his meter connection no. 4022986000 the electricity bill of December 2022, fixed charges has been billed on 778 KVA load while on march 2011 the connection was given for 1896 KW and since past 12 years the fixed charges are being billed on lower connected load causing benefits of crores to the builder and the recovery for the same has not been done by the Licensees. The builder from past 12 years is providing electricity to the families un licensed. Further the PVVNL has distributed the connection no's to the residents of Gardenia Glamor society while no residents have bill billed and no multipoint meters have been installed.
- 3.32.28. National Chamber of Industries and Commerce, UP submitted that no electrification charge sare required from LT consumers.
- 3.32.29. Shri Rajendra Goyal, Agra Mandal Yvapar Sangathan, submitted that Uttar Pradesh electricity department have highest salary allowance in whole country, this high salary is burdened on consumers of the state.
- 3.32.30. Shri Rajendra Goyal, Agra Mandal Yvapar Sangathan, submitted that in many States like Haryana do not impose fixed charges on sectioned load, then why fixed charges are applied in Uttar Pradesh.
- 3.32.31. Shri Rajendra Goyal, Agra Mandal Yvapar Sangathan, submitted that why there is minimum charges in Uttar Pradesh if consumer is saving electricity then why he has to pay minimum charge, this must be abolished.
- 3.32.32. Shri Rajendra Goyal, Agra Mandal Yvapar Sangathan, stated that keeping in mid of Make in India Plan to encourage small industries the tariff rates for 5 kW must be kept low. So that the industries can be set up with small capital.



- 3.32.33. Shri Rajendra Goyal, Agra Mandal Vyapar Sangathan, stated that the social, religious and business organisation which do not have any source of income and their organisation are run only by donations, their offices must be kept under LMV-1 category.
- 3.32.34. Shri Rajendra Goyal, Agra Mandal Vyapar Sangathan, submitted that Regulatory charge, surcharge and other charges must be removed from the bill and the bill must be calculated only on the units consumed which will make the billing easier and simplified.
- 3.32.35. Shri Rajendra Goyal, Agra Mandal Vyapar Sangathan, submitted that for construction of building if any consumer wants permanent connection then temporary and permanent both connections must be provided.
- 3.32.36. Shri Sanjiv Chaturvedi, Laghu Udyog Bharti, Sultanganj, Agra submitted that to increase the contract load the consumer has to take NOC's from different department, this must be changes to Single Window NOC.
- 3.32.37. Shri Sanjiv Chaturvedi, Laghu Udyog Bharti, Sultanganj, Agra, submitted that Discom should reduce the timeframe of 2 years to nil for reduction of load and full amount must be charged as per new connection.
- 3.32.38. Shri Sanjiv Chaturvedi, Laghu Udyog Bharti, Sultanganj, Agra, stated that in Agra, business can be done as according to Taj Trapezium Zone (TTZ) hence the TTZ consumers tariff rate must be reduced.
- 3.32.39. Shri Gajendra Sharma, Agra, submitted that due to privatization the billing collection has been increased and also line losses have been decreased, due to this government and private entities both got benefited. So, for Agra there must be only fixed charges to be payable to the consumers not the installation charges (i.e., meter charge, wire charge etc.) just like Gujrat and other States.
- 3.32.40. Shri Bhupendra Singh Sobti, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh, stated that Federation of all India vyapar mandal has not given representation into advisory board of the Commission. So, we are not able to help industries and related organisations for their electricity related problem on time and according to the rules, hence Commission is requested to pass the order to nominate the federation into the advisory board of the Commission.
- 3.32.41. Shri D.C. Sharma, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh submitted that Torrent Power limited is also a licensee / franchisee in state of Maharashtra and Gujrat, where GST is not charged on electricity



also in Agra, Uttar Pradesh where Torrent power is a distribution franchisee no GST is being charged in case of increase of load, new connections etc. but other distribution companies of Uttar Pradesh is charging 18% GST to the consumers regarding the same. Two systems or Law in State causes injustice hence GST for the same must be abolished.

- 3.32.42. Shri D.C. Sharma, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh stated that at present, arrangements have been made by the Directorate of Electrical Safety to issue NOC at the time of application for new connections, which seems to be against the rules. After making the connection application the contractor has to apply for the No-objection certificate in the Electrical Safety Directorate. At present by taking photo of fake meter / pane, no objection certificate is being provided hence corruption has increased. The process of issuing NOC at the time of application should be ended without delay and NOC should be issued only after physical inspection of electrical fittings after application.
- 3.32.43. Shri D.C. Sharma, President, Federation of all India Vyapar Mandal, Agra, Uttar Pradesh submitted that in the supply code Clause 4.9 for electrification of 500-meter limit must be abolished also the connected load is being calculated as per old systems according to supply code which must be revised as per new system.
- 3.32.44. Shri Neeraj Agrawal, General Secretary, Federation of Udyog Vyapar Association, Agra (UP), submitted that the 11,000 KVA underground line being laid in Agra is inappropriate which may cause a major accident and should be stopped with immediate effect.
- 3.32.45. Shri Neeraj Agrawal, General Secretary, Federation of Udyog Vyapar Association, Agra (UP), submitted that the areas where LT lines have been laid underground, the poles and M.S.P must be removed as its in between road causing accidents.
- 3.32.46. Shri Neeraj Agrawal, General Secretary, Federation of Udyog Vyapar Association, Agra (UP), submitted that the cost estimate provided for the new connection are very high for the consumers who are running their industry on rented premise, they are unable to take up expenses of installation of transformer, hence it is requested that upto 50 kW connection should be connected to L.T line.



- 3.32.47. Shri Rajesh Goyal, President, National Chamber of Industries & Commerce UP, submitted that rules should be simplified for new connections for the industries as well as residential houses.
- 3.32.48. Shri Rajesh Goyal, President, National Chamber of Industries & Commerce, UP, submitted that there must be single window clearance for new & extra connections.
- 3.32.49. Dr. Vikas Jatan Pradhan, President, Bhartiya Kisan Union (A) submitted that the meters installed for tube wells in Gautam Buddha Nagar should be removed. Further, agricultural connections and tube well connection should be billed at nil amount as promised before election. Moreover, the fake cases on the agricultural consumers and residential consumers should be removed.
- 3.32.50. Dr. Vikas Jatan Pradhan, President, Bhartiya Kisan Union (A) submitted that the tariff rates of UPCL and NPCL must be reduced. And the poles and damaged boards of UPCL area should be replaced.
- 3.32.51. Shri Chandra Shekhar Singh, President, Upbhokta Sanrakhsan Uthan Samiti, Varanasi, submitted that in Purvanchal and KESCO region the police stations and police outpost are using electricity without connection, the power corporation has no arrangement for measure of the electricity consumption then how the accounting is done in True-up Petition. Further, he submitted that the amount recovered under various theft curbing drive is not captured under True-up.
- 3.32.52. Shri Chandra Shekhar Singh, President, Upbhokta Sanrakhsan Uthan Samiti, Varanasi, submitted that there is no arrangement of meters for accurate measurement of energy being used for street lights by the Municipal Corporations / Municipality / Nagar Panchayat / Development Blocks in the entire Uttar Pradesh. At present these bodies are billed on fixed charge which is not correct.
- 3.32.53. Shri Chandra Shekhar Singh, President, Upbhokta Sanrakhsan Uthan Samiti, Varanasi submitted that the Power Distribution Corporations have accumulated excess inventory out of which most are unusable but the hard-earned money of the consumers has been invested in it. Which has not been included in the True-up Petition as per correct and actual audit report. Furthermore, indirect recovery amount has not been made the part of Tur-up Petition.
- 3.32.54. Shri Chandra Shekhar Singh, President, Upbhokta Sanrakhsan Uthan Samiti, Varanasi submitted that from time-to-time interest waiver schemes are run



by the government under one-time settlement scheme. As a result, electricity distribution companies are not able to receive the amount of surcharge in form of revenue which cause loss to the distribution company due to which there is unnecessarily increase in rate of electricity on such consumers who regularly pay for their electricity.

- 3.32.55. Shri Sanjay Kumar Dikshit submitted that electricity connection to road vendors to be provided.
- 3.32.56. Shri Yatindra Mohan Jha submitted that there is a differentiation in rooftop solar provisions, tariff provisions for various categories.
- 3.32.57. Shri Rakesh Chaudhary submitted that he is facing issues regarding meter replacement.
- 3.32.58. Shri Shashank Shekhar submitted that he is facing issue that the inspection report provided by the Executive Engineer is not correct.
- 3.32.59. Shri Sukumbha Pal Singh Tomar and Ashok Kumar Gupta submitted the complaint in the matter of conversion of multipoint connection to single point. Further, the Commission is requested to take strict action regarding the same.
- 3.32.60. Shri Pradeep Luthara raised the issue with regards to tariff structure of the State compare to Uttar Pradesh. Further, he requested the Commission to abolish minimum charges.
- 3.32.61. Shri Rajpal Singh raised complains regarding permanent disconnection, load reduction etc. Further, he raised the issue related to complain in Ombudsman.
- 3.32.62. Shri Rajpal Singh submitted the complaint regarding the excess recovery of electricity charges and other levies by the Licensees.
- 3.32.63. Apartment Owner Association submitted that the electricity bill is being raised in combine with water bills in internal society metering.
- 3.32.64. Smt. Lalita submitted the complaint regarding electrification of un-electrified area from 1 year.
- 3.32.65. Agra Mandal Vyapar, submitted that consumers under LMV-6 with Load upto 5kW to be provided lower electricity tariff. He further submitted that permanent connection to be provided for construction of building.
- 3.32.66. Shri Deepak Garg, President, Civitech Stadia Welfare Association, submitted that the Commission introduced Multipoint scheme for multi-storey society dwellers to help them pay economical slab-based electricity charges. But the





billing tariff in multipoint system has a high fix charge component that is Rs. 110 per KW. Many multi-storey societies on previous single point system are charging very low fixed charges, i.e. below Rs. 60 / kW and main reason behind this is the difference between sanctioned load and actual load utilised. For Example – Prateek Wisteria, Sector 77 Noida where flat owner pays fixed load charge of Rs. 28.50 per KW only; likewise, Mahagun Moderne, Sector 78, Noida charges Rs. 32 per KW only; likewise, Gardenia Glory, Sector 46, Noida Rs. 60 per KW only.

- 3.32.67. Further, when private maintenance team/AOAs can provide same government electricity at lower fix load rates then why PVVNL is charging higher fixed charges for same electricity and because of this reason many societies have been reluctant to convert to Multipoint despite having other benefits. The Commission is requested to review and reduce fixed charges to benefit larger population. Also, PVVNL and other Licensees to be directed to charge on actual load not on sanctioned load. This will enable wider adoption of this consumer-friendly multipoint system.
- 3.32.68. M/s Mittal Enterprises, submitted that we are running a Bio CNG and Fertilizer plant at Khasra, Hapur under Bio Energy Policy, 2018 of Uttar Pradesh. We requested the Power Corporation for power supply from separate feeder lines. After several survey conducted by the Power Corporation employees, it was concluded that an individual feeder line can be laid from Dehra Rampur sub-station. However, even after submitting the processing fee for the same no work has been started by the Power Corporation. The Commission is requested to direct the Power Corporation so that work on the same can be started.
- 3.32.69. Shri Pankaj Kumar from Noida, submitted as a part of Multipoint Distribution PVVNL has provided all residents of the society with “online prepaid metering system”. The process of recharging the system is exhaustive and time consuming. Further, the multipoint implementation being done in several societies are suboptimal, costly, highly customer acentric and defy the basic framework defined by the Commission for Multipoint distributors. There appears to be clear nexus between builder lobby and PVVNL and is leading a lot of problems for end consumers, through on paper they say the system is multipoint. The Commission is requested to investigate the same.
- 3.32.70. Ms. Pallavi Mishra submitted that her group housing society has a Single Point Connection. There is a significant gap in tariff charges between the tariff charged from my society and the people living in Villas/Independent



Bungalows. Further, State Government gives subsidy of Rs. 1/- per unit for consumption up to 150 units and Rs. 0.50/- per unit between 151-300 unit of consumption and above 301 units the charges are equal to ACOS i.e. Rs. 6.50/- per unit. She submitted that it is difficult to understand that if consumption of Power, Power Factor, Load Factor, Voltage Levels, Geographical Position of any area, Nature of Supply, Purpose of Supply etc. is same for both the consumers whether living in Group Housing Society or living in Villas/Independent Bungalows then why there is a discrimination in tariff? Further, Group Housing Societies are maintaining the infrastructure, billing & collection, bearing T&D losses, repair & replacement and operation & maintenance while other consumers are getting supply at their doorsteps. Transformer and electrical infra is maintained by DISCOM. T&D losses, billing & collection is in the part of DISCOM. The Group Housing Societies should get the due concession apart from tariff regularization. Furthermore, Group Housing Societies are taking bulk supply which should also be considered in reducing the tariff for Group Housing Society. She further submitted that through single point many builders are fleecing the consumers. But all the RWAs are not alike. Few RWAs are working in public interest and take this as a social service and plays with responsibility. Here, I would also like to refer single point rates prevalent in other states like Delhi, Haryana, Uttarakhand, Punjab etc. Also, would like to mention that the Commission itself in determination of ARR and Tariff of PVVNL for FY 2014-15 and True-up of FY 2008-09 to FY 2011-12 and determination of ARR and tariff of PVVNL for FY 2015-16 and True-up of FY 2012-13 has allowed 10% extra to be charged over and above applicable tariff. It is also worth to note that Single Point tariff is lesser than highest slab of domestic tariff. The Commission is requested to look into this and pass on the benefits as earlier and at par or lower than what other consumers availing to prevail our rights of getting non-discriminatory tariff.

- 3.32.71. Shri S. Ranjan submitted that there is significant tariff gap between single point connection and multi-point connection. Single point tariff is above average cost of supply and for consumption of every unit of electricity, tariff charges per unit is Rs. 7.00 per unit which is Rs. 0.50 costlier than average cost of supply. It is submitted that there are many more fellow residents who want to avail direct connection from PVVNL for their apartment in order to save their expenditure on electricity and have a transparent billing mechanism. Regarding continuance of Single point and multi-point connection simultaneously in our group housing complex, the Commission has provided



for concurrently running Single point and Multipoint connections. Though the Commission has fixed a period of 60 days for concurrently running of the Single point and Multipoint system, the same may be extended for a period more than 60 days for a smooth transition. Further, after looking into the benefit of the Multipoint connection, a regulation made in the larger interest of the electricity consumers of group housing complex by the State Government and the Commission, and related savings, every resident will opt for Multi point connection, albeit the time taken for conversion may go beyond 60 days. I am sure, no consumer would like to spend extra money as well as remain with a no transparent system adopted by Builders/ Builder sponsored RWAs. the extra amount collected in the form of fixed charges which was misappropriated by builders and not paid to PVVNL will improve the financial health of PVVNL as well as compensate for the investment done in conversion from single point to multi-point.

- 3.32.72. Shri Siddharth Shekhar submitted that during December 2022 and January 2023, 13th amendment was rejected by more than 80% multi-storeyed buildings. If majority (more than 80%) of the multi-storeyed buildings with majority consent of consumers want to continue with single point connection, then why the Commission came with 13th amendment. It is submitted that that before 13th amendment the Commission would have taken public opinion for implementation of multi-point from various consumer groups, welfare bodies, consumers and consumer advocacy groups. He further submitted that the campaign by PVVNL has been so ill-planned and ill-organized that a welfare scheme by The Government of Uttar Pradesh got derailed to the peril of the people residing in multi-storied buildings. To comply with the order by the Commission regarding slow progress of multipoint conversion, PVVNL took a knee jerk reaction and started taking coercive measures by disconnecting electricity supply to multi-storied buildings who were not granted consent to continue with single point. As a matter of fact, some cunning builders and builder controlled RWAs had not even informed consumers about conducting a survey and to pass a resolution by majority for retaining Single point connection. Electricity supply in these multi-storied buildings is managed either by RWAs or by Builders and residents are only concerned about un-interrupted power supply to their homes. PVVNL, by disconnecting supply to multi-storied buildings without informing consumers created a panicky situation amongst residents and that too at the time of severe cold weather- when residents needed the heaters and geysers to survive in such harsh weather conditions. Also, pre-board



examinations were underway with school going children either preparing for their Board examinations or attending on-line classes. PVVNL, by disconnecting supply to multi-storied buildings without informing consumers created a panicky situation amongst residents and that too at the time of severe cold weather- when residents needed the heaters and geysers to survive in such harsh weather conditions. Also, pre-board examinations were underway with school going children either preparing for their Board examinations or attending on-line classes. The Commission should allow multipoint connection irrespective of 51% consent or no consent as people living in these multi-storeyed buildings are of middle class and saving every penny matters for them. May be few consumers opt for it initially but eventually all the consumers will subscribe to this connection for the reasons of its advantages.

- 3.32.73. Shri Naresh Babu, Loha Mandi, Agra, submitted that due to the poor financial condition, he is not able to clear the dues of Rs. 2,08,212/- and requested for relaxation.

#### **B. Licensees response**

- 3.32.74. With regards to Discom rating it is submitted that the discom rating is a crucial aspect that is being assessed by various rating agencies. These assessments take into account several technical, regulatory, and commercial factors that are integral to the operations of discoms. It is imperative for discoms to continuously strive to improve their parameters and meet the necessary standards. To this end, discoms have been putting in all-out efforts to improve their performance. By adopting the latest technologies and implementing innovative solutions, they are working towards enhancing the reliability and quality of power supply, reducing technical and commercial losses, and improving customer service. Through such measures, discoms aim to achieve higher ratings and improve their overall performance, which in turn will benefit both the industry and the consumers.
- 3.32.75. With regards to burnt transformer it is submitted that the matter highlighted by the stakeholder is operational matter and does not directly relates to the ARR. The Commission approves ARR considering normative R&M. However, the concerned raised by the stakeholder has been referred to the concerned wing/Discom for verification and necessary action.
- 3.32.76. With regards to Torrent power it is submitted that the Licensee has considered Torrent power as a bulk consumer and requested Commission to



consider the same. However, the observation of the stakeholder has been sent to concerned discoms for appropriate action.

- 3.32.77. With regards to Industrial connection used by PVVNL, it is submitted that the matter has been forwarded to the concerned discom for verification and necessary action.
- 3.32.78. With regards to matter of strike it is submitted that the matter is not related to the ARR, hence, no comment to offer.
- 3.32.79. With regards to implementation of battery storage system it is submitted that Discoms/UPPCL are in process of finalization of Battery Storage Tender. However, the concerned raised by the stakeholder has been referred to the concerned wing for verification and necessary action.
- 3.32.80. With regards to Doob region it is submitted that the matter has been forwarded to the concerned discom for verification and necessary action.
- 3.32.81. With regards to Supply hours it is submitted that the average supply hours of 2022 vis-à-vis 2021 increased.
- 3.32.82. With regards to compensation of SOP it is submitted that the software testing for implementation of SOP Regulation along with the Compensation mechanism is under testing phase and it will be implemented after robust testing.
- 3.32.83. With regards to cost of renovation it is submitted that the Commission allow only normative O&M expense which is passed through under tariff mechanism
- 3.32.84. With regards to performance parameters it is submitted that the discom rating is a crucial aspect that is being assessed by various rating agencies. These assessments take into account several technical, regulatory, and commercial factors that are integral to the operations of discoms. It is imperative for discoms to continuously strive to improve their parameters and meet the necessary standards. To this end, discoms have been putting in all-out efforts to improve their performance. By adopting the latest technologies and implementing innovative solutions, they are working towards enhancing the reliability and quality of power supply, reducing technical and commercial losses, and improving customer service. Through such measures, discoms aim to achieve higher ratings and improve their overall performance, which in turn will benefit both the industry and the consumers.



- 3.32.85. With regards to KVAh billing, it is submitted that kVAh billing is determined by the Commission and Discoms has not proposed any changes in the existing philosophy.
- 3.32.86. With regards to formation of committee it is submitted that the issue raised is beyond the ambit of Discom. Hence, no comment to offer.
- 3.32.87. With regards to multipoint conversion issue it is submitted that the issues have been forwarded to the Discoms for verification and necessary action.
- 3.32.88. With regards to submission made by Shri Sanjay Kumar Dikshit it is submitted that the Commission had made provisions in its tariff schedule under LMV-9 for the electrification of temporary supply. The relevant abstract from the Rate schedule applicable for temporary shop as per Tariff Order for FY 2022-23 is reproduced as under: -

**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.*

- 3.32.89. With regards to differentiation in rooftop solar provisions it is submitted that the Commission in its RSPV Regulation 2019 and its subsequent amendment has detailed the following provisions for solar energy generated through RTSS.
- (a) Gross Metering Scheme means a prosumer of electricity of any category in the area of supply of the Distribution Licensee, who intends to/ has set up a grid connected rooftop Solar PV system in his/ her premises which can be self-owned or third party owned, with an intent to sell the entire electricity to the distribution licensee at the rate prescribed by the Commission.
- (b) Net-billing / net feed-in scheme means a prosumer of any category, in the area of supply of the Distribution Licensee, who intends to/ has set up a grid connected rooftop solar PV system in his/ her premises, which can be self-owned or third party owned, where-in the energy imported from the Grid and energy exported to the Grid Interactive rooftop Solar photovoltaic system of a Prosumer are measured through a single bi-directional energy meter valued at two different Tariffs which are determined by the Commission.



- (c) Net Metering Scheme means the metered prosumers of a Licensee under agriculture (LMV-5) category or domestic consumers under LMV-1 category, who intends to/ has set up a grid connected rooftop solar PV system in the consumer premises, which can be self-owned or third party owned wherein the energy imported from the grid and the energy exported to the grid interactive rooftop solar PV system are netted out through single bi-directional energy meter.
- 3.32.90. It can be perceived from the above, Gross metering and net feed-in is applicable for all consumer category under the regulatory provision set by the Commission.
- 3.32.91. With regards to supervision charges it is submitted that it is submitted that the matter is not related to the ARR, hence, no comments to offer.
- 3.32.92. With regards to electrification charges from LT consumers it is submitted that the charges for electrification is being levied as per the provisions of UP Electricity Supply Code 2005 and Cost Data Book approved by the Commission.
- 3.32.93. With regards to single window system for obtaining NOC it is submitted that the matter does not pertain to the current proceedings of ARR. Therefore, no comment to offer. However, it is submitted that all the process is online. As per the existing system, connections are being released through online portals (Jhatpat portal and Nivesh Mitra) which provide single window system for release of new connection.
- 3.32.94. With regards to prepaid metering it is submitted that the Discoms are in process of implementation of Prepaid metering under the scheme of Central Government. It is submitted that net metering to the eligible consumer is provided in transparent manner and various prosumers of the States are availing this facility with ease.
- 3.32.95. With regards to buffer period for load reduction it is submitted that load reduction and enhancement is being done as per the provisions of UP Electricity Supply Code 2005 and its amendment from time to time. Licensees has not proposed any amendment in this regard.
- 3.32.96. With regards to reduction in fixed charges it is submitted that the applicability of fixed charge to the various consumer category is being done as per the tariff schedule approved by the Commission for respective year.





- 3.32.97. With regards to employee cost it is submitted that the Employee Cost is being allowed on normative basis, therefore, the suggestion to estimate employee cost as par with prevailing private Industries is not maintainable.
- 3.32.98. With regards to excess collection it is submitted that the stakeholder has reported over Rs. 25,000 Crore of excess amount. In this regard, it is submitted that the stakeholder's claim of Rs. 25,000 Crore is not maintainable as actual figure estimated by the Discoms and submitted to the Commission is Rs. 54,561.01 Crore. This amount is due after the GoUP letter and should be recovered from the consumers of the State. Therefore, it is crucial to consider the accurate amount and take necessary steps to recover it.
- 3.32.99. With regards to roadmap of zero carbon commission it is submitted that the Discom wholeheartedly supports the Central Government's Zero carbon emission policy by 2070 and has already taken several measures towards the adoption of green energy. Further it is submitted that the Hon'ble Commission in Tariff Order FY2022-23 dated August 20, 2022 has already approved green tariff to further promote the zero carbon policy.
- 3.32.100. With regards to Global Investment Summit it is submitted that every state has different power purchase portfolio and cost of supply along with the socio economic conditions. Further, the Hon'ble Commission while approving the tariff is being guided by the provision of Electricity Act 2003 and National tariff policy.
- 3.32.101. Further, the proposal of Tariff increase is submitted under the Regulatory provision set by the Hon'ble Commission in its MYT Regulations 2019.
- 3.32.102. With regards to relaxation in electricity tariff it is submitted that providing relaxation to any consumer category is preview of State Government. It is submitted that Discoms shall be compensated against the relaxation as per the provision under section 65 of Electricity Act 2003.
- 3.32.103. With regards to special tariff for Agra district it is submitted that the district of Agra falls under the licensee area of DVVNL. According to the tariff philosophy of the state, the same tariff is applicable to all consumers within the licensee area. However, the Discom opposes the implementation of a separate tariff within the same license area.
- 3.32.104. With regards to new connection it is submitted that new connections are being released as per the provisions of UP Electricity Supply code 2005 and its amendment. Any amendment the Supply Code is the preview the Hon'ble Commission.



- 3.32.105. With regards to no objection from Directorate of Electrical safety it is submitted that the Commission has fixed the procedure for various activities including the release of new connection. Discoms abide to the procedure set under UP Electricity Supply Code and its amendment defined by the Hon'ble Commission. Further, it is suggested that incase, if any undue privilege is being observed by the stakeholder, the specific complaint may be raised before the appropriate authority.
- 3.32.106. With regards to amendment of clause 4.9 of UP Electricity Supply Code it is submitted that amendment of UP Electricity Supply code is being done by the Committee constituted by the Commission. Therefore, any suggestion for amendment in any provision of Electricity Supply Code may be proposed through the proper mechanism.
- 3.32.107. With regards to 18% GST charge in TPL Agra, it is submitted that all charges are being levied by the Licensee as per the provisions of UP Electricity Supply Code and the Cost Data Book approved by the Commission.
- 3.32.108. With regards to less revenue realization it is submitted that the Commission is determining the tariff based on assessed revenue rather than realized revenue. As a result, any potential shortfalls in revenue collection won't affect the consumer tariff. The Discoms are actively working to improve their revenue collection processes, and we kindly request that respected consumers in the State pay their dues on time to support these efforts.
- 3.32.109. With regards to increasing revenue Gap it is submitted that it is important to acknowledge the fact that discoms are continuously putting their best efforts to reduce the revenue gap. However, with the introduction of stringent distribution loss norms and regulations, the discoms are facing numerous difficulties in achieving their targets. Despite these challenges, the discoms remain steadfast in their commitment to reduce the revenue gap. The revenue gap is a crucial parameter that reflects the difference between the actual revenue generated and the targeted revenue. Discoms have been adopting various measures to bridge this gap, including the reduction of technical and commercial losses, improving billing and collection efficiency, and tariff rationalization. However, the implementation of stringent norms and regulations has made it increasingly challenging for discoms to achieve their revenue targets.
- 3.32.110. Despite these challenges, discoms are committed to reducing the revenue gap and are working towards achieving their targets. They have been exploring various avenues to generate additional revenue and improve operational



efficiency, including the adoption of new technologies and innovative solutions.

- 3.32.111. While the challenges faced by discoms are significant, their commitment to reducing the revenue gap remains unwavering. Through their continuous efforts and determination, discoms aim to bridge the revenue gap and provide efficient and reliable power supply to the consumers of the State.
- 3.32.112. With regards to implementation of 11kVA it is submitted that as per the provisions set by the Hon'ble Commission, the licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.32.113. Regarding operational issues and the undergrounding of 11kV cabling, it is clarified that all work is being conducted in compliance with the guidelines and rules set forth in the UP Electricity Supply Code 2005, including any amendments made over time. If any consumers have specific concerns or objections regarding hazardous work, same may be brought to the knowledge of the appropriate Discom officials.
- 3.32.114. Regarding the inquiry regarding the amendment of specific clauses in the Electricity Supply Code for load enhancement and the release of new connections, it is clarified that the amendment of the UP Electricity Supply Code is done by the Committee established by the Commission. Thus, any suggestions for amending any provisions of the Electricity Supply Code must be made through the proper channels via proper mechanism.
- 3.32.115. With regards to issues faced due to meter replacement it is submitted that the stakeholder requests for replacement of meter that has been forwarded to concerned division for necessary action.
- 3.32.116. With regards to infrastructure capacity it is submitted that UPPCL and its associated DISCOMS are continuously upgrading its electrical infrastructure. Accordingly, the CAPEX plan is submitted before the Commission for approval. The Commission is hereby requested may approve the capital expenditure plan as submitted by the Petitioner as submitted in its petition.



- 3.32.117. With regards to issue regarding inspection report it is submitted that the matter has been forwarded to the concerned department for verification and necessary action.
- 3.32.118. With regards to tube well meter removal it is submitted that as per the various directive of the Commission metering is essential for energy accounting and verification purpose. Further, as per the existing policy there is no provision for un-metering the metered consumer. Further, it is submitted that release of connection is being done as per the provision of UP Electricity Supply code 2005 and its amendments. Further, with regard to free tariff to farmers, it is submitted that supplying free electricity to any class of consumer is a policy decision of State Government. Any relaxation in consumer tariff shall be compensated through subsidy to the Discoms as per the section 65 of the Electricity Act 2003.
- 3.32.119. With regards to case against farmers it is submitted that the Stakeholder has not provided any specific issue. Further It is a civil matter, hence, no comments to offer.
- 3.32.120. With regards to replacement of old poles it is submitted that stakeholder may kindly provide the specific detail wherein the modernization is required. Accordingly, the concerned authority will provide necessary upgradation under the existing provisions.
- 3.32.121. With regards to tariff reduction for State and private Licensees it is submitted that the Commission approves tariff orders for respective year and discoms are levying tariff as per the tariff schedule applicable to respective consumer categories. Further, it is submitted that as per the provisions set by the Commission, the Licensee has to submit tariff proposal to meet the revenue gap. Accordingly, the licensee considering the revenue gap for FY 2021-22 and FY 2023-24, estimated based on the various regulatory provisions, has proposed the tariff hike. The Commission is requested to consider the proposal submitted by the Licensee and provide appropriate tariff hike so that the licensee shall be compensated for its services.
- 3.32.122. With regards to conversion of multipoint to single point connection it is submitted that the complaint has been forwarded to the concerned department for verification and necessary action.
- 3.32.123. With regards to Tariff structure it is submitted that every state has different tariff philosophy. The respective State Regulatory Commission approves the tariff based on its own philosophy considering revenue neutrality towards



Discom. Therefore, comparing the tariff applicability of one State with another State is not appropriate. The Commission while approving the tariff under section 62 considers various facts 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, while determining the tariff. Furthermore, it is submitted that MMC is charged from consumers in order to ensure that distribution companies have a stable source of revenue, even when consumers are consuming less electricity than usual. These charges help to cover the fixed costs associated with providing electricity, such as maintaining power lines, transformers, and other infrastructure, which are required to ensure reliable power supply to all consumers.

- 3.32.124. With regards to no meter connection to police station it is submitted that in case stakeholder has observed any irregularity in release of connection and unauthorized use of electricity, the concern may be raised through various route like online portal, 1912, written complaint, CGRF, Ombudsman etc. and the status of the same can also be tracked as per the defined procedures. Furthermore, recovery under theft is recorded under Non-Tariff Income and same is part of True-up Petition.
- 3.32.125. With regards to LMV-3 tariff it is submitted that as per the Tariff schedule, the tariff for LMV-3 is being levied under metered and unmetered tariff schedule. It is submitted that energy accounting for metered schedule is being done based on the meter reading and energy accounting for unmetered schedule is being done based on the consumption norms defined by the Commission.
- 3.32.126. With regards to non-consideration of inventory item in True-up it is submitted that the True-up petition is being prepared as per the MYT Regulation 2019. The Discoms has prepared its petition based on the procedure set by the Commission and captured all the relevant information as per the regulatory procedures. Therefore, the stakeholder claim regarding capturing/ non capturing of certain information is imaginary and non-factual. Further, it is submitted that indirect the indirect recovery is a part of non-tariff income and same has been properly captured in True-up.
- 3.32.127. With regards to complain regarding load reduction etc. the Licensees submitted that the stakeholder is requested to raise specific complaint before the appropriate forum constituted for addressing specific grievances. With regards to Ombudsmen issue, it is submitted that the matter does not pertain



to the current proceeding of the ARR and as mentioned by the Stakeholder, the issue is already pending before the Ombudsman. Therefore, no comment to offer.

3.32.128. With regards to compliant regarding single point to multi point, it is submitted that matter has been forwarded to the concerned Discom for verification and necessary action.

3.32.129. With regards to recovery of excess charges, the Licensees submitted that the issue has not been clearly specified. Therefore, it is highly recommended that the stakeholder provide a specific bill with a list of their concerns to the concerned authority or Discom. This will ensure that the appropriate action is taken to address the issue and that progress can be easily tracked using the complaint number 1912.

3.32.130. With the detailed bill and list of concerns, the concerned authority or Discom will be able to thoroughly investigate the matter and take the necessary steps to resolve the issue.

3.32.131. With regards to water bill being raised with electricity bill, it is submitted that the matter does not pertain to the current proceeding of ARR. Therefore, no comment to offer in this regard.

3.32.132. With regards to the matter related to electrification of the area it is submitted that the matter has been forwarded to the respective Discom for reverification and the appropriate action in this regard will be taken as per the defined procedures.

3.32.133. With regards to LMV-6 Tariff it is submitted that as per the existing tariff schedule for LMV-6, the category is divided under 20kW and above 20kW. The discom has not proposed any structural changes for LMV-6 category. Further, it is submitted that as per the tariff schedule, construction activity is allowed only through temporary connection, Licensee has not proposed any changes in current mechanism.

3.32.134. With regards to separate feeder line, it is submitted that the matter has been forwarded to the concerned department for verification and necessary action under the provision of UP Electricity Supply Code, 2005 and its amendments will be taken.

3.32.135. With regards to submission made by Naresh Babu, it is submitted that the bills/notice raised by the licensee are as per the provisions of UP Electricity Supply Code 2005 and its amendment from time to time. It is important to



note here that any unpaid dues are eligible for late payment surcharge along with the provision of PDS/TDS.

**C. Commission's view**

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

3.32.137. With regards to submission made by the Licensees regarding forwarding the complaint / matter or for verification and on complain raised by the various Stakeholders. The Licensees are directed to submit the detailed report in next ARR / Tariff filings.





## 4. TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22

### 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 2021-22 based on actual expenditure and revenue as per audited accounts of FY 2021-22. In this section, the Commission has analysed all the elements of actual revenue and expenses for FY 2021-22 based on prudence check of the data made available by the Petitioners.

### 4.2. CONSUMPTION PARAMETERS: CONSUMER NUMBERS, CONNECTED LOAD AND SALES

#### *Petitioner's Submission*

- 4.2.1. The Petitioners have submitted that there is variation in sales approved in Tariff Order dated July 29, 2021 and actual sales for FY 2021-22. Further, the Petitioners submitted that reduction in sales is due to Covid Pandemic and lockdown across the State of Uttar Pradesh. Moreover, sales are derivative of demand which is uncontrollable in nature. Petitioners further submitted that there is a reduction noticed in LMV-1 category.

#### *Commission's Analysis*

- 4.2.2. The Commission vide letter UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 directed DVVNL to submit the details of Billing Determinants of the Distribution Franchisees (Torrent Power, DF Agra) as per Regulation 42 of the MYT Regulations, 2019. The Commission observed that there is a mismatch between the sales of Torrent Power (DF of Agra) booked in DVVNL audited accounts for FY 2021-22 i.e. 2,029.83 MU and submitted by DVVNL in response to the Commission's query i.e. 1,769.81 MU. As a result, there is a difference of 260.01 MU. Further, DVVNL requested the Commission may kindly consider DF Agra as a bulk consumer of DVVNL. In this regard, the Commission is of the view that sales for Torrent Power to be considered shall be as per the audited accounts of DVVNL. Accordingly, the Commission has considered the sales of Torrent Power as 2,029.83 MU and adjusted the same under respective category / sub-category / slab wise on proportionate basis. The Billing Determinants of Torrent Power (DF of Agra) considered by the Commission are shown in the Table below:



**TABLE 4-1: BILLING DETERMINANTS OF TORRENT POWER FOR FY 2021-22**

Category	True-Up / Audited		
	No. of consumers	Connected load/ contracted demand	Total Energy Sales
	(No.)	(kW)	(MU)
LMV-1: Domestic Light, Fan & Power	4,09,388	7,65,491.79	1,221.22
LMV-2: Non-Domestic Light, Fan & Power	61,888	1,65,449.66	222.75
LMV-3: Public Lamps	84	7,061.00	31.80
LMV-4: Light, fan & Power for Institutions	1,995	15,481.76	28.12
LMV-5: Private Tube Wells / Pumping Sets	458	3,491.09	6.88
LMV 6: Small and Medium Power upto 100 HP (75 kW)	9,409	88,435.77	133.01
LMV-7: Public Water Works	155	10,938.01	27.30
LMV-8: State Tube Wells & Pump Canals upto 100 HP	18	200.14	0.44
LMV-9: Temporary Supply	1,219	3,503.10	8.01
LMV-10: Departmental Employees	2,266	4,869.90	5.72
LMV-11: Electrical Vehicles	2	609.00	0.24
HV-1: Non-Industrial Bulk Loads	225	57,241.77	137.68
HV-2: Large and Heavy Power above 100 BHP (75 kW)	268	67,184.80	206.66
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
<b>Grand Total</b>	<b>4,87,375</b>	<b>11,89,957.79</b>	<b>2,029.83</b>

- 4.2.3. Further, the Commission directs DVVNL to submit Billing Determinants inclusive of Torrent for all filings henceforth.
- 4.2.4. The Commission also observed that MVVNL and PuVVNL have submitted Billing Determinants for Extra State Consumers. The Commission vide Letter No. UPER/Secy/D(T)/2023-1545 dated January 31, 2023 directed MVVNL and PuVVNL to submit the details of such consumers along with approval of Tariff by the Commission for such consumers. In response, MVVNL and PuVVNL have submitted the following along with documentary proof:
- (a) 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.
  - (b) PuVVNL submitted that agreement for supply of energy was executed between Electric Distribution Division – II, Ballia, PuVVNL and Electrical Supply Division, Buxar, South Bihar Power Distribution Company Limited (SBPDCL) on February 21, 2015.



4.2.5. The audited accounts of the Petitioners indicate that the total sales are in line with the claimed figures. The comparison of the Billing Determinants as approved by the Commission vide Tariff Order dated July 29, 2021 and claimed by Petitioners for FY 2021-22 is shown in the Tables below:

**TABLE 4-2: BILLING DETERMINANTS OF DVVNL FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual / Claimed upon Truing Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	48,11,625	61,71,395	7,288.00	50,74,171	67,91,940	6,754.93
LMV-2-Non-domestic light fan & power	2,44,084	6,11,059	1,034.36	2,64,755	7,13,995	972.66
LMV-3 Public lamps	635	11,951	39.93	2,312	30,847	78.86
LMV-4 Light, fan & power for public / private institution	23,037	99,070	291.31	41,251	1,49,235	237.64
LMV-5 Private tube well / pumping sets	2,83,257	20,97,297	3,613.07	2,98,985	24,11,573	4,343.65
LMV-6 Small & medium power upto 100 HP /75 kW	38,299	3,44,880	728.81	43,266	4,36,849	537.34
LMV-7 Public water works	9,616	97,829	362.40	11,559	1,24,630	391.57
LMV-8 State tube wells & pumps canal upto 100 HP	7,321	1,50,531	642.34	7,554	1,77,000	655.68
LMV-9 Temporary supply	2,072	3,947	6.01	3,278	11,155	34.12
LMV- 10 Departmental employees	18,741	88,865	140.48	17,195	81,534	163.44
LMV-11 Electric Vehicles	-	-	-	4	1,409	1.36
HV-1 Non industrial bulk load	556	1,29,897	300.18	596	1,51,921	282.82
HV-2 Large & heavy power above 100 BHP (75 kW)	3,164	10,69,837	3,424.59	3,145	10,03,412	2,551.86
HV-3 Railway traction	-	-	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	55	39,865	136.93	44	45,330	93.52
Bulk supply	1	11,78,779	1,870	1	11,89,958	2,029.83
<b>Total</b>	<b>54,42,463</b>	<b>1,20,95,202</b>	<b>19,878</b>	<b>57,68,116</b>	<b>1,33,20,788</b>	<b>19,129.27</b>

4.2.6. Considering the above, the Commission approves the Billing Determinants for FY 2021-22 as per Tables below:



**TABLE 4-3: BILLING DETERMINANTS OF DVVNL (INCLUDING DF of AGRA) FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Approved upon True Up*		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	52,23,255	69,24,559	8,378.65	54,83,559	75,57,432	7,976.15
LMV-2-Non-domestic light fan & power	3,06,938	7,79,851	1,266.24	3,26,643	8,79,445	1,195.40
LMV-3 Public lamps	716	18,995	63.20	2,396	37,908	110.66
LMV-4 Light, fan & power for public / private institution	25,117	1,14,641	322.42	43,246	1,64,717	265.75
LMV-5 Private tube well / pumping sets	2,83,724	21,00,797	3,620.31	2,99,443	24,15,064	4,350.53
LMV-6 Small & medium power upto 100 HP / 75 kW	47,512	4,30,023	840.89	52,675	5,25,285	670.35
LMV-7 Public water works	11,428	1,09,829	389.55	11,714	1,35,568	418.88
LMV-8 State tube wells & pumps canal upto 100 HP	7,341	1,50,750	642.76	7,572	1,77,200	656.12
LMV-9 Temporary supply	3,272	7,737	15.37	4,497	14,658	42.13
LMV- 10 Departmental employees	21,097	93,815	145.54	19,461	86,404	169.16
LMV-11 Electric Vehicles	-	-	-	6	2,018	1.60
HV-1 Non industrial bulk load	783	1,91,069	451.18	821	2,09,163	420.51
HV-2 Large & heavy power above 100 BHP (75 kW)	3,422	11,33,272	3,605.59	3,413	10,70,597	2,758.51
HV-3 Railway traction	-	-	-	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	55	39,865	136.93	44	45,330	93.52
<b>Total</b>	<b>59,34,660</b>	<b>1,20,95,202</b>	<b>19,878.63</b>	<b>62,55,490</b>	<b>1,33,20,788</b>	<b>19,129.27</b>

\*Billing Determinants of DVVNL includes Billing Determinants of Torrent Power (Agra Franchisee)

**TABLE 4-4: BILLING DETERMINANTS OF MVVNL FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved upon Truing Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	75,66,175	98,31,474	10,098.39	79,25,980	96,31,136	11,140.54
LMV-2 Non-domestic light fan & power	3,88,824	11,12,931	1,532.16	4,18,832	12,10,889	1,594.87
LMV-3 Public lamps	1,479	1,04,698	348.42	864	76,231	296.79



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved upon Truing Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-4 Light, fan & power for public / private institution	23,809	1,42,973	270.59	35,825	1,69,812	261.78
LMV-5 Private tube well / pumping sets	2,44,721	10,74,853	1,974.28	2,62,599	15,86,717	2,420.80
LMV-6 Small & medium power upto 100 HP / 75 kW	22,107	2,75,164	576.96	30,879	3,36,058	480.41
LMV-7 Public water works	3,792	1,15,196	490.80	3,968	98,057	445.07
LMV-8 State tube wells & pumps canal upto 100 HP	10,487	1,75,767	876.48	10,702	1,57,277	744.71
LMV-9 Temporary supply	5,727	19,967	97.35	8,624	23,647	22.28
LMV-10 Departmental employees	27,749	87,575	166.58	24,843	80,755	146.58
LMV-11 Electric Vehicles	-	-	-	28	5,919	5.39
HV-1 Non industrial bulk load	1,215	4,05,860	763.42	1,441	4,80,044	783.94
HV-2 Large & heavy power above 100 BHP (75 kW)	2,152	8,89,007	1,538.00	2,363	8,62,275	1,674.86
HV-3 Railway traction	3	19,000	54.78	2	9,900	30.83
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	11	7,647	82.47	33	28,697	65.36
Extra State Consumer	1	5,000	23.77	1	5,000	11.77
<b>Total</b>	<b>82,98,250</b>	<b>1,42,67,113</b>	<b>18,894.43</b>	<b>87,26,984</b>	<b>1,47,62,414</b>	<b>20,125.98</b>

TABLE 4-5: BILLING DETERMINANTS OF PVVNL FOR FY 2021-22

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	60,95,260	1,16,24,605	11,525.13	58,45,257	1,19,57,820	11,044.68
LMV-2 Non-domestic light fan & power	4,73,249	14,14,641	1,747.31	4,88,927	14,23,179	1,695.80
LMV-3 Public lamps	1,275	57,390	187.56	2,310	60,131	180.14
LMV-4 Light, fan & power for public / private institution	18,185	1,21,195	229.84	25,726	1,90,444	180.05
LMV-5 Private tube well / pumping sets	4,60,458	33,64,782	6,158.81	4,79,996	29,87,684	6,212.50
LMV-6 Small & medium power upto 100 HP/75 kW	61,038	8,95,805	1,220.15	66,206	9,13,828	1,190.76
LMV-7 Public water works	3,999	1,36,432	487.94	5,201	1,61,615	399.01



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Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved 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	4,956	78,141	246.11	4,879	69,667	143.75
LMV-9 Temporary supply	4,668	53,366	102.71	6,940	69,192	104.76
LMV- 10 Departmental employees	20,721	1,38,845	178.53	21,856	1,28,494	118.13
LMV-11 Electric Vehicles	-	-	-	55	676	1.04
HV-1 Non industrial bulk load	2,339	12,84,466	1,942.61	2,349	10,10,530	1,466.01
HV-2 Large & heavy power above 100 BHP (75 kW)	5,713	21,17,314	5,587.21	6,138	21,44,934	5,415.77
HV-3 Railway traction	5	57,933	80.25	5	51,300	85.47
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	2	317	0.78	2	280	0.83
<b>Total</b>	<b>71,51,868</b>	<b>2,13,45,233</b>	<b>29,694.93</b>	<b>69,55,847</b>	<b>2,11,69,774</b>	<b>28,238.70</b>

**TABLE 4-6: BILLING DETERMINANTS OF PuVVNL FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumer s (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	81,02,853	1,14,85,410	14,532.14	85,77,016	1,07,72,565	13,248.27
LMV-2 Non-domestic light fan & power	4,46,498	13,72,392	2,072.03	5,08,115	13,39,934	1,984.26
LMV-3 Public lamps	367	45,104	117.41	1,430	44,655	133.90
LMV-4 Light, fan & power for public/private institution	23,179	1,34,113	198.29	40,885	1,54,927	276.64
LMV-5 Private tube well/pumping sets	3,27,496	14,01,274	2,252.58	3,43,976	15,48,496	2,693.12
LMV-6 Small & medium power upto 100 HP / 75 kW	31,677	3,54,789	571.66	38,072	3,85,668	574.36
LMV-7 Public water works	3,528	1,16,616	343.88	3,986	1,13,807	397.07
LMV-8 State tube wells & pumps canal upto 100 HP	12,186	2,21,674	1,097.57	12,098	2,37,545	1,138.06
LMV-9 Temporary supply	293	3,774	1.47	3,087	6,769	10.99
LMV- 10 Departmental employees	30,595	1,01,591	114.78	26,800	88,989	106.61
LMV-11: Electrical Vehicles	-	-	-	9	1,540	6.08
HV-1 Non industrial bulk load	896	2,71,650	529.33	986	2,61,549	494.02



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Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
HV-2 Large & heavy power above 100 BHP (75 kW)	1,207	2,68,877	1,201.09	1,576	6,34,559	1,351.96
HV-3 Railway traction	1	10,800	16.85	1	10,800	5.89
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	33	1,42,045	486.48	55	1,31,019	429.79
Extra state consumers	1	770	3.01	1	699	3.29
<b>Total</b>	<b>89,80,809</b>	<b>1,59,30,879</b>	<b>23,538.57</b>	<b>95,58,093</b>	<b>1,57,33,521</b>	<b>22,854.31</b>

**TABLE 4-7: BILLING DETERMINANTS OF KESCO FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed / Approved in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	5,63,552	13,97,847	1,626.16	5,63,528	13,50,294	1,597.30
LMV-2 Non-domestic light fan & power	83,814	2,47,834	332.98	84,794	2,43,477	319.58
LMV-3 Public lamps	20	10,484	36.81	221	10,279	34.49
LMV-4 Light, fan & power for public / private institution	1,584	27,965	121.25	1,566	26,325	62.54
LMV-5 Private tube well / pumping sets	14	-	0.08	13	86	0.12
LMV-6 Small & medium power up to 100 HP/ 75kW	14,056	1,05,542	327.28	14,697	1,89,149	358.17
LMV-7 Public water works	1,135	43,589	111.74	1,224	51,667	109.68
LMV-8 State tube wells & pumps canal up to 100 HP	-	-	-	-	-	-
LMV-9 Temporary supply	106	447	2.10	630	3,420	8.43
LMV- 10 Departmental employees	5,157	20,003	38.26	5,206	20,722	39.62
LMV-11: Electrical Vehicles	-	-	-	-	-	-
HV-1 Non industrial bulk load	287	87,626	214.88	293	81,584	184.42
HV-2 Large & heavy power above 100 BHP (75 kW)	630	2,44,304	601.80	632	2,16,212	682.10
HV-3 Railway traction	-	-	-	1	5,400	0.18
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	-	-	-	-	-	-
<b>Total</b>	<b>6,70,356</b>	<b>21,85,639</b>	<b>3,413.34</b>	<b>6,72,805</b>	<b>21,98,615</b>	<b>3,396.64</b>





**TABLE 4-8: CONSOLIDATED BILLING DETERMINANTS FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Actual/ Claimed in True Up		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	2,71,39,464	4,05,10,731	45,069.82	2,79,85,952	4,05,03,755	43,785.72
LMV-2 Non-domestic light fan & power	16,36,469	47,58,857	6,718.84	17,65,423	49,31,474	6,567.17
LMV-3 Public lamps	3,776	2,29,626	730.13	7,137	2,22,143	724.17
LMV-4 Light, fan & power for public / private institution	89,794	5,25,315	1,111.28	1,45,253	6,90,743	1,018.64
LMV-5 Private tube well / pumping sets	13,15,946	79,38,206	13,998.82	13,85,569	85,34,556	15,670.18
LMV-6 Small & medium power up to 100 HP/ 75 kW	1,67,177	19,76,180	3,424.86	1,93,120	22,61,552	3,141.05
LMV-7 Public water works	22,070	5,09,662	1,796.76	25,938	5,49,776	1,742.40
LMV-8 State tube wells & pumps canal up to 100 HP	34,950	6,26,113	2,862.50	35,233	6,41,489	2,682.20
LMV-9 Temporary supply	12,866	81,501	209.64	22,559	1,14,183	180.58
LMV- 10 Departmental employees	1,02,963	4,36,879	638.63	95,900	4,00,494	574.38
LMV-11: Electrical Vehicles	-	-	-	96	9,544	13.87
HV-1 Non industrial bulk load	5,293	21,79,498	3,750.42	5,665	19,85,628	3,211.22
HV-2 Large & heavy power above 100 BHP (75 kW)	12,866	45,89,339	12,352.69	13,854	48,61,392	11,676.55
HV-3 Railway traction	9	-	-	9	77,400	122.38
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	101	1,89,874	706.66	134	2,05,326	589.49
Bulk supply	1	11,78,779	1,870.22	1	11,89,958	2,030
Extra state consumers	2	5,770	26.78	2	5,699	15.05
<b>Total</b>	<b>3,05,43,747</b>	<b>6,57,36,332</b>	<b>95,268.05</b>	<b>3,16,81,845</b>	<b>6,71,85,112</b>	<b>93,744.89</b>

**TABLE 4-9: CONSOLIDATED BILLING DETERMINANTS FOR FY 2021-22**

Category	Tariff Order for FY 2021-22 dated July 29, 2021			Approved in True Up*		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	2,75,51,095	4,12,63,895	46,160.47	2,83,95,340	4,12,69,247	45,006.93
LMV-2 Non-domestic light fan & power	16,99,323	49,27,649	6,950.72	18,27,311	50,96,924	6,789.92



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Category	Tariff Order for FY 2021-22 dated July 29, 2021			Approved in True Up*		
	Consumers (No.)	Load (kW)	Sales (MU)	Consumers (No.)	Load (kW)	Sales (MU)
LMV-3 Public lamps	3,857	2,36,671	753.40	7,221	2,29,204	755.97
LMV-4 Light, fan & power for public / private institution	91,874	5,40,887	1,142.39	1,47,248	7,06,225	1,046.76
LMV-5 Private tube well / pumping sets	13,16,413	79,41,706	14,006.06	13,86,027	85,38,047	15,677.05
LMV-6 Small & medium power up to 100 HP/75 kW	1,76,390	20,61,323	3,536.94	2,02,529	23,49,988	3,274.06
LMV-7 Public water works	23,882	5,21,662	1,823.91	26,093	5,60,714	1,769.70
LMV-8 State tube wells & pumps canal up to 100 HP	34,970	6,26,332	2,862.92	35,251	6,41,689	2,682.65
LMV-9 Temporary supply	14,066	85,291	219.00	23,778	1,17,686	188.59
LMV- 10 Departmental employees	1,05,319	4,41,829	643.69	98,166	4,05,364	580.10
LMV-11: Electrical Vehicles	-	-	-	98	10,153	14.11
HV-1 Non industrial bulk load	5,520	22,40,671	3,901.42	5,890	20,42,870	3,348.90
HV-2 Large & heavy power above 100 BHP (75 kW)	13,124	46,52,774	12,533.69	14,122	49,28,577	11,883.20
HV-3 Railway traction	9	87,733	151.88	9	77,400	122.38
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	101	1,89,874	706.66	134	2,05,326	589.49
Extra state consumers	2	5,770	26.78	2	5,699	15.05
<b>Total</b>	<b>31035946</b>	<b>6,58,24,066</b>	<b>95419.90</b>	<b>3,21,69,219</b>	<b>6,71,85,112</b>	<b>93,744.89</b>

\*Billing Determinants of DVVNL includes Billing Determinants of Torrent Power (Agra Franchisee)

4.2.7. The Commission has done analysis for the consumer categories for which norms have been specified, which is shown in the Tables below:

**Table 4-10: NORMS OF DVVNL FOR SALES FOR FY 2021-22**

Category	DVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/ Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	2,721	4,237.36	7.32	144.00	144.00	7.32	0.00
LMV 2	Non Dom: Rural Schedule (unmetered)	8	15.33	0.03	144.00	144.00	0.03	0.00
LMV 5	PTW: Rural Schedule (unmetered)	2,36,249	19,02,427.00	3,750.79	164.30	140.00	3,196.08	554.71



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Category	DVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	6	130.00	178.73	24,82,402.78	7,124.71	0.51	178.22
	Unmetered: Laghu Dal Nahar above 100 BHP	10	791.00	4.93	41,108.33	7,124.71	0.85	4.08
<b>Total</b>								<b>737.01</b>

**Table 4-11: NORMS OF MVVNL FOR SALES FOR FY 2021-22**

Category	MVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	1,04,132.00	1,30,545.00	324.70	207.27	144.00	225.58	99.12
LMV 2	Non Dom: Rural Schedule (unmetered)	1,925.00	3,561.00	7.76	181.60	144.00	6.15	1.61
LMV 5	PTW: Rural Schedule (unmetered)	2,04,950.00	12,84,036.00	2,238.83	145.30	140.00	2,157.18	81.65
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	7,511.00	1,10,823.00	570.81	6,333.02	7,124.71	642.16	0.00
	Unmetered: Laghu Dal Nahar above 100 BHP	3.00	113.00	4.43	1,23,111.11	7,124.71	0.26	4.18
<b>Total</b>								<b>186.55</b>

**Table 4-12: NORMS OF PVVNL FOR SALES FOR FY 2021-22**

Category	PVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	10,673.00	33,027.00	31.73	80.07	144.00	57.07	0.00
LMV 2	Non Dom: Rural Schedule (unmetered)	438.00	1,060.00	2.60	204.17	144.00	1.83	0.77



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Category	PVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 5	PTW: Rural Schedule (unmetered)	4,46,511.00	27,74,420.00	6,062.44	182.09	140.00	4,661.03	1,401.42
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	944	14,138.00	42.37	3,740.20	7,124.71	80.71	0.00
	Unmetered: Laghu Dal Nahar above 100 BHP	0	0.00	0.24	0.00	7,124.71	0.00	0.24
<b>Total</b>								<b>1402.42</b>

**Table 4-13: NORMS OF PuVVNL FOR SALES FOR FY 2021-22**

Category	PuVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	7,72,319.00	9,97,641.00	1,390.68	116.16	144.00	1,723.92	0.00
LMV 2	Non Dom: Rural Schedule (unmetered)	15,699.00	33,192.00	34.41	86.38	144.00	57.36	0.00
LMV 5	PTW: Rural Schedule (unmetered)	2,88,849.00	13,55,749.00	2,345.77	144.19	140.00	2,277.66	68.11
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	8,644.00	1,75,052.00	939.70	9,059.30	7,124.71	739.03	200.67
	Unmetered: Laghu Dal Nahar above 100 BHP	121.00	9,104.00	48.04	33,086.78	7,124.71	10.35	37.70
<b>Total</b>								<b>306.48</b>

4.2.8. Considering the above, the Commission has observed that the Petitioners have overbooked sales in the unmetered categories with respect to the norms of sales approved by the Commission for unmetered categories vide Order dated December 09, 2016 in suo-moto proceedings in the matter of revision of consumption norms for unmetered category of consumers. Further, for LMV-5 category, the Commission in the Tariff Order for FY 2019-20 dated September 03, 2019, had approved a consumption norm of 140 kWh / kW / month consumers assuming a supply of 14 hours for 120 days. The same norm for LMV-5 has been considered.



**Table 4-14: CONSOLIDATED EXCESS SALES BOOKED BY STATE DISCOMS (DVVNL, MVVNL, PVVNL & PuVVNL) FOR FY 2021-22**

Category	Consolidated	Excess Sales booked/Sales under booked (MU)
LMV 1	Dom: Rural Schedule (unmetered)	99.12
LMV 2	Non-Dom: Rural Schedule (unmetered)	2.37
LMV 5	PTW: Rural Schedule (unmetered)	2,105.88
LMV 8	Unmetered: STW/Panch. Raj/WB/ID/P. Canals/LI upto 100 BHP	378.89
	Unmetered: Laghu Dal Nahar above 100 BHP	46.19
	<b>Total</b>	<b>2,632.45</b>

4.2.9. In the True up of FY 2020-21, Petitioners had not overbooked the sales, but this year they have done so. This will lead to change the distribution loss figures. For the purpose of Truing Up, the Commission is not allowing the excess sales of 2,632.45 MU booked under the unmetered categories and the corresponding treatment of the same has been done in the power purchase section by disallowing the power purchase cost of the excess units from the total power purchase cost as done in the past True Ups as the same will act as a deterrent for the Petitioners to comply with the norms specified by the Commission.

### 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, the Petitioners have estimated the distribution loss trajectories for the coming years for the implementation of the scheme, as shown in the Table below:

**TABLE 4-15: LOSS TRAJECTORY AS PER ACTION PLAN SUBMITTED BY THE PETITIONERS**

Discoms	FY 2021-22	FY 2022-23	FY 2023-24
DVVNL	25.64%	20.05%	17.10%
MVVNL	17.36%	17.21%	15.23%
PVVNL	17.98%	15.19%	13.44%
PuVVNL	20.15%	17.58%	15.56%
KESCO	9.61%	8.52%	7.95%

4.3.2. The Petitioners submitted that, Ministry of Power (MoP) after considering the ground realities which have impacted State Discoms 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.

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 the 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 further 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 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 the Commission in the True-Up Orders despite Licensee's request. Therefore, considering only selected parameters of UDAY scheme has caused huge financial loss to Discoms. 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 the 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 Regulations, 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 from 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 2021-22, 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 above mentioned 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 categories have 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:

Quote

*5.11 Tariff 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.*

Unquote

- 4.3.8. In terms of Clause 8.2 of the Tariff Policy 2016, the Commission is mandated to set an achievable distribution loss trajectory: -

Quote

*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.*

Unquote

- 4.3.9. 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 2019-2021) vis-à-vis the loss trajectory approved by the Commission is as below:

**TABLE 4-16: ACTUAL LOSSES SUBMITTED BY PETITIONERS FOR PREVIOUS YEARS**

Discom	FY 2018-19			FY 2019-20			FY 2020-21		
	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual	As per RDSS Scheme	As per MYT Order	Actual
DVVNL	16.25%	16.25%	20.96%	12.10%	12.10%	21.27%	25.90%	11.80%	25.90%
MVVNL	16.09%	16.09%	21.56%	11.80%	11.80%	19.37%	20.22%	11.51%	20.22%



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Discom	FY 2018-19			FY 2019-20			FY 2020-21		
	As per UDAY Scheme	As per MYT Order	Actual	As per UDAY Scheme	As per MYT Order	Actual	As per RDSS Scheme	As per MYT Order	Actual
PVVNL	15.20%	15.20%	14.83%	11.80%	11.80%	15.59%	17.85%	11.51%	17.85%
PuVVNL	16.43%	16.43%	20.49%	12.20%	12.20%	20.32%	20.65%	11.83%	20.65%
KESCO	15.13%	15.13%	8.51%	11.80%	11.80%	7.76%	10.45%	8.42%	10.45%

4.3.10. In view of the above, Petitioners have submitted that it is evident that in the past years (i.e., FY 2019-21) the actual distribution loss of the Petitioners was in the range of 7.76% to 25.90% for all State Discoms. However, the Commission for FY 2021-22 has approved a stringent and practically unachievable distribution loss trajectory for State Discoms, which is approximately 50% less than the actuals of the last fiscal year (i.e., FY 2020-21) 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 2020-21 has itself accepted that it approves a stringent distribution loss trajectory for the Petitioners, which is much lower than the actual losses of the State 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

4.3.11. 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.



4.3.12. The actual voltage-wise distribution losses are submitted below for perusal of the Commission.

**TABLE 4-17: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF DVVNL FOR FY 2021-22**

S.No.	Voltage Level	Actual (MUs)
A	<b>System Losses At 220 kV</b>	
1	Energy received into the system	25725.44
2	Energy sold at this voltage level	396.84
3	Energy transmitted to the next (lower) voltage level	25325.83
4	Energy Lost	2.77
5	<b>Total Loss in the system at 220 kV (4/1)*100%</b>	<b>0.01%</b>
B	<b>System Losses At 132 kV</b>	
1	Energy received into the system	25325.83
2	Energy sold at this voltage level	89.51
3	Energy transmitted to the next (lower) voltage level	25236.24
4	Energy Lost	0.08
5	<b>Total Loss in the system at 132 kV(4/1) *100%</b>	<b>0.0003%</b>
C	<b>System Losses At 33 kV</b>	
1	Energy received into the system	25236.24
2	Energy sold at this voltage level	883.32
3	Energy transmitted to the next (lower) voltage level	24348.95
4	Energy Lost	3.97
5	<b>Total Loss in the system at 33 kV (4/1)*100%</b>	<b>0.02%</b>
D	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	24348.95
2	Energy sold at this voltage level	17752.76
3	Energy Lost	6596.19
4	<b>Total Loss in the system at 11kV &amp; LT (4/1) *100%</b>	<b>27.09%</b>
E	<b>Overall Losses</b>	
1	Energy In (A1+B1+C1)	25725.44
2	Energy Out (A2+B2+C2+D2))	19129.25
3	<b>Total T&amp;D Loss ((1-2)/1) *100%</b>	<b>25.64%</b>

**TABLE 4-18: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF MVVNL FOR FY 2021-22**

S.No.	Voltage Level	Actual (MUs)
A	<b>System Losses At 220 kV</b>	
1	Energy received into the system	0.00
2	Energy sold at this voltage level	0.00
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	<b>Total Loss in the system at 220 kV (4/1)*100%</b>	<b>0.00</b>



S.No.	Voltage Level	Actual (MUs)
B	<b>System Losses At 132 kV</b>	
1	Energy received into the system	0.00
2	Energy sold at this voltage level	0.00
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	<b>Total Loss in the system at 132 kV (4/1) *100%</b>	0.00
C	<b>System Losses At 33 kV</b>	
1	Energy received into the system	24365.57
2	Energy sold at this voltage level	496.72
3	Energy transmitted to the next (lower) voltage level	23868.85
4	Energy Lost	0.00
5	<b>Total Loss in the system at 33 kV (4/1) *100%</b>	0.00%
D	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	23868.85
2	Energy sold at this voltage level	15668
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	8200.85
5	<b>Total Loss in the system at 11 kV &amp; LT (4/1) *100%</b>	34.36%
E	<b>Overall Losses</b>	
1	Energy In (A1+B1+C1)	24352.98
2	Energy Out (A2+B2+C2+D2))	20125.98
3	<b>Total T&amp;D Loss ((1-2)/1) *100%</b>	17.36%

**TABLE 4-19: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF PVVNL FOR FY 2021-22**

S.No.	Voltage Level	Actual (MUs)
A	<b>System Losses At 220 kV</b>	
1	Energy received into the system	156.03
2	Energy sold at this voltage level	155.85
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.18
5	<b>Total Loss in the system at 220 kV (4/1)*100%</b>	0.12%
B	<b>System Losses At 132 kV</b>	
1	Energy received into the system	639.62
2	Energy sold at this voltage level	639.43
3	Energy transmitted to the next (lower) voltage level	-
4	Energy Lost	0.19
5	<b>Total Loss in the system at 132 kV (4/1) *100%</b>	0.03%
C	<b>System Losses At 33 kV</b>	
1	Energy received into the system	33,631.86
2	Energy sold at this voltage level	2,464.81



S.No.	Voltage Level	Actual (MUs)
3	Energy transmitted to the next (lower) voltage level	31,158.47
4	Energy Lost	8.58
5	<b>Total Loss in the system at 33 kV (4/1) *100%</b>	0.03%
D	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	31,158.47
2	Energy sold at this voltage level	24,978.61
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	6,179.85
5	<b>Total Loss in the system at 11 kV &amp; LT (4/1) *100%</b>	19.83%
E	<b>Overall Losses</b>	
1	Energy In (A1+B1+C1)	34,427.51
2	Energy Out (A2+B2+C2+D2))	28,238.70
3	<b>Total T&amp;D Loss ((1-2)/1)*100%</b>	17.98%

**TABLE 4-20: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF PuVVNL FOR FY 2021-22**

S. No.	Voltage Level	Actual (MUs)
A	<b>System Losses At 220 kV</b>	
1	Energy received into the system	0.00
2	Energy sold at this voltage level	0.00
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	<b>Total Loss in the system at (4/1) *100%</b>	0.00%
B	<b>System Losses At 132 kV</b>	
1	Energy received into the system	42
2	Energy sold at this voltage level	42
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	<b>Total Loss in the system at 132 kV (4/1) *100%</b>	0.00%
C	<b>System Losses At 33 kV</b>	
1	Energy received into the system	28579
2	Energy sold at this voltage level	1169
3	Energy transmitted to the next (lower) voltage level	27145
4	Energy Lost	265
5	<b>Total Loss in the system 33 kV (4/1) *100%</b>	0.93%
D	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	27145
2	Energy sold at this voltage level	21643
3	Energy transmitted to the next (lower) voltage level	
4	Energy Lost	5502
5	<b>Total Loss in the system 11 kV &amp; LT (4/1) *100%</b>	20.27%
E	<b>Overall Losses</b>	



S. No.	Voltage Level	Actual (MUs)
1	Energy In (A1+B1+C1)	28621
2	Energy Out (A2+B2+C2+D2))	22854
3	<b>Total T&amp;D Loss ((1-2)/1) *100%</b>	<b>20.15%</b>

**TABLE 4-21: ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES OF KESCO FOR FY 2021-22**

S. No.	Voltage Level	Actual (MUs)
A	<b>System Losses At 220 kV</b>	
1	Energy received into the system	0.74
2	Energy sold at this voltage level	0.74
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	0.00
5	<b>Total Loss in the system at 220 kV (A4/A1) *100%</b>	<b>0.00%</b>
B	<b>System Losses At 132 kV</b>	
1	Energy received into the system	367.46
2	Energy sold at this voltage level	367.47
3	Energy transmitted to the next (lower) voltage level	0.00
4	Energy Lost	-0.01
5	<b>Total Loss in the system at 132 kV (B4/B1) *100%</b>	<b>0.00%</b>
C	<b>System Losses At 33 kV</b>	
1	Energy received into the system	3389.66
2	Energy sold at this voltage level	191.20
3	Energy transmitted to the next (lower) voltage level	3145.21
4	Energy Lost	53.25
5	<b>Total Loss in the system 33 kV (C4/C1)*100%</b>	<b>1.57%</b>
D	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	3145.21
2	Energy sold at this voltage level	388.59
3	Energy transmitted to the next (lower) voltage level	2715.93
4	Energy Lost	40.69
5	<b>Total Loss in the system 11 kV &amp; LT (D4/D1)*100%</b>	<b>1.29%</b>
E	<b>LT System Losses</b>	
1	Energy received into the system	2715.93
2	Energy sold at this voltage level	2448.64
3	Energy Lost	267.30
4	<b>Total Loss in the system at LT (E3/E1) *100%</b>	<b>9.84%</b>
F	<b>Overall Losses</b>	
1	Energy In (A1+B1+C1)	3757.862
2	Energy Out (A2+B2+C2+D2))	3396.635
3	<b>Total T&amp;D Loss ((1-2)/1) *100%</b>	<b>9.61%</b>



**TABLE 4-22: CONSOLIDATED ACTUAL VOLTAGE-WISE DISTRIBUTION LOSSES FOR FY 2021-22**

S. No.	Voltage Level	Actual (MUs)
<b>A</b>	<b>System Losses At 220 kV</b>	
1	Energy received into the system	25,882.21
2	Energy sold at this voltage level	553.43
3	Energy transmitted to the next (lower) voltage level	25,325.83
4	Energy Lost	2.95
<b>5</b>	<b>Total Loss in the system at 220 kV (A4/A1) *100%</b>	<b>0.01%</b>
<b>B</b>	<b>System Losses At 132 kV</b>	
1	Energy received into the system	26,374.91
2	Energy sold at this voltage level	1,138.41
3	Energy transmitted to the next (lower) voltage level	25,236.24
4	Energy Lost	0.26
<b>5</b>	<b>Total Loss in the system at 132 kV (B4/B1) *100%</b>	<b>0.00%</b>
<b>C</b>	<b>System Losses At 33 kV</b>	
1	Energy received into the system	1,15,202.33
2	Energy sold at this voltage level	5,205.05
3	Energy transmitted to the next (lower) voltage level	1,09,666.48
4	Energy Lost	330.80
<b>5</b>	<b>Total Loss in the system 33 kV (C4/C1)*100%</b>	<b>0.29%</b>
<b>D</b>	<b>System Losses at 11 kV &amp; LT</b>	
1	Energy received into the system	1,09,666.48
2	Energy sold at this voltage level	80,430.96
3	Energy transmitted to the next (lower) voltage level	2,715.93
4	Energy Lost	26,519.58
<b>5</b>	<b>Total Loss in the system at 11 kV &amp; LT (D4/D1)*100%</b>	<b>24.18%</b>
<b>E</b>	<b>LT System Losses</b>	
1	Energy received into the system	2,715.93
2	Energy sold at this voltage level	2,448.64
3	Energy Lost	267.30
<b>4</b>	<b>Total Loss in the system (E3/E1) *100%</b>	<b>9.84%</b>
<b>F</b>	<b>Overall Losses</b>	
1	Energy In (A1+B1+C1)	1,16,884.79
2	Energy Out (A2+B2+C2+D2))	93,744.57
<b>3</b>	<b>Total T&amp;D Loss ((1-2)/1) *100%</b>	<b>19.80%</b>

### Commission's Analysis

4.3.13. Regulation 8.2 of MYT Regulations, 2019 stipulates distribution losses as Controllable Factor. The extract of relevant 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

4.3.14. Further, 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. The Commission is of the view that if the performance parameters such as distribution loss trajectory is changed based on actual performance, there will be no sanctity of Multi Year Tariff framework.

4.3.15. The Commission based on MYT Business Plan Order approves the distribution loss for FY 2021-22 as under:

**TABLE 4-23: DISTRIBUTION LOSSES APPROVED BY THE COMMISSION FOR FY 2021-22**

Particulars	MYT / Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in Petition	Approved Upon Truing Up
DVVNL	11.33%	25.64%	11.33%
MVVNL	11.04%	17.36%	11.04%
PVVNL	11.04%	17.98%	11.04%
PuVVNL	11.36%	20.15%	11.36%
KESCO	8.25%	9.61%	8.25%
<b>Consolidated (5 Discoms)</b>	<b>11.08%</b>	<b>19.80%</b>	<b>11.08%</b>

#### 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 2021-22. Therefore, the Commission is requested to consider the submission of the Petitioners and allow actual distribution loss for FY 2021-22.

4.4.2. The energy balance claimed by the Petitioners is shown in the Table below:

**TABLE 4-24: ENERGY BALANCE SUBMITTED BY THE PETITIONERS FOR FY 2021-22**

Particulars			FY 2021-22					
	Unit	Derivation	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	A	19,129	20,126	28,239	22,854	3,397	93,745
Distribution Losses	%	B	25.64%	17.36%	17.98%	20.15%	9.61%	19.80%
Energy at Discom Periphery for Retail Sales	MU	$C=A/(1-B)$	25,725	24,354	34,429	28,622	3,758	1,16,888
Intra-State Transmission Losses	%	D	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Energy Available at State periphery for Transmission	MU	$E=C/(1-D)$	26,611	25,193	35,615	29,607	3,887	1,20,913
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	F	16,885	15,985	22,598	18,786	2,466	76,720
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	G	9,726	9,208	13,017	10,821	1,421	44,193
Interstate Transmission Loss	%	H	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	$I=G/(1-H)$	10,275	9,727	13,751	11,432	1,501	46,686
<b>Power Purchase Required &amp; Billed Energy (MU) (ex-Bus)</b>	<b>MU</b>	<b>J=I+F</b>	<b>27,160</b>	<b>25,712</b>	<b>36,349</b>	<b>30,218</b>	<b>3,967</b>	<b>1,23,406</b>

### Commission's Analysis

4.4.3. The Commission observed that the Petitioners have prepared the energy balance based on actual Inter-State transmission loss, Intra-State transmission loss and actual distribution losses as depicted in the Petitioner's submission rather than the distribution losses approved by the Commission for FY 2021-22. Therefore, the Commission approves the energy balance for FY 2021-22 considering the approved sales, approved distribution loss trajectory and approved transmission losses of UPPTCL, as shown in the Table below:

**TABLE 4-25: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2021-22**

Particulars	Unit	Derivation	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	A	19,129.25	20,125.98	28,238.70	22,854.31	3,396.64	93,744.87



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Particulars	Unit	Derevation	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Distribution Losses	%	B	11.33%	11.04%	11.04%	11.36%	8.25%	11.08%
Energy at Discom Periphery for Retail Sales	MU	$C=A/(1-B)$	21,573.53	22,623.63	31,743.14	25,783.29	3,702.05	1,05,425.64
Intra-State Transmission Losses	%	D	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Energy Available at State periphery for Transmission	MU	$E=C/(1-D)$	<b>22,316.67</b>	<b>23,402.95</b>	<b>32,836.60</b>	<b>26,671.45</b>	<b>3,829.58</b>	<b>1,09,057.25</b>
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	F	16,146.51	16,987.84	23,835.57	19,290.75	2,867.01	79,127.68
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	$G=E-F$	6,170.16	6,415.11	9,001.03	7,380.70	962.57	29,929.56
Inter-State Transmission Loss*	%	H	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	$I=G/(1-H)$	6,518.24	6,777.02	9,508.82	7,797.08	1,016.87	31,618.04
<b>Power Purchase Required &amp; Billed Energy (MU) (Ex-Bus)</b>	<b>MU</b>	<b><math>J=F+I</math></b>	<b>22,664.76</b>	<b>23,764.86</b>	<b>33,344.39</b>	<b>27,087.83</b>	<b>3,883.88</b>	<b>1,10,745.72</b>

4.4.4. The Petitioners are directed again to make the submission as per above format for the purpose of all future filings in Energy Balance.

#### 4.5. POWER PURCHASE EXPENSES

##### *Petitioner's Submission*

4.5.1. The Petitioners have claimed power purchase cost for FY 2021-22 based on actual payable as per the books of account for FY 2021-22, as shown in the Tables below:

**TABLE 4-26: POWER PURCHASE COST SUBMITTED BY THE DVVNL FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	22,418	25,725
Power Purchase Cost (Rs. Crore)	11,104	10,208



**TABLE 4-27: POWER PURCHASE COST SUBMITTED BY THE MVVNL FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	21,240	24,354
Power Purchase Cost (Rs. Crore)	11,530	13,122

**TABLE 4-28: POWER PURCHASE COST SUBMITTED BY THE PVVNL FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	33,382	34,429
Power Purchase Cost (Rs. Crore)	18,704	19,172

**TABLE 4-29: POWER PURCHASE COST SUBMITTED BY THE PuVVNL FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	26,555	28,622
Power Purchase Cost (Rs. Crore)	14,401	11,282

**TABLE 4-30: POWER PURCHASE COST SUBMITTED BY THE KESCO FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	3,720	3,758
Power Purchase Cost (Rs. Crore)	2,228	2,440

**TABLE 4-31: CONSOLIDATED POWER PURCHASE COST of THE PETITIONERS FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed
Allowable Power Purchase (MU)	1,12,325	1,16,887
Power Purchase Cost (Rs. Crore)	57,967	56,224

### Commission's Analysis

- 4.5.2. The Commission during prudence check has observed that the Petitioners have not shown power purchase details for the 'Consolidated' categories for FY 2021-22. Thus, the Commission in data deficiency has sought justification for the same and directed the Petitioners to provide the station wise power



purchase details for the consolidated categories. Also, the Petitioners were directed to submit the revised power purchase statement along with reconciliation of the same with audited accounts for FY 2021-22.

4.5.3. Further, it is observed that the Petitioners have claimed Rs. 56,224.32 Crore as total power purchase cost for FY 2021-22. However, the total station wise power procurement cost given in their Petition is Rs. 55,152.13 Crore. Therefore, the Commission sought justification for the same and directed the Petitioners to submit the power purchase cost reconciliation with the UPPCL audited accounts for FY 2021-22.

4.5.4. In response to the above observations, the Petitioners have submitted the revised station wise power purchase cost details and reconciliation of power purchase cost with UPPCL audited accounts for FY 2021-22. The summary of revised power purchase cost along with reconciliation of power purchase cost with UPPCL audited accounts for FY 2021-22 are shown in the Table below:

**TABLE 4-32: REVISED TOTAL POWER PURCHASE COST CLAIMED BY THE PETITIONERS FOR FY 2021-22**

Particular	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up
EX-Bus Units (MU)	A	1,12,324.82	1,23,406.88
Fixed Charges (Rs. Crore)	B	25,318.77	20,063.67
Energy Charges (Rs. Crore)	C	25,878.84	28,172.52
Other Cost (Rs. Crore)	D		2,761.97
Late Payment Charges (Rs. Crore)	E		498.79
Total Power Purchase Cost (Rs. Crore)	F=B+C+D+E	51,197.61	51,496.95
Inter-State Transmission Charges (Rs. Crore)	G	6,769.17	4,557.09
Late Payment Charges with respect to Inter-State Charges (Rs. Crore)	H		(558.87)
Total Inter-State Transmission Charges (Rs. Crore)	I=G+H	6,769.17	3,998.22
Other Charges (Rs. Crore)	J		(343.04)
<b>Total Power Purchase Cost including Inter-State Transmission Charges (Rs. Crore)</b>	<b>K=F+I+J</b>	<b>57,966.78</b>	<b>55,152.13</b>

Note: PVVNL power purchase also include additional power purchase cost of Rs. 0.44 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. 7.95 Crore.



**TABLE 4-33: RECONCILIATION OF POWER PURCHASE COST WITH AUDITED ACCOUNTS FOR  
FY 2021-22**

S. No.	PARTICULARS	DVVNL	MVVNL	PVVNL	PuVVNL	KSECO	TOTAL
<b>A</b>	<b>Purchase as per DISCOM's Balance Sheet as on 31.03.2022</b>	<b>10,208.34</b>	<b>13,122.42</b>	<b>19,171.15</b>	<b>11,273.73</b>	<b>2,440.29</b>	<b>56,215.93</b>
<b>B</b>	Sale as per UPPCL's Balance Sheet as on 31.03.2022	10,019.07	12,879.11	18,815.69	11,064.69	2,395.04	55,173.61
<b>C</b>	Adjustments as per UPPCL's Balance Sheet as on 31.03.2022						(21.48)
<b>D</b>	<b>Net Sale as per UPPCL's Balance Sheet as on 31.03.2022 (B+D)</b>	<b>10,019.07</b>	<b>12,879.11</b>	<b>18,815.69</b>	<b>11,064.69</b>	<b>2,395.04</b>	<b>55,152.13</b>
<b>E</b>	<b>Difference between Discom's Purchase and UPPCL's Sale (A-D)</b>	<b>189.28</b>	<b>243.31</b>	<b>355.46</b>	<b>209.03</b>	<b>45.25</b>	<b>1,063.80</b>
<b>F</b>	<b>Adjustments in the books of UPPCL</b>						
1)	Prior Period Power Purchase	67.87	87.24	127.46	74.95	16.22	373.74
2)	Prior Period (HQ Entries)	0.96	1.24	1.81	1.07	0.23	5.31
3)	Un-billed Power Sale of 2020- 21 (HQ Entries)	120.44	154.83	226.19	133.01	28.79	663.27
4)	Difference between HQ & Audited (Un-billed)	-	-	-	-	-	21.48
	<b>Total Adjustments in the books of UPPCL (1+2+3+4)</b>	<b>189.28</b>	<b>243.31</b>	<b>355.46</b>	<b>209.03</b>	<b>45.25</b>	<b>1,063.80</b>
<b>G</b>	<b>Net Sale in the books of UPPCL after adjustments (E+F)</b>	<b>10,208.34</b>	<b>13,122.42</b>	<b>19,171.15</b>	<b>11,273.73</b>	<b>2,440.29</b>	<b>56,224.32</b>

4.5.5. It is observed from the above tables that the Petitioners have claimed unbilled and prior period power purchase cost in addition to the station wise power purchase cost claimed for FY 2021-22. The Petitioners have submitted the consolidated amount of unbilled and prior period power purchase cost, which is not substantiated with station wise details, year wise details etc. The Commission on this matter is of the view that the power purchase cost for previous years has already been allowed to the Petitioners in the True Up of ARR for respective years. Also, in the submission made by Petitioners in regard to element wise details of 'Annual Other Cost' submitted as part of the power purchase cost, it comprises of Transmission Charges, Wage Revision Charges, Ash Transportation Charges, Water Usages Charges, Advance Tax, Differed Tax, Foreign Exchange Rate Variation, Recovery of Short Fall, Supplementary Energy Bill, Gain Sharing, Impact of PAF, Provision and bills other than these. The Petitioners have failed to explain how the prior period expenses of Discoms are not covered under the above heads for which UPPCL has made payment to the generators. Also, the Commission has observed that prior



period expenses of UPPCL do not tally with those provided in the Discoms audited accounts and hence, the prior period expenses of power purchase pertaining to previous years is not allowed in the True Up of FY 2021-22. Accordingly, the same is disallowed.

- 4.5.6. The Commission also observed that the Petitioners have shown some negative entries under the head of Late Payment Surcharge (LPS). The Commission in data gap queries has sought information from the Petitioners for such entries. In reply, the Petitioners have submitted that negative entries under the LPS correspond to reversal of excess LPS provision made against the initial bills and all the adjustments corresponding to rebate for timely payment of bills have been separately with total power purchase cost for FY 2021-22. Thus, the negative LPS entries may not be treated as rebate towards the timely payment of bills.
- 4.5.7. The Commission further observed that the Petitioners have claimed the LPS (towards Generating station bills and Transmission Charges bills) as part of its power purchase cost for FY 2021-22. The Commission has disallowed the same, as the sufficient working capital has been provided to Petitioners for the purpose of bearing the expenses towards Power Purchase cost and other cost components.
- 4.5.8. It is also noted that PVVNL and PuVVNL have claimed additional power procurement from Uttar Haryana Bijli Vitran Nigam Ltd and other Generators respectively. The Commission has disallowed the power purchase cost from these sources, as power procurement from these sources were not approved by the Commission.
- 4.5.9. Accordingly, the Commission based on the above observations and the methodology followed in the previous Tariff Orders has computed the Bulk Supply Tariff (BST) for FY 2021-22. As per the MYT Regulations, 2019 the distribution losses are controllable in nature therefore, the distribution loss trajectory as approved in the Business Plan Order has been considered for Truing Up for FY 2021-22. Further, the Commission has computed power purchase requirement by grossing up the actual energy sales by the approved distribution losses or actual loss level whichever is lower and then further approved intra-state transmission losses and inter-state transmission losses. Further, the Commission computes per unit inter-state transmission charges based on the actual energy transmitted through inter-state transmission network and actual cost. Further, per unit cost of inter-state transmission





charges so derived is then multiplied with energy requirement computed by the Commission through inter-state transmission network. Also, the power purchase requirement is determined by taking firstly must run status Plants and then with thermal generating stations by applying the Merit Order Dispatch (MOD). The Power Purchase cost corresponding to must run status plants has been considered as per actual, whereas the power purchase cost corresponding to thermal generating plants has been allowed by considering the capacity charges as per actual and energy charges as actual per unit energy charges and allocated quantum under MOD. Accordingly, the BST approved by the Commission for FY 2021-22 is as under:

**TABLE 4-34: APPROVED BULK SUPPLY TARIFF FOR FY 2021-22**

Particulars	Derivation	FY 2021-22			
		Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Actual/ Audited Balance Sheet	Approved Upon Truing Up
Power Purchase Required & Billed Energy (MU) (Ex Bus)	A	1,12,324.82	1,23,406.88	1,23,406.88	1,10,745.72
Purchase from Inter-State Source (MU)	B	44,626.13	46,685.76		31,618.04
Interstate Transmission Loss (%)	C	2.94%	5.34%	5.34%	5.34%
Energy Available at State periphery from Inter-State Source (MU)	D=B*(1-C)	43,313.41	44,192.64		29,929.56
Energy Available at State periphery from Intra-State Source (MU)	E	67,698.69	76,721.12		79,127.68*
Net Energy Available at State periphery for Transmission (MU)	F=D+E	1,11,012.10	1,20,913.76	1,20,913.76	1,09,057.25
Intra -State Transmission losses %	G	3.33%	3.33%	3.33%	3.33%
Net Energy Input at Discoms end i.e. Transmission-Distribution Interface for Retail Sales (MU)	H=F*(1-G)	1,07,315.40	1,16,887.33	1,16,887.33	1,05,425.64
Power Purchase Cost (Rs. Cr.)	I	51,197.61	51,496.95		<b>47,185.01</b>
Total transmission charges excluding UPPTCL charges (Rs. Crore) (J=J1+J2+J3+J4+J5+J6+J7+J8+J9)	J	6,769.17	3,998.22		<b>3,998.22</b>
<i>PGCIL Charges</i>	J1	3,311.28	3,201.91		3,201.91
<i>WUPPTCL Charges</i>	J2	875.68	268.05		268.05



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Particulars	Derivation	FY 2021-22			
		Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Actual/ Audited Balance Sheet	Approved Upon Truing Up
SEUPPTCL Charges	J3	277.50	295.32		295.32
POWER GRID TRANSMISSION	J4	2,304.71	51.71		51.71
GHATAMPUR TRANSMISSION LTD.	J5		122.50		122.50
OBRA BADAUN TRANSMISSION LTD.	J6		60.65		60.65
UP SLDC CHARGES	J7	0.00	0.00		0.00
MPPTCL	J8	0.00	0.00		0.00
UPPTCL	J9	0.00	(1.92)		(1.92)
Other Charges (Rs. Crore)	K	-	(343.04)		(343.04)
Add: Prior Period, Unbilled Amount & Other Sources			1,072.19		
<b>Total Power Procurement Cost (Rs. Crore)</b>	<b>L=I+J+K</b>	<b>57,966.78</b>	<b>56,224.32</b>	<b>56,224.32</b>	<b>50,840.19</b>
APPC (including Renewables, excluding Transmission Charges) (Ex Bus) (Rs. /Unit)	$M=I/A*10$	4.56	4.23		4.23
APPC (excluding Renewables & Transmission Charges) (Ex Bus) (Rs./ Unit)	$N=(I-P)/(A-R)*10$	4.73	4.20		4.30
<b>Bulk Supply Tariff (BST) (Rs. /Unit)</b>	<b><math>O=(L/H)*10</math></b>	<b>5.40</b>	<b>4.81</b>		<b>4.82</b>
BST excluding WUPPTCL & SEUPPTCL Charges (Rs. /Unit)	$P=((L-J2-J3)/H)*10$	5.29			4.77
Power purchase from Renewable Sources (MU)	Q	17,613.74			10,635.61
Power Purchase Cost from Renewable Sources (Rs. Crore)	R	6,415.32			4,165.71

\*Approved energy available at State periphery from Intra-State Source (MU) is coming higher than the claim made by the Petitioners as the value has revised as result of submissions made by the Petitioners as part of the deficiency raised by the Commission.

4.5.10. Differential Bulk Supply Tariff (DBST) for each Discom (i.e. Per unit Power Purchase Cost or Bulk Supply Tariff) is different. The difference in DBST is mainly on account of varied sales, efficiency of Discom and consumer mix. The buyer/ distribution utility with less revenue generating consumer mix would be charging lower DBST as compared to the DBST charged to the buyer having favorable consumer/revenue mix.



4.5.11. The Commission vide its various Orders had directed the Petitioners to pursue GoUP in regard to the allocation of PPAs to Discoms. Further, the Commission vide Order dated December 13, 2018 in the matter of “*Suo-Moto Proceedings on Allocation of Power Purchase Agreement among Discoms in Uttar Pradesh*” approved the DBST mechanism.

4.5.12. Based on the methodology adopted in above mentioned Order, the Commission has approved DBST for FY 2021-22 for allocation of power purchase cost among Petitioners, as shown in the Table below:

**TABLE 4-35: DIFFERENTIAL BULK SUPPLY TARIFF APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Derivation	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs. Crore)	A	14,285.71	16,829.78	21,604.30	16,351.76	2,778.83	71,850.39
2	Energy Sales (MU)	B	19,129.25	20,125.98	28,238.70	22,854.31	3,396.64	93,744.87
<b>3</b>	<b>Power Procurement Cost</b>							
A1	Power Procurement Cost - Allocated and Unallocated PPAs (Rs. Crore)							46,841.97
A2	Inter State Transmission Charges (Rs. Crore)							3,998.22
A1+A2	Total Power Procurement Cost excluding Intra-State Transmission Charges (Rs. Cr.)	C						50,840.19
4	Power Procurement cost of Allocated PPAs (Rs. Cr.)	D	<b>1982.40</b>	<b>2108.95</b>	<b>3915.63</b>	<b>2108.95</b>	<b>179.60</b>	<b>10,295.53</b>
5	Total Power Required at Discom Periphery (MU)	E	21,573.53	22,623.63	31,743.14	25,783.29	3,702.05	1,05,425.64
6	Power at Discom Periphery from allocated PPAs (MU)	F	<b>4682.80</b>	<b>4826.30</b>	<b>9999.20</b>	<b>4826.30</b>	<b>478.14</b>	<b>24,812.74</b>
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Cr.)	G	<b>4,061.90</b>	<b>4,140.53</b>	<b>5,063.91</b>	<b>4,251.48</b>	<b>571.13</b>	<b>18,088.95</b>
8	ABR (Rs/ Unit)	$H=(A/B)*\frac{1}{0}$	7.47	8.36	7.65	7.15	8.18	7.66



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S. No.	Particulars	Derivation	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
9	Other Cost (Rs/Unit of Sale)	$I=G*10/B$	2.12	2.06	1.79	1.86	1.68	1.93
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	$J=D*10/B$	1.04	1.05	1.39	0.92	0.53	1.10
B	Unallocated PPAs per unit of sale	$K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$	4.33					
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	4.31	5.26	4.47	4.37	5.97	4.64
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.02	4.90	4.17	4.08	5.57	4.33
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.06	5.95	5.56	5.00	6.10	5.42
14	Total Power Purchase Cost (Rs Crs)	$O=N*B/10$	9,669.91	11,978.08	15,692.42	11,428.44	2,071.34	50,840.19
	DBST (Rs/Unit)							
15	DBST Computation of Allocated PPAs	$P=D/F*10$	4.23	4.37	3.92	4.37	3.76	4.15
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	4.55	5.55	5.42	4.45	5.87	5.03
17	DBST of total PPAs	$R=O*10/E$	4.48	5.29	4.94	4.43	5.60	4.82

4.5.13. Considering the above, the Commission has approved power purchase cost as shown in the Table below:

**TABLE 4-36: APPROVED POWER PURCHASE COST FOR FY 2021-22 (Rs. Crore)**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	MU	19,129.25	20,125.98	28,238.70	22,854.31	3,396.64	93,744.87
Distribution Losses	%	11.33%	11.04%	11.04%	11.36%	8.25%	11.08%
Energy at Discom Periphery for Retail Sales	MU	21,573.53	22,623.63	31,743.14	25,783.29	3,702.05	1,05,425.64
Intra-State Transmission Losses	%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Energy Available at State periphery for Transmission	MU	22,316.67	23,402.95	32,836.60	26,671.45	3,829.58	1,09,057.25



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Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	16,146.51	16,987.84	23,835.57	19,290.75	2,867.01	79,127.68
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	6,170.16	6,415.11	9,001.03	7,380.70	962.57	29,929.56
Interstate Transmission Loss	%	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	6,518.24	6,777.02	9,508.82	7,797.08	1,016.87	31,618.04
Power Purchase Required & Billed Energy (MU) (ex-Bus)	MU	22,664.76	23,764.86	33,344.39	27,087.83	3,883.88	1,10,745.72
<b>BST</b>	<b>Rs/kWh</b>	<b>4.56</b>	<b>5.24</b>	<b>4.97</b>	<b>4.41</b>	<b>5.46</b>	<b>4.82</b>
<b>Allowable Power Purchase Cost</b>	<b>Rs. Crore</b>	<b>9,669.91</b>	<b>11,978.08</b>	<b>15,692.42</b>	<b>11,428.44</b>	<b>2,071.34</b>	<b>50,840.19</b>

4.5.14. Further, as mentioned above in the section of Consumption Parameters, the Petitioners have booked excess sales for the unmetered categories against the norms approved by the Commission. Accordingly, the power purchase cost corresponding to the excess sales have been disallowed by the Commission which has been depicted the same in table below:

**TABLE 4-37: DISALLOWANCE IN PPC FOR FY 2021-22 (Rs. Crore)**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Excess Sales booked under unmetered categories	MU	737.01	186.55	1,402.42	306.48	0.00	2,632.45
Distribution Loss	%	11.33%	11.04%	11.04%	11.36%	8.25%	11.08%
Excess energy at Discom periphery	MU	<b>831.18</b>	<b>209.70</b>	<b>1,576.46</b>	<b>345.75</b>	<b>0.00</b>	<b>2,963.09</b>
APPC (approved)	Rs./kWh	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>	<b>4.23</b>
Disallowance in PPC due to excess sales booking in unmetered categories	Rs. Crore	<b>351.56</b>	<b>88.70</b>	<b>666.79</b>	<b>146.24</b>	<b>0.00</b>	<b>1,253.29</b>

4.5.15. Based on the above, the power purchase towards the excess sales booked under the unmetered categories has been disallowed. The total power purchase cost approved by the Commission for FY 2021-22 is as under:



**TABLE 4-38: POWER PURCHASE COST APPROVED FOR FY 2021-22 (Rs. Crore)**

Particulars	Unit	Consolidated
Total Power Procurement Cost	Rs. Crore	50,840.19
Disallowance due to excess sales (in unmetered) w.r.t. normative	Rs. Crore	1,253.29
<b>Net Power Purchase Cost approved</b>	<b>Rs. Crore</b>	<b>49,586.90</b>

### Renewable Purchase Obligation (RPO)

4.5.16. As per 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 4-39: 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

4.5.17. The Commission vide 1<sup>st</sup> Deficiency Note dated January 09, 2023 directed the Petitioners to submit the status of RPO compliance for FY 2021-22 along with MU purchased from each power sources viz., solar, non-solar and hydro. In response of the Commission's query the Petitioners submitted revised RPO details for FY 2021-22, as shown in the Table below:

**TABLE 4-40: REVISED RPO DETAILS SUBMITTED BY THE PETITIONERS FOR FY 2021-22**

S.No.	Particular	Reference	FY 2021-22
			Quantum (MU)
1	Energy Consumption (Sales)	A	1,20,914
2	Distribution Loss (%)	I	19.80%
3	Energy Consumption at Discom Periphery	B	1,16,887
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e, before March 08, 2019)	C=C1+C2	13238
4.1	Hydro Purchase from inter-State Sources (MU)	C1	12146
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	3048



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S.No.	Particular	Reference	FY 2021-22
			Quantum (MU)
4.3	Hydro Purchase from intra-State Sources (MU)	C2	1092
4.4	Hydro Purchase from intra-State Sources (MW)	C2'	432
4.5	Inter-State Transmission Loss (%)	D	3.47%
4.6	Hydro Purchased at State Periphery (MU)	$E=C1*(1-D)$	11725
4.7	Intra-State Transmission Loss (%)	F	3.33%
4.8	Hydro Purchase at Distribution Periphery (MU)	$G=E+C2$	12817
5	Net Power Sale for RPO computation	$H=B-G$	1,04,071
5.1	Total Obligation for the year (%)		
5.2	Solar (%)	J	4%
5.3	Non Solar (%)	K	6%
5.4	HPO obligation for the year (%)	L	3%
6	Total Obligation for year		
6.1	Solar (MU)	$M=H*J$	4163
6.2	Non Solar (MU)	$N=H*K$	6244
6.3	HPO Obligation for the year (MU)	$O=H*L$	3122
7	Total Obligation for the year (MU)	$P=M+N+O$	13529
8	Total RPO Fulfilled during the year		
9	Solar Purchase (MU)	$Q=Q1+Q2$	5,569
9.1	Solar Purchase from Inter-State Sources (MU)	Q1	3,219
9.2	Solar Purchase from Inter-State Sources (MW)	Q1'	1,005
9.3	Solar Purchase from Intra-State Sources (MU)	Q2	2,350
9.4	Solar Purchase from Intra-State Sources (MW)	Q2'	1572
9.5	Inter-State Transmission Loss (%)	C	3.47%
9.6	Solar Purchased at State Periphery (MU)	$R=Q1$	3219
9.7	Intra-State Transmission Loss (%)	F	3.33%
9.8	Solar Purchase at Distribution Periphery (MU)	$S=(Q2+R)$	5569
10	Non Solar (MU)	$T=T1+T2$	5577
10.1	Non Solar Purchase from Inter-State Sources (MU)	T1	2379
10.2	Non Solar Purchase from Inter-State Sources (MW)	T1'	1001
10.3	Non Solar Purchase from Intra-State Sources (MU)	T2	3198
10.4	Non Solar Purchase from Intra-State Sources (MW)	T2'	1594
10.5	Inter-State Transmission Loss (%)	C	3.47%
10.6	Non Solar Purchased at State Periphery (MU)	$U=T1$	2379
10.7	Intra-State Transmission Loss (%)	F	3.33%
10.8	Non Solar Purchase at Distribution Periphery (MU)	$V=(T2+U)$	5577
11	HPO (MU)	$W=W1+W2$	299
11.1	HPO from Inter-State Sources (MU)	W1	299
11.2	HPO from Inter-State Sources (MW)	W1'	1293
11.3	HPO from Intra-State Sources (MU)	W2	0





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S.No.	Particular	Reference	FY 2021-22
			Quantum (MU)
11.4	HPO from Intra-State Sources (MW)	W2'	
11.5	Inter-State Transmission Loss (%)	C	3.47%
11.6	HPO Purchased at State Periphery (MU)	$X=W1*(1-C)$	289
11.7	Intra-State Transmission Loss (%)	F	3.33%
11.8	HPO at Distribution Periphery (MU)	$Y=(W2+F)$	289
12	Total RPO to be fulfilled	$Z=S+V+Y$	11435
13	Balance Obligation to be fulfilled for the year	$ZY=AA+AB+AC$	2094
13.1	Solar (MU)	AA	(1,406)
13.2	Non Solar (MU)	AB	667
13.3	HPO Obligation for the year (MU)	AC	2,833

4.5.18. In the Order dated June 16, 2021 in the Petition No. 1565 of 2020 the Commission has rightly computed the RPO compliance status and considered the energy at Discom periphery. However, due to a linking error the RPO compliance computation for FY 2020-21 in the Tariff Order for FY 2022-23 dated July 20, 2022, the computation was done based on ex-bus power requirement. Accordingly, the same has been corrected and has been shown below, and may be considered as the correct Table for RPO compliance status for FY 2020-21.

4.5.19. The RPO compliance status computed for FY 2020-21 is being shown in the Table below:

**TABLE 4-41: RPO COMPLIANCE OF FY 2020-21 COMPUTED BY THE COMMISSION**

S.No	Particular	Reference	Quantum (MU)
1	Energy Consumption (Sales)	A	90,372.03
2	Distribution Loss (%)	I	11.55%
3	Energy Consumption at Discom Periphery	B	1,02,172.45
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e. before March 08, 2019)	$C=C1+C2$	13,694.60
4.1	Hydro Purchase from Inter-State Sources (MU)	C1	10,835.61
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	
4.3	Hydro Purchase from Intra-State Sources (MU)	C2	2,858.99
4.4	Hydro Purchase from Intra-State Sources (MW)	C2'	
4.5	Inter-State Transmission Loss (%)	D	2.94%
4.6	Hydro Purchased at State Periphery (MU)	$E=C1*(1-D)$	10,517.05
4.7	Intra-State Transmission Loss (%)	F	3.37%
4.8	Hydro Purchase at Distribution Periphery (MU)	$G=(B2+D)*(1-F)$	12,925.26
4.9	Distribution Loss (%)	I	



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S.No	Particular	Reference	Quantum (MU)
4.10	Hydro Power computed for RPO for sales (MU)	$J=G*(1-I)$	12,925.26
	Net Power Sale for RPO computation	$H=B-G$	89,247.19
5	Total Obligation for the year (%)		
5.1	Solar (%)	J	3%
5.2	Non Solar (%)	K	6%
5.3	HPO Obligation for the year (%)	L	2%
6	Total Obligation for year		
6.1	Solar (MU)	$M=H*J$	2,677.42
6.2	Non Solar (MU)	$N=H*K$	5,354.83
6.3	HPO Obligation for the year (MU)	$O=H*L$	1,784.94
7	Total Obligation for the year(MU)	$P=M+N+O$	<b>9,817.19</b>
	Total RPO Fulfilled during the year		
8	Solar Purchase (MU)	$Q=Q1+Q2$	4,058.53
8.1	Solar Purchase from Inter-State Sources (MU)	Q1	2,787.06
8.2	Solar Purchase from Inter-State Sources (MW)	Q1'	
8.3	Solar Purchase from Intra-State Sources (MU)	Q2	1,271.47
8.4	Solar Purchase from Intra-State Sources (MW)	Q2'	
8.5	Inter-State Transmission Loss (%)		2.94%
8.6	Solar Purchased at State Periphery (MU)	$R=Q1*(1-C)$	2,705.13
8.7	Intra-State Transmission Loss (%)	F	3.37%
8.8	Solar Purchase at Distribution Periphery (MU)	$S=(Q2+R)*(1-F)$	3,842.58
9	Non Solar (MU)	$T=T1+T2$	4,922.56
9.1	Non Solar Purchase from Inter-State Sources (MU)	T1	1,359.46
9.2	Non Solar Purchase from Inter-State Sources (MW)	T1'	
9.3	Non Solar Purchase from Intra-State Sources (MU)	T2	3,563.10
9.4	Non Solar Purchase from Intra-State Sources (MW)	T2'	
9.5	Inter-State Transmission Loss (%)	C	2.94%
9.6	Non Solar Purchased at State Periphery (MU)	$U=T1*(1-C)$	1319.49
9.7	Intra-State Transmission Loss (%)	F	3.37%
9.8	Non Solar Purchase at Distribution Periphery (MU)	$V=(T2+U)*(1-F)$	4,718.05
10	HPO (MU)	$W=W1+W2$	271.09
10.1	HPO from Inter-State Sources (MU)	W1	128.16
10.2	HPO from Inter-State Sources (MW)	W1'	
10.3	HPO from Intra-State Sources (MU)	W2	142.93
10.4	HPO from Intra-State Sources (MW)	W2'	
10.5	Inter-State Transmission Loss (%)	C	2.94%
10.6	HPO Purchased at State Periphery (MU)	$X=W1*(1-C)$	124.40
10.7	Intra-State Transmission Loss (%)	F	3.37%



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S.No	Particular	Reference	Quantum (MU)
10.8	HPO at Distribution Periphery (MU)	$Y=(W2+X)*(1-F)$	258.31
11	Total RPO to be fulfilled	$Z=S+V+Y$	<b>8,818.94</b>
12	Balance Obligation to be fulfilled for the year	$ZY=AA+AB+AC$	<b>998.25</b>
12.1	Solar (MU)	AA	(1,165.17)
12.2	Non Solar (MU)	AB	636.78
12.3	HPO Obligation for the year (MU)	AC	1,526.63

4.5.20. Accordingly, the RPO compliance for FY 2021-22 is being shown in the Table below:

**TABLE 4-42: RPO COMPLIANCE COMPUTED BY THE COMMISSION FOR FY 2021-22**

S. No	Particular	Reference	Quantum (MU)
1	Energy Consumption (Sales)	A	93,744.87
2	Distribution Loss (%)	I	11.08%
3	Energy Consumption at Discom Periphery	B	1,05,425.64
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e. before March 08, 2019)	$C=C1+C2$	13,976.07
4.1	Hydro Purchase from Inter-State Sources (MU)	C1	12,701.85
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	
4.3	Hydro Purchase from Intra-State Sources (MU)	C2	1,274.23
4.4	Hydro Purchase from Intra-State Sources (MW)	C2'	
4.5	Inter-State Transmission Loss (%)	D	5.34%
4.6	Hydro Purchased at State Periphery (MU)	$E=C1*(1-D)$	12,023.54
4.7	Intra-State Transmission Loss (%)	F	3.33%
4.8	Hydro Purchase at Distribution Periphery (MU)	$G=(B2+D)*(1-F)$	12,854.95
4.9	Distribution Loss (%)	I	
4.10	Hydro Power computed for RPO for sales (MU)	$J=G*(1-I)$	12,854.95
	Net Power Sale for RPO computation	$H=B-G$	92,570.69
5	Total Obligation for the year (%)		
5.1	Solar (%)	J	4%
5.2	Non Solar (%)	K	6%
5.3	HPO Obligation for the year (%)	L	3%
6	Total Obligation for year		
6.1	Solar (MU)	$M=H*J$	3,702.83
6.2	Non Solar (MU)	$N=H*K$	5,554.24
6.3	HPO Obligation for the year (MU)	$O=H*L$	2,777.12
7	Total Obligation for the year(MU)	$P=M+N+O$	<b>12,034.19</b>
	Total RPO Fulfilled during the year		
8	Solar Purchase (MU)	$Q=Q1+Q2$	5,266.72



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S. No	Particular	Reference	Quantum (MU)
8.1	Solar Purchase from Inter-State Sources (MU)	Q1	-
8.2	Solar Purchase from Inter-State Sources (MW)	Q1'	
8.3	Solar Purchase from Intra-State Sources (MU)	Q2	5,266.72
8.4	Solar Purchase from Intra-State Sources (MW)	Q2'	
8.5	Inter-State Transmission Loss (%)		5.34%
8.6	Solar Purchased at State Periphery (MU)	$R=Q1*(1-C)$	-
8.7	Intra-State Transmission Loss (%)	F	3.33%
8.8	Solar Purchase at Distribution Periphery (MU)	$S=(Q2+R)*(1-F)$	5,091.34
9	Non Solar (MU)	$T=T1+T2$	5,368.89
9.1	Non Solar Purchase from Inter-State Sources (MU)	T1	2,370.58
9.2	Non Solar Purchase from Inter-State Sources (MW)	T1'	
9.3	Non Solar Purchase from Intra-State Sources (MU)	T2	2,998.31
9.4	Non Solar Purchase from Intra-State Sources (MW)	T2'	
9.5	Inter-State Transmission Loss (%)	C	5.34%
9.6	Non Solar Purchased at State Periphery (MU)	$U=T1*(1-C)$	2243.98
9.7	Intra-State Transmission Loss (%)	F	3.33%
9.8	Non Solar Purchase at Distribution Periphery (MU)	$V=(T2+U)*(1-F)$	5,067.73
10	HPO (MU)	$W=W1+W2$	299.28
10.1	HPO from Inter-State Sources (MU)	W1	299.28
10.2	HPO from Inter-State Sources (MW)	W1'	
10.3	HPO from Intra-State Sources (MU)	W2	-
10.4	HPO from Intra-State Sources (MW)	W2'	-
10.5	Inter-State Transmission Loss (%)	C	5.34%
10.6	HPO Purchased at State Periphery (MU)	$X=W1*(1-C)$	283.30
10.7	Intra-State Transmission Loss (%)	F	3.33%
10.8	HPO at Distribution Periphery (MU)	$Y=(W2+X)*(1-F)$	273.86
11	Total RPO to be fulfilled	$Z=S+V+Y$	<b>10,432.93</b>
12	Balance Obligation to be fulfilled for the year	$ZY=AA+AB+AC$	<b>1,601.26</b>
12.1	Solar (MU)	AA	(1,388.51)
12.2	Non Solar (MU)	AB	486.51
12.3	HPO Obligation for the year (MU)	AC	2,503.26

4.5.21. 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 Fillings.



#### 4.6. TRANSMISSION CHARGES

##### **Petitioner's Submission**

- 4.6.1. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed transmission charges (including SLDC Charges).
- 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. Crore)	Units Wheeled (MU)	Transmission Charges (Rs./kWh)	Transmission Charges (Rs. Crore)	Units Wheeled (MU)	Transmission Charges (Rs./kWh)	Transmission Charges (Rs. Crore)
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
<b>Total</b>	<b>113775.4</b>	<b>0.23</b>	<b>2650.82</b>	<b>108455.7</b>	<b>0.18</b>	<b>1994.1</b>	<b>10,8455.8</b>	<b>0.18</b>	<b>1,994.1</b>

- 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 onwards 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:
- Recovery of the cost of electricity is done in a reasonable manner; and
  - 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 2021-22 as claimed based on audited accounts of FY 2021-22.



### Commission's Analysis

- 4.6.6. The Commission has approved Intra-State transmission charges for FY 2021-22 considering transmission charges approved upon Truing Up for UPPTCL and the allowable energy of respective Discoms. The transmission charges claimed by the Petitioners and approved by the Commission is shown in the Table below:

**TABLE 4-43: INTRASTATE TRANSMISSION CHARGES APPROVED FOR FY 2021-22 (5 DISCOMS)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021		Claimed in True Up		Approved upon Truing up	
	Units (MU)	Transmission charges (Rs. Crore)	Units (MU)	Transmission charges (Rs. Crore)	Units (MU)	Transmission charges (Rs. Crore)
DVVNL	22,418	542.78	25,725	698.78	21,574	698.78
MVVNL	21,240	514.28	24,354	657.74	22,624	657.74
PVVNL	33,382	808.25	34,429	930.25	31,743	930.25
PuVVNL	26,555	642.97	28,622	773.49	25,783	773.49
KESCo	3,720	90.07	3,758	100.71	3,702	100.71
<b>Total</b>	<b>1,07,315</b>	<b>2598.35</b>	<b>1,16,888</b>	<b>3160.97</b>	<b>1,05,426</b>	<b>3,160.97</b>

- 4.6.7. The Commission, after issuance of MOD Regulations, is allowing the intra-state transmission charges as per energy requirement computed by the Commission in terms of MOD & loss trajectory approved by the Commission.

### 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 UPERC 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.:*

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

*Where:*

*EMP<sub>n</sub>: Employee expense for the nth year;*

*EMP<sub>n-1</sub>: 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:*

$$R\&Mn = R\&Mn-1 (1 + \text{WPI inflation})$$

*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:*

$$A\&Gn = A\&Gn-1 (1 + \text{WPI inflation})$$

*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 July 29, 2021 for ARR of FY 2021-22 owing to the following:



4.7.4. The Commission has arrived at the mid-year (FY 2017-18) value of each component of O&M expenses based on the average of last 5 years Trued-Up values of FY 2015-16 to FY 2019-20. 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.

4.7.5. 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](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 2.42% and 6.00%, respectively.

In terms of this methodology:

- (a) Employee expenses for FY 2021-22 have been computed by escalating the base year (FY 2019-20) employee expenses by average CPI inflation of last 3 years.
- (b) The A&G expenses (including Finance Charges) and R&M expenses for FY 2021-22 have been computed by escalating the base year (FY 2019-20) by average WPI inflation of last 3 years.

4.7.6. It is submitted that the Petitioners intend to recover their legitimate actual O&M expenses and does not intend to get any additional benefit out of the same.

4.7.7. 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.

4.7.8. Further, 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.

- 4.7.9. 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.
- 4.7.10. 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.
- 4.7.11. As deliberated above, computation of O&M expenses as per the methodology provided in MYT Regulations, 2019 will cause severe financial hardship to the Petitioners.
- 4.7.12. 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 4-44: TRUED UP AND BASE YEAR O&M EXPENSES FOR FY 2019-20 (Rs. Crore)**

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
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	5,179.84



- 4.7.13. 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 and computed O&M expenses are lower than Trued Up O&M expenses. Thus, the Petitioners have 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.
- 4.7.14. 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 2021-22, FY 2022-23 and FY 2023-24.
- 4.7.15. The Petitioners further submitted that, the Commission has also issued the UPERC (Standards 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.
- 4.7.16. 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.
- 4.7.17. 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**

- 4.7.18. 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](http://labourbureau.gov.in/LBO_indexes.htm)) and Economic Advisor Govt. of India (<https://eaindstry.nic.in/>) respectively. The same is also mentioned below.

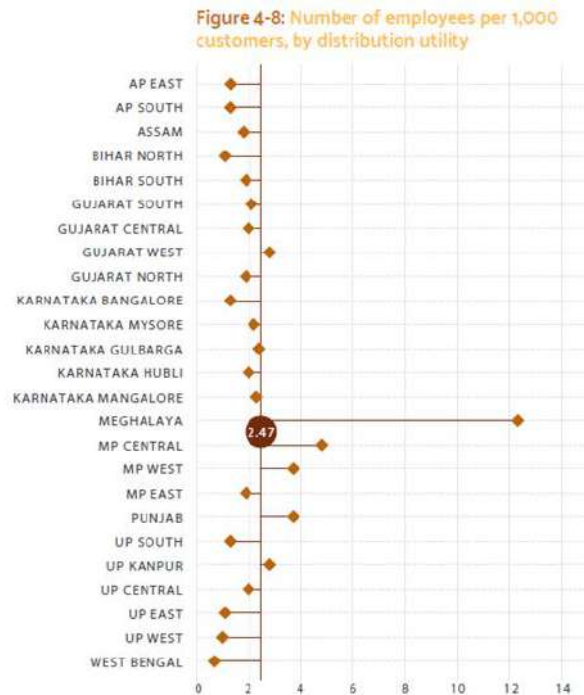
#### **TABLE 4-45: INFLATION INDICES SUBMITTED BY THE PETITIONERS**



FY	Index		Inflation rate	
	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%
FY 2020-21	123.38	338.71	1.27%	5.03%
FY 2021-22	139.41	356.06	13.00%	5.12%

#### EMPLOYEE EXPENSE

- 4.7.19. 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 2021-22 on the normative basis as per the norms prescribed in MYT Regulations, 2019.
- 4.7.20. 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.



4.7.21. 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.

4.7.22. Petitioners incur substantial financial loss as the Commission allow lower of the audited and normative figures instead of allowing actual A&G expense. Because of such disallowance of the expenses which are 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 Employee Expenses.



4.7.23. Hence, the Petitioners request the Commission to recognize such expenses as mentioned below as separate items of expenses and allow the same separately as a part of Employee Expenses over and above normative expenses.

**TABLE 4-46: ADDITIONAL EMPLOYEE EXPENSES FOR FY 2021-22 (Rs. Crore)**

Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Payment to Contractual Person	160.52	64.09	256.23	124.98	0.00	605.82
Expenses on Spot Billing Centre	106.95	239.87	0.00	0.00	23.02	369.84
<b>Total</b>	<b>267.47</b>	<b>303.96</b>	<b>256.23</b>	<b>124.98</b>	<b>23.02</b>	<b>975.66</b>

**TABLE 4-47: COMPUTATION OF EMPLOYEE EXPENSES BY PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Discoms	For FY 2020-21	Average CPI Escalation of last 3 years.	Computed
DVVNL	552.17	6.00%	585.31
MVVNL	800.81		848.88
PVVNL	636.84		675.08
PuVVNL	810.75		859.41
KESCO	143.96		152.61
<b>Consolidated (5 State Discoms)</b>	<b>2,944.53</b>		<b>3,121.28</b>

4.7.24. The Normative Employee Expenses approved by the Commission in the ARR of FY 2021-22 in the Tariff Order for FY 2021-22 dated July 29, 2021 and Employee Expenses claimed (including the additional Employee Expenses) for FY 2021-22 are shown in the Tables below:

**TABLE 4-48: NORMATIVE EMPLOYEE EXPENSE OF DVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particular	Approved in TO dated July 29, 2021	Claimed in True Up
A	Gross Employee Expenses after escalation	538.72	852.78
B	Less: Employee Expenses capitalized	220.38	222.50
<b>C</b>	<b>Net Employee Expenses</b>	<b>318.34</b>	<b>630.28</b>





**TABLE 4-49: NORMATIVE EMPLOYEE EXPENSE OF MVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particular	Approved in TO dated July 29, 2021	Claimed in True Up
A	Gross Employee Expenses after escalation	745.30	1,152.84
B	Less: Employee Expenses capitalized	433.04	278.91
<b>C</b>	<b>Net Employee Expenses</b>	<b>312.26</b>	<b>873.93</b>

**TABLE 4-50: NORMATIVE EMPLOYEE EXPENSE OF PVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particular	Approved in TO dated July 29, 2021	Claimed in True Up
A	Gross Employee Expenses after escalation	642.72	931.31
B	Less: Employee Expenses capitalized	158.26	202.78
<b>C</b>	<b>Net Employee Expenses</b>	<b>484.46</b>	<b>728.53</b>

**TABLE 4-51: NORMATIVE EMPLOYEE EXPENSE OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particular	Approved in TO dated July 29, 2021	Claimed in True Up
A	Gross Employee Expenses after escalation	836.85	984.38
B	Less: Employee Expenses capitalized	460.33	233.89
<b>C</b>	<b>Net Employee Expenses</b>	<b>376.52</b>	<b>750.49</b>

**TABLE 4-52: NORMATIVE EMPLOYEE EXPENSE OF KESCO FOR FY 2021-22 (Rs. Crore)**

S. No.	Particular	Approved in TO dated July 29, 2021	Claimed in True Up
A	Gross Employee Expenses after escalation	160.98	175.62
B	Less: Employee Expenses capitalized	11.83	9.55
<b>C</b>	<b>Net Employee Expenses</b>	<b>149.15</b>	<b>166.08</b>

#### Administrative and General Expense (A&G)

4.7.25. 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 A&G Expense for FY 2021-22 on the normative basis in accordance with the norms provided in the MYT Regulations, 2019, as shown in the Table below:

**TABLE 4-53: COMPUTED A&G EXPENSES OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**



Particulars	FY 2020-21	Average WPI Escalation of last 3 years.	Computed
DVVNL	123.95	2.42%	126.95
MVVNL	322.51		322.82
PVVNL	167.93		172.92
PUVVNL	173.76		173.93
KESCO	27.49		27.51
<b>Consolidated (5 Discoms)</b>	<b>815.64</b>		<b>824.13</b>

4.7.26. The Normative A&G expenses approved by the Commission in the ARR of FY 2021-22 in the Tariff Order for FY 2021-22 dated July 29, 2021 and A&G expenses claimed for FY 2021-22 are shown in the Tables below:

**TABLE 4-54: NORMATIVE A&G EXPENSES OF DVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross A&G Expenses after escalation	108.18	126.95
2	Less: A&G Expenses capitalized	0.00	0.00
<b>4</b>	<b>Net A&amp;G Expenses</b>	<b>108.18</b>	<b>126.95</b>

**TABLE 4-55: NORMATIVE A&G EXPENSES OF MVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross A&G Expenses after escalation	259.48	322.82
2	Less: A&G Expenses capitalized	0.00	0.00
<b>4</b>	<b>Net A&amp;G Expenses</b>	<b>259.48</b>	<b>322.82</b>

**TABLE 4-56: NORMATIVE A&G EXPENSES OF PVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross A&G Expenses after escalation	141.15	172.92
2	Less: A&G Expenses capitalized	0.00	0.00
<b>4</b>	<b>Net A&amp;G Expenses</b>	<b>141.15</b>	<b>172.92</b>



**TABLE 4-57: NORMATIVE A&G EXPENSES OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross A&G Expenses after escalation	160.86	173.93
2	Less: A&G Expenses capitalized	0.00	0.00
<b>4</b>	<b>Net A&amp;G Expenses</b>	<b>160.86</b>	<b>173.93</b>

**TABLE 4-58: NORMATIVE A&G EXPENSES OF KESCO FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross A&G Expenses after escalation	27.43	27.51
2	Less: A&G Expenses capitalized	0.00	0.00
<b>4</b>	<b>Net A&amp;G Expenses</b>	<b>27.43</b>	<b>27.51</b>

#### 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 2021-22 on the normative basis in accordance with the norms provided in the MYT Regulations, 2019, as shown in the Table below:

**TABLE 4-59: COMPUTED R&M EXPENSES OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Discoms	For FY 2020-21	Average CPI Escalation of last 3 years.	Computed
DVVNL	561.68	2.42%	575.25
MVVNL	386.99		387.37
PVVNL	606.5		624.50
PuVVNL	916.4		917.29
KESCO	88.17		88.26
<b>Consolidated (5 State Discoms)</b>	<b>2,559.74</b>		<b>2,592.67</b>

4.7.28. The Normative R&M expenses approved by the Commission in the ARR of FY 2021-22 in the Tariff Order for FY 2021-22 dated July 29, 2021 and R&M expenses claimed for FY 2021-22 are shown in the Tables below:



**TABLE 4-60: NORMATIVE R&M EXPENSES OF DVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross R&M Expenses after escalation	477.61	575.25
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M approved in TO dated July 29, 2021	238.80	238.80
4	<b>Net R&amp;M Expenses</b>	<b>716.41</b>	<b>814.05</b>

**TABLE 4-61: NORMATIVE R&M EXPENSES OF MVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross R&M Expenses after escalation	361.38	387.37
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M approved in TO dated July 29, 2021	180.70	180.70
4	<b>Net R&amp;M Expenses</b>	<b>542.08</b>	<b>568.07</b>

**TABLE 4-62: NORMATIVE R&M EXPENSES OF PVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross R&M Expenses after escalation	429.87	624.50
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M approved in TO dated July 29, 2021	214.93	214.93
4	<b>Net R&amp;M Expenses</b>	<b>644.80</b>	<b>839.43</b>

**TABLE 4-63: NORMATIVE R&M EXPENSES OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross R&M Expenses after escalation	660.78	917.29
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M approved vide T.O. dated 29.07.2021	330.39	330.39
4	<b>Net R&amp;M Expenses</b>	<b>991.17</b>	<b>1,247.68</b>



**TABLE 4-64: NORMATIVE R&M EXPENSES OF KESCO FOR FY 2021-22 (Rs. Crore)**

S. No.	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up
1	Gross R&M Expenses after escalation	72.93	88.26
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M approved in TO dated July 29, 2021	36.47	36.47
4	<b>Net R&amp;M Expenses</b>	<b>109.40</b>	<b>124.73</b>

**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”. The Petitioners submitted that Energy Efficiency Services Limited (EESL) will make the upfront capital investment during the built-up phase and will recover investment out of gains of the project on OPEX basis. Accordingly, State Discoms are required to pay monthly fee on OPEX basis as O&M expenditure to EESL on per meter per month basis. The per meter per month cost is calculated as total project cost spread over the actual recovery period, post integration of meters on per meter basis.
- 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, State Discoms are mandated to implement the Smart Meter rollout plan in the state of Uttar Pradesh.
- 4.7.33. The additional O&M expenses 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 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 State 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 the 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 this 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 2021-22, as shown in the Tables below:

**TABLE 4-65: SMART METERING OPEX OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Smart Meters installed till March 2022*	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
	A	B	C=A*B*12/10 <sup>7</sup>
DVVNL	1,47,991	101.42	18.01
MVVNL	3,78,862	101.42	46.11
PVVNL	1,98,726	101.42	24.19
PuVVNL	3,21,433	101.42	39.12
KESCO	1,07,318	101.42	13.06





Particulars	Smart Meters installed till March 2022*	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
	A	B	C=A*B*12/10 <sup>7</sup>
<b>Consolidated (5 Discoms)</b>	<b>11,54,330</b>	<b>101.42</b>	<b>140.49</b>

\*Number of smart meters were revised vide response of data deficiency dated February 23, 2023

- 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 2021-22 vis-à-vis the actual O&M expenses as per audited accounts and computed as normative are shown in the Tables below:

**TABLE 4-66: CLAIMED OPERATION & MAINTANANCE EXPENSES OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
1	Employee Expenses	538.72	625.62	852.78
2	R & M Expenses	477.61	575.51	575.25
3	A&G Expenses (with FC)	108.18	661.09	126.95
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,124.51</b>	<b>1,862.22</b>	<b>1,554.98</b>
5	Employee Expenses Capitalisation	220.38	222.50	222.50
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>220.38</b>	<b>222.50</b>	<b>222.50</b>
	Add: Smart Metering Opex	0.00	0.00	46.11
	Add: Addnl R&M Expenses	238.80	0.00	238.80
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,142.93</b>	<b>1,639.72</b>	<b>1,617.39</b>

\*Gross expenses Capitalized is claimed as per the book of account for FY 2021-22.

**TABLE 4-67: CLAIMED OPERATION & MAINTANANCE EXPENSES OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
1	Employee Expenses	745.30	792.03	1,152.84



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
2	R & M Expenses	361.38	374.69	387.37
3	A&G Expenses (with FC)	259.48	595.83	322.82
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,366.16</b>	<b>1,762.55</b>	<b>1,863.03</b>
5	Employee Expenses Capitalisation	433.04	278.91	278.91
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>433.04</b>	<b>278.91</b>	<b>278.91</b>
	Add: Smart Metering Opex	0.00	0.00	24.19
	Add: Addnl R&M Expenses	180.70	0.00	180.70
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,113.82</b>	<b>1,483.64</b>	<b>1,789.01</b>

\*Gross expenses Capitalized is claimed as per the book of account for FY 2021-22

**TABLE 4-68: CLAIMED OPERATION & MAINTANANCE EXPENSES OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
1	Employee Expenses	642.72	741.87	931.31
2	R & M Expenses	429.87	629.20	624.50
3	A&G Expenses (with FC)	141.15	451.05	172.92
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,213.74</b>	<b>1,822.11</b>	<b>1,728.73</b>
5	Employee Expenses Capitalisation	158.26	202.78	202.78
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>158.26</b>	<b>202.78</b>	<b>202.78</b>
	Add: Smart Metering Opex	0.00	0.00	18.01
	Add: Addnl R&M Expenses	214.93	0.00	214.93
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,270.41</b>	<b>1,619.33</b>	<b>1,758.89</b>

\*Gross expenses Capitalized is claimed as per the book of account for FY 2020-21



**Table 4-69: CLAIMED OPERATION & MAINTANANCE EXPENSES OF PuVVNL FOR FY 2020-21  
(Rs. Crore)**

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
1	Employee Expenses	836.85	826.88	984.38
2	R & M Expenses	660.78	816.59	917.29
3	A&G Expenses (with FC)	160.86	556.61	173.93
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,658.49</b>	<b>2,200.07</b>	<b>2,075.60</b>
5	Employee Expenses Capitalisation	460.33	233.89	233.89
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>460.33</b>	<b>233.89</b>	<b>233.89</b>
	Add: Smart Metering Opex	0.00	0.00	39.12
	Add: Addnl R&M Expenses	330.39	0.00	330.39
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,528.55</b>	<b>1,966.18</b>	<b>2,211.22</b>

\*Gross expenses Capitalized is claimed as per the book of account for FY 2021-22

**Table 4-70: CLAIMED OPERATION & MAINTANANCE EXPENSES OF KESCO FOR FY 2020-21  
(Rs. Crore)**

Sr. No.	Particulars	FY 2021-22 (True Up)		
		Approved in TO dated 29.07.2021	Audited	Petition
1	Employee Expenses	160.98	137.88	175.62
2	R & M Expenses	72.93	68.07	88.26
3	A&G Expenses (with FC)	27.43	185.69	27.51
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>261.34</b>	<b>391.64</b>	<b>291.39</b>
5	Employee Expenses Capitalisation	11.83	9.55	9.55
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>11.83</b>	<b>9.55</b>	<b>9.55</b>
	Add: Smart Metering Opex	0.00	0.00	13.06
	Add: Addnl R&M Expenses	36.47	0.00	36.47
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>285.98</b>	<b>382.10</b>	<b>331.38</b>

\* Gross expenses Capitalized is claimed as per the book of account for FY 2021-22



## Commission's Analysis

### O&M Expenses for Smart Metering Opex

4.7.43. The Commission observed that the Petitioners have claimed Opex Cost for smart meters installed under Opex model considering the rate of Rs. 101.42 / Meter/ Month (including GST@18%). The number of smart meters installed till FY 2021-22 submitted in the Petitions are not in line with the number of smart meters of FY 2020-21 provided by Petitioners in the last year filing. The Commission vide email dated February 18, 2023 asked Petitioners regarding this discrepancy. In response to the Commission's query, the Petitioners revised their submission. Accordingly, number of smart meters and associated Opex Cost are shown in the Table below:

**TABLE 4-71: OPEX COST OF SMART METER SUBMITTED BY THE PETITIONERS**

Particulars	Smart Meters installed till March 2022	Rate (Rs. /meter/month) including GST@18%	OPEX (Rs. Crore)
	A	B	C=A*B*12/10 <sup>7</sup>
DVVNL	1,47,991	101.42	18.01
MVVNL	3,78,862	101.42	46.11
PVVNL	1,98,726	101.42	24.19
PuVVNL	3,21,433	101.42	39.12
KESCO	1,07,318	101.42	13.06
<b>Consolidated (5 Discoms)</b>	<b>11,54,330</b>		<b>140.49</b>

4.7.44. Further, the Commission vide Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 has 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:

**TABLE 4-72: NUMBER OF SMART METER INSTALLED BY DVVNL**

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2018-19						101.42		



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2019-20	50		1,16,493				6.18	Opex cost Is sum of invoice amount raised by working agency.
FY 2020-21	75		31,373				16.63	
FY 2021-22	496		496					No new smart meter installation work carried out in DVVNL in FY 2021-22. 552 post-paid meters are covered to prepaid.
FY 2022-23								
FY 2023-24								

**TABLE 4-73: NUMBER OF SMART METER INSTALLED BY MVVNL**

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2018-19	3	0	0	1.47	1.47	Rs. 85.95 / meter / month + GST @ 18%	1.47	
FY 2019-20	1,372	0.09	53,996	22.47	22.56		22.56	
FY 2020-21	2,206	0.41	2,78,964	42.89	43.3		43.3	
FY 2021-22	0	0.43	42,297	45.42	45.85		45.85	
FY 2022-23			-					

**TABLE 4-74: NUMBER OF SMART METER INSTALLED BY PVVNL**

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2018-19	3	0	0	1.47	1.47	Rs. 85.95 / meter / month + GST @ 18%	1.47	
FY 2019-20	1,372	0.09	53,996	22.47	22.56		22.56	
FY 2020-21	2,206	0.41	2,78,964	42.89	43.3		43.3	
FY 2021-22	0	0.43	42,297	45.42	45.85		45.85	
FY 2022-23			-					



**TABLE 4-75: NUMBER OF SMART METER INSTALLED BY PuVVNL**

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post – paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2018-19	5		34,601	1.24	1.24	Rs. 85.95 / meter / month + GST @ 18%	1.24	
FY 2019-20	435	0.03	2,53,460	17.21	17.24		17.24	
FY 2020-21	657	0.13	32,275	36.69	36.69		36.82	
FY 2021-22		0.13	-	38.87	38.87		39.00	
FY 2022-23			-				48.67	
FY 2023-24			-				101.64	

**TABLE 4-76: NUMBER OF SMART METER INSTALLED BY KESCO**

Financial Year	Number of Meters Installed / to be Installed					Rate (Rs. / meter / month) including GST @18%	Opex (Rs. Crore)	Remarks (if any)
	Pre-paid meter	Cost (Rs. Crore)	Post – paid meter	Cost (Rs. Crore)	Total Cost (Rs. Crore)			
FY 2018-19	10,413	0.20	11,482	0.22	0.42	101.42	0.42	
FY 2019-20	38,723	3.75	31,577	3.29	7.04	101.42	7.04	
FY 2020-21	10,652	6.77	4,471	5.38	12.15	101.42	12.15	
FY 2021-22		7.24		5.76	13.00	101.42	13.00	

- 4.7.45. Further Petitioners have submitted that no smart meters have been installed under capex model.
- 4.7.46. In Order dated November 15, 2018, the Commission had approved the Roll Out plan for smart meters. The Commission 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

- 4.7.47. The Commission in the above referred Order (Roll Out Plan for Smart Meters) had directed the Petitioners to comply the certain conditions. The relevant extract of the Order incorporating such conditions are reproduced 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. Besides the Term of the roll out stated by UPPCL / Discoms in their proposal, following conditions shall also be ensured by UPPCL / Discoms*

- (a) Smart Meters conform to the standards set out by Ministry of Power / CEA i.e. IS 16444 & IS 15959*
- (b) Personal data privacy of the consumer's data stored on 3rd party cloud server.*
- (c) The Billing efficiency of the consumers having smart meters is not less than 98%.*
- (d) Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.*

Unquote

- 4.7.48. Keeping the above in view, since the net improvement in collection and billing efficiency has been envisaged keeping the 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.

- 4.7.49. The submission of the Petitioners that the present additional O&M expenses on account of Smart Meters Opex may or may not result in reduction in O&M expenses cannot be accepted as it is one of the key features of Smart Metering. If there is uncertainty in regard to realizing benefits from any investments / expense it would not be prudent to undertake such investment / expense. It is obvious to expect that implementation of Smart Meter scheme at a large scale will be beneficial for the Licensees from the perspective of saving in billing and collection efficiency. Also, while determining the ARR,





billing and collection efficiency are considered to be 100%. Therefore, any gain in billing and collection efficiency would not be reflected in ARR. Rather, it would go in the account of the Licensees. Such gains ideally should be able to compensate the Opex incurred by the Licensees. It is for this reason the Commission had observed in its past Orders that Smart Metering scheme is self-sustaining. If Licensees are not able to recover the Opex through gains in billing and collection efficiency, burden of such expenditure cannot be passed on to the consumers in the State.

- 4.7.50. In past, the Commission has approved several schemes for theft reduction and power quality improvement 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 Business Plan / 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.
- 4.7.51. However, the Smart Meter Rollout scheme is under OPEX model and not under CAPEX model. With rollout 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**

- 4.7.52. 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.:

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

Where:

$EMP_n$ : Employee expense for the  $n$ th year;

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

CPI inflation is the average of 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:



$$R\&M_n = R\&M_{n-1} (1 + \text{WPI inflation})$$

Where:

*R&M<sub>n</sub>: Repairs & Maintenance expense for the nth year;*

*R&M<sub>n-1</sub>: 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:*

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

Where:

*A&G<sub>n</sub>: A&G expense for the nth year;*

*A&G<sub>n-1</sub>: 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

- 4.7.53. Regulation 45.3 of MYT Regulations, 2019, specifies 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.

#### **Employee Expenses:**

- 4.7.54. The Commission observed that the Petitioners have considered the Trued Up employee expenses for FY 2019-20 (approved in the Tariff Order for FY 2021-22 dated July 29, 2021) as base year value and applied three-year average of



CPI Inflation to arrive employee expenses of FY 2020-21. Further, Petitioners computed employee expenses for FY 2021-22 taking into consideration the computed employee expenses for FY 2020-21 and three-year average of CPI Inflation. However, the Commission is of view that employee expenses for FY 2021-22 to be computed by taking into consideration the normative employee expenses of FY 2020-21 determined by the Commission in the Tariff Order for FY 2022-23 dated July 20, 2022 as base value. Accordingly, employee expenses computed by Petitioners for FY 2020-21 are higher than the normative employee expenses determined by the Commission, as shown in the Table below:

**TABLE 4-77: EMPLOYEE EXPENSES FOR FY 2020-21 CONSIDERED BY PETITIONERS VIS-A-VIS CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	FY 2020-21 (base year for FY 2021-22)	
	Considered by Petitioners	Considered by Commission
DVVNL	552.17	508.23
MVVNL	800.81	703.12
PVVNL	636.86	623.23
PuVVNL	810.75	789.48
KESCO	143.97	151.87
<b>Consolidated (5 State Discoms)</b>	<b>2,944.55</b>	<b>2,775.93</b>

4.7.55. The inflation indices considered by the Commission for FY 2021-22 is shown in the Table below:

Particulars	Whole Sale Price Index			Consumer Price Index		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2019-20	FY 2020-21	FY 2021-22
April	121.10	119.20	132.00	312.00	329.00	345.89
May	121.60	117.50	132.90	314.00	330.00	347.33
June	121.50	119.30	133.70	316.00	332.00	350.50
July	121.30	121.00	135.00	319.00	336.00	353.66
August	121.50	122.00	136.20	320.00	338.00	354.24
September	121.30	122.90	137.40	322.00	340.13	355.10
October	122.00	123.60	140.70	325.00	344.16	359.71
November	122.30	125.10	143.70	328.00	345.31	362.02
December	123.00	125.40	143.30	330.00	342.14	361.15
January	123.40	126.50	143.80	330.00	340.42	360.29
February	122.20	128.10	145.30	328.00	342.72	360.00
March	120.40	129.90	148.90	326.00	344.45	362.88



Particulars	Whole Sale Price Index			Consumer Price Index		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2019-20	FY 2020-21	FY 2021-22
Average	121.80	123.38	139.41	322.50	338.69	356.06
Calculation of Inflation		1.29%	13.00%		5.02%	5.13%

**TABLE 4-78: CPI Inflation Index Considered by the Commission for FY 2021-22**

FY	Index	Inflation
	CPI	CPI
FY 2017-18	284.42	3.08%
FY 2018-19	299.92	5.45%
FY 2019-20	322.50	7.53%
FY 2020-21	338.69	5.02%
FY 2021-22	356.06	5.13%

Source: <https://labourbureau.gov.in/all-india-general-index-1>

4.7.56. The normative employee expenses claimed by Petitioners and considered by the Commission are shown in the Table below:

**TABLE 4-79: NORMATIVE EMPLOYEE EXPENSES FOR FY 2021-22 CLAIMED BY PETITIONERS AND CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	Claimed by Petitioners			Considered by the Commission		
	Employee Expenses for FY 2020-21	CPI Inflation	Normative Employee Expenses for FY 2021-22	Normative Employee Expenses for FY 2020-21	CPI Inflation	Normative Employee Expenses for FY 2021-22
	A	B	C=A*(1+B)	D	E	F=D*(1+E)
DVVNL	552.17	6.00%	585.31	508.23	5.13%	534.30
MVVNL	800.81		848.88	703.12		739.18
PVVNL	636.86		675.08	623.23		655.20
PuVVNL	810.75		859.41	789.48		829.97
KESCO	143.97		152.61	151.87		159.66
<b>Consolidated (5 State Discoms)</b>	<b>2,944.55</b>		<b>3,121.28</b>	<b>2,775.93</b>		<b>2,918.29</b>

4.7.57. The Commission also observed that Petitioners has claimed additional employee expenses for manpower hired on contractual basis for the activities like spot billing and revenue collection. However, there is no provisions in MYT Regulations, 2019 for allowance of such expenses. Accordingly, the



Commission has considered Nil amount towards additional employee expenses for FY 2021-22.

4.7.58. With regard to employee expense capitalized, the Commission considered as per the audited accounts for FY 2021-22.

**TABLE 4-80: SUMMARY OF EMPLOYEE EXPENSES FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Audited Accounts	Claimed in True Up	Normative (as computed by the Commission)
1	DVVNL	538.72	625.62	852.78	534.30
2	MVVNL	745.30	792.03	1,152.84	739.18
3	PVVNL	642.72	741.87	931.31	655.20
4	PuVVNL	836.85	826.88	984.38	829.97
5	KESCO	160.98	137.88	175.62	159.66
6	<b>Gross O&amp;M Expenses (Consolidated of 5 State Discoms)</b>	<b>2,924.57</b>	<b>3,124.28</b>	<b>4,096.93</b>	<b>2,918.29</b>

4.7.59. The Regulation 10 of MYT Regulations, 2019 is reproduced as follows:

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

4.7.60. Accordingly, the approved values for employee expenses for FY 2021-22 are given in the Table below:

**TABLE 4-81: EMPLOYEE EXPENSES APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved
1	DVVNL	625.62
2	MVVNL	792.03
3	PVVNL	741.87
4	PuVVNL	826.88
5	KESCO	137.88



Sr. No	Particulars	Approved
6	Gross O&M Expenses (Consolidated of 5 State Discoms)	3,124.28

#### R&M Expenses:

4.7.61. The Commission observed that the Petitioners have considered the Trued Up R&M expenses for FY 2019-20 (approved in the Tariff Order for FY 2021-22 dated July 29, 2021) as base year value and applied three-year average of WPI Inflation to arrive R&M expenses of FY 2020-21. Further, Petitioners computed R&M expenses for FY 2021-22 taking into consideration the computed R&M expenses for FY 2020-21 and three-year average of WPI Inflation. However, the Commission is of view that R&M expenses for FY 2021-22 to be computed by taking into consideration the normative R&M expenses of FY 2020-21 determined by the Commission in the Tariff Order for FY 2022-23 dated July 20, 2022 as base value. Accordingly, R&M expenses computed by Petitioners for FY 2020-21 are higher than the normative R&M expenses determined by the Commission, as shown in the Table below:

**TABLE 4-82: R&M EXPENSES FOR FY 2020-21 CONSIDERED BY PETITIONERS VIS-A-VIS CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	FY 2020-21 (base year for FY 2021-22)	
	Considered by Petitioners	Considered by Commission
DVVNL	561.68	474.93
MVVNL	378.23	352.97
PVVNL	609.77	415.05
PuVVNL	895.65	645.39
KESCO	86.17	71.23
<b>Consolidated (5 State Discoms)</b>	<b>2,531.50</b>	<b>1,959.57</b>

4.7.62. Normative R&M expenses claimed by Petitioners and considered by the Commission are shown in the Table below:





**TABLE 4-83: WPI INFLATION INDEX CONSIDERED BY THE COMMISSION FOR FY 2021-22**

FY	Index	Inflation
	WPI	WPI
FY 2017-18	114.88	2.92%
FY 2018-19	119.79	4.28%
FY 2019-20	121.80	1.68%
FY 2020-21	123.93	1.29%
FY 2021-22	139.41	13.00%

Source: [https://eaindustry.nic.in/download\\_data\\_1112.asp](https://eaindustry.nic.in/download_data_1112.asp)

**TABLE 4-84: NORMATIVE R&M EXPENSES FOR FY 2021-22 CLAIMED BY PETITIONERS AND CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	Claimed by Petitioners			Considered by the Commission		
	R&M Expenses for FY 2020-21	WPI Inflation	Normative R&M Expenses for FY 2021-22	Normative R&M Expenses for FY 2020-21	WPI Inflation	Normative R&M Expenses for FY 2021-22
	A	B	C=A*(1+B)	D	E	F=D*(1+E)
DVVNL	561.68	2.42%	575.25	474.93	13.00%	536.65
MVVNL	378.23		387.37	352.97		398.84
PVVNL	609.77		624.50	415.05		468.98
PuVVNL	895.65		917.29	645.39		729.26
KESCO	86.17		88.26	71.23		80.49
<b>Consolidated (5 State Discoms)</b>	<b>2,531.50</b>		<b>2,592.67</b>	<b>1,959.57</b>		<b>2,214.22</b>

4.7.63. Further, Petitioners have also claimed additional R&M expenses as approved by the Commission in the Tariff Order for FY 2021-22 dated July 29, 2021. The Commission approved additional R&M Expenses in the Tariff Order for FY 2021-22 on account of proper execution of work relating to implementation of UPERC (Standards of Performance) Regulations, 2019 to provide better services to consumers. The relevant extracts are as under:

Quote

6.7.45 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. (Emphasis added)***

Unquote

- 4.7.64. As can be seen from above, at the time of approval of additional R&M expense, the Commission stated that the same shall be reviewed at the time of True-Up with respect to the actuals to the satisfaction of the Commission. Further, the Commission vide TVS MOM dated February 27, 2023 directed the Petitioners to submit actual additional R&M expenses incurred in this regard. In response, the Petitioners submitted that the amount incurred with regards to implementation of SoP Regulations and CGRF Regulations has been booked under various accounting heads of O&M expenses.
- 4.7.65. The Petitioners further submitted that the Discoms faced challenges while segregating this amount under the similar duplicate accounting heads, therefore, the amount incurred / to be incurred is booked / provisioned under the various accounting head under O&M expenses as per the existing practice adopted as per Companies Act. The Commission is of the view that although the Petitioners are claiming additional R&M expenses for implementation of SoP Regulations much progress is not being reflected. Moreover, the Petitioners have also failed to substantiate their claim. However, the Petitioners have made progress in development of framework for implementation of SoP Regulations. Accordingly, the Commission is allowing 50% of additional R&M approved in Tariff Order for FY 2021-22 dated July 29, 2021 on account of implementation of SoP Regulations.

**A&G Expenses:**

- 4.7.66. The Commission observed that the Petitioners have considered the Trued Up A&G expenses for FY 2019-20 (approved in the Tariff Order for FY 2021-22 dated July 29, 2021) as base year value and applied three-year average of WPI Inflation to arrive A&G expenses of FY 2020-21. Further, Petitioners computed A&G expenses for FY 2021-22 taking into consideration the computed A&G expenses for FY 2020-21 and three-year average of WPI Inflation. However, the Commission is of view that A&G expenses for FY 2021-22 to be computed by taking into consideration the normative A&G expenses of FY 2020-21 determined by the Commission in the Tariff Order for FY 2022-23 dated July 20, 2022 as base value. Accordingly, A&G expenses computed by Petitioners



for FY 2020-21 are higher than the normative A&G expenses determined by the Commission, as shown in the Table below:

**TABLE 4-85: A&G EXPENSES FOR FY 2020-21 CONSIDERED BY PETITIONERS VIS-A-VIS CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	FY 2020-21 (base year for FY 2021-22)	
	Considered by Petitioners	Considered by Commission
DVVNL	123.95	105.66
MVVNL	315.21	253.44
PVVNL	168.84	147.80
PuVVNL	169.82	159.04
KESCO	26.86	26.79
<b>Consolidated (5 State Discoms)</b>	<b>804.68</b>	<b>692.73</b>

4.7.67. Normative A&G expenses claimed by Petitioners and considered by the Commission are shown in the Table below:

**TABLE 4-86: NORMATIVE A&G EXPENSES FOR FY 2021-22 CLAIMED BY PETITIONERS AND CONSIDERED BY THE COMMISSION (Rs. Crore)**

Discoms	Claimed by Petitioners			Considered by the Commission		
	A&G Expenses for FY 2020-21	WPI Inflation	Normative A&G Expenses for FY 2021-22	Normative A&G Expenses for FY 2020-21	WPI Inflation	Normative A&G Expenses for FY 2021-22
	A	B	C=A*(1+B)	D	E	F=D*(1+E)
DVVNL	123.95	2.42%	126.95	105.66	13.00%	119.39
MVVNL	315.21		322.82	253.44		286.37
PVVNL	168.84		172.92	147.80		167.01
PuVVNL	169.82		173.93	159.04		179.71
KESCO	26.86		27.51	26.79		30.27
<b>Consolidated (5 State Discoms)</b>	<b>804.68</b>		<b>824.13</b>	<b>692.73</b>		<b>782.76</b>

4.7.68. 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

4.7.69. 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 Tables below:

**TABLE 4-87: O&M EXPENSES OF DVVNL APPROVED BY THE COMMISSION FOR FY 2021-22  
(Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	538.72	852.78	625.62
2	R & M Expenses	477.61	575.25	536.65
3	A&G Expenses (with FC)	108.18	126.95	119.39
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,124.51</b>	<b>1,554.98</b>	<b>1,281.66</b>
5	Employee Expenses Capitalisation	220.38	222.50	222.50
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>220.38</b>	<b>222.50</b>	<b>222.50</b>
	Add: Smart Metering Opex	0.00	46.11	0.00
	Add: Additional R&M Expenses	238.80	238.80	119.40
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,142.93</b>	<b>1,617.39</b>	<b>1,178.56</b>

**TABLE 4-88: O&M EXPENSES OF MVVNL APPROVED BY THE COMMISSION FOR FY 2021-22  
(Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	745.30	1,152.84	792.03
2	R & M Expenses	361.38	387.37	374.69
3	A&G Expenses (with FC)	259.48	322.82	286.37
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,366.16</b>	<b>1,863.03</b>	<b>1,453.09</b>
5	Employee Expenses Capitalisation	433.04	278.91	278.91
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>433.04</b>	<b>278.91</b>	<b>278.91</b>
	Add: Smart Metering Opex	0.00	24.19	0.00



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Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
	Add: Additional R&M Expenses	180.70	180.70	90.35
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,113.82</b>	<b>1,789.01</b>	<b>1,264.54</b>

**TABLE 4-89: O&M EXPENSES OF PVVNL APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	642.72	931.31	741.87
2	R & M Expenses	429.87	624.50	468.98
3	A&G Expenses (with FC)	141.15	172.92	167.01
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,213.74</b>	<b>1,728.73</b>	<b>1,377.86</b>
5	Employee Expenses Capitalisation	158.26	202.78	202.78
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>158.26</b>	<b>202.78</b>	<b>202.78</b>
	Add: Smart Metering Opex	0.00	18.01	0.00
	Add: Additional R&M Expenses	214.93	214.93	107.47
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,270.41</b>	<b>1,758.89</b>	<b>1,282.54</b>

**TABLE 4-90: O&M EXPENSES OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	836.85	984.38	826.88
2	R & M Expenses	660.78	917.29	729.26
3	A&G Expenses (with FC)	160.86	173.93	179.71
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,658.49</b>	<b>2,075.60</b>	<b>1,735.85</b>
5	Employee Expenses Capitalisation	460.33	233.89	233.89
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>460.33</b>	<b>233.89</b>	<b>233.89</b>
	Add: Smart Metering Opex	0.00	39.12	0.00
	Add: Additional R&M Expenses	330.39	330.39	165.20



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Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
8	Net O&M Expenses	1,528.55	2,211.22	1,667.15

**TABLE 4-91: O&M EXPENSES OF KESCO APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	160.98	175.62	137.88
2	R & M Expenses	72.93	88.26	68.07
3	A&G Expenses (with FC)	27.43	27.51	30.27
4	<b>Gross O&amp;M Expenses</b>	<b>261.34</b>	<b>291.39</b>	<b>236.23</b>
5	Employee Expenses Capitalisation	11.83	9.55	9.55
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	<b>Total Capitalisation</b>	<b>11.83</b>	<b>9.55</b>	<b>9.55</b>
	Add: Smart Metering Opex	0.00	13.06	0.00
	Add: Additional R&M Expenses	36.47	36.47	18.24
8	<b>Net O&amp;M Expenses</b>	<b>285.98</b>	<b>331.38</b>	<b>244.92</b>

**TABLE 4-92: CONSOLIDATED O&M EXPENSES OF THE PETITIONERS APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Sr. No	Particulars	Approved in TO dated July 29, 2021	Claimed in True Up	Approved upon Truing-up
1	Employee Expenses	2,924.57	4,096.93	3,124.28
2	R & M Expenses	2,002.57	2,592.67	2,177.66
3	A&G Expenses (with FC)	697.10	824.13	782.76
4	<b>Gross O&amp;M Expenses</b>	<b>5,624.24</b>	<b>7,513.73</b>	<b>6,084.70</b>
5	Employee Expenses Capitalisation	1,283.84	947.63	947.63
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	<b>Total Capitalisation</b>	<b>1,283.84</b>	<b>947.63</b>	<b>947.63</b>
	Add: Smart Metering Opex	0.00	140.49	0.00
	Add: Additional R&M Expenses	1,001.29	1,001.29	500.65
8	<b>Net O&amp;M Expenses</b>	<b>5,341.69</b>	<b>7,707.88</b>	<b>5,637.71</b>



#### 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 4-93: CAPEX OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Schemes	Investments	Capitalisation
Other Schemes	2,201.70	2,360.32
RGGVY 11 <sup>th</sup> Plan and 12 <sup>th</sup> Plan	293.85	311.44
DDUGJY	41.52	54.07
RAPDRP	32.57	38.85
IPDS	43.75	47.56
SAUBHAGYA Yojna	98.92	112.73
Total Investments (A)	2,712.30	2,924.97
Add: Employee Capitalization (B)	222.50	222.50
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>2,934.80</b>	<b>3,147.47</b>

**TABLE 4-94: CAPEX OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Schemes	Investments	Capitalisation
Other Schemes	546.00	1,644.47
RGGVY 11 <sup>th</sup> Plan and 12 <sup>th</sup> Plan	139.99	802.38
DDUGJY	60.50	494.77
ADB	105.18	120.50
RAPDRP	0.00	0.00
IPDS	87.03	382.37
SAUBHAGYA Yojna	106.87	786.53
Total Investments (A)	1,045.57	4,231.02
Add: Employee Capitalization (B)	278.91	278.91
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>1,324.48</b>	<b>4,509.93</b>

**TABLE 4-95: CAPEX OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Schemes	Investments	Capitalisation
Other Schemes	1,394.02	1,416.38
RGGVY 11 <sup>th</sup> Plan and 12 <sup>th</sup> Plan	71.41	16.26
DDUGJY	120.01	161.36
RAPDRP	14.83	0.00
IPDS	139.70	48.60





Schemes	Investments	Capitalisation
SAUBHAGYA Yojna	173.52	311.21
Total Investments (A)	1,913.49	1,953.81
Add: Employee Capitalization (B)	202.78	202.78
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>2,116.27</b>	<b>2,156.59</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>2,116.27</b>	<b>2,156.59</b>

**TABLE 4-96: CAPEX OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Schemes	1,506.21	1,687.37
RGGVY 11th Plan and 12th Plan	176.22	242.94
DDUGJY	171.99	0.00
RAPDRP	4.17	4.17
IPDS	137.93	149.80
SAUBHAGYA YOJNA	177.01	339.64
Total Investments (A)	2,173.53	2,423.92
Add: Employee Capitalization (B)	233.89	233.89
Add: Interest Capitalization (C)	67.86	67.86
Total (D= A+B+C)	2,475.28	2,725.67
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>2,475.28</b>	<b>2,725.67</b>

**TABLE 4-97: CAPEX OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Scheme	21.90	91.13
IPDS	30.92	0.00
Total Investments (A)	52.82	91.13
Add: Employee Capitalization (B)	9.55	9.55
Add: Interest Capitalization (C)	62.37	100.68
Total (D= A+B+C)	62.37	100.68
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>62.37</b>	<b>100.68</b>

4.8.2. The Petitioners submitted that they have derived actual capital investment undertaken during FY 2021-22 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. The Commission has followed the below approach to approve the Capital Investment for FY 2021-22:

- (i) Closing CWIP for FY 2020-21 as approved by the Commission in the Tariff Order dated July 20, 2022, is considered as opening CWIP for FY 2021-22;
- (ii) Investment during the year i.e., FY 2021-22 is allowed as 100% as per audited accounts of FY 2021-22 of respective State Discoms, however only 75% of the capitalisation has been allowed as discussed in the paras below;
- (iii) Employee expenses capitalised for FY 2021-22 is approved as per audited accounts of FY 2021-22 of respective State Discoms;



(iv) Interest capitalisation on interest on long term loans for FY 2021-22 is approved as per audited accounts of FY 2021-22 of respective State Discoms;

- 4.8.5. The Commission vide Tariff Order for FY 2021-22 dated July 29, 2021 directed the Petitioners to submit all capital expenditure projects of value exceeding Rs. 10 Crore for FY 2021-22 and take prior approval of projects on quarterly basis in line with Regulations 44.2 of MYT Regulations, 2019. The relevant extract of the same is as follows:

Quote

6.8.9. *However, keeping in mind the hardships faced by Licensees at ground, the Commission has considered 100% of the claimed capital investments for FY 2021-22 and same proportion of capitalization of total investments which includes opening CWIP, Employee capitalisation, A&G capitalisation, Interest capitalisation and investments during the year as claimed by the Petitioner. It is to be noted that **if the State Owned Discoms fails to submit the capital investment plan and does not take separate approval(s) for projects above 10 Crores on quarterly basis in terms of the Regulations, the Commission would be forced to disallow the same.** [Emphasis added]*

Unquote

- 4.8.6. The Commission vide Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 directed Petitioners to provide FAR (Fixed Asset Register), Asset-wise capitalisation, details of 132 kV and above assets and assets having value more than Rs. 10 Crore (in Excel). In response to the Commission's query, the Petitioners submitted that information regarding asset-wise capitalization, details of 132 kV and above assets and assets having value more than Rs. 10 Crore is not available since separate details are not being maintained in audited accounts.
- 4.8.7. The Petitioners have not taken prior approval of the Commission for the schemes with capital expenditure more than Rs. 10 Crore on quarterly basis. Accordingly, the Commission decides to disallow 25% of the GFA addition (Capitalisation) during the year, as shown in the Table below:



**TABLE 4-98: CAPITALISATION APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Particulars	Capitalisation proposed by Petitioners / Audited Accounts	Consumer Contribution, Grants	Net Capitalisation	25% Disallowance in GFA	Approved upon Truing Up
	A	B	C=(B-A)	D=C*25%	E=C-D+B
DVVNL	2,924.97	134.80	2,790.17	697.54	2,227.43
MVVNL	4,509.93	470.34	4,039.59	1,009.90	3,500.03
PVVNL	1,953.81	499.24	1,454.57	363.64	1,590.17
PuVVNL	2,423.92	233.89	2,190.03	547.51	1,876.42
KESCO	100.68	32.71	67.97	16.99	83.69
<b>Consolidated of 5 State Discoms</b>	<b>11,913.32</b>	<b>1,370.98</b>	<b>10,542.33</b>	<b>2,635.58</b>	<b>9,277.73</b>

4.8.8. Considering the foregoing, the Commission approves CWIP, Capital Investment and Capitalisation for FY 2021-22, as detailed in Tables below:

**TABLE 4-99: CAPITAL INVESTMENT OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	2,165.66	1,993.37	1,584.95	1,584.95
Investments	B	2,152.48	1,564.60	2,712.30	1,564.60
Employee Expenses capitalization	C	220.38	222.50	222.50	222.50
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	105.01	0.00	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>4,643.53</b>	<b>3,780.47</b>	<b>4,519.75</b>	<b>3,372.05</b>
Transferred to GFA (Total Capitalisation)	G	2,052.64	2924.97	2,924.97	2,227.43
<b>Closing WIP</b>	<b>H=F-G</b>	<b>2,590.88</b>	<b>855.50</b>	<b>1,594.78</b>	<b>1,144.63</b>

**TABLE 4-100: CAPITAL INVESTMENT OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	5,404.46	3,093.63	2,905.95	2,905.95
Investments	B	1,859.23	1,555.43	1,045.57	1,555.43
Employee Expenses capitalization	C	433.04	278.91	278.91	278.91





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	93.91	0.00	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>7,790.64</b>	<b>4,927.96</b>	<b>4,230.42</b>	<b>4,740.29</b>
Transferred to GFA (Total Capitalisation)	G	3,432.42	4,211.99	4,212.00*	3,500.03
<b>Closing WIP</b>	<b>H=F-G</b>	<b>4,358.21</b>	<b>715.97</b>	<b>18.42</b>	<b>1,240.25</b>

\*The Petitioner submitted that some assets made in work Circles are not routed through CWIP. Total capitalisation is Rs. 4,509.93 Crore, out of which Rs. 4,212.00 has been moved through CWIP.

**TABLE 4-101: CAPITAL INVESTMENT OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	1,644.95	392.90	390.73	390.71
Investments	B	1,621.68	1,829.98	1,913.49	1,829.98
Employee Expenses capitalization	C	158.26	202.78	202.78	202.78
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	215.65	0.00	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>3,640.55</b>	<b>2,425.66</b>	<b>2,507.00</b>	<b>2,423.48</b>
Transferred to GFA (Total Capitalisation)	G	1,680.57	1953.81	1,953.81	1,590.17
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,959.98</b>	<b>471.85</b>	<b>553.19</b>	<b>833.31</b>

**TABLE 4-102: CAPITAL INVESTMENT OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
Opening WIP as on 1st April	A	3,320.89	2,519.07	2,191.14	2,191.11
Investments	B	3,040.44	2,241.92	2,173.53	2,241.92
Employee Expenses capitalization	C	460.33	233.89	233.89	233.89
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	225.36	67.86	67.86	67.86
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>7,047.02</b>	<b>5,062.74</b>	<b>4,666.42</b>	<b>4,734.79</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed	Approved upon Truing Up
Transferred to GFA (Total Capitalisation)	G	3,230.23	2423.89	2,423.92	1,876.42
<b>Closing WIP</b>	<b>H=F-G</b>	<b>3,816.80</b>	<b>2,638.85</b>	<b>2,242.50</b>	<b>2,858.37</b>

**TABLE 4-103: CAPITAL INVESTMENT OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed in True Up	Approved upon Truing Up
Opening WIP as on 1st April	A	295.27	126.83	123.46	123.46
Investments	B	154.31	73.89	52.82	73.89
Employee Expenses capitalization	C	11.83	9.55	9.55	9.55
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>461.42</b>	<b>210.26</b>	<b>185.83</b>	<b>206.90</b>
Transferred to GFA (Total Capitalisation)	G	191.67	100.68	100.68	83.69
<b>Closing WIP</b>	<b>H=F-G</b>	<b>269.75</b>	<b>109.58</b>	<b>85.15</b>	<b>123.21</b>

**TABLE 4-104: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Audited	Claimed in True Up	Approved upon Truing Up
Opening WIP as on 1st April	A	12,831.24	8,125.80	7,196.23	7,196.19
Investments	B	8,828.14	7,265.81	7,897.70	7,265.82
Employee Expenses capitalization	C	1,283.85	947.63	947.63	947.63
A&G Expenses Capitalisation	D	0.00	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	639.93	67.86	67.86	67.86
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>23,583.16</b>	<b>16,407.10</b>	<b>16,109.43</b>	<b>15,477.50</b>
Transferred to GFA (Total Capitalisation)	G	10,587.53	11,615.34	11,913.31	9,277.73
<b>Closing WIP</b>	<b>H=F-G</b>	<b>12,995.62</b>	<b>4,791.76</b>	<b>4,196.11</b>	<b>6,199.76</b>



## Consumer Contributions, Capital Grants and Subsidies

### Petitioner's Submission

4.8.9. The Petitioners namely, DVVNL, MVVNL, PVVNL, PuVVNL & KESCO have submitted consumer contributions, capital grants and subsidies addition during FY 2021-22 as below:

**TABLE 4-105: CONSUMER CONTRIBUTIONS RECEIVED OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Consumer Contributions, Capital Grants and Subsidies
DVVNL	134.80
MVVNL	470.34
PVVNL	499.24
PuVVNL	261.98
KESCO	32.71
<b>Consolidated</b>	<b>1,399.07</b>

### Commission's Analysis

4.8.10. The Commission approves consumer contributions as per the audited accounts of FY 2021-22 for respective State Discoms.

4.8.11. 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 4-106: CONSUMER CONTRIBUTIONS RECEIVED OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	4,843.68	4,575.29	4,575.29
Additions during the year	1,555.77	134.8	134.8
Less: Amortisation on consumer contribution	84.86	150.9	150.9
<b>Closing Balance</b>	<b>6,314.59</b>	<b>4,559.19</b>	<b>4,559.19</b>



**TABLE 4-107: CONSUMER CONTRIBUTIONS RECEIVED OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	6,478.10	5,410.50	5,410.50
Additions during the year	1,448.88	470.34	470.34
Less: Amortisation on consumer contribution	88.83	142.56	142.56
<b>Closing Balance</b>	<b>7,838.15</b>	<b>5,738.28</b>	<b>5,738.28</b>

**TABLE 4-108: CONSUMER CONTRIBUTIONS RECEIVED OF PVVNL IN FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	6,487.13	5,493.76	5,493.76
Additions during the year	1,171.27	499.24	499.24
Less: Amortisation on consumer contribution	169.56	175.81	175.81
<b>Closing Balance</b>	<b>7,488.84</b>	<b>5,817.19</b>	<b>5,817.19</b>

**TABLE 4-109: CONSUMER CONTRIBUTIONS RECEIVED OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	6,911.34	4,833.47	4,833.47
Additions during the year	2,542.71	261.98	261.98
Less: Amortisation on consumer contribution	169.45	134.69	134.69
<b>Closing Balance</b>	<b>9,284.60</b>	<b>4,960.76</b>	<b>4,960.76</b>

**TABLE 4-110: CONSUMER CONTRIBUTIONS RECEIVED OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	494.75	408.65	408.65
Additions during the year	58	32.71	32.71
Less: Amortisation on consumer contribution	8.51	16.48	16.48



Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Closing Balance	544.24	424.88	424.88

**TABLE 4-111: CONSOLIDATED CONSUMER CONTRIBUTIONS RECEIVED OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Balance of Consumer Contributions	25,215.00	20,721.67	20,721.67
Additions during the year	6,776.63	1,399.07	1,399.07
Less: Amortisation on consumer contribution	521.21	620.44	620.44
<b>Closing Balance</b>	<b>31,470.42</b>	<b>21,500.30</b>	<b>21,500.30</b>

## Financing of Capital Investment

### Petitioner's Submission

4.8.12. The Petitioners submitted that the capital investment proposed in **TABLE 4-99** to **TABLE 4-103** 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

4.8.13. The Commission has approved capital investment and financing in the True Up of FY 2021-22 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.

4.8.14. The Commission observed that out of the total capitalisation during FY 2021-22, some portion has been financed through consumer contributions, subsidy and grants received during FY 2021-22 and the balance have been funded through debt and equity. Accordingly, the Commission has considered capitalisation net of consumer contributions, subsidy and 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.

- 4.8.15. The portion of capitalisation financed through consumer contributions, capital subsidies and grants has been deducted from the depreciation, interest on loans & RoE thereon should not be charged to the consumers. The Commission has also verified the same from the audited accounts of the Petitioners.
- 4.8.16. The Commission observed that MVVNL computed loan addition and equity addition during the year considering the capitalisation (GFA addition) of Rs. 4,212 Crore. However, as per Notes No. 2 of audited accounts GFA addition is Rs. 4,509.93 Crore. The Commission directed MVVNL to submit clarification in this regard. In response, MVVNL submitted that audited account is prepared as per the provision of Companies Act. The difference as observed by the Commission has already been audited by CAG. Further, MVVNL submitted that as per the regulatory account, the Commission has considered the addition to GFA in its prior approvals which is as per the practice adopted for other Discoms also. MVVNL requested the Commission to consider the GFA addition Rs. 4,509.93 Crore as per Note No. 2 of audited accounts of FY 2021-22. Accordingly, the Commission has considered GFA addition of Rs. 4,509.93 Crore during the year (i.e. FY 2021-22) for MVVNL.
- 4.8.17. Based on the above, financing of the capitalisation claimed by the Petitioners and approved by the Commission is shown in the Tables below:

**TABLE 4-112: FINANCING OF THE CAPITAL INVESTMENT OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	2,052.64	2,924.97	2,227.43
Less: Consumer Contribution	B	117.82	90.19	90.19
Less: Grant	C	541.57	44.61	44.61
Less: Assets De-Capitalised	D	0.00	689.58	689.58
Net Assets Capitalised	E = A-B-C-D	1,393.25	2,100.59	1,052.28
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>975.28</b>	<b>1,470.41</b>	<b>736.60</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>417.98</b>	<b>630.18</b>	<b>315.69</b>



**TABLE 4-113: FINANCING OF CAPITAL INVESTMENT OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	3,432.42	4,509.93	3,500.03
Less: Consumer Contribution	B	0.00	292.47	292.47
Less: Grant	C	1,263.42	177.87	177.87
Less: Assets De-Capitalised	D	-	736.13	736.13
Net Assets Capitalised	E = A-B-C-D	2,169.00	3,303.47	1,720.18
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>1,518.30</b>	<b>2,312.43</b>	<b>1,204.12</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>650.70</b>	<b>991.04</b>	<b>516.05</b>

**TABLE 4-114: FINANCING OF THE CAPITAL INVESTMENT OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	1,680.57	1,953.81	1,590.17
Less: Consumer Contribution	B	105.19	499.24	499.24
Less: Grant	C	932.90	0.00	0.00
Less: Assets De-Capitalised	D	-	736.70	736.70
Net Assets Capitalised	E = A-B-C-D	642.48	717.86	265.67
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>449.73</b>	<b>502.50</b>	<b>185.97</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>192.74</b>	<b>215.36</b>	<b>79.70</b>

**TABLE 4-115: FINANCING OF THE CAPITAL INVESTMENT OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	3,230.23	2,423.92	1,876.42
Less: Consumer Contribution	B	0.00	124.40	124.40
Less: Grant	C	2,172.54	137.58	137.58
Less: Assets De-Capitalised	D	0.00	1,027.44	1,027.44
Net Assets Capitalised	E = A-B-C-D	1,057.68	1,134.50	440.24
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>740.38</b>	<b>794.15</b>	<b>308.17</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>317.31</b>	<b>340.35</b>	<b>132.07</b>





**TABLE 4-116: FINANCING OF THE CAPITAL INVESTMENT OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	191.67	100.68	83.69
Less: Consumer Contribution	B	0.00	32.71	32.71
Less: Grant	C	84.40	0.00	0.00
Less: Assets De-Capitalised	D	0.00	0.00	0.00
Net Assets Capitalised	E = A-B-C-D	107.27	67.97	38.23
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>75.09</b>	<b>47.58</b>	<b>26.76</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>32.18</b>	<b>20.39</b>	<b>11.47</b>

**TABLE 4-117: CONSOLIDATED FINANCING OF THE CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Capitalisation during the year (Asset Put to use)	A	10,587.53	11,913.31	9,277.73
Less: Consumer Contribution	B	223.01	1,039.02	1,039.02
Less: Grant	C	4,994.83	360.05	360.05
Less: Assets De-Capitalised	D	0.00	3,189.86	3,189.86
Net Assets Capitalised	E = A-B-C-D	5,369.68	7,324.38	4,688.80
<b>70% of Net Assets Capitalised</b>	<b>70% of E</b>	<b>3,758.78</b>	<b>5,127.07</b>	<b>3,282.16</b>
<b>30% of Net Assets Capitalised</b>	<b>30% of E</b>	<b>1,610.91</b>	<b>2,197.31</b>	<b>1,406.64</b>

#### 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 2022-23. 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 2020-21 as approved by the Commission in Tariff Order for FY 2022-23 dated July 20, 2022.
- 4.9.3. The Petitioners submitted that allowable depreciation for the year has been considered as normative loan repayment. The actual weighted average rate as per audited accounts has been considered for computing the eligible interest expenses.
- 4.9.4. Considering the above, Petitioners have claimed interest on long-term loan as follows:

**TABLE 4-118: INTEREST ON LONG TERM LOAN FOR SUBMITTED BY DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Opening Loan	A	3,506.87	3,390.37
Additions (70% of Investments)	B	975.28	1,470.41
Less: Repayments	C	506.28	433.12
Closing Loan Balance	D=A+B-C	3,975.86	4,427.66
Rate of Interest	E	11.21%	9.62%
Interest	F= (A+D)/2*E	419.58	375.89
Less: Interest Capitalized	G	105.01	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>314.57</b>	<b>375.89</b>

**TABLE 4-119: INTEREST ON LONG TERM LOAN FOR SUBMITTED BY MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Opening Loan	A	3,394.28	2,942.80
Additions (70% of Investments)	B	1,518.30	2,312.43



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Less: Repayments	C	451.90	379.90
Closing Loan Balance	D=A+B-C	4,460.68	4,875.32
Rate of Interest	E	10.91%	9.39%
Interest	F= (A+D)/2*E	428.65	367.13
Less: Interest Capitalized	G	93.91	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>334.74</b>	<b>367.13</b>

**TABLE 4-120: INTEREST ON LONG TERM LOAN FOR SUBMITTED BY PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Opening Loan	A	2,944.69	3,093.52
Additions (70% of Investments)	B	449.73	502.50
Less: Repayments	C	411.01	410.02
Closing Loan Balance	D=A+B-C	2,983.41	3,186.01
Rate of Interest	E	8.40%	12.22%
Interest	F= (A+D)/2*E	249.06	383.68
Less: Interest Capitalized	G	215.65	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>33.41</b>	<b>383.68</b>

**TABLE 4-121: INTEREST ON LONG TERM LOAN FOR SUBMITTED BY PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Opening Loan	A	3,692.23	3,309.11
Additions (70% of Investments)	B	740.38	794.15
Less: Repayments	C	425.20	394.75
Closing Loan Balance	D=A+B-C	4,007.41	3,708.51
Rate of Interest	E	10.24%	8.20%
Interest	F= (A+D)/2*E	394.15	287.72
Less: Interest Capitalized	G	225.36	67.86
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>168.79</b>	<b>219.86</b>



**TABLE 4-122: INTEREST ON LONG TERM LOAN FOR SUBMITTED BY KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	FY 2021-22 (True Up)	
		Approved in TO dated 29.07.2021	Petition
Opening Loan	A	182.39	94.04
Additions (70% of Investments)	B	75.09	47.58
Less: Repayments	C	41.96	28.75
Closing Loan Balance	D=A+B-C	215.51	112.86
Rate of Interest	E	10.63%	8.98%
Interest	F= (A+D)/2*E	21.15	9.29
Less: Interest Capitalized	G	0.00	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>21.15</b>	<b>9.29</b>

#### **Commission's Analysis**

- 4.9.5. The Commission has considered debt equity ratio for the assets capitalized as 70:30, which is in line with the MYT Regulations, 2019. In case the equity addition is less than 30%, the actual equity is considered and if the equity is more than 30%, the equity addition is restricted to 30%. Whereas, the balance asset capitalized is treated as normative loan for determination of Tariff. Further, as per the Regulation 23.5 of MYT Regulations, 2019, the rate of interest on long term loans is considered as the weighted average rate of interest of the actual long term loans portfolio of the year. The relevant extracts of the Regulations are as under:

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. The closing balance of normative loans of FY 2020-21 as approved by the Commission in the Tariff Order dated July 20, 2022 has been considered as opening normative loans as on April 1, 2021. Further, 70% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution etc. in capitalisation) has been considered as normative loan addition during the year.
- 4.9.7. In Order to compute net GFA, the capital expenditure financed through consumer contributions, capital subsidy & grants has been deducted from GFA. Further, the depreciation calculated as such is considered as allowable depreciation for repayment of normative loans during the year.
- 4.9.8. The Commission observed that the rate of interest on loan claimed by Petitioners is not in line with the audited accounts of FY 2021-22. The Commission directed Petitioners to submit justification for variation in rate of interest and submit reconciliation with audited accounts. In response, Petitioners submitted reconciled rate of interest. The Commission considered rate of interest as per audited accounts for DVVNL, MVVNL, PVVNL and KESCO. However, in case of PuVVNL, the rate of interest as claimed is lower than the rate of interest in the audited accounts and therefore the rate as claimed by PuVVNL is considered. The rate of interest submitted by Petitioners and considered by the Commission is shown in the Table below:



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Opening Loan (Rs. Crore)	Closing Loan (Rs. Crore)	Average Loan (Rs. Crore)	Interest Paid (Rs. Crore)	Interest Rate (%) - Audited Accounts	Claimed (Rs. Crore)	Revised Submission in (Reply dated April 04, 2023)	Considered
DVVNL	21742.43	21502.80	21622.61	2079.53	9.62%	7.57%	9.62%	9.62%
MVVNL	17561.84	18023.25	17792.55	1671.0495	9.39%	9.30%	9.39%	9.39%
PVVNL	12463.76	11249.42	11856.59	1447.74	12.21%	10.35%	12.22%	12.22%
PuVVNL	27496.44	28376.49	27936.46	2684.97	9.61%	8.20%	8.20%	8.20%
KESCO	2548.15	2775.37	2661.76	238.78	8.97%	8.98%	8.98%	8.97%

4.9.9. Further, the Commission has adjusted capitalization of interest expenses as per the audited accounts for the respective State Discom to compute net interest on loans during the year. The calculation of interest on long term loans are shown in Tables below:

**TABLE 4-123: INTEREST ON LONG TERM LOAN FOR DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	3,506.87	3,390.37	3,390.37
Additions (70% of Investments)	B	975.28	1,470.41	736.60
Less: Repayments	C	506.28	433.12	413.95
Closing Loan Balance	D=A+B-C	3,975.86	4,427.66	3,713.02
Rate of Interest	E	11.21%	9.62%	9.62%
Interest	F= (A+D)/2*E	419.58	375.89	341.53
Less: Interest Capitalized	G	105.01	0.00	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>314.57</b>	<b>375.89</b>	<b>341.53</b>

**TABLE 4-124: INTEREST ON LONG TERM LOAN FOR MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	3,394.28	2,942.80	2,942.80
Additions (70% of Investments)	B	1,518.30	2,312.43	1,204.12
Less: Repayments	C	451.90	379.90	351.40
Closing Loan Balance	D=A+B-C	4,460.68	4,875.32	3,795.53
Rate of Interest	E	10.91%	9.39%	9.39%
Interest	F= (A+D)/2*E	428.65	367.13	316.43
Less: Interest Capitalized	G	93.91	0.00	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>334.74</b>	<b>367.13</b>	<b>316.43</b>





**TABLE 4-125: INTEREST ON LONG TERM LOAN FOR PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	2,944.69	3,093.52	3,093.53
Additions (70% of Investments)	B	449.73	502.50	185.97
Less: Repayments	C	411.01	410.02	404.36
Closing Loan Balance	D=A+B-C	2,983.41	3,186.01	2,875.13
Rate of Interest	E	8.40%	12.22%	12.22%
Interest	F= (A+D)/2*E	249.06	383.68	364.69
Less: Interest Capitalized	G	215.65	0.00	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>33.41</b>	<b>383.68</b>	<b>364.69</b>

**TABLE 4-126: INTEREST ON LONG TERM LOAN FOR PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	3,692.23	3,309.11	3,309.12
Additions (70% of Investments)	B	740.38	794.15	308.17
Less: Repayments	C	425.20	394.75	379.39
Closing Loan Balance	D=A+B-C	4,007.41	3,708.51	3,237.89
Rate of Interest	E	10.24%	8.20%	8.20%
Interest	F= (A+D)/2*E	394.15	287.72	268.43
Less: Interest Capitalized	G	225.36	67.86	67.86
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>168.79</b>	<b>219.86</b>	<b>200.56</b>

**TABLE 4-127: INTEREST ON LONG TERM LOAN FOR KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	182.39	94.04	94.04
Additions (70% of Investments)	B	75.09	47.58	26.76
Less: Repayments	C	41.96	28.75	28.06
Closing Loan Balance	D=A+B-C	215.51	112.86	92.74
Rate of Interest	E	10.63%	8.98%	8.97%
Interest	F= (A+D)/2*E	21.15	9.29	8.38
Less: Interest Capitalized	G	0.00	0.00	0.00
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>21.15</b>	<b>9.29</b>	<b>8.38</b>



**TABLE 4-128: CONSOLIDATED INTEREST ON LONG TERM LOAN FOR 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Loan	A	13,720.46	12,829.84	12,829.85
Additions (70% of Investments)	B	3,758.78	5,127.07	2,461.62
Less: Repayments	C	1,836.35	1,646.54	1,577.16
Closing Loan Balance	D=A+B-C	15,642.89	16,310.37	13,714.31
Rate of Interest	E	10.30%	9.77%	9.79%
Interest	F= (A+D)/2*E	1,512.59	1,423.71	1,299.45
Less: Interest Capitalized	G	639.93	67.86	67.86
<b>Net Interest Charged</b>	<b>H=F-G</b>	<b>872.66</b>	<b>1,355.85</b>	<b>1,231.58</b>

#### INTEREST ON CONSUMER SECURITY DEPOSITS

##### *Petitioner's Submission*

4.9.10. The Petitioners have submitted that Interest on Consumer Security Deposit is claimed as per audited accounts of FY 2021-22. The Petitioners have requested the Commission to approve Interest on Consumer Security Deposit as claimed. Petitioners have claimed Interest on Consumer Security Deposits for FY 2021-22 as below:

**TABLE 4-129: CONSUMER SECURITY DEPOSITE OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Consumer Security Deposit
DVVNL	29.11
MVVNL	21.40
PVVNL	72.12
PuVVNL	19.58
KESCO	7.52
<b>Consolidated</b>	<b>149.73</b>

##### *Commission's Analysis*

4.9.11. 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 Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 directed the Petitioners to submit the details of the Interest on Consumer Security Deposit actually disbursed to the consumers during FY



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

2021-22. In the response to the Commission’s query the Petitioners submitted that actual interest paid to the consumers for FY 2021-22, as shown in the Table below:

**TABLE 4-130: ACTUAL INTEREST ON CONSUMER SECURITY DEPOSIT FOR FY 2021-22 (Rs. Crore)**

S. No	Particulars	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO*	Consolidated
A	Opening Interest on Consumer Security Deposit payable	41.04	69.42	145.22	71.93	50.83	378.44
B	Add: Interest on Consumer Security Deposit during the year	29.11	21.4	72.12	19.58	7.52	149.73
C	Less: Closing Interest on Consumer Security Deposit payable	52.75	67.33	124.75	76.84	41.88	363.55
<b>D</b>	<b>Interest actually paid</b>	<b>17.40</b>	<b>23.50</b>	<b>92.59</b>	<b>14.68</b>	<b>10.27</b>	<b>158.44</b>

\* Adjustment of Rs. 6.20 Crore accounted in FY 2021-22

4.9.12. Furthermore, the Commission vide letter dated February 23, 2023 directed Petitioners to submit the month-wise addition and deletion of Consumer Security Deposited for FY 2021-22. In response, Petitioners submitted the same, as detailed in the Table below:

**TABLE 4-131: MONTH WISE CONSUMER SECURITY DEPOSIT CLAIMED BY DVVNL FOR FY 2021-22 (RS. CRORE)**

Particular	April-2021	May-2021	June-2021	July-2021	August-2021	September-2021	October-2021	November-2021	December-2021	January-2022	February-2022	March-2022
Opening Balance	687.46	688.40	692.07	693.46	698.12	700.64	702.29	703.83	705.20	706.94	708.23	710.13
Addition during the month	0.97	3.74	1.51	4.66	2.52	1.71	1.55	1.37	1.75	1.29	1.91	4.29
Deduction during the month	0.02	0.07	0.12	0.00	0.00	0.06	0.00	0.01	0.00	0.01	0.00	1.74
<b>Closing Balance</b>	<b>688.40</b>	<b>692.07</b>	<b>693.46</b>	<b>698.12</b>	<b>700.64</b>	<b>702.29</b>	<b>703.83</b>	<b>705.20</b>	<b>706.94</b>	<b>708.23</b>	<b>710.13</b>	<b>712.68</b>

**TABLE 4-132: MONTH WISE CONSUMER SECURITY DEPOSIT SUBMITTED BY MVVNL FOR FY 2021-22 (RS. CRORE)**

Particular	April-2021	May-2021	June-2021	July-2021	August-2021	September-2021	October-2021	November-2021	December-2021	January-2022	February-2022	March-2022
Opening Balance	675.24	676.19	678.65	687.78	689.85	694.45	708.19	712.72	714.21	725.25	728.99	730.20
Addition during the month	0.97	2.48	9.17	2.08	4.63	13.76	5.15	1.51	11.68	3.71	1.23	12.84
Deduction during the month	0.03	0.02	0.04	0.01	0.02	0.02	0.62	0.02	0.65	-0.03	0.02	0.14
<b>Closing balance</b>	<b>676.19</b>	<b>678.65</b>	<b>687.78</b>	<b>689.85</b>	<b>694.45</b>	<b>708.19</b>	<b>712.72</b>	<b>714.21</b>	<b>725.25</b>	<b>728.99</b>	<b>730.20</b>	<b>742.90</b>



**TABLE 4-133: MONTH WISE CONSUMER SECURITY DEPOSIT SUBMITTED BY MVVNL FOR FY 2021-22  
(RS. CRORE)**

Particular	April-2021	May-2021	June-2021	July-2021	August-2021	September-2021	October-2021	November-2021	December-2021	January-2022	February-2022	March-2022	Total
Opening Balance	173.86	174.32	174.48	174.91	175.58	176.28	177.10	178.12	178.59	179.27	180.05	180.48	2,123.04
Addition during the month	0.46	0.16	0.47	0.66	0.80	0.83	1.13	0.48	0.69	0.79	0.42	1.21	8.11
Deduction during the month	-	-	0.04	0.00	0.10	0.00	0.12	0.00	0.01	0.00	-	-	0.28
Closing balance	174.32	174.48	174.91	175.58	176.28	177.10	178.12	178.59	179.27	180.05	180.48	181.69	2,130.87
Interest Rate (%)	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Interest on Security Deposit actually disbursed to the Consumers	0.67	0.68	0.68	0.68	0.68	0.68	0.69	0.69	0.69	0.69	0.70	0.70	8.23

4.9.13. Further, the PUVNL and PuVNL have submitted year wise consumer security addition and deletion during the year, as shown in the Table below:

**TABLE 4-134: CONSUMER SECURITY DEPOSIT SUBMITTED BY PUVNL AND PUVVNL FOR FY 2021-22  
(RS. CRORE)**

Particulars	Formula	PVNL	PuVNL
Opening Balance	A	1,639.64	461.72
Addition	B	114.05	22.63
Deduction	C	12.97	0.76
<b>Closing Balance</b>	<b>D=A+B-C</b>	<b>1,740.72</b>	<b>483.59</b>

4.9.14. Considering the above, the Commission computed the Interest on Consumer Security Deposit for FY 2021-22, which is shown in the Table below:

**TABLE 4-135: INTEREST ON CONSUMER SECURITY DEPOSIT COMPUTED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Particulars	Formula	DVVNL	MVVNL	PVNL	PuVNL	KESCO	Consolidated
Opening Balance	A	687.46	675.24	1,639.64	461.72	173.86	3637.92
Addition during the year	B	27.27	69.21	114.05	22.63	8.11	241.26
Deduction during the year	C	2.04	1.56	12.97	0.67	0.28	17.52
<b>Closing Balance</b>	<b>D=A+B-C</b>	<b>712.68</b>	<b>742.89</b>	<b>1740.72</b>	<b>483.68</b>	<b>181.69</b>	<b>3861.67</b>
Interest Rate (%)	E	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
<b>Interest on Security Deposit</b>	<b>F=Average(A,D)</b>	<b>29.75</b>	<b>30.14</b>	<b>71.83</b>	<b>20.09</b>	<b>7.56</b>	<b>159.37</b>

4.9.15. During the proceeding of Petition No. 780 of 2012 the Director (Commercial) UPPCL submitted that interest on consumer security deposit for the period from FY 2017-18 to FY 2020-21 has been paid. The Commission is of the view that compliance of the directions of the Commission is being done by State Discoms and therefore it is expected that the payment for the interest on



security deposit as per the provision that has been made for interest on security deposit will be made by the State Discoms. Further, the Commission has observed that total interest on consumer security deposit (consolidated of 5 State Discoms) as per audited accounts is lower side than actually paid to consumers and computed by the Commission based on number of consumers. Hence, the Commission has approved interest on consumer security deposit as per audited accounts.

4.9.16. Interest on consumer security deposit claimed by the Petitioners and approved by the Commission is shown in the Table below:

**TABLE 4-136: INTEREST ON CONSUMER SECURITY DEPOSIT APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Accounts	Claimed in True Up	Interest actually paid	Approved upon Truing Up
DVVNL	29.78	29.11	29.11	17.40	29.11
MVVNL	34.66	21.40	21.40	23.50	21.40
PVVNL	76.60	72.12	72.12	92.59	72.12
PuVVNL	22.68	19.58	19.58	14.68	19.58
KESCO	6.75	7.52	7.52	10.27	7.52
<b>Consolidated of 5 State Discoms</b>	<b>170.47</b>	<b>149.73</b>	<b>149.73</b>	<b>158.44</b>	<b>149.73</b>

### Bank and Finance Charges

#### *Petitioner's Submission*

4.9.17. The Petitioners have claimed bank and finance charges as per audited accounts of FY 2021-22, as shown in the Table below:

**TABLE 4-137: BANK AND FINANCE CHARGES OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Bank and Finance Charges
DVVNL	41.23
MVVNL	33.12
PVVNL	61.46
PuVVNL	38.43
KESCO	9.98
<b>Consolidated</b>	<b>184.22</b>

#### *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:*

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

*Where:*

*A&G<sub>n</sub>: A&G expense for the nth year;*

*A&G<sub>n-1</sub>: 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 2021-22 considering the provisions of 25 of MYT Regulations, 2019. The Petitioners have claimed Interest on Working Capital as per the below table:



**TABLE 4-138: INTEREST ON WORKING CAPITAL OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Interest on Working Capital
DVVNL	117.75
MVVNL	144.93
PVVNL	95.61
PuVVNL	166.85
KESCO	18.13
<b>Consolidated</b>	<b>543.28</b>

### **Commission's Analysis**

4.10.2. 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





- 4.10.3. The Commission observed that Petitioners have considered one-and-a-half-month revenue plus Govt. Subsidy received /declared as part of receivables for calculating Interest on Working Capital. The Commission vide letter UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 has 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, shall be provided as per Section 65 of the Act. The relevant extract of the same is as follows:

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

- 4.10.4. The Petitioners submitted that the combined reading of Regulation 54.1 of MYT Regulations, 2019 and Section 65 of Electricity Act, 2003 clarifies that subsidy is the part of Tariff, which State Government provides on behalf of poor consumers who cannot pay their bills. Further, the Petitioners submitted that the Commission has considered revenue at 'Tariff Excluding Subsidy' while estimating ARR for the year. Accordingly, the Petitioners have considered the subsidy as a part of revenue for computing IoWC and requested the Commission to consider the same.
- 4.10.5. In this regard the Commission is of view that as per Section 65 of the Act subsidy should be received in advance and shouldn't be considered as part of revenue. However, it has been observed that the Petitioners are not getting GoUP subsidy in advance strictly as per Section 65 of the Act and without it they face much difficulty in making payments to Generators etc. Hence, for



the purpose of this True-up Order only, the Revenue is being considered inclusive of GoUP subsidy as also requested by the Petitioners.

- 4.10.6. Based on the methodology specified in the above Regulations, the Commission in its Tariff Order for FY 2021-22 July 29, 2021, 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 2021-22 has considered SBI MCLR (1 Year) on plus 250 basis point i.e., 9.50%. (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 2021-22, dated July 29, 2021, claimed by the State Discoms and approved by the Commission upon Truing Up is shown in the Tables below:

**TABLE 4-139: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2021-22(Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	95.24	130.94	98.21
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,503.89	1,773.44	1,773.44
Maintenance spares @ 40% of R&M expenses for two month	47.76	38.35	43.74
Gross Total	1,646.89	1,942.73	1,915.39
Less: Security deposits from consumers, if any	640.33	712.69	712.69
Net Working Capital	1,006.56	1,230.04	1,202.70
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.57%	9.50%
<b>Interest on Working Capital</b>	<b>107.20</b>	<b>117.75</b>	<b>114.26</b>



**TABLE 4-140: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	92.82	132.01	105.38
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,548.68	2,089.22	2,089.22
Maintenance spares @ 40% of R&M expenses for two month	36.14	25.82	31.00
Gross Total	1,677.64	2,247.05	2,225.60
Less: Security deposits from consumers, if any	745.30	721.84	721.84
Net Working Capital	932.34	1,525.21	1,503.75
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.50%	9.50%
<b>Interest on Working Capital</b>	<b>99.29</b>	<b>144.93</b>	<b>142.86</b>

**TABLE 4-141: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	105.87	127.16	97.92
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	2,387.27	2,692.92	2,692.92
Maintenance spares @ 40% of R&M expenses for two month	42.99	55.96	38.43
Gross Total	2,536.13	2,876.04	2,829.27
Less: Security deposits from consumers, if any	1,647.21	1,869.89	1,869.89
Net Working Capital	888.92	1,006.15	959.38
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.50%	9.50%
<b>Interest on Working Capital</b>	<b>94.67</b>	<b>95.61</b>	<b>91.14</b>

**TABLE 4-142: INTEREST ON WORKING CAPITAL OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	127.38	153.48	125.16



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	1,801.74	2,025.30	2,025.30
Maintenance spares @ 40% of R&M expenses for two month	66.08	61.15	59.63
Gross Total	1,995.20	2,239.93	2,210.09
Less: Security deposits from consumers, if any	487.72	483.59	483.59
Net Working Capital	1,507.48	1,756.34	1,726.51
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.50%	9.50%
<b>Interest on Working Capital</b>	<b>160.55</b>	<b>166.85</b>	<b>164.02</b>

**TABLE 4-143: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	24.82	26.75	18.89
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	346.10	343.06*	343.06
Maintenance spares @ 40% of R&M expenses for two month	7.29	8.45	5.75
Gross Total	378.21	378.27	367.71
Less: Security deposits from consumers, if any	145.18	181.63	181.63
Net Working Capital	233.03	196.64	186.08
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.50%	9.50%
<b>Interest on Working Capital</b>	<b>24.82</b>	<b>18.69</b>	<b>17.68</b>

**TABLE 4-144: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
O&M expenses for 1 month	446.13	567.08	445.57



Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
One and half month equivalent of the expected revenue from charges for use of Distribution system at the prevailing Tariff (excluding Electricity Duty);	7,587.68	8,923.94	8,923.94
Maintenance spares @ 40% of R&M expenses for two month	200.26	187.17	178.55
Gross Total	8,234.07	9,678.18	9,548.06
Less: Security deposits from consumers, if any	3,665.74	3,969.63	3,969.63
Net Working Capital	4,568.33	5,708.56	5,578.43
State Bank Marginal Cost Lending Rates (SBI-MCLR) %	10.65%	9.50%	9.50%
<b>Interest on Working Capital</b>	<b>486.53</b>	<b>543.28</b>	<b>529.95</b>

#### 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. The Petitioners submitted that to calculate the depreciation for Part- A for assets capitalised before April, 01, 2020, the Petitioners have taken last the Commission approved closing GFA for Part – A. 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. The Petitioners have computed the allowable depreciation expense on the GFA base as per audited accounts for FY 2021-22 and at the rates stipulated by Hon'ble Commission in Annexure A of MYT Regulations, 2019. Furthermore, 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.

4.11.4. The Petitioners submitted that they 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 2021-22. 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 April 01, 2020 as per the SLM methodology prescribed in MYT Regulations, 2019. The deduction in GFA has been considered as per actual and addition to GFA is considered in GFA for assets after April 01, 2020. The Petitioners have requested the Commission to approve the same. The gross entitlement towards depreciation has been computed as shown in the Tables below:

**TABLE 4-145: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF DVVNL FOR FY 2021-22 (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
1	Land on lease	0.61	0.00	0.00	0.61	0.61	0.00	0.00
2	Buildings	169.18	0.00	0.00	169.18	169.18	3.34%	5.65
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1,948.35	0.00	542.78	1,405.57	1,676.96	5.28%	88.54



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Particulars	Opening GFA (as on 31.3.2020)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
5	Lines, Cables, Networks etc.	5,888.08	0.00	9.06	5,879.02	5,883.55	5.28%	310.65
6	Vehicles	0.61	0.00	0.00	0.61	0.61	6.33%	0.04
7	Furniture & Fixtures	9.20	0.00	0.00	9.20	9.20	6.33%	0.58
8	Office Equipment's	4.16	0.00	0.00	4.16	4.16	6.33%	0.26
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>8,020.20</b>	0.00	<b>551.84</b>	<b>7,468.36</b>	<b>7,744.28</b>	<b>5.24%</b>	<b>405.73</b>
11	Less: Consumer Contribution Amortised	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	<b>Net Allowable Depreciation</b>	<b>8,020.20</b>	0.00	<b>551.84</b>	<b>7,468.36</b>	<b>7,744.28</b>	<b>5.24%</b>	<b>405.73</b>

**TABLE 4-146: 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
1	Land on lease	0.28	0.00	0.00	0.28	0.28		-
2	Buildings	59.47	0.00	0.00	59.47	59.47	3.34%	1.99
3	Other Civil Works	3.69	0.00	0.00	3.69	3.69	3.34%	0.12
4	Plants & Machinery	1,230.98	0.00	294.51	936.47	1,083.73	5.28%	57.22
5	Lines, Cables, Networks etc.	2,957.18	0.00	97.69	2,859.49	2,908.33	5.28%	153.56
6	Vehicles	1.56	0.00	0.02	1.54	1.55	6.33%	0.10
7	Furniture & Fixtures	3.38	0.00	0.00	3.38	3.38	6.33%	0.21
8	Office Equipment's	32.82	0.00	0.00	32.82	32.82	6.33%	2.08
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>4,289.36</b>	0.00	<b>392.22</b>	<b>3,897.14</b>	<b>4,093.25</b>	<b>5.26%</b>	<b>215.28</b>





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

**TABLE 4-147: 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
1	Land on lease	1.17	0.00	0.00	1.17	1.17	0.00	0.00
2	Buildings	168.78	0.00	0.00	168.78	168.78	3.34%	5.64
3	Other Civil Works	8.68	0.00	0.00	8.68	8.68	3.34%	0.29
4	Plants & Machinery	2,488.62	0.00	539.79	1,948.84	2,218.73	5.28%	117.15
5	Lines, Cables, Networks etc.	5,805.85	0.00	50.68	5,755.17	5,780.51	5.28%	305.21
6	Vehicles	0.96	0.00	0.05	0.91	0.94	6.33%	0.06
7	Furniture & Fixtures	5.51	0.00	0.00	5.51	5.51	6.33%	0.35
8	Office Equipment's	15.52	0.00	0.01	15.51	15.51	6.33%	0.98
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>8,495.09</b>	<b>0.00</b>	<b>590.53</b>	<b>7,904.56</b>	<b>8,199.82</b>	<b>5.24%</b>	<b>429.68</b>

**TABLE 4-148: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PuVVNL FOR  
FY 2021-22 (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
1	Land on lease	0.37	0.00	0.00	0.37	0.37	0.00	0.00
2	Buildings	80.61	0.00	0.00	80.61	80.61	3.34%	2.69
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	4,019.90	0.00	756.32	3,263.59	3,641.74	5.28%	192.28
5	Lines, Cables, Networks etc.	2,894.35	0.00	13.36	2,880.99	2,887.67	5.28%	152.47
6	Vehicles	0.55	0.00	0.00	0.55	0.55	6.33%	0.03
7	Furniture & Fixtures	0.97	0.00	0.00	0.97	0.97	6.33%	0.06
8	Office Equipment's	22.31	0.00	0.00	22.31	22.31	6.33%	1.41
9	Capital Expenditure on Assets not	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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							
10	<b>Total Fixed Assets</b>	<b>7,019.06</b>	<b>0.00</b>	<b>769.68</b>	<b>6,249.38</b>	<b>6,634.22</b>	<b>5.26%</b>	<b>348.95</b>

**TABLE 4-149: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF KESCO FOR FY 2021-22 (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
1	Land on lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Buildings	25.67	0.00	0.00	25.67	25.67	3.34%	0.86
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	257.23	0.00	0.00	257.23	257.23	5.28%	13.58
5	Lines, Cables, Networks etc.	467.54	0.00	0.00	467.54	467.54	5.28%	24.69
6	Vehicles	2.04	0.00	0.00	2.04	2.04	6.33%	0.13
7	Furniture & Fixtures	1.09	0.00	0.00	1.09	1.09	6.33%	0.07
8	Office Equipment's	10.98	0.00	0.00	10.98	10.98	6.33%	0.69
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.23%</b>	<b>40.02</b>

**TABLE 4-150: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF DVVNL FOR FY 2021-22 (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	0.15	0.00	0.00	0.00	0.15	0.15	0.00%	0.00
2	Buildings	42.22	24.47	0.00	0.00	66.70	54.46	3.34%	1.82
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	486.26	1,121.13	0.00	135.48	1,471.91	979.09	5.28%	51.70
5	Lines, Cables, Network etc.	1,469.53	1,771.35	0.00	2.26	3,238.62	2,354.07	5.28%	124.30
6	Vehicles	0.15	0.00	0.00	0.00	0.16	0.16	6.33%	0.01



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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
7	Furniture & Fixtures	2.30	1.74	0.00	0.00	4.04	3.17	6.33%	0.20
8	Office Equipments	1.04	6.27	0.00	0.00	7.31	4.17	6.33%	0.26
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>2,001.81</b>	<b>2,924.97</b>	<b>0.00</b>	<b>137.74</b>	<b>4,926.78</b>	<b>3,464.29</b>	<b>5.15%</b>	<b>178.28</b>
11	Non depreciable assets (Land & Land Rights)	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	<b>Depreciable assets</b>	<b>2,001.66</b>	<b>2,924.97</b>	<b>0.00</b>	<b>137.74</b>	<b>4,926.78</b>	<b>3,464.29</b>	<b>5.15%</b>	<b>178.28</b>

**TABLE 4-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF MVVNL FOR FY 2021-22 (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	0.24	0.00	0.00	0.00	0.24	0.24	0.00%	0.00
2	Buildings	52.15	66.89	0.00	0.00	119.03	85.59	3.34%	2.86
3	Other Civil Works	3.23	0.00	0.00	0.00	3.23	3.23	3.34%	0.11
4	Plant & Machinery	1,079.34	1,280.65	258.23	0.00	2,101.76	1,590.55	5.28%	83.98
5	Lines, Cables, Network etc.	2,592.89	3,160.61	85.65	0.00	5,667.84	4,130.36	5.28%	218.08
6	Vehicles	1.37	0.14	0.02	0.00	1.49	1.43	6.33%	0.09
7	Furniture & Fixtures	2.96	0.66	0.00	0.00	3.63	3.30	6.33%	0.21
8	Office Equipments	28.78	0.98	0.00	0.00	29.76	29.27	6.33%	1.85
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>3,760.96</b>	<b>4,509.93</b>	<b>343.90</b>	<b>0.00</b>	<b>8,270.89</b>	<b>6,015.93</b>	<b>5.11%</b>	<b>307.18</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	<b>Depreciable assets</b>	<b>3,760.96</b>	<b>4,509.93</b>	<b>343.90</b>	<b>0.00</b>	<b>8,270.89</b>	<b>6,015.93</b>	<b>5.11%</b>	<b>307.18</b>

**TABLE 4-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PVVNL FOR FY 2021-22 (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	0.29	0.00	0.00	0.00	0.29	0.00	0.00%	0.00
2	Buildings	41.78	-4.38	0.00	0.00	37.40	39.59	3.34%	1.32



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deducti on of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciat ion Rate	Allowab le Gross Depreci ation
3	Other Civil Works	2.15	0.00	0.00	0.00	2.15	2.15	3.34%	0.07
4	Plant & Machinery	616.00	639.79	0.00	133.61	1,122.18	869.09	5.28%	45.89
5	Lines, Cables, Network etc.	1,437.10	1,240.27	0.00	12.55	2,664.82	2,050.96	5.28%	108.29
6	Vehicles	0.24	0.04	0.00	0.01	0.27	0.25	6.33%	0.02
7	Furniture & Fixtures	1.36	0.54	0.00	0.00	1.90	1.63	6.33%	0.10
8	Office Equipments	3.84	6.81	0.00	0.00	10.65	7.25	6.33%	0.46
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Intangible Assets	0.00	70.75	0.00	0.00	70.75	35.38	15%	5.31
11	<b>Total Fixed Assets</b>	<b>2,102.76</b>	<b>1,953.81</b>	<b>146.17</b>	<b>0.00</b>	<b>3,910.40</b>	<b>3,006.58</b>	<b>5.37%</b>	<b>161.46</b>
12	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	<b>Depreciable assets</b>	<b>2,102.76</b>	<b>1,953.81</b>	<b>146.17</b>	<b>0.00</b>	<b>3,910.40</b>	<b>3,006.58</b>	<b>5.37%</b>	<b>161.46</b>

**TABLE 4-153: GROSS ALLOWABLE DEPRECIATION FOR ASSETS BEFORE 01.04.2020 OF PuVNL FOR FY 2021-22 (Rs. Crore) PART B**

S.No.	Particulars	Opening GFA net of Grant as on 1.4.20	Addition to GFA	Deducti on of Grants	Deduction to GFA	Closing GFA	Average GFA	Depreciat ion Rate	Allowable Gross Depreci ation
1	Land & Land Rights	0.12	0.00	0.00	0.00	0.12	0.12	0.00%	0.00
2	Buildings	27.00	38.62	0.00	0.00	65.61	46.31	3.34%	1.55
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	1,346.27	1,598.73	253.29	0.00	2,691.71	2,018.99	5.28%	106.60
5	Lines, Cables, Network etc.	969.32	785.15	4.47	0.00	1,750.00	1,359.66	5.28%	71.79
6	Vehicles	0.19	0.00	0.00	0.00	0.19	0.19	6.33%	0.01
7	Furniture & Fixtures	0.32	0.35	0.00	0.00	0.67	0.50	6.33%	0.03
8	Office Equipments	7.47	1.07	0.00	0.00	8.54	8.01	6.33%	0.51
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>2,350.69</b>	<b>2,423.92</b>	<b>257.77</b>	<b>0.00</b>	<b>4,774.61</b>	<b>3,562.65</b>	<b>5.07%</b>	<b>180.49</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	<b>Depreciable assets</b>	<b>2,350.69</b>	<b>2,423.92</b>	<b>257.77</b>	<b>0.00</b>	<b>4,774.61</b>	<b>3,562.65</b>	<b>5.07%</b>	<b>180.49</b>



**TABLE 4-154: 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	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	1.64	0.74	0.00	0.00	2.37	2.01	3.34%	0.07
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	16.42	4.81	0.00	0.00	21.23	18.83	5.28%	0.99
5	Lines, Cables, Network etc.	29.85	93.44	0.00	0.00	123.29	76.57	5.28%	4.04
6	Vehicles	0.13	-	0.00	0.00	0.13	0.13	6.33%	0.01
7	Furniture & Fixtures	0.07	0.04	0.00	0.00	0.11	0.09	6.33%	0.01
8	Office Equipments	0.70	1.67	0.00	0.00	2.37	1.53	6.33%	0.10
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Total Fixed Assets</b>	<b>48.81</b>	<b>100.68</b>	<b>0.00</b>	<b>0.00</b>	<b>149.49</b>	<b>99.15</b>	<b>5.26%</b>	<b>5.21</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	<b>Depreciable assets</b>	<b>48.81</b>	<b>100.68</b>	<b>0.00</b>	<b>0.00</b>	<b>149.49</b>	<b>99.15</b>	<b>5.26%</b>	<b>5.21</b>

4.11.5. As per the above, the Petitioners requested the Commission to approve the depreciation for FY 2021-22.

#### **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

- 4.11.7. 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 have 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.

- 4.11.8. The Commission has observed that Petitioners have computed depreciation for Part - A and Part - B separately. The Petitioners have calculated the depreciation for Part- A and Part – B assets by considering closing GFA of Part - A and Part – B respectively as approved for FY 2020-21 in Tariff Order dated July 20, 2022. Moreover, the Petitioners have not considered asset class wise closing GFA as opening GFA for FY 2021-22 of Part - A and Part – B as approved for FY 2020-21 in Tariff Order dated July 20, 2022. However, the Commission has considered asset wise closing GFA as opening GFA for FY 2021-22 of Part - A and Part – B as approved for FY 2020-21 in Tariff Order dated July 20, 2022.
- 4.11.9. The Commission vide Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 asked Petitioners to provide FAR (Fixed Asset Register), asset-wise capitalisation, details of 132 kV and above assets and assets having value more than Rs. 10 Crore (in Excel). In response to the Commission's query, the Petitioners submitted that information regarding asset-wise capitalization, details of 132 kV and above assets and assets having value more than Rs. 10 Crore is not available since separate details are not being maintained in audited accounts.
- 4.11.10. Further, the Commission has also observed that in case of PVVNL there is variation in GFA addition during the year in formats F21, F21A and F30. The Commission directed PVVNL to provide justification for such variation. In response, PVVNL submitted that total capitalisation is Rs. 1953.81 Crore (Tangible asset - Rs. 1883.06 Crore & Intangible asset – Rs. 70.75 Crore). Moreover, while calculating depreciation PVVNL left out intangible asset of Rs. 70.75 Crore from GFA addition during the year. However, the Commission while calculating depreciation has considered GFA addition including intangible asset.
- 4.11.11. The Commission has computed the depreciation wherein the closing of FY 2020-21 is considered as opening for FY 2021-22 for assets up to March 31, 2020 for FY 2021-22 (Part – A) wherein straight line method has been considered. The closing of assets for FY 2020-21 (Part – B) has been considered as the opening for FY 2021-22. These assets for FY 2021-22 have been depreciated using straight line method. Gross allowable depreciation computed by the Commission is shown in the Tables below:





**TABLE 4-155: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO MARCH 31, 2020 OF DVVNL FOR FY 2021-22 (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	871.09	0.00	542.78	328.31	599.70	5.28%	31.66
5	Lines, Cables, Networks etc.	6,925.89	0.00	9.06	6,916.83	6,921.36	5.28%	365.45
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
9	<b>Total Fixed Assets</b>	<b>8,020.20</b>	<b>0.00</b>	<b>551.84</b>	<b>7,468.36</b>	<b>7,744.28</b>		404.98
10	Non depreciable assets (Land & Land Rights)	1.25	0.00	0.00	1.25	1.25	0.00	0.00
11	<b>Depreciable assets</b>	<b>8,018.96</b>	<b>0.00</b>	<b>551.84</b>	<b>7,467.11</b>	<b>7,743.03</b>	<b>5.23%</b>	<b>404.98</b>

**TABLE 4-156: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF DVVNL FOR FY 2021-22 (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	0.18	0.00	0.00	0.00	0.18	0.18	0.00%	0.00
2	Buildings	45.55	18.64	0.00	0.00	64.19	54.87	3.34%	1.83
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	446.87	853.76	135.48	0.00	1,165.15	806.01	5.28%	42.56
5	Lines, Cables, Networks etc.	1,505.47	1,348.92	2.26	0.00	2,852.13	2,178.80	5.28%	115.04
6	Vehicles	0.17	0.00	0.00	0.00	0.18	0.18	9.50%	0.02
7	Furniture & Fixtures	2.55	1.33	0.00	0.00	3.88	3.21	6.33%	0.20
8	Office Equipments	1.02	4.78	0.00	0.00	5.80	3.41	6.33%	0.22
9	<b>Total Fixed Assets</b>	<b>2,001.81</b>	<b>2,227.43</b>	<b>137.74</b>	<b>0.00</b>	<b>4,091.50</b>	<b>3,046.65</b>		
10	Non depreciable assets (Land & Land Rights)	0.18	0.00	0.00	0.00	0.18	0.18	0.00	0.00
11	<b>Depreciable assets</b>	<b>2,001.63</b>	<b>2,227.43</b>	<b>137.74</b>	<b>0.00</b>	<b>4,091.32</b>	<b>3,046.48</b>	<b>5.25%</b>	<b>159.87</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

**TABLE 4-157: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF MVVNL  
FOR FY 2021-22 (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	0.00	0.00	294.51	-294.51	-147.25	5.28%	-7.78
5	Lines, Cables, Networks etc.	4,000.05	0.00	97.69	3,902.36	3,951.21	5.28%	208.62
6	Vehicles	5.57	0.00	0.02	5.55	5.56	9.50%	0.53
7	Furniture & Fixtures	9.59	0.00	0.00	9.59	9.59	6.33%	0.61
8	Office Equipments	76.49	0.00	0.00	76.48	76.48	6.33%	4.84
9	<b>Total Fixed Assets</b>	<b>4,289.36</b>	<b>0.00</b>	<b>392.22</b>	<b>3,897.14</b>	<b>4,093.25</b>		213.39
10	Non depreciable assets (Land & Land Rights)	1.07	0.00	0.00	1.07	1.07	0.00	0.00
11	<b>Depreciable assets</b>	<b>4,288.29</b>	<b>0.00</b>	<b>392.22</b>	<b>3,896.07</b>	<b>4,092.18</b>	<b>5.21%</b>	<b>213.39</b>

**TABLE 4-158: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF MVVNL  
FOR FY 2021-22 (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	0.31	0.00	0.00	0.00	0.31	0.31	0.00%	0.00
2	Buildings	60.33	51.91	0.00	0.00	112.24	86.29	3.34%	2.88
3	Other Civil Works	4.16	0.00	0.00	0.00	4.16	4.16	3.34%	0.14
4	Plants & Machinery	932.89	993.88	258.23	0.00	1,668.54	1,300.72	5.28%	68.68
5	Lines, Cables, Networks etc.	2,728.16	2,452.86	85.65	0.00	5,095.37	3,911.77	5.28%	206.54
6	Vehicles	1.76	0.11	0.02	0.00	1.85	1.81	9.50%	0.17
7	Furniture & Fixtures	3.52	0.51	0.00	0.00	4.04	3.78	6.33%	0.24
8	Office Equipments	29.82	0.76	0.00	0.00	30.58	30.20	6.33%	1.91
9	<b>Total Fixed Assets</b>	<b>3,760.97</b>	<b>3,500.03</b>	<b>343.90</b>	<b>0.00</b>	<b>6,917.10</b>	<b>5,339.03</b>		
10	Non depreciable assets (Land & Land Rights)	0.31	0.00	0.00	0.00	0.31	0.31	0.00	0.00
11	<b>Depreciable assets</b>	<b>3,760.65</b>	<b>3,500.03</b>	<b>343.90</b>	<b>0.00</b>	<b>6,916.78</b>	<b>5,338.72</b>	<b>5.26%</b>	<b>280.56</b>



**TABLE 4-159: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF PVVNL FOR FY 2021-22 (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	1,172.31	0.00	539.79	632.52	902.42	5.28%	47.65
5	Lines, Cables, Networks etc.	6,987.63	0.00	50.68	6,936.95	6,962.29	5.28%	367.61
6	Vehicles	30.39	0.00	0.05	30.34	30.36	9.50%	2.88
7	Furniture & Fixtures	5.63	0.00	0.00	5.63	5.63	6.33%	0.36
8	Office Equipments	20.54	0.00	0.01	20.53	20.53	6.33%	1.30
9	<b>Total Fixed Assets</b>	<b>8,495.09</b>	<b>0.00</b>	<b>590.53</b>	<b>7,904.56</b>	<b>8,199.83</b>		429.01
10	Non depreciable assets (Land & Land Rights)	2.67	0.00	0.00	2.67	2.67	0.00	0.00
11	<b>Depreciable assets</b>	<b>8,492.43</b>	<b>0.00</b>	<b>590.53</b>	<b>7,901.90</b>	<b>8,197.16</b>	<b>5.23%</b>	<b>429.01</b>

**TABLE 4-160: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF PVVNL FOR FY 2021-22 (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	0.32	0.00	0.00	0.00	0.32	0.32	0.00%	0.00
2	Buildings	44.42	-3.57	0.00	0.00	40.86	42.64	3.34%	1.42
3	Other Civil Works	2.41	0.00	0.00	0.00	2.41	2.41	3.34%	0.08
4	Plants & Machinery	582.95	520.71	133.61	0.00	970.05	776.50	5.28%	41.00
5	Lines, Cables, Networks etc.	1,466.74	1,009.43	12.55	0.00	2,463.63	1,965.18	5.28%	103.76
6	Vehicles	0.27	0.03	0.01	0.00	0.29	0.28	9.50%	0.03
7	Furniture & Fixtures	1.48	0.44	0.00	0.00	1.91	1.69	6.33%	0.11
8	Office Equipment	4.17	5.54	0.00	0.00	9.71	6.94	6.33%	0.44
9	Intangible asset	0.00	57.58	0.00	0.00	57.58	28.79	15.00%	4.32
10	<b>Total Fixed Assets</b>	<b>2,102.76</b>	<b>1,590.17</b>	<b>146.17</b>	<b>0.00</b>	<b>3,546.76</b>	<b>2,824.76</b>		
11	Non depreciable assets (Land & Land Rights)	0.32	0.00	0.00	0.00	0.32	0.32	0.00	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

S.No.	Particulars	Opening GFA	Addition to GFA	Deduct ion to GFA	Deduct ion Grants	Closing GFA	Average GFA	Deprecia tion Rate	Allowable Gross Depreciation
11	Depreciable assets	2,102.44	1,590.17	146.17	0.00	3,546.43	2,824.44	5.35%	151.16

**TABLE 4-161: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF PuVVNL FOR FY 2021-22 (Rs. Crore) (PART – A)**

S.N o.	Particulars	Written-down Value of Assets (Opening GFA)	Addition to GFA	Deduct ion to GFA	Closing GFA	Average GFA	Deprecia tion Rate	Allowable Gross Depreciati on
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	148.57	148.57	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	1,422.06	0.00	756.32	665.75	1,043.90	5.28%	55.12
5	Lines, Cables, Networks etc.	5,382.27	0.00	13.36	5,368.91	5,375.59	5.28%	283.83
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	<b>Total Fixed Assets</b>	<b>7,019.06</b>	<b>0.00</b>	<b>769.68</b>	<b>6,249.38</b>	<b>6,634.22</b>	-	347.97
10	Non depreciable assets (Land & Land Rights)	2.32	0.00	0.00	2.32	2.32	0.00	0.00
11	<b>Depreciable assets</b>	<b>7,016.74</b>	<b>0.00</b>	<b>769.68</b>	<b>6,247.06</b>	<b>6,631.90</b>	<b>5.25%</b>	<b>347.97</b>

**TABLE 4-162: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF PuVVNL FOR FY 2021-22 (Rs. Crore) (PART – B)**

S.N o.	Particulars	Opening GFA	Addition to GFA	Deduct ion to GFA	Deduct ion Grants	Closing GFA	Average GFA	Deprecia tion Rate	Allowabl e Gross Deprecia tion
1	Land on lease	0.14	0.00	0.00	0.00	0.14	0.14	0.00	0.00
2	Buildings	27.58	29.90	0.00	0.00	57.48	42.53	0.03	1.42
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00
4	Plants & Machinery	1,298.74	1237.62	253.29	0.00	2283.07	1790.91	0.05	94.56
5	Lines, Cables, Networks etc.	1,015.35	607.81	4.47	0.00	1618.69	1317.02	0.05	69.54
6	Vehicles	0.21	0.00	0.00	0.00	0.21	0.21	0.10	0.02
7	Furniture & Fixtures	0.32	0.27	0.00	0.00	0.59	0.45	0.06	0.03
8	Office Equipments	8.35	0.82	0.00	0.00	9.17	8.76	0.06	0.55
9	<b>Total Fixed Assets</b>	<b>2,350.69</b>	<b>1876.42</b>	<b>257.77</b>	<b>0.00</b>	<b>3969.34</b>	<b>3160.02</b>		



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
10	Non depreciable assets (Land & Land Rights)	0.14	0.00	0.00	0.00	0.14	0.14	0.00	0.00
11	<b>Depreciable assets</b>	<b>2,350.55</b>	<b>1876.42</b>	<b>257.77</b>	<b>0.00</b>	<b>3969.20</b>	<b>3159.88</b>	<b>0.05</b>	<b>166.12</b>

**ABLE 4-163: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO March 31, 2020 OF KESCO FOR FY 2021-22 (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	<b>Total Fixed Assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	-	<b>39.93</b>
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	<b>Depreciable assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.22%</b>	<b>39.93</b>

**TABLE 4-164: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AS ON APRIL 01, 2020 OF KESCO FOR FY 2021-22 (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	1.65	0.57	0.00	0.00	2.22	1.94	0.03	0.06
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00
4	Plants & Machinery	16.67	3.72	0.00	0.00	20.39	18.53	0.05	0.98
5	Lines, Cables, Networks etc.	29.59	72.33	0.00	0.00	101.92	65.76	0.05	3.47
6	Vehicles	0.13	0.00	0.00	0.00	0.13	0.13	0.10	0.01
7	Furniture & Fixtures	0.07	0.03	0.00	0.00	0.10	0.08	0.06	0.01



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

S.No.	Particulars	Opening GFA	Addition to GFA	Deduction to GFA	Deduction on Grants	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
8	Office Equipments	0.69	1.29	0.00	0.00	1.98	1.33	0.06	0.08
9	<b>Total Fixed Assets</b>	<b>48.81</b>	<b>77.94</b>	<b>0.00</b>	<b>0.00</b>	<b>126.75</b>	<b>87.78</b>		
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	<b>Depreciable assets</b>	<b>48.81</b>	<b>77.94</b>	<b>0.00</b>	<b>0.00</b>	<b>126.75</b>	<b>87.78</b>	<b>0.05</b>	<b>4.62</b>

4.11.12. As can be seen from the above Table for PVVNL, as per the audited balance sheet there is negative value in case of "Plant & Machinery". No explanation has been provided in the Notes to the audited accounts in this respect. The Commission has considered the values as per the audited accounts.

4.11.13. In order to compute net allowable depreciation, 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 2021-22. The net depreciation claimed by the Petitioners and approved by the Commission is shown in the Tables below:

**TABLE 4-165: NET APPROVED DEPRECIATION OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	448.99	405.73	404.98
Gross Allowable Depreciation (Part-B)	127.97	178.28	157.50
Gross Allowable Depreciation (Part-A + Part-B)	576.96	584.01	564.85
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	70.68	150.90	150.90
<b>Net Allowable Depreciation</b>	<b>506.28</b>	<b>433.12</b>	<b>413.95</b>

**TABLE 4-166: NET APPROVED DEPRECIATION OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	263.97	215.28	213.39



Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-B)	243.71	307.18	272.88
Gross Allowable Depreciation (Part-A + Part-B)	507.86	522.46	493.95
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	55.79	142.56	142.56
<b>Net Allowable Depreciation</b>	<b>451.07</b>	<b>379.90</b>	<b>351.40</b>

**TABLE 4-167: NET APPROVED DEPRECIATION OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2020-21 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	475.07	429.68	429.01
Gross Allowable Depreciation (Part-B)	96.70	160.47*	151.16
Gross Allowable Depreciation (Part-A + Part-B)	571.77	590.15	580.17
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	160.76	175.81	175.81
<b>Net Allowable Depreciation</b>	<b>411.01</b>	<b>414.33</b>	<b>404.36</b>

\*Depreciation claim by Petitioner is changed based on revised GFA addition.

**TABLE 4-168: NET APPROVED DEPRECIATION OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	406.73	348.95	347.97
Gross Allowable Depreciation (Part-B)	130.75	180.49	166.12
Gross Allowable Depreciation (Part-A + Part-B)	537.47	529.44	514.09
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	112.27	134.69	134.69





Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
<b>Net Allowable Depreciation</b>	<b>425.20</b>	<b>394.75</b>	<b>379.39</b>

**TABLE 4-169: NET APPROVED DEPRECIATION OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	39.87	40.02	39.93
Gross Allowable Depreciation (Part-B)	8.39	5.21	4.62
Gross Allowable Depreciation (Part-A + Part-B)	48.26	45.23	44.54
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	6.30	16.48	16.48
<b>Net Allowable Depreciation</b>	<b>41.96</b>	<b>28.75</b>	<b>28.06</b>

**TABLE 4-170: CONSOLIDATED NET APPROVED DEPRECIATION OF 5 STATE DISCOMS FOR FY 2020-21 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Gross Allowable Depreciation (Part-A)	1,634.63	1,439.66	1,435.28
Gross Allowable Depreciation (Part-B)	607.52	831.64	762.33
Gross Allowable Depreciation (Part-A + Part-B)	2,242.15	2271.30	2197.60
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	405.8	620.44	620.44
<b>Net Allowable Depreciation</b>	<b>1,836.35</b>	<b>1650.86</b>	<b>1577.16</b>

#### 4.12. PROVISION FOR BAD AND DOUBTFUL DEBT

##### *Petitioner's Submission*

- 4.12.1. The Petitioners have made provision for bad and doubtful debt for FY 2021-22 as below:



**TABLE 4-171: PROVISION FOR BAD AND DOUBTFUL DEBT OF PETITIONERS FOR FY 2021-22  
(Rs. Crore)**

Particulars	Provision for Bad & Doubtful Debt
DVVNL	208.34
MVVNL	261.00
PVVNL	364.02
PuVVNL	248.49
KESCO	54.89
<b>Consolidated</b>	<b>1,136.75</b>

- 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 2021-22.

#### **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. The Commission has observed that DVVNL, MVVNL, PVVNL PuVVNL have booked exorbitantly high amount in audited accounts towards bad and doubtful debt whereas KESCO has booked negative amount for bad & doubtful debts. In the audited accounts it is specified that provision of bad & doubtful debts has been made based on revised accounting estimates and same is confirmed by Petitioners during TVS. Moreover, the Commission observed that Petitioners has claimed bad & doubtful debt as 2% of revenue as per the provisions of MYT Regulations, 2019.

**TABLE 4-172: PROVISION FOR BAD AND DOUBTFUL DEBTS AS PER AUDITED ACCOUNTS (Rs. Crore)**

Particulars	Audited Accounts (Total)	Audited Accounts (Against sale of power)
DVVNL	2,210.80	2,209.50
MVVNL	2,436.36	2,436.70
PVVNL	439.79	425.46
PuVVNL	2,504.30	2,506.60
KESCO	-100.56	-99.26
<b>Consolidated of 5 State Discoms)</b>	<b>7,490.69</b>	<b>7,479.00</b>



4.12.6. The Commission vide Letter dated January 31, 2023 asked KESCO to provide the justification for the same. In response, KESCO submitted that before FY 2021-22, the provision was calculated at the rate of 5% on incremental value of debts. However, from FY 2021-22, provision is being calculated on the ageing schedules. Due to change in the policy, the value of provisional debtors has been reduced by Rs. -99.26 Crore. The Commission has approved provision of bad and doubtful debt for DVVNL, MVVNL, PVVNL and PuVVNL as 2% of revenue as per the provisions of MYT Regulations, 2019. For KESCO, the Commission has approved provision for bad and doubtful debt as Nil because audited accounts of the KESCO have negative entry. Bad and doubtful debts claimed by Petitioners and approved by the Commission is shown in the Table below:

**TABLE 4-173: PROVISION FOR BAD AND DOUBTFUL DEBTS OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	12,031.11	10,417.22	
% of Provision for Bad and Doubtful Debts	B		2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	179.94	208.34	
Bad and Doubtful Debts as per Audited Account	D		2,209.50	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>179.94</b>	<b>208.34</b>	<b>208.34</b>

**TABLE 4-174: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	12,389.41	13,050.20	
% of Provision for Bad and Doubtful Debts	B		2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	139.68	261.00	
Bad and Doubtful Debts as per Audited Account	D		2,436.70	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>139.68</b>	<b>261.00</b>	<b>261.00</b>



**TABLE 4-175: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF PVVNL FOR FY 2021-22  
(Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	19,098.17	18,239.18	
% of Provision for Bad and Doubtful Debts	B	0.00	2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	45.83	364.02	
Bad and Doubtful Debts as per Audited Account	D	0.00	425.46	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>45.83</b>	<b>364.02</b>	<b>364.02</b>

**TABLE 4-176: PROVISION FOR BAD AND DOUBTFUL DEBTS OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	14,413.91	12,424.70	
% of Provision for Bad and Doubtful Debts	B	0.00	2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	204.88	248.49	
Bad and Doubtful Debts as per Audited Account	D	0.00	2,506.61	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>204.88</b>	<b>248.49</b>	<b>248.49</b>

**TABLE 4-177: ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF KESCO FOR FY 2021-22  
(Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	2,768.83	2,744.52	
% of Provision for Bad and Doubtful Debts	B	0.00	2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	23.77	54.89	
Bad and Doubtful Debts as per Audited Account	D	0.00	-99.27	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>23.77</b>	<b>54.89</b>	<b>0.00</b>



**TABLE 4-178: CONSOLIDATED ALLOWABLE PROVISION FOR BAD AND DOUBTFUL DEBTS OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Units	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Total Revenue Receivables from Retail Sales	A	60,701.43	56,875.82	
% of Provision for Bad and Doubtful Debts	B	0.00	2%	
Bad and Doubtful Debts as per governing regulations	C=A*B	594.10	1,136.75	
Bad and Doubtful Debts as per Audited Account	D	0.00	7,479.00	
<b>Bad Debt</b>	<b>E=Min(C,D)</b>	<b>594.10</b>	<b>1,136.75</b>	<b>1,081.86</b>

4.12.7. The summary of the bad & doubtful debts approved by the Commission is as below:

**TABLE 4-179: BAD AND DOUBTFUL DEBTS CLAIMED BY PETITIONERS FOR FY 2020-21 (Rs. Crore)**

Particulars	Revenue as per Audited Accounts for FY 2021-22	% of Revenue for FY 2021-22	Bad & Doubtful Debt	Approved Bad & Doubtful Debt
	A	B	C=2% of A	C=2% of A
DVVNL	10,417.22	2.00%	208.34	208.34
MVVNL	13,050.20	2.00%	261.00	261.00
PVVNL	18,201.00	2.00%	364.02	364.02
PuVVNL	12,424.70	2.00%	248.49	248.49
KESCO*	2,744.52	2.00%	54.89	-
<b>Consolidated of 5 State Discoms</b>	<b>56,837.64</b>	<b>2.00%</b>	<b>1,136.75</b>	<b>1,081.86</b>

\* Audited accounts of the KESCO have negative entry, hence considered as Rs. 0.00 Crore

#### 4.13. RETURN ON EQUITY (RoE)

##### *Petitioner's Submission*

4.13.1. The State Discoms have claimed the RoE by considering the gross GFA net consumer contributions and grants for FY 2021-22 as follows:

**TABLE 4-180: RETURN ON EQUITY OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Return on Equity
DVVNL	541.88



Particulars	Return on Equity
MVVNL	484.70
PVVNL	587.77
PuVVNL	526.29
KESCO	48.66
<b>Consolidated</b>	<b>2,189.30</b>

- 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 2020-21 as opening for FY 2021-22. Equity addition during the year has been considered 30% of GFA addition during the year net of consumer contribution, capital subsidies and grants and de-capitalization. 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 as 70:30 in line with the MYT Regulations, 2019. In case the equity is less than 30%, the actual equity is considered and if equity is more than 30%, the amount of equity considered is restricted to 30%. Therefore, the balance funds on account of asset capitalized is treated as normative loan for determination of ARR / Tariff. The same approach was considered for approval of ARR in the Tariff Order for FY 2021-22 and FY 2022-23.

- 4.13.5. The closing balance of equity of FY 2020-21 as approved by the Commission in the Tariff Order dated July 20, 2022 has been considered as opening equity for FY 2021-22 (as on April 1, 2021). Further, 30% of approved asset capitalised





(net off deduction / de-capitalization and consumer contribution etc. in capitalisation) has been considered as equity addition during the year.

- 4.13.6. 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

- 4.13.7. 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 2021-22 is shown in the Tables below:

**TABLE 4-181: ROE OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	3,388.65	3,297.41	3,297.41
Additions (30% of net asset capitalised)	B	615.79	630.18	461.35
Less: Consumer Contribution (30%)	C	35.35	0.00	27.06
Less: Grants (30%)	D	162.47	0.00	13.38
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>3,806.62</b>	<b>3,927.59</b>	<b>3,718.32</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>539.65</b>	<b>541.87</b>	<b>526.18</b>

**TABLE 4-182: ROE OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	2,970.51	2,735.79	2,735.79



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Additions (30% of net asset capitalised)	B	1,029.73	1,132.14	829.17
Less: Consumer Contribution (30%)	C	0.00	87.74	87.74
Less: Grants (30%)	D	379.03	53.36	53.36
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>3,621.21</b>	<b>3,726.83</b>	<b>3,423.86</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>494.38</b>	<b>484.70</b>	<b>461.97</b>

**TABLE 4-183: ROE OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	3,762.51	3,810.80	3810.80
Additions (30% of net asset capitalised)	B	504.17	365.13	256.04
Less: Consumer Contribution (30%)	C	31.56	149.77	149.77
Less: Grants (30%)	D	279.87	0.00	0.00
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>3,955.25</b>	<b>4,026.16</b>	<b>3917.06</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>578.83</b>	<b>587.77</b>	<b>579.59</b>

**TABLE 4-184: ROE OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	3,522.65	3,338.43	3338.44
Additions (30% of net asset capitalised)	B	969.07	418.94	254.69
Less: Consumer Contribution (30%)	C	0.00	37.32	37.32
Less: Grants (30%)	D	651.76	41.27	41.27
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>3,839.96</b>	<b>3,678.78</b>	<b>3514.53</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>552.20</b>	<b>526.29</b>	<b>513.97</b>



**TABLE 4-185: ROE OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	352.91	314.23	314.23
Additions (30% of net asset capitalised)	B	57.50	30.20	25.11
Less: Consumer Contribution (30%)	C	0.00	9.81	9.81
Less: Grants (30%)	D	25.32	0.00	0.00
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>385.09</b>	<b>334.62</b>	<b>329.52</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>55.35</b>	<b>48.66</b>	<b>48.28</b>

**TABLE 4-186: CONSOLIDATED ROE OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2021-22 dated July 29, 2021	Claimed in True Up	Approved upon Truing Up
Opening Equity	A	13,997.23	13,496.65	13,496.66
Additions (30% of net asset capitalised)	B	3,176.26	2,617.04	1,826.36
Less: Consumer Contribution (30%)	C	66.90	311.71	311.71
Less: Grants (30%)	D	1,498.45	108.02	108.02
<b>Closing Equity</b>	<b>E = A+B-C-D</b>	<b>15,608.14</b>	<b>15,693.97</b>	<b>14,903.30</b>
RoE (%)	F	15.00%	15.00%	15.00%
<b>RoE</b>	<b>G = Average (A, E)*F</b>	<b>2,220.40</b>	<b>2,189.30</b>	<b>2,130.00</b>

#### 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 Petitioners were directed several times in the previous Tariff Orders for 100% metering of LMV-10 consumers. Despite the repetitive directions of the Commission, Petitioners did not comply the directions of the Commission. In this Regard, Regulation 17.3 (b) of MYT Regulations, 2019 specifies for computation of deemed revenue in case of 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

- 4.14.2. The Commission vide Letter No. UPERC/Secy/D(T)-2023-1545 dated January 31, 2023 directed Petitioners to provide actual number of consumers, connected load, sales and revenue of this category for FY 2021-22. In response to the Commission's query, Petitioners submitted the details of the actual number of consumers, connected load, sales and revenue of this category for FY 2021-22.
- 4.14.3. Hence the deemed revenue for LMV-10 consumers has been computed considering the average consumption per consumer per month as 847 units and at Rs. 7.00 / kWh (the highest energy charges in LMV-1 category). The Commission has adopted the methodology in the previous Tariff Orders, that the consumption per consumer to be increased by 10% per consumer per month (for True Up of FY 2020-21 - 770 units / Month and for True Up of FY 2019-20 – 700 units / Month). Accordingly, based on the provisions of above Regulations, balance sheet data, past trend and submissions of the Petitioners, the Commission has computed the deemed revenue for the Petitioners. This amount is added to the final revenue of FY 2021-22 while carrying out the Truing Up of revenue. Taking the above into consideration the Commission has calculated the deemed revenue as given in Table below



**TABLE 4-187: CONSUMPTION OF LMV-10 IN FY 2021-22 (Rs. Crore)**

Discoms	Actual No. of Consumers (FY 2021-22) (Petitioners Submission)	Deemed Revenue for FY 2021-22 @847 units per consumer per month at the highest energy charges of LMV-1 category i.e., Rs. 7.00/unit (Rs. Crore)
DVVNL	19,461	138.46
MVVNL	24,843	176.75
PVVNL	21,856	155.50
PuVVNL	26,800	190.68
KESCO	5,206	37.04
<b>Consolidated of 5 Discoms</b>	<b>98,166</b>	<b>698.43</b>

**TABLE 4-188: CONSOLIDATED DEEMED REVENUE OF LMV-10 FOR FY 2021-22 (Rs. Crore)**

Revenue Final Figures	FY 2021-22		
	Claimed in True Up	Approved Deemed Revenue	Additional Deemed Revenue
	A	B	C=B-A
DVVNL	41.81	138.46	96.65
MVVNL	62.80	176.75	113.95
PVVNL	58.18	155.50	97.32
PuVVNL	43.58	190.68	147.10
KESCO	3.16	37.04	33.88
<b>Consolidated of 5 Discoms</b>	<b>209.53</b>	<b>698.43</b>	<b>488.90</b>

4.14.4. The Petitioners are directed to provide the Billing Determinants and revenue collected from these consumers along with ARR / Tariff filing from next year onwards.

#### 4.15. SUBSIDY FROM GOUP

##### *Petitioner's Submission*

4.15.1. The subsidy approved for Petitioners in Tariff Order dated July 29, 2021 for FY 2021-22 vis-à-vis subsidy received from GoUP / claimed by Petitioners is stipulated below:



**TABLE 4-189: GoUP SUBSIDY CLAIMED BY PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Approved in Tariff Order for FY 2021-22 dated July 29, 2021	Subsidy from GoUP
DVVNL	2,477.86	3,770.27
MVVNL	3,028.07	3,304.14
PVVNL	2,365.16	3,663.54
PuVVNL	3,778.92	3,777.71
KESCO	0.00	0.00
<b>Consolidated</b>	<b>11,650.01</b>	<b>14,515.66</b>

**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. 833/24-1-21-1307 / 2020 dated May 13, 2021 and the actual Billing Determinants of FY 2021-22, has computed total subsidy as given in the Table below:

**TABLE 4-190: SUBSIDY COMPUTED BY THE COMMISSION (Rs. Crore)**

Consumer Category	As per GoUP Letter No. 833/24-1-21-1307 / 2020 Dated May 13, 2021			Computed by the Commission			
	Unit	Subsidy/unit	Subsidy amount (Rs. Crore)	No. of Consumers	Connected Load (KW) (31.3.2022)	Sales (MU)	Subsidy computed
<b>LMV-1: Domestic Light, Fan &amp; Power</b>							
Domestic Lifeline	Rs./unit	3.25	483	1,44,69,372	1,40,93,670	11,785.70	3,830.35
Dom: Rural Schedule (unmetered)	Rs./kW/month	365	743	8,89,845	11,65,450	1,754.44	691.70
Dom: Rural Schedule (metered) other than BPL			<b>4,226</b>	<b>35,95,324</b>	<b>52,31,915</b>	<b>4,211.11</b>	<b>907.45</b>
Dom: 0-100	Rs./unit	2.45	3,448	22,84,929	29,29,046	1,449.53	355.13
Dom: 101 – 150	Rs./unit	2.00	778	13,10,395	22,02,870	2,761.58	528.81
<b>SUBTOTAL (LMV-1)</b>			<b>5,452</b>				5,429.50
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>							
PTW: Rural Schedule (unmetered)	Rs./BHP/month	490	6,198	12,20,560	73,16,632	14,731.59	5595.53
PTW: Rural Schedule (metered)	Rs./BHP/month	490		1,75,901	9,99,006	2,960.43	561.87
<b>SUBTOTAL (LMV-5)</b>			<b>6,198</b>				<b>6,157.40</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Consumer Category	As per GoUP Letter No. 833/24-1-21-1307 / 2020 Dated May 13, 2021			Computed by the Commission			
	Unit	Subsidy/unit	Subsidy amount (Rs. Crore)	No. of Consumers	Connected Load (KW) (31.3.2022)	Sales (MU)	Subsidy computed
LMV-1: Domestic Light, Fan & Power							
<b>Total Subsidy (LMV1 + LMV 5)</b>			<b>11,650</b>				<b>11,586.90</b>

**TABLE 4-191: SUBSIDY COMPUTED BY THE COMMISSION (Rs. Crore)**

Particulars	Claimed in True Up	Computed by the Commission	(+) Deficit / (-) Surplus Subsidy
DVVNL	3770.27	2,553.75	(1216.52)
MVVNL	3663.54	2,788.15	(875.39)
PVVNL	3304.14	2,867.69	(436.46)
PuVVNL	3777.71	3,377.31	(400.40)
KESCO	0.00	0.00	0.00
<b>Consolidated (5 Discoms)</b>	<b>14,515.66</b>	<b>11,586.90</b>	<b>(2,928.76)</b>

- 4.15.3. The subsidy as per audited accounts is in excess to the requirement of subsidy calculated by the Commission based on Petitioner's actual Billing Determinants.
- 4.15.4. In the Tariff Order for FY 2022-23 dated July 20, 2022, the Commission considered subsidy of DVVNL (for FY 2020-21) as Rs. 1,685.78 Crore based on the Audited Accounts of FY 2020-21. However, actual subsidy received by DVVNL for FY 2020-21 was Rs. 1,281.89 Crore only, which is corrected in the Audited Accounts of FY 2021-22. State Discoms apprised the Commission regarding this issue after issuance of Tariff Order for FY 2022-23. In these ARR / Tariff proceeding, the differential amount has been considered / accounted for / adjusted while taking into consideration the subsidy amount for FY 2021-22 for DVVNL.
- 4.15.5. Accordingly, the Commission has considered subsidy for DVVNL after adjusting the differential amount as discussed above and for MVVNL, PVVNL, PuVVNL and KESCO have considered as submitted by them, as shown in the Table below:





**TABLE 4-192: GOUP SUBSIDY FOR 5 STATE DISCOMS FOR FY 2021-22**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Accounts	Claimed in True Up	Subsidy adjustment due to error of FY 2020-21	Approved upon Truing Up
DVVNL	2,477.86	3,770.27	3,770.27	-403.88*	3,366.38
MVVNL	2,365.16	3,663.54	3,663.54	0.00	3,663.54
PVVNL	3,028.07	3,304.14	3,304.14	0.00	3,304.14
PuVVNL	3,778.92	3,777.71	3,777.71	0.00	3,777.71
KESCO	0.00	0.00	0.00	0.00	0.00
<b>Consolidated (5 Discoms)</b>	<b>11,650.00</b>	<b>14,515.66</b>	<b>14,515.66</b>	<b>-403.88</b>	<b>14,111.78</b>

\* In the Audited Accounts for FY 2020-21 the value shown was Rs. 1685.78 Crore which has been revised to Rs. 1281.89 Crore (which results in adjustment of Rs. 403.88 Crore {Rs. 1685.78 - Rs. 1281.89 Crore}) as per details in Notes on accounts No. 39 of Audited Accounts for FY 2021-22 of DVVNL.

#### 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:

Quote

*4.21.23 Petitioners, in their submission, have considered the financing cost on DPS (Rs. 134.66 Crore for NBPDC 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.*



Unquote

- 4.16.2. Furthermore, it may be seen from above para that Hon'ble BERC 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 the 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 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 9.50% 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 4-193: FINANCING COSTS OF DPS OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	FY 2021-22
Delayed payment Surcharge Received	102.40
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	426.68
Applicable interest rate for working capital finance	9.50%
Financing costs of DPS	<b>40.53</b>

**TABLE 4-194: FINANCING COSTS OF DPS OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	FY 2021-22
Delayed payment Surcharge Received	184.11
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	767.11
Applicable interest rate for working capital finance	9.50%
Financing costs of DPS	72.88

**TABLE 4-195: FINANCING COSTS OF DPS OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	FY 2021-22
Delayed payment Surcharge Received	104.04
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	433.50



Particulars	FY 2021-22
Applicable interest rate for working capital finance	9.50%
Financing costs of DPS	41.18

**TABLE 4-196: FINANCING COSTS OF DPS OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	FY 2021-22
Delayed payment Surcharge Received	591.47
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	2,464.47
Applicable interest rate for working capital finance	9.50%
Financing costs of DPS	234.12

**TABLE 4-197: FINANCING COSTS OF DPS OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	FY 2021-22
Delayed payment Surcharge Received	32.75
DPS grossed-up at 2% per month	24%
Amount after grossing-up of DPS	136.47
Applicable interest rate for working capital finance	9.50%
Financing costs of DPS	12.96

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 4-198: ADDITIONAL INTEREST INCURRED FOR FUNDING OF STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Name of Discoms	Total Interest Incurred in FY 2021-22 (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]
DVVNL	2,149.88	484.63	1,665.24
MVVNL	1,725.57	556.03	1,169.54
PVVNL	1,581.32	567.97	1,013.34
PuVVNL	2,675.11	449.61	2,225.50
KESCO	256.28	45.47	210.82

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 2021-22 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 delayed 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.

4.16.10. Therefore, working capital required to meet day-to-day operating expenses. Keeping in view the legitimacy of requirement of working capital, the Commission 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 some consumers pay their electricity bills beyond this due date which results for the need of additional financing for Interest on Working Capital by the distribution companies. To take care such additional requirement the Commission in its MYT Regulations, 2019 has provided with that Late Payment Surcharge on delayed payment by such consumers. 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 FY 2022-23 dated July 20, 2022 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 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'.*

**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. Therefore, the Commission taking into foregoing is of the view that interest on working capital on this account is already taken care. Also, the financing cost of DPS is part of A&G expenses as per Regulation 34.3 of MYT Regulations, 2019. The A&G expenses for the year has been trued up as per normative basis and the methodology specified in aforesaid Regulation. The relevant extract is as below:

**Quote**

- 4.16.14. 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:*

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

*Where:*

*A&G<sub>n</sub>: A&G expense for the n<sup>th</sup> year;*

*A&G<sub>n-1</sub>: A&G expense for the (n-1)<sup>th</sup> 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)<sup>th</sup> year will be FY 2019-20 which is also the base year.

Unquote

4.16.15. Hence, in view of the above the Commission has disallowed the financing cost of DPS, claimed by the Petitioners for FY 2021-22.

4.16.16. 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 4-199: NON-TARIFF INCOME OF DVVNL APPROVED BY THE COMMISSION FOR FY 2021-22  
(Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	C Claimed in True Up	Approved upon Truing Up
Fixed Deposit / DPS			7.51	
Rents			102.40	
Interest income on loans / advances to employees;			0.23	
Interest on Advances to Suppliers / Contractors			0.00	
Miscellaneous Receipts from consumers			4.74	
Less: Financing cost of DPS			0.00	
<b>Total</b>	<b>24.6</b>	<b>209.28</b>	<b>74.34</b>	<b>209.28</b>

**TABLE 4-200: NON-TARIFF INCOME OF MVVNL APPROVED BY THE COMMISSION FOR FY 2021-22  
(Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	Claimed in True Up	Approved upon Truing Up
Fixed Deposit / DPS			184.11	
Rents			0.04	
Interest income on loans / advances to employees;			0.00	



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	Claimed in True Up	Approved upon Truing Up
Interest on Advances to Suppliers / Contractors			20.98	
Miscellaneous Receipts from consumers			56.91	
Less: Financing cost of DPS			72.88	
<b>Total</b>	<b>34.73</b>	<b>262.03</b>	<b>189.16</b>	<b>262.03</b>

**TABLE 4-201: NON-TARIFF INCOME OF PVVNL APPROVED BY THE COMMISSION FOR FY 2021-22**  
(Rs. Crore)

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	Claimed in True Up	Approved upon Truing Up
Fixed Deposit / DPS			104.04	
Rents			0.38	
Interest income on loans / advances to employees;			0.00	
Interest on Advances to Suppliers / Contractors			23.13	
Miscellaneous Receipts from consumers			117.79	
Less: Financing cost of DPS			41.18	
<b>Total</b>	<b>17.79</b>	<b>258.90</b>	<b>217.72</b>	<b>258.90</b>

**TABLE 4-202: NON-TARIFF INCOME OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2021-22**  
(Rs. Crore)

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	Claimed in True Up	Approved upon Truing Up
Fixed Deposit / DPS			591.47	
Rents			0.00	
Interest income on loans / advances to employees;			0.00	
Interest on Advances to Suppliers / Contractors			7.11	
Miscellaneous Receipts from consumers			8.26	
Less: Financing cost of DPS			234.12	
<b>Total</b>	<b>13.14</b>	<b>613.95</b>	<b>379.83</b>	<b>613.95</b>



**TABLE 4-203: NON-TARIFF INCOME OF KESCO APPROVED BY THE COMMISSION FOR FY 2021-22  
(Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Account	Claimed in True Up	Approved upon Truing Up
Fixed Deposit / DPS			32.75	
Rents			2.91	
Interest income on loans / advances to employees;			0.00	
Interest on Advances to Suppliers / Contractors			0.00	
Miscellaneous Receipts from consumers			0.20	
Less: Financing cost of DPS			12.96	
<b>Total</b>	<b>25.54</b>	<b>47.31</b>	<b>29.76</b>	<b>47.31</b>

**TABLE 4-204: CONSOLIDATED NON-TARIFF INCOME OF 5 STATE DISCOMS APPROVED BY THE COMMISSION FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 29, 2021	Audited Accounts	Claimed in True Up	Approved upon Truing Up
DVVNL	24.60	209.28	74.34	209.28
MVVNL	34.73	278.79	189.16	278.79
PVVNL	17.79	258.90	217.72	258.90
PuVVNL	13.14	613.95	379.83	613.95
KESCO	25.54	47.31	29.76	47.31
<b>Consolidated of 5 State Discoms</b>	<b>115.80</b>	<b>1,408.23</b>	<b>890.80</b>	<b>1,408.23</b>

#### 4.17. INCOME TAX

##### *Commission's Analysis*

- 4.17.1. The Petitioners have not claimed any expenses towards the Income Tax paid. The Commission also made prudence of the same and observed Nil Income Tax is paid by the Petitioners during the year. Hence, the Commission has approved the Income Tax for FY 2021-22 as Nil.



#### 4.18. REVENUE FROM SALE OF POWER

##### *Petitioner's Submission*

- 4.18.1. The Petitioners have submitted that the actual revenue from sale of power for FY 2021-22 against revenue approved by the Commission in the Tariff Order for FY 2021-22 dated July 29, 2021, which is shown as below:

**TABLE 4-205: REVENUE FROM SALE OF POWER OF PETITIONERS FOR FY 2021-22 (Rs. Crore)**

Particulars	Approved in Tariff Order of FY 2021-22 dated July 29, 2021	Revenue from Sale of Power	Sale of Power (MU)
DVVNL	12,031.11	10,417.22	19,129
MVVNL	12,389.41	13,050.20	20,126
PVVNL	19,098.17	18,239.18	28,239
PuVVNL	14,413.91	12,424.70	22,854
KESCO	2,768.83	2,744.52	3,397.64
<b>Consolidated</b>	<b>60,701.43</b>	<b>56,875.82</b>	<b>93,745.64</b>

##### *Commission's Analysis*

- 4.18.2. The Commission observed that PVVNL has claimed revenue for FY 2020-21 as Rs. 18,239.18 Crore (revenue from operation - Rs. 18,201.00 Crore and Cross Subsidy - Rs. 38.18 Crore). However, in the audited accounts Cross Subsidy has been booked under other income. The Commission vide TVS MOM dated February 27, 2023 directed the Petitioners to clarify where Cross Subsidy amount is being captured in audited accounts under 'Revenue from Operation' or 'Other Income'. From response of the Petitioners, the Commission found that there is inconsistency among the Petitioners in capturing the Cross Subsidy in the audited accounts. Therefore, the Commission is of the view that revenue and non-tariff income should be considered as per audited accounts of the respective Discoms.
- 4.18.3. The Commission has approved revenue for FY 2021-22 as per the audited accounts of the respective State Discoms. For LMV 10 category, the Commission has computed normative revenue as discussed above in Section 4.14. Accordingly, the Commission has approved revenue for FY 2021-22, as shown in the Tables below:



**TABLE 4-206: APPROVED REVENUE OF DVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	12,031.11	10,417.22	10,417.22	10,417.22
Deemed Revenue (LMV-10)	0.00	0.00	0.00	96.25
<b>Total Revenue</b>	<b>12,031.11</b>	<b>10,417.22</b>	<b>10,417.22</b>	<b>10,513.87</b>

**TABLE 4-207: APPROVED REVENUE OF MVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	12,389.41	13,050.20	13,050.20	13,050.20
Deemed Revenue (LMV-10)	0.00	0.00	0.00	113.95
<b>Total Revenue</b>	<b>12,389.41</b>	<b>13,050.20</b>	<b>13,050.20</b>	<b>13,164.16</b>

**TABLE 4-208: APPROVED REVENUE OF PVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	19,098.17	18,239.18	18,239.18	18,201.00
Deemed Revenue (LMV-10)	0.00	0.00	0.00	97.32
<b>Total Revenue</b>	<b>19,098.17</b>	<b>18,239.18</b>	<b>18,239.18</b>	<b>18,298.32</b>

**TABLE 4-209: APPROVED REVENUE OF PuVVNL FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	14,413.91	12,424.70	12,424.70	12,424.70
Deemed Revenue (LMV-10)	0.00	0.00	0.00	147.10
<b>Total Revenue</b>	<b>14,413.91</b>	<b>12,424.70</b>	<b>12,424.70</b>	<b>12,571.80</b>



**TABLE 4-210: APPROVED REVENUE OF KESCO FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	2,768.83	2,744.52	2,744.52	2,744.52
Deemed Revenue (LMV-10)	0.00	0.00	0.00	33.88
<b>Total Revenue</b>	<b>2,768.83</b>	<b>2,744.52</b>	<b>2,744.52</b>	<b>2,778.40</b>

**TABLE 4-211: CONSOLIDATED APPROVED REVENUE OF 5 STATE DISCOM FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Audited Accounts	Claimed	Approved upon Truing Up
Revenue Assessment at Existing Tariff	60,701.44	56,875.82	56,875.82	56,837.64
Deemed Revenue (LMV-10)	0.00	0.00	0.00	488.90
<b>Total Revenue</b>	<b>60,701.44</b>	<b>56,875.82</b>	<b>56,875.82</b>	<b>57,326.54</b>

#### 4.19. ARR AND REVENUE GAP / (SURPLUS) FOR FY 2021-22 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 2021-22 is summarized below:

**TABLE 4-212: SUMMARY OF ARR FOR TRUE UP OF DVVNL FOR FY 2021-22**

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	11,103.63	10,208.34	10,208.34	9,669.91
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2021-22	542.78	698.78	698.78	698.78
Disallowance in PPC due to excess sales (in unmetered category) wrt Normative				(348.99)



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
<b>Gross O&amp;M Expenses</b>	<b>1,363.31</b>	<b>1,862.22</b>	<b>1,839.89</b>	<b>1,401.06</b>
Employee Expenses	538.72	625.62	852.78	625.62
R&M Expense	477.61	575.51	575.25	536.65
A&G Expense	108.18	661.09	126.95	119.39
Smart Metering OPEX	0.00	0.00	46.11	-
Additional O&M Expenses (50% of R&M Expenses)	238.80	0.00	238.80	119.40
Depreciation	506.28	630.24	433.12	413.95
Interest on Long-Term Loan	419.58	297.98	375.89	341.53
Interest on Security Deposit from Consumers and Distribution system Users	29.78	29.11	29.11	29.11
Finance/Bank Charges	0.00	41.23	41.23	0.00
Interest on Working Capital	107.20	1,781.55	117.75	114.26
Income Tax	0.00	0.00	0.00	0.00
<b>Gross Expenditure</b>	<b>14,072.56</b>	<b>15,549.46</b>	<b>13,744.10</b>	<b>12,831.88</b>
Less: Interest Capitalisation	105.01	0.00	0.00	0.00
Less: Employee Capitalisation	220.38	222.50	222.50	222.50
<b>Net Expenditure</b>	<b>13,747.17</b>	<b>15,326.96</b>	<b>13,521.60</b>	<b>12,609.38</b>
Bad and Doubtful debts	179.94	2,209.50	208.34	208.34
<b>Net Expenditure with Provisions</b>	<b>13,927.11</b>	<b>17,536.46</b>	<b>13,729.95</b>	<b>12,817.72</b>
Return on Equity	539.65	0.00	541.88	526.18
Less: Non Tariff Income	24.60	209.28	74.34	209.28
Less: Revenue from Open Access Customers	6.92	0.00	0.00	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>14,435.24</b>	<b>17,327.18</b>	<b>14,197.48</b>	<b>12,971.34</b>
Revenue Assessment at Existing Tariff	12,031.11	10,417.22	10,417.22	10,417.22
Deemed Revenue (LMV-10)	0.00	0.00	0.00	96.65
Govt. Subsidy Received/Declared	2,477.86	3,770.27	3,770.27	3,770.27
Subsidy adjustment due to error of FY 2020-21	0.00	0.00	0.00	403.88
<b>Revenue Gap / (Surplus)</b>	<b>(73.73)</b>	<b>3,139.69</b>	<b>9.99</b>	<b>(908.92)</b>





**TABLE 4-213: SUMMARY OF ARR FOR TRUE UP OF MVVNL FOR FY 2021-22**

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	11,530.48	13,122.42	13,122.42	11,978.08
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2021-22	514.28	657.74	657.74	657.74
Disallowance in PPC due to excess sales (in un-metered category) wrt Normative				(88.70)
<b>Gross O&amp;M Expenses</b>	<b>1,546.86</b>	<b>1,762.55</b>	<b>2,067.92</b>	<b>1,543.44</b>
Employee Expenses	745.30	792.03	1,152.84	792.03
R&M Expense	361.38	374.69	387.37	374.69
A&G Expense	259.48	595.83	322.82	286.37
Smart Metering OPEX	0.00	0.00	24.19	0.00
Additional O&M Expenses (50% of R&M Expenses)	180.70	0.00	180.70	90.35
Depreciation	451.90	672.42	379.90	351.40
Interest on Long-Term Loan	428.65	586.78	367.13	316.43
Interest on Security Deposit from Consumers and Distribution system Users	34.66	21.40	21.40	21.40
Finance/Bank Charges	0.00	33.12	33.12	0.00
Interest on Working Capital	99.29	1,084.27	144.93	142.86
Income Tax	0.00	0.00	0.00	0.00
<b>Gross Expenditure</b>	<b>14,606.12</b>	<b>17,940.69</b>	<b>16,794.57</b>	<b>14,877.28</b>
Less: Interest Capitalisation	93.91	0.00	0.00	0.00
Less: Employee Capitalisation	433.04	278.91	278.91	278.91
<b>Net Expenditure</b>	<b>14,079.17</b>	<b>17,661.78</b>	<b>16,515.66</b>	<b>14,598.37</b>
Bad and Doubtful debts	139.68	2,436.70	261.00	261.00
<b>Net Expenditure with Provisions</b>	<b>14,218.85</b>	<b>20,098.48</b>	<b>16,776.66</b>	<b>14,859.38</b>
Return on Equity	494.38	0.00	484.70	461.97
Less: Non-Tariff Income	34.73	278.79	189.16	278.79
Less: Revenue from Open Access Customers	0.00	0.00	0.00	0.00
<b>Net Annual Revenue Requirement</b>	<b>14,678.50</b>	<b>19,819.69</b>	<b>17,072.20</b>	<b>15,176.62</b>
Revenue Assessment at Existing Tariff	12,389.41	13,050.20	13,050.20	13,050.20



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Deemed Revenue (LMV-10)				113.95
Govt. Subsidy Received/Declared	2,365.16	3,663.54	3,663.54	3,663.54
<b>Revenue Gap / (Surplus)</b>	<b>(76.07)</b>	<b>3,105.95</b>	<b>358.46</b>	<b>(1,651.07)</b>

**TABLE 4-214: SUMMARY OF ARR FOR TRUE UP OF PVVNL FOR FY 2021-22**

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	18,703.77	19,171.60	19,171.60	15,692.42
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2021-22	808.25	930.25	930.25	930.25
Disallowance in PPC due to excess sales (in unmetered category) wrt Normative				(666.79)
<b>Gross O&amp;M Expenses</b>	<b>1,428.67</b>	<b>1,822.11</b>	<b>1,961.67</b>	<b>1,485.32</b>
Employee Expenses	642.72	741.87	931.31	741.87
R&M Expense	429.87	629.20	624.50	468.98
A&G Expense	141.15	451.05	172.92	167.01
Smart Metering OPEX	0.00	0.00	18.01	0.00
Additional O&M Expenses (50% of R&M Expenses)	214.93	0.00	214.93	107.47
Depreciation	411.01	643.23	414.33	404.36
Interest on Long-Term Loan	249.06	612.41	383.40	364.69
Interest on Security Deposit from Consumers and Distribution system Users	76.60	72.12	72.12	72.12
Finance/Bank Charges	0.00	61.46	61.46	0.00
Interest on Working Capital	94.67	835.32	95.61	91.14
Income Tax	0.00	0.00	0.00	0.00
<b>Gross Expenditure</b>	<b>21,772.03</b>	<b>24,148.50</b>	<b>23,090.46</b>	<b>19,113.87</b>
Less: Interest Capitalisation	215.26	0.00	0.00	0.00
Less: Employee Capitalisation	158.26	202.78	202.78	202.78
<b>Net Expenditure</b>	<b>21,398.51</b>	<b>23,945.72</b>	<b>22,887.67</b>	<b>18,911.09</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Bad and Doubtful debts	45.83	425.46	364.02	364.02
<b>Net Expenditure with Provisions</b>	<b>21,444.34</b>	<b>24,371.18</b>	<b>23,251.69</b>	<b>19,275.11</b>
Return on Equity	578.83	0.00	587.77	579.59
Less: Non-Tariff Income	17.79	258.90	217.72	258.90
Less: Revenue from Open Access Customers	0.64	0.00	0.00	0.00
<b>Net Annual Revenue Requirement</b>	<b>22,004.74</b>	<b>24,112.28</b>	<b>23,621.75</b>	<b>19,522.23</b>
Revenue Assessment at Existing Tariff	19,098.17	18,201.00	18,239.18	18,201.00
Deemed Revenue (LMV-10)				97.32
Govt. Subsidy Received / Declared	3,028.07	3,304.14	3,304.14	3,304.14
<b>Revenue Gap / (Surplus)</b>	<b>(121.50)</b>	<b>2,607.13</b>	<b>2,078.42</b>	<b>(2,080.24)</b>

TABLE 4-215: SUMMARY OF ARR FOR TRUE UP OF PuVVNL FOR FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	14,401.15	11,281.68	11,281.68	11,428.44
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	642.97	773.49	773.49	773.49
Disallowance in PPC due to excess sales (in unmetered category) wrt Normative				(146.24)
<b>Gross O&amp;M Expenses</b>	<b>1,988.88</b>	<b>2,200.07</b>	<b>2,445.11</b>	<b>1,901.04</b>
Employee Expenses	836.85	826.88	984.38	826.88
R&M Expense	660.78	816.59	917.29	729.26
A&G Expense	160.86	556.61	173.93	179.71
Smart Metering OPEX	0.00	0.00	39.12	0.00
Additional O&M Expenses (50% of R&M Expenses)	330.39	0.00	330.39	165.20
Depreciation	425.20	847.75	394.75	379.39
Interest on Long-Term Loan	394.15	306.61	287.72	268.43



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Interest on Security Deposit from Consumers and Distribution system Users	22.68	19.58	19.58	19.58
Finance/Bank Charges	0.00	38.43	38.43	0.00
Interest on Working Capital	160.55	70.13	166.85	164.02
Income Tax	0.00	0.00	0.00	0.00
<b>Gross Expenditure</b>	<b>18,035.58</b>	<b>15,537.74</b>	<b>15,407.61</b>	<b>14,880.57</b>
Less: Interest Capitalisation	225.36	67.86	67.86	67.86
Less: Employee Capitalisation	460.33	233.89	233.89	233.89
<b>Net Expenditure</b>	<b>17,349.89</b>	<b>15,235.99</b>	<b>15,105.86</b>	<b>14,578.82</b>
Bad and Doubtful debts	204.88	2,506.61	248.49	248.49
<b>Net Expenditure with Provisions</b>	<b>17,554.77</b>	<b>17,742.60</b>	<b>15,354.35</b>	<b>14,827.31</b>
Return on Equity	552.20	0.00	526.29	513.97
Less: Non-Tariff Income	12.57	613.95	379.83	613.95
Less: Revenue from Open Access Customers	0.57	0.00	0.00	0.00
<b>Net Annual Revenue Requirement</b>	<b>18,093.83</b>	<b>17,128.64</b>	<b>15,500.81</b>	<b>14,781.15</b>
Revenue Assessment at Existing Tariff	14,413.91	12,424.70	12,424.70	12,424.70
Deemed Revenue (LMV-10)				147.10
Govt. Subsidy Received/Declared	3,778.92	3,777.71	3,777.71	3,777.71
<b>Revenue Gap / (Surplus)</b>	<b>(99.00)</b>	<b>926.24</b>	<b>(701.59)</b>	<b>(1,568.35)</b>

TABLE 4-216: SUMMARY OF ARR FOR TRUE UP OF KESCO FOR FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	2,227.75	2,440.29	2,440.29	2,071.34
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2021-22	90.07	100.71	100.71	100.71
<b>Gross O&amp;M Expenses</b>	<b>297.81</b>	<b>391.64</b>	<b>340.92</b>	<b>254.46</b>
Employee Expenses	160.98	137.88	175.62	137.88
R&M Expense	72.93	68.07	88.26	68.07
A&G Expense	27.43	185.69	27.51	30.27



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Smart Metering OPEX	0.00	0.00	13.06	0.00
Additional O&M Expenses (50% of R&M Expenses)	36.47	0.00	36.47	18.24
Depreciation	41.96	54.31	28.75	28.06
Interest on Long-Term Loan	21.15	28.31	9.29	8.38
Interest on Security Deposit from Consumers and Distribution system Users	6.75	7.52	7.52	7.52
Finance/Bank Charges	0.00	9.98	9.98	0.00
Interest on Working Capital	24.82	210.47	18.13	17.68
Income Tax	0.00	0.00	0.00	0.00
<b>Gross Expenditure</b>	<b>2,710.31</b>	<b>3,243.24</b>	<b>2,955.58</b>	<b>2,439.19</b>
Less: Interest Capitalisation	0.00	0.00	0.00	0.00
Less: Employee Capitalisation	11.83	9.55	9.55	9.55
<b>Net Expenditure</b>	<b>2,698.48</b>	<b>3,233.69</b>	<b>2,946.04</b>	<b>2,429.64</b>
Bad and Doubtful debts	23.77	-100.55	54.89	0.00
<b>Net Expenditure with Provisions</b>	<b>2,722.25</b>	<b>3,133.14</b>	<b>3,000.93</b>	<b>2,429.64</b>
Return on Equity	55.35	0.00	48.66	48.28
Less: Non-Tariff Income	25.54	47.31	29.76	47.31
Less: Revenue from Open Access Customers	0.00	0.00	0.00	0.00
<b>Net Annual Revenue Requirement</b>	<b>2,752.06</b>	<b>3,085.83</b>	<b>3,019.84</b>	<b>2,479.58</b>
Revenue Assessment at Existing Tariff	2,768.83	2,744.52	2,744.52	2,744.52
Deemed Revenue (LMV-10)				34.32
Govt. Subsidy Received/Declared	0.00	0.00	0.00	0.00
<b>Revenue Gap / (Surplus)</b>	<b>(16.77)</b>	<b>341.31</b>	<b>275.32</b>	<b>(298.81)</b>

**TABLE 4-217: SUMMARY OF ARR FOR TRUE UP FOR FY 2021-22 (CONSOLIDATED)**

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Cost of Power Procurement (including Inter-State Transmission Charges)	57,966.78	56,224.32	56,224.32	50,840.19
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap	2,598.35	3,160.97	3,160.97	3,160.97



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2021-22			
	Tariff Order for FY 2021-22 dated 29.07.2021	Audited	Claimed in True Up	Approved upon Truing-up
Recovery for UPPTCL True-up of FY 2021-22				
Disallowance in PPC due to excess sales (in unmetered category) wrt Normative				(1,253.29)
<b>Gross O&amp;M Expenses</b>	<b>6,625.53</b>	<b>8,038.60</b>	<b>8,655.51</b>	<b>6,585.34</b>
Employee Expenses	2,924.57	3,124.28	4,096.93	3,124.28
R&M Expense	2,002.57	2,464.06	2,592.67	2,177.66
A&G Expense	697.10	2,450.26	824.13	782.76
Smart Metering OPEX	0.00	0.00	140.49	0.00
Additional O&M Expenses (50% of R&M Expenses)	1,001.29	0.00	1,001.29	500.65
Depreciation	1,836.35	2,847.95	1,650.86	1,577.16
Interest on Long-Term Loan	1,512.59	1,832.10	1,423.39	1,299.45
Interest on Security Deposit from Consumers and Distribution system Users	170.47	149.73	149.73	149.73
Finance/Bank Charges	0.00	184.22	184.22	0.00
Interest on Working Capital	486.53	3,981.75	543.28	529.95
<b>Gross Expenditure</b>	<b>71,196.60</b>	<b>76,419.63</b>	<b>71,992.32</b>	<b>64,142.79</b>
Less: Interest Capitalisation	639.54	67.86	67.86	67.86
Less: Employee Capitalisation	1,283.84	947.63	947.63	947.63
<b>Net Expenditure</b>	<b>69,273.22</b>	<b>75,404.14</b>	<b>70,976.83</b>	<b>63,127.30</b>
Bad and Doubtful debts	594.10	7,477.72	1,136.75	1,081.86
<b>Net Expenditure with Provisions</b>	<b>69,867.32</b>	<b>82,881.86</b>	<b>72,113.58</b>	<b>64,209.16</b>
Return on Equity	2,220.41	0.00	2,189.30	2,130.00
Less: Non-Tariff Income	115.23	1,408.23	890.80	1,408.23
Less: Revenue from Open Access Customers	8.13	0.00	0.00	0.00
<b>Net Annual Revenue Requirement</b>	<b>71,964.37</b>	<b>81,473.62</b>	<b>73,412.08</b>	<b>64,930.92</b>
Revenue Assessment at Existing Tariff	60,701.43	56,837.64	56,875.82	56,837.64
Deemed Revenue (LMV-10)	0.00	0.00	0.00	488.90
Govt. Subsidy Received/Declared	11,650.01	14,515.66	14,515.66	14,515.66
Additional Subsidy to be received	0.00	0.00	0.00	0.00
Subsidy adjustment due to error of FY 2020-21	0.00	0.00	(403.88)	(403.88)
<b>Revenue Gap / (Surplus)</b>	<b>(387.07)</b>	<b>10,120.32</b>	<b>2,020.60</b>	<b>(6,507.40)</b>



4.19.2. As observed from above Tables, against the revenue Gap of total of Rs. 2,020.60 Crore claimed by the State Discoms namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO for truing up of FY 2021-22, the Commission has worked out the Surplus of total of Rs. 6,507.40 Crore while carrying out the Truing Up based on audited accounts. As per Regulation 28.5 of MYT Regulations, 2019 all gaps are to be allowed.

4.19.3. Analysis on few parameters for percentage are depicted below:

**TABLE 4-218: ANALYSIS ON FEW PARAMETERS FOR PERCENTAGE (%) CHANGE**

Parameters	FY 2020-21	FY 2021-22	% Change
Total Sales (MU)	90,372.03	93,744.87	3.73%
Revenue from Tariff (Excluding deemed revenue) (Rs. Crore)	55,028.78	56,837.64	3.29%
Revenue from Tariff (including deemed revenue) (Rs. Crore)	55,451.27	57,376.15	3.47%
Total Power Purchase (MU)	1,08,196.47	1,10,745.72	2.36%
Total Power Purchase (Rs. Crore)	51,292.29	50,840.19	-0.88%
ARR (Rs. Crore)	61,194.36	64,930.92	5.52%
Revenue Gap / (Surplus) (Rs. Crore)	(3,088.90)	(6,507.40)	
BST (Rs. / kWh)	5.02	4.82	-3.94%
ABR including Subsidy (Rs. / kWh)	6.98	7.57	7.10%
ACoS (Rs. / kWh)	6.77	6.93	2.29%





## 5. ANNUAL PERFORMANCE REVIEW OF FY 2022-23

### 5.1. INTRODUCTION

- 5.1.1. In this Chapter the Commission has carried out the Annual Performance Review (APR) for FY 2022-23 in line with the provisions of 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. The relevant extract of the Regulation is as 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

#### ***Petitioners' Submission***

- 5.2.1. The Petitioners submitted the Billing Determinants or consumption parameters i.e., number of consumers, and connected load for FY 2022-23. The Petitioners submitted that there is deviation in Billing Determinants for FY 2022-23 from that approved by the Commission vide the Tariff Order dated July 20, 2022. Further, Sales are derivative of demand which is also uncontrollable in nature.
- 5.2.2. The comparison of Billing Determinants as approved by the Commission vide Tariff Order dated July 20, 2022 and as submitted by Petitioners for FY 2022-23 is shown in the Tables below:



**Table 5-1: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF DVVNL INCLUDING DF of AGRA FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	59,54,923	56,99,807	80,65,746	78,92,495
LMV-2-Non domestic light fan & power	3,46,602	3,49,030	8,67,123	9,56,188
LMV-3 Public lamps	2,184	2,496	45,405	38,569
LMV-4 Light, fan & power for public/private institution	34,285	45,356	1,68,691	1,72,738
LMV-5 Private tube well/pumping sets	3,07,866	3,05,686	23,96,606	24,65,703
LMV-6 Small & medium power upto 100 HP/75 kW	51,268	54,817	4,84,783	5,43,809
LMV-7 Public water works	19,444	20,826	3,20,012	1,42,735
LMV-9 Temporary supply	7,189	4,692	35,523	16,861
LMV- 10 Departmental employees	19,607	19,636	85,154	87,135
LMV -11 Electrical Vehicles	13	17	765	6,210
HV-1 Non industrial bulk load	819	855	2,22,435	2,13,766
HV-2 Large & heavy power above 100 BHP (75 kW)	3,576	3,508	11,30,945	11,01,438
HV-3 Railway traction	2	-	36,000	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	43	44	36,201	45,330
<b>Total</b>	<b>67,47,820</b>	<b>65,06,771</b>	<b>1,38,95,388</b>	<b>1,38,77,784</b>

**Table 5-2: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF MVVNL FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	81,31,895	82,90,195	1,03,99,543	1,01,20,695
LMV-2-Non domestic light fan & power	4,22,774	4,39,677	12,52,409	12,85,123
LMV-3 Public lamps	1,219	906	1,06,239	79,257
LMV-4 Light, fan & power for public/private institution	28,263	36,150	1,53,363	1,71,124
LMV-5 Private tube well/pumping sets	2,68,407	2,68,364	14,85,497	16,16,985
LMV-6 Small & medium power upto 100 HP/75 kW	39,433	33,013	4,26,426	3,59,345



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-7 Public water works	15,150	15,185	2,55,675	2,64,174
LMV-9 Temporary supply	6,612	8,777	20,845	24,034
LMV- 10 Departmental employees	24,941	25,091	78,713	81,563
LMV -11 Electrical Vehicles	22	31	3,821	6,511
HV-1 Non industrial bulk load	1,410	1,494	4,96,708	5,06,538
HV-2 Large & heavy power above 100 bhp (75 kW)	2,380	2,434	8,57,940	8,88,143
HV-3 Railway traction	2	2	9,671	9,334
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	35	34	30,355	29,271
Extra State Consumer	1	1	5,000	5,000
<b>Total</b>	<b>89,42,544</b>	<b>91,21,355</b>	<b>1,55,82,202</b>	<b>1,54,47,096</b>

**Table 5-3: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF PVVNL FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	63,53,858	61,40,840	1,28,00,781	1,24,87,180
LMV-2-Non domestic light fan & power	5,12,421	5,21,052	14,51,037	14,78,061
LMV-3 Public lamps	1,076	2,450	55,814	61,526
LMV-4 Light, fan & power for public/private institution	20,299	27,706	1,22,792	2,04,682
LMV-5 Private tube well/pumping sets	4,64,686	4,81,670	33,34,019	29,98,347
LMV-6 Small & medium power upto 100 HP/75 kW	64,931	68,192	9,06,000	9,41,243
LMV-7 Public water works	10,274	10,949	2,39,028	2,51,531
LMV-9 Temporary supply	5,911	6,934	47,721	69,220
LMV- 10 Departmental employees	22,510	22,075	1,50,832	1,29,779
LMV -11 Electrical Vehicles	47	61	596	743
HV-1 Non industrial bulk load	2,310	2,499	10,01,522	10,70,446
HV-2 Large & heavy power above 100 BHP (75 kW)	6,352	6,322	22,31,944	22,09,282
HV-3 Railway traction	5	4	63,286	43,146
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	2	2	286	283
<b>Total</b>	<b>74,64,682</b>	<b>72,90,755</b>	<b>2,24,05,657</b>	<b>2,19,45,469</b>



**Table 5-4: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) AND OF PUVVNL FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	85,13,593	88,86,656	1,03,25,679	1,12,21,714
LMV-2-Non domestic light fan & power	4,93,801	5,32,315	13,30,219	13,92,130
LMV-3 Public lamps	531	1,471	44,619	45,374
LMV-4 Light, fan & power for public/private institution	29,777	42,929	1,72,147	1,62,673
LMV-5 Private tube well/pumping sets	3,24,388	3,46,732	14,55,481	15,58,133
LMV-6 Small & medium power upto 100 HP/75 kW	32,665	38,585	3,70,881	3,91,246
LMV-7 Public water works	16,188	16,596	3,60,928	3,62,448
LMV-9 Temporary supply	2,169	3,105	4,972	6,802
LMV- 10 Departmental employees	27,056	27,336	89,840	90,769
LMV -11 Electrical Vehicles	7	10	26	1,694
HV-1 Non industrial bulk load	987	1,036	2,82,112	2,74,858
HV-2 Large & heavy power above 100 BHP (75 kW)	1,485	1,623	6,03,633	6,53,596
HV-3 Railway traction	1	-	10,800	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	58	56	1,31,730	1,32,329
Extra State Consumer	1	1	410	699
<b>Total</b>	<b>94,42,708</b>	<b>98,98,451</b>	<b>1,51,83,477</b>	<b>1,62,94,465</b>

**Table 5-5: CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF KESCO FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	6,07,272	5,88,697	14,52,858	14,14,831
LMV-2-Non domestic light fan & power	86,749	86,066	2,45,466	2,47,129
LMV-3 Public lamps	221	221	10,271	10,279
LMV-4 Light, fan & power for public/private institution	1,563	1,566	26,642	26,325



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-5 Private tube well/pumping sets	15	14	98	180
LMV-6 Small & medium power upto 100 HP/75 kW	14,996	14,991	1,91,947	1,92,932
LMV-7 Public water works	1,209	1,236	52,272	52,184
LMV-9 Temporary supply	685	630	3,305	3,420
LMV- 10 Departmental employees	5,188	5,258	20,125	20,929
LMV -11 Electrical Vehicles	-	-	-	-
HV-1 Non industrial bulk load	293	296	78,418	82,400
HV-2 Large & heavy power above 100 BHP (75 kW)	638	638	2,18,829	2,18,374
HV-3 Railway traction	-	1	-	5,400
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	-	-	-	-
<b>Total</b>	<b>7,18,828</b>	<b>6,99,615</b>	<b>23,00,230</b>	<b>22,74,383</b>

**Table 5-6: CONSOLIDATED CATEGORY WISE NO. OF CONSUMERS AND CONNECTED LOAD (kW) OF 5 STATE DISCOMS INCLUDING DF OF AGRA FOR FY 2022-23**

Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	2,95,61,541	2,90,19,096	4,30,44,607	4,31,36,915
LMV-2-Non domestic light fan & power	18,62,347	18,42,394	51,46,253	53,58,632
LMV-3 Public lamps	5,232	7,357	2,62,348	2,35,005
LMV-4 Light, fan & power for public/private institution	1,14,186	1,52,203	6,43,634	7,37,543
LMV-5 Private tube well/pumping sets	13,65,362	14,02,452	86,71,701	86,39,348
LMV-6 Small & medium power upto 100 HP/75 kW	2,03,293	1,94,966	23,80,037	24,28,575
LMV-7 Public water works	62,264	63,666	12,27,914	12,67,879
LMV-9 Temporary supply	22,565	23,517	1,12,366	1,20,336
LMV- 10 Departmental employees	99,302	94,178	4,24,664	4,10,175
LMV -11 Electrical Vehicles	89	119	5,208	15,158
HV-1 Non industrial bulk load	5,819	6,069	20,81,194	21,48,007



Category	No. of Consumers (No.)		Connected Load (kW)	
	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
HV-2 Large & heavy power above 100 BHP (75 kW)	14,432	14,569	50,43,290	50,70,833
HV-3 Railway traction	10	6	1,19,757	57,880
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	138	135	1,98,571	2,07,213
Extra State Consumer	2	2	5,410	5,699
<b>Total</b>	<b>3,33,16,582</b>	<b>3,28,20,729</b>	<b>6,93,66,954</b>	<b>6,98,39,198</b>

### Commission's Analysis

5.2.3. The Commission has observed that category-wise consolidated number of consumers submitted by Petitioners is lower than that approved for FY 2022-23 and category-wise consolidated connected load of consumers submitted by the Petitioners is higher than that approved for FY 2022-23.

5.2.4. The Commission, for the purpose of this Order, has provisionally considered the Billing Determinants as claimed by the Petitioners. Detailed analysis of number of consumers and connected load for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

### 5.3. ENERGY SALES

#### Petitioners' Submission

5.3.1. The comparison of Energy Sales as approved by the Commission vide Tariff Order dated July 20, 2022 and as submitted by the Petitioners for FY 2022-23 is shown in the Tables below:

**Table 5-7: CATEGORY WISE SALES OF DVVNL FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	9,962.15	8,823.81
LMV-2-Non domestic light fan & power	1,303.11	1,427.19
LMV-3 Public lamps	112.92	114.10
LMV-4 Light, fan & power for public/private institution	279.31	318.49



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-5 Private tube well/pumping sets	4,583.78	4,807.32
LMV-6 Small & medium power upto 100 HP/75 kW	696.16	759.65
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	427.96	1,074.70
LMV-9 Temporary supply	68.02	48.52
LMV- 10 Departmental employees	181.16	175.10
LMV-11 Electric Vehicles	0.12	4.99
HV-1 Non industrial bulk load	430.39	505.70
HV-2 Large & heavy power above 100 BHP (75 kW)	3,324.58	3,139.62
HV-3 Railway traction	62.36	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	113.12	104.84
<b>Total</b>	<b>22,522.65</b>	<b>21,304.05</b>

**Table 5-8: CATEGORY WISE SALES OF DF OF AGRA FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	1,384.86	1,348.47
LMV-2-Non domestic light fan & power	212.36	273.53
LMV-3 Public lamps	35.59	33.23
LMV-4 Light, fan & power for public/private institution	28.64	33.35
LMV-5 Private tube well/pumping sets	9.84	6.42
LMV-6 Small & medium power upto 100 HP/75 kW	124.37	155.56
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	36.40	28.73
LMV-9 Temporary supply	8.70	8.56
LMV- 10 Departmental employees	5.51	6.33
LMV-11 Electric Vehicles	0.00	3.57
HV-1 Non industrial bulk load	126.74	166.62
HV-2 Large & heavy power above 100 BHP (75 kW)	212.80	235.39
HV-3 Railway traction	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	-	-
<b>Total</b>	<b>2,186.43</b>	<b>2,229.76</b>





**Table 5-9: CATEGORY WISE SALES OF MVVNL FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	12,282.07	12,247.38
LMV-2-Non domestic light fan & power	1,786.00	1,887.47
LMV-3 Public lamps	330.84	308.88
LMV-4 Light, fan & power for public/private institution	272.11	308.85
LMV-5 Private tube well/pumping sets	2,193.23	3,019.37
LMV-6 Small & medium power upto 100 HP/75 kW	510.69	529.05
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	1375.91	1328.92
LMV-9 Temporary supply	22.65	31.49
LMV- 10 Departmental employees	230.45	161.54
LMV-11 Electric Vehicles	3.94	5.66
HV-1 Non industrial bulk load	852.41	968.41
HV-2 Large & heavy power above 100 BHP (75 kW)	1,731.01	1,911.96
HV-3 Railway traction	31.7	38.06
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	71.99	77.18
Extra State Consumers	8.78	19.85
<b>Total</b>	<b>21,703.77</b>	<b>22,844.07</b>

**Table 5-10: CATEGORY WISE SALES OF PVVNL FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	13,548.10	12,722.98
LMV-2-Non domestic light fan & power	1,895.15	2,037.80
LMV-3 Public lamps	200.6	183.35
LMV-4 Light, fan & power for public/private institution	167.48	221.93
LMV-5 Private tube well/pumping sets	6,413.11	7,621.48
LMV-6 Small & medium power upto 100 HP / 75 kW	1,264.98	1,370.93
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	825.36	809.87
LMV-9 Temporary supply	100.05	144.38
LMV- 10 Departmental employees	207.99	131.06
LMV-11 Electric Vehicles	0.5	1.09
HV-1 Non industrial bulk load	1,689.22	1,836.58
HV-2 Large & heavy power above 100 BHP (75 kW)	5,766.84	6,265.50
HV-3 Railway traction	89.31	81.8



Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	1.32	1.31
<b>Total</b>	<b>32,170.00</b>	<b>33,430.07</b>

**Table 5-11: CATEGORY WISE SALES OF PuVVNL FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	13,322.29	14,744.54
LMV-2-Non domestic light fan & power	2,180.43	2,300.80
LMV-3 Public lamps	140.53	136.57
LMV-4 Light, fan & power for public/private institution	276.33	354.45
LMV-5 Private tube well/pumping sets	2,704.27	3,446.49
LMV-6 Small & medium power upto 100 HP/75 kW	615.66	631.97
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	1567.04	1632.04
LMV-9 Temporary supply	9.28	14.7
LMV- 10 Departmental employees	250	121.25
LMV-11 Electric Vehicles	0.03	6.38
HV-1 Non industrial bulk load	536.84	612.56
HV-2 Large & heavy power above 100 BHP (75 kW)	1,418.42	1,517.68
HV-3 Railway traction	7.86	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	490.56	525.47
Extra State Consumers	2.81	4.02
<b>Total</b>	<b>23,522.34</b>	<b>26,048.94</b>

**Table 5-12: CATEGORY WISE SALES OF KESCO FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	1,891.90	1,779.72
LMV-2-Non domestic light fan & power	359.99	386.16
LMV-3 Public lamps	55.25	34.49
LMV-4 Light, fan & power for public/private institution	66.92	73.79
LMV-5 Private tube well/pumping sets	0.13	0.09
LMV-6 Small & medium power upto 100 HP/75 kW	393.19	362.92



Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	107.82	121.17
LMV-9 Temporary supply	7.98	9.72
LMV- 10 Departmental employees	47.93	42.12
LMV-11 Electric Vehicles	-	5.39
HV-1 Non industrial bulk load	196.36	238.13
HV-2 Large & heavy power above 100 BHP (75 kW)	639.86	919.37
HV-3 Railway traction	0.04	6.07
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	-	-
<b>Total</b>	<b>3,767.37</b>	<b>3,979.14</b>

**Table 5-13: CONSOLIDATED CATEGORY WISE SALES OF 5 STATE DISCOMS INCLUDING DF OF AGRA FOR FY 2022-23 (MU)**

Category	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
LMV-1 Domestic light fan & power	51,006.50	50,318.41
LMV-2-Non domestic light fan & power	7,524.68	8,039.43
LMV-3 Public lamps	840.14	777.40
LMV-4 Light, fan & power for public/private institution	1,062.14	1,277.51
LMV-5 Private tube well/pumping sets	15,894.52	18,894.75
LMV-6 Small & medium power upto 100 HP/75 kW	3,480.68	3,654.53
LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals	5,281.59	4,966.70
LMV-9 Temporary supply	207.98	248.81
LMV- 10 Departmental employees	917.54	631.07
LMV-11 Electric Vehicles	4.59	23.52
HV-1 Non industrial bulk load	3,705.22	4,161.38
HV-2 Large & heavy power above 100 BHP (75 kW)	12,880.71	13,754.14
HV-3 Railway traction	191.27	125.93
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	676.99	708.80
Extra State Consumers	11.59	23.87
<b>Total</b>	<b>1,03,686.15</b>	<b>1,07,606.27</b>

**Commission's Analysis**



5.3.2. The Commission has observed that consolidated total sales as submitted by the Petitioners for FY 2022-23 is higher than the approved consolidated total sales for FY 2022-23.

5.3.3. The Commission for the purpose of this Order has provisionally considered sales as submitted by the Petitioners. Detailed analysis of sales for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

#### 5.4. DISTRIBUTION LOSS

##### *Petitioners' Submission*

5.4.1. The Petitioner submitted that the distribution loss approved by the Commission for FY 2022-23 is unachievable and sought revision of the same. The Petitioners submitted that they are in the process of formulation of Revamped Distribution Sector Scheme (RDSS) in the State. Accordingly, based on the actual distribution loss, the Petitioners have estimated the loss trajectory for the ensuing years for the implementation of the scheme. The detailed approach has been discussed in the True-Up section above.

5.4.2. Accordingly, considering the abovementioned fact and upcoming RDSS Scheme, the Petitioners requested the Commission to consider the Distribution loss trajectory as mentioned in the table below.

**Table 5-14: DISTRIBUTION LOSSES CLAIMED BY THE PETITIONERS FOR FY 2022-23**

Particulars	Tariff Order for FY 2022-23 dated 20.07.2022	Claimed in APR
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%
<b>Consolidated</b>	<b>10.67%</b>	<b>16.98%</b>

##### *Commission's Analysis*

5.4.3. The actual distribution losses had been higher in comparison to the approved losses. The Commission, for the purpose of this Order, has considered the distribution losses the same as approved in the Tariff Order. Detailed analysis



of Distribution losses for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

## 5.5. POWER PURCHASE QUANTUM AND COST

### *Petitioners' Submission*

5.5.1. The Petitioners submitted that Uttar Pradesh Power Corporation Limited (UPPCL) is procuring power on behalf of State 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 5-15: CONSOLIDATED ENERGY BALANCE FOR FY 2022-23**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Retail Sales	1,03,686.15	1,07,606.27
Distribution Losses	10.67%	16.98%
Energy at Discom Periphery for Retail Sales	1,16,068.82	1,29,613.78
Intra-State Transmission Losses	3.27%	3.27%
Energy Available at State periphery for Transmission	1,19,992.58	1,33,995.44
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	78,797.20	92,083.49
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	41,195.37	41,911.94
Inter-State Transmission Loss	3.47%	6.59%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	42,676.23	44,867.56
<b>Power Purchase Required &amp; Billed Energy (MU) (Ex-Bus)</b>	<b>1,21,473.44</b>	<b>1,36,951.06</b>

5.5.2. The Petitioners submitted that the Power Purchase Cost for FY 2022-23 is estimated based on the audited data available for Power Purchase quantum and cost for FY 2022-23 available till September, 2022. The power purchase cost details for FY 2022-23 as submitted by the Petitioners are depicted as below:



Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22

**Table 5-16: POWER PURCHASE COST FOR FY 2022-23**

S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
A	<b>Long term Sources</b>											
a	Power procured from own Generating Stations (if any)											
b	<b>From State Generating Stations Thermal</b>											
1	ANPARA-A	3,724.75	0.72	269.80	2.06	767.69		-		1,037.49	2.79	
2	ANPARA-B	6,916.20	0.44	302.11	1.98	1,368.02		-		1,670.12	2.41	
3	PANKI	-	-	-	-	-		-		-	-	
4	PARICHHA	-	-	-	-	-		-		-	-	
3	PARICHHA EXT.	2,577.43	1.24	320.31	3.69	951.06		-		1,271.37	4.93	
4	OBRA-A	-	-	-	-	-		-		-	-	
5	OBRA-B	4,181.24	0.78	327.64	2.58	1,077.62		-		1,405.26	3.36	
6	HARDUAGANJ	167.03	4.44	74.16	4.49	74.97		-		149.14	8.93	
7	HARDUAGANJ EXT.	1,787.02	2.79	498.34	3.94	703.96		-		1,202.30	6.73	
8	PARICHHA EXT. STAGE-II	2,319.44	2.08	483.33	3.62	840.74		-		1,324.07	5.71	
9	ANPARA-D	6,412.60	1.52	977.38	1.83	1,171.33		-		2,148.70	3.35	
10	Panki Extension	-	-	-	-	-		-		-	-	
11	HARDUAGANJ EXT. Stage II	3,899.50	1.53	597.69		1,312.40		45.02		1,955.11		
12	OBRA-C	406.07	1.23	50.07		87.66		-		137.72		
13	Jawaharpur	12.69	1.25	1.59		2.74		-		4.33		
	UPRVUNL Consolidated	-	-	-	-	-		-51.34		-51.34	-	
	<b>Sub-Total</b>	<b>32,403.97</b>		<b>3,902.41</b>		<b>8,358.18</b>		<b>-6.32</b>		<b>12,254.27</b>	<b>3.78</b>	
c	<b>From State Generating Stations Hydro</b>											
1	RIHAND	440.91	0.53	23.18	0.67	29.56		-		52.73	1.20	
2	OBRA ( H )	234.72	0.39	9.18	0.42	9.81		-		18.99	0.81	
3	MATATILA	80.61	0.35	2.83	0.54	4.34		-		7.17	0.89	



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APR of FY 2022-23 and True-up of FY 2021-22

S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
4	KHARA	276.31	0.49	13.55	0.46	12.57		-			26.13	0.95
5	UGC	29.02	-	-	2.86	8.29		-			8.29	2.86
6	SHEETLA	2.59	-	-	1.56	0.40		-			0.40	1.56
7	BELKA	3.27	-	-	2.14	0.70		-			0.70	2.14
8	BABAIL	4.21	-	-	2.84	1.19		-			1.19	2.84
	UPJVNL CONSOLIDATED	-	-	-	-	-		-			-	-
	<b>Sub-Total</b>	<b>1,071.64</b>		<b>48.74</b>		<b>66.87</b>		-			<b>115.61</b>	<b>1.08</b>
d	<b>From Central Sector Generating Stations</b>											
a	Thermal (NTPC)											
1	ANTA GPS	-	-	48.30	-	-		-			48.30	-
2	AURAIYA GPS	-	-	100.52	-	-		-			100.52	-
3	DADRI GPS	275.37	3.30	90.94	13.42	369.63		3.21			463.79	16.84
4	JHANOR GPS	0.00		0.01	20.25	0.00		-0.00			0.01	72.62
5	KAWAS GPS	-	-	0.01	-	-		0.01			0.02	-
6	TANDA -TPS	1,104.64	3.11	343.60	5.17	570.93		27.18			941.71	8.52
7	FGUTPS-I	597.67	2.84	169.92	4.45	266.03		26.24			462.20	7.73
8	FGUTPS-II	322.47	2.75	88.61	4.51	145.59		10.77			244.97	7.60
9	FGUTPS-III	166.20	3.51	58.27	4.43	73.66		10.60			142.54	8.58
10	FGUTPS-IV	666.04	3.69	245.81	4.18	278.19		7.46			531.46	7.98
11	FSTPS	142.95	1.27	18.10	3.55	50.76		0.11			68.97	4.82
12	KHTPS-I	168.83	3.03	51.18	3.75	63.30		-0.00			114.48	6.78
13	KHTPS-II	667.76	2.68	179.14	3.58	238.95		9.35			427.45	6.40
14	NCTPS-I	393.29	1.42	55.89	4.33	170.14		2.86			228.89	5.82
15	NCTPS-II	403.01	2.70	108.71	4.44	178.89		9.77			297.37	7.38
16	RIHAND-I	2,084.33	0.87	182.36	1.81	378.04		0.45			560.85	2.69





*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
17	RIHAND-II	2,338.20	0.64	149.16	1.74	406.03		9.76			564.95	2.42
18	RIHAND-III	2,508.48	1.28	321.92	1.72	431.18		6.22			759.32	3.03
19	SINGRAULI	5,368.16	0.61	327.67	1.67	894.84		4.98			1,227.49	2.29
20	KORBA-I STPS	19.00	0.63	1.19	1.69	3.21		0.07			4.47	2.35
21	KORBA-III STPS	8.39	1.15	0.97	1.66	1.39		0.00			2.36	2.81
22	MAUDA-I STPS	27.48	2.34	6.43	4.32	11.88		0.01			18.32	6.67
23	MAUDA-II STPS	49.82	1.93	9.62	4.52	22.50		0.00			32.12	6.45
24	SOLAPUR TPS	36.17	2.52	9.12	5.20	18.82		0.00			27.94	7.73
25	SIPAT-I STPS	31.42	1.18	3.71	3.03	9.52		0.06			13.29	4.23
26	SIPAT-II STPS	12.03	1.08	1.30	3.00	3.61		-0.02			4.89	4.07
27	VINDHYANCHAL-I STPS	15.59	0.89	1.39	1.80	2.80		0.01			4.20	2.69
28	VINDHYANCHAL-II STPS	12.98	0.62	0.81	1.61	2.09		0.03			2.93	2.26
29	VINDHYANCHAL-III STPS	11.92	0.97	1.16	1.73	2.06		0.01			3.23	2.71
30	VINDHYANCHAL-IV STPS	17.84	1.34	2.39	1.70	3.04		0.07			5.49	3.08
31	VINDHYANCHAL-V STPS	8.50	1.59	1.35	1.76	1.50		0.01			2.86	3.36
32	TANDA -II-TPS	3,277.74	2.72	890.11	4.03	1,319.61		3.26			2,212.98	6.75
33	SINGRAULI STAGE III	-	-	-	-	-		-			-	-
34	GODARWARA STPS-I	27.70	2.74	7.60	4.57	12.65		-			20.25	7.31
35	LARA STPS-I	26.81	1.67	4.47	2.40	6.44		-			10.91	4.07
36	KHARGONE STPS	23.54	3.17	7.45	5.32	12.51		0.03			19.99	8.49
	NTPC CONSOLIDATED	-	-	-	-	-		162.83			162.83	-
	<b>Sub-Total</b>	<b>20,814.32</b>		<b>3,489.19</b>		<b>5,949.79</b>		<b>295.33</b>			<b>9,734.32</b>	
e	<b>NPCIL</b>											
1	KAPS	2.28	0.22	0.05	2.29	0.52		0.00			0.57	2.52
2	NAPP	969.12	0.16	15.40	2.89	280.31		-0.34			295.37	3.05



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APR of FY 2022-23 and True-up of FY 2021-22

S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
3	TAPP-3 & 4	7.73	0.16	0.12	3.46	2.68		0.02			2.83	3.66
4	RAPP-3 & 4	404.92	-	-	3.37	136.35		0.12			136.47	3.37
5	RAPP-5 & 6	758.03	-	-	3.64	276.02		-			276.02	3.64
	<b>Sub-Total</b>	<b>2,142.08</b>		<b>15.57</b>		<b>695.88</b>		<b>-0.19</b>			<b>711.26</b>	<b>3.32</b>
f	<b>Hydro (NHPC)</b>											
1	SALAL	223.50	0.87	19.38	1.14	25.58		3.71			48.67	2.18
2	TANAKPUR	90.23	2.38	21.52	1.65	14.92		0.01			36.45	4.04
3	CHAMERA-I	403.20	0.99	39.78	1.15	46.24		0.51			86.52	2.15
4	URI	565.00	0.97	54.83	1.04	58.60		3.04			116.46	2.06
5	CHAMERA-II	327.48	1.26	41.13	1.01	33.07		0.02			74.22	2.27
6	DHAULIGANGA	285.28	1.48	42.14	1.23	35.19		12.75			90.07	3.16
7	DULHASTI	560.15	2.46	137.82	2.69	150.86		-40.71			247.97	4.43
8	SEWA-II	112.59	1.90	21.40	2.75	30.97		0.42			52.80	4.69
9	CHAMERA-III	230.85	2.57	59.26	1.98	45.67		0.23			105.16	4.56
10	URI-II	357.39	2.28	81.33	2.49	89.01		3.72			174.06	4.87
11	PARBATI-III HEP	149.22	4.46	66.60	1.54	23.04		0.04			89.67	6.01
12	KISHANGANGA	654.58	2.38	156.04	2.05	133.94		3.42			293.39	4.48
13	PARBATI-II	57.34	-	-	2.30	13.16		-			13.16	2.30
14	SUBANSIRI LOWER	16.72	1.50	2.51	2.30	3.84		-			6.35	3.80
15	PAKALDUL	-	-	-	-	-		-			-	-
	NHPC Consolidated	-	-	-	-	-		7.51			7.51	-
	<b>Sub-Total</b>	<b>4,033.55</b>		<b>743.73</b>		<b>704.08</b>		<b>-5.36</b>			<b>1,442.45</b>	<b>3.58</b>
g	<b>HYDRO (NTPC)</b>											
1	KOLDAM HPS	662.05	2.64	174.69	2.49	164.65		-			339.35	5.13
2	TAPOVAN VISHNUGARH	-	-	-	-	-		-			-	-



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(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	9.82	-	-	6.09	5.98	-	-	-	5.98	6.09	
	<b>Sub-Total</b>	<b>671.88</b>		<b>174.69</b>		<b>170.64</b>		-		<b>345.33</b>	<b>5.14</b>	
h	<b>THDC</b>											
	<b>HYDRO</b>											
1	TEHRI	1,236.36	1.77	218.25	2.10	259.10		3.71		481.06	3.89	
2	KOTESHWAR	496.08	2.18	108.16	2.33	115.77		0.10		224.02	4.52	
3	DHUKWAN	44.16	-	-	3.01	13.31		0.13		13.44	3.04	
4	VISHNUGARH PIPAL KOTHI	-	-	-	-	-		-		-	-	
	THDC Consolidated	-	-	-	-	-		-		-	-	
	Thermal											
1	KHURJA STPP											
	<b>Sub-Total</b>	<b>1,776.60</b>		<b>326.41</b>		<b>388.17</b>		<b>3.94</b>		<b>718.52</b>	<b>4.04</b>	
i	<b>SJVN</b>											
1	RAMPUR	343.97	2.52	86.64	2.11	72.54		43.68		202.86	5.90	
2	NATHPA JHAKRI	1,338.79	1.28	170.84	1.18	157.92		-9.36		319.40	2.39	
	<b>Sub-Total</b>	<b>1,682.76</b>		<b>257.48</b>		<b>230.46</b>		<b>34.32</b>		<b>522.26</b>	<b>3.10</b>	
j	<b>NEEPCO</b>											
1	Kameng HEP	225.48	-	-	3.93	88.61		0.08		88.69	3.93	
k	IPP/JV											
	<b>HYDRO</b>											
1	TALA	113.85	-	-	2.26	25.69		-		25.69	2.26	
2	VISHNU PRAYAG	2,030.42	0.13	26.06	1.03	209.03		11.14		246.23	1.21	
3	KARCHAM	832.10	1.80	149.79	1.40	116.25		-88.90		177.14	2.13	
4	TEESTA-III	918.29	3.18	292.04	2.85	261.87		0.61		554.52	6.04	



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S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
5	SRI NAGAR HEP	1,302.09	3.40	443.16	3.76	489.43		39.28			971.86	7.46
6	Rajghat Hydro	-	-	-	-	-		-			-	-
7	Hydro (Competitive Bidding)	466.62		48.25	-	60.50		1.61			110.37	2.37
<b>Thermal</b>												
1	Meja Thermal Power Plant	5,876.75	2.10	1,235.64	3.41	2,004.44		-6.90			3,233.18	5.50
2	LANCO	7,116.86	0.81	575.41	2.61	1,855.36		33.40			2,464.16	3.46
3	APCPL											-
4	BEPL BARKHERA	182.01	6.42	116.87	4.62	84.04		10.01			210.92	11.59
5	BEPL KHAMBHAKHERA	179.37	6.56	117.74	4.70	84.22		1.13			203.08	11.32
6	BEPL KUNDRAKHI	176.48	6.74	119.02	4.58	80.81		1.80			201.63	11.43
7	BEPL MAQSOODAPUR	175.72	6.59	115.88	4.53	79.64		0.99			196.51	11.18
8	BEPL UTRAULA	180.17	6.94	125.11	4.73	85.30		1.84			212.25	11.78
9	KSK MAHANADI	3,715.75	3.40	1,262.53	3.38	1,254.34		-18.99			2,497.89	6.72
10	LALITPUR	9,364.94	3.43	3,210.65	3.69	3,454.92		-			6,665.58	7.12
11	M.B.POWER (PTC)	2,679.97	2.39	639.29	2.87	770.05		-			1,409.35	5.26
12	PRAYAGRAJ POWER	9,569.46	1.35	1,289.47	2.39	2,291.00		3.15			3,583.62	3.74
13	R.K.M.POWER	2,355.45	2.52	594.21	2.22	522.29		-			1,116.50	4.74
14	ROSA-1&2	5,452.39	2.08	1,135.22	3.14	1,714.69		-191.80			2,658.11	4.88
15	SASAN	3,631.77	0.15	56.21	1.38	502.43		36.99			595.62	1.64
16	TRN ENERGY (PTC)	1,912.64	1.57	299.39	2.32	443.93		0.88			744.20	3.89
17	NABINAGAR POWER PROJECT	1,235.84	2.05	252.90	2.54	314.14		-1.07			565.97	4.58
18	Ghatampur	10.79	2.50	2.70	2.63	2.83		-			5.53	5.13
	<b>Sub-Total</b>	<b>59,479.69</b>		<b>12,107.55</b>		<b>16,707.19</b>		<b>-164.84</b>			<b>28,649.91</b>	<b>4.82</b>
	<b>Total</b>	<b>1,24,301.98</b>	<b>1.69</b>	<b>21,065.78</b>	<b>2.68</b>	<b>33,359.88</b>		<b>156.97</b>			<b>54,582.62</b>	<b>4.39</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
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S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
			MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)		(Rs. Cr.)	(Rs. / kWh)	
B	<b>Medium term Sources</b>											
D	<b>Cogen/ Captive</b>											
	Baggasse/Cogen/ CPP 1	2,617.87	0.90	235.78	3.11	815.22		0.90			1,051.90	4.02
	Baggasse/Cogen/ CPP 2	-	-	-	-	-		-			-	-
	<b>Sub-Total Cogen/ Captive</b>	<b>2,617.87</b>	<b>0.90</b>	<b>235.78</b>	<b>3.11</b>	<b>815.22</b>		<b>0.90</b>			<b>1,051.90</b>	<b>4.02</b>
E	Bilateral & Others (Power purchased through Trading)	200.64	-16.95	-340.03	46.21	927.21		81.77			668.95	33.34
1	Solar (Existing )	5,592.77	-	-	3.80	2,123.70		190.11			2,313.81	4.14
2	<b>Sub-Total Solar</b>	<b>5,592.77</b>	-	-	<b>3.80</b>	<b>2,123.70</b>		<b>190.11</b>			<b>2,313.81</b>	<b>4.14</b>
3	Solar (FY 21)											
4	Solar (FY 22)	-	-	-	-	-		-			-	-
5	Solar (FY 23)	223.33	-	-	3.00	67.00		-			67.00	3.00
6	Solar (FY 24)											
	<b>Sub-Total Solar</b>	<b>5,816.10</b>		-		<b>2,190.70</b>		<b>190.11</b>			<b>2,380.81</b>	<b>4.09</b>
G	<b>Non-Solar (Renewable)</b>											
1	WIND (Existing)							-			-	-
2	WIND	2,299.40	-	-	3.15	725.21		11.60			736.80	3.20
3	WIND (FY 22)	-	-	-	-	-		-			-	-
4	WIND (FY 23)	558.40	-	-	3.01	168.11		-			168.11	3.01
6	Biomass Existing	73.16	-	-	6.38	46.66		-			46.66	6.38
7	Biomass FY 20											
8	MSW FY 21	96.64	-	-	7.48	72.29		-			72.29	7.48
	<b>Sub-total RE other than solar</b>	<b>3,027.60</b>		-		<b>1,012.27</b>		<b>11.60</b>			<b>1,023.87</b>	<b>3.38</b>
	Other											
1	Slop Based Power Project	61.71	2.15	13.26	1.44	8.91		-			22.17	3.59



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S. No	Source of Power (Station wise)	FY 2022-23										
		Units	Annual Fixed Charges		Annual Energy/ Variable Charge		Annual Other Cost		Late Payment Surcharge	Total Cost		Avg. Cost of Energy at Generator Bus
		MU	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs / kWh)
H	NVVN + NSM (Thermal)	767.93	0.41	31.14	3.46	265.61		6.14			302.89	3.94
	NVVN + NSM (Solar))	157.24	-	-	7.19	113.00		10.20			123.21	7.84
	Reactive Energy Charges	-	-	-	-	-		1.01			1.01	-
I	<b>Short Term Sources</b>											
J	<b>REC</b>											
K	Banking	-	-	-	-	-		0.16			0.16	-
L	Transmission Charges	-	-	-	-	-		4,544.12			4,544.12	-
	RRAS	-	-	-	-	-		-19.32			-19.32	-
	<b>Grand Total</b>	<b>1,36,951.06</b>		<b>21,005.93</b>		<b>38,692.81</b>		<b>4,982.63</b>			<b>64,681.38</b>	<b>4.72</b>

### 5.6. DIFFERENTIAL BULK SUPPLY TARIFF

5.6.1. The Petitioners submitted that as the revised estimate of distribution loss is different from the distribution loss level approved by the Commission, the Differential Bulk Supply Tariff (DBST) for FY 2022-23 has been computed and thereafter, the power purchase cost for FY 2022-23 has been worked out based on the same.

5.6.2. The Petitioners' submission for the computation of DBST as per the approved methodology by the Commission is shown in the Table below:

**TABLE 5-17: DBST COMPUTATION FOR FY 2022-23**

S.No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy (Rs. Crore)	A	12,045.33	21,617.17	15,473.52	13,875.90	3,161.67	66,173.58
2	Energy Sales (MU)	B	21,304.05	33,430.07	26,048.94	22,844.07	3,979.14	1,07,606.27
<b>3</b>	<b>Power Procurement Cost</b>							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs. Crore)							61,314.54



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
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S.No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
A2	Inter State Transmission Charges (Rs. Crore)							3366.84
A1+A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs. Crore)	C						64681.38
4	Power Procurement cost of Allocated PPAs (Rs. Crore)	D	2464.20	4710.68	2583.82	2583.82	179.18	12,521.71
5	Total Power Required at Discom Periphery (MU)	E	26,646.71	39,418.45	31,605.32	27,593.34	4,349.96	1,29,613.78
6	Power at Discom Periphery from allocated PPAs (MU)	F	5903.25	11963.56	6014.55	6014.55	461.88	30,357.79
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Crore)	G	75.60	-118.71	0.00	0.00	17.22	-25.89
8	ABR (Rs/ Unit)	$H=(A/B) * 10$	5.65	6.47	5.94	6.07	7.95	6.15
9	Other Cost (Rs/Unit of Sale)	$I=G*10/B$	0.04	-0.04	0.00	0.00	0.04	0.00
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs/unit)	$J=D*10/B$	1.16	1.41	0.9919	1.13	0.45	1.16
B	Unallocated PPAs per unit of sale	$K= (C\text{-Total PP at "D"} * 10 / \text{Total Sale at "B"})$				4.85		
11	Revenue available for unallocated PPAs (Rs. /Unit of sale)	$L=H-I-J$	2.73	3.80	3.24	3.19	5.96	3.40
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	3.89	5.41	4.610	4.55	8.49	4.85
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.05	6.82	5.602	5.68	8.94	6.01
14	Total Power Purchase Cost (Rs Crs)	$O=N*B/10$	10,758.56	22,802.84	14,593.19	12,970.64	3,556.15	64,681.38
	<b>DBST (Rs./Unit)</b>							
15	DBST Computation of Allocated PPAs	P	4.17	3.94	4.30	4.30	3.88	4.12
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	4.00	6.59	4.69	4.81	8.69	5.26





S.No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
17	DBST of total PPAs	R=O*10/E	4.04	5.78	4.62	4.70	8.18	4.99

**Table 5-18: APPROVED POWER PURCHASE COST FOR FY 2022-23 BY THE COMMISSION IN TARIFF ORDER DATED JULY 20, 2022**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase	MU	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32	1,16,068.82
DBST	Rs. / kWh	5.42	5.47	5.77	5.06	5.9	5.47
<b>Power Procurement Cost from UPPCL</b>	<b>Rs. Crore</b>	<b>13,698.90</b>	<b>13,274.08</b>	<b>20,779.50</b>	<b>13,352.01</b>	<b>2,418.83</b>	<b>63,523.33</b>

5.6.3. The Petitioners have submitted the power purchase cost for FY 2022-23 on the basis of DBST, as shown in the table below:

**Table 5-19: POWER PURCHASE COST SUBMITTED BY THE PETITIONERS FOR FY 2022-23**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase	MU	26,647	27,593	39,418	31,605	4,350	1,29,613
DBST	Rs. / kWh	4.04	4.70	5.78	4.62	8.17	4.99
<b>Power Procurement Cost from UPPCL</b>	<b>Rs. Crore</b>	<b>10,758.56</b>	<b>12,970.64</b>	<b>22,802.84</b>	<b>14,594.19</b>	<b>3,556.15</b>	<b>64,681.38</b>

5.6.4. The Consolidated power purchase cost based on the above DBST for FY 2022-23 is shown in the table below:

**Table 5-20: CONSOLIDATED POWER PURCHASE COST FOR FY 2022-23**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Power Purchase Cost (including inter-state Transmission charges)	63,523.33	64,681.38
Intra-state Transmission Charges	2,925.37	3195.23
<b>Total Power Purchase Cost</b>	<b>66,448.70</b>	<b>67,876.61</b>

### **Commission's Analysis**

5.6.5. 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;*

*(l) Impact of Storage Capacities including Batteries, EV Charging Stations etc.;*

*(m) 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

- 5.6.6. 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.
- 5.6.7. 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.
- 5.6.8. The Commission, for the purpose of this Order, has provisionally considered the Bulk Supply Tariff (BST) and further allocation to Distribution Licensees (i.e., DBST) as claimed by the Petitioners and the prudence check of actuals will be carried out at the time of Truing up. The BST for FY 2022-23 on consolidated basis is shown in the table below:

**Table 5-21: BULK SUPPLY TARIFF FOR FY 2022-23**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Power Purchase cost (Rs Crore)	63,523.33	64,681.38
Power Input (MU)	1,16,068.82	1,29,613.78
Inter-State Trans Losses (%) (% Computed on Total Input Energy)	1.22%	2.16%
Inter-State Loss (MU)	1,480.86	2,955.62
Input at Transco End (MU)	1,19,992.58	1,33,995.44
Intra-State Trans Losses (%)	3.27%	3.27%



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Input as Discom End (MU)	1,16,068.82	1,29,613.78
<b>BST at Discom Periphery (Rs./kWh)</b>	<b>5.47</b>	<b>4.99</b>

5.6.9. 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.

5.6.10. Detailed analysis of Power Purchase for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

## 5.7. ENERGY BALANCE

### *Petitioners' Submission*

5.7.1. The Energy Balance approved by the Commission in the Tariff Order dated July 20, 2022 and claimed by the Petitioners for FY 2022-23 is shown in the Table below:

**Table 5-22: ENERGY BALANCE FOR FY 2022-23 APPROVED BY THE COMMISSION (TARIFF ORDER DATED JULY 20, 2022)**

Particulars	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
Inter-State Transmission Loss	%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%
Net Energy Received from Stations connected to Inter-State Transmission network	MU	9340.30	8921.89	13224.30	9764.40	1425.34	42,676.24



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

Particulars	Unit	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
at UPPTCL Periphery (Ex-Bus)							
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	MU	26,456.60	25,415.86	37,672.18	27,640.41	4,288.39	1,21,473.44

**Table 5-23: ENERGY BALANCE SUBMITTED BY THE STATE DISCOMS FOR FY 2022-23**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	CONSOLIDATED
Retail Sales	MU	21,304.05	22,844.07	33,430.07	26,048.94	3,979.14	1,07,606.27
Distribution Losses	%	20.05%	17.21%	15.19%	17.58%	8.52%	16.98%
Energy at Discom Periphery for Retail Sales	MU	26,646.71	27,593.34	39,418.45	31,605.32	4,349.96	1,29,613.78
Intra-State Transmission Losses	%	3.27%	3.27%	3.27%	3.27%	3.27%	3.27%
Energy Available at State periphery for Transmission	MU	27,547.52	28,526.14	40,751.01	32,673.75	4,497.01	1,33,995.44
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	MU	18,931.03	19,603.55	28,004.65	22,453.85	3,090.41	92,083.49
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	MU	8,616.49	8,922.59	12,746.36	10,219.90	1,406.60	41,911.94
Inter-State Transmission Loss	%	6.59%	6.59%	6.59%	6.59%	6.59%	6.59%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	MU	9,224.12	9,551.81	13,645.23	10,940.61	1,505.80	44,867.56
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	MU	28,155.15	29,155.36	41,649.88	33,394.46	4,596.21	1,36,951.06

**Commission's Analysis**

5.7.2. The analysis of Energy Balance for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.



## 5.8. INTRA STATE TRANSMISSION CHARGES

### *Petitioners' Submission*

5.8.1. The intra-State transmission charges (including SLDC charges) approved by the Commission is shown in the Table below:

**TABLE 5-24: APPROVED TRANSMISSION CHARGES FOR FY 2022-23 IN TARIFF ORDER DATED JULY 20, 2022**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
Energy Input into Transmission-Distribution Interface	MU	25,277.96	24,285.30	35,996.42	26,408.83	4,100.32
Transmission Tariff	Rs / kWh	0.2465	0.2465	0.2465	0.2465	0.2465
<b>Transmission Cost</b>	<b>Rs. Crore</b>	<b>623.14</b>	<b>598.67</b>	<b>887.36</b>	<b>651.02</b>	<b>101.08</b>

5.8.2. The State Discoms have submitted the transmission charges for FY 2022-23 as shown in the Table below:

**Table 5-25: TRANSMISSION CHARGES CLAIMED FOR FY 2022-23 BY THE STATE DISCOMS**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO
Energy Input into Transmission-Distribution Interface	MU	26,647	27,593	39,418	31,605	4,350
Transmission Tariff	Rs / kWh	0.2465	0.2465	0.2465	0.2465	0.2465
<b>Transmission Cost</b>	<b>Rs. Crore</b>	<b>656.89</b>	<b>680.23</b>	<b>971.74</b>	<b>779.13</b>	<b>107.24</b>

### *Commission's Analysis*

5.8.3. The analysis of transmission charges for FY 2022-23 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 O&M expenses comprises of employee expenses, R&M expenses and A&G expenses.

### **Employee expenses**

5.9.2. The Petitioners have considered Trued-Up value of FY 2019-20 as base employee expenses. Further, the Petitioners have considered the same methodology as approved by the Commission in the Tariff Order for FY 2022-



23 for projection of employee expenses for FY 2022-23. The employee expenses for FY 2022-23 are shown in the Table below:

**Table 5-26: EMPLOYEE EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True UP for FY 2021-22	Average CPI Escalation of last 3 years.	Claimed in APR
Employee Expenses	852.78	5.89%	903.03

**Table 5-27: EMPLOYEE EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True UP for FY 2021-22	Average CPI Escalation of last 3 years.	Claimed in APR
Employee Expenses	1,152.84	5.89%	1,220.77

**Table 5-28: EMPLOYEE EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True UP for FY 2021-22	Average CPI Escalation of last 3 years.	Claimed in APR
Employee Expenses	931.29	5.89%	986.20

**Table 5-29: COMPUTED EMPLOYEE EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True UP for FY 2021-22	Average CPI Escalation of last 3 years.	Claimed in APR
Employee Expenses	984.39	5.89%	1,042.40

**Table 5-30: EMPLOYEE EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True UP for FY 2021-22	Average CPI Escalation of last 3 years.	Claimed in APR
Employee Expenses	175.62	5.89%	185.97

5.9.3. The Petitioners further submitted that the capitalisation of employee expenses has been projected based on ratio of employee expenses capitalised and employee expenses for FY 2021-22 (True-Up year). The gross employee expenses and net employee expenses claimed for FY 2022-23 is shown in table below:

**Table 5-31: EMPLOYEE EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particular	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
A	Gross Employee Expenses after escalation	394.81	903.03
B	Less: Employee Expenses capitalized	427.65	321.16
C	Net Employee Expenses	-32.84	581.87





**Table 5-32: EMPLOYEE EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particular	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
A	Gross Employee Expenses after escalation	773.35	1,220.78
B	Less: Employee Expenses capitalized	644.56	429.89
C	Net Employee Expenses	128.79	790.89

**Table 5-33: EMPLOYEE EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particular	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
A	Gross Employee Expenses after escalation	699.16	986.20
B	Less: Employee Expenses capitalized	310.15	269.57
C	Net Employee Expenses	389.01	716.63

**Table 5-34: EMPLOYEE EXPENSES OF PUVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particular	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
A	Gross Employee Expenses after escalation	885.66	1,042.40
B	Less: Employee Expenses capitalized	240.63	294.85
C	Net Employee Expenses	645.03	747.55

**Table 5-35: EMPLOYEE EXPENSES OF KESCO FOR FY 2021-22 (Rs. Crore)**

Sl. No.	Particular	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
A	Gross Employee Expenses after escalation	150.04	185.97
B	Less: Employee Expenses capitalized	6.94	12.88
C	Net Employee Expenses	143.10	173.10



### Administrative and General (A&G) expenses

5.9.4. The Petitioners have considered Trued-Up value of FY 2019-20 as base A&G expenses. The Petitioners submitted that they have considered the same methodology approved by the Commission in the Tariff Order for FY 2022-23, for the projection of A&G expenses for FY 2022-23. The computation of A&G expenses for FY 2022-23 is shown below:

**Table 5-36: COMPUTED A&G EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
A&G Expenses	126.95	5.32%	133.70

**Table 5-37: A&G EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
A&G Expenses	322.82	5.32%	340.00

**Table 5-38: A&G EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
A&G Expenses	172.92	5.32%	182.12

**Table 5-39: COMPUTED A&G EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
A&G Expenses	173.93	5.32%	183.18

**Table 5-40: A&G EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
A&G Expenses	27.51	5.32%	28.98

5.9.5. The A&G expenses claimed for FY 2022-23 is shown in table below.



**Table 5-41: A&G EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	Gross A&G Expenses after escalation	114.11	133.70
2	Less: A&G expenses capitalized	0.00	0.00
<b>3</b>	<b>Net A&amp;G expenses</b>	<b>114.11</b>	<b>133.70</b>

**Table 5-42: A&G EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	Gross A&G Expenses after escalation	273.70	340.00
2	Less: A&G expenses capitalized	0.00	0.00
<b>3</b>	<b>Net A&amp;G expenses</b>	<b>273.70</b>	<b>340.00</b>

**Table 5-43: A&G EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	Gross A&G Expenses after escalation	159.62	182.12
2	Less: A&G expenses capitalized	0.00	0.00
<b>3</b>	<b>Net A&amp;G expenses</b>	<b>159.62</b>	<b>182.13</b>

**Table 5-44: A&G EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	Gross A&G Expenses after escalation	171.76	183.18
2	Less: A&G expenses capitalized	0.00	0.00
<b>3</b>	<b>Net A&amp;G expenses</b>	<b>171.76</b>	<b>183.18</b>

**Table 5-45: A&G EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Sl No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	Gross A&G Expenses after escalation	28.94	28.98



SI No.	Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
2	Less: A&G expenses capitalized	0.00	0.00
3	<b>Net A&amp;G expenses</b>	<b>28.94</b>	<b>28.98</b>

### Repairs & Maintenance expenses (R&M)

5.9.6. The Petitioners have considered Trued-Up value of FY 2019-20 as base R&M expenses. considered as base R&M expenses. The Petitioners further submitted that they have considered the same methodology approved by the Commission in the Tariff Order for FY 2022-23, for the projection of R&M expenses for FY 2022-23. The computation for FY 2022-23 is shown below.

**Table 5-46: R&M EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
R&M Expenses	575.25	5.32%	605.87

**Table 5-47: R&M EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2021-22	Average WPI Escalation of last 3 years.	Claimed in APR
R&M Expenses	387.37	5.32%	407.99

**Table 5-48: R&M EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Claimed in APR
R&M Expenses	624.50	5.32%	657.74

**Table 5-49: R&M EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Claimed in APR
R&M Expenses	917.29	5.32%	966.11



**Table 5-50: R&M EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in True-Up for FY 2020-21	Average WPI Escalation of last 3 years.	Claimed in APR
R&M Expenses	88.26	5.32%	92.95

5.9.7. The Petitioners submitted that the Commission vide Tariff Order dated July 20, 2022 approved Special R&M of Rs. 1,032.52 Crore. 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 and actual claim will be submitted during the True-Up of FY 2022-23.

5.9.8. The R&M expenses claimed by Petitioners for FY 2022-23 is shown in the Table below:

**Table 5-51: NORMATIVE R&M EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
1	Gross R&M Expenses after escalation	769.37	605.87
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M	256.46	256.46
4	Net R&M Expenses	1,025.83	862.33

**Table 5-52: NORMATIVE R&M EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
1	Gross R&M Expenses after escalation	571.79	407.99
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M	190.60	190.60
4	<b>Net R&amp;M Expenses</b>	<b>762.39</b>	<b>598.58</b>

**Table 5-53: NORMATIVE R&M EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
1	Gross R&M Expenses after escalation	672.36	657.74



Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M	224.12	224.12
<b>4</b>	<b>Net R&amp;M Expenses</b>	<b>896.48</b>	<b>881.86</b>

**Table 5-54: NORMATIVE R&M EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
1	Gross R&M Expenses after escalation	968.88	966.11
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M	322.96	322.96
<b>4</b>	<b>Net R&amp;M Expenses</b>	<b>1,291.84</b>	<b>1,289.07</b>

**Table 5-55: NORMATIVE R&M EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Sl. No.	Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
1	Gross R&M Expenses after escalation	115.24	92.95
2	Less: R&M Expenses capitalized	0.00	0.00
3	Special R&M	38.40	38.40
<b>4</b>	<b>Net R&amp;M Expenses</b>	<b>153.64</b>	<b>131.35</b>

### Smart metering OPEX

5.9.9. The Petitioners submitted that the amount claimed 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. 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 RoE on the consumer.

5.9.10. The Commission in Tariff Order FY 2022-23 dated July 20, 2022, at Para 5.9.24 ruled as under:

Quote



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.

Unquote

- 5.9.11. The Petitioners submitted that the smart meter roll-out plan based on opex model was submitted to the Commission for approval before implementation. The Commission, in the approval of the roll-out plan, had not ruled 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 for FY 2019-20 ruled that it would 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 requested the Commission to allow smart meter opex estimated for FY 2022-23, as shown in the Tables below:

**Table 5-56: SMART METERING OPEX SUBMITTED BY DVVNL FOR FY 2022-23**

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	Claimed in APR
FY 2022-23	3,78,862	4,70,972	101.42	52.18

**Table 5-57: SMART METERING OPEX SUBMITTED BY MVVNL FOR FY 2022-23**

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	Claimed in APR
FY 2022-23	1,98,726	3,67,861	101.42	35.34





**Table 5-58: SMART METERING OPEX SUBMITTED BY PUVNL FOR FY 2022-23**

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	Claimed in APR
FY 2022-23	1,47,991	2,32,361	101.42	23.57

**TABLE 5-59: SMART METERING OPEX SUBMITTED BY PUVVNL FOR FY 2022-23**

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	Claimed in APR
FY 2022-23	3,21,433	4,66,278	101.42	48.67

**Table 5-60: SMART METERING OPEX SUBMITTED BY KESCO FOR FY 2022-23**

Particulars	Smart Meters installed till March 2021	Smart Meters to be installed till March 2022	Rate (Rs. /meter/month including GST @18%)	Claimed in APR
FY 2022-23	1,07,318	1,15,857	101.42	13.62

5.9.13. The Petitioners further stated that, smart metering opex was not covered under the head of A&G expenses in the past therefore, the same may be allowed, in addition to the A&G expenses claimed.

5.9.14. The Summary of O&M expenses approved by the Commission in the Tariff Order dated July 20, 2022 and O&M expenses claimed by the Petitioners are shown in the Tables below:

**Table 5-61: O&M EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	394.81	903.03
R & M Expenses	512.91	605.87
A&G Expenses (with FC)	114.11	133.70
<b>Gross O&amp;M Expenses</b>	<b>1,021.83</b>	<b>1,642.60</b>
Employee Expenses Capitalisation	427.65	321.16
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>427.65</b>	<b>321.16</b>
Add: Smart Metering Opex	0.00	52.18



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Add: Additional R&M Expenses	256.46	256.46
<b>Net O&amp;M Expenses</b>	<b>850.64</b>	<b>1,630.08</b>

*Table 5-62: O&M EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)*

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	773.35	1,220.78
R & M Expenses	381.19	407.99
A&G Expenses (with FC)	273.70	340.00
<b>Gross O&amp;M Expenses</b>	<b>1,428.24</b>	<b>1,968.77</b>
Employee Expenses Capitalisation	644.56	429.89
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>644.56</b>	<b>429.89</b>
Add: Smart Metering Opex	0.00	35.34
Add: Additional R&M Expenses	190.60	190.60
<b>Net O&amp;M Expenses</b>	<b>974.28</b>	<b>1,764.81</b>

*Table 5-63: O&M EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)*

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	699.16	986.20
R & M Expenses	448.24	657.74
A&G Expenses (with FC)	159.62	182.12
<b>Gross O&amp;M Expenses</b>	<b>1,307.02</b>	<b>1,826.05</b>
Employee Expenses Capitalisation	310.15	269.57
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>310.15</b>	<b>269.57</b>
Add: Smart Metering Opex	0.00	23.57
Add: Additional R&M Expenses	224.12	224.12
<b>Net O&amp;M Expenses</b>	<b>1,220.99</b>	<b>1,804.17</b>

*Table 5-64: O&M EXPENSES OF PUVVNL FOR FY 2022-23 (Rs. Crore)*

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	885.66	1,042.40
R & M Expenses	645.92	966.11
A&G Expenses (with FC)	171.76	183.18



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
<b>Gross O&amp;M Expenses</b>	<b>1,703.34</b>	<b>2,191.69</b>
Employee Expenses Capitalisation	240.63	294.85
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>240.63</b>	<b>294.85</b>
Add: Smart Metering Opex	0.00	48.67
Add: Additional R&M Expenses	322.96	322.96
<b>Net O&amp;M Expenses</b>	<b>1,785.67</b>	<b>2,268.46</b>

**Table 5-65: O&M EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	150.04	185.97
R & M Expenses	76.84	92.95
A&G Expenses (with FC)	28.94	28.98
<b>Gross O&amp;M Expenses</b>	<b>255.82</b>	<b>307.90</b>
Employee Expenses Capitalisation	6.94	12.88
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>6.94</b>	<b>12.88</b>
Add: Smart Metering Opex	0.00	13.62
Add: Additional R&M Expenses	38.40	38.40
<b>Net O&amp;M Expenses</b>	<b>287.28</b>	<b>347.05</b>

**Table 5-66: CONSOLIDATED O&M EXPENSES OF 5 STATE DISCOMS IN FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Employee Expenses	2,903.02	4,338.38
R & M Expenses	2,065.11	2,730.65
A&G Expenses (with FC)	748.13	867.99
<b>Gross O&amp;M Expenses</b>	<b>5,716.26</b>	<b>7,937.01</b>
Employee Expenses Capitalisation	1,629.93	1,328.34
A&G Expenses Capitalisation	0.00	0.00
<b>Total Capitalisation</b>	<b>1,629.93</b>	<b>1,328.34</b>
Add: Smart Metering Opex	0.00	173.38
Add: Additional R&M Expenses	1,032.53	1,032.53
<b>Net O&amp;M Expenses</b>	<b>5,118.86</b>	<b>7,814.58</b>



### **Commission's Analysis**

- 5.9.15. Regulation 45 of MYT Regulations, 2019, stipulates the detailed methodology for determination of O&M expenses for the Control Period from FY 2020-21 to FY 2024-25 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.:

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

Where:

$EMP_n$ : Employee expense for the  $n$ th year;

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

CPI inflation is the average of 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:

$$R\&M_n = R\&M_{n-1} (1 + \text{WPI inflation})$$

Where:

$R\&M_n$ : Repairs & Maintenance expense for the  $n$ th year;

$R\&M_{n-1}$ : 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:

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

Where:

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

$A\&G_{n-1}$ : 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

- 5.9.16. The Commission vide Order dated November 15, 2018, approved the Smart Meter rollout plan for State Discoms. 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

- 5.9.17. The Commission in the Order dated November 15, 2018, directed as 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



- 5.9.18. Further the State Discoms 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 RoE on the consumers.
- 5.9.19. With regard to additional O&M for smart metering opex, it is noted that under the opex model, the Petitioners have mentioned that the cost of Rs. 101.42 (including GST) per meter per month will be charged by EESL from UPPCL as Interest & PMC (project management consulting) cost.
- 5.9.20. In the Order dated November 15, 2018, the Commission had approved the Roll Out plan for Smart Meters. The Commission 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
- 5.9.21. The Commission had approved the roll out plan subject to following conditions:
- (a) The billing efficiency of the consumers having smart meters shall not be 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 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 improvement like replacement of LT lines with ABC conductor, for which CAPEX was allowed 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 Business Plan / 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 based on 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.
- 5.9.25. With regard to employee expenses, A&G expenses and R&M expenses, the Commission has provisionally computed normative value considering the normative employee expenses, A&G expenses and R&M expenses as computed for True-Up and inflation index as per the provisions of MYT Regulations, 2019. The normative employee expenses, A&G expenses and R&M expenses computed for FY 2022-23 will be considered as base value for FY 2023-24, detailed computation is shown in the subsequent Chapter.
- 5.9.26. Further, the analysis of actual O&M expenses for FY 2022-23 will be carried out at the time of True-Up proceedings based on actual data & annual audited accounts of respective State Discoms.

## 5.10. CAPITAL INVESTMENT

### *Petitioners' Submission*

- 5.10.1. The Petitioners submitted that the Central Government has approved the RDSS, a Reforms-based and Results-linked Scheme with a five-year budget outlay 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% across the country, and the ACS-



ARR gap to zero, by increasing operational efficiencies and financial sustainability of all Discoms / Power Departments, excluding private Discoms.

- 5.10.2. RDSS is specifically formulated 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 centres, AMI meters on feeders & Distribution Transformers, provision of smart metering to reduce losses etc. in urban areas.
- 5.10.3. RDSS 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.
- 5.10.4. The funding structure of the project includes Grants of 60% of the approved cost of Distribution infrastructure and remaining 40% cost shall be borne by the State Government / Discom. Sanctioned cost of the projects is shown in the Tables below:

**Table 5-67: RDSS PROJECT COST DETAILS of DVVNL for FY 2022-23 (Rs. Crore)**

S. No.	Particulars	Total project cost	Remarks
1	Smart Metering Works	3,663.09	Tender will be executed in TOTEX mode.
2	Infrastructure Works- Loss Reduction	3,771.57	Tender will be executed in CAPEX mode.
3	Infrastructure Works- Modernization		Tender will be executed in CAPEX mode.
	<b>Total</b>	<b>7,434.66</b>	

**TABLE 5-68: RDSS PROJECT COST DETAILS OF MVVNL FOR FY 2022-23 (RS. CRORE)**

Sr.no	Particulars	Total project cost	Remarks
1	Smart metering works	5,009.35	Tender will be executed in TOTEX mode
2	Infrastructure works- Loss reduction	4,165.32	Tender will be executed in CAPEX mode



Sr.no	Particulars	Total project cost	Remarks
3	Infrastructure works- Modernization	4,364.66	Tender will be executed in CAPEX mode
	<b>Total</b>	<b>13,539.33</b>	

**TABLE 5-69: RDSS PROJECT COST DETAILS OF PVVNL FOR FY 2022-23 (RS. CRORE)**

Sr.no	Particulars	Total Project Cost	Remarks
1	Smart metering works	4,946.90	Tender will be executed in TOTEX mode
2	Infrastructure works- Loss reduction	3,403.01	Tender will be executed in CAPEX mode
3	Infrastructure works- Modernization	4,345.51	Tender will be executed in CAPEX mode
	<b>Total</b>	<b>12,695.42</b>	

**TABLE 5-70: RDSS PROJECT COST DETAILS OF PUVVNL FOR FY 2022-23 (RS. CRORE)**

S.No.	Particulars	Total Project Cost	Remarks
1	Smart Metering Works	4,937.73	Tender will be executed in TOTEX mode
2	Infrastructure Works- Loss Reduction	4,543.79	Tender will be executed in CAPEX mode
	<b>Total</b>	<b>9,481.52</b>	

**TABLE 5-71: RDSS PROJECT COST DETAILS OF KESCO FOR FY 2022-23 (RS. CRORE)**

S.No.	Particulars	Total Project Cost	Remarks
1	Smart Metering Works	328.40	Tender will be executed in TOTEX mode
2	Infrastructure Works- Loss Reduction	614.93	Tender will be executed in CAPEX mode
3	Infrastructure Works- Modernization	665.94	Tender will be executed in CAPEX mode
	<b>Total</b>	<b>1,609.27</b>	

5.10.5. The Commission in the Tariff Order for FY 2022-23 dated July 20, 2022 has directed the State Discoms to submit separate Petition for approval of Capital Investment Plan as per Regulation 44 of MYT Regulations, 2019. The relevant extract of the Tariff Order for FY 2022-23 is as under:



Quote

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.***

Unquote

- 5.10.6. The Petitioners further submitted that in the backdrop of the above facts and circumstances Petitioners is in process of filing separate petition for its proposed Investment Plan Petition for the RDSS Scheme. The Petitioners submitted that the total proposed amount of Rs. 44,760.20 Crore (Rs. 7434.66 Crore (DVVNL), Rs. 13,539.33 (MVVNL) Crore, Rs. 12, 695.42 Crore (PVVNL), Rs. 9481.52 Crore (PuVVNL) and Rs. 1609.27 Crore (KESCO)) is to be invested in RDSS. The capital expenditure is expected to further strengthen the distribution network of the Petitioner and would help in extending quality and reliable power supply in its license area.
- 5.10.7. The details of the capex schemes submitted by the Petitioners are shown in the Table below:



**Table 5-72: CAPEX OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Schemes	Investment	Capitalisation
Other Scheme	270.11	197.87
ADB	613.00	245.20
RDSS	301.72	120.69
<b>Total Investments (A)</b>	<b>914.72</b>	<b>455.72</b>
Add: Employee Capitalization (B)	321.16	321.16
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>1,505.99</b>	<b>884.92</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>1,505.99</b>	<b>884.92</b>

**TABLE 5-73: CAPEX OF MVVNL FOR FY 2022-23 (RS. CRORE)**

Schemes	Investment	Capitalisation
Other Scheme	450.51	279.95
ADB	425.76	170.30
RDSS	277.67	111.07
<b>Total Investments (A)</b>	<b>1,153.94</b>	<b>561.32</b>
Add: Employee Capitalization (B)	429.89	429.89
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>1,583.83</b>	<b>991.21</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>1,583.83</b>	<b>991.21</b>

**TABLE 5-74: CAPEX OF PVVNL FOR FY 2022-23 (RS. CRORE)**

Schemes	Investment	Capitalisation
Other Scheme	346.73	245.45
RGGVY 11TH PLAN AND 12TH PLAN	1.27	0.51
DDUGJY	0.32	0.13
ADB	4.07	1.63
IPDS	0.33	0.13
SAUBHAGYA YOJNA	7.13	2.85
RDSS	272.24	108.90
<b>Total Investments (A)</b>	<b>632.09</b>	<b>359.60</b>
Add: Employee Capitalization (B)	269.57	269.57
Add: Interest Capitalization (C)	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>901.66</b>	<b>629.16</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>901.66</b>	<b>629.16</b>

**TABLE 5-75: CAPEX OF PUVVNL FOR FY 2022-23 (RS. CRORE)**

Schemes	Investment	Capitalisation
Other Scheme	315.66	929.93



Schemes	Investment	Capitalisation
ADB	330.13	132.05
RDSS	464.68	185.87
<b>Total Investments (A)</b>	<b>794.81</b>	<b>1,121.59</b>
Add: Employee Capitalization (B)	294.85	294.85
Add: Interest Capitalization (C)	97.76	97.76
<b>Total (D= A+B+C)</b>	<b>1,503.08</b>	<b>1,640.46</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D-E)</b>	<b>1,503.08</b>	<b>1,640.46</b>

**TABLE 5-76: CAPEX OF KESCO FOR FY 2022-23 (RS. CRORE)**

Particulars	Investments	Capitalisation
Other Scheme	19.71	46.55
IPDS	5.38	0.00
SAUBHAGYA YOJNA	0.00	0.00
RDSS	49.20	19.68
<b>Total excluding Interest and Employee Cost capitalised (A)</b>	<b>74.29</b>	<b>66.23</b>
<b>Add: Employee Cost Capitalised (B)</b>	<b>12.88</b>	<b>12.88</b>
<b>Add: Interest Expenses Capitalised (C)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (D= A + B + C)</b>	<b>87.16</b>	<b>79.10</b>
Asset not belonging to Discoms (E)	0.00	0.00
<b>Total (F= D+E)</b>	<b>87.16</b>	<b>79.10</b>

5.10.8. The Petitioners submitted that the investment considered for FY 2022-23 is the net investments (excluding Grants and Consumer Contributions) which shall be funded through debt and equity. The Petitioners have separately provided the amount of Consumer Contribution and Grants for FY 2022-23.

5.10.9. 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, capital investment during the year and capitalisation, the Petitioners have computed the closing CWIP for FY 2022-23, as shown the Tables below:

**TABLE 5-77: CAPITAL INVESTMENT OF DVVNL FOR FY 2022-23 (RS. CRORE)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	849.05	224.58



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Investments	B	747.37	1,184.83
Employee Expenses Capitalisation	C	427.65	321.16
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	240.43	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,264.50</b>	<b>1,730.57</b>
Transferred to GFA (Total Capitalisation)	G	1,513.99	884.92
<b>Closing WIP</b>	<b>H=F-G</b>	<b>750.51</b>	<b>845.65</b>

**Table 5-78: CAPITAL INVESTMENT OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	1,465.93	249.37
Investments	B	1,018.99	1,153.94
Employee Expenses Capitalisation	C	644.56	429.89
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	198.33	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>3,327.81</b>	<b>1,833.20</b>
Transferred to GFA (Total Capitalisation)	G	2,434.95	991.21
<b>Closing WIP</b>	<b>H=F-G</b>	<b>892.86</b>	<b>841.99</b>

**Table 5-79: CAPITAL INVESTMENT OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	521.68	266.90
Investments	B	966.70	632.09
Employee Expenses Capitalization	C	310.15	269.57
A&G Expenses Capitalization	D	0.00	0.00
Interest Capitalization on Interest on long term loans	E	73.65	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>1,872.18</b>	<b>1,168.56</b>





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Transferred to GFA (Total Capitalization)	G	1,096.18	629.16
<b>Closing WIP</b>	<b>H=F-G</b>	<b>776.00</b>	<b>539.39</b>

**Table 5-80: CAPITAL INVESTMENT OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	1,708.79	2,009.17
Investments	B	515.02	1,110.47
Employee Expenses Capitalisation	C	240.63	294.85
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	157.62	97.76
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,622.06</b>	<b>3,512.24</b>
Transferred to GFA (Total Capitalisation)	G	1,287.78	1640.46
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,334.28</b>	<b>1,871.78</b>

**TABLE 5-81: CAPITAL INVESTMENT OF KESCO FOR FY 2022-23 (RS. CRORE)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	56.36	96.67
Investments	B	33.36	74.29
Employee Expenses capitalisation	C	6.94	12.88
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>96.66</b>	<b>183.83</b>
Transferred to GFA (Total Capitalisation)	G	91.93	79.10
<b>Closing WIP</b>	<b>H=F-G</b>	<b>4.73</b>	<b>104.72</b>



**TABLE 5-82: CONSOLIDATED CAPITAL INVESTMENT OF 5 DISCOMS FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening WIP as on 1st April	A	4,601.81	2,846.68
Investments	B	3,877.51	4,155.61
Employee Expenses capitalisation	C	1,629.93	1,328.34
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	670.04	97.76
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>10,779.28</b>	<b>8,428.40</b>
Transferred to GFA (Total Capitalisation)	G	6,424.83	4,224.87
<b>Closing WIP</b>	<b>H=F-G</b>	<b>4,354.45</b>	<b>4,203.53</b>

#### **Commission's Analysis**

- 5.10.10. The closing CWIP of FY 2021-22 as approved in True Up has been considered as opening CWIP for FY 2022-23. Further, the Commission has provisionally considered the investment and capitalization (asset addition during the year) for FY 2022-23 as submitted by the Petitioners to arrive at the closing CWIP for the FY 2022-23. Closing CWIP computed for FY 2022-23 will be the opening CWIP for FY 2023-24, detailed computation of CWIP is shown in the subsequent Chapter.
- 5.10.11. Further, the Petitioners have filed a Petitions for the approval of CAPEX under RDSS scheme which is currently under scrutiny before the Commission. Therefore, while disposing the instant Tariff petition, the Commission has considered capex and capitalisation provisionally as proposed by Petitioners. However, appropriate treatment for the same shall be done at the time of True-up proceedings considering the outcome of Petitions filed before the Commission pertaining to RDSS Scheme.
- 5.10.12. Further analysis of Capital Investment for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms and as per the Regulation 44 of MYT Regulations, 2019.



## 5.11. CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES

### *Petitioners' Submission*

5.11.1. The Table below summarises the amounts received towards Consumer Contributions, Grants and Subsidies for FY 2022-23:

**Table 5-83: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	4,735.90	4,559.19
Additions during the year includes consumer contribution and grants	0.00	0.00
Less: Amortisation on consumer contribution part only	160.62	0.00
<b>Closing Balance</b>	<b>4,575.28</b>	<b>4,559.19</b>

**Table 5-84: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	137.36	5,738.28
Additions during the year includes consumer contribution and grants	0.00	0.00
Less: Amortisation on consumer contribution part only	0.00	0.00
<b>Closing Balance</b>	<b>137.36</b>	<b>5,738.28</b>

**Table 5-85: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	207.44	5,817.19
Additions during the year includes consumer contribution and grants	0.00	0.00
Less: Amortisation on consumer contribution part only	0.00	0.00
<b>Closing Balance</b>	<b>207.44</b>	<b>5,817.19</b>



**Table 5-86: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF PUVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	4,968.16	4,960.76
Additions during the year includes consumer contribution and grants	0.00	0.00
Less: Amortisation on consumer contribution part only	134.69	0.00
<b>Closing Balance</b>	<b>4,833.46</b>	<b>4,960.76</b>

**Table 5-87: CONSUMER CONTRIBUTION, CAPITAL GRANTS AND SUBSIDIES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Balance of Consumer Contributions, Grants and Subsidies towards Cost of Capital Assets	424.33	424.88
Additions during the year includes consumer contribution and grants	0.00	0.00
Less: Amortisation on consumer contribution part only	15.58	0.00
<b>Closing Balance</b>	<b>310.99</b>	<b>424.88</b>

### **Commission's Analysis**

- 5.11.2. The closing Consumer Contributions, Grants and Subsidies of FY 2021-22 as approved in the True Up has been considered as opening Consumer Contributions, Grants and Subsidies for FY 2022-23. Further, the Commission has provisionally considered Consumer Contributions, Grants and Subsidies addition for the year as proposed by the Petitioners, which is Nil. Closing Consumer Contributions, Grants and Subsidies computed for FY 2022-23 will be the opening value for FY 2023-24, detailed computation of Consumer Contributions, Grants and Subsidies is shown in the subsequent Chapter.
- 5.11.3. Further, the analysis of Consumer Contribution, Grants and Subsidies for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.



## 5.12. FINANCING OF THE CAPITAL INVESTMENT

### *Petitioners' Submission*

- 5.12.1. The Petitioners submitted that the Capital Investment eligible for financing after deducting Consumer Contribution and Grant is shown in the Tables below. The Petitioners have considered the same approach as in previous Tariff 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.
- 5.12.2. The details of funding of Capital investment for FY 2022-23 submitted by the Petitioners are shown in the Tables below:

**Table 5-88: FINANCING OF CAPITAL INVESTMENT OF DVVNL for FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	884.92
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	884.92
<b>Debt Funded</b>	<b>70% of C</b>	<b>619.45</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>265.48</b>

**TABLE 5-89: FINANCING OF CAPITAL INVESTMENT OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	991.21
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	991.21
<b>Debt Funded</b>	<b>70% of C</b>	<b>693.85</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>297.36</b>

**TABLE 5-90: FINANCING OF CAPITAL INVESTMENT OF PVVNL FOR FY 2022-23 (RS. CRORE)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	629.16
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	629.16
<b>Debt Funded</b>	<b>70% of C</b>	<b>440.41</b>



Particulars	Derivation	Claimed in APR
<b>Equity Funded</b>	<b>30% of C</b>	<b>188.75</b>

**TABLE 5-91: FINANCING OF CAPITAL INVESTMENT OF PUVVNL FOR FY 2022-23 (RS. CRORE)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	1,640.46
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	1,640.46
<b>Debt Funded</b>	<b>70% of C</b>	<b>1,148.33</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>492.14</b>

**Table 5-92: FINANCING OF CAPITAL INVESTMENT OF KESCO for FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	79.10
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	79.10
<b>Debt Funded</b>	<b>70% of C</b>	<b>55.37</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>23.73</b>

**TABLE 5-93: CONSOLIDATED FINANCING OF CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Claimed in APR
Transferred to GFA (Total Capitalisation)	A	4,224.87
Less: Consumer Contribution and Grants	B	0.00
Investment funded by debt and equity	C=A-B	4,224.87
<b>Debt Funded</b>	<b>70% of C</b>	<b>2,957.41</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>1,267.46</b>

### **Commission's Analysis**

- 5.12.3. As discussed above the Commission has provisionally considered capital investment and GFA addition (capitalisation) during the year i.e. FY 2022-23 as proposed by the Petitioners. The Commission observed that the Petitioners have proposed capitalisation for FY 2022-23 net of consumer contribution, grants and subsidy. Accordingly, the Commission has considered capitalisation net of consumer contributions, subsidy and grants. Considering the debt



equity ratio of 70:30, 70% of the capitalisation is considered provisionally to be funded through debt and balance 30% through equity.

- 5.12.4. After issuance of Tariff Order for FY 2022-23 dated July 20, 2022, the Commission analysed that there were some linking errors in the Ms-Excel model for which component wise analysis has been done, which will be taken care at the time of true up of FY 2022-23:

**A. Linking error in disallowance of RDSS for PVVNL (FY 2022-23)**

- 5.12.5. Capitalisation towards RDSS of PVVNL was submitted as Rs. 206.24 Crore. However, as no approval was taken for the same, it was disallowed. The same treatment was done for all other Discoms also. However, due to a linking error the value for PVVNL was considered as Rs. 320.93 Crore instead of Rs. 206.24 Crore. The same is being corrected & is detailed below:

**TABLE 5-94: DISALLOWANCE OF RDSS FOR PVVNL (FY 2022-23) (Rs. Crore)**

Particulars (PVVNL for FY 2022-23)	Derivation	Considered in Tariff Order (Table No. 6-131, 6- 164, 6-175, 6-189)	Correction after issuance of Tariff Order (due to detection of error after issuance of Tariff Order)	Difference
		F	G	
Capitalization (GFA addition during the year)	A	1096.18	981.50	114.68
RoE	B	628.73	626.15	2.58
Interest on Loan	C	212.72	209.47	3.25
Depreciation	D	414.31	411.30	3.00
<b>Total Impact</b>	<b>E = B+C+D</b>	<b>1,255.76</b>	<b>1,246.92</b>	<b>8.83</b>

- 5.12.6. Hence the PVVNL, ARR will increase by Rs. 8.83 Crore

**B. LINKING ERROR IN COMPUTATION OF DEPRECIATION FOR KESCO (FY 2022-23)**

- 5.12.7. For computing of depreciation, GFA addition during the year has been considered as Rs. 115.08 Crore instead of Rs. 91.93 Crore due to a linking error, which resulted in additional allowance of Rs. 0.61 Crore. However, for computation of RoE and Interest on Loan GFA of Rs. 91.93 Crore is considered therefore, there will be no impact on RoE and Interest on Loan.





**TABLE 5-95: LINKING ERROR IN COMPUTATION OF DEPRECIATION FOR KESCO (FY 2022-23)  
(Rs. Crore)**

Particulars	Considered in Tariff Order (Table No. 6-159)	Correction after issuance of Tariff Order (due to detection of error after issuance of Tariff Order)	Difference
	A	B	C=A-B
Depreciation (KESCO for FY 2022-23)	36.43	35.82	0.61

5.12.8. Hence the KESCO, ARR will increase by Rs. 0.61 Crore.

5.12.9. The above will be considered at the time of Truing Up of FY 2022-23.

5.12.10. The detailed analysis of financing of capital investment for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

### 5.13. GROSS FIXED ASSETS (GFA) AND DEPRECIATION

#### *Petitioners' Submission*

5.13.1. The Petitioners have computed the allowable depreciation expense on the GFA base for FY 2021-22 and at the rates specified in MYT 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. The depreciation has been calculated in two parts (Part A & B) for the asset blocks before April 01, 2020 and asset blocks as on April 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 5-96: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2022-23 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	0.61	0.00	0.61	0.61		-
2	Buildings	169.18	0.00	169.18	169.18	3.34%	5.65
3	Other Civil Works	0.00	0.00	-	-	3.34%	-
4	Plant & Machinery	1,405.57	0.00	1,405.57	1,405.57	5.28%	74.21



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
5	Lines, Cables, Network etc.	5,879.02	0.00	5,879.02	5,879.02	5.28%	310.41
6	Vehicles	0.61	0.00	0.61	0.61	6.33%	0.04
7	Furniture & Fixtures	9.20	0.00	9.20	9.20	6.33%	0.58
8	Office Equipments	4.16	0.00	4.16	4.16	6.33%	0.26
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>7,468.36</b>	<b>0.00</b>	<b>7,468.36</b>	<b>7,468.36</b>	<b>5.24%</b>	<b>391.16</b>
11	Non depreciable assets (Land & Land Rights)	0.61	0.00	0.00	0.00		0.00
12	<b>Depreciable assets</b>	<b>7,467.74</b>	<b>0.00</b>	<b>7,468.36</b>	<b>7,468.36</b>	<b>5.24%</b>	<b>391.16</b>

**Table 5-97: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2022-23 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	0.15	0.07	0.23	0.19	0.00%	0.00
2	Buildings	66.70	20.05	86.74	76.72	3.34%	2.56
3	Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	1,471.91	166.55	1,638.46	1,555.19	5.28%	82.11
5	Lines, Cables, Network etc.	3,238.62	696.60	3,935.22	3,586.92	5.28%	189.39
6	Vehicles	0.16	0.07	0.23	0.19	6.33%	0.01
7	Furniture & Fixtures	4.04	1.09	5.13	4.58	6.33%	0.29
8	Office Equipments	7.31	0.49	7.80	7.56	6.33%	0.48
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>4,926.78</b>	<b>884.92</b>	<b>5,811.70</b>	<b>5,369.24</b>	<b>5.12%</b>	<b>274.85</b>
11	Non depreciable assets (Land & Land Rights)	0.15	0.07	0.23	0.19	0.00%	0.00
12	<b>Depreciable assets</b>	<b>4,926.63</b>	<b>884.85</b>	<b>5,811.48</b>	<b>5,369.05</b>	<b>5.12%</b>	<b>274.85</b>



**Table 5-102: NET DEPRECIATION FOR ASSETS OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Gross Allowable Depreciation	671.54	666.01
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	160.62	150.90
<b>Net Allowable Depreciation</b>	<b>510.92</b>	<b>515.11</b>

**Table 5-103: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2022-23 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	0.28	0.00	0.28	0.28	0.00%	0.00
2	Buildings	59.47	0.00	59.47	59.47	3.34%	1.99
3	Other Civil Works	3.69	0.00	3.69	3.69	3.34%	0.12
4	Plant & Machinery	936.47	0.00	936.47	936.47	5.28%	49.45
5	Lines, Cables, Network etc.	2,859.49	0.00	2,859.49	2,859.49	5.28%	150.98
6	Vehicles	1.54	0.00	1.54	1.54	6.33%	0.10
7	Furniture & Fixtures	3.38	0.00	3.38	3.38	6.33%	0.21
8	Office Equipments	32.82	0.00	32.82	32.82	6.33%	2.08
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>3,897.14</b>	<b>0.00</b>	<b>3,897.14</b>	<b>3,897.14</b>	<b>5.26%</b>	<b>204.93</b>
11	Non depreciable assets (Land & Land Rights)	0.28	0.00	0.00	0.00		0.00
12	<b>Depreciable assets</b>	<b>3,896.86</b>	<b>0.00</b>	<b>3,897.14</b>	<b>3,897.14</b>	<b>5.26%</b>	<b>204.93</b>

**Table 5-104: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2022-23 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	0.24	0.07	0.31	0.28	0.00%	0.00
2	Buildings	119.03	15.13	134.16	126.60	3.34%	4.23
3	Other Civil Works	3.23	0.94	4.17	3.70	3.34%	0.12
4	Plant & Machinery	2,101.76	238.19	2,339.94	2,220.85	5.28%	117.26



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Addition to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
5	Lines, Cables, Network etc.	5,667.84	727.29	6,395.14	6,031.49	5.28%	318.46
6	Vehicles	1.49	0.39	1.89	1.69	6.33%	0.11
7	Furniture & Fixtures	3.63	0.86	4.49	4.06	6.33%	0.26
8	Office Equipments	29.76	8.35	38.11	33.93	6.33%	2.15
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00			
10	<b>Total Fixed Assets</b>	<b>8,270.89</b>	<b>991.21</b>	<b>9,262.10</b>	<b>8,766.50</b>	<b>5.05%</b>	<b>442.59</b>
11	Non depreciable assets (Land & Land Rights)	0.24	0.07	0.31	0.28	0.00%	0.00
12	<b>Depreciable assets</b>	<b>8,270.65</b>	<b>991.14</b>	<b>9,261.79</b>	<b>8,766.22</b>	<b>5.05%</b>	<b>442.59</b>

**Table 5-105: NET DEPRECIATION FOR ASSETS OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Gross Allowable Depreciation	630.42	647.51
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	137.36	142.56
<b>Net Allowable Depreciation</b>	<b>493.06</b>	<b>504.95</b>

**Table 5-106: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2022-23 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	1.17	0.00	1.17	1.17		0.00
2	Buildings	168.78	0.00	168.78	168.78	3.34%	5.64
3	Other Civil Works	8.68	0.00	8.68	8.68	3.34%	0.29
4	Plant & Machinery	1,948.84	0.00	1,948.84	1,948.84	5.28%	102.90
5	Lines, Cables, Network etc.	5,755.17	0.00	5,755.17	5,755.17	5.28%	303.87
6	Vehicles	0.91	0.00	0.91	0.91	6.33%	0.06
7	Furniture & Fixtures	5.51	0.00	5.51	5.51	6.33%	0.35
8	Office Equipments	15.51	0.00	15.51	15.51	6.33%	0.98
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Particulars	Opening GFA (as on 31.3.2021)	Cumulative Depreciation	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
10	<b>Total Fixed Assets</b>	<b>7,904.56</b>	0.00	7,904.56	<b>7,904.56</b>	<b>5.24%</b>	<b>414.09</b>
11	Non depreciable assets (Land & Land Rights)	1.17	0.00	0.00	0.00		
12	<b>Depreciable assets</b>	<b>7,903.39</b>	0.00	<b>7,904.56</b>	<b>7,904.56</b>	<b>5.24%</b>	<b>414.09</b>

**Table 5-107: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2022-23 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	0.29	0.09	0.38	0.34	0.00%	-
2	Buildings	37.40	13.43	50.83	44.11	3.34%	1.47
3	Other Civil Works	2.15	0.69	2.84	2.49	3.34%	0.08
4	Plant & Machinery	1,122.18	155.12	1,277.29	1,199.73	5.28%	63.35
5	Lines, Cables, Network etc.	2,664.82	458.08	3,122.91	2,893.87	5.28%	152.80
6	Vehicles	0.27	0.07	0.34	0.30	6.33%	0.02
7	Furniture & Fixtures	1.90	0.44	2.34	2.12	6.33%	0.13
8	Office Equipments	10.65	1.23	11.88	11.27	6.33%	0.71
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	Intangible asset	70.75	0.00	70.75	70.75	15.00%	35.38
11	<b>Total Fixed Assets</b>	<b>3,910.40</b>	<b>629.16</b>	<b>4,539.56</b>	<b>4,224.98</b>	<b>5.42%</b>	<b>229.18</b>
12	Non depreciable assets (Land & Land Rights)	0.29	0.09	0.38	0.34	0.00%	0.00
13	<b>Depreciable assets</b>	<b>3,910.11</b>	<b>629.07</b>	<b>4,539.18</b>	<b>4,224.65</b>	<b>5.42%</b>	<b>229.18</b>

**Table 5-108: NET DEPRECIATION FOR ASSETS OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
Gross Allowable Depreciation	621.27	643.26
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and GoUP Subsidy	206.96	175.81



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
Net Allowable Depreciation	414.31	467.45

**Table 5-109: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2022-23 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	0.37	0.00	0.37	0.37	0.00%	0.00
2	Buildings	80.61	0.00	80.61	80.61	3.34%	2.69
3	Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	3,263.59	0.00	3,263.59	3,263.59	5.28%	172.32
5	Lines, Cables, Network etc.	2,880.99	0.00	2,880.99	2,880.99	5.28%	152.12
6	Vehicles	0.55	0.00	0.55	0.55	6.33%	0.03
7	Furniture & Fixtures	0.97	0.00	0.97	0.97	6.33%	0.06
8	Office Equipments	22.31	0.00	22.31	22.31	6.33%	1.41
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>6,249.38</b>	0.00	6,249.38	<b>6,249.38</b>	<b>5.26%</b>	<b>328.63</b>
11	Non depreciable assets (Land & Land Rights)	0.37	0.00	0.00	0.00		0.00
12	<b>Depreciable assets</b>	<b>6,249.02</b>	0.00	<b>6,249.38</b>	<b>6,249.38</b>	<b>5.26%</b>	<b>328.63</b>

**TABLE 5-110: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2022-23 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	0.12	0.10	0.22	0.17	0.00%	0.00
2	Buildings	65.61	21.16	86.78	76.20	3.34%	2.54
3	Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	2,691.71	856.69	3,548.41	3,120.06	5.28%	164.74
5	Lines, Cables, Network etc.	1,750.00	756.26	2,506.26	2,128.13	5.28%	112.37
6	Vehicles	0.19	0.15	0.33	0.26	6.33%	0.02
7	Furniture & Fixtures	0.67	0.25	0.92	0.80	6.33%	0.05
8	Office Equipments	8.54	5.86	14.40	11.47	6.33%	0.73



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>4,774.61</b>	<b>1,640.46</b>	<b>6,415.07</b>	<b>5,594.84</b>	<b>5.01%</b>	<b>280.44</b>
11	Non depreciable assets (Land & Land Rights)	0.12	0.10	0.22	0.17	0.00%	0.00
12	<b>Depreciable assets</b>	<b>4,774.49</b>	<b>1,640.37</b>	<b>6,414.85</b>	<b>5,594.67</b>	<b>5.01%</b>	<b>280.44</b>

**Table 5-111: NET DEPRECIATION FOR ASSETS OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
Gross Allowable Depreciation	605.82	609.08
Less: Amortisation of assets acquired out of the Consumer Contribution	134.69	134.69
<b>Net Allowable Depreciation</b>	<b>471.13</b>	<b>474.38</b>

**Table 5-112: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2021 FOR FY 2022-23 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	0.00	0.00	0.00		0.00
2	Buildings	25.67	0.00	25.67	25.67	3.34%	0.86
3	Other Civil Works	-	0.00	-	-	3.34%	-
4	Plant & Machinery	257.23	0.00	257.23	257.23	5.28%	13.58
5	Lines, Cables, Network etc.	467.54	0.00	467.54	467.54	5.28%	24.69
6	Vehicles	2.04	0.00	2.04	2.04	6.33%	0.13
7	Furniture & Fixtures	1.09	0.00	1.09	1.09	6.33%	0.07
8	Office Equipments	10.98	0.00	10.98	10.98	6.33%	0.69
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>764.54</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.23%</b>	<b>40.02</b>





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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)	0.00	0.00	0.00	0.00	0.00%	0.00
<b>12</b>	<b>Depreciable assets</b>	<b>764.54</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.23%</b>	<b>40.02</b>

**Table 5-113: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2021 FOR FY 2022-23 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	0.00	0.00	0.00%	0.00
2	Buildings	2.37	2.66	5.03	3.70	3.34%	0.12
3	Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	21.23	26.61	47.84	34.54	5.28%	1.82
5	Lines, Cables, Network etc.	123.29	48.37	171.66	147.48	5.28%	7.79
6	Vehicles	0.13	0.21	0.34	0.24	6.33%	0.01
7	Furniture & Fixtures	0.11	0.11	0.22	0.16	6.33%	0.01
8	Office Equipments	2.37	1.14	3.50	2.93	6.33%	0.19
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
<b>10</b>	<b>Total Fixed Assets</b>	<b>149.49</b>	<b>79.10</b>	<b>228.60</b>	<b>189.04</b>	<b>5.26%</b>	<b>9.94</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00%	0.00
<b>12</b>	<b>Depreciable assets</b>	<b>149.49</b>	<b>79.10</b>	<b>228.60</b>	<b>189.04</b>	<b>5.26%</b>	<b>9.94</b>

**TABLE 5-114: NET DEPRECIATION FOR ASSETS OF KESCO FOR FY 2022-23 (RS. CRORE)**

Particulars	Tariff Order for FY 2021-22 dated July 20, 2022	Claimed in APR
Gross Allowable Depreciation	52.11	49.96
Less: Amortisation of assets acquired out of the Consumer Contribution	15.68	16.48
<b>Net Allowable Depreciation</b>	<b>36.43</b>	<b>33.48</b>

**Table 5-115: CONSOLIDATED NET DEPRECIATION OF STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**



Particulars	Tariff Order for FY 2021-22 dated 29.07.2021	Claimed in APR
Gross Allowable Depreciation	2,581.16	2,615.82
Less: Amortisation of assets acquired out of the Consumer Contribution	655.31	620.44
<b>Net Allowable Depreciation</b>	<b>1,925.85</b>	<b>1,995.38</b>

### Commission's Analysis

5.13.4. As regards depreciation, Regulation 21.1 of MYT Regulations, 2019 provides as under:

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 Commission has considered opening GFA for FY 2022-23 equal to closing GFA of FY 2021-22 as approved in the True-Up. Further, the Commission has provisionally considered GFA addition for the year as proposed by the Petitioners. Closing value of GFA for FY 2022-23 will be the opening GFA for FY 2023-24, detailed computation is shown in the subsequent Chapter.
- 5.13.6. Further, the analysis of the depreciation for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

#### **5.14. INTEREST ON LONG TERM LOANS**

##### ***Petitioners' Submission***

- 5.14.1. The Petitioners 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.
- 5.14.2. The Petitioners further submitted that the portion of capital expenditure financed through Consumer Contributions, Capital Subsidies and Grants have been separated as the depreciation and interest thereon shall not be charged to the consumers. The financing of the capital investment has been worked out based on the gearing ratio of 70:30 and allowable depreciation has been 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 2021-22.
- 5.14.4. The Petitioners submitted that net allowable depreciation for the year has been considered as normative loan repayment. The actual weighted average interest rate for FY 2021-22 has been considered for computing interest expenses.
- 5.14.5. The Interest on long term loan as claimed by the Petitioners is shown in the Tables below:

**Table 5-116: INTEREST ON LONG TERM LOAN OF DVVNL FOR FY 2022-23 (Rs. Crore)**



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	4,409.70	4,427.67
Loan Additions (70% of Investments)	1,059.80	619.45
Less: Repayments (Depreciation allowable for the year)	510.92	515.11
Closing Loan Balance	4,958.58	4,532.01
Weighted Average Rate of Interest	11.21%	11.21%
Interest on long term loan	523.31	502.19
Less: Interest Capitalized	240.43	0.00
<b>Net Interest on Loan term loan</b>	<b>282.88</b>	<b>502.19</b>

**Table 5-117: INTEREST ON LONG TERM LOAN OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	4,515.80	4,875.32
Loan Additions (70% of Investments)	1,704.46	693.85
Less: Repayments (Depreciation allowable for the year)	493.06	504.95
Closing Loan Balance	5,727.20	5,064.22
Weighted Average Rate of Interest	10.91%	10.91%
Interest on long term loan	558.96	542.20
Less: Interest Capitalized	198.33	0.00
<b>Net Interest on long term loans</b>	<b>360.63</b>	<b>542.20</b>

**Table 5-118: INTEREST ON LONG TERM LOAN OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	3,231.55	3,181.69
Loan Additions (70% of Investments)	767.33	440.41
Less: Repayments (Depreciation allowable for the year)	414.31	465.48
Closing Loan Balance	3,584.57	3,156.63
Weighted Average Rate of Interest	8.40%	8.40%
Interest on long term loan	286.37	266.21
Less: Interest Capitalized	73.65	0.00
<b>Net Interest on Loan term loan</b>	<b>212.72</b>	<b>266.21</b>

**Table 5-119: INTEREST ON LONG TERM LOAN OF PuVVNL FOR FY 2022-23 (Rs. Crore)**



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	3,976.13	3,708.51
Loan Additions (70% of Investments)	901.45	1,148.33
Less: Repayments (Depreciation allowable for the year)	471.13	474.38
Closing Loan Balance	4,406.45	4,382.45
Weighted Average Rate of Interest	10.24%	10.24%
Interest on long term loan	429.11	414.26
Less: Interest Capitalized	157.62	97.76
<b>Net Interest on Loan term loan</b>	<b>271.49</b>	<b>316.50</b>

**Table 5-120: INTEREST ON LONG TERM LOAN OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	182.39	112.86
Loan Additions (70% of Investments)	75.09	55.37
Less: Repayments (Depreciation allowable for the year)	41.96	33.48
Closing Loan Balance	215.52	134.75
Weighted Average Rate of Interest	10.63%	10.63%
Interest on long term loan	17.66	13.16
Less: Interest Capitalized	0.00	0.00
<b>Net Interest on Loan term loan</b>	<b>17.66</b>	<b>13.16</b>



**Table 5-121: CONSOLIDATED INTEREST ON LONG TERM LOAN OF 5 STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Loan	16,285.28	16,306.05
Loan Additions (70% of Investments)	4,497.38	2,957.41
Less: Repayments (Depreciation allowable for the year)	1,925.85	1,993.41
Closing Loan Balance	18,856.82	17,270.05
Weighted Average Rate of Interest	10.34%	10.35%
Interest on long term loan	1,817.41	1,738.02
Less: Interest Capitalized	670.04	97.76
<b>Net Interest Charged</b>	<b>1,147.37</b>	<b>1,640.26</b>

#### **Commission's Analysis**

- 5.14.6. The Commission has considered opening loan for FY 2022-23 equal to closing loan of FY 2021-22 as approved in the True-Up. Further, the Commission has considered loan addition for the year as 70% of net capitalisation considered for FY 2022-23. Closing value of loan for FY 2022-23 will be the opening loan for FY 2023-24, detailed computation is shown in the subsequent Chapter.
- 5.14.7. Further, the analysis of the Interest on Loan for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

#### **5.15. INTEREST ON WORKING CAPITAL**

##### **Petitioners' Submission**

- 5.15.1. The Petitioners have worked out the interest on working capital for FY 2022-23 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 SB!

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 approved by the Commission for FY 2022-23 in Tariff Order dated July 20, 2022 and as submitted by the Petitioners is shown in the Tables below:

**Table 5-122: INTEREST ON WORKING CAPITAL OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	70.89	131.49
One and half Month equivalent of expected revenue	2,154.78	1,926.42
Maintenance spares @ 40% of R&M expenses for two months	51.29	40.39
Less: Security deposits from consumers, if any	817.29	824.07
<b>Total Working Capital Requirement</b>	<b>1,459.67</b>	<b>1,274.23</b>
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>138.67</b>	<b>135.71</b>

**Table 5-123: INTEREST ON WORKING CAPITAL OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	81.19	128.24
One and half Month equivalent of expected revenue	2,124.11	2,169.20
Maintenance spares @ 40% of R&M expenses for two months	38.12	39.91





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Less: Security deposits from consumers, if any	693.55	767.52
<b>Total Working Capital Requirement</b>	<b>1,549.87</b>	<b>1,569.83</b>
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>147.24</b>	<b>167.19</b>

**Table 5-124: INTEREST ON WORKING CAPITAL OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	80.84	129.71
One and half Month equivalent of expected revenue	3,118.56	3,094.21
Maintenance spares @ 40% of R&M expenses for two months	44.82	58.79
Less: Security deposits from consumers, if any	1,963.63	2,063.11
<b>Total Working Capital Requirement</b>	<b>1,280.59</b>	<b>1,219.60</b>
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>121.66</b>	<b>129.89</b>

**Table 5-125: INTEREST ON WORKING CAPITAL OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	148.81	158.07
One and half Month equivalent of expected revenue	2,231.20	2,382.44
Maintenance spares @ 40% of R&M expenses for two months	64.59	64.41
Less: Security deposits from consumers, if any	541.96	602.25
<b>Total Working Capital Requirement</b>	<b>1,902.64</b>	<b>2,002.67</b>
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>180.75</b>	<b>213.28</b>

**Table 5-126: INTEREST ON WORKING CAPITAL OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	23.94	24.59
One and half Month equivalent of expected revenue	377.19	399.43
Maintenance spares @ 40% of R&M expenses for two months	7.68	6.20
Less: Security deposits from consumers, if any	199.36	190.30
<b>Total Working Capital Requirement</b>	<b>209.45</b>	<b>239.91</b>



Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>19.90</b>	<b>25.55</b>

**Table 5-127: CONSOLIDATED INTEREST ON WORKING CAPITAL OF 5 STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
O&M expenses for 1 month	426.58	572.09
One and half Month equivalent of expected revenue	10,005.84	9,971.70
Maintenance spares @ 40% of R&M expenses for two months	206.50	209.69
Less: Security deposits from consumers, if any	4,215.79	4,447.25
<b>Total Working Capital Requirement</b>	<b>6,423.13</b>	<b>6,306.23</b>
State Bank Advance Rate (SBAR) %	9.50%	10.65%
<b>Interest on Working Capital</b>	<b>610.20</b>	<b>671.61</b>

### **Commission's Analysis**

5.15.3. The analysis of the Interest on Working Capital for FY 2022-23 would be carried out during True-Up proceedings based on 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 2021-22 as opening amount of consumer security deposit for FY 2022-23. To arrive at the closing amount of security deposit for FY 2022-23 the ratio of revenue assessment for FY 2022-23 and FY 2021-22 is multiplied with consumer security deposit as per the books of accounts for FY 2021-22.

5.16.2. The Petitioners submitted that the interest on consumer security deposit has been calculated on average amount of consumer security deposit and at the RBI interest rate as on April 01, 2022.

5.16.3. The Petitioners requested the Commission to consider the interest on security deposit for APR of FY 2022-23, which has been computed at RBI interest rate of 4.25 % as on April 01, 2022. The normative interest on consumer security



deposit approved by the Commission in Tariff Order for FY 2022-23 vis-a-vis the estimated interest on consumer security deposit is shown in table below.

**Table 5-128: INTEREST ON SECURITY DEPOSIT FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
DVVNL	33.98	32.66
MVVNL	29.05	31.65
PVVNL	81.46	80.83
PUVVNL	22.82	23.07
KESCO	8.36	7.90
<b>Consolidated</b>	<b>175.67</b>	<b>176.11</b>

**Commission's Analysis**

5.16.4. The analysis of the interest on security deposit for FY 2022-23 would be carried out during True-Up proceedings based on annual audited balance sheet & P&L statements of respective State Discoms.

**5.17. BANK AND FINANCE CHARGES**

**Petitioners' Submission**

5.17.1. The Petitioners submitted that the bank and finance charges for FY 2022-23 have been considered the same as actuals for FY 2021-22.

**Table 5-129: BANK AND FINANCE CHARGES FOR FY 2022-23 (Rs. Crore)**

Particulars	Bank and Finance Charges
DVVNL	41.23
MVVNL	33.12
PVVNL	61.46
PUVVNL	38.43
KESCO	9.98
<b>Consolidated</b>	<b>184.22</b>

**Commission's Analysis**

5.17.2. The analysis of the bank and finance charges for FY 2022-23 will be carried out as per Regulation 34 of MYT Regulations, 2019 during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.



## 5.18. INTEREST AND FINANCE CHARGES

### *Petitioners' Submission*

5.18.1. The comparison of interest and finance charges as approved by the Commission for FY 2022-23 in Tariff Order dated July 20, 2022 and as claimed by the Petitioners is shown in the Tables below:

**TABLE 5-130: INTEREST AND FINANCE CHARGES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	523.31	502.19
Less: Interest Capitalisation	240.43	0.00
Net Interest on Long Term Loans	<b>282.88</b>	<b>502.19</b>
B: Finance and Other Charges		
Interest on Consumer Security Deposits	33.98	32.66
Bank / Finance Charges	0.00	41.23
Total Finance Charges	<b>33.98</b>	<b>73.89</b>
C: Interest on Working Capital	<b>138.67</b>	<b>135.71</b>
<b>Total (A+B+C)</b>	<b>455.53</b>	<b>711.78</b>

**Table 5-131: INTEREST AND FINANCE CHARGES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
A. Interest on Long Term Loans		
Gross Interest on Long Term Loan	558.96	542.20
Less: Interest Capitalisation	198.33	0.00
Net Interest on Long Term Loans	<b>360.63</b>	<b>542.20</b>
B. Finance and Other charges		
Interest on Consumer Security Deposit	29.05	31.65
Bank / Finance Charges	-	33.12
Total Finance Charges	<b>29.05</b>	<b>64.77</b>
C. Interest on Working Capital	<b>147.24</b>	<b>167.19</b>
<b>Total (A+B+C)</b>	<b>536.92</b>	<b>774.15</b>



**Table 5-132: INTEREST AND FINANCE CHARGES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	286.37	266.13
Less: Interest Capitalisation	73.65	0.00
Net Interest on Long Term Loans	<b>212.72</b>	<b>266.04</b>
B: Finance and Other Charges		
Interest on Consumer Security Deposits	81.46	80.83
Bank / Finance Charges	0.00	61.46
Total Finance Charges	<b>81.46</b>	<b>142.29</b>
C: Interest on Working Capital	<b>121.66</b>	<b>129.89</b>
<b>Total (A+B+C)</b>	<b>415.84</b>	<b>538.30</b>

**Table 5-133: INTEREST AND FINANCE CHARGES OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	429.11	414.26
Less: Interest Capitalisation	157.62	97.76
Net Interest on Long Term Loans	<b>271.49</b>	<b>316.50</b>
B: Finance and Other Charges		
Interest on Consumer Security Deposits	22.82	23.07
Bank / Finance Charges	0.00	38.43
Total Finance Charges	<b>22.82</b>	<b>61.50</b>
C: Interest on Working Capital	<b>180.75</b>	<b>213.28</b>
<b>Total (A+B+C)</b>	<b>475.06</b>	<b>591.28</b>

**Table 5-134: INTEREST AND FINANCE CHARGES OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
A: Interest on Long Term Loans		
Gross Interest on Long Term Loan	17.66	13.16
Less: Interest Capitalisation	0.00	0.00
Net Interest on Long Term Loans	17.66	13.16
B: Finance and Other Charges		
Interest on Consumer Security Deposits	8.36	7.90
Bank / Finance Charges	0.00	9.98



Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Total Finance Charges	8.36	17.88
C: Interest on Working Capital	19.90	25.55
<b>Total (A+B+C)</b>	<b>45.92</b>	<b>56.59</b>

**Table 5-135: CONSOLIDATED INTEREST AND FINANCE CHARGES FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
<b>A: Interest on Long Term Loans</b>		
Gross Interest on Long Term Loan	1,817.40	1,737.94
Less: Interest Capitalization	670.03	97.76
<b>Net Interest on Long Term Loans</b>	<b>1,147.37</b>	<b>1,640.18</b>
<b>B: Finance and Other Charges</b>		
Interest on Consumer Security Deposits	175.67	176.11
Bank / Finance Charges	0.00	184.22
<b>Total Finance Charges</b>	<b>175.67</b>	<b>360.33</b>
<b>C: Interest on Working Capital</b>	<b>610.20</b>	<b>671.61</b>
<b>Total (A+B+C)</b>	<b>1,933.24</b>	<b>2,672.12</b>

### Commission's Analysis

5.18.2. The analysis of the Interest and Finance charges for FY 2022-23 will be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

## 5.19. PROVISION FOR DOUBTFUL DEBT

### Petitioners' Submission

5.19.1. Regulation 46 of MYT Regulations, 2019 provides for expenses under bad and doubtful Debts to the extent of 2% of the revenue receivables reproduced as under:

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 approved by the Commission in Tariff Order dated July 20, 2022 and as claimed by the Petitioners for FY 2022-23 is shown in the Table below:

**Table 5-136: PROVISION FOR BAD AND DOUBTFUL DEBTS FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
DVVNL	95.40	240.91
MVVNL	154.20	277.52
PVVNL	40.89	432.34
PUVVNL	132.03	309.47
KESCO	5.76	63.23
<b>Consolidated</b>	<b>428.28</b>	<b>1,323.47</b>

#### **Commission's Analysis**

5.19.3. The analysis of Provision for Doubtful debts for FY 2022-23 will be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

## **5.20. RETURN ON EQUITY (RoE)**

### **Petitioners' Submission**

5.20.1. Regulation 22 of the MYT Regulations, 2019 provides for return on equity @15% post-tax per annum for Distribution Licensee reproduced 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





- 5.20.2. The Petitioners submitted that they have considered closing equity claimed in True-Up for FY 2021-22 as opening equity for FY 2022-23. Equity addition during the year has been considered as 30% of Capitalisation (asset put to use) during the year net of Consumer Contribution, Capital Subsidies & Grants.
- 5.20.3. The comparison of RoE approved by the Commission in Tariff Order dated July 20, 2022 and claimed by the Petitioners is shown in the Tables below:

**Table 5-137: RETURN ON EQUITY OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	3,913.20	3,927.59
Additions (30% of Capitalization net of Consumer Contribution and Grants)	454.20	265.48
Closing Equity	4,367.40	4,193.07
Rate of Return on Equity (%)	15.00%	15.00%
<b>Return on Equity</b>	<b>621.05</b>	<b>609.05</b>

**Table 5-138: RETURN ON EQUITY OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	3,562.75	3,726.83
Net additions during the year	730.48	297.36
Equity (Closing Balance)	4,293.23	<b>4,024.19</b>
Rate of Return on Equity (%)	15.00%	15.00%
Allowable Return on Equity	589.20	<b>581.33</b>

**Table 5-139: RETURN ON EQUITY OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	4,027.11	4026.16
Additions (30% of Capitalization net of Consumer Contribution and Grants)	328.85	188.75
Closing Equity	4,355.96	<b>4214.90</b>
Rate of Return on Equity (%)	15.00%	15.00%
<b>Return on Equity</b>	<b>628.73</b>	<b>618.08</b>



**Table 5-140: RETURN ON EQUITY OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	3,794.55	3678.78
Additions (30% of Capitalization net of Consumer Contribution and Grants)	-265.43	492.14
Closing Equity	3,529.12	<b>4170.92</b>
Rate of Return on Equity (%)	15.00%	15.00%
<b>Return on Equity</b>	<b>549.28</b>	<b>588.73</b>

**Table 5-141: RETURN ON EQUITY OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	352.02	334.62
Additions (30% of Capitalization net of Consumer Contribution and Grants)	27.58	23.73
Closing Equity	379.60	358.35
Rate of Return on Equity (%)	15.00%	15.00%
<b>Return on Equity</b>	<b>54.87</b>	<b>51.97</b>

**Table 5-143: CONSOLIDATED RETURN ON EQUITY OF 5 STATE DISCOMS FOR FY 2021-22 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
Opening Equity	15,649.63	15,693.97
Additions (30% of Capitalization net of Consumer Contribution and Grants)	1,927.45	1,267.46
Closing Equity	<b>17,577.08</b>	<b>16,961.43</b>
Rate of Return on Equity (%)	15.00%	15.00%
<b>Return on Equity</b>	<b>2,492.00</b>	<b>2,449.15</b>

#### **Commission's Analysis**

5.20.4. The Commission has considered opening equity for FY 2022-23 equal to closing equity of FY 2021-22 as approved in the True-Up. Further, the Commission has considered equity addition for the year as 30% of net capitalisation considered for FY 2022-23. Closing value of equity for FY 2022-23 will be the opening equity for FY 2023-24, detailed computation is shown in the subsequent Chapter.



- 5.20.5. Further, the analysis of RoE for FY 2022-23 will be carried out during True-Up proceedings based on 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 2022-23 in APR. Hence, the Commission has not considered any contribution towards contingency reserves for the purpose of this Order.

## 5.22. NON-TARIFF INCOME

### *Petitioners' Submission*

- 5.22.1. The Non- Tariff income for FY 2022-23 as approved by the Commission in Tariff Order dated July 20, 2022 and as claimed by Petitioners is shown in the Table below:

**Table 5-144: NON-TARIFF INCOME FOR FY 2022-23 (Rs. Crore)**

Particulars	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
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
<b>Consolidated</b>	<b>183.80</b>	<b>183.80</b>

### *Commission's Analysis*

- 5.22.2. Regulation 47 of the MYT Regulations, 2019 provides for treatment of non-tariff income, reproduced as under:

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

- 5.22.3. The analysis of Non- Tariff Income for FY 2022-23 will be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.



## 5.23. GOUP SUBSIDY

### *Petitioners' Submission*

5.23.1. The Petitioners submitted that the GoUP has communicated the subsidy rates to the Commission vide Letter Number 703/24-1-2022-1307/2020 dated June 07, 2022 as mentioned in Tables below for FY 2022-23:

**TABLE 5-145: DETAILS OF APPROVED GoUP SUBSIDY SUBMITTED BY THE PETITIONERS**

Consumer Category	Subsidy/unit as per GoUP directions	Total Subsidy
<b>LMV-1 Domestic Light, Fan &amp; Power</b>		
<i>Particulars</i>	<b>Rs. /Unit</b>	<b>Rs. Crore</b>
Life Line Consumer	Rs.3.50/kWh	4,875
Rural Unmetered	Rs. 435 / kW / month	180
Rural Metered		
0-100 Unit	Rs. 2.70/kW	1,189
101-150 Unit	Rs. 2.00/kW	259
<b>LMV- 5 Rural Schedule only</b>		
	<b>Rs. / BHP/month</b>	<b>Rs. Crore</b>
Consumer getting supply as per Rural Schedule (unmetered)	550.00	7,097
Consumer getting supply as per Rural Schedule (metered)		
<b>Total Subsidy</b>		<b>13,600</b>

5.23.2. The details of GoUP subsidy as submitted by Petitioners for FY 2022-23 is shown in the Table below:

**Table 5-147: GOUP SUBSIDY FOR FY 2022-23 (Rs. Crore)**

Particulars	Claimed in APR
DVVNL	3,365.99
MVVNL	3,136.50
PVVNL	3,477.66
PUVVNL	3,586.04
KESCO	33.81
<b>Consolidated</b>	<b>13,600.00</b>

5.23.3. The Petitioners further submitted that the Commission in the 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:

Quote



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. The Petitioners requested the Commission to recognise this GoUP subsidy component separately.

Unquote

### **Commission's Analysis**

- 5.23.4. The analysis of GoUP subsidy for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.

## **5.24. REVENUE FROM SALE OF POWER**

### **Petitioners' Submission**

- 5.24.1. The following Tables summarize the revenue approved by Commission for FY 2022-23 vide Tariff Order dated July 20, 2022 and revised revenue claimed by the Petitioners at tariff approved by the Commission for FY 2022-23.



**Table 5-148: REVENUE FROM SALE OF POWER FOR FY 2022-23 FOR DVVNL (Rs. Crore)**

Sr. No.	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	5,790.12	
2	LMV-2-Non domestic light fan & power	1,314.47	
3	LMV-3 Public lamps	170.58	
4	LMV-4 Light, fan & power for public/private institution	298.18	
5	LMV-5 Private tube well/pumping sets	1,194.96	
6	LMV-6 Small & medium power upto 100 HP/75 kW	629.70	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,359.18	
8	LMV-9 Temporary supply	70.30	
9	LMV- 10 Departmental employees	128.95	
10	LMV-11: Electric Vehicles	0.09	
11	HV-1 Non industrial bulk load	424.53	
12	HV-2 Large & heavy power above 100 BHP (75 kW)	2,590.10	
13	HV-3 Railway traction	65.97	
14	HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	107.26	
15	Bulk Supply	0.00	
16	Extra State Consumers	0.00	
17	<b>Total</b>	<b>14,144.40</b>	<b>12,032.62</b>

**Table 5-149: REVENUE FROM SALE OF POWER FOR FY 2022-23 FOR MVVNL (Rs. Crore)**

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	6,455.84	
2	LMV-2-Non domestic light fan & power	1,753.57	
3	LMV-3 Public lamps	321.84	
4	LMV-4 Light, fan & power for public/private institution	284.62	
5	LMV-5 Private tube well/pumping sets	434.44	
6	LMV-6 Small & medium power upto 100 HP/75 kW	472.94	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,270.71	
8	LMV-9 Temporary supply	26.83	
9	LMV- 10 Departmental employees	160.13	
10	LMV-11: Electric Vehicles	2.88	
11	HV-1 Non industrial bulk load	858.12	





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
12	HV-2 Large & heavy power above 100 BHP (75 kW)	1,418.60	
13	HV-3 Railway traction	25.75	
14	HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	70.32	
15	Bulk Supply	0.00	
16	Extra State Consumers	6.88	
17	<b>Total</b>	<b>13,563.45</b>	<b>13,894.38</b>

**Table 5-150: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR PVVNL (Rs. Crore)**

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	9,028.58	
2	LMV-2-Non domestic light fan & power	2,053.66	
3	LMV-3 Public lamps	217.36	
4	LMV-4 Light, fan & power for public/private institution	186.97	
5	LMV-5 Private tube well/pumping sets	1,617.97	
6	LMV-6 Small & medium power upto 100 HP/75kW	1,153.53	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	799.34	
8	LMV-9 Temporary supply	100.12	
9	LMV- 10 Departmental employees	154.81	
10	LMV-11: Electric Vehicles	0.37	
11	HV-1 Non industrial bulk load	1,692.31	
12	HV-2 Large & heavy power above 100 BHP (75 kW)	4,646.95	
13	HV-3 Railway traction	82.43	
14	HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	1.21	
15	Bulk Supply	0.00	
16	Extra State Consumers	0.00	
17	<b>Total</b>	<b>21,735.61</b>	<b>21,606.00</b>

**Table 5-151: REVENUE FROM SALE OF POWER FOR FY 2021-22 FOR PuVVNL (Rs. Crore)**

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	6,997.84	
2	LMV-2-Non domestic light fan & power	2,043.79	



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
3	LMV-3 Public lamps	147.76	
4	LMV-4 Light, fan & power for public/private institution	296.78	
5	LMV-5 Private tube well/pumping sets	592.65	
6	LMV-6 Small & medium power upto 100 hp/75kW	527.64	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,549.69	
8	LMV-9 Temporary supply	174.30	
9	LMV- 10 Departmental employees	0.02	
10	LMV-11: Electric Vehicles	526.03	
11	HV-1 Non industrial bulk load	1,134.50	
12	HV-2 Large & heavy power above 100 bhp (75kW)	10.57	
13	HV-3 Railway traction	454.13	
14	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	6,997.84	
15	Bulk Supply		
16	Extra State Consumers	2.20	
17	<b>Total</b>	<b>14,467.39</b>	<b>15,471.59</b>

**Table 5-152: REVENUE FROM SALE OF POWER FOR FY 2020-21 FOR KESCO (Rs. Crore)**

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	1,233.35	
2	LMV-2-Non domestic light fan & power	376.20	
3	LMV-3 Public lamps	56.45	
4	LMV-4 Light, fan & power for public/private institution	66.89	
5	LMV-5 Private tube well/pumping sets	0.09	
6	LMV-6 Small & medium power upto 100 hp/75kW	343.61	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	116.13	
8	LMV-9 Temporary supply	8.35	
9	LMV- 10 Departmental employees	17.72	
10	LMV-11: Electric Vehicles	-	
11	HV-1 Non industrial bulk load	183.66	
12	HV-2 Large & heavy power above 100 bhp (75kW)	495.57	
13	HV-3 Railway traction	0.03	
14	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	0.00	
15	Bulk Supply	0.00	



Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
16	Extra State Consumers	0.00	
17	<b>Total</b>	<b>2,898.04</b>	<b>3,161.67</b>

**Table 5-153: CONSOLIDATED REVENUE FROM SALE OF POWER FOR FY 2020-21 FOR (Rs. Crore)**

Sr. No	Categories	Tariff Order for FY 2022-23 dated July 20, 2022	Claimed in APR
1	LMV-1 Domestic light fan & power	26,393.04	
2	LMV-2-Non domestic light fan & power	7,096.26	
3	LMV-3 Public lamps	821.34	
4	LMV-4 Light, fan & power for public/private institution	1,098.41	
5	LMV-5 Private tube well/pumping sets	3,833.12	
6	LMV-6 Small & medium power upto 100 hp/75kW	3,020.27	
7	LMV-7 & 8: Public Water Works, State Tube Wells & Pump Canals upto 100 HP	5,170.70	
8	LMV-9 Temporary supply	205.61	
9	LMV- 10 Departmental employees	309.42	
10	LMV-11: Electric Vehicles	3.39	
11	HV-1 Non industrial bulk load	3,519.73	
12	HV-2 Large & heavy power above 100 bhp (75kW)	9,928.43	
13	HV-3 Railway traction	184.75	
14	HV-4 Lift irrigation & p. canal above 100 bhp (75kW)	632.92	
15	Bulk Supply	1,089.15	
16	Extra State Consumers	9.08	
17	<b>Total</b>	<b>63,315.60</b>	<b>66,173.58</b>

### Commission's Analysis

5.24.2. The analysis of Revenue for FY 2022-23 would be carried out during True-Up proceedings based on actual data and annual audited accounts of respective State Discoms.



## 5.25. ARR AND REVENUE GAP

### *Petitioners' Submission*

5.25.1. The comparison of ARR and revenue Gap as approved by the Commission in Tariff Order dated July 20, 2022 and as claimed by the Petitioners for FY 2022-23 is shown in the Tables below:

**Table 5-154: ARR SUMMARY FOR FY 2022-23 FOR DVVNL (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	13,698.90	10,758.56
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	623.14	656.84
<b>Gross O&amp;M expenses</b>	<b>1,278.28</b>	<b>1,951.24</b>
Employee Expenses	394.81	903.03
R&M Expense	512.91	605.87
A&G Expense	114.11	133.70
Smart Metering OPEX	0.00	52.18
Add: Additional O&M Expenses (50% of R&M Expenses)\$	256.46	256.46
Depreciation	510.92	515.11
Interest on Long-Term Loan	525.31	502.19
Interest on Security Deposit from Consumers and Distribution system Users	33.98	32.66
Finance/Bank Charges	0.00	41.23
Interest on Working Capital	138.67	137.53
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>16,809.20</b>	<b>14,595.36</b>
Less: Interest Capitalisation	240.43	0.00
Less: Employee Expense Capitalisation	427.65	321.16
<b>Net Expenditure</b>	<b>16,141.12</b>	<b>14,274.20</b>
Bad and Doubtful debts	95.40	240.91
<b>Net Expenditure with Provisions</b>	<b>16,236.52</b>	<b>14,515.11</b>
Return on Equity	621.05	609.05
Less: Non Tariff Income	50.65	50.65
<b>Net Annual Revenue Requirement</b>	<b>16,806.92</b>	<b>0.00</b>
Revenue Assessment at Existing Tariff	17,238.22	<b>15,073.51</b>
Govt. Subsidy Received/Declared	0.00	12,045.33
<b>Total Revenue</b>	<b>17238.22</b>	<b>3,365.99</b>
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(431.30)</b>	<b>(337.82)</b>



**Table 5-155: ARR SUMMARY FOR FY 2022-23 FOR MVVNL (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	13,274.08	12,970.64
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	598.67	680.18
<b>Gross O&amp;M expenses</b>	<b>1,618.84</b>	<b>2,194.70</b>
Employee Expenses	773.35	1,220.78
R&M Expense	381.19	407.99
A&G Expense	273.70	340.00
Smart Metering OPEX	0.00	35.34
Add: Additional O&M Expenses (50% of R&M Expenses)\$	190.60	190.60
Depreciation	493.06	504.95
Interest on Long-Term Loan	558.96	542.20
Interest on Security Deposit from Consumers and Distribution system Users	29.05	31.65
Finance/Bank Charges	0.00	33.12
Interest on Working Capital	147.24	169.10
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>16,719.90</b>	<b>17,126.54</b>
Less: Interest Capitalisation	198.33	0.00
Less: Employee Expense Capitalisation	644.56	429.89
<b>Net Expenditure</b>	<b>15,877.01</b>	<b>16,696.65</b>
Bad and Doubtful debts	154.20	277.52
<b>Net Expenditure with Provisions</b>	<b>16,031.21</b>	<b>16,974.17</b>
Return on Equity	589.20	567.92
Less: Non Tariff Income	38.06	38.06
<b>Net Annual Revenue Requirement</b>	<b>16,582.35</b>	<b>0.00</b>
Revenue Assessment at Existing Tariff	16,992.85	<b>17,504.03</b>
Govt. Subsidy Received/Declared	0.00	13,875.90
<b>Total Revenue</b>	<b>16992.85</b>	<b>3,477.66</b>
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(410.50)</b>	<b>150.46</b>



**Table 5-156: ARR SUMMARY FOR FY 2022-23 FOR PVVNL (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	20,779.50	22,802.84
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	887.36	971.66
<b>Gross O&amp;M expenses</b>	<b>1,531.14</b>	<b>2,073.74</b>
Employee Expenses	699.16	986.20
R&M Expense	448.24	657.74
A&G Expense	159.62	182.12
Smart Metering OPEX	0.00	23.57
Add: Additional O&M Expenses (50% of R&M Expenses)\$	224.12	224.12
Depreciation	414.31	467.45
Interest on Long-Term Loan	286.37	266.13
Interest on Security Deposit from Consumers and Distribution system Users	81.46	80.83
Finance/Bank Charges	0.00	61.46
Interest on Working Capital	123.64	131.81
Income Tax	-	0.00
<b>Gross Expenditure</b>	<b>24,103.78</b>	<b>26,855.92</b>
Less: Interest Capitalisation	73.65	0.00
Less: Employee Expense Capitalisation	310.15	269.57
<b>Net Expenditure</b>	<b>23,719.98</b>	<b>26,586.35</b>
Bad and Doubtful debts	40.89	432.34
<b>Net Expenditure with Provisions</b>	<b>23,760.88</b>	<b>27,018.70</b>
Return on Equity	628.43	618.08
Less: Non Tariff Income	48.73	48.73
Less: Revenue from Open Access Customers	23.15	0.00
<b>Net Annual Revenue Requirement</b>	<b>24,317.73</b>	<b>27,588.05</b>
Revenue Assessment at Existing Tariff	24,948.48	21,617.17
Govt. Subsidy Received/Declared	0.00	3,136.50
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(630.75)</b>	<b>2,834.38</b>



**Table 5-157: ARR SUMMARY FOR FY 2022-23 FOR PuVVNL (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	13,352.01	14,593.19
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	651.02	779.07
<b>Gross O&amp;M expenses</b>	<b>2,026.30</b>	<b>2,563.32</b>
Employee Expenses	885.66	1,042.40
R&M Expense	645.92	966.11
A&G Expense	171.76	183.18
Smart Metering OPEX	0.00	48.67
Add: Additional O&M Expenses (50% of R&M Expenses)\$	322.96	322.96
Depreciation	471.13	474.38
Interest on Long-Term Loan	429.11	414.26
Interest on Security Deposit from Consumers and Distribution system Users	22.82	23.07
Finance/Bank Charges	0.00	38.43
Interest on Working Capital	180.75	218.84
Income Tax	-	0.00
<b>Gross Expenditure</b>	<b>17,133.14</b>	<b>19,104.56</b>
Less: Interest Capitalisation	157.62	97.76
Less: Employee Expense Capitalisation	240.63	294.85
<b>Net Expenditure</b>	<b>16,734.89</b>	<b>18,711.95</b>
Bad and Doubtful debts	132.03	309.47
<b>Net Expenditure with Provisions</b>	<b>16,866.92</b>	<b>19,021.42</b>
Return on Equity	598.16	588.73
Less: Non Tariff Income	28.90	28.90
<b>Net Annual Revenue Requirement</b>	<b>17,436.18</b>	<b>0.00</b>
Revenue Assessment at Existing Tariff	17,849.59	<b>19,581.24</b>
Govt. Subsidy Received/Declared	0.00	15,473.52
<b>Total Revenue</b>	<b>17849.59</b>	<b>3,586.04</b>
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(413.41)</b>	<b>521.69</b>





**Table 5-158: ARR SUMMARY FOR FY 2022-23 FOR KESCO (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	2,418.83	3,556.15
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	101.08	107.23
<b>Gross O&amp;M expenses</b>	<b>294.17</b>	<b>359.93</b>
Employee Expenses	150.04	185.97
R&M Expense	76.80	92.95
A&G Expense	28.94	28.98
Smart Metering OPEX	-	13.62
Add: Additional O&M Expenses (50% of R&M Expenses)\$	38.40	38.40
Depreciation	36.43	33.48
Interest on Long-Term Loan	17.66	13.16
Interest on Security Deposit from Consumers and Distribution system Users	8.36	7.90
Finance/Bank Charges	0.00	9.98
Interest on Working Capital	19.90	26.20
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>2,896.42</b>	<b>4,114.03</b>
Less: Interest Capitalisation	0.00	0.00
Less: Employee Expense Capitalisation	6.94	12.88
<b>Net Expenditure</b>	<b>2,889.48</b>	<b>4,101.15</b>
Bad and Doubtful debts	5.76	63.23
<b>Net Expenditure with Provisions</b>	<b>2,895.24</b>	<b>4,164.39</b>
Return on Equity	54.87	51.97
Less: Non Tariff Income	17.46	17.46
<b>Net Annual Revenue Requirement</b>	<b>2,932.65</b>	<b>4,198.90</b>
Revenue Assessment at Existing Tariff	3,017.49	3,161.67
Govt. Subsidy Received/Declared	0.00	33.81
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(84.84)</b>	<b>1,003.43</b>



**Table 5-159: CONSOLIDATED ARR SUMMARY FOR FY 2022-23 FOR STATE DISCOMS (Rs. Crore)**

Particulars	APR	
	FY 2022-23	
	Approved in TO dated July 20, 2022	Claimed in APR
Cost of Power Procurement (including Inter State Transmission)	63,523.33	64,681.38
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL	2,861.27	3,194.98
<b>Gross O&amp;M expenses</b>	<b>6,748.72</b>	<b>9,142.93</b>
Employee Expenses	2,903.00	4,338.38
R&M Expense	2,065.06	2,730.65
A&G Expense	748.13	867.99
Smart Metering OPEX	0.00	173.38
Add: Additional O&M Expenses (50% of R&M Expenses)\$	1,032.53	1,032.53
Depreciation	1,925.85	1,995.38
Interest on Long-Term Loan	1,817.41	1,737.94
Interest on Security Deposit from Consumers and Distribution system Users	175.67	176.11
Finance/Bank Charges	0.00	184.22
Interest on Working Capital	610.20	683.48
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>77,662.44</b>	<b>81,796.41</b>
Less: Interest Capitalisation	670.04	97.76
Less: Employee Expense Capitalisation	1,629.93	1,328.34
<b>Net Expenditure</b>	<b>75,362.46</b>	<b>80,370.31</b>
Bad and Doubtful debts	428.28	1,323.47
<b>Net Expenditure with Provisions</b>	<b>75,790.75</b>	<b>81,693.78</b>
Return on Equity	2,492.00	2,435.75
Less: Non Tariff Income	183.80	183.80
Less: Revenue from Open Access Customers	23.15	0.00
<b>Net Annual Revenue Requirement</b>	<b>78,075.80</b>	<b>83,945.73</b>
Revenue Assessment at Existing Tariff	80,046.63	66,173.58
Govt. Subsidy Received/Declared	0.00	13,600.00
<b>Gap/(Surplus) before tariff revision impact</b>	<b>(1,970.83)</b>	<b>4,172.14</b>

### Commission's Analysis

5.25.2. In APR of FY 2022-23, the Gap/ (Surplus) claimed by DVVNL, MVVNL, PVVNL, PuVVNL and KESCO are Rs. (337.82) Crore, Rs. 150.46 Crore, Rs. 2,832.49 Crore, Rs. 521.69 Crore and Rs. 1,003.43 Crore respectively. The consolidated figure for FY 2022-23 works out to be a gap of Rs. 4,172.14 Crore as per the



Licenses submissions. The above figures are subject to be revised in the True-Up of FY 2022-23 based on actual data and annual audited accounts of respective State Discoms.

**Table 5-160: COMPARISON OF APR FOR FY 2022-23 WITH TARIFF ORDER FOR FY 2022-23 DATED JULY 20, 2022 (Rs. Crore)**

Parameters	Tariff Order for FY 2022-23 dated 20.07.2022	Claimed in APR	% Change
Total Sales (MU)	1,03,686.15	1,07,606.27	3.78%
Revenue from tariff (Rs. Crore)	<b>80,046.63</b>	<b>79,773.58</b>	-0.34%
Total Power Purchase (MU)	1,16,068.82	1,29,607.89	11.66%
Average Revenue Realized	<b>78,075.80</b>	<b>83,945.85</b>	-3.63%
Total Power Purchase (Rs. Crore)	63,523.33	64,681.38	1.82%
<b>ABR (Rs. / kWh)</b>	<b>7.72</b>	<b>7.41</b>	-4.02%
<b>ACoS (Rs. / kWh)</b>	<b>7.53</b>	<b>7.52</b>	-0.02%
Revenue Gap / (Surplus) (Rs. Crore)	<b>(1,970.83)</b>	<b>4,172.14</b>	-



## 6. AGGREGATE REVENUE REQUIREMENT (ARR) & TARIFF FOR FY 2023-24

### 6.1. INTRODUCTION

- 6.1.1. The Commission in earlier Chapters of this Order has undertaken True Up of ARR for FY 2021-22 based on the audited accounts of FY 2021-22 and APR for FY 2022-23. In this section, the Commission has undertaken the process of approval of the ARR for FY 2023-24 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 2023-24.



## 6.2. BILLING DETERMINANTS: NO. OF CONSUMERS, CONNECTED LOAD AND ENERGY SALES

### *Petitioners' Submission*

- 6.2.1. The Billing Determinants of the Petitioners comprises of number of consumers, connected load (kW), energy sales (MU), split between rural / urban consumers.
- 6.2.2. The Petitioners submitted that while projecting the Billing Determinants (number of consumers, connected load and energy sales) for FY 2023-24, they have analysed category-wise and sub-category wise data of the sale of electricity, number of consumers, connected load, etc. of the preceding seven years i.e., from FY 2014-15 to FY 2021-22.
- 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 2021-22 as the base for the purpose of computation of Billing Determinants of FY 2023-24. The Petitioners have made effort to focus on reasonable growth for FY 2023-24.
- 6.2.4. The Petitioners further submitted that under Saubhagya Yojna initiated by MoP, 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. These consumers 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 Lifeline 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.
- 6.2.5. The category-wise Billing Determinants as projected by the Petitioners for FY 2023-24 is shown in the Table below:



**TABLE 6-1: BILLING DETERMINANTS SUBMITTED BY DVVNL (INCLUDING DF OF AGRA) FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	55,89,833	76,47,064	8,209.04
LMV-2: Non Domestic Light, Fan & Power	3,08,810	8,44,178	1,245.95
LMV-3: Public Lamps	2,585	32,568	83.95
LMV-4: Light, fan & Power for Institutions	45,479	1,64,532	299.40
LMV-5: Private Tube Wells / Pumping Sets	3,12,160	25,18,494	4,862.49
LMV 6: Small and Medium Power upto 100 HP (75 kW)	47,683	4,81,451	646.38
LMV-7: Public Water Works	22,835	3,42,999	1,247.07
LMV-9: Temporary Supply	3,498	11,948	41.30
LMV-10: Departmental Employees	17,541	82,923	173.83
LMV-11: Electrical Vehicles	5	1,705	1.57
HV-1: Non-Industrial Bulk Loads	653	1,66,358	357.86
HV-2: Large and Heavy Power above 100 BHP (75 kW)	3,398	10,82,626	3,140.10
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	46	47,276	109.19
Bulk Supply Consumer	1	12,89,872	2,299.76
<b>Grand Total</b>	<b>63,54,526</b>	<b>1,47,13,994</b>	<b>22,717.91</b>

**TABLE 6-2: BILLING DETERMINANTS SUBMITTED BY MVVNL FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	89,80,584	1,10,22,307	13,296.71
LMV-2: Non Domestic Light, Fan & Power	4,61,316	13,87,933	2,038.47
LMV-3: Public Lamps	974	86,397	337.01
LMV-4: Light, fan & Power for Institutions	38,681	1,83,103	330.47
LMV-5: Private Tube Wells/ Pumping Sets	2,77,876	16,66,927	3,048.57
LMV 6: Small and Medium Power upto 100 HP (75 kW)	35,324	3,84,499	566.09
LMV-7: Public Water Works	15,840	2,76,654	1,397.02



Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-9: Temporary Supply	9,206	25,190	33.93
LMV-10: Departmental Employees	25,342	83,194	164.77
LMV-11: Electrical Vehicles	34	7,162	6.23
HV-1: Non-Industrial Bulk Loads	1,551	5,25,865	1,005.96
HV-2: Large and Heavy Power above 100 BHP (75 kW)	2,556	9,32,550	1,969.32
HV-3: Railway Traction	2	9,334	38.06
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	35	30,734	81.03
Extra State Consumer	1	5,000	19.85
<b>Grand Total</b>	<b>98,49,322</b>	<b>1,66,26,850</b>	<b>24,333.50</b>

**TABLE 6-3: BILLING DETERMINANTS SUBMITTED BY PVVNL FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	65,74,811	1,38,41,439	13,922.46
LMV-2: Non Domestic Light, Fan & Power	5,57,526	15,81,526	2,180.45
LMV-3: Public Lamps	2,649	63,797	189.63
LMV-4: Light, fan & Power for Institutions	29,091	2,14,916	233.03
LMV-5: Private Tube Wells/ Pumping Sets	4,86,944	30,31,936	7,849.21
LMV 6: Small and Medium Power upto 100 HP (75 kW)	72,966	10,07,130	1,466.89
LMV-7: Public Water Works	11,952	2,71,432	918.70
LMV-9: Temporary Supply	7,001	70,255	148.15
LMV-10: Departmental Employees	22,516	1,32,375	133.68
LMV-11: Electrical Vehicles	67	817	1.20
HV-1: Non-Industrial Bulk Loads	2,674	11,45,377	1,965.15
HV-2: Large and Heavy Power above 100 BHP (75 kW)	6,638	23,19,746	6,578.78
HV-3: Railway Traction	4	44,009	83.43
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	2	286	1.32
<b>Grand Total</b>	<b>77,74,840</b>	<b>2,37,25,041</b>	<b>35,672.08</b>





**TABLE 6-4: BILLING DETERMINANTS SUBMITTED BY PuVVNL FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	95,18,809	1,20,73,667	15,882.49
LMV-2: Non Domestic Light, Fan & Power	5,62,778	14,87,594	2,458.73
LMV-3: Public Lamps	1,567	48,397	146.22
LMV-4: Light, fan & Power for Institutions	45,934	1,74,060	379.26
LMV-5: Private Tube Wells/ Pumping Sets	3,55,415	15,88,491	3,516.10
LMV 6: Small and Medium Power upto 100 HP (75 kW)	40,900	4,14,721	669.89
LMV-7: Public Water Works	17,669	3,78,193	1,780.18
LMV-9: Temporary Supply	3,191	6,988	15.52
LMV-10: Departmental Employees	27,883	92,584	123.67
LMV-11: Electrical Vehicles	11	1,863	7.02
HV-1: Non-Industrial Bulk Loads	1,089	2,88,845	641.41
HV-2: Large and Heavy Power above 100 BHP (75 kW)	1,730	6,95,279	1,612.44
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	56	1,33,652	530.71
Extra State Consumer	1	699	4.02
<b>Grand Total</b>	<b>1,05,77,033</b>	<b>1,73,85,035</b>	<b>27,767.68</b>

**TABLE 6-5: BILLING DETERMINANTS SUBMITTED BY KESCO FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	6,24,794	15,08,808	1,898.79
LMV-2: Non Domestic Light, Fan & Power	92,091	2,64,428	413.19
LMV-3: Public Lamps	232	10,536	35.35
LMV-4: Light, fan & Power for Institutions	1,644	27,641	77.89
LMV-5: Private Tube Wells/ Pumping Sets	16	198	0.10
LMV 6: Small and Medium Power upto 100 HP (75 kW)	16,040	2,06,437	388.33
LMV-7: Public Water Works	1,249	52,706	122.38
LMV-9: Temporary Supply	630	3,420	9.72
LMV-10: Departmental Employees	5,299	21,139	42.54
LMV-11: Electrical Vehicles	-	-	5.39



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Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-1: Non-Industrial Bulk Loads	305	84,872	245.27
HV-2: Large and Heavy Power above 100 BHP (75 kW)	651	2,22,742	937.76
HV-3: Railway Traction	1	5,400	6.07
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
<b>Grand Total</b>	<b>7,42,951</b>	<b>24,08,326</b>	<b>4,182.79</b>

**TABLE 6-6: CONSOLIDATED BILLING DETERMINANTS SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Category	Petitioner's Submission		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1: Domestic Light, Fan & Power	3,17,15,621	4,69,18,138	54,557.95
LMV-2: Non Domestic Light, Fan & Power	20,46,877	57,47,182	8,610.33
LMV-3: Public Lamps	8,095	2,49,089	825.39
LMV-4: Light, fan & Power for Institutions	1,62,912	7,80,936	1,353.40
LMV-5: Private Tube Wells / Pumping Sets	14,32,846	88,09,389	19,282.89
LMV 6: Small and Medium Power upto 100 HP (75 kW)	2,23,372	25,91,848	3,893.14
LMV-7: Public Water Works	69,704	13,33,629	5,493.56
LMV-9: Temporary Supply	24,898	1,23,464	257.19
LMV-10: Departmental Employees	1,00,895	4,17,320	644.83
LMV-11: Electrical Vehicles	129	16,395	24.97
HV-1: Non-Industrial Bulk Loads	6,511	22,69,135	4,382.27
HV-2: Large and Heavy Power above 100 BHP (75 kW)	15,250	53,26,124	14,473.80
HV-3: Railway Traction	7	58,743	127.56
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	139	2,11,949	722.26
Extra State Consumer	2	5,699	23.87
Bulk Supply Consumer	1	12,89,872	2,299.76
<b>Grand Total</b>	<b>3,52,98,672</b>	<b>7,48,59,246</b>	<b>1,14,673.95</b>



### 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 those 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. The Commission vide Letter No UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 directed DVVNL to submit the details of Billing Determinants of DF as per Regulation 42 of the MYT Regulations, 2019. The Commission observed that there is variation in the energy sales in the region of Torrent Power Ltd. (DF of Agra) submitted in the Petition and in response to the Commission's query, i.e. a difference of 246.58 MU. However, the Commission has considered the sales of Torrent Power as 2,299.76 MUs and adjusted the 246.59 MUs under respected category / sub-category / slab wise on proportionate basis. The Billing Determinants of Torrent Power (DF of Agra) submitted by the Licensee is shown in the Table below:

**TABLE 6-7: BILLING DETERMINANTS OF DF AGRA SUBMITTED BY DVVNL FOR FY 2023-24**

Category	Petitioner's Submission		
	No. of consumers	Connected Load/ Contracted Demand	Energy Sales
	(No.)	(kW)	(MU)
LMV-1: Domestic Light, Fan & Power	4,26,791	8,24,853	1,203.89
LMV-2: Non-Domestic Light, Fan & Power	64,357	1,81,523	244.20
LMV-3: Public Lamps	88	7,393	29.67
LMV-4: Light, fan & Power for Institutions	2,083	16,683	29.77
LMV-5: Private Tube Wells/ Pumping Sets	436	3,343	5.73
LMV 6: Small and Medium Power upto 100 HP (75 kW)	10,458	97,609	138.88
LMV-7: Public Water Works	159	11,645	25.18
LMV-9: Temporary Supply	18	208	0.47
LMV-10: Departmental Employees	1,373	5,663	7.64
LMV-11: Electrical Vehicles	2,314	5,106	5.65
HV-1: Non-Industrial Bulk Loads	13	4,846	3.18
HV-2: Large and Heavy Power above 100 BHP (75 kW)	239	57,817	148.75
HV-3: Railway Traction	277	73,181	210.16



Category	Petitioner's Submission		
	No. of consumers	Connected Load/ Contracted Demand	Energy Sales
	(No.)	(kW)	(MU)
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
<b>Grand Total</b>	<b>5,08,606</b>	<b>12,89,872</b>	<b>2,053.18</b>

6.2.8. The Billing Determinants of the Torrent Power (DF of Agra) considered by the Commission after adjustment is shown in the Table below:

**TABLE 6-8: BILLING DETERMINANTS OF TORRENT POWER FOR FY 2023-24**

Category	Approved		
	No. of consumers	Connected load/ Contracted Demand	Energy Sales
	(No.)	(kW)	(MU)
LMV-1: Domestic Light, Fan & Power	4,26,791	8,24,853	1,348.47
LMV-2: Non-Domestic Light, Fan & Power	64,357	1,81,523	273.53
LMV-3: Public Lamps	88	7,393	33.23
LMV-4: Light, fan & Power for Institutions	2,083	16,683	33.35
LMV-5: Private Tube Wells/ Pumping Sets	436	3,343	6.42
LMV 6: Small and Medium Power upto 100 HP (75 kW)	10,458	97,609	155.56
LMV-7: Public Water Works	159	11,645	28.21
LMV-9: Temporary Supply	1,373	5,663	8.56
LMV-10: Departmental Employees	2,314	5,106	6.33
LMV-11: Electrical Vehicles	13	4,846	3.57
HV-1: Non-Industrial Bulk Loads	239	57,817	166.62
HV-2: Large and Heavy Power above 100 BHP (75 kW)	277	73,181	235.39
HV-3: Railway Traction	-	-	-
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	-	-	-
<b>Grand Total</b>	<b>5,08,606</b>	<b>12,89,872</b>	<b>2,299.76</b>

6.2.9. The Commission vide Email dated February 22, 2023 directed DVVNL to submit justification for mismatch in sales. In response to the Commission's query DVVNL submitted that it has considered DF Agra as a bulk consumer and accordingly projected the sales however, as directed by the Commission the Billing Determinants (i.e. energy sold by DF Agra) have been submitted. DVVNL submitted that the difference in sales is due to the distribution losses



on account of energy sold by DF Agra vis-a-vis energy sold to DF Agra as bulk consumer. DVVNL further submitted as under:

- (a) A franchisee is an entity authorized by the Distribution Licensee to distribute electricity on its behalf in a particular area within the area of supply.
- (b) DVVNL supplies power to DF of Agra at an agreed tariff / rate in terms of the DF Agreement dated May 18, 2009. For distribution and supply of power to the retail consumers in the franchisee area, DF incurs both opex & capex and resultant interest, RoE, etc. on its own, and all these costs do not form part of the DVVNL's ARR. DF Agra takes care of its own expenses (O&M, R&M etc.) which is not shared by DVVNL. This implies that DF of Agra is merely a bulk consumer of DVVNL. DVVNL is not privy to the opex and capex incurred by DF of Agra, its infrastructure, expenses, loss reduction etc.
- (c) DVVNL has requested the Commission to consider DF Agra as a bulk consumer of DVVNL.

6.2.10. As regards the 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 sales (as shown in the above Table) as input energy & not sales of consumers of DF. The Commission is of the view that this gives an aberrant 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. The Commission is of view that consumers of DF Agra should be considered as consumers of DVVNL accordingly the Commission has considered the sales of Torrent Power as 2,299.76 MUs and adjusted the 246.59 MUs under respected category / sub-category / slab wise on proportionate basis.

6.2.11. In the case of KESCO, it is observed that billing determinants for LMV-11 category, number of consumers and connected load are given as Nil, whereas energy sale is 5.39 MU for FY 2023-24. In response, KESCO submitted that as on date, there are 2 no. consumers with sanctioned load of 594 kW exist in the system. The consumer number and load is not shown because these connections are issued under HV-1 category. It is further submitted that the



energy sales of 5.39 MU as shown under LVM-11 are indicative basis only. The Commission is requested may kindly consider the same under HV-1 category for computation purpose. The Commission during the scrutiny found that KESCO has linked sales of LMV-11 with MVVNL sales. Therefore, in this Order the Commission has considered sales in LMV-11 as Nil. However, the same will be addressed at the time of True Up.

6.2.12. The Billing Determinants approved for FY 2023-24 are shown in the Tables below:

**TABLE 6-9: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2023-24 FOR DVVNL (INCLUDING DF OF AGRA)**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	60,16,623	84,71,917	9,557.51
LMV-2-Non domestic light fan & power	3,73,166	10,25,701	1,519.48
LMV-3 Public lamps	2,672	39,962	117.18
LMV-4 Light, fan & power for public / private institution	47,562	1,81,215	332.75
LMV-5 Private tube well / pumping sets	3,12,595	25,21,837	4,868.91
LMV-6 Small & medium power upto 100 HP/75 kW	58,142	5,79,060	801.94
LMV-7 Public water works	22,995	3,54,644	1,275.28
LMV-9 Temporary supply	4,871	17,611	49.86
LMV- 10 Departmental employees	19,855	88,029	180.16
LMV-11 Electric Vehicles	18	6,551	5.14
HV-1 Non industrial bulk load	892	2,24,176	524.48
HV-2 Large & heavy power above 100 BHP (75 kW)	3,675	11,55,806	3,375.50
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	46	47,276	109.19
<b>Grand Total</b>	<b>68,63,131</b>	<b>1,47,13,994</b>	<b>22,717.91</b>

**TABLE 6-10: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2023-24 FOR MVVNL**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	89,80,584	1,10,22,307	13,296.71



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Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-2-Non domestic light fan & power	461316	1387933	2,038.47
LMV-3 Public lamps	974	86397	337.01
LMV-4 Light, fan & power for public / private institution	38681	183103	330.47
LMV-5 Private tube well / pumping sets	277876	1666927.47	3,048.57
LMV-6 Small & medium power upto 100 HP / 75kW	35324.4	384498.9	566.09
LMV-7 Public water works	15840	276654	1,397.02
LMV-8 State tube wells & pumps canal upto 100 HP	9206	25190	33.93
LMV- 10 Departmental employees	25,342	83,194	164.77
LMV-11 Electric Vehicles	34	7162	6.23
HV-1 Non industrial bulk load	1551	525865	1,005.96
HV-2 Large & heavy power above 100 BHP (75 kW)	2555.6	932550.4	1,969.32
HV-3 Railway traction	2	9334.285714	38.06
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	35.343	30734.487	81.03
Extra State Consumers	1	5,000	19.85
<b>Total</b>	<b>98,49,322</b>	<b>1,66,26,850</b>	<b>24,333.50</b>

**TABLE 6-11: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2023-24 FOR PUVNL**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	65,74,811	1,38,41,439	13,922.46
LMV-2-Non domestic light fan & power	5,57,526	15,81,526	2,180.45
LMV-3 Public lamps	2,649	63,797	189.63
LMV-4 Light, fan & power for public / private institution	29,091	2,14,916	233.03
LMV-5 Private tube well/pumping sets	4,86,944	30,31,936	7,849.21
LMV-6 Small & medium power upto 100 HP/ 75 kW	72,966	10,07,130	1,466.89
LMV-7 Public water works	11,952	2,71,432	918.70
LMV-9 Temporary supply	7,001	70,255	148.15
LMV- 10 Departmental employees	22,516	1,32,375	133.68
LMV-11 Electric Vehicles	67	817	1.20
HV-1 Non industrial bulk load	2,674	11,45,377	1,965.15
HV-2 Large & heavy power above 100 BHP (75 kW)	6,638	23,19,746	6,578.78





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Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
HV-3 Railway traction	4	44,009	83.43
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	2	286	1.32
<b>Total</b>	<b>77,74,840</b>	<b>2,37,25,041</b>	<b>35,672.08</b>

**TABLE 6-12: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2023-24 FOR PuVVNL**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	95,18,809	1,20,73,667	15,882.49
LMV-2-Non domestic light fan & power	5,62,778	14,87,594	2,458.73
LMV-3 Public lamps	1,567	48,397	146.22
LMV-4 Light, fan & power for public / private institution	45,934	1,74,060	379.26
LMV-5 Private tube well / pumping sets	3,55,415	15,88,491	3,516.10
LMV-6 Small & medium power upto 100 HP / 75kW	40,900	4,14,721	669.89
LMV-7 Public water works	17,669	3,78,193	1,780.18
LMV-9 Temporary supply	3,191	6,988	15.52
LMV- 10 Departmental employees	27,883	92,584	123.67
LMV-11 Electric Vehicles	11	1,863	7.02
HV-1 Non industrial bulk load	1,089	2,88,845	641.41
HV-2 Large & heavy power above 100 BHP (75 kW)	1,730	6,95,279	1,612.44
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	56	1,33,652	530.71
Extra State Consumers	1	699	4.02
<b>Total</b>	<b>1,05,77,033</b>	<b>1,73,85,035</b>	<b>27,767.68</b>

**TABLE 6-13: BILLING DETERMINANTS APPROVED BY THE COMMISSION FOR FY 2023-24 FOR KESCO**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	6,24,794	15,08,808	1,898.79
LMV-2-Non domestic light fan & power	92,091	2,64,428	413.19
LMV-3 Public lamps	232	10,536	35.35
LMV-4 Light, fan & power for public/private institution	1,644	27,641	77.89



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Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-5 Private tube well/pumping sets	16	198	0.10
LMV-6 Small & medium power upto 100 HP / 75 kW	16,040	2,06,437	388.33
LMV-7 Public water works	1,249	52,706	122.38
LMV-9 Temporary supply	630	3,420	9.72
LMV- 10 Departmental employees	5,299	21,139	42.54
LMV-11 Electric Vehicles*	-	-	-
HV-1 Non industrial bulk load	305	84,872	245.27
HV-2 Large & heavy power above 100 BHP (75 kW)	651	2,22,742	937.76
HV-3 Railway traction	1	5,400	6.07
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	-	-	-
<b>Grand Total</b>	<b>7,42,951</b>	<b>24,08,326</b>	<b>4,177.39</b>

**TABLE 6-14: CONSOLIDATED BILLING DETERMINANTS (INCLUDING DF OF AGRA) APPROVED FOR FY 2023-24 FOR THE STATE OWNED DISCOMS**

Category	Approved		
	Consumers (No.)	Load (kW)	Sales (MU)
LMV-1 Domestic light fan & power	3,17,15,621	4,69,18,138	54,557.95
LMV-2-Non domestic light fan & power	20,46,877	57,47,182	8,610.33
LMV-3 Public lamps	8,095	2,49,089	825.39
LMV-4 Light, fan & power for public / private institution	1,62,912	7,80,936	1,353.40
LMV-5 Private tube well / pumping sets	14,32,846	88,09,389	19,282.89
LMV-6 Small & medium power upto 100 / 75kW	2,23,372	25,91,848	3,893.14
LMV-7 Public water works	69,722	13,33,837	5,494.08
LMV-9 Temporary supply	24,898	1,23,464	257.19
LMV- 10 Departmental employees	1,00,895	4,17,320	644.83
LMV-11 Electric Vehicles	129	16,395	19.58
HV-1 Non industrial bulk load	6,511	22,69,135	4,382.27
HV-2 Large & heavy power above 100 (75 kW)	15,250	53,26,124	14,473.80
HV-3 Railway traction	7	58,743	127.56
HV-4 Lift irrigation & p. canal above 100 (75kW)	139	2,11,949	722.26
Extra State Consumers	2	5,699	23.87
<b>Grand Total</b>	<b>3,58,07,277</b>	<b>7,48,59,246</b>	<b>1,14,668.56</b>

6.2.13. The Commission has done analysis of energy consumptions for the unmetered consumer categories for which norms have been specified. This is shown as below:



**Table 6-15: NORMS OF ENERGY CONSUMPTION FOR UNMETERED CONSUMER CATEGORY OF DVVNL FOR FY 2023-24**

Category	DVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	680.25	1,059.34	2.75	216.00	144.00	1.83	0.92
LMV 2	Non Dom: Rural Schedule (unmetered)	0	0	0.00	0.00	144.00	0	0.00
LMV 5	PTW: Rural Schedule (unmetered)	2,36,249.00	19,02,427.00	4,185.04	183.32	140.00	3,196.08	988.96
LMV 7	Rural Unmetered	0.75	16.25	0.10	10,687.07	7,124.71	0.06	0.03
LMV 7	Urban Unmetered	3.25	214.00	0.42	10,687.07	7,124.71	0.28	0.14
	<b>Total</b>							<b>990.04</b>

**Table 6-16: NORMS OF ENERGY CONSUMPTION FOR UNMETERED CONSUMER CATEGORY OF MVVNL FOR FY 2023-24**

Category	MVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	26,033	32,636.25	84.59	270.79	144.00	56.40	28.20
LMV 2	Non Dom: Rural Schedule (unmetered)	0	0	0.00	0.00	144.00	0	0.00
LMV 5	PTW: Rural Schedule (unmetered)	2,04,950.00	12,84,036.00	2,824.67	1,148.52	140.00	2,157.18	667.49
LMV 7	Rural Unmetered	938.88	13,852.88	120.41	10,687.07	7,124.71	80.27	40.14
LMV 7	Urban Unmetered	939.63	13,881.13	120.50	10,687.07	7,124.71	80.33	40.17
	<b>Total</b>							<b>775.99</b>



**Table 6-17: NORMS OF ENERGY CONSUMPTION FOR UNMETERED CONSUMER CATEGORY OF PVVNL FOR FY 2023-24**

Category	PVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	2,668.25	8,256.75	21.40	668.40	144.00	14.27	7.13
LMV 2	Non Dom: Rural Schedule (unmetered)	0	0	0.00	0.00	144.00	0	0.00
LMV 5	PTW: Rural Schedule (unmetered)	4,46,511.00	27,74,420.00	6,103.28	1,139.07	140.00	4,661.03	1,442.25
LMV 7	Rural Unmetered	118.00	1,767.25	15.13	10,687.07	7,124.71	10.09	5.04
LMV 7	Urban Unmetered	118.00	1,767.25	15.13	10,687.07	7,124.71	10.09	5.04
	<b>Total</b>							<b>1,459.48</b>

**Table 6-18: NORMS OF ENERGY CONSUMPTION FOR UNMETERED CONSUMER CATEGORY OF PuVVNL FOR FY 2023-24**

Category	PuVVNL	No. of consumers	Connected load/contracted demand (kW)	Total Energy Sales (MU)	kWh Per kW per month consumers	Norm kWh Per kW per month consumers (approved vide order dated 9.12.16)	Sales as per Norms approved	Excess Sales booked/Sales under booked
LMV 1	Dom: Rural Schedule (unmetered)	1,93,079.75	2,49,410.25	646.47	216.00	144.00	430.98	215.49
LMV 2	Non Dom: Rural Schedule (unmetered)	0.00	0.00	0.00	0.00	144.00	0.00	0.00
LMV 5	PTW: Rural Schedule (unmetered)	2,88,849.00	13,55,749.00	2,982.43	183.32	140.00	2,277.66	704.77
LMV 7	Rural Unmetered	1,080.50	21,881.50	138.57	10,687.07	7,124.71	92.38	46.19
LMV 7	Urban Unmetered	1,110.75	24,157.50	142.45	10,687.07	7,124.71	94.97	47.48
	<b>Total</b>							<b>1,023.94</b>

**Table 6-19: CONSOLIDATED NORMS OF ENERGY CONSUMPTION FOR UNMETERED CONSUMER CATEGORY OF STATE DISCOMS (DVVNL, MVVNL, PVVNL & PuVVNL) FOR FY 2023-24**

Category	Consolidated	Excess Sales booked/Sales under booked (MU)
LMV 1	Dom: Rural Schedule (unmetered)	251.74
LMV 2	Non-Dom: Rural Schedule (unmetered)	0.00
LMV 5	PTW: Rural Schedule (unmetered)	3,803.48



Category	Consolidated	Excess Sales booked/Sales under booked (MU)
LMV-7	Unmetered: Rural	91.40
LMV-7	Unmetered: Urban	92.83
	<b>Total</b>	<b>4,239.45</b>

6.2.14. The Commission has observed that the Petitioners have shown higher sales in the unmetered categories with respect to the norms of sales approved by the Commission for unmetered categories vide Order dated December 09, 2016 in suo-moto proceedings in the matter of revision of consumption norms for unmetered category of consumers. Further, for LMV-5 category, the Commission in the Tariff Order for FY 2019-20 dated September 03, 2019, had approved a consumption norm of 140 kWh / kW / month consumers assuming a supply of 14 hours for 120 days. The same norm for LMV-5 has been considered. The Commission vide email dated February 22, 2023 asked the Petitioners to provide the month-wise data with regards to the sales booked under unmetered categories to determine the monthly overbooking thus giving a more accurate picture. In response to the Commission's query the Petitioners submitted that they are obligated to follow the normative consumptions as approved by the Commission for the various unmetered categories in the Order dated December 09, 2016 under suo-moto proceedings. The norm specified by the Commission is considered for the estimation of energy sales to the unmetered categories. The same is given under the revenue model submitted along with the ARR for FY 2023-24. Therefore, the Petitioners have requested the Commission to kindly provide relaxation in this matter.

6.2.15. In the Tariff Order for FY 2022-23 dated July 20, 2022, the Commission has rationalized the consumer categories / sub-categories / slabs and as a result the LMV-8 consumer category was merged with LMV-7 consumer category. Accordingly, the Commission has computed the excess sales for LMV-7 unmetered category. The Commission is of the view that, as the unmetered category of LMV-8 was merged with LMV-7 unmetered category, the norms of sales approved by the Commission for LMV-8 unmetered category vide Order dated December 09, 2016 in suo-moto proceedings will be applicable for LMV-7 unmetered category.

6.2.16. The excess sales computed above is not being deducted from the total sales, however, in case the Petitioners still over book, then in the true-up, the



Commission would be disallowing the power purchase cost of the excess units from the total power purchase cost as done in the past True-Ups.

### 6.3. DISTRIBUTION LOSS

#### *Petitioners' Submission*

6.3.1. The Petitioners submitted that they are in process of formulation of RDSS in the State. The Petitioners projected the Distribution loss for FY 2023-24 as shown in the Table below:

**TABLE 6-20 DISTRIBUTION LOSS SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Distribution Loss	Business Plan Order dated October 27, 2020	Petitioners' Submission
DVVNL	10.52%	17.10%
MVVNL	10.26%	15.23%
PVVNL	10.26%	13.44%
PuVVNL	10.55%	15.56%
KESCO	8.02%	7.95%
<b>Consolidated</b>	<b>10.31%</b>	<b>14.90%</b>

#### *Commission's Analysis*

6.3.2. Regulation 8.2 of the MYT Regulations, 2019 stipulates distribution losses as Controllable Factor, reproduced as under:

Quote

*8.2 The "Controllable Factors" shall include, but shall not be limited to the following:*

.....

*(g) Variation in Distribution losses;*

.....

Unquote

6.3.3. The Petitioners have projected the distribution loss for FY 2023-24 based on actual distribution loss for the preceding years. 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.



6.3.4. The Commission further observed that the distribution loss projected by the KESCO for FY 2023-24 is lower than the loss trajectory approved in the Business Plan Order dated October 27, 2020. While doing the True-Up of FY 2021-22, it was observed that in case of KESCO loss approved for FY 2021-22 has been achieved. These shall be considered at the time of True-Up. The Petitioners are directed to take appropriate measures to ensure that the target of distribution loss is achieved. Therefore, the Commission has considered the loss projected by the Petitioner (KESCO) for KESCO license area.

6.3.5. The Commission approved the distribution loss for FY 2023-24 as shown in the Table below:

**TABLE 6-21: DISTRIBUTION LOSS APPROVED BY THE COMMISSION FOR FY 2023-24**

Distribution loss	FY 2023-24	
	Petitioners' Submission	Approved
DVVNL	17.10%	10.52%
MVVNL	15.23%	10.26%
PVVNL	13.44%	10.26%
PuVVNL	15.56%	10.55%
KESCO	7.95%	7.95%
<b>Consolidated</b>	<b>14.90%</b>	<b>10.30%</b>

#### 6.4. ENERGY BALANCE

##### *Petitioners' Submission*

6.4.1. The Petitioners have projected the Energy Balance for FY 2023-24, as shown in the Table below:

**TABLE 6-22: ENERGY BALANCE AS SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Particulars	Derivation	UoM	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Consolidated
Retail Sales	A	MU	22,717.91	24,333.50	35,672.08	27,767.68	4,182.79	1,14,673.95
Distribution Loss	B	%	17.10%	15.23%	13.44%	15.56%	7.95%	14.90%
<b>Energy at DISCOM Periphery for Retail Sales</b>	$C=A/(1-B)$	<b>MU</b>	<b>7,403.99</b>	<b>28,706.10</b>	<b>1,213.08</b>	<b>2,884.03</b>	<b>4,544.28</b>	<b>1,34,751.48</b>
Intra-State Transmission Loss	D	%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
<b>Energy Available at State periphery for Transmission</b>	$E=C/(1-D)$	<b>MU</b>	<b>8,315.76</b>	<b>29,661.19</b>	<b>2,584.30</b>	<b>3,978.13</b>	<b>4,695.47</b>	<b>1,39,234.84</b>





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Particulars	Derivation	UoM	DVVNL	MVVNL	PVVNL	PUVVNL	KESCO	Consolidated
Energy Purchase from Stations connected to Intra-State Transmission network (UPPTCL)	F	MU	19,217.51	20,130.63	28,901.36	23,060.47	3,186.75	94,496.72
Energy Purchase from Stations connected to Inter-State Transmission network (PGCIL)	G=E-F	MU	9,098.25	9,530.56	3,682.94	10,917.65	1,508.72	44,738.12
Inter-State Transmission Loss	H	%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
Net Energy Received from Stations connected to Inter-State Transmission network at UPPTCL Periphery (Ex-Bus)	I=G/(1-H)	MU	9,448.02	9,896.94	14,208.95	11,337.36	1,566.72	46,458.00
<b>Power Purchases Required &amp; Billed Energy @ Ex-bus</b>	<b>J=F+I</b>	<b>MU</b>	<b>28,665.53</b>	<b>30,027.57</b>	<b>43,110.32</b>	<b>34,397.84</b>	<b>4,753.47</b>	<b>1,40,954.72</b>

### Commission's Analysis

- 6.4.2. The Commission observed that the Petitioners have prepared Energy Balance based on the projected distribution losses for FY 2023-24 which is based on actual losses rather than trajectory approved in Business Plan by the Commission. However, the Commission has considered the distribution losses approved for FY 2023-24.
- 6.4.3. The Energy Balance is prepared based on the approved losses at various level i.e., distribution losses and transmission losses (Intra-State & Inter-State).
- 6.4.4. The Commission, taking into consideration the Billing Determinants, Distribution losses and Intra-State transmission loss (UPPTCL) approved for FY 2023-24, has approved the Energy Balance for FY 2023-24, as shown in the Table below:

**TABLE 6-23: ENERGY BALANCE APPROVED BY THE COMMISSION FOR FY 2023-24**

Particulars	Derivation	UoM	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Retail Sales	A	MU	<b>22,717.91</b>	<b>24,333.50</b>	<b>35,672.08</b>	<b>27,767.68</b>	<b>4,177.39</b>	<b>114,668.56</b>
Distribution Losses	B	%	10.52%	10.26%	10.26%	10.55%	7.95%	10.30%
<b>Energy at Discom Periphery for Retail Sales</b>	<b>C=A/(1-B)</b>	<b>MU</b>	<b>25,388.81</b>	27,115.55	39,750.48	31,042.68	4,538.42	127,835.95
Intra-State Transmission Loss	D	%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
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Particulars	Derivation	UoM	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
<b>Energy Available at State periphery for Transmission</b>	$E=C/(1-D)$	MU	<b>26,233.53</b>	<b>28,017.73</b>	<b>41,073.03</b>	<b>32,075.52</b>	<b>4,689.42</b>	<b>132,089.22</b>
Energy Purchase from Stations connected to Intra State Transmission network (UPPTCL)	F	MU	18,681.19	20,009.70	29,333.54	22,833.67	3,435.12	94,293.21
Energy Purchase from Stations connected to Inter State Transmission network (PGCIL)	$G=E-F$	MU	7,552.35	8,008.02	11,739.49	9,241.85	1,254.30	37,796.01
Interstate Transmission Loss	H	%	3.47%	3.47%	3.47%	3.47%	3.47%	3.47%
Net Energy Received from Stations connected to Inter State Transmission network at UPPTCL Periphery (Ex Bus)	$I=G/(1-H)$	MU	7,8023.83	8,295.89	12,161.49	9,574.07	1,299.39	39,154.67
<b>Power Purchase Required &amp; Billed Energy (total Ex Bus)</b>	$J=F+I$	MU	<b>26,505.02</b>	<b>28,305.59</b>	<b>41,495.03</b>	<b>32,407.74</b>	<b>4,734.51</b>	<b>133,447.89</b>

6.4.5. The Petitioners are directed to make submission in the above format for all future filings.

#### 6.5. POWER PURCHASE COST

##### *Petitioners' Submission*

6.5.1. The Petitioners submitted that UPPCL is procuring power on behalf of State Discoms at consolidated level. The consolidated Energy Balance submitted by the Petitioners for FY 2023-24 is as follows:

**TABLE 6-24: CONSOLIDATED ENERGY REQUIREMENT SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Particulars	UoM	Consolidated
Retail Sales	MU	1,14,673.95
Distribution Losses	%	14.90%
Energy at Discom Periphery for Retail Sales	MU	1,34,751.48
Intra-State Transmission Loss	%	3.22%
Energy Available at State periphery for Transmission	MU	1,39,234.84
Energy Purchase from Stations connected to Intra State Transmission network (UPPTCL)	MU	94,496.72
Energy Purchase from Stations connected to Inter State Transmission network (PGCIL)	MU	44,738.12
Interstate Transmission Loss	%	3.70%
Net Energy Received from Stations connected to Inter State Transmission network at UPPTCL Periphery (Ex Bus)	MU	46,458.00
<b>Power Purchase Required &amp; Billed Energy (total Ex Bus)</b>	<b>MU</b>	<b>1,40,954.72</b>

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 UPJVNL
- (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. The Petitioners further submitted that 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 submitted that there are technical, regulatory and operational issues in preparation of MOD stack and Optimization of Power Purchase Regulations, 2021 and such issues cannot be addressed by them as these issues fall in the domain of SLDC. Some of the issues that have been submitted are as follows:

- (a) 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.*

- (b) 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 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-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, UPSLDC 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 as 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 further 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 2023-24 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 submitted that that considering the capacity available and the demand projection on month-to-month basis, there is no power procurement scheduled from short-term sources, i.e. Traders or power exchange during FY 2023-24. 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, as already discussed, 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, the Commission is requested to consider actual power purchase at the time of Truing-up and/or computation of Fuel Surcharge Rate.



- 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. 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. The Petitioners submitted that there is a significant variation in hourly Average and Peak Demand for a month, balance is to be maintained for minimizing over procurement. Accordingly, Demand is considered by adding one Standard Deviation to Average Demand which is the required Average+1 Sigma demand, thereby increasing the procurement volume to cover around 70% of the days whose demand varies from Average Demand, thereby being able to meet demand for around 90% of the days of the month, leaving the marginal differential volume for procurement though Spot / Collective Markets.
- 6.5.12. The Petitioner submitted that 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 Petitioners have considered the upcoming plants based on the expected COD as shown below:

**TABLE 6-25: COD OF UPCOMING PLANTS SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

S.No	Plant		Capacity (MW)	Expected COD
1	Ghatampur	Unit-1	561	Apr-23
2	Ghatampur	Unit-2	561	Aug-23
3	Ghatampur	Unit-3	561	Dec-23
4	Obra-C	Unit-1	660	Mar-23
5	Obra-C	Unit-2	660	Nov-23
6	Jawaharpur	Unit-1	660	Apr-23



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S.No	Plant		Capacity (MW)	Expected COD
7	Jawaharpur	Unit-2	660	Nov-23
8	Panki	Unit-1	660	Jan-24
9	Khurja STPP	Unit-1	396	Feb-24
10	Subansiri Lower		182	Aug-23
11	Parbati-II		156	Apr-23

6.5.13. The Petitioner submitted the expected availability for summer months April, 2023 to October, 2023 of FY 2023-24 as below:

**TABLE 6-26: POWER AVAILABILITY FOR FY 2023-24 (MW)**

Time	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
00:00-01:00	19096	21544	21706	22486	23138	21994	19147
01:00-02:00	18953	21309	21565	22406	22974	21729	18884
02:00-03:00	18783	21001	21285	22175	22722	21476	18769
03:00-04:00	18752	20924	21149	22114	22655	21378	18746
04:00-05:00	18794	20974	21110	22086	22615	21345	18786
05:00-06:00	18932	20903	20996	21955	22462	21177	18838
06:00-07:00	19353	21215	21237	22160	22726	21312	19080
07:00-08:00	19510	21555	21700	22540	23064	21749	19473
08:00-09:00	19934	21912	22052	22788	23331	22278	19834
09:00-10:00	20345	22402	22554	23256	23764	22791	20231
10:00-11:00	20554	22619	22861	23471	23953	22820	20329
11:00-12:00	20632	22717	22875	23516	24026	22864	20291
12:00-13:00	20647	22637	22850	23465	23976	22758	20224
13:00-14:00	20604	22534	22758	23356	23838	22608	20005
14:00-15:00	20530	22255	22518	23181	23623	22447	19743
15:00-16:00	20181	21821	22180	22854	23289	22164	19457
16:00-17:00	19665	21282	21766	22478	22867	21832	19116
17:00-18:00	19281	20935	21430	22142	22564	21605	19067
18:00-19:00	19469	21077	21303	21998	22570	21918	19814
19:00-20:00	20507	22051	21919	22409	23197	22646	20164
20:00-21:00	20299	22243	22159	22608	23364	22463	20023
21:00-22:00	19731	21769	21774	22444	23154	22204	19706
22:00-23:00	20089	22118	21918	22496	23241	22339	19308
23:00-24:00	19447	21668	21741	22405	23084	22064	19127

6.5.14. The Petitioner further submitted the expected average+1 Sigma demand for the summer months of FY 2023-24 as below:





**TABLE 6-27: AVERAGE+1 SIGMA DEMAND FOR FY 2023-24 (MW)**

Time	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
00:00-01:00	21153	25156	26372	26415	25284	22905	19830
01:00-02:00	20764	24723	26106	25953	24661	22212	19088
02:00-03:00	20499	24137	25713	25366	24030	21569	18551
03:00-04:00	20367	23619	25369	24944	23405	20964	18077
04:00-05:00	19980	23303	25259	24579	22885	20556	17754
05:00-06:00	20084	23133	23420	23197	22167	19603	18021
06:00-07:00	18906	20703	21990	21320	20239	17227	16679
07:00-08:00	18197	19003	21870	20873	19561	16435	15616
08:00-09:00	18613	19295	22327	21464	20131	16971	15716
09:00-10:00	19670	20886	23193	22330	21561	18933	17276
10:00-11:00	19955	21855	23761	22878	22442	20000	18332
11:00-12:00	19868	22610	24492	22924	22705	20274	18818
12:00-13:00	19688	23277	25547	23442	23313	20784	19498
13:00-14:00	19101	23495	25498	23821	23520	20212	18940
14:00-15:00	19221	23543	24964	23766	23093	19626	18328
15:00-16:00	19148	22986	24343	23316	22421	18949	17673
16:00-17:00	18964	21613	23520	22306	21227	18042	16908
17:00-18:00	19244	20670	22767	21536	20682	18368	17755
18:00-19:00	19500	20897	22006	20944	20790	20097	19571
19:00-20:00	22079	25081	25245	24457	24634	23678	21084
20:00-21:00	22287	25709	26787	26013	25658	24096	20945
21:00-22:00	22111	25635	26740	26410	25937	24163	20887
22:00-23:00	22258	25575	26625	26510	26074	24050	20542
23:00-24:00	21637	25246	26398	26481	25789	23581	19964

6.5.15. The Petitioner submitted that based on the expected demand and availability, the hourly surplus and deficits are as shown below:

**TABLE 6-28: DEMAND SUPPLY GAP FOR FY 2023-24 (MW)**

Time	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
00:00-01:00	-2057	-3612	-4666	-3930	-2146	-912	-683
01:00-02:00	-1811	-3414	-4542	-3547	-1687	-483	-204
02:00-03:00	-1716	-3137	-4428	-3191	-1308	-93	218
03:00-04:00	-1615	-2695	-4221	-2830	-750	414	670
04:00-05:00	-1186	-2329	-4149	-2493	-270	789	1032
05:00-06:00	-1152	-2230	-2424	-1242	294	1574	817
06:00-07:00	447	511	-753	841	2487	4084	2401
07:00-08:00	1313	2552	-170	1666	3504	5314	3857
08:00-09:00	1321	2617	-275	1323	3200	5306	4118
09:00-10:00	675	1516	-640	927	2203	3858	2955
10:00-11:00	599	765	-900	593	1511	2820	1998
11:00-12:00	764	107	-1617	592	1320	2589	1473



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Time	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
12:00-13:00	959	-641	-2697	23	664	1974	726
13:00-14:00	1502	-962	-2740	-465	318	2396	1065
14:00-15:00	1309	-1288	-2446	-585	530	2821	1415
15:00-16:00	1033	-1165	-2163	-462	869	3215	1784
16:00-17:00	701	-331	-1753	172	1640	3790	2208
17:00-18:00	38	265	-1337	606	1882	3237	1313
18:00-19:00	-30	180	-703	1054	1780	1821	242
19:00-20:00	-1572	-3030	-3327	-2048	-1437	-1032	-920
20:00-21:00	-1988	-3466	-4628	-3405	-2295	-1633	-922
21:00-22:00	-2380	-3865	-4967	-3966	-2783	-1959	-1181
22:00-23:00	-2169	-3457	-4707	-4013	-2834	-1711	-1234
23:00-24:00	-2189	-3577	-4657	-4077	-2704	-1517	-838

- 6.5.16. The gap between demand and availability is calculated based on the scheduled rostering till Sep-22 (summer months) in day time (Off-Peak hours) considering that the same rostering pattern shall be continued further.
- 6.5.17. The Forecasted Demand is calculated based on the previous demand pattern and current coal scenario and may vary based on prevailing demand supply position and availability of coal.
- 6.5.18. 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.
- 6.5.19. The Petitioners submitted the assumptions considered for projection of power purchase quantum and cost as follows:

**TABLE 6-29: ASSUMPTIONS CONSIDERED BY THE PETITIONERS FOR FY 2023-24**

SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
<b>Thermal</b>			
1.	UPRVUNL	Month wise power purchase quantum for FY 2023-24 is	For UPRVUNL & NTPC, the fixed charges have been computed based on the fixed charges
2.	NTPC		



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Sl No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
3.	IPP/ JV (Thermal)	projected based on the monthly average availability of generating stations from April 2017 to March 2022. For upcoming thermal generating stations of UPRVUNL, 85% PLF is considered.	actually incurred by the respective plants in True up of FY 2021-22 with escalation factor of 5% per year. For UPRVUNL & NTPC, energy charges have been computed based on actual average energy charge for FY 2021-22 with escalation factor of 5%. 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.
<b>HYDRO</b>			
4.	UPJVNL	Month wise power purchase quantum for FY 2023-24 is projected based on the monthly average PLF of generating stations from April 2017 to March 2022. Further, for upcoming HYDRO generating stations, 50% PLF have been considered for projection of net power purchase quantum for FY 2023-24	The fixed charges have been computed based on the actual charges incurred in true up for FY 2021-22 with escalation factor of 5% per year. The energy charges have been computed based on actual average variable charge for the FY 2021-22 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)		
<b>Nuclear</b>			
9.	NPCIL	The net power purchase quantum for FY 2023-24 is projected in line with generation of FY 2020-21.	Variable charges have been escalated by 2% per year.
<b>Renewable Energy</b>			
10.	Solar	The net power purchase quantum for FY 2023-24 is estimated based on 19% CUF for Solar.	The energy charges have been computed based on the weighted average energy charge rate of solar generating stations.



SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
11.	Wind	The net power purchase quantum for FY 2023-24 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 2023-24 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 2023-24 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 2023-24 is estimated based on 50% CUF.	The energy charges have been computed based on the weighted average energy charge rate of Bagasse generating stations.

6.5.20. The Petitioners submitted the power purchase cost from generating stations for FY 2023-24 based on above assumptions as shown in the table below:

**TABLE 6-30: GENERATING STATION-WISE POWER PURCHASE COST SUBMITTED BY PETITIONERS FOR FY 2023-24**

SI. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	
<b>A</b>	<b>Long term Sources</b>				
<b>a</b>	<b>Power procured from own Generating Stations (if any)</b>				
<b>b</b>	<b>From State Generating Stations Thermal</b>				
1	ANPARA-A	3,550.43	260.80	793.05	1,053.85
2	ANPARA-B	6,719.49	311.15	1,493.80	1,804.95
3	PANKI	0.00	0.00	0.00	0.00
4	PARICHHA	0.00	0.00	0.00	0.00
5	PARICHHA EXT.	1,192.92	337.21	484.15	821.36
6	OBRA-A	0.00	0.00	0.00	0.00
7	OBRA-B	3,742.73	325.07	1,094.56	1,419.62
8	HARDUAGANJ	0.00	0.00	0.00	0.00
9	HARDUAGANJ EXT.	856.66	487.51	379.99	867.50
10	PARICHHA EXT. STAGE-II	989.66	504.09	401.65	905.74



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Sl. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
11	ANPARA-D	5,362.27	909.30	1,082.92	1,992.23
12	Panki Extension	1,154.77	288.69	267.36	556.05
13	HARDUAGANJ EXT. Stage II	2,633.92	607.92	1,003.52	1,611.44
14	OBRA-C	4,251.09	1,614.66	963.55	2,578.21
15	Jawaharpur	6,560.64	1,636.99	1,487.03	3,124.02
	<b>Sub-Total</b>	<b>37,014.59</b>	<b>7,283.40</b>	<b>9,451.58</b>	<b>16,734.98</b>
<b>c</b>	<b>From State Generating Stations Hydro</b>				
1	RIHAND	515.55	21.44	38.89	60.32
2	OBRA ( H )	266.78	9.00	11.46	20.47
3	MATATILA	65.83	2.22	3.89	6.11
4	KHARA	276.83	13.44	12.60	26.04
5	UGC	26.05	0.00	7.67	7.67
6	SHEETLA	2.39	0.00	0.38	0.38
7	BELKA	2.63	0.00	0.59	0.59
8	BABAIL	3.20	0.00	0.93	0.93
	<b>Sub-Total</b>	<b>1,159.26</b>	<b>46.10</b>	<b>76.42</b>	<b>122.52</b>
<b>d</b>	<b>From Central Sector Generating Stations</b>				
	<b>Thermal (NTPC)</b>				
1	ANTA GPS	0.00	51.69	0.00	51.69
2	AURAIYA GPS	114.81	102.21	55.50	157.71
3	DADRI GPS	0.00	103.67	0.00	103.67
4	JHANOR GPS	0.00	0.01	0.00	0.01
5	KAWAS GPS	0.00	0.01	0.00	0.01
6	TANDA -TPS	0.00	336.73	0.00	336.73
7	FGUTPS-I	0.00	168.80	0.00	168.80
8	FGUTPS-II	0.00	79.95	0.00	79.95
9	FGUTPS-III	0.00	57.83	0.00	57.83
10	FGUTPS-IV	0.00	233.52	0.00	233.52
11	FSTPS	151.95	17.62	49.09	66.71
12	KHTPS-I	0.00	49.98	0.00	49.98
13	KHTPS-II	94.16	175.28	43.21	218.49
14	NCTPS-I	391.20	58.89	122.60	181.49
15	NCTPS-II	339.17	108.56	116.64	225.20
16	RIHAND-I	2,196.93	180.48	450.51	630.99
17	RIHAND-II	2,158.59	136.33	441.46	577.79
18	RIHAND-III	2,457.90	316.13	497.25	813.38
19	SINGRAULI	5,027.08	313.60	985.98	1,299.58



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sl. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
20	KORBA-I STPS	20.16	1.07	3.88	4.95
21	KORBA-III STPS	9.67	1.02	1.83	2.85
22	MAUDA-I STPS	12.01	5.21	4.09	9.30
23	MAUDA-II STPS	16.67	8.69	6.07	14.76
24	SOLAPUR TPS	0.00	5.47	0.00	5.47
25	SIPAT-I STPS	27.00	3.63	9.85	13.48
26	SIPAT-II STPS	6.39	1.26	2.51	3.77
27	VINDHYANCHAL-I STPS	18.04	1.36	3.79	5.15
28	VINDHYANCHAL-II STPS	13.38	0.73	2.72	3.45
29	VINDHYANCHAL-III STPS	14.58	1.14	2.94	4.08
30	VINDHYANCHAL-IV STPS	17.77	2.30	3.54	5.84
31	VINDHYANCHAL-V STPS	9.25	1.34	1.89	3.23
32	TANDA -II-TPS	1,047.51	828.58	476.91	1,305.49
33	NABINAGAR POWER PROJECT	1,466.80	194.58	364.82	559.41
34	APCPL	62.33	40.39	23.17	63.56
35	GODARWARA STPS-I	0.00	5.58	0.00	5.58
36	LARA STPS-I	27.09	4.42	5.82	10.24
37	KHARGONE STPS	0.00	4.71	0.00	4.71
	<b>Sub-Total</b>	<b>15,700.44</b>	<b>3,602.77</b>	<b>3,676.09</b>	<b>7,278.86</b>
<b>e</b>	<b>NPCIL</b>				
1	KAPS	5.52	0.10	1.16	1.26
2	NAPP	1,059.07	32.33	300.24	332.57
3	TAPP-3 & 4	20.28	0.26	6.74	7.01
4	RAPP-3 & 4	503.43	0.00	173.80	173.80
5	RAPP-5 & 6	666.17	0.00	229.98	229.98
	<b>Sub-Total</b>	<b>2,254.48</b>	<b>32.70</b>	<b>711.92</b>	<b>744.62</b>
<b>f</b>	<b>Hydro (NHPC)</b>				
1	SALAL	232.25	18.49	14.88	33.38
2	TANAKPUR	87.05	20.24	14.78	35.03
3	CHAMERA-I	445.93	37.77	52.94	90.70
4	URI	566.73	54.41	48.47	102.88
5	CHAMERA-II	301.72	42.53	31.55	74.07
6	DHAULIGANGA	253.26	44.01	32.01	76.02
7	DULHASTI	502.85	156.45	140.16	296.61
8	SEWA-II	103.28	0.15	28.45	28.61
9	CHAMERA-III	221.07	61.59	45.31	106.90
10	URI-II	321.79	81.79	66.29	148.08



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Sl. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
11	PARBATI-III HEP	159.14	65.82	25.48	91.30
12	KISHANGANGA	526.20	146.68	107.79	254.47
13	PARBATI-II	223.79	49.94	52.39	102.33
14	SUBANSIRI LOWER	590.16	127.04	138.15	265.19
15	PAKALDUL	0.00	0.00	0.00	0.00
	<b>Sub-Total</b>	<b>4,535.21</b>	<b>906.91</b>	<b>798.65</b>	<b>1,705.56</b>
<b>g</b>	<b>HYDRO (NTPC)</b>				
1	KOLDAM HPS	605.78	172.48	159.86	332.34
2	TAPOVAN VISHNUGARH	0.00	0.00	0.00	0.00
3	LATA TAPOVAN HEP	0.00	0.00	0.00	0.00
4	SINGRAULI SHPS	9.77	0.00	9.24	9.24
	<b>Sub-Total</b>	<b>615.55</b>	<b>172.48</b>	<b>169.09</b>	<b>341.58</b>
<b>h</b>	<b>THDC</b>				
	<b>HYDRO</b>				
1	TEHRI	1,202.97	246.04	259.53	505.57
2	KOTESHWAR	487.38	111.02	117.34	228.36
3	Dhukwan	83.14	0.00	37.41	37.41
4	VISHNUGARH PIPAL KOTHI	0.00	0.00	0.00	0.00
	<b>Thermal</b>				
1	KHURJA STPP	0.00	38.07	0.00	38.07
	<b>Sub-Total</b>	<b>1,773.50</b>	<b>395.13</b>	<b>414.28</b>	<b>809.41</b>
<b>i</b>	<b>SJVN</b>				
1	RAMPUR	269.55	84.74	60.32	145.06
2	NATHPA JHAKRI	1,037.10	162.52	123.83	286.36
	<b>Sub-Total</b>	<b>1,306.64</b>	<b>247.26</b>	<b>184.15</b>	<b>431.42</b>
<b>j</b>	<b>NEEPCO</b>				
1	Kameng HEP	<b>237.36</b>	0.00	<b>92.94</b>	<b>92.94</b>
<b>k</b>	<b>IPP/JV</b>				
	<b>HYDRO</b>				
1	TALA	131.83	0.00	29.63	29.63
2	VISHNU PRAYAG	1,592.51	24.74	162.47	187.21
3	KARCHAM	796.54	171.61	122.91	294.52
4	TEESTA-III	932.08	313.98	258.61	572.59
5	SRI NAGAR HEP	1,251.95	226.09	639.31	865.40





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sl. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
6	Rajghat Hydro	0.00	0.00	0.00	0.00
7	Hydro (Competitive Bidding)	1,501.44	0.00	433.03	433.03
	<b>Thermal</b>				
1	Meja Thermal Power Plant	4,866.70	1,522.07	1,844.67	3,366.74
2	LANCO	6,642.56	622.77	2,090.84	2,713.61
4	BEPL BARKHERA	0.00	122.05	0.00	122.05
5	BEPL KHAMBHAKHERA	0.00	123.34	0.00	123.34
6	BEPL KUNDRAKHI	0.00	122.79	0.00	122.79
7	BEPL MAQSOODAPUR	0.00	121.69	0.00	121.69
8	BEPL UTRAULA	0.00	126.29	0.00	126.29
9	KSK MAHANADI	2,373.10	1,375.48	935.25	2,310.73
10	LALITPUR	6,088.20	2,784.60	2,463.45	5,248.05
11	M.B.POWER (PTC)	1,347.69	694.96	505.37	1,200.33
12	PRAYAGRAJ POWER	8,674.92	1,421.40	2,358.51	3,779.91
13	R.K.M.POWER	2,338.80	608.99	584.96	1,193.95
14	ROSA-1&2	5,664.77	1,282.92	1,978.54	3,261.46
15	SASAN	3,638.37	60.54	616.14	676.68
16	TRN ENERGY (PTC)	1,992.36	305.84	538.53	844.37
17	Ghatampur	7,884.82	2,041.32	2,173.25	4,214.57
	Sub-Total	<b>57,718.63</b>	<b>14,073.46</b>	<b>17,735.47</b>	<b>31,808.93</b>
	<b>Total</b>	<b>1,22,315.67</b>	<b>26,760.20</b>	<b>33,310.59</b>	<b>60,070.80</b>
<b>B</b>	<b>Medium term Sources</b>				
<b>C</b>	<b>Short term Sources</b>	<b>3,749.83</b>	0.00	<b>2,321.15</b>	<b>2,321.15</b>
	Station/Source 1				
<b>D</b>	<b>Cogen/ Captive</b>				
	Baggasse/Cogen/ CPP 1	3,934.14	283.54	1,348.02	1,631.55
	Baggasse/Cogen/ CPP 2	0.00	0.00	0.00	0.00
	Sub-Total	<b>3,934.14</b>	<b>283.54</b>	<b>1,348.02</b>	<b>1,631.55</b>
<b>E</b>	<b>Bilateral &amp; Others (Power purchased through Trading)</b>				
1	Solar (Existing )	4,399.23	0.00	2,007.08	2,007.08
2	Solar (FY 21)	0.00	0.00	0.00	0.00
3	Solar (FY 22)	0.00	0.00	0.00	0.00
4	Solar (FY 23)	348.34	0.00	104.50	104.50



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Sl. No.	Source of Power (Station wise)	FY 2023-24			
		Units (MU)	Annual Fixed Charges	Annual Energy/ Variable charge	Total Cost
			(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
5	Solar (FY 24)	253.06	0.00	75.92	75.92
	Sub-Total	5,000.62	0.00	2,187.50	2,187.50
<b>G</b>	<b>Non-Solar (Renewable)</b>				
1	WIND (Existing)	3,017.35	0.00	908.42	908.42
2	WIND (FY 21)	0.00	0.00	0.00	0.00
3	WIND (FY 22)	0.00	0.00	0.00	0.00
4	WIND (FY 23)	394.74	0.00	118.84	118.84
5	WIND (FY 24)	1,509.55	0.00	454.47	454.47
6	Biomass Existing	146.73	0.00	95.45	95.45
7	Biomass FY 20	0.00	0.00	0.00	0.00
8	MSW FY 21	193.82	0.00	147.49	147.49
	Sub-Total	5,262.18	0.00	1,724.68	1,724.68
	<b>Others</b>				
1	Slop Based Power Project	175.45	26.89	25.34	52.23
<b>H</b>	<b>NVVN + NSM (Thermal)</b>	<b>516.83</b>	<b>0.00</b>	<b>172.29</b>	<b>172.29</b>
<b>I</b>	<b>Short Term Sources</b>				
<b>J</b>	<b>REC</b>	0.00	0.00	0.00	0.00
<b>K</b>	<b>Banking</b>	0.00	0.00	0.00	0.00
<b>L</b>	<b>PGCIL Charges</b>	0.00	3,535.18	0.00	3,535.18
<b>M</b>	<b>WUPPTCL Charges</b>	0.00	867.19	0.00	867.19
<b>N</b>	<b>SEUPPTCL Charges</b>	0.00	310.09	0.00	310.09
	<b>Grand Total</b>	<b>1,40,954.72</b>	<b>31,783.09</b>	<b>41,089.57</b>	<b>72,872.66</b>

### BULK SUPPLY TARIFF

6.5.21. For the purpose of allocating the power purchase cost to the Discoms for FY 2023-24 as per DBST approach, firstly BST is determined based on the consolidated projected power purchase cost for FY 2023-24. The BST for FY 2023-24 on consolidated basis as submitted by the Petitioners is shown in the table below:

**TABLE 6-31: BULK SUPPLY TARIFF CLAIMED BY PETITIONERS FOR FY 2023-24**

Particulars	Petitioner's Submission
Power Purchase cost (Rs. Crore)	72,872.66



Particulars	Petitioner's Submission
Input Energy at Ex-bus (MU)	1,40,954.72
Input Energy from Inter-State Source (MU)	46,458.00
Inter-state Transmission Loss (%)	3.70%
Energy from Inter-State Source (MU)	44,738.12
Energy from Intra-State Source (MU)	94,496.72
Input Energy at Transco End (MU)	1,39,234.84
Intra-State Trans Losses (%)	3.22%
Input Energy at Discom End (MU)	1,34,751.48
<b>BST at Discom Periphery (Rs/kWh)</b>	<b>5.41</b>

### DIFFERENTIAL BULK SUPPLY TARIFF

6.5.22. The Petitioners submitted that it has calculated DBST based on the Commission's approved methodology and accordingly worked out the power purchase cost for FY 2023-24 on the basis of same. The Computation of DBST as per the Commission approved methodology is shown in the Table below:

**TABLE 6-32: DBST COMPUTATION SUBMITTED BY PETITIONERS FOR FY 2023-24**

S. No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
1	Revenue from Tariff including subsidy at existing Tariff (Rs. Crore)	A	12,905.61	22,880.08	16,168.26	14,586.75	3,266.10	69,806.79
2	Energy Sales (MU)	B	22,717.91	35,672.08	27,767.68	24,333.50	4,182.79	1,14,673.95
<b>3</b>	<b>Power Procurement Cost</b>							
A1	Power Procurement Cost – Allocated and Unallocated PPAs (Rs. Crore)							69,337.47
A2	Inter State Transmission Charges (Rs. Crore)							3,535.18
A1+ A2	Total Power Procurement Cost excluding intra state Transmission Charges (In Rs. Crore)	C						72,872.66
4	Power Procurement cost of Allocated PPAs (Rs. Crore)	D	2,586.46	4,961.57	2,707.78	2,707.78	189.00	13,152.59



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S. No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total	
5	Total Power Required at Discom Periphery (MU)	E	27,403.99	41,213.08	32,884.03	28,706.10	4,544.28	1,34,751.48	
6	Power at Discom Periphery from allocated PPAs (MU)	F	5,345.96	10,928.91	5,413.44	5,413.44	418.70	27,520.46	
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Crore)	G	3,762.79	4,234.46	4,492.54	4,106.81	612.23	17,208.83	
8	ABR (Rs./ Unit)	$H=(A/B)*10$	5.68	6.41	5.82	5.99	7.81	6.09	
9	Other Cost (Rs./Unit of Sale)	$I=G*10/B$	1.66	1.19	1.62	1.69	1.46	1.50	
10	Power Purchase Rate								
A	Allocated PPAs per unit of sale (Rs./unit)	$J=D*10/B$	1.14	1.39	0.98	1.11	0.45	1.15	
B	Unallocated PPAs per unit of sale	$K=(C-\text{Total PP at "D"})*10/\text{Total Sale at "B"}$	5.21						
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	2.89	3.84	3.23	3.19	5.89	3.44	
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.37	5.81	4.89	4.84	8.92	5.21	
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.51	7.20	5.86	5.95	9.37	6.35	
14	Total Power Purchase Cost (Rs. Crore)	$O=N*B/10$	12,512.76	25,679.14	16,285.18	14,474.79	3,920.79	72,872.66	
	<b>DBST (Rs/Unit)</b>								
15	DBST Computation of Allocated PPAs (Rs./unit)	P	4.84	4.54	5.00	5.00	4.51	4.78	



S. No.	Particulars	Derivation	DVVNL	PVVNL	PuVVNL	MVVNL	KESCO	Total
16	DBST Computation of Unallocated PPAs (Rs./unit)	$Q=M \times B/(E-F)$	4.50	6.84	4.94	5.05	9.05	5.57
17	<b>DBST of total PPAs (Rs./unit)</b>	<b><math>R=O \times 10/E</math></b>	<b>4.57</b>	<b>6.23</b>	<b>4.95</b>	<b>5.04</b>	<b>8.63</b>	<b>5.41</b>

Note: Submitted by the Petitioner vide reply dated March 10, 2023

6.5.23. The power purchase cost for FY 2023-24 submitted by the Petitioners is shown in the table below:

**TABLE 6-33: POWER PURCHASE COST SUBMITTED BY PETITIONERS FOR FY 2023-24**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase	MU	27,403.99	28,706.10	41,213.08	32,884.03	4,544.28	1,34,751.48
DBST Rate	Rs/kWh	4.91	5.31	5.79	5.14	7.55	5.41
<b>Allowable Power Purchase Cost</b>	<b>Rs Crore</b>	<b>13,464.04</b>	<b>15,229.58</b>	<b>23,849.75</b>	<b>16,896.68</b>	<b>3,432.61</b>	<b>72,872.66</b>

### Commission's Analysis

6.5.24. The Commission has approved the power purchase cost for FY 2023-24 in accordance with Regulation 14 of MYT Regulations, 2019. The relevant extract of the aforesaid Regulation is reproduced below:

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



6.5.25. In terms of the above and based on the submissions of the Petitioners, for the purpose of approval of the Power purchase for FY 2023-24, the Commission has analysed the following:

- (a) The station-wise PLFs of last 5 years.
- (b) Plant wise installed Capacity (MW), UPPCL share and the auxiliary consumption of each plant.
- (c) Energy availability from each plant computed considering the PLF, auxiliary consumption and share of UP in the same.
- (d) Actual Fixed charges and energy charges of each plant for FY 2021-22.

6.5.26. 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 increased Fuel Surcharge. The Petitioners have proposed energy charges for UPRVUNL & NTPC by considering annual escalation of 5% on actual energy charges for FY 2021-22 to arrive the energy charges for FY 2023-24. In order to ensure that uncertainty related to Fuel Surcharge is kept at minimum it would be appropriate to project energy charges for FY 2023-24 considering prudent escalation on prevailing energy charges. Thus, the Commission has considered annual escalation of 6% on actual energy charges for FY 2021-22 to arrive at the energy charges for FY 2023-24. The actual power purchase cost will be trued up at the time of truing-up exercise.

6.5.27. Accordingly, the assumptions considered by the Commission for projection of power purchase quantum and power purchase cost is as follows:

**TABLE 6-34: ASSUMPTIONS CONSIDERED FOR FY 2023-24 BY THE COMMISSION**

SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
<b>Thermal</b>			
1.	UPRVUNL	Month wise power purchase quantum for FY 2023-24 is projected based on the	For UPRVUNL, NTPC the fixed charges have been computed based on the fixed
2.	NTPC		





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SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
3.	IPP/ JV (Thermal)	monthly average availability of generating stations from April 2017 to March 2022. For upcoming thermal generating stations of UPRVUNL, 85% PLF is considered.	charges actually incurred by the respective plants in True-Up of FY 2021-22 with annual escalation of 5%. For UPRVUNL & NTPC, energy charges have been computed based on actual average energy charge for FY 2021-22 with escalation factor of 6%. For Case-I projects, fixed charges have been projected based on actual charges of FY 2021-22 & energy charges have been projected based on average energy charges for FY 2021-22 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.
<b>HYDRO</b>			
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 2021-22 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 6%. 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)		
<b>Nuclear</b>			
9.	NPCIL	The net power purchase quantum for FY 2023-24 is projected in line with generation of FY 2021-22.	Variable charges have been escalated by 6% per year.
<b>Renewable Energy</b>			



SI No.	Generating Company/ Type of Generator	Power Purchase Quantum	Fixed & Variable Charges
10.	Solar	The net power purchase quantum for FY 2023-24 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 2023-24 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 2023-24 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 2023-24 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 2023-24 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):

6.5.28. The Commission has notified UPERC (Promotion of Green Energy through Renewable Purchase Obligation) (First Amendment) Regulations, 2019 dated August 16, 2019. The long-term trajectory of minimum quantum of purchase of renewable power from various renewable sources from FY 2019-20 to FY 2023-24 is shown in the Table below:

**TABLE 6-35: 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



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<b>Minimum quantum of purchase from renewable energy sources as % age of total energy consumed (in kWh)</b>				
<b>Financial Year</b>	<b>Non-Solar</b>		<b>Solar</b>	<b>Total</b>
	<b>Other Non- Solar</b>	<b>HPO</b>		
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = A+B+C</b>
2023-24	7	3	5	15

6.5.29. The Commission vide 1<sup>st</sup> Deficiency Note dated January 09, 2023 directed the Petitioners to submit the projections for RPO compliance for FY 2023-24 along with proposed energy to be purchased from each power sources viz., solar, non-solar and hydro. In response to the Commission’s query the Petitioners submitted RPO details for FY 2023-24, which is shown in the Table below:

**TABLE 6-36: RPO DETAILS SUBMITTED BY THE PETITIONERS**

<b>S.No.</b>	<b>Particular</b>	<b>Reference</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
			<b>Quantum (MU)</b>	<b>Quantum (MU)</b>	<b>Quantum (MU)</b>
1	Energy Consumption (Sales) (Excluding Inter-State sales)	A	1,20,914	1,33,995	1,39,235
2	Distribution Loss (%)	I	19.80%	16.98%	14.90%
3	Energy Consumption at Discom Periphery	B	1,16,887	1,29,614	1,34,751
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e. before March 08, 2019)	C=C1+C2	13238	14266	13,154
4.1	Hydro Purchase from inter-State Sources (MU)	C1	12146	13233	12,029
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	3048	3048	3048
4.3	Hydro Purchase from intra-State Sources (MU)	C2	1092	1033	1,125
4.4	Hydro Purchase from intra-State Sources (MW)	C2'	432	432	432
4.5	Inter-State Transmission Loss (%)	D	3.47%	3.47%	3.47%
4.6	Hydro Purchased at State Periphery (MU)	E=C1*(1-D)	11725	12775	11612
4.7	Intra-State Transmission Loss (%)	F	3.33%	3.27%	3.22%
4.8	Hydro Purchase at Distribution Periphery (MU)	G=E+C2	12817	13807	12737
5	Net Power Sale for RPO computation	H=B-G	1,04,071	1,15,807	122015
5.1	Total Obligation for the year (%)				
5.2	Solar (%)	J	4%	5%	5%
5.3	Non Solar (%)	K	6%	6%	7%
5.4	HPO obligation for the year (%)	L	3%	3%	3%
6	Total Obligation for year				
6.1	Solar (MU)	M=H*J	4163	5790	6101
6.2	Non Solar (MU)	N=H*K	6244	6948	8541
6.3	HPO Obligation for the Year (MU)	O=H*L	3122	3474	3660



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S.No.	Particular	Reference	FY 2021-22	FY 2022-23	FY 2023-24
			Quantum (MU)	Quantum (MU)	Quantum (MU)
7	Total Obligation for the Year(MU)	$P=M+N+O$	13529	16213	18302
8	Total RPO Fulfilled during the year				
9	Solar Purchase (MU)	$Q=Q1+Q2$	5,569	5,816	5,001
9.1	Solar Purchase from Inter-State Sources (MU)	Q1	3,219	3,362	2,891
9.2	Solar Purchase from Inter-State Sources (MW)	Q1'	1,005	1,005	1,005
9.3	Solar Purchase from Intra-State Sources (MU)	Q2	2,350	2454	2110
9.4	Solar Purchase from Intra-State Sources (MW)	Q2'	1572	1725	2079
9.5	Inter-State Transmission Loss (%)	C	3.47%	3.47%	3.47%
9.6	Solar Purchased at State Periphery (MU)	$R=Q1$	3219	3362	2891
9.7	Intra-State Transmission Loss (%)	F	3.33%	3.27%	3.22%
9.8	Solar Purchase at Distribution Periphery (MU)	$S=(Q2+R)$	5569	5816	5001
10	Non Solar (MU)	$T=T1+T2$	5577	5739	9324
10.1	Non Solar Purchase from Inter-State Sources (MU)	T1	2379	2868	4931
10.2	Non Solar Purchase from Inter-State Sources (MW)	T1'	1001	1426	1426
10.3	Non Solar Purchase from Intra-State Sources (MU)	T2	3198	2871	4392
10.4	Non Solar Purchase from Intra-State Sources (MW)	T2'	1594	1599	1599
10.5	Inter-State Transmission Loss (%)	C	3.47%	3.47%	3.47%
10.6	Non Solar Purchased at State Periphery (MU)	$U=T1$	2379	2868	4931
10.7	Intra-State Transmission Loss (%)	F	3.33%	3.27%	3.22%
10.8	Non Solar Purchase at Distribution Periphery (MU)	$V=(T2+U)$	5577	5739	9324
11	HPO (MU)	$W=W1+W2$	299	766	2553
11.1	HPO from Inter-State Sources (MU)	W1	299	766	2553
11.2	HPO from Inter-State Sources (MW)	W1'	1293	1293	1293
11.3	HPO from Intra-State Sources (MU)	W2	0	0	0
11.4	HPO from Intra-State Sources (MW)	W2'	0	0	0
11.5	Inter-State Transmission Loss (%)	C	3.47%	3.47%	3.47%
11.6	HPO Purchased at State Periphery (MU)	$X=W1*(1-C)$	289	740	2464
11.7	Intra-State Transmission Loss (%)	F	3.33%	3.27%	3.22%
11.8	HPO at Distribution Periphery (MU)	$Y=(W2+F)$	289	740	2464
12	Total RPO to be fulfilled	$Z=S+V+Y$	11435	12294	16788
13	Balance Obligation to be fulfilled for the year	$ZY=AA+AB+AC$	2094	3919	1514
13.1	Solar (MU)	AA	- 1,406	- 26	1100



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S.No.	Particular	Reference	FY 2021-22	FY 2022-23	FY 2023-24
			Quantum (MU)	Quantum (MU)	Quantum (MU)
13.2	Non Solar (MU)	AB	667	1,210	-782
13.3	HPO Obligation for the Year (MU)	AC	2,833	2,735	1196

6.5.30. In regard to the The Commission shall dealt the non-fulfilment of the RPO targets of the previous years, if any by initiating separate proceeding. Thus, in light of the same the opening Gap/ (Surplus) of RPO and its treatment is not being discussed herein, only the RPO compliance for FY 2023-24 is being shown in the Table below:

**TABLE 6-37: RPO COMPLIANCE COMPUTED BY THE COMMISSION FOR FY 2023-24**

S. No	Particular	Reference	2023-24
			Quantum (MU)
1	Energy Consumption (Sales) (Excluding Inter-State sales)	A	1,14,668.56
2	Distribution Loss (%)	I	10.30%
<b>3</b>	<b>Energy Consumption at Discom Periphery</b>	<b>B</b>	<b>1,27,835.95</b>
4	Hydro Purchase during the year (Large Hydro excluding Hydro purchase considered under HPO i.e. before March 08, 2019)	C=C1+C2	13,281.12
4.1	Hydro Purchase from Inter-State Sources (MU)	C1	12,038.72
4.2	Hydro Purchase from Inter-State Sources (MW)	C1'	3,048.00
4.3	Hydro Purchase from Intra-State Sources (MU)	C2	1,242.40
4.4	Hydro Purchase from Intra-State Sources (MW)	C2'	432.00
4.5	Inter-State Transmission Loss (%)	D	3.47%
4.6	Hydro Purchased at State Periphery (MU)	E=C1*(1-D)	11,620.97
4.7	Intra-State Transmission Loss (%)	F	3.22%
4.8	Hydro Purchase at Distribution Periphery (MU)	G=(C2+E)*(1-F)	12,449.18
	<b>Net Power Sale for RPO computation</b>	<b>H=B-G</b>	<b>1,15,386.77</b>
5	Total Obligation for the year (%)		
5.1	Solar (%)	J	5%
5.2	Non Solar (%)	K	7%
5.3	HPO Obligation for the year (%)	L	3%
6	Total Obligation for year		
6.1	Solar (MU)	M=H*J	5,769.34
6.2	Non Solar (MU)	N=H*K	8,077.07
6.3	HPO Obligation for the year (MU)	O=H*L	3,461.60
<b>7</b>	<b>Total Obligation for the year(MU)</b>	<b>P=M+N+O</b>	<b>17,308.02</b>
	Total RPO Fulfilled during the year		
8	Solar Purchase (MU)	Q=Q1+Q2	5,000.62
8.1	Solar Purchase from Inter-State Sources (MU)	Q1	2,067.80



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S. No	Particular	Reference	2023-24
			Quantum (MU)
8.2	Solar Purchase from Inter-State Sources (MW)	Q1'	1,005.00
8.3	Solar Purchase from Intra-State Sources (MU)	Q2	2,932.82
8.4	Solar Purchase from Intra-State Sources (MW)	Q2'	2,079.00
8.5	Inter-State Transmission Loss (%)	C	3.47%
8.6	Solar Purchased at State Periphery (MU)	$R=Q1*(1-C)$	1,996.05
8.7	Intra-State Transmission Loss (%)	F	3.22%
<b>8.8</b>	<b>Solar Purchase at Distribution Periphery (MU)</b>	<b><math>S=(Q2+R)*(1-F)</math></b>	<b>4,770.16</b>
9	Non Solar (MU)	$T=T1+T2$	9,283.08
9.1	Non Solar Purchase from Inter-State Sources (MU)	T1	4,921.64
9.2	Non Solar Purchase from Inter-State Sources (MW)	T1'	1,426.00
9.3	Non Solar Purchase from Intra-State Sources (MU)	T2	4,361.44
9.4	Non Solar Purchase from Intra-State Sources (MW)	T2'	1,599.00
9.5	Inter-State Transmission Loss (%)	C	3.47%
9.6	Non Solar Purchased at State Periphery (MU)	$U=T1*(1-C)$	4750.86
9.7	Intra-State Transmission Loss (%)	F	3.22%
<b>9.8</b>	<b>Non Solar Purchase at Distribution Periphery (MU)</b>	<b><math>V=(T2+U)*(1-F)</math></b>	<b>8,818.88</b>
10	HPO (MU)	$W=W1+W2$	2,552.75
10.1	HPO from Inter-State Sources (MU)	W1	2,552.75
10.2	HPO from Inter-State Sources (MW)	W1'	1,293.00
10.3	HPO from Intra-State Sources (MU)	W2	0.00
10.4	HPO from Intra-State Sources (MW)	W2'	0.00
10.5	Inter-State Transmission Loss (%)	C	3.47%
10.6	HPO Purchased at State Periphery (MU)	$X=W1*(1-C)$	2,464.17
10.7	Intra-State Transmission Loss (%)	F	3.22%
<b>10.8</b>	<b>HPO at Distribution Periphery (MU)</b>	<b><math>Y=(W2+X)*(1-F)</math></b>	<b>2,384.83</b>
<b>11</b>	<b>Total RPO to be fulfilled</b>	<b><math>Z=S+V+Y</math></b>	<b>15,973.87</b>
<b>12</b>	<b>Balance Obligation to be fulfilled for the year</b>	<b><math>ZY=AA+AB+AC</math></b>	<b>1,334.15</b>
<b>12.1</b>	<b>Solar (MU)</b>	<b>AA</b>	<b>999.18</b>
<b>12.2</b>	<b>Non Solar (MU)</b>	<b>AB</b>	<b>(741.81)</b>
<b>12.3</b>	<b>HPO Obligation for the year (MU)</b>	<b>AC</b>	<b>1,076.78</b>

6.5.31. While determining the sales to be considered for RPO, the Petitioner has subtracted interstate sales from the total sales. However, this approach does not seem to be correct as RPO is to be computed on the consumption/ sales and as the Commission in the previous years has considered the sales at Discom periphery to be taken for computing the RPO.

6.5.32. The Commission directs the Petitioners to follow the RPO trajectory set by the Commission in its First Amendment to the RPO Regulations, 2010 dated August 16, 2019 and submit RPO compliance along with Tariff Fillings and other orders of the Commission from time to time.



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6.5.33. The consolidated power purchase computed by the Commission for FY 2023-24 is given as under:

**TABLE 6-38: GENERATING STATION-WISE POWER PURCHASE COST APPROVED BY THE COMMISSION FOR FY 2023-24**

Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
<b>Long Term Sources</b>												
<b>A From State Generating Stations (Thermal)</b>												
1	ANPARA-A	630	70.31%	8.50%	100.00%	630	3550.43	260.80	2.28	808.22	1069.03	3.01
2	ANPARA-B	1000	82.08%	6.55%	100.00%	1000	6719.49	311.15	2.27	1522.39	1833.54	2.73
3	PANKI	660	0.00%	0.00%	100.00%	660	0.00	0.00	0.00	0.00	0.00	0.00
4	PARICHA	220	0.00%	0.00%	100.00%	220	0.00	0.00	0.00	0.00	0.00	0.00
5	PARICHA EXT.	420	35.63%	9.00%	100.00%	420	1192.92	337.21	4.14	493.42	830.62	6.96
6	OBRA-A	94	0.00%	0.00%	100.00%	94	0.00	0.00	0.00	0.00	0.00	0.00
7	OBRA-B	1000	47.31%	9.70%	100.00%	1000	3742.73	325.07	2.98	1115.51	1440.57	3.85
8	HARDUAGANJ	105	0.00%	0.00%	100.00%	105	0.00	0.00	0.00	0.00	0.00	0.00
9	HARDUAGANJ EXT.	500	21.49%	9.00%	100.00%	500	856.66	487.51	4.52	387.26	874.78	10.21
10	PARICHA EXT. STAGE-II	500	24.83%	9.00%	100.00%	500	989.66	504.09	4.14	409.34	913.43	9.23
11	ANPARA-D	1000	65.29%	6.25%	100.00%	1000	5362.27	909.30	2.06	1103.65	2012.95	3.75
12	Panki Extension	660	21.19%	5.75%	100.00%	660	1154.77	288.69	2.36	272.48	561.17	4.86
13	HARDUAGANJ EXT. Stage II	660	48.34%	5.75%	100.00%	660	2633.92	607.92	3.88	1022.73	1630.65	6.19
14	OBRA-C	660	78.01%	5.75%	100.00%	660	4251.09	1614.66	2.31	981.99	2596.65	6.11
15	Jawaharpur	1320	60.20%	5.75%	100.00%	1320	6560.64	1636.99	2.31	1515.49	3152.47	4.81
	<b>Sub-Total</b>	<b>9429</b>				<b>9429</b>	<b>37014.59</b>	<b>7283.40</b>	<b>2.60</b>	<b>9632.47</b>	<b>16915.87</b>	<b>4.57</b>
<b>B From State Generating Stations (Hydro)</b>												
1	RIHAND	300	23.31%	1.00%	85.00%	255.0	515.55	21.44	0.81	42.00	63.43	1.23
2	OBRA ( H )	99	31.07%	1.00%	100.00%	99.0	266.78	9.00	0.46	12.38	21.38	0.80
3	MATATILA	30	37.95%	1.00%	66.67%	20.0	65.83	2.22	0.64	4.20	6.42	0.98
4	KHARA	72	55.42%	1.00%	80.00%	57.6	276.83	13.44	0.49	13.61	27.05	0.98
5	UGC	14	21.92%	1.00%	100.00%	13.7	26.05	0.00	3.18	8.28	8.28	3.18
6	SHEETLA	4	7.65%	1.00%	100.00%	3.6	2.39	0.00	1.73	0.41	0.41	1.73
7	BELKA	3	10.12%	1.00%	100.00%	3.0	2.63	0.00	2.44	0.64	0.64	2.44
8	BABAIL	3	12.30%	1.00%	100.00%	3.0	3.20	0.00	3.14	1.00	1.00	3.14
	<b>Sub-Total</b>	<b>524</b>				<b>454.9</b>	<b>1159.26</b>	<b>46.10</b>	<b>0.71</b>	<b>82.53</b>	<b>128.63</b>	<b>1.11</b>





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Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
<b>C</b>	<b>From Central Sector Generating Stations Thermal (NTPC)</b>											
1	ANTA GPS	419	0.00%	2.75%	21.77%	91.2	0.00	51.69	0.00	0.00	51.69	0.00
2	AURAIYA GPS	663	6.34%	2.75%	32.08%	212.7	0.00	102.21	4.93	0.00	102.21	0.00
3	DADRI GPS	830	0.00%	2.75%	29.59%	245.6	0.00	103.67	0.00	0.00	103.67	0.00
4	JHANOR GPS	657	0.00%	2.75%	0.00%	0.0	0.00	0.01	0.00	0.00	0.01	0.00
5	KAWAS GPS	656	0.00%	2.75%	0.00%	0.0	0.00	0.01	0.00	0.00	0.01	0.00
6	TANDA -TPS	440	0.00%	11.50%	100.00%	440.0	0.00	336.73	0.00	0.00	336.73	0.00
7	FGUTPS-I	420	0.00%	9.00%	59.52%	250.0	0.00	168.80	0.00	0.00	168.80	0.00
8	FGUTPS-II	420	0.00%	9.80%	30.69%	128.9	0.00	79.95	0.00	0.00	79.95	0.00
9	FGUTPS-III	210	0.00%	9.00%	30.00%	63.0	0.00	57.83	0.00	0.00	57.83	0.00
10	FGUTPS-IV	500	0.00%	6.25%	44.59%	222.9	0.00	233.52	0.00	0.00	233.52	0.00
11	FSTPS	1600	56.39%	6.78%	2.06%	33.0	151.95	17.62	3.29	50.03	67.65	4.45
12	KHTPS-I	840	0.00%	9.00%	9.17%	77.0	0.00	49.98	0.00	0.00	49.98	0.00
13	KHTPS-II	1500	7.64%	6.25%	10.00%	150.0	0.00	175.28	4.68	0.00	175.28	0.00
14	NCTPS-I	840	58.10%	8.50%	10.00%	84.0	391.20	58.89	3.19	124.94	183.83	4.70
15	NCTPS-II	980	41.92%	5.75%	10.00%	98.0	339.17	108.56	3.50	118.87	227.44	6.71
16	RIHAND-I	1000	83.70%	8.00%	32.57%	325.7	2196.93	180.48	2.09	459.14	639.62	2.91
17	RIHAND-II	1000	88.80%	6.25%	29.60%	296.0	2158.59	136.33	2.08	449.91	586.24	2.72
18	RIHAND-III	1000	93.53%	6.25%	32.00%	320.0	2457.90	316.13	2.06	506.77	822.90	3.35
19	SINGRAULI	2000	82.00%	7.13%	37.68%	753.6	5027.08	313.60	2.00	1004.85	1318.45	2.62
20	KORBA-I STPS	2100	65.33%	7.04%	0.18%	3.8	20.16	1.07	1.96	3.95	5.03	2.49
21	KORBA-III STPS	500	83.53%	6.25%	0.28%	1.4	9.67	1.02	1.92	1.86	2.88	2.98
22	MAUDA-I STPS	1000	51.85%	6.25%	0.28%	2.8	12.01	5.21	3.48	4.17	9.38	7.81
23	MAUDA-II STPS	1320	54.57%	6.25%	0.28%	3.7	16.67	8.69	3.71	6.18	14.88	8.92
24	SOLAPUR TPS	660	0.00%	6.25%	0.56%	3.7	0.00	5.47	0.00	0.00	5.47	0.00
25	SIPAT-I STPS	1980	58.91%	6.25%	0.28%	5.6	27.00	3.63	3.72	10.04	13.67	5.06
26	SIPAT-II STPS	1000	32.81%	6.25%	0.24%	2.4	0.00	1.26	4.00	0.00	1.26	0.00
27	VINDHYANCHAL-I STPS	1260	69.19%	9.00%	0.26%	3.3	18.04	1.36	2.14	3.86	5.22	2.90
28	VINDHYANCHAL-II STPS	1000	66.28%	7.05%	0.25%	2.5	13.38	0.73	2.07	2.77	3.50	2.61
29	VINDHYANCHAL-III STPS	1000	71.59%	6.25%	0.25%	2.5	14.58	1.14	2.06	3.00	4.14	2.84
30	VINDHYANCHAL-IV STPS	1000	76.74%	6.25%	0.28%	2.8	17.77	2.30	2.03	3.61	5.91	3.33
31	VINDHYANCHAL-V STPS	500	80.78%	7.25%	0.28%	1.4	9.25	1.34	2.08	1.93	3.27	3.53
32	TANDA -II-TPS	1320	13.45%	5.75%	71.47%	943.5	1047.51	828.58	4.64	486.03	1314.62	12.55



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
33	NABINAGAR POWER PROJECT	1320	85.00%	5.75%	15.83%	209.0	1466.80	194.58	2.53	371.81	566.39	3.86
34	APCPL	1500	26.96%	5.75%	1.87%	28.0	62.33	40.39	3.79	23.61	64.00	10.27
35	GODARWARA STPS-I	800	0.00%	5.75%	0.24%	1.9	0.00	5.58	0.00	0.00	5.58	0.00
36	LARA STPS-I	1600	85.00%	5.75%	0.24%	3.9	27.09	4.42	2.19	5.93	10.35	3.82
37	KHARGONE STPS	1320	0.00%	5.75%	0.24%	3.2	0.00	4.71	0.00	0.00	4.71	0.00
	<b>Sub-total</b>	<b>37156</b>				<b>5017.0</b>	<b>15485.08</b>	<b>3602.77</b>	<b>2.35</b>	<b>3643.29</b>	<b>7246.06</b>	<b>4.68</b>
<b>D</b>	<b>NPCIL</b>											
1	KAPS	440	38.21%	0.00%	0.38%	1.7	5.52	0.10	2.26	1.25	1.35	2.45
2	NAPP	440	87.61%	0.00%	31.36%	138.0	1059.07	32.33	3.06	324.25	356.58	3.37
3	TAPP-3 & 4	1080	57.16%	0.00%	0.38%	4.1	20.28	0.26	3.59	7.28	7.54	3.72
4	RAPP-3 & 4	440	87.07%	0.00%	15.00%	66.0	503.43	0.00	3.73	187.70	187.70	3.73
5	RAPP-5 & 6	440	88.43%	0.00%	19.55%	86.0	666.17	0.00	3.73	248.37	248.37	3.73
	<b>Sub-total</b>	<b>2840</b>				<b>295.7</b>	<b>2254.48</b>	<b>32.70</b>	<b>3.41</b>	<b>768.86</b>	<b>801.55</b>	<b>3.56</b>
<b>E</b>	<b>Hydro (NHPC)</b>											
1	SALAL	690	55.79%	1.00%	6.96%	48.0	232.25	18.49	0.69	16.07	34.57	1.49
2	TANAKPUR	94	47.90%	1.20%	22.29%	21.0	87.05	20.24	1.83	15.96	36.21	4.16
3	CHAMERA-I	540	47.27%	1.20%	20.19%	109.0	445.93	37.77	1.28	57.17	94.93	2.13
4	URI	480	68.21%	1.20%	20.00%	96.0	566.73	54.41	0.92	52.34	106.75	1.88
5	CHAMERA-II	300	56.23%	1.20%	20.67%	62.0	301.72	42.53	1.13	34.07	76.60	2.54
6	DHAULIGANGA	280	52.25%	1.20%	20.00%	56.0	253.26	44.01	1.36	34.57	78.58	3.10
7	DULHASTI	390	68.35%	1.20%	21.79%	85.0	502.85	156.45	3.01	151.36	307.82	6.12
8	SEWA-II	120	44.20%	1.20%	22.50%	27.0	103.28	0.15	2.98	30.73	30.88	2.99
9	CHAMERA-III	231	54.35%	1.20%	20.35%	47.0	221.07	61.59	2.21	48.93	110.52	5.00
10	URI-II	240	72.90%	1.20%	21.25%	51.0	321.79	81.79	2.22	71.60	153.39	4.77
11	PARBATI-III HEP	520	13.32%	1.20%	26.54%	138.0	159.14	65.82	1.73	27.52	93.34	5.86
12	KISHANGANGA	330	44.18%	1.20%	41.70%	137.6	526.20	146.68	2.21	116.41	263.09	5.00
13	PARBATI-II	800	16.58%	1.20%	19.50%	156.0	223.79	49.94	2.53	56.58	106.51	4.76
14	SUBANSIRI LOWER	2000	37.47%	1.20%	9.10%	182.0	590.16	127.04	2.53	149.20	276.24	4.68
15	PAKALDUL	1000	0.00%	1.00%	20.00%	200.0	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total</b>	<b>8015</b>				<b>1415.6</b>	<b>4535.21</b>	<b>906.91</b>	<b>1.90</b>	<b>862.52</b>	<b>1769.43</b>	<b>3.90</b>
<b>F</b>	<b>HYDRO (NTPC)</b>											
1	KOLDAM HPS	800	43.90%	1.00%	19.89%	159.1	605.78	172.48	2.85	172.64	345.12	5.70



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Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
2	TAPOVAN VISHNUGARH	520	0.00%	1.20%	19.23%	100.0	0.00	0.00	0.00	0.00	0.00	0.00
3	LATA TAPOVAN HEP	171	0.00%	1.20%	19.88%	34.0	0.00	0.00	0.00	0.00	0.00	0.00
4	SINGRAULI SHPS	8	32.80%	0.00%	42.50%	3.4	9.77	0.00	10.21	9.97	9.97	10.21
	<b>Sub-Total</b>	<b>1499</b>				<b>296.5</b>	<b>615.55</b>	<b>172.48</b>	<b>2.97</b>	<b>182.62</b>	<b>355.10</b>	<b>5.77</b>
<b>G</b>	<b>THDC – HYDRO</b>											
1	TEHRI	1000	37.16%	1.20%	37.40%	374.0	1202.97	246.04	2.33	280.29	526.33	4.38
2	KOTESHWAR	400	36.26%	1.00%	38.75%	155.0	487.38	111.02	2.60	126.72	237.74	4.88
3	Dhukwan	24	39.95%	1.00%	100.00%	24.0	83.14	0.00	4.86	40.40	40.40	4.86
	<b>Sub-Total</b>	<b>1868</b>				<b>719.0</b>	<b>1773.50</b>	<b>357.06</b>	<b>2.52</b>	<b>447.41</b>	<b>804.47</b>	<b>4.54</b>
	<b>THDC - THERMAL</b>											
1	KHURJA STPP	1320	0.00%	5.75%	30.00%	396.0	0.00	38.07	0.00	0.00	38.07	0.00
	<b>Sub-Total</b>	<b>1320</b>				<b>396.0</b>	<b>0.00</b>	<b>38.07</b>	<b>0.00</b>	<b>0.00</b>	<b>38.07</b>	<b>0.00</b>
<b>H</b>	<b>SJVN</b>											
1	RAMPUR	412	54.53%	1.00%	13.83%	57.0	269.55	84.74	2.42	65.14	149.88	5.56
2	NATHPA JHAKRI	1500	54.22%	1.20%	14.73%	221.0	1037.10	162.52	1.29	133.74	296.26	2.86
	<b>Sub-Total</b>	<b>1912</b>				<b>278.0</b>	<b>1306.64</b>	<b>247.26</b>	<b>1.52</b>	<b>198.88</b>	<b>446.14</b>	<b>3.41</b>
<b>I</b>	<b>NEEPCO</b>											
1	Kameng HEP	600	49.76%	1.00%	9.17%	55.0	237.36	0.00	4.23	100.37	100.37	4.23
	<b>Sub-Total</b>	<b>600</b>				<b>55.0</b>	<b>237.36</b>	<b>0.00</b>	<b>4.23</b>	<b>100.37</b>	<b>100.37</b>	<b>4.23</b>
<b>J</b>	<b>IPP/JV – Hydro</b>											
1	TALA	1020	34.55%	1.00%	4.31%	44.0	131.83	0.00	2.43	32.00	32.00	2.43
2	VISHNU PRAYAG	400	51.91%	0.50%	88.00%	352.0	1592.51	24.74	1.10	175.46	200.20	1.26
3	KARCHAM	1000	46.02%	1.20%	20.00%	200.0	796.54	171.61	1.67	132.74	304.35	3.82
4	TEESTA-III	1200	53.85%	1.20%	16.67%	200.0	932.08	313.98	3.00	279.30	593.27	6.37
5	SRI NAGAR HEP	330	49.71%	1.00%	88.00%	290.4	1251.95	226.09	5.51	690.43	916.53	7.32
6	Hydro (Competitive Bidding)	400	42.85%	0.00%	100.00%	400.0	1501.44	0.00	3.11	467.65	467.65	3.11
	<b>Sub-Total</b>	<b>4395</b>				<b>1504.6</b>	<b>6206.35</b>	<b>736.42</b>	<b>2.86</b>	<b>1777.59</b>	<b>2514.01</b>	<b>4.05</b>
<b>K</b>	<b>IPP/JV –THERMAL</b>											



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Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
1	Meja Thermal Power Plant	1320	57.56%	5.75%	77.58%	1024.0	4866.70	1522.07	3.86	1879.97	3402.05	6.99
2	LANCO	1200	74.52%	7.50%	91.67%	1100.0	6642.56	622.77	3.21	2130.85	2753.62	4.15
3	BEPL BARKHERA	90	0.00%	9.75%	100.00%	90.0	0.00	122.05	0.00	0.00	122.05	0.00
4	BEPL KHAMBHAKHERA	90	0.00%	9.75%	100.00%	90.0	0.00	123.34	0.00	0.00	123.34	0.00
5	BEPL KUNDRAKHI	90	0.00%	9.75%	100.00%	90.0	0.00	122.79	0.00	0.00	122.79	0.00
6	BEPL MAQSODAPUR	90	0.00%	9.75%	100.00%	90.0	0.00	121.69	0.00	0.00	121.69	0.00
7	BEPL UTRAULA	90	0.00%	9.75%	100.00%	90.0	0.00	126.29	0.00	0.00	126.29	0.00
8	KSK MAHANADI	3600	27.09%	0.00%	27.78%	1000.0	0.00	1375.48	4.02	0.00	1375.48	0.00
9	LALITPUR	1980	37.24%	5.75%	100.00%	1980.0	6088.20	2784.60	4.12	2510.60	5295.19	8.70
10	M.B.POWER (PTC)	1200	42.62%	0.00%	30.08%	361.0	267.84	694.96	3.82	102.36	797.32	29.77
11	PRAYAGRAJ POWER	1980	60.08%	7.50%	90.00%	1782.0	8674.92	1421.40	2.77	2403.64	3825.05	4.41
12	R.K.M.POWER	1540	76.28%	0.00%	22.73%	350.0	2338.80	608.99	2.55	596.16	1205.15	5.15
13	ROSA-1&2	1320	53.54%	8.50%	100.00%	1320.0	5664.77	1282.92	3.56	2016.41	3299.33	5.82
14	SASAN	4000	89.26%	6.00%	12.38%	495.0	3638.37	60.54	1.73	627.93	688.47	1.89
15	TRN ENERGY (PTC)	600	58.32%	0.00%	65.00%	390.0	1992.36	305.84	2.75	548.83	854.67	4.29
16	Ghatampur	1980	56.74%	5.75%	85.00%	1683.0	7884.82	2041.32	2.81	2214.85	4256.16	5.40
	<b>Sub-Total</b>	<b>21170</b>				<b>11935.0</b>	<b>48059.33</b>	<b>13337.04</b>	<b>3.13</b>	<b>15031.60</b>	<b>28368.64</b>	<b>5.90</b>
	<b>Total (Long Term Sources)</b>	<b>90728</b>				<b>31796.2</b>	<b>118647.36</b>	<b>26760.20</b>	<b>2.76</b>	<b>32728.12</b>	<b>59488.33</b>	<b>5.01</b>
	<b>Medium term Sources</b>											
	<b>L Short term Source</b>											
1	Short Term Sources	0	0.00%	0.00%	0.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total</b>	<b>0</b>				<b>0.0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>M Cogen/ Captive</b>											
1	Baggasse / Cogen / CPP 1	1497	30.00%	0.00%	100.00%	1497.0	3934.14	283.54	3.43	1348.02	1631.55	4.15
	<b>Sub-Total</b>	<b>1497</b>				<b>1497.0</b>	<b>3934.14</b>	<b>283.54</b>	<b>3.43</b>	<b>1348.02</b>	<b>1631.55</b>	<b>4.15</b>
	<b>N Solar (Renewable)</b>											
1	Solar (Existing )	2655	18.92%	0.00%	100.00%	2655.0	4399.23	0.00	4.56	2007.08	2007.08	4.56
2	Solar (FY 21)	0	0.00%	0.00%	100.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
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Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
3	Solar (FY 22)	0	0.00%	0.00%	100.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00
4	Solar (FY 23)	209	19.03%	0.00%	100.00%	209.0	348.34	0.00	3.00	104.50	104.50	3.00
5	Solar (FY 24)	885	3.26%	0.00%	100.00%	885.0	253.06	0.00	3.00	75.92	75.92	3.00
	<b>Sub-Total</b>	<b>3749</b>				<b>3749.0</b>	<b>5000.62</b>	<b>0.00</b>	<b>4.37</b>	<b>2187.50</b>	<b>2187.50</b>	<b>4.37</b>
<b>0</b>	<b>Non-Solar (Renewable)</b>											
1	WIND (Existing)	1376	25.03%	0.00%	100.00%	1375.9	3017.35	0.00	3.01	908.42	908.42	3.01
2	WIND (FY 21)	0	0.00%	0.00%	100.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00
3	WIND (FY 22)	0	0.00%	0.00%	100.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00
4	WIND (FY 23)	180	25.03%	0.00%	100.00%	180.0	394.74	0.00	3.01	118.84	118.84	3.01
5	WIND (FY 24)	450	38.29%	0.00%	100.00%	450.0	1509.55	0.00	3.01	454.47	454.47	3.01
	<b>Sub-Total</b>	<b>2006</b>				<b>2005.9</b>	<b>4921.64</b>	<b>0.00</b>	<b>3.01</b>	<b>1481.73</b>	<b>1481.73</b>	<b>3.01</b>
<b>P</b>	<b>Biomass (Renewable)</b>											
1	Biomass Existing	34	50.00%	0.00%	100.00%	33.5	146.73	0.00	6.51	95.45	95.45	6.51
2	Biomass FY 20	0	0.00%	0.00%	100.00%	0.0	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total</b>	<b>34</b>				<b>33.5</b>	<b>146.73</b>	<b>0.00</b>	<b>6.51</b>	<b>95.45</b>	<b>95.45</b>	<b>6.51</b>
<b>Q</b>	<b>Municipal Solid Waste (Renewable)</b>											
1	MSW FY 21	30	75.00%	0.00%	100.00%	16	105.12	0.00	7.91	83.15	83.15	7.91
	<b>Sub-Total</b>	<b>30</b>				<b>16</b>	<b>105.12</b>	<b>0.00</b>	<b>7.91</b>	<b>83.15</b>	<b>83.15</b>	<b>7.91</b>
<b>R</b>	<b>Slop-Based Power Projects</b>											
1	Slop Based Power Project	25	80.11%	0.00%	100.00%	25.0	175.45	26.89	1.44	25.34	52.23	2.98
	<b>Sub-Total</b>	<b>25</b>				<b>25.0</b>	<b>175.45</b>	<b>26.89</b>	<b>1.44</b>	<b>25.34</b>	<b>52.23</b>	<b>2.98</b>
<b>S</b>	<b>Others</b>											
1	NVVN + NSM (Thermal)	85	73.64%	5.75%	100.00%	85.0	516.83	0.00	3.33	172.29	172.29	3.33
	<b>Sub-Total</b>	<b>85</b>				<b>85.0</b>	<b>516.83</b>	<b>0.00</b>	<b>3.33</b>	<b>172.29</b>	<b>172.29</b>	<b>3.33</b>
	<b>Total (Medium term Sources/ Short Term Sources/ Renewables)</b>	<b>7425</b>				<b>7411.4</b>	<b>14800.53</b>	<b>310.43</b>	<b>3.64</b>	<b>5393.48</b>	<b>5703.91</b>	<b>3.85</b>



Sr. No.	Generating Plants	Plant Capacity (MW)	PLF(%) (5 years)	Auxiliary Consumption (%)	UP's Share in %	UP's Share in MW	Units after MOD (MU)	Fixed Charge (Rs. Crore)	Energy Charge Per Unit (Rs./kWh)	Energy Charge (Rs. Crore)	Total Cost (Rs. Crore)	Total Cost (Rs./kWh)
	<b>TOTAL</b>	98153				39207.6	133447.89	27070.63	2.86	38121.61	65192.24	4.89

**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

- 6.5.34. Till FY 2020-21, the Merit Order Dispatch was computed on the ex-bus variable cost of the generators.
- 6.5.35. 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

- 6.5.36. The Commission, for the purpose of this Order, computes MOD considering variable cost of each generating stations along with Inter-State transmission losses and charges. The same also shall be considered for the Computation of Fuel Surcharge.

### BULK SUPPLY TARIFF (BST)

- 6.5.37. The Petitioners have claimed the PGCIL Charges, WUPPTCL Charges and SUEPPTCL Charges for FY 2023-24 as shown below:

**TABLE 6-39 PROPOSED TRANSMISSION CHARGES FOR FY 2023-24**



Transmission Charges	Petitioner's Submission
PGCIL Charges	3,535.18
WUPPTCL Charges	867.19
SEUPPTCL Charges	310.09
<b>Sub-Total</b>	<b>4,712.46</b>

6.5.38. The Commission has observed the submissions of the Petitioners and approves the transmission charges as shown in below table for FY 2023-24. The actual Inter-State transmission charges for FY 2023-24 would only be allowed as pass through during True-Up, subject to prudence check by the Commission.

6.5.39. The Commission has determined the Bulk Supply Tariff 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 Supply Tariff for FY 2023-24 as shown in the Table below:

**TABLE 6-40: BULK SUPPLY TARIFF FOR STATE DISCOMS APPROVED BY THE COMMISSION FOR FY 2023-24**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Power Purchase Required & Billed Energy (MU) (Ex Bus)	A	1,40,948.44	1,33,447.89
Purchase from Inter-State Source (MU)	B	46,451.72	39,154.67
Interstate Transmission Loss (%)	C	3.70%	3.47%
Energy Available at State periphery from Inter-State Source (MU)	$D=B*(1-C)$	44,732.07	37,796.01
Energy Available at State periphery from Intra-State Source (MU)	E	94,496.72	94,293.21
Net Energy Available at State periphery for Transmission (MU)	$F=D+E$	139,228.79	1,32,089.22
Intra -State Transmission losses %	G	3.22%	3.22%
Net Energy Input at Discoms end i.e., Transmission-Distribution Interface for Retail Sales (MU)	$H=F*(1-G)$	134,745.62	1,27,835.95
Power Purchase Cost (Rs. Crore)	I	68,160.20	65,192.24
Total transmission charges excluding UPPTCL charges (Rs. Crore) ( $J=J1+J2+J3+J4$ )	J	4,712.46	4,712.46
<i>PGCIL Charges</i>	J1	3,535.18	2979.44
<i>WUPPTCL Charges</i>	J2	867.19	867.19





Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
SEUPPTCL Charges	J3	310.09	310.09
Total Power Procurement Cost (Rs. Crore)	K=I+J	72,872.66	69,904.70
APPC (including Renewables, excluding Transmission Charges) (Ex Bus) (Rs./Unit)	$L=I/A*10$	4.84	4.89
APPC (excluding Renewables & Transmission Charges) (Ex Bus) (Rs./Unit)	$M=(I-Q)/(A-P)*10$	-	5.00
Bulk Supply Tariff (BST) (Rs./Unit)	$N=(K/H)*10$	5.41	5.47
BST excluding WUPPTCL & SEUPPTCL Charges (Rs./Unit)	$O=((K-J3-J4)/H)*10$	-	5.38
Power purchase from Renewable Sources (MU)	P	-	14,108.25
Power Purchase Cost from Renewable Sources (Rs. Crore)	Q	-	5,479.39

**TABLE 6-41: APPC CLAIMED BY THE PETITIONERS AND COMPUTED BY THE COMMISSION FOR FY 2023-24**

Particulars	Derivation	Petitioner's Submission	Approved
Total Power Purchase (Mus)	A	1,40,948.44	1,33,447.89
Total Fixed Charges (Rs. Crore)	B	27,070.63	27,070.63
Fixed Charges (Rs. /Unit)	$C=B/A$	1.92	2.03
Total Energy Charges (Rs. Crore)	D	41,089.57	38,121.61
Energy Charges (Rs. / Unit)	$E=D/A$	2.92	2.86
<b>Total Power Purchase Cost (Rs. Crore)</b>	<b>F=B+D</b>	<b>68,160.20</b>	<b>65,192.24</b>
<b>Average Power Purchase Cost (Rs./ Unit)</b>	<b>G=F/A</b>	<b>4.84</b>	<b>4.89</b>

6.5.40. It has been observed from above table that APPC claimed by the Petitioners is lower than the approved by the Commission. The Petitioners have computed the total power purchase requirement as shown above considering the consolidated distribution loss for all five State Discoms as 14.90%. However, the Commission has considered consolidated distribution loss of 10.30%, as described above in distribution loss section. As result of these factors total power purchase requirement comes out as shown in above table. 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 that approved by the Commission.

6.5.41. The Commission has approved total power purchase cost as shown in above table. The Commission has taken sales as approved above however, while approving the power purchase the Commission has considered distribution loss trajectory as approved earlier in this Order.

### DIFFERENTIAL BULK SUPPLY TARIFF (DBST)

6.5.42. Considering the Order dated December 13, 2018 in regard to DBST, the Commission has approved DBST for FY 2023-24 for allocation of power purchase cost among five State Discoms. The DBST for FY 2023-24 for five State Discoms is shown in the Table below:

**TABLE 6-42: DIFFERENTIAL BULK SUPPLY TARIFF FOR STATE DISCOMS FOR FY 2023-24**

S. No.	Particulars	Derivative	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
1	Revenue from Tariff including subsidy at existing tariff (Rs. Crore)	A	16,712.82	18,315.45	26,683.06	20,309.54	3,337.33	85,358.20
2	Energy Sales (MU)	B	22,717.91	24,333.50	35,672.08	27,767.68	4,177.39	1,14,668.56
<b>3</b>	<b>Power Procurement Cost</b>							
A1	Power Procurement Cost - Allocated and Unallocated PPAs (Rs. Crore)							65,192.24
A2	Inter State Transmission Charges (Rs. Crore)							4,712.46
A1+A2	Total Power Procurement Cost excluding Intra-State Transmission Charges (Rs. Crore)	C						69,904.70
4	Power Procurement cost of Allocated PPAs (Rs. Crore)	D	2326.46	2448.87	4551.96	2448.87	191.25	11,967.41
5	Total Power Required at Discom Periphery (MU)	E	25,388.81	27,115.55	39,750.48	31,042.68	4,538.42	1,27,835.95
6	Power at Discom Periphery from allocated PPAs (MU)	F	4559.98	4638.78	9627.89	4638.78	418.69	23,884.12
7	Other Cost (Intra State Transmission, O&M, Interest, Dep etc.) (Rs. Crore)	G	3,623.20	3,793.99	3,997.68	3,932.22	568.73	15,915.82
8	ABR (Rs./ Unit)	H=(A/B)*10	7.36	7.53	7.48	7.31	7.99	7.44



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S. No.	Particulars	Derivative	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Total
9	Other Cost (Rs./Unit of Sale)	$I=G*10/B$	1.59	1.56	1.12	1.42	1.36	1.39
10	Power Purchase Rate							
A	Allocated PPAs per unit of sale (Rs./unit)	$J=D*10/B$	1.02	1.01	1.28	0.88	0.46	1.04
B	Unallocated PPAs per unit of sale	$K=(C-D)*10/B$	5.05					
11	Revenue available for unallocated PPAs (Rs./unit of sale)	$L=H-I-J$	4.28	4.59	4.59	4.69	5.70	4.59
12	Power Purchase Allocation (per unit of sale) "K" in the ratio of available Revenue "L"	M	4.71	5.05	5.05	5.16	6.27	5.05
13	Total Power Purchase cost per unit of sale including allocated PPAs	$N=J+M$	5.74	6.06	6.33	6.04	6.72	6.10
14	<b>Total Power Purchase Cost (Rs. Crore)</b>	$O=N*B/10$	<b>13,029.11</b>	<b>14,735.36</b>	<b>22,568.30</b>	<b>16,763.39</b>	<b>2,808.54</b>	<b>69,904.70</b>
15	DBST Computation of Allocated PPAs	P	5.10	5.28	4.73	5.28	4.57	5.01
16	DBST Computation of Unallocated PPAs	$Q=M*B/(E-F)$	5.14	5.47	5.98	5.42	6.35	5.57
17	<b>DBST of total PPAs</b>	$R=O*10/E$	<b>5.13</b>	<b>5.43</b>	<b>5.68</b>	<b>5.40</b>	<b>6.19</b>	<b>5.47</b>

6.5.43. Taking into consideration the above, the allowable power purchase cost for FY 2023-24 approved by the Commission is shown in the Table below:

**TABLE 6-43: POWER PURCHASE COST APPROVED BY COMMISSION FOR FY 2023-24**

Particulars	Unit	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Allowable Power Purchase (Energy Input into Transmission-Distribution Interface)	MU	25,388.81	27,115.55	39,750.48	31,042.68	4,538.42	1,27,835.95
DBST Rate	Rs./kWh	5.13	5.43	5.68	5.40	6.19	5.47
<b>Allowable Power Purchase Cost</b>	<b>Rs Crore</b>	<b>13,029.11</b>	<b>14,735.36</b>	<b>22,568.30</b>	<b>16,763.39</b>	<b>2,808.54</b>	<b>69,904.70</b>

6.5.44. As per Regulation 16 of the MYT Regulations, 2019 and its amendment from time to time, the incremental cost has been determined by the Commission for FY 2023-24. The relevant extract of the Regulation is as under:



Quote

*Regulation 16. Fuel Surcharge*

6.5.45. 16.1 Recovery of Fuel Surcharge

a) *After the approval of the Commission, the Distribution Licensee shall recover the Fuel Surcharge incurred due to variation in variable charges as detailed below on a quarterly basis.*

b) *The Fuel Surcharge shall be computed and charged on the basis of variation in actual variable cost of the power sources having two-part tariff and having fuel as a source of energy vis-a'-vis the same approved in the concerned Tariff Order. All remaining actual power purchase shall be dealt in True-up.*

c) *The Distribution Licensee shall submit details of the cost incurred and Fuel Surcharge to be charged to all consumers for the  $n^{\text{th}}$  quarter, along with the detailed computations and supporting documents as may be required for verification and approval of the Commission within 1<sup>st</sup> week of the second month of  $(n+1)^{\text{th}}$  quarter. A public consultation process shall be held in the last week of the second month of  $(n+1)^{\text{th}}$  quarter.*

*The Commission shall approve by the end of the 2<sup>nd</sup> week of the 3<sup>rd</sup> month of  $(n+1)^{\text{th}}$  quarter. The same shall be levied and charged from the first month of  $(n+2)^{\text{th}}$  quarter only using the billing data of 3<sup>rd</sup> month of  $(n+1)^{\text{th}}$  quarter. The Fuel Surcharge approved, shall be levied in all 3 months of  $(n+2)^{\text{th}}$  quarter.*

*The timelines for the process shall be as following:*

Activity	Timelines
<i>Filing of Fuel Surcharge (FS)</i>	<i>FS for the three months of <math>n^{\text{th}}</math> quarter, the Licensee will file in the 1<sup>st</sup> week of 2<sup>nd</sup> month of <math>(n+1)^{\text{th}}</math> quarter in the prescribed manner</i>
<i>Public Consultation Process</i>	<i>Last week of 2<sup>nd</sup> month of <math>(n+1)^{\text{th}}</math> quarter</i>
<i>Order of Commission</i>	<i>2<sup>nd</sup> week of 3<sup>rd</sup> month of <math>(n+1)^{\text{th}}</math> quarter</i>
<i>Levying of Fuel Surcharge</i>	<i>FS shall be levied in all 3 months of <math>(n+2)^{\text{th}}</math> quarter. The Licensee will use the billing data of 3<sup>rd</sup> month of <math>(n+1)^{\text{th}}</math></i>



Activity	Timelines
	quarter to charge FS in the bills of the 1 <sup>st</sup> month of (n+2) <sup>th</sup> quarter and so forth.

6.5.46. 16.2 Formula for computation of Fuel Surcharge:

The Fuel Surcharge for the quarter will be determined based on the formula below:

$$(FS)_n = [ \{ \sum (VC)_i + (Excess \text{ or } Shortfall) \} / \sum (Q)_i ] \times 10$$

Where:

$(FS)_n$  is in Rs / kWh

$(VC)_i$  = is the variation in Variable Cost in Rs. Crore, of the power sources having two-part tariff and having fuel as a source of energy in  $i^{\text{th}}$  month of  $n^{\text{th}}$  quarter. This shall be determined as the difference between total actual allowable variable cost of such sources and the total approved Variable Cost of such sources by the Commission.

$i = 1, 2$  and  $3$  are the three months of the  $n^{\text{th}}$  quarter

$(Q)_i$  = is the quantum of actual sales in MUs of the  $i^{\text{th}}$  month of  $n^{\text{th}}$  quarter

(Excess or Shortfall) is excess or shortfall in Fuel Surcharge recovered in the previous quarter(s), if any.

6.5.47. 16.3 Computation of variation in variable charges:

The Fuel Surcharge for each month of the quarter shall be determined based on the following formula:

$$(VC)_i = (\text{Power Purchase Cost})_{\text{actual allowable}} - (\text{Power Purchase Cost})_{\text{approved}}$$

Where:

(i)  $(\text{Power Purchase Cost})_{\text{actual allowable}} = (\text{Per Unit Variable Cost})_{\text{actual}} \times (\text{Power Purchase quantum})_{\text{actual allowable}}$

Where

$(\text{Total Power Purchase quantum})_{\text{actual allowable}}$  for a particular month = Actual Retail Sales for the month (MUs) / [(1-Distribution Loss%) X (1-Intra State Transmission Loss%) X (1- Inter State Transmission Loss %)].



The Actual Retail Sales will be grossed up as per the same methodology as approved in concerned Tariff Order taking into consideration the approved Distribution Loss, Intra State Transmission Loss and Inter State Transmission Loss to find the Total Actual Power Purchase Quantum which is allowable.

(Power Purchase quantum)<sub>actual allowable</sub> for a particular month will then be calculated from the (Total Power Purchase quantum)<sub>actual allowable</sub> by applying the same proportion as of quantum of power from the applicable variable cost power purchase sources and the total quantum of power from all the power purchase sources approved in the concerned Tariff Order.

(ii)  $(\text{Power Purchase Cost})_{\text{approved}} = (\text{Per Unit Variable Cost})_{\text{approved}} \times (\text{Power Purchase quantum})_{\text{approved}}$

The share of power sources having two-part tariff and having fuel as a source of energy in the total power purchase quantum approved by the Commission is determined. This shall be allocated to monthly power purchase quantum approved by the Commission in the same proportion to determine the (Power Purchase Quantum)<sub>approved</sub> for the month.

Where

(Power Purchase quantum)<sub>approved</sub> is determined by applying the same proportion on the total monthly power purchase approved by the Commission, as to the proportion of quantum of power from the applicable variable cost power purchase sources and the total quantum of power from all the power purchase sources approved in the concerned Tariff Order.

Unquote

6.5.48. The Commission as per the aforesaid Regulation applied the same proportion on the total monthly power purchase approved by the Commission.

**TABLE 6-44: APPROPRIATION OF POWER PURCHASE APPROVED BY COMMISSION FOR FY 2023-24**

Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under IC Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	MUs	VC (Rs. Cr.)
April	10,038.96	Long Term	10,526.28	1,924.40	3,112.58	5,036.98	8,969.62	2,730.09
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	397.27	-	175.93	175.93		



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Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under IC Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	MUs	VC (Rs. Cr.)
		RE-Non-Solar (B)	744.81	23.63	249.22	272.85		
		RE (A+B)	1,142.07	23.63	425.15	448.77		
		Others	14.42	2.24	2.08	4.32		
		<b>Total</b>	<b>11,682.77</b>	<b>1,950.27</b>	<b>3,539.81</b>	<b>5,490.08</b>	<b>8,969.62</b>	<b>2,730.09</b>
May	11,587.99	Long Term	12,283.27	1,924.40	3,744.23	5,668.63	10,466.79	3,284.11
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	411.08	-	181.96	181.96		
		RE-Non-Solar (B)	776.19	-	259.50	259.50		
		RE (A+B)	1,187.27	-	441.46	441.46		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>13,485.44</b>	<b>1,926.64</b>	<b>4,187.84</b>	<b>6,114.49</b>	<b>10,466.79</b>	<b>3,284.11</b>
June	11,755.35	Long Term	12,523.71	1,924.40	3,846.70	5,771.10	10,671.67	3,373.99
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	397.27	-	175.93	175.93		
		RE-Non-Solar (B)	744.81	23.63	249.22	272.85		
		RE (A+B)	1,142.07	23.63	425.15	448.77		
		Others	14.42	2.24	2.08	4.32		
		<b>Total</b>	<b>13,680.20</b>	<b>1,950.27</b>	<b>4,273.93</b>	<b>6,224.20</b>	<b>10,671.67</b>	<b>3,373.99</b>
July	12,654.95	Long Term	13,532.06	1,924.40	4,170.91	6,095.31	11,530.91	3,658.36
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	410.51	-	181.79	181.79		
		RE-Non-Solar (B)	769.63	23.63	257.53	281.16		
		RE (A+B)	1,180.14	23.63	439.32	462.95		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>14,727.11</b>	<b>1,950.27</b>	<b>4,612.38</b>	<b>6,562.65</b>	<b>11,530.91</b>	<b>3,658.36</b>
August	11,657.69	Long Term	12,371.50	2,346.74	3,617.84	5,964.58	10,541.97	3,173.26
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	410.51	-	181.79	181.79		
		RE-Non-Solar (B)	769.63	23.63	257.53	281.16		
		RE (A+B)	1,180.14	23.63	439.32	462.95		
		Others	14.90	2.24	2.15	4.39		





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Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under IC Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	MUs	VC (Rs. Cr.)
		<b>Total</b>	<b>13,566.55</b>	<b>2,372.61</b>	<b>4,059.31</b>	<b>6,431.92</b>	<b>10,541.97</b>	<b>3,173.26</b>
September	9,991.99	Long Term	10,432.98	2,346.74	2,813.53	5,160.26	8,890.12	2,467.78
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	417.79	-	182.08	182.08		
		RE-Non-Solar (B)	762.91	-	254.67	254.67		
		RE (A+B)	1,180.70	-	436.75	436.75		
		Others	14.42	2.24	2.08	4.32		
		<b>Total</b>	<b>11,628.10</b>	<b>2,348.98</b>	<b>3,252.36</b>	<b>5,601.34</b>	<b>8,890.12</b>	<b>2,467.78</b>
October	8,772.08	Long Term	8,973.48	2,346.74	2,372.61	4,719.35	7,646.46	2,081.05
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	431.71	-	188.15	188.15		
		RE-Non-Solar (B)	788.34	23.63	263.16	286.79		
		RE (A+B)	1,220.06	23.63	451.31	474.94		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>10,208.44</b>	<b>2,372.61</b>	<b>2,826.08</b>	<b>5,198.69</b>	<b>7,646.46</b>	<b>2,081.05</b>
November	7,620.11	Long Term	7,672.72	2,346.74	1,892.88	4,239.62	6,538.06	1,660.27
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	417.79	-	182.08	182.08		
		RE-Non-Solar (B)	762.91	23.63	254.67	278.30		
		RE (A+B)	1,180.70	23.63	436.75	460.38		
		Others	14.42	2.24	2.08	4.32		
		<b>Total</b>	<b>8,867.84</b>	<b>2,372.61</b>	<b>2,331.72</b>	<b>4,704.33</b>	<b>6,538.06</b>	<b>1,660.27</b>
December	7,663.00	Long Term	7,691.95	2,346.74	1,798.98	4,145.72	6,554.45	1,577.91
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	422.56	-	182.32	182.32		
		RE-Non-Solar (B)	788.34	23.63	263.16	286.79		
		RE (A+B)	1,210.91	23.63	445.48	469.11		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>8,917.76</b>	<b>2,372.61</b>	<b>2,246.62</b>	<b>4,619.22</b>	<b>6,554.45</b>	<b>1,577.91</b>
January	7,369.70	Long Term	7,330.87	2,346.74	1,711.32	4,058.06	6,246.76	1,501.02
		Medium Term	-	-	-	-		



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Months	Sales	Power Purchase (Over-All)					Power Purchase (Covered under IC Mechanism)	
	MUs	Type	MUs	FC (Rs. Cr.)	VC (Rs. Cr.)	Total (Rs. Cr.)	MUs	VC (Rs. Cr.)
		Short Term	-	-	-	-		
		RE-Solar (A)	442.32	-	191.33	191.33		
		RE-Non-Solar (B)	788.34	23.63	263.16	286.79		
		RE (A+B)	1,230.66	23.63	454.49	478.12		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>8,576.43</b>	<b>2,372.61</b>	<b>2,167.97</b>	<b>4,540.57</b>	<b>6,246.76</b>	<b>1,501.02</b>
February	6,698.35	Long Term	6,670.14	2,346.74	1,523.40	3,870.14	5,683.74	1,336.19
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	399.51	-	172.82	172.82		
		RE-Non-Solar (B)	712.05	23.63	237.69	261.32		
		RE (A+B)	1,111.56	23.63	410.51	434.14		
		Others	13.46	2.24	1.94	4.18		
		<b>Total</b>	<b>7,795.16</b>	<b>2,372.61</b>	<b>1,935.85</b>	<b>4,308.46</b>	<b>5,683.74</b>	<b>1,336.19</b>
March	8,863.79	Long Term	9,069.61	2,635.43	2,262.72	4,898.15	7,728.37	1,984.66
		Medium Term	-	-	-	-		
		Short Term	-	-	-	-		
		RE-Solar (A)	442.32	-	191.33	191.33		
		RE-Non-Solar (B)	788.34	23.63	263.16	286.79		
		RE (A+B)	1,230.66	23.63	454.49	478.12		
		Others	14.90	2.24	2.15	4.39		
		<b>Total</b>	<b>10,315.17</b>	<b>2,661.30</b>	<b>2,719.36</b>	<b>5,380.66</b>	<b>7,728.37</b>	<b>1,984.66</b>

6.5.49. As per MOD Regulations, 2021 issued by the Commission on February 03, 2021, 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-1)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-1)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

- 6.5.50. 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 be 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 determined based on the MOD stack prepared for the first fortnight and the Fuel Surcharge for the second half will be determined based on the MOD stack prepared for the second fortnight. In case of any data not available explicitly in the Tariff Order, the same may be computed on prorated 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.

- 6.5.51. The Fuel Surcharge for the complete month will be determined 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 submitted the proposed intra State transmission charges that have been computed considering the intra-State transmission rate approved by the Commission in the Tariff Order for UPPTCL for FY 2022-23 dated July 20, 2022, as shown in the Table below:

**TABLE 6-45: TRANSMISSION CHARGES AS SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Particulars	UoM	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units Wheeled (Mu)	MU	27,404	28,706	41,213	32,884	4,544	1,34,751
Transmission Rate (Approved in the Tariff Order for FY 2022-23 dated July 20, 2022)	Rs./kWh	0.24	0.24	0.24	0.24	0.24	0.24
<b>Transmission Charges</b>	<b>Rs. Crore</b>	<b>675.56</b>	<b>707.66</b>	<b>1,015.98</b>	<b>810.66</b>	<b>112.03</b>	<b>3,321.89</b>

### *Commission's Analysis*

- 6.6.2. The Commission has approved the Intra-State transmission charges for FY 2023-24 based on the energy delivered as approved in this order above and the intra-State transmission rate approved by the Commission in the Tariff Order of UPPTCL for FY 2023-24, as shown in the Tables below:

**TABLE 6-46: TRANSMISSION CHARGES AS APPROVED BY THE COMMISSION FOR FY 2023-24**

Particulars	UoM	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Units delivered to Discoms	MU	25,388.81	27,115.55	39,750.48	31,042.68	4,538.42	127,835.95
Transmission Rate (Approved in the UPPTCL Tariff Order for FY 2023-24)	Rs./kWh	0.2641	0.2641	0.2641	0.2641	0.2641	0.2641



Particulars	UoM	DVVNL	MVVNL	PVVNL	PuVVNL	KESCO	Consolidated
Transmission Charges	Rs. Crore	670.52	716.12	1,049.81	819.84	119.86	3,376.15

## 6.7. O&M EXPENSES

### *Petitioners' Submission*

- 6.7.1. The O&M expenses comprise of employee related costs, A&G expenses and R&M expenses. The Petitioners submitted that the approach taken by them for O&M expenses has been discussed in the True-Up section of FY 2021-22.
- 6.7.2. Therefore, the Petitioners requested the Commission to allow the O&M expenses by considering the computation of O&M expenses based on the proposed methodology as shown in True-Up sections of the Petitioners.

### **WPI AND CPI ESCALATION RATES**

- 6.7.3. The Petitioners submitted that they have calculated the inflation index based on the weighted average index of WPI and CPI. The WPI and CPI indices have been considered, as available on the websites of Economic Advisor and Ministry of Labour Bureau, Govt. of India respectively. The summary of WPI & CPI indices is shown in table below:

**TABLE 6-47: INFLATION INDEX AS SUBMITTED BY THE PETITIONERS**

Financial Year	Index		Inflation rate	
	WPI	CPI	WPI	CPI
FY 2018-19	119.79	299.92	4.28%	5.45%
FY 2019-20	121.83	322.50	1.70%	7.53%
FY 2020-21	123.38	338.71	1.27%	5.03%
FY 2021-22	139.41	356.06	13.00%	5.12%
FY 2022-23	153.78	371.38	10.19%	4.50%

### **Employee expense**

- 6.7.4. 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 6-48: EMPLOYEE EXPENSES SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**



Particulars	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed
Employee Expenses	903.04	4.88%	947.14

**TABLE 6-49: EMPLOYEE EXPENSES SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed
Employee Expenses	1,220.77	4.88%	1,280.40

**TABLE 6-50: EMPLOYEE EXPENSES SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed
Employee Expenses	986.18	4.88%	1,034.36

**TABLE 6-51: EMPLOYEE EXPENSES SUBMITTED BY PuVVNL FOR FY 2023-24 (Rs. Crore)**

Particular	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed
Employee Expenses	1,042.40	4.88%	1,093.32

**TABLE 6-52: EMPLOYEE EXPENSES SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed
Employee Expenses	185.97	4.88%	195.06

6.7.5. Further, the Capitalisation has projected based on same ratio of employee expenses capitalisation to the gross employee expenses for FY 2021-22 (True-up year). Accordingly, gross employee expenses and net employee expenses claimed for FY 2023-24 is shown in table below:

**TABLE 6-53: EMPLOYEE EXPENSE SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses after escalation	947.14
2	Less: Employee Expenses capitalized	336.85
3	<b>Net Employee Expenses</b>	<b>610.29</b>



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

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**TABLE 6-54: EMPLOYEE EXPENSE SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	1,280.40
2	Less: Employee Expenses capitalized	450.88
3	<b>Net Employee Expenses</b>	<b>829.52</b>

**TABLE 6-55: EMPLOYEE EXPENSE SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	1,034.36
2	Employee Expenses Capitalised	282.73
3	<b>Net Employee Expenses</b>	<b>751.63</b>

**TABLE 6-56: EMPLOYEE EXPENSE SUBMITTED BY PUVVNL FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission
1	Gross Employee Expenses	1,093.31
2	Less: Employee Expenses capitalized	309.25
3	<b>Net Employee Expenses</b>	<b>784.06</b>

**TABLE 6-57: EMPLOYEE EXPENSE SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission
1	Gross Employee Expenses	195.06
2	Less: Employee Expenses capitalized	13.51
3	<b>Net Employee Expenses</b>	<b>181.55</b>

**TABLE 6-58: CONSOLIDATED EMPLOYEE EXPENSE SUBMITTED FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission
1	Gross Employee Expenses	4,550.27
2	Less: Employee Expenses capitalized	1,393.22
3	<b>Net Employee Expenses</b>	<b>3,157.05</b>



**TABLE 6-59: SUMMARY OF EMPLOYEE EXPENSE OF THE PETITIONERS FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average CPI Escalation of last 3 years.	Computed (Rs. Crore)	Employee Expenses capitalized	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	903.04	4.88%	947.14	336.85	<b>610.29</b>
MVVNL	1,220.77	4.88%	1,280.40	450.88	829.52
PVVNL	986.18	4.88%	1,034.36	282.73	751.63
PuVVNL	1,042.40	4.88%	1,093.32	309.25	784.06
KESCO	185.97	4.88%	195.06	13.51	<b>181.55</b>
<b>Consolidated (5 Discoms)</b>	<b>4338.36</b>	<b>4.88%</b>	<b>4550.28</b>	<b>1,393.22</b>	<b>3,157.05</b>

#### A&G expenses

6.7.6. The Petitioners submitted that it has projected their A&G Expenses for FY 2023-24 as shown in table below:

**TABLE 6-60: A&G EXPENSES SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed for FY 2022-23	Average WPI Escalation of last 3 years	Computed
A&G Expenses	133.70	8.15%	144.60

**TABLE 6-61: A&G EXPENSES SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed for FY 2022-23	Average WPI Escalation of last 3 years	Computed
A&G Expenses	322.82	8.15%	338.50

**TABLE 6-62: A&G EXPENSES SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed for FY 2022-23	Average WPI Escalation of last 3 years	Computed
A&G Expenses	181.14	8.15%	195.91

**TABLE 6-63: A&G EXPENSES SUBMITTED BY PuVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed for FY 2022-23	Average WPI Escalation of last 3 years	Computed
A&G Expenses	187.43	8.15%	202.71



**TABLE 6-64: A&G EXPENSES SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed for FY 2022-23	Average WPI Escalation of last 3 years	Computed
A&G Expenses	29.65	8.15%	32.07

6.7.7. Accordingly, Net R&M Expenses determined for FY 2023-24 is shown in table below:

**TABLE 6-65: A&G EXPENSES SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses after escalation	144.60
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	<b>144.60</b>

**TABLE 6-66: A&G EXPENSES SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	376.24
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	<b>376.24</b>

**TABLE 6-67: A&G EXPENSES SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	195.91
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	<b>195.91</b>

**TABLE 6-68: A&G EXPENSES SUBMITTED BY PuVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	202.71
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	<b>202.71</b>

**TABLE 6-69: A&G EXPENSES SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	32.07
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	<b>32.07</b>



**TABLE 6-70: CONSOLIDATED A&G EXPENSES SUBMITTED FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross A&G Expenses	864.16
2	Less: A&G expenses capitalized	0.00
3	<b>Net A&amp;G expenses</b>	864.16

**TABLE 6-71: SUMMARY OF A&G EXPENSES OF THE PETITIONERS FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2021-22	Average WPI Escalation of last 3 years.	Computed (Rs. Crore)	A&G Expenses capitalized	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	133.70	8.15%	144.60	0.00	144.60
MVVNL	322.82	8.15%	338.50	0.00	338.50
PVVNL	181.14	8.15%	195.91	0.00	195.91
PuVVNL	187.43	8.15%	202.71	0.00	202.71
KESCO	29.65	8.15%	32.07	0.00	32.07
Consolidated	854.74	8.15%	913.79	0.00	913.79

### R&M expenses

6.7.8. The Petitioners submitted that it has projected their R&M Expenses for FY 2023-24 as shown in table below:

**TABLE 6-72: R&M EXPENSES SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average WPI Escalation of last 3 years	Computed
R&M Expenses	605.87	8.15%	655.25

**TABLE 6-73: R&M EXPENSES SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average WPI Escalation of last 3 years	Computed
R&M Expenses	417.43	8.19%	451.62

**TABLE 6-74: R&M EXPENSES SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average WPI Escalation of last 3 years	Computed
R&M Expenses	654.21	8.15%	707.54



**TABLE 6-75: R&M EXPENSES SUBMITTED BY PUVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average WPI Escalation of last 3 years	Computed
R&M Expenses	988.49	8.15%	1,069.06

**TABLE 6-76: R&M EXPENSES SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2022-23	Average WPI Escalation of last 3 years	Computed
R&M Expenses	95.11	8.15%	102.86

**TABLE 6-77: R&M EXPENSES SUBMITTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	707.54
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	707.54

**TABLE 6-78: R&M EXPENSES SUBMITTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	451.46
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	451.46

**TABLE 6-79: R&M EXPENSES SUBMITTED BY PVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	707.54
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	707.54

**TABLE 6-80: R&M EXPENSES SUBMITTED BY PuVVNL FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	1,069.06
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	1,069.06



**TABLE 6-81: R&M EXPENSES SUBMITTED BY KESCO FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	102.86
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	<b>102.86</b>

**TABLE 6-82: CONSOLIDATED R&M EXPENSES SUBMITTED FOR FY 2023-24 (Rs. Crore)**

Sr. No.	Particulars	Petitioner's Submission
1	Gross R&M Expenses	2,986.17
2	Less: R&M expenses capitalized	0.00
3	<b>Net R&amp;M expenses</b>	<b>2,986.17</b>

**TABLE 6-83: SUMMARY OF R&M EXPENSES OF PETITIONERS FOR FY 2023-24 (Rs. Crore)**

Particulars	Claimed in Instant Petition for FY 2021-22	Average WPI Escalation of last 3 years.	Computed	Employee Expenses capitalized	Net Employee Expenses
	A	B	C	D	E=C-D
DVVNL	605.87	8.15%	655.25	0.00	707.54
MVVNL	417.43	8.15%	451.62	0.00	451.46
PVVNL	654.21	8.15%	707.54	0.00	707.54
PuVVNL	988.49	8.15%	1,069.06	0.00	1,069.06
KESCO	95.11	8.15%	102.86	0.00	102.86
<b>Consolidated</b>	<b>2,761.11</b>	<b>8.15%</b>	<b>2,986.33</b>	<b>0.00</b>	<b>3,038.46</b>

#### Additional O&M for Smart metering OPEX

6.7.9. The Petitioners submitted that the MoP, Gol vide 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 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 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 to submit the same to respective State Regulatory Commissions for approval.

6.7.10. 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.

- 6.7.11. 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.
- 6.7.12. 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:

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

- 6.7.13. The Petitioners submitted that following is mentioned in the Commission order dated November 15, 2018 at SI 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

- 6.7.14. Further, the Commission in its Tariff Order FY 2019-20 dated September 03, 2019 at Para 6.18.7 has mentioned this expenditure under head of A&G expenses as below:

Quote





*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

- 6.7.15. 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.
- 6.7.16. The Petitioners submitted that the Opex to be incurred by the Petitioners for implementation of Smart Meter rollout plan is not part of the normative O&M expenses provided to the Licensee under the MYT Order dated January 22, 2019 and MYT Regulations, 2019 since:
- (a) The same was not envisaged during projection of normative O&M expenses from FY 2017-18 to FY 2019-20 and for the control period from FY 2020-21-2024-25.
  - (b) The normative O&M expenses approved by the Commission are based on previous five-year audited accounts, which does not include any O&M expenses towards smart metering.
- 6.7.17. 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 expenses 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 expenses, which may or may not happen. The Commission in the 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.

- (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.

6.7.18. The following table summarises the cost of Smart Meters under Opex Model for the Petitioners for FY 2023-24:

**TABLE 6-84: SMART METERING OPEX OF DVVNL FOR FY 2023-24**

Particulars	Smart Meters installed till March 2023	Smart Meters to be installed till March 2024	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2023-24	4,70,972	9,04,000	101.42	85.87

**TABLE 6-85: SMART METERING OPEX OF MVVNL FOR FY 2023-24**

Particulars	Smart Meters installed till March 2023	Smart Meters to be installed till March 2024	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2023-24	3,67,861	1,16,3000	101.42	97.19

**TABLE 6-86: SMART METERING OPEX OF PVVNL FOR FY 2023-24**

Particulars	Smart Meters installed till March 2023	Smart Meters to be installed till March 2024	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2023-24	2,32,361	6,29,000	101.42	54.43

**TABLE 6-87: SMART METERING OPEX OF PuVVNL FOR FY 2023-24**

Particulars	Smart Meters installed till March 2023	Smart Meters to be installed till March 2024	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2023-24	4,66,278	11,47,225	101.42	101.64



**TABLE 6-88: SMART METERING OPEX OF KESCO FOR FY 2023-24**

Particulars	Smart Meters installed till March 2023	Smart Meters to be installed till March 2024	Rate (Rs. /meter/month including GST @18%)	OPEX (Rs. Crore)
FY 2023-24	1,15,857	1,56,000	101.42	16.75

6.7.19. The Petitioners submitted under RDSS, they will install smart meters and under EESL scheme, the Petitioners will install 3,88,073 smart meters.

6.7.20. The Petitioners requested the Commission to approve the smart metering OPEX estimated in the above Table.

6.7.21. Based on the above submission, the summary of the O&M expenses projected by the Petitioners for FY 2023-24 are shown in the Table below:

**TABLE 6-89: OPERATION & MAINTENANCE EXPENSES PROJECTED BY DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	655.25
Employee expenses	947.14
Administrative and General expenses	144.60
Gross O&M Expenses	1,746.99
Less:	
Employee expenses capitalized	336.85
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	336.85
Smart Meter Opex	85.87
<b>Net O&amp;M Expenses</b>	<b>1,496.01</b>

**TABLE 6-90: OPERATION & MAINTENANCE EXPENSES PROJECTED BY MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	451.46
Employee expenses	1,280.40
Administrative and General expenses	376.24
Gross O&M Expenses	2,108.10
Less:	
Employee expenses capitalized	450.88
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	450.88



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Particulars	Petitioner's Submission
Smart Meter Opex	97.19
<b>Net O&amp;M Expenses</b>	<b>1,754.41</b>

**TABLE 6-91: OPERATION & MAINTENANCE EXPENSES PROJECTED BY PVVNL FOR FY 2023-24  
(Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	707.54
Employee expenses	1,034.36
Administrative and General expenses	195.91
Gross O&M Expenses	1,937.81
Less:	
Employee expenses capitalized	282.73
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	282.73
Smart Meter Opex	54.43
<b>Net O&amp;M Expenses</b>	<b>1,709.50</b>

**TABLE 6-92: OPERATION & MAINTENANCE EXPENSES PROJECTED BY PuVVNL FOR FY 2023-24  
(Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	1,069.06
Employee expenses	1,093.31
Administrative and General expenses	202.71
Gross O&M Expenses	2,365.07
Less:	
Employee expenses capitalized	309.25
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	309.25
Smart Meter Opex	101.64
<b>Net O&amp;M Expenses</b>	<b>2,157.46</b>

**TABLE 6-93: OPERATION & MAINTENANCE EXPENSES PROJECTED BY KESCO FOR FY 2023-24  
(Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	102.86
Employee expenses	195.06
Administrative and General expenses	32.07



Particulars	Petitioner's Submission
Gross O&M Expenses	329.98
Less:	
Employee expenses capitalized	13.51
Administrative and General expenses capitalized	0.00
Gross expenses Capitalized	13.51
Smart Meter Opex	16.75
<b>Net O&amp;M Expenses</b>	<b>333.22</b>

**TABLE 6-94: CONSOLIDATED OPERATION & MAINTENANCE EXPENSES PROJECTED BY STATE DISCOMS FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Repair & Maintenance expenses	2,986.17
Employee expenses	4,550.27
Administrative and General expenses	951.53
Gross O&M Expenses	8,487.95
Less:	
Less: Employee expenses capitalized	1,393.22
Administrative and General expenses capitalized	0.00
<b>Gross expenses Capitalized</b>	<b>1,393.22</b>
Smart Meter Opex	355.88
<b>Net O&amp;M Expenses</b>	<b>7,450.60</b>

### Commission's Analysis

#### Smart Metering Opex

6.7.22. The Commission noted that the Petitioners have claimed Opex Cost for Smart Meters under Opex Model considering the rate of Rs. 101.42 / Meter/ Month (including GST@18%). The consolidated Opex Cost towards Smart Metering is shown in the Table below:

**TABLE 6-95: CONSOLIDATED OPERATION & MAINTENANCE EXPENSES PROJECTED BY STATE DISCOMS FOR FY 2023-24 (Rs. Crore)**

Particulars	Smart Meters installed till Mar-2023	Smart Meters installed till Mar-2024	Rate (Rs./meter/month) including GST@18%	OPEX (Rs. Crore)
DVVNL	4,70,972	9,04,000	101.42	85.87
MVVNL	3,67,861	1,16,3000	101.42	97.19
PVVNL	2,32,361	6,29,000	101.42	54.43



Particulars	Smart Meters installed till Mar-2023	Smart Meters installed till Mar-2024	Rate (Rs./meter/month) including GST@18%	OPEX (Rs. Crore)
PuVVNL	4,66,278	11,47,225	101.42	101.64
KESCO	1,15,857	1,56,000	101.42	16.75
<b>Consolidated (5 Discoms)</b>	<b>16,53,329</b>	<b>39,99,225</b>	<b>101.42</b>	<b>355.88</b>

6.7.23. In Order dated November 15, 2018, the Commission had approved the Roll Out plan for smart meters. The Commission 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

6.7.24. The Commission in the above referred Order (Roll Out Plan for Smart Meters) had directed the Petitioners to comply the certain conditions. The relevant extract of the Order incorporating such conditions are reproduced 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. Besides the Term of the roll out stated by UPPCL / Discoms in their proposal, following conditions shall also be ensured by UPPCL / Discoms*

*(e) Smart Meters conform to the standards set out by Ministry of Power / CEA i.e. IS 16444 & IS 15959*



- (f) *Personal data privacy of the consumer's data stored on 3rd party cloud server.*
- (g) *The Billing efficiency of the consumers having smart meters is not less than 98%.*
- (h) *Since the smart meters have remote disconnection features, the collection efficiency of target consumers shall not be less than 95%.*

Unquote

- 6.7.25. Keeping the above in view, since the net improvement in collection and billing efficiency has been envisaged keeping the 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.
- 6.7.26. 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 Business Plan / 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 target given by the Commission.
- 6.7.27. However, the Smart Meters 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.
- 6.7.28. The submission of the Petitioners that the present additional O&M expenses on account of Smart Meters Opex may or may not result in reduction in O&M expenses cannot be accepted as it is one of the key features of Smart Metering. If there is uncertainty in regard to realizing benefits from any investments / expense it would not be prudent to undertake such investment / expense. It is obvious to expect that implementation of Smart Meter scheme at a large scale will be beneficial for the Licensees from the perspective of saving in billing and collection efficiency. Also, while determining the ARR,





billing and collection efficiency are considered to be 100%. Therefore, any gain in billing and collection efficiency would not be reflected in ARR. Rather, it would go in the account of the Licensees. Such gains ideally should be able to compensate the Opex incurred by the Licensees. It is for this reason the Commission had observed in its past Orders that Smart Metering scheme is self-sustaining. If Licensees are not able to recover the Opex through gains in billing and collection efficiency, burden of such expenditure cannot be passed on to the consumers in the State.

- 6.7.29. Further the Petitioners are directed to submit year-wise (since inception) details of Smart Meters installed with break-up of category / sub-category wise in the next ARR / Tariff filings.

#### **O&M Expenses for State Discoms**

- 6.7.30. Regulation 45 of the 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.:

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

Where:

$EMP_n$ : Employee expense for the  $n$ th year;

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

CPI inflation is the average of 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:

$$R\&M_n = R\&M_{n-1} (1 + \text{WPI inflation})$$

Where:

$R\&M_n$ : Repairs & Maintenance expense for the  $n$ th year;

$R\&M_{n-1}$ : 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:

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



Where:

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

$A\&G_{n-1}$ : 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

- 6.7.31. Regulation 45.3 of MYT Regulations, 2019, stipulates that the Interest and finance charges such as Credit Rating charges, collection facilitation charges, financing cost of Delayed Payment Surcharge and other finance charges have been considered as a part of A&G expenses. Accordingly, the finance charges have been considered as a part of A&G expenses and not allowed separately as claimed by the Petitioners.
- 6.7.32. 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 2021-22. Considering the normative employee expenses, A&G expenses and R&M expenses of FY 2021-22 and inflation indices as per the MYT Regulations, 2019, the Commission has computed normative O&M expenses for FY 2022-23, as shown in the Tables below:

**TABLE 6-96: O&M EXPENSES OF DVVNL FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	394.81	903.03	565.78
2	R & M Expenses	512.91	605.87	565.21
3	A&G Expenses (with FC)	114.11	133.70	125.74
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,021.83</b>	<b>1,642.60</b>	<b>1,256.74</b>
5	Employee Expenses Capitalisation	427.65	321.16	321.16
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>427.65</b>	<b>321.16</b>	<b>321.16</b>
	Add: Smart Metering Opex	0.00	52.18	0.00
	Add: Additional R&M Expenses	256.46	256.46	256.46



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S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
8	Net O&M Expenses	850.64	1,630.08	1,192.03

**TABLE 6-97: O&M EXPENSES OF MVVNL FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	773.35	1,220.78	782.74
2	R & M Expenses	381.19	407.99	420.06
3	A&G Expenses (with FC)	273.70	340.00	301.61
4	<b>Gross O&amp;M Expenses</b>	<b>1,428.24</b>	<b>1,968.77</b>	<b>1,504.41</b>
5	Employee Expenses Capitalisation	644.56	429.89	429.89
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	<b>Total Capitalisation</b>	<b>644.56</b>	<b>429.89</b>	<b>429.89</b>
	Add: Smart Metering Opex	0.00	35.34	0.00
	Add: Additional R&M Expenses	190.60	190.60	190.60
8	<b>Net O&amp;M Expenses</b>	<b>974.28</b>	<b>1,764.81</b>	<b>1,265.12</b>

**TABLE 6-98: O&M EXPENSES OF PVVNL FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	699.16	986.20	693.81
2	R & M Expenses	448.24	657.74	493.94
3	A&G Expenses (with FC)	159.62	182.12	175.90
4	<b>Gross O&amp;M Expenses</b>	<b>1,307.02</b>	<b>1,826.05</b>	<b>1,363.65</b>
5	Employee Expenses Capitalisation	310.15	269.57	269.57
6	A&G Expenses Capitalisation	0.00	0.00	0.00
7	<b>Total Capitalisation</b>	<b>310.15</b>	<b>269.57</b>	<b>269.57</b>
	Add: Smart Metering Opex	0.00	23.57	0.00
	Add: Additional R&M Expenses	224.12	224.12	224.12
8	<b>Net O&amp;M Expenses</b>	<b>1,220.99</b>	<b>1,804.17</b>	<b>1,318.20</b>

**TABLE 6-99: O&M EXPENSES OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	885.66	1,042.40	878.88
2	R & M Expenses	645.92	966.11	768.07



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S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
3	A&G Expenses (with FC)	171.76	183.18	189.28
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,703.34</b>	2,191.69	1,836.22
5	Employee Expenses Capitalisation	240.63	294.85	294.85
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>240.63</b>	<b>294.85</b>	<b>294.85</b>
	Add: Smart Metering Opex	0.00	48.67	0.00
	Add: Additional R&M Expenses	322.96	322.96	322.96
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,785.67</b>	<b>2,268.46</b>	<b>1,864.33</b>

**TABLE 6-100: O&M EXPENSES OF KESCO FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	150.04	185.97	169.07
2	R & M Expenses	76.84	92.95	84.77
3	A&G Expenses (with FC)	28.94	28.98	31.89
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>255.82</b>	<b>307.90</b>	<b>285.73</b>
5	Employee Expenses Capitalisation	6.94	12.88	12.88
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>6.94</b>	<b>12.88</b>	<b>12.88</b>
	Add: Smart Metering Opex	0.00	13.62	0.00
	Add: Additional R&M Expenses	38.40	38.40	38.40
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>287.28</b>	<b>347.05</b>	<b>311.25</b>

**TABLE 6-101: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**

S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
1	Employee Expenses	2,903.02	4,338.38	3,090.27
2	R & M Expenses	2,065.11	2,730.65	2,332.06
3	A&G Expenses (with FC)	748.13	867.99	824.41
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>5,716.26</b>	<b>7,937.01</b>	<b>6,246.74</b>
5	Employee Expenses Capitalisation	1,629.93	1,328.34	1,328.34
6	A&G Expenses Capitalisation	0.00	0.00	0.00



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S. No	Particulars	Approved in Tariff Order dated July 20, 2022	Petition	Provisionally Considered
<b>7</b>	<b>Total Capitalisation</b>	<b>1,629.93</b>	<b>1,328.34</b>	<b>1,328.34</b>
	Add: Smart Metering Opex	0.00	173.38	0.00
	Add: Additional R&M Expenses	1,032.53	1,032.53	1,032.53
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>5,118.86</b>	<b>7,814.58</b>	<b>5,950.93</b>

6.7.33. The inflation indices considered by the Commission for FY 2023-24 is shown in the Table below:

Particulars	Whole Sale Price Index				Consumer Price Index			
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
April	121.10	119.20	132.00	152.30	312.00	329.00	345.89	367.78
May	121.60	117.50	132.90	155.00	314.00	330.00	347.33	371.52
June	121.50	119.30	133.70	155.40	316.00	332.00	350.50	372.10
July	121.30	121.00	135.00	154.00	319.00	336.00	353.66	374.11
August	121.50	122.00	136.20	153.20	320.00	338.00	354.24	374.98
September	121.30	122.90	137.40	151.90	322.00	340.13	355.10	378.14
October	122.00	123.60	140.70	152.90	325.00	344.16	359.71	381.60
November	122.30	125.10	143.70	152.50	328.00	345.31	362.02	381.60
December	123.00	125.40	143.30	150.50	330.00	342.14	361.15	381.02
January	123.40	126.50	143.80	150.70	330.00	340.42	360.29	382.46
February	122.20	128.10	145.30	150.90	328.00	342.72	360.00	382.18
March	120.40	129.90	148.90	150.90	326.00	344.45	362.88	383.90
<b>Average</b>	<b>121.80</b>	<b>123.38</b>	<b>139.41</b>	<b>152.52</b>	<b>322.50</b>	<b>338.69</b>	<b>356.06</b>	<b>377.62</b>
<b>Calculation of Inflation</b>	-	<b>1.29%</b>	<b>13.00%</b>	<b>9.40%</b>	-	<b>5.02%</b>	<b>5.13%</b>	<b>6.05%</b>

**TABLE 6-102: INFLATION INDEX FOR FY 2023-24 CONSIDERED BY THE COMMISSION**

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	121.80	322.50	1.68%	7.53%	2.96%	5.35%
FY 2020-21	123.93	338.69	1.29%	5.02%	2.42%	6.00%
FY 2021-22	139.38	356.06	13.00%	5.13%	5.32%	5.89%
FY 2022-23	152.82	376.53	9.62%	5.75%	7.90%	5.40%

\* WPI Source - [https://eaindustry.nic.in/download\\_data\\_1112.asp](https://eaindustry.nic.in/download_data_1112.asp)



CPI Source - <https://labourbureau.gov.in/all-india-general-index-1>

6.7.34. The employee expenses for FY 2023-24 are computed by escalating the normative employee expenses for FY 2022-23 by average CPI inflation of preceding 3 years. The Commission has provisionally considered the employee expense capitalisation as claimed by the Petitioners for FY 2023-24, subject to truing up based on audited accounts. The A&G expenses (including finance charges) and R&M expenses for FY 2023-24 are computed by escalating the normative A&G expenses and R&M expenses respectively for FY 2022-23 by average WPI inflation of preceding 3 years.

6.7.35. The normative O&M expenses allowed by the Commission for FY 2023-24 are shown in the Table below:

**TABLE 6-103: NORMATIVE EMPLOYEE EXPENSES FOR FY 2023-24 CONSIDERED BY THE COMMISSION (Rs. Crore)**

Particulars	Normative Employee Expenses for FY 2021-22	CPI Inflation	Normative Employee Expenses for FY 2022-23	CPI Inflation	Normative Employee Expenses for FY 2023-24
	A	B	$C=A*(1+B)$	D	$E=C*(1+D)$
DVVNL	534.30	5.89%	565.78	5.40%	628.55
MVVNL	739.18		782.74		869.57
PVVNL	655.20		693.81		770.78
PuVVNL	829.97		878.88		976.38
KESCO	159.66		169.07		187.82
<b>Consolidated (5 State Discoms)</b>	<b>2,918.29</b>		<b>3,090.27</b>		<b>3,433.09</b>

**TABLE 6-104: NORMATIVE R&M EXPENSES FOR FY 2023-24 CONSIDERED BY THE COMMISSION (Rs. Crore)**

Particulars	Normative R&M Expenses for FY 2021-22	WPI Inflation	Normative R&M Expenses for FY 2022-23	WPI Inflation	Normative Employee Expenses for FY 2023-24
	A	B	$C=A*(1+B)$	D	$E=C*(1+D)$
DVVNL	536.65	5.32%	565.21	7.90%	609.85
MVVNL	398.84		420.06		453.24
PVVNL	468.98		493.94		532.95
PuVVNL	729.26		768.07		828.73
KESCO	80.49		84.77		91.47
<b>Consolidated (5 State Discoms)</b>	<b>2,214.22</b>		<b>2,332.06</b>		<b>2,516.23</b>





**TABLE 6-105: NORMATIVE A&G EXPENSES FOR FY 2023-24 CONSIDERED BY THE COMMISSION (Rs. Crore)**

Particulars	Normative R&M Expenses for FY 2021-22	WPI Inflation	Normative R&M Expenses for FY 2022-23	WPI Inflation	Normative Employee Expenses for FY 2023-24
	A	B	C=A*(1+B)	D	E=C*(1+D)
DVVNL	119.39	5.32%	125.74	7.90%	135.67
MVVNL	286.37		301.61		325.43
PVVNL	167.01		175.90		189.79
PuVVNL	179.71		189.28		204.22
KESCO	30.27		31.89		34.40
<b>Consolidated (5 State Discoms)</b>	<b>782.76</b>		<b>824.41</b>		<b>889.52</b>

**TABLE 6-106: O&M EXPENSES OF DVVNL APPROVED BY THE COMMISSION FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	947.14	628.55	628.55
2	R & M Expenses	655.25	609.85	609.85
3	A&G Expenses (with FC)	144.60	135.67	135.67
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,746.99</b>	<b>1,374.07</b>	<b>1,374.07</b>
5	Employee Expenses Capitalisation	336.85	336.85	336.85
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>336.85</b>	<b>336.85</b>	<b>336.85</b>
	Add: Smart Metering Opex	85.87	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,496.01</b>	<b>1,037.22</b>	<b>1,037.22</b>



**TABLE 6-107: O&M EXPENSES OF MVVNL APPROVED BY THE COMMISSION FOR FY 2023-24  
(Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	1,280.40	869.57	869.57
2	R & M Expenses	441.24	453.24	453.24
3	A&G Expenses (with FC)	367.72	325.43	325.43
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>2,089.36</b>	<b>1,648.24</b>	<b>1,648.24</b>
5	Employee Expenses Capitalisation	450.88	450.88	450.88
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>450.88</b>	<b>450.88</b>	<b>450.88</b>
	Add: Smart Metering Opex	97.19	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,735.66</b>	<b>1,197.35</b>	<b>1,197.35</b>

**TABLE 6-108: O&M EXPENSES OF PVVNL APPROVED BY THE COMMISSION FOR FY 2023-24  
(Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	1,034.36	770.78	770.78
2	R & M Expenses	711.35	532.95	532.95
3	A&G Expenses (with FC)	196.96	189.79	189.79
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>1,942.67</b>	<b>1,493.51</b>	<b>1,493.51</b>
5	Employee Expenses Capitalisation	282.73	282.73	282.73
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>282.73</b>	<b>282.73</b>	<b>282.73</b>
	Add: Smart Metering Opex	54.43	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>1,714.37</b>	<b>1,210.78</b>	<b>1,210.78</b>

**TABLE 6-109: O&M EXPENSES OF PuVVNL APPROVED BY THE COMMISSION FOR FY 2023-24  
(Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	1,093.31	976.38	976.38
2	R & M Expenses	1,044.85	828.73	828.73
3	A&G Expenses (with FC)	198.12	204.22	204.22
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>2,336.28</b>	<b>2,009.32</b>	<b>2,009.32</b>
5	Employee Expenses Capitalisation	309.25	309.25	309.25
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>309.25</b>	<b>309.25</b>	<b>309.25</b>
	Add: Smart Metering Opex	101.64	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>2,128.66</b>	<b>1,700.07</b>	<b>1,700.07</b>



**TABLE 6-110: O&M EXPENSES OF KESCO APPROVED BY THE COMMISSION FOR FY 2023-24  
(Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	195.06	187.82	187.82
2	R & M Expenses	100.53	91.47	91.47
3	A&G Expenses (with FC)	31.34	34.40	34.40
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>326.93</b>	<b>313.70</b>	<b>313.70</b>
5	Employee Expenses Capitalisation	13.51	13.51	13.51
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>13.51</b>	<b>13.51</b>	<b>13.51</b>
	Add: Smart Metering Opex	16.75	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>330.17</b>	<b>300.19</b>	<b>300.19</b>

**TABLE 6-111: CONSOLIDATED O&M EXPENSES OF STATE DISCOMS APPROVED BY THE  
COMMISSION FOR FY 2023-24 (Rs. Crore)**

S. No	Particulars	Petitioner's Submission	Normative	Approved
1	Employee Expenses	4,550.27	3,433.09	3,433.09
2	R & M Expenses	2,953.22	2,516.23	2,516.23
3	A&G Expenses (with FC)	938.74	889.52	889.52
<b>4</b>	<b>Gross O&amp;M Expenses</b>	<b>8,442.23</b>	<b>6,838.84</b>	<b>6,838.84</b>
5	Employee Expenses Capitalisation	1,393.22	1,393.22	1,393.22
6	A&G Expenses Capitalisation	0.00	0.00	0.00
<b>7</b>	<b>Total Capitalisation</b>	<b>1,393.22</b>	<b>1,393.22</b>	<b>1,393.22</b>
	Add: Smart Metering Opex	355.87	0.00	0.00
<b>8</b>	<b>Net O&amp;M Expenses</b>	<b>7,404.87</b>	<b>5,445.62</b>	<b>5,445.62</b>

## 6.8. CAPITAL INVESTMENT, CAPITALISATION AND FINANCING

### *Petitioners' Submission*

- 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% 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 implemented 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 RDSS 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.

#### **Implementation of RDSS**

- 6.8.4. The RDSS Scheme is covered under two parts namely Part-A which covers metering & distribution infrastructure works and Part-B which 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.

The proposal of UP states based on present scenarios are followings-

- a) ACS-ARR gap with revenue on an accrual basis to be zero at the end of FY 2024 -25
- b) AT&C Loss target to be in line with the trajectory proposed
- c) DPRs to be rationalized keeping in view that the proposed works for loss reduction are targeted in high loss areas in order of priorities
- d) Liquidation of outstanding subsidy to be ensured as per scheme guidelines
- e) Consumer, DTR, and Feeder Smart Metering timelines to be as per scheme guidelines

6.8.5. As per the action plan the Discoms have considered the capital expenditure to be incurred (net of Grants) for FY 2023-24 towards the Loss Reduction and Modernization works. Further, the tendering process of smart meters is in progress. Thus, the expenses 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 2023-24 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 have considered the capex in this context for the approval of the Commission.

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 have projected the capital expenditure to be undertaken in FY 2023-24 in the Petition. The details of proposed Capital Expenditure for FY 2023-24 are depicted in the table below:

**TABLE 6-112: PROPOSED CAPITAL EXPENDITURE FOR FY 2023-24 FOR DVVNL (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Schemes (Net of Consumer Contribution and Grant)	0.00	338.26
Revamped Scheme (RDSS)	2,211.29	884.52
<b>Total excluding Interest and employee capitalization (A)</b>	<b>2,211.29</b>	<b>1,222.78</b>
<b>Add: Employee Capitalization (B)</b>	<b>336.85</b>	<b>336.85</b>
<b>Add: Interest Capitalization (C)</b>	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>2,548.14</b>	<b>1,559.62</b>

**TABLE 6-113: PROPOSED CAPITAL EXPENDITURE FOR FY 2023-24 FOR MVVNL (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Schemes (Net of Consumer Contribution and Grant)	458.28	520.11
Revamped Scheme (RDSS)	833.00	333.20
<b>Total excluding Interest and employee capitalization (A)</b>	<b>1,291.28</b>	<b>853.31</b>
<b>Add: Employee Capitalization (B)</b>	450.88	450.88
<b>Add: Interest Capitalization (C)</b>	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>1,742.17</b>	<b>1,304.19</b>

**TABLE 6-114: PROPOSED CAPITAL EXPENDITURE FOR FY 2023-24 FOR PVVNL (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Schemes (Net of Consumer Contribution and Grant)	0.00	215.76
Revamped Scheme (RDSS)	890.24	356.10
<b>Total excluding Interest and employee capitalization (A)</b>	890.25	571.85
<b>Add: Employee Capitalization (B)</b>	<b>282.73</b>	<b>282.73</b>
<b>Add: Interest Capitalization (C)</b>	0.00	0.00
<b>Total (D= A+B+C)</b>	<b>1,172.97</b>	<b>854.59</b>



**TABLE 6-115: PROPOSED CAPITAL EXPENDITURE FOR FY 2023-24 FOR PuVVNL (Rs. Crore)**

Particulars	Investments	Capitalisation
Other Schemes (Net of Consumer Contribution and Grant)	0.55	748.71
Revamped Scheme (RDSS)	619.57	247.83
Total excluding Interest and employee capitalization (A)	109.40	109.40
Add: Employee Capitalization (B)	309.25	309.25
Add: Interest Capitalization (C)	111.18	111.18
<b>Total (D= A+B+C)</b>	<b>1,040.56</b>	<b>1,416.98</b>

**TABLE 6-116: PROPOSED CAPITAL EXPENDITURE FOR FY 2023-24 FOR KESCO (Rs. Crore)**

Scheme wise	Investments	Capitalisation
Other Schemes (Net of Consumer Contribution and Grant)	17.52	48.90
Revamped Scheme (RDSS)	204.94	81.98
<b>Total excluding Interest and employee capitalization (A)</b>	<b>222.46</b>	<b>130.87</b>
<b>Add: Employee Capitalization (B)</b>	<b>13.51</b>	<b>13.51</b>
<b>Add: Interest Capitalization (C)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (D= A+B+C)</b>	<b>235.97</b>	<b>144.38</b>

6.8.9. The Petitioners submitted that the Investment considered for FY 2023-24 is the net investments (excluding grants and consumer contributions). The Petitioners have separately provided the amount of consumer contribution and grant for FY 2023-24.

6.8.10. The Petitioners submitted that based on the methodology adopted by the Commission, 40% of the investments made during FY 2023-24 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 2023-24.

6.8.11. Considering the aforementioned submissions, the capitalisation and capital work in progress for FY 2023-24 are shown in the Table below:

**TABLE 6-117: CAPITALISATION AND WIP OF INVESTMENT FOR FY 2023-24 FOR DVVNL (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2023	A	845.65
Investments	B	2211.29
Employee expenses capitalisation	C	336.85
A&G expenses capitalisation	D	0.00





Particulars	Derivation	Petitioner's Submission
Interest capitalisation in Interest on long term loans	E	0.00
<b>Total Investments</b>	<b>F=A+B+C+D+E</b>	<b>3,393.78</b>
Transferred to GFA (total capitalisation)	G=F*40%	1559.62
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,834.16</b>

**TABLE 6-118: CAPITAL INVESTMENT FOR FY 2023-24 FOR MVVNL (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2023	A	841.99
Investments	B	1,291.28
Employee expenses capitalisation	C	450.88
A&G expenses capitalisation	D	0.00
Interest capitalisation in Interest on long term loans	E	0.00
<b>Total Investments</b>	<b>F=A+B+C+D+E</b>	<b>2,584.15</b>
Transferred to GFA (total capitalisation)	G=F*40%	1304.19
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,279.96</b>

**TABLE 6-119: CAPITAL INVESTMENT FOR FY 2023-24 FOR PVVNL (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2023	A	539.39
Investments	B	890.24
Employee expenses capitalisation	C	282.73
A&G expenses capitalisation	D	0.00
Interest capitalisation in Interest on long term loans	E	0.00
<b>Total Investments</b>	<b>F=A+B+C+D+E</b>	<b>1,712.37</b>
Transferred to GFA (total capitalisation)	G=F*40%	854.59
<b>Closing WIP</b>	<b>H=F-G</b>	<b>857.78</b>

**TABLE 6-120: CAPITAL INVESTMENT FOR FY 2023-24 FOR PuVVNL (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2023	A	1,871.78
Investments	B	620.12
Employee expenses capitalisation	C	309.25



Particulars	Derivation	Petitioner's Submission
A&G expenses capitalisation	D	0.00
Interest capitalisation in Interest on long term loans	E	111.18
<b>Total Investments</b>	<b>F=A+B+C+D+E</b>	<b>2,912.33</b>
Transferred to GFA (total capitalisation)	G=F*40%	1416.98
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,495.36</b>

**TABLE 6-121: CAPITAL INVESTMENT FOR FY 2023-24 FOR KESCO (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Opening WIP as on 1st April 2023	A	104.72
Investments	B	222.46
Employee expenses capitalisation	C	13.51
A&G expenses capitalisation	D	0.00
Interest capitalisation in Interest on long term loans	E	0.00
<b>Total Investments</b>	<b>F=A+B+C+D+E</b>	<b>340.69</b>
Transferred to GFA (total capitalisation)	G=F*40%	144.38
<b>Closing WIP</b>	<b>H=F-G</b>	<b>196.31</b>

### 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 no. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023 directed the Petitioners to submit the capital expenditure of each project as per Regulation 44 of MYT Regulations, 2019 and submit the CAPEX



accordingly along with all submissions / information / documents for approval of the projects in line with Regulation 44 of MYT Regulations, 2019. In response, the Petitioners have made submission only with regard to RDSS scheme for FY 2023-24.

6.8.14. Further, the Petitioners have also filed a Petitions for the approval of CAPEX under RDSS scheme which is currently under scrutiny before the Commission. Therefore, while disposing the instant Tariff petition, the Commission has considered capex and capitalisation provisionally as proposed by Petitioners. However, appropriate treatment for the same shall be done at the time of True-up proceedings considering the outcome of Petitions filed before the Commission pertaining to RDSS Scheme. From the data submitted by the Petitioners, the scheme / sub-scheme / project etc., the details of investment and capitalization is not clear and hence the approval of the investment amount must not be construed as approval of the scheme / sub-scheme / project etc.

6.8.15. The Petitioners are again directed to seek approval of schemes / projects as well in which the cost incurred / to be incurred is more than threshold limit of Rs. 10 Crore as stipulated in Regulation 44 of MYT Regulations, 2019 otherwise the same may be disallowed at the time of True-up. Further, the Petitioners are also required to submit the detailed break-up (scheme / sub-scheme / project wise etc.) of the investment and capitalization proposed in all future filings.

6.8.16. The Commission has provisionally computed CWIP, Capital Investment and Capitalisation for FY 2022-23, which are shown in the Table below:

**TABLE 6-122: CAPITAL INVESTMENT OF DVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	849.05	224.58	1,144.63
Investments	B	747.37	1184.83	1,184.83
Employee Expenses capitalization	C	427.65	321.16	321.16
A&G Expenses Capitalisation	D	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	240.43	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,264.51</b>	<b>1,730.57</b>	<b>2,650.62</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Transferred to GFA (Total Capitalisation)	G	1513.99	884.92	884.92
<b>Closing WIP</b>	<b>H=F-G</b>	<b>750.52</b>	<b>845.65</b>	<b>1,765.70</b>

**TABLE 6-123: CAPITAL INVESTMENT OF MVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	1,465.93	249.37	1,240.25
Investments	B	1,018.99	1,153.94	1,153.94
Employee Expenses capitalization	C	644.56	429.89	429.89
A&G Expenses Capitalisation	D	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	198.33	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>3,327.81</b>	<b>1,833.20</b>	<b>2,824.08</b>
Transferred to GFA (Total Capitalisation)	G	2,434.95	991.21	991.21
<b>Closing WIP</b>	<b>H=F-G</b>	<b>892.86</b>	<b>841.99</b>	<b>1,832.87</b>

**TABLE 6-124: CAPITAL INVESTMENT OF PVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	521.68	266.90	833.31
Investments	B	1,562.77	632.09	632.09
Employee Expenses capitalization	C	310.15	269.57	269.57
A&G Expenses Capitalisation	D	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	73.65	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,468.25</b>	<b>1,168.56</b>	<b>1,734.97</b>
Transferred to GFA (Total Capitalisation)	G	1,096.18	629.16	629.16
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,372.07</b>	<b>539.39</b>	<b>1,105.80</b>





**TABLE 6-125: CAPITAL INVESTMENT OF PuVVNL FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	1,708.79	2,009.17	2,858.37
Investments	B	515.02	1,110.47	1,110.47
Employee Expenses capitalization	C	240.63	294.85	294.85
A&G Expenses Capitalisation	D	0.00	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	157.62	97.76	97.76
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,622.06</b>	<b>3,512.24</b>	4,361.45
Transferred to GFA (Total Capitalisation)	G	1,287.78	1,640.46	1,640.46
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,334.27</b>	<b>1,871.78</b>	2,720.98

**TABLE 6-126: CAPITAL INVESTMENT OF KESCO FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	56.36	96.67	123.21
Investments	B	33.36	74.29	74.29
Employee Expenses capitalization	C	6.94	12.88	12.88
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
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>96.66</b>	<b>183.83</b>	210.37
Transferred to GFA (Total Capitalisation)	G	91.93	79.10	79.10
<b>Closing WIP</b>	<b>H=F-G</b>	<b>4.73</b>	<b>104.72</b>	131.27

**TABLE 6-127: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2022-23 (Rs. Crore)**

Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening WIP as on 1st April	A	4,601.81	2,846.68	6,199.76
Investments	B	3,877.51	4,155.61	4,155.61
Employee Expenses capitalization	C	1,629.93	1,328.34	1,328.34
A&G Expenses Capitalisation	D	0.00	0.00	0.00



Particulars	Derivation	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Interest Capitalisation on Interest on long term loans	E	670.04	97.76	97.76
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>10,779.28</b>	<b>8,428.40</b>	<b>11,781.48</b>
Transferred to GFA (Total Capitalisation)	G	6,424.83	4,224.87	4,224.87
<b>Closing WIP</b>	<b>H=F-G</b>	<b>4,354.45</b>	<b>4,203.53</b>	<b>7,556.61</b>

6.8.17. The Commission has followed the following approach to provisionally approve the Capital Investment of FY 2023-24 for the Licensees: -

- (i) Closing CWIP for FY 2022-23 is considered as opening CWIP for FY 2023-24;
- (ii) Investment during the year i.e., FY 2023-24 is allowed provisionally as claimed by the Petitioners;
- (iii) Employee expenses capitalised for FY 2023-24 is allowed provisionally as claimed by the Petitioners;
- (iv) Interest capitalisation on Interest on long term loans for FY 2023-24 is allowed provisionally as claimed by the Petitioners.

6.8.18. The Commission observes that only PuVVNL has claimed the interest capitalization on long term loans for FY 2023-24. The Commission vide email dated March 03, 2023 directed the Petitioners (except PuVVNL) to provide the justification for not considering interest capitalisation for FY 2023-24. In response, the Petitioners submitted that the claim of interest capitalization for FY 2023-24 has been done by the Petitioners on the basis of interest capitalized by them during the True-Up year (FY 2021-22). Since, no interest capitalization as per audited accounts has been claimed by the Petitioners (except PuVVNL) in FY 2021-22, the projection of the same is not claimed in FY 2023-24. The same will be claimed at the time of True-Up for respective years based on the annual accounts.

6.8.19. As regards asset transferred to GFA (Capitalisation), the Commission has allowed the same as claimed by the Petitioners. However, appropriate treatment for the same shall be done at the time of True-Up proceedings considering the outcome of Petitions filed for approval of RDSS before the Commission.



6.8.20. Taking into consideration the above, the Commission has approved CWIP, Capital Investment and Capitalisation for FY 2023-24, which are shown in the Tables below:

**TABLE 6-128: CAPITAL INVESTMENT OF DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	845.65	1,765.70
Investments	B	2,211.29	2,211.29
Employee Expenses capitalization	C	336.85	336.85
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>3,393.78</b>	<b>4,313.83</b>
Transferred to GFA (Total Capitalisation)	G	1,559.62	1,559.62
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,834.16</b>	<b>2,754.21</b>

**TABLE 6-129: CAPITAL INVESTMENT OF MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	841.99	1,832.87
Investments	B	1,291.28	1291.28
Employee Expenses capitalization	C	450.88	450.88
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,584.15</b>	<b>3,575.03</b>
Transferred to GFA (Total Capitalisation)	G	1,304.19	1,304.19
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,279.96</b>	<b>2,270.84</b>

**TABLE 6-130: CAPITAL INVESTMENT OF PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	539.39	1105.80
Investments	B	890.24	890.24
Employee Expenses capitalization	C	282.73	282.73
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>1,712.37</b>	<b>2,278.77</b>
Transferred to GFA (Total Capitalisation)	G	854.59	854.59
<b>Closing WIP</b>	<b>H=F-G</b>	<b>857.78</b>	<b>1,424.19</b>



**TABLE 6-131: CAPITAL INVESTMENT OF PuVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	1,871.78	2,720.98
Investments	B	620.12	620.12
Employee Expenses capitalization	C	309.25	309.25
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	111.18	111.18
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>2,912.33</b>	<b>3,761.54</b>
Transferred to GFA (Total Capitalisation)	G	1,416.98	1,416.98
<b>Closing WIP</b>	<b>H=F-G</b>	<b>1,495.36</b>	<b>2,344.56</b>

**TABLE 6-132: CAPITAL INVESTMENT OF KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	104.72	131.27
Investments	B	222.46	222.46
Employee Expenses capitalization	C	13.51	13.51
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	0.00	0.00
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>340.69</b>	<b>367.23</b>
Transferred to GFA (Total Capitalisation)	G	144.38	144.38
<b>Closing WIP</b>	<b>H=F-G</b>	<b>196.31</b>	<b>222.85</b>

**TABLE 6-133: CONSOLIDATED CAPITAL INVESTMENT OF 5 STATE DISCOMS FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
Opening WIP as on 1st April	A	4,203.53	7,556.61
Investments	B	5,235.39	5,235.39
Employee Expenses capitalization	C	1,393.22	1,393.22
A&G Expenses Capitalisation	D	0.00	0.00
Interest Capitalisation on Interest on long term loans	E	111.18	111.18
<b>Total Investments</b>	<b>F= A+B+C+D+E</b>	<b>10,943.33</b>	<b>14,296.41</b>
Transferred to GFA (Total Capitalisation)	G	5,279.75	5,279.75
<b>Closing WIP</b>	<b>H=F-G</b>	<b>5,663.57</b>	<b>9,016.66</b>

6.8.21. As per the above, it can be observed that the closing CWIP and Investment provisionally approved by the Commission for FY 2023-24 is higher than the claim made by the Petitioners for FY 2023-24. This variation is due to the fact that the Petitioners have not considered the closing CWIP of FY 2021-22 as



opening CWIP of FY 2022-23. However, the Commission has followed the same approach as considered in the previous Tariff Orders and considered the closing CWIP of FY 2021-22 as opening CWIP of FY 2022-23 and accordingly considered the closing CWIP of FY 2022-23 as opening CWIP of FY 2023-24.

## Consumer Contribution

### Petitioner's Submission

- 6.8.22. 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.
- 6.8.23. The Petitioners have claimed addition to consumer contribution for FY 2023-24 as Nil.
- 6.8.24. The Petitioners submitted that the Petition for approval of scheme under RDSS is submitted before the Commission as Petition for approval, on date October 20, 2022. Further, for FY 2023-24 the petitioner has considered CAPEX under RDSS net off grant. As per the approval of action plan of Discoms for the State of Uttar Pradesh under RDSS, the funding pattern is as under:

Item Description	GBS% (Max)
Prepaid Smart metering solution including at consumer, DT, and feeder level including integration of existing infrastructure	15% of the approved cost of metering including the operational cost, provided that it is not more than Rs. 900 per meter for consumer metering only
Distribution Infrastructure works	60% the approved cost of Distribution infrastructure works
PMA Charges for Metering and Infrastructure works	60% of the approved cost of PMA

- 6.8.25. The project cost approved by the Monitoring Committee or actual cost incurred whichever is less, shall be the eligible cost for determining the grant under the scheme for the Infrastructure works and PMA Components. Any cost overrun after approval of the project (by Monitoring Committee) due to reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM / respective State Government.
- 6.8.26. The release of GBS by Government of India will be subject to prescribed scheme guidelines and would be contingent to award of prepaid smart metering works & its satisfactory progress.



### Commission Analysis

6.8.27. The Commission observed that the Petitioners have claim consumer contribution, capital grants and subsidies for FY 2023-24 as Nil. The Petitioners have also submitted that equity addition as well as long term loan addition during the year are net of consumer contribution, capital grants and subsidies. Further, the Commission vide email dated March 03, 2023 directed Petitioners to provide Scheme wise / Sub-scheme wise / Project wise details of Capital Expenditure plan, Capital Subsidy, Grants and Consumer Contribution proposed for FY 2023-24. In response to the Commission's query the Petitioners submitted that they have claimed capital expenditure for FY 2023-24 only under RDSS Scheme as per the Regulation 44 of MYT Regulations, 2019, as quoted below:

Quote

*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.*

Unquote

6.8.28. The Petitioners submitted that a separate Petition for the approval of capex scheme under RDSS Scheme along with the detailed project report (DPR), for the approval of the Commission. The Petitioners requested that the Commission to consider Scheme wise / Sub-scheme wise / Project wise details of Capital Expenditure plan, Capital Subsidy, Grants and Consumer Contribution etc., as per the submissions made in that Petition.



6.8.29. Further, the Commission decided not to deliberate on consumer contribution, capital grants and subsidies at this stage and appropriate treatment shall be done at the time of True Up. Accordingly, the Commission approves the Consumer Contribution, capital grants and subsidy as Nil.

6.8.30. The consumer contribution, capital grants and subsidies as submitted by the Petitioners and allowed by the Commission are shown in the Table below:

**TABLE 6-134: CONSUMER CONTRIBUTIONS OF DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	4,559.19	4,559.19
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00
<b>Closing Balance</b>	<b>4,559.19</b>	<b>4,559.19</b>

**TABLE 6-135: CONSUMER CONTRIBUTIONS OF MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	5,738.28	5,738.28
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00
<b>Closing Balance</b>	<b>5,738.28</b>	<b>5,738.28</b>

**TABLE 6-136: CONSUMER CONTRIBUTIONS OF PVVNL IN FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	175.81	175.81
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00
<b>Closing Balance</b>	<b>175.81</b>	<b>175.81</b>

**TABLE 6-137: CONSUMER CONTRIBUTIONS OF PuVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	4,960.76	4,960.76
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00





Particulars	Petitioner's Submission	Approved
Closing Balance	4,960.76	4,960.76

**TABLE 6-138: CONSUMER CONTRIBUTIONS OF KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	424.88	424.88
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00
<b>Closing Balance</b>	<b>424.88</b>	<b>424.88</b>

**TABLE 6-139: CONSOLIDATED CONSUMER CONTRIBUTIONS OF PETITIONERS FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Balance of Consumer Contributions	15,858.92	15,858.92
Additions during the year	0.00	0.00
Less: Amortisation on consumer contribution	0.00	0.00
Closing Balance of Consumer Contribution	15,858.92	15,858.92

## Financing of Capital Investment

### *Petitioner's Submission*

6.8.31. The Petitioners submitted that the capital investment proposed above is eligible for financing after deducting consumer contribution and capital grants and subsidy is considered. The Petitioners have considered a normative debt: equity ratio of 70:30. Considering this approach, 70% of the capitalisation (excluding consumer contribution, capital grants and subsidy) undertaken in FY 2023-24 has been considered to be financed through loan and balance 30% has been considered to be financed through equity.

**TABLE 6-140: FINANCING OF CAPITAL INVESTMENT OF DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Investment / Capitalisation (Asset put to use) net of CCG	A	1,559.62
Less:		
Consumer contribution, capital grants & subsidy	B	0.00
Investment funded by debt and equity	C=A-B	1,559.62



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Particulars	Derivation	Petitioner's Submission
Debt Funded	70% of C	1,091.73
<b>Equity Funded</b>	<b>30% of C</b>	<b>467.89</b>

**TABLE 6-141: FINANCING OF CAPITAL INVESTMENT OF MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Investment / Capitalisation (Asset put to use) net of CCG	A	1,304.19
Less:		
Consumer contribution, capital grants & subsidy	B	0.00
Investment funded by debt and equity	C=A-B	1,304.19
<b>Debt Funded</b>	<b>70% of C</b>	<b>912.93</b>
<b>Equity Funded</b>	<b>30% of C</b>	<b>391.26</b>

**TABLE 6-142: FINANCING OF CAPITAL INVESTMENT OF PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Investment / Capitalisation (Asset put to use) net of CCG	A	854.59
Less:		
Consumer contribution, capital grants & subsidy	B	0.00
Investment funded by debt and equity	C=A-B	854.59
Debt Funded	70% of C	598.21
Equity Funded	30% of C	256.38

**TABLE 6-143: FINANCING OF CAPITAL INVESTMENT OF PUVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Investment / Capitalisation (Asset put to use) net of CCG	A	1,416.98
Less:		
Consumer contribution, capital grants & subsidy	B	0.00
Investment funded by debt and equity	C=A-B	1,416.98
Debt Funded	70% of C	991.88
Equity Funded	30% of C	425.09

**TABLE 6-144: FINANCING OF CAPITAL INVESTMENT OF KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission
Investment / Capitalisation (Asset put to use) net of CCG	A	144.38
Less:		
Consumer contribution, capital grants & subsidy	B	0.00
Investment funded by debt and equity	C=A-B	144.38
Debt Funded	70% of C	101.06
Equity Funded	30% of C	43.31



### Commission's Analysis

6.8.32. The Commission observed that the total capitalisation proposed for FY 2023-24, has been funded through only debt and equity and no portion has been funded through consumer contribution, capital grants & Subsidy. Accordingly, the Commission has provisionally considered capitalisation during the year which will be subjected to True up proceedings. Considering the debt equity ratio of 70:30, 70% of the capitalisation is approved to be funded through debt and balance 30% through equity. The debt: equity ratio along with net loan and equity addition for FY 2023-24 is as follows: -

**TABLE 6-145: DEBT: EQUITY ADDITION OF DVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	1,559.62	1,559.62
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>1,559.62</b>	<b>1,559.62</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>1,091.73</b>	<b>1,091.73</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *C</b>	<b>467.89</b>	<b>467.89</b>

**TABLE 6-146: DEBT: EQUITY ADDITION OF MVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	1,304.19	1,304.19
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>1,304.19</b>	<b>1,304.19</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>912.93</b>	<b>912.93</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *C</b>	<b>391.26</b>	<b>391.26</b>



**TABLE 6-147: DEBT: EQUITY ADDITION OF PVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	854.59	854.59
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>854.59</b>	<b>854.59</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>598.21</b>	<b>598.21</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *C</b>	<b>256.38</b>	<b>256.38</b>

**TABLE 6-148: DEBT: EQUITY ADDITION OF PuVVNL FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	1,416.98	1,416.98
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>1,416.98</b>	<b>1,416.98</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>991.88</b>	<b>991.88</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *C</b>	<b>425.09</b>	<b>425.09</b>

**TABLE 6-149: DEBT: EQUITY ADDITION OF KESCO FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	144.38	144.38
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>144.38</b>	<b>144.38</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>101.06</b>	<b>101.06</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *D</b>	<b>43.31</b>	<b>43.31</b>



**TABLE 6-150: CONSOLIDATED DEBT: EQUITY ADDITION OF STATE DISCOM FOR FY 2023-24 (Rs. Crore)**

Particulars	Derivation	FY 2023-24	
		Petitioner's Submission	Approved
Transferred to GFA (Total Capitalisation net of Consumer Contribution, capital grants & subsidy)	A	5,279.75	5,279.75
Less: Assets De-Capitalised	B	0.00	0.00
<b>Net Assets Capitalised</b>	<b>C = A-B</b>	<b>5,279.75</b>	<b>5,279.75</b>
<b>70% of Net Assets Capitalised</b>	<b>D=70% * C</b>	<b>3,695.83</b>	<b>3,695.83</b>
<b>30% of Net Assets Capitalised</b>	<b>E=30% *C</b>	<b>1,583.93</b>	<b>1,583.93</b>

## 6.9. DEPRECIATION

### *Petitioner's Submission*

6.9.1. The basis of determination of depreciation is stipulated in Regulation 21.1 of MYT Regulations, 2019. The relevant extract is as under:

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 on the GFA base for FY 2023-24 as per the Straight Line Method (SLM) approach and at the rates approved by the Commission in UPERC (Multi Year Tariff for Distribution & Transmission), 2019. The Petitioner has 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 capital & subsidy.

**TABLE 6-151: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY DVVNL FOR FY 2023-24 (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	0.61	0.00	0.00	0.61	0.61	0.00%	0.00
2	Buildings	169.18	0.00	0.00	169.18	169.18	3.34%	0.00
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	0.00	0.00	0.00	1,405.57	1,405.57	5.28%	0.00
5	Lines, Cables, Network etc.	5,879.02	0.00	0.00	5,879.02	5,879.02	5.28%	310.41
6	Vehicles	0.61	0.00	0.00	0.61	0.61	6.33%	0.04
7	Furniture & Fixtures	9.20	0.00	0.00	9.20	9.20	6.33%	0.58
8	Office Equipment	4.16	0.00	0.00	4.16	4.16	6.33%	0.26
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>7,468.36</b>	0.00	0.00	<b>7,468.36</b>	<b>7,468.36</b>	<b>5.24%</b>	<b>391.16</b>
11	Non depreciable assets (Land & Land Rights)	0.61	0.00	0.00	0.00	0.00	0.00%	0.00
12	<b>Depreciable assets</b>	<b>7,467.74</b>	0.00	0.00	<b>7,468.36</b>	<b>7,468.36</b>	<b>5.24%</b>	<b>391.16</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

**TABLE 6-152: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 1.04.2020 AS  
SUBMITTED BY DVVNL FOR FY 2023-24 (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	0.23	0.13	0.00	0.00	0.35	0.29	0.00%	0.00
2	Buildings	86.74	35.33	0.00	0.00	122.07	104.41	3.34%	0.00
3	Other Civil Works	-	-	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	1,638.46	293.53	0.00	0.00	1,931.99	1,785.22	5.28%	94.26
5	Lines, Cables, Network etc.	3,935.22	1,227.72	0.00	0.00	5,162.94	4,549.08	5.28%	240.19
6	Vehicles	0.23	0.13	0.00	0.00	0.36	0.29	6.33%	0.02
7	Furniture & Fixtures	5.13	1.92	0.00	0.00	7.05	6.09	6.33%	0.39
8	Office Equipment	7.80	0.87	0.00	0.00	8.67	8.24	6.33%	0.52
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
<b>10</b>	<b>Total Fixed Assets</b>	<b>5,673.81</b>	<b>1,559.62</b>	<b>0.00</b>	<b>0.00</b>	<b>7,233.43</b>	<b>6,453.62</b>	<b>5.25%</b>	<b>338.86</b>
11	Non depreciable assets (Land & Land Rights)	0.23	0.13	0.00	0.00	0.00	0.00	0.00%	0.00
<b>12</b>	<b>Depreciable assets</b>	<b>5,673.58</b>	<b>1,559.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.25%</b>	<b>0.00</b>

**TABLE 6-153: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS  
SUBMITTED BY MVVNL FOR 2023-24 (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	0.28	0.00	0.00	0.28	0.28	0.00%	0.00
2	Buildings	59.47	61.19	0.00	59.47	59.47	3.34%	1.99
3	Other Civil Works	3.69	4.22	0.00	3.69	3.69	3.34%	0.12
4	Plant & Machinery	936.47	1,270.41	0.00	936.47	936.47	5.28%	49.45
5	Lines, Cables, Network etc.	2,859.49	3,108.86	0.00	2,859.49	2,859.49	5.28%	150.98
6	Vehicles	1.54	2.12	0.00	1.54	1.54	6.33%	0.10
7	Furniture & Fixtures	3.38	4.25	0.00	3.38	3.38	6.33%	0.21
8	Office Equipments	32.82	35.91	0.00	32.82	32.82	6.33%	2.08
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
<b>10</b>	<b>Total Fixed Assets</b>	<b>3,897.14</b>	<b>4,486.96</b>	<b>0.00</b>	<b>3,897.14</b>	<b>3,897.14</b>	<b>5.26%</b>	<b>204.93</b>
11	Non depreciable assets (Land & Land Rights)	0.28	0.00	0.00	0.00	0.00	0.00%	0.00
<b>12</b>	<b>Depreciable assets</b>	<b>3,896.86</b>	<b>4,486.96</b>	<b>0.00</b>	<b>3,897.14</b>	<b>3,897.14</b>	<b>5.26%</b>	<b>204.93</b>





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

**TABLE 6-154: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS  
SUBMITTED BY MVVNL FOR 2023-24 (Rs. Crore) PART B**

S.No.	Particulars	Opening GFA as on 1.4.22	Addition to GFA	Deducti on of Grants	Deducti on to GFA	Closing GFA	Average GFA	Depreciati on Rate	Allowable Gross Depreciation
1	Land & Land Rights	0.24	0.07	0.00	0.00	0.31	0.28	0.00%	0.00
2	Buildings	119.03	15.13	0.00	0.00	134.16	126.60	3.34%	4.23
3	Other Civil Works	3.23	0.94	0.00	0.00	4.17	3.70	3.34%	0.12
4	Plant & Machinery	2,101.76	238.19	0.00	0.00	2,339.94	2,220.85	5.28%	117.26
5	Lines, Cables, Network etc.	5,667.84	727.29	0.00	0.00	6,395.14	6,031.49	5.28%	318.46
6	Vehicles	1.49	0.39	0.00	0.00	1.89	1.69	6.33%	0.11
7	Furniture & Fixtures	3.63	0.86	0.00	0.00	4.49	4.06	6.33%	0.26
8	Office Equipment	29.76	8.35	0.00	0.00	38.11	33.93	6.33%	2.15
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>8,270.89</b>	<b>991.21</b>	<b>0.00</b>	<b>0.00</b>	<b>9,262.10</b>	<b>8,766.50</b>	<b>5.05%</b>	<b>442.59</b>
11	Non depreciable assets (Land & Land Rights)	0.24	0.07	0.00	0.00	0.31	0.28	0.00%	0.00
12	<b>Depreciable assets</b>	<b>8,270.65</b>	<b>991.14</b>	<b>0.00</b>	<b>0.00</b>	<b>9,261.79</b>	<b>8,766.22</b>	<b>5.05%</b>	<b>442.59</b>

**TABLE 6-155: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS  
SUBMITTED BY PVVNL FOR 2023-24 (Rs. Crore) PART A**

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulativ e Depreciati on	Deduction to GFA	Closing GFA	Average GFA	Depreciati on Rate	Allowable Gross Depreciation
1	Land & Land Rights	1.17	0.00	0.00	1.17	1.17	0.00%	0.00
2	Buildings	168.78	0.00	0.00	168.78	168.78	3.34%	5.64
3	Other Civil Works	8.68	0.00	0.00	8.68	8.68	3.34%	0.29
4	Plant & Machinery	1,948.84	0.00	0.00	1,948.84	1,948.84	5.28%	102.90
5	Lines, Cables, Network etc.	5,755.17	0.00	0.00	5,755.17	5,755.17	5.28%	303.87
6	Vehicles	0.91	0.00	0.00	0.91	0.91	6.33%	0.06
7	Furniture & Fixtures	5.51	0.00	0.00	5.51	5.51	6.33%	0.35
8	Office Equipments	15.51	0.00	0.00	15.51	15.51	6.33%	0.98
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>7,904.56</b>	<b>0.00</b>	<b>0.00</b>	<b>7,904.56</b>	<b>7,904.56</b>	<b>5.24%</b>	<b>414.09</b>
11	Non depreciable assets (Land & Land Rights)	1.17	0.00	0.00	0.00	0.00	0.00%	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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	7,903.39	0.00	0.00	7,904.56	7,904.56	5.24%	414.09

**TABLE 6-156: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 1.04.2020 AS SUBMITTED BY PVVNL FOR 2023-24 (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	0.38	0.13	0.00	0.00	0.51	0.44	0.00%	0.00
2	Buildings	50.83	18.25	0.00	0.00	69.08	59.96	3.34%	2.00
3	Other Civil Works	2.84	0.94	0.00	0.00	3.78	3.31	3.34%	0.11
4	Plant & Machinery	1,277.29	210.69	0.00	0.00	1,487.99	1,382.64	5.28%	73.00
5	Lines, Cables, Network etc.	3,122.91	622.21	0.00	0.00	3,745.12	3,434.01	5.28%	181.32
6	Vehicles	0.34	0.10	0.00	0.00	0.44	0.39	6.33%	0.02
7	Furniture & Fixtures	2.34	0.60	0.00	0.00	2.93	2.64	6.33%	0.17
8	Office Equipments	11.88	1.68	0.00	0.00	13.56	12.72	6.33%	0.81
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>4,468.81</b>	<b>854.59</b>	0.00	0.00	<b>5,323.40</b>	<b>4,896.11</b>	5.26%	<b>257.43</b>
11	Non depreciable assets (Land & Land Rights)	0.38	0.13	0.00	0.00	0.00	0.19	0.00%	0.00
12	<b>Depreciable assets</b>	<b>4,468.43</b>	<b>854.46</b>	0.00	0.00	<b>5,323.40</b>	<b>4,895.92</b>	5.26%	<b>257.43</b>

**TABLE 6-157: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY PuVVNL FOR 2023-24 (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	0.37	0.00	0.00	0.37	0.37	0.00%	0.00
2	Buildings	80.61	0.00	0.00	80.61	80.61	3.34%	2.69
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	3,263.59	0.00	0.00	3,263.59	3,263.59	5.28%	172.32
5	Lines, Cables, Network etc.	2,880.99	0.00	0.00	2,880.99	2,880.99	5.28%	152.12
6	Vehicles	0.55	0.00	0.00	0.55	0.55	6.33%	0.03
7	Furniture & Fixtures	0.97	0.00	0.00	0.97	0.97	6.33%	0.06



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
8	Office Equipments	22.31	0.00	0.00	22.31	22.31	6.33%	1.41
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>6,249.38</b>	0.00	0.00	<b>6,249.38</b>	<b>6,249.38</b>	<b>5.26%</b>	<b>328.63</b>
11	Non depreciable assets (Land & Land Rights)	0.37	0.00	0.00	0.00	0.00	0.00%	0.00
12	<b>Depreciable assets</b>	<b>6,249.02</b>	0.00	0.00	<b>6,249.38</b>	<b>6,249.38</b>	<b>5.26%</b>	<b>328.63</b>

**TABLE 6-158: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS SUBMITTED BY PuVVNL FOR 2023-24 (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	0.22	0.08	0.30	0.26	0.00%	0.00
2	Buildings	86.76	18.28	105.05	95.91	3.34%	3.20
3	Other Civil Works	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	3,548.41	739.98	4,288.39	3,918.40	5.28%	206.89
5	Lines, Cables, Network etc.	2,506.26	653.23	3,159.49	2,832.87	5.28%	149.58
6	Vehicles	0.33	0.13	0.46	0.39	6.33%	0.02
7	Furniture & Fixtures	0.92	0.22	1.14	1.03	6.33%	0.07
8	Office Equipments	14.40	5.06	19.46	16.93	6.33%	1.07
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>6,157.31</b>	<b>1,416.98</b>	<b>7,574.28</b>	<b>6,865.79</b>	<b>5.26%</b>	<b>360.83</b>
11	Non depreciable assets (Land & Land Rights)	0.22	0.08	0.00	0.11	0.00%	0.00
12	<b>Depreciable assets</b>	<b>6,157.09</b>	<b>1,416.89</b>	<b>7,574.28</b>	<b>6,865.69</b>	<b>5.26%</b>	<b>360.83</b>

**TABLE 6-159: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 01.04.2020 AS SUBMITTED BY KESCO FOR 2023-24 (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	0.00	0.00	0.00	0.00	0.00%	0.00
2	Buildings	25.67	0.00	0.00	25.67	25.67	3.34%	0.86
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	257.23	0.00	0.00	257.23	257.23	5.28%	13.58



*Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22*

Sr. No	Particulars	Opening GFA (as on 31.3.2022)	Cumulative Depreciation	Deduction to GFA	Closing GFA	Average GFA	Depreciation Rate	Allowable Gross Depreciation
5	Lines, Cables, Network etc.	467.54	0.00	0.00	467.54	467.54	5.28%	24.69
6	Vehicles	2.04	0.00	0.00	2.04	2.04	6.33%	0.13
7	Furniture & Fixtures	1.09	0.00	0.00	1.09	1.09	6.33%	0.07
8	Office Equipments	10.98	0.00	0.00	10.98	10.98	6.33%	0.69
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.23%</b>	<b>40.02</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
12	<b>Depreciable assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.23%</b>	<b>40.02</b>

**TABLE 6-160: GROSS ALLOWABLE DEPRECIATION FOR ASSETS AFTER 01.04.2020 AS SUBMITTED BY KESCO FOR 2023-24 (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	0.00	0.00	0.00%	0.00
2	Buildings	5.03	4.85	0.00	0.00	9.88	7.45	3.34%	0.25
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plant & Machinery	47.84	48.58	0.00	0.00	96.42	72.13	5.28%	3.81
5	Lines, Cables, Network etc.	171.66	88.29	0.00	0.00	259.95	215.81	5.28%	11.39
6	Vehicles	0.34	0.39	0.00	0.00	0.73	0.53	6.33%	0.03
7	Furniture & Fixtures	0.22	0.20	0.00	0.00	0.42	0.32	6.33%	0.02
8	Office Equipments	3.50	2.07	0.00	0.00	5.57	4.54	6.33%	0.29
9	Capital Expenditure on Assets not belonging to utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
10	<b>Total Fixed Assets</b>	<b>228.60</b>	<b>144.38</b>	<b>0.00</b>	<b>0.00</b>	<b>372.98</b>	<b>300.79</b>	<b>5.25%</b>	<b>15.79</b>
11	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
12	<b>Depreciable assets</b>	<b>228.60</b>	<b>144.38</b>	<b>0.00</b>	<b>0.00</b>	<b>372.98</b>	<b>300.79</b>	<b>5.25%</b>	<b>15.79</b>

6.9.3. 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 2023-24.

6.9.4. Thus, the allowable depreciation for FY 2023-24 is shown in the table below:



**TABLE 6-161: NET ALLOWABLE DEPREIATION AS SUBMITTED BY DVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Gross Allowable Depreciation	730.03
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	150.90
<b>Net Allowable Depreciation</b>	<b>579.13</b>

**TABLE 6-162: NET ALLOWABLE DEPREIATION AS SUBMITTED BY MVVNL FOR 2023-24 (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
<b>Net Allowable Depreciation</b>	<b>907.07</b>

**TABLE 6-163: NET ALLOWABLE DEPREIATION AS SUBMITTED BY PVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Gross Allowable Depreciation	671.52
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	175.81
<b>Net Allowable Depreciation</b>	<b>495.70</b>

**TABLE 6-164: NET ALLOWABLE DEPREIATION AS SUBMITTED BY PuVVNL FOR 2023-24 (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
<b>Net Allowable Depreciation</b>	<b>986.26</b>

**TABLE 6-165: NET ALLOWABLE DEPREIATION AS SUBMITTED BY KESCO FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Gross Allowable Depreciation	55.81
Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution and Grant	16.48
<b>Net Allowable Depreciation</b>	<b>39.33</b>



### Commission's Analysis

6.9.5. 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

- 6.9.6. The Commission directed the Petitioners to maintain two separate individual assets wise Fixed Asset Register (FAR) to be called Part-A and Part-B. The Part-A will comprise of assets capitalized upto March 31, 2020 and these assets will be depreciated as per MYT Regulations, 2019. The Part-B will comprise of assets capitalized from April 01, 2020 onwards with the details of purchase date so that these assets can be treated accordingly when they attain 70% of the assets value as per proviso of Regulation 21.1(b) of MYT Regulations, 2019.
- 6.9.7. The Commission has computed the depreciation on both Part-A and Part-B considering the provisions of above Regulations and approach adopted in previous years Tariff Orders. The closing GFA, for both Part- A and Part – B, of FY 2022-23 has been considered as opening GFA for Part – A and Part – B respectively for FY 2023-24. The gross allowable depreciation computed by the Commission is shown in the Table below:

**TABLE 6-166: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF DVVNL FOR FY 2023-24 (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	328.31	0.00	0.00	328.31	328.31	5.28%	17.33
5	Lines, Cables, Networks etc.	6,916.83	0.00	0.00	6,916.83	6,916.83	5.28%	365.21





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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
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	<b>Total Fixed Assets</b>	<b>7,468.36</b>	<b>0.00</b>	<b>0.00</b>	<b>7,468.36</b>	<b>7,468.36</b>		
10	Non depreciable assets (Land & Land Rights)	1.25	0.00	0.00	1.25	1.25	0.00%	0.00
11	<b>Depreciable assets</b>	<b>7,467.11</b>	<b>0.00</b>	<b>0.00</b>	<b>7,467.11</b>	<b>7,467.11</b>	<b>5.23%</b>	<b>390.41</b>

**TABLE 6-167: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS OF DVVNL FOR FY 2023-24 (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	0.25	0.13	0.00	0.38	0.31	0.00%	0.00
2	Buildings	84.24	35.33	0.00	119.57	101.90	3.34%	3.40
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	1,331.70	293.53	0.00	1,625.22	1,478.46	5.28%	78.06
5	Lines, Cables, Networks etc.	3,548.73	1,227.72	0.00	4,776.45	4,162.59	5.28%	219.78
6	Vehicles	0.25	0.13	0.00	0.38	0.31	6.33%	0.02
7	Furniture & Fixtures	4.97	1.92	0.00	6.89	5.93	6.33%	0.38
8	Office Equipment	6.29	0.87	0.00	7.16	6.72	6.33%	0.43
9	<b>Total Fixed Assets</b>	<b>4,976.42</b>	<b>1,559.62</b>	<b>0.00</b>	<b>6,536.04</b>	<b>5,756.23</b>		<b>302.07</b>
10	Non depreciable assets (Land & Land Rights)	0.25	0.13	0.00	0.38	0.31	0.00%	0.00
11	<b>Depreciable assets</b>	<b>4,976.17</b>	<b>1,559.49</b>	<b>0.00</b>	<b>6,535.67</b>	<b>5,755.92</b>	<b>5.25%</b>	<b>302.07</b>

**TABLE 6-168: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF MVVNL FOR FY 2023-24 (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



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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
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	-294.51	0.00	0.00	-294.51	-294.51	5.28%	-15.55
5	Lines, Cables, Networks etc.	3,902.36	0.00	0.00	3,902.36	3,902.36	5.28%	206.04
6	Vehicles	5.55	0.00	0.00	5.55	5.55	9.50%	0.53
7	Furniture & Fixtures	9.59	0.00	0.00	9.59	9.59	6.33%	0.61
8	Office Equipment	76.48	0.00	0.00	76.48	76.48	6.33%	4.84
9	<b>Total Fixed Assets</b>	<b>3,897.14</b>	<b>0.00</b>	<b>0.00</b>	<b>3,897.14</b>	<b>3,897.14</b>		203.04
10	Non depreciable assets (Land & Land Rights)	1.07	0.00	0.00	1.07	1.07	0.00%	0.00
11	<b>Depreciable assets</b>	<b>3,896.07</b>	<b>0.00</b>	<b>0.00</b>	<b>3,896.07</b>	<b>3,896.07</b>	<b>5.21%</b>	<b>203.04</b>

**TABLE 6-169: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS OF MVVNL FOR FY 2023-24 (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	0.38	0.09	0.00	0.48	0.43	0.00%	0.00
2	Buildings	127.37	19.90	0.00	147.27	137.32	3.34%	4.59
3	Other Civil Works	5.10	1.23	0.00	6.33	5.71	3.34%	0.19
4	Plants & Machinery	1,906.72	313.39	0.00	2,220.12	2,063.42	5.28%	108.95
5	Lines, Cables, Networks etc.	5,822.67	956.94	0.00	6,779.60	6,301.14	5.28%	332.70
6	Vehicles	2.25	0.52	0.00	2.76	2.50	9.50%	0.24
7	Furniture & Fixtures	4.90	1.13	0.00	6.03	5.46	6.33%	0.35
8	Office Equipment	38.93	10.98	0.00	49.91	44.42	6.33%	2.81
9	<b>Total Fixed Assets</b>	<b>7,908.31</b>	<b>1,304.19</b>	<b>0.00</b>	<b>9,212.50</b>	<b>8,560.40</b>		<b>449.82</b>
10	Non depreciable assets (Land & Land Rights)	0.38	0.09	0.00	0.48	0.43	0.00%	0.00
11	<b>Depreciable assets</b>	<b>7,907.92</b>	<b>1,304.10</b>	<b>0.00</b>	<b>9,212.02</b>	<b>8,559.97</b>	<b>5.25%</b>	<b>449.82</b>



**TABLE 6-170: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PVVNL FOR FY 2023-24 (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	632.52	0.00	0.00	632.52	632.52	5.28%	33.40
5	Lines, Cables, Networks etc.	6,936.95	0.00	0.00	6,936.95	6,936.95	5.28%	366.27
6	Vehicles	30.34	0.00	0.00	30.34	30.34	9.50%	2.88
7	Furniture & Fixtures	5.63	0.00	0.00	5.63	5.63	6.33%	0.36
8	Office Equipment	20.53	0.00	0.00	20.53	20.53	6.33%	1.30
9	<b>Total Fixed Assets</b>	<b>7,904.56</b>	<b>0.00</b>	<b>0.00</b>	<b>7,904.56</b>	<b>7,904.56</b>		413.42
10	Non depreciable assets (Land & Land Rights)	2.67	0.00	0.00	2.67	2.67	0.00%	0.00
11	<b>Depreciable assets</b>	<b>7,901.90</b>	<b>0.00</b>	<b>0.00</b>	<b>7,901.90</b>	<b>7,901.90</b>	<b>5.23%</b>	<b>413.42</b>

**TABLE 6-171: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS OF PVVNL FOR FY 2023-24 (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	0.42	0.13	0.00	0.54	0.48	0.00%	0.00
2	Buildings	54.29	18.25	0.00	72.54	63.42	3.34%	2.12
3	Other Civil Works	3.10	0.94	0.00	4.04	3.57	3.34%	0.12
4	Plants & Machinery	1,125.17	210.69	0.00	1,335.86	1,230.51	5.28%	64.97
5	Lines, Cables, Networks etc.	2,921.71	622.21	0.00	3,543.92	3,232.81	5.28%	170.69
6	Vehicles	0.36	0.10	0.00	0.46	0.41	9.50%	0.04
7	Furniture & Fixtures	2.35	0.60	0.00	2.95	2.65	6.33%	0.17
8	Office Equipment	10.94	1.68	0.00	12.62	11.78	6.33%	0.75
9	Intangible Assets	57.58	0.00		57.58	57.58	15.00%	8.64
10	<b>Total Fixed Assets</b>	<b>4,175.92</b>	<b>854.59</b>	<b>0.00</b>	<b>5,030.51</b>	<b>4,603.22</b>		<b>247.49</b>



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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	Non depreciable assets (Land & Land Rights)	0.42	0.13	0.00	0.54	0.48	0.00%	0.00
12	<b>Depreciable assets</b>	<b>4,175.51</b>	<b>854.46</b>	<b>0.00</b>	<b>5,029.97</b>	<b>4,602.74</b>	<b>5.38%</b>	<b>247.49</b>

**TABLE 6-172: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF PuVVNL FOR FY 2023-24 (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	148.57	0.00	0.00	148.57	148.57	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	665.75	0.00	0.00	665.75	665.75	5.28%	35.15
5	Lines, Cables, Networks etc.	5,368.91	0.00	0.00	5,368.91	5,368.91	5.28%	283.48
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	<b>Total Fixed Assets</b>	<b>6,249.38</b>	<b>0.00</b>	<b>0.00</b>	<b>6,249.38</b>	<b>6,249.38</b>		<b>327.65</b>
10	Non depreciable assets (Land & Land Rights)	2.32	0.00	0.00	2.32	2.32	0.00%	0.00
11	<b>Depreciable assets</b>	<b>6,247.06</b>	<b>0.00</b>	<b>0.00</b>	<b>6,247.06</b>	<b>6,247.06</b>	<b>5.24%</b>	<b>327.65</b>

**TABLE 6-173: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS OF PuVVNL FOR FY 2023-24 (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	0.24	0.08	0.00	0.32	0.28	0.00%	0.00



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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
2	Buildings	78.64	18.28	0.00	96.92	87.78	3.34%	2.93
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	3,139.76	739.98	0.00	3,879.74	3,509.75	5.28%	185.31
5	Lines, Cables, Networks etc.	2,374.95	653.23	0.00	3,028.18	2,701.56	5.28%	142.64
6	Vehicles	0.36	0.13	0.00	0.48	0.42	9.50%	0.04
7	Furniture & Fixtures	0.84	0.22	0.00	1.06	0.95	6.33%	0.06
8	Office Equipments	15.03	5.06	0.00	20.09	17.56	6.33%	1.11
9	<b>Total Fixed Assets</b>	<b>5,609.81</b>	<b>1,416.98</b>	<b>0.00</b>	<b>7,026.78</b>	<b>6,318.30</b>		<b>332.10</b>
10	Non depreciable assets (Land & Land Rights)	0.24	0.08	0.00	0.32	0.28	0.00%	0.00
11	<b>Depreciable assets</b>	<b>5,609.57</b>	<b>1,416.89</b>	<b>0.00</b>	<b>7,026.47</b>	<b>6,318.02</b>	<b>5.26%</b>	<b>332.10</b>

**TABLE 6-174: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF KESCO FOR FY 2023-24 (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	<b>Total Fixed Assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>		<b>39.93</b>
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
11	<b>Depreciable assets</b>	<b>764.54</b>	<b>0.00</b>	<b>0.00</b>	<b>764.54</b>	<b>764.54</b>	<b>5.22%</b>	<b>39.93</b>



**TABLE 6-175: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS OF KESCO FOR FY 2023-24 (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	4.88	4.85	0.00	9.72	7.30	3.34%	0.24
3	Other Civil Works	0.00	0.00	0.00	0.00	0.00	3.34%	0.00
4	Plants & Machinery	47.01	48.58	0.00	95.58	71.30	5.28%	3.76
5	Lines, Cables, Networks etc.	150.30	88.29	0.00	238.59	194.44	5.28%	10.27
6	Vehicles	0.34	0.39	0.00	0.73	0.54	9.50%	0.05
7	Furniture & Fixtures	0.21	0.20	0.00	0.42	0.31	6.33%	0.02
8	Office Equipment	3.11	2.07	0.00	5.19	4.15	6.33%	0.26
9	<b>Total Fixed Assets</b>	<b>205.85</b>	<b>144.38</b>	<b>0.00</b>	<b>350.23</b>	<b>278.04</b>		<b>14.61</b>
10	Non depreciable assets (Land & Land Rights)	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
11	<b>Depreciable assets</b>	<b>205.85</b>	<b>144.38</b>	<b>0.00</b>	<b>350.23</b>	<b>278.04</b>	<b>5.26%</b>	<b>14.61</b>

**TABLE 6-176: GROSS ALLOWABLE DEPRECIATION FOR ASSETS UPTO 31.03.2020 OF 5 STATE DISCOMS FOR FY 2023-24 (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	7.30	0.00	0.00	7.30	7.30	0.00%	0.00
2	Buildings	851.57	0.00	0.00	851.57	851.57	3.34%	28.44
3	Other Civil Works	14.27	0.00	0.00	14.27	14.27	3.34%	0.48
4	Plants & Machinery	1,565.95	0.00	0.00	1,565.95	1,565.95	5.28%	82.68
5	Lines, Cables, Networks etc.	23,604.90	0.00	0.00	23,604.90	23,604.90	5.28%	1,246.34
6	Vehicles	41.35	0.00	0.00	41.35	41.35	9.50%	3.93
7	Furniture & Fixtures	29.53	0.00	0.00	29.53	29.53	6.33%	1.87
8	Office Equipments	169.11	0.00	0.00	169.11	169.11	6.33%	10.70
9	<b>Total Fixed Assets</b>	<b>26,283.98</b>	<b>0.00</b>	<b>0.00</b>	<b>26,283.98</b>	<b>26,283.98</b>		<b>1,374.44</b>
10	Non depreciable assets (Land & Land Rights)	7.30	0.00	0.00	7.30	7.30	0.00%	0.00
11	<b>Depreciable assets</b>	<b>26,276.68</b>	<b>0.00</b>	<b>0.00</b>	<b>26,276.68</b>	<b>26,276.68</b>	<b>5.23%</b>	<b>1,374.44</b>



**TABLE 6-177: GROSS ALLOWABLE DEPRECIATION FOR ASSETS FROM 01.04.2020 ONWARDS  
OF 5 STATE DISCOMS FOR FY 2023-24 (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	1.28	0.43	0.00	0.00	1.71	1.50	0.00%
2	Buildings	349.41	96.61	0.00	0.00	446.02	397.72	3.34%
3	Other Civil Works	8.20	2.17	0.00	0.00	10.37	9.28	3.34%
4	Plants & Machinery	7,550.36	1,606.17	0.00	0.00	9,156.53	8,353.45	5.28%
5	Lines, Cables, Networks etc.	14,818.35	3,548.39	0.00	0.00	18,366.74	16,592.55	5.28%
6	Vehicles	3.56	1.25	0.00	0.00	4.81	4.18	9.50%
7	Furniture & Fixtures	13.27	4.07	0.00	0.00	17.34	15.30	6.33%
8	Office Equipment	74.30	20.66	0.00	0.00	94.96	84.63	6.33%
9	<b>Intangible Assets</b>	57.58	0.00	0.00	0.00	57.58	57.58	15.00%
9	<b>Total Fixed Assets</b>	<b>22,876.31</b>	<b>5,279.75</b>	<b>0.00</b>	<b>0.00</b>	<b>28,156.07</b>	<b>25,516.19</b>	
10	Non depreciable assets (Land & Land Rights)	1.28	0.43	0.00	0.00	1.71	1.50	0.00
11	<b>Depreciable assets</b>	<b>22,875.03</b>	<b>5,279.32</b>	<b>0.00</b>	<b>0.00</b>	<b>28,154.35</b>	<b>25,514.69</b>	<b>5.28%</b>

6.9.8. In order to compute net allowable depreciation, the Commission has deducted equivalent depreciation on the assets created out of consumer contributions, capital grants & subsidy from the gross allowable depreciation for FY 2023-24. The net depreciation submitted by the Petitioners and approved by the Commission is shown in the Tables below:

**TABLE 6-178: NET APPROVED DEPRECIATION OF DVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	391.16	390.41
2	Gross Allowable Depreciation (Part B)	338.86	302.07
3	Gross allowable Depreciation (Part A+ Part B)	730.03	692.48
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	150.90	150.90
5	<b>Net allowable Depreciation (for the year)</b>	<b>579.13</b>	<b>541.58</b>





**TABLE 6-179: NET APPROVED DEPRECIATION OF MVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	204.93	203.04
2	Gross Allowable Depreciation (Part B)	502.94	449.82
3	Gross allowable Depreciation (Part A+ Part B)	707.86	652.86
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	142.56	142.56
5	<b>Net allowable Depreciation (for the year)</b>	<b>565.30</b>	<b>510.30</b>

**TABLE 6-180: NET APPROVED DEPRECIATION OF PVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	414.09	413.42
2	Gross Allowable Depreciation (Part B)	268.04	247.49
3	Gross allowable Depreciation (Part A+ Part B)	680.15	660.91
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	175.81	175.81
5	<b>Net allowable Depreciation (for the year)</b>	<b>506.32</b>	<b>485.10</b>

**TABLE 6-181: NET APPROVED DEPRECIATION OF PuVVNL FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	328.63	327.65
2	Gross Allowable Depreciation (Part B)	360.83	332.10
3	Gross allowable Depreciation (Part A+ Part B)	689.47	659.75
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	134.69	134.69
5	<b>Net allowable Depreciation (for the year)</b>	<b>554.77</b>	<b>525.05</b>

**TABLE 6-182: NET APPROVED DEPRECIATION OF KESCO FOR FY 2023-24 (Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	40.02	39.93



S. No.	Particulars	Petitioner's Submission	Allowable
2	Gross Allowable Depreciation (Part B)	15.79	14.61
3	Gross allowable Depreciation (Part A+ Part B)	55.81	54.53
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	16.48	16.48
5	<b>Net allowable Depreciation (for the year)</b>	<b>39.33</b>	<b>38.05</b>

**TABLE 6-183: CONSOLIDATED NET APPROVED DEPRECIATION OF 5 STATE DISCOMS FOR FY 2023-24  
(Rs. Crore)**

S. No.	Particulars	Petitioner's Submission	Allowable
1	Gross Allowable Depreciation (Part A)	1,378.83	1,374.44
2	Gross Allowable Depreciation (Part B)	1,486.47	1,346.09
3	Gross allowable Depreciation (Part A+ Part B)	2,863.32	2,720.53
4	Less: Equivalent amount of depreciation on assets acquired out of the Consumer Contribution	620.44	620.44
5	<b>Net allowable Depreciation (for the year)</b>	<b>2,244.85</b>	<b>2,100.09</b>

## 6.10. INTEREST AND FINANCE CHARGES

### INTEREST ON LONG TERM LOANS

#### *Petitioner's Submission*

6.10.1. The Petitioners 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 2023-24 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 2023-24. The computations for interest on long term loan are shown in table below:

**TABLE 6-184: INTEREST ON LONG TERM LOAN AS SUBMITTED BY DVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Opening Loan	4,532.01
Loan Additions (70% of Investments)	1,091.73
Less: Repayments (Depreciation allowable for the year)	579.13
Closing Loan Balance	5,044.62
Weighted Average Rate of Interest	11.21%
<b>Interest on long term loan</b>	<b>536.77</b>
Less: Interest Capitalized	0.00
<b>Net Interest on Loan term loan</b>	<b>536.77</b>

**TABLE 6-185: INTEREST ON LONG TERM LOAN AS SUBMITTED BY MVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Opening Loan	5,064.22
Loan Additions (70% of Investments)	912.93
Less: Repayments (Depreciation allowable for the year)	565.30
Closing Loan Balance	5,411.85
Weighted Average Rate of Interest	10.91%
<b>Interest on long term loan</b>	<b>571.47</b>
Less: Interest Capitalized	0.00
<b>Net Interest on Loan term loan</b>	<b>571.47</b>



**TABLE 6-186: INTEREST ON LONG TERM LOAN AS SUBMITTED BY PVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Opening Loan	3,154.65
Loan Additions (70% of Investments)	598.21
Less: Repayments (Depreciation allowable for the year)	506.32
Closing Loan Balance	3,246.55
Weighted Average Rate of Interest	8.40%
<b>Interest on long term loan</b>	<b>268.85</b>
Less: Interest Capitalized	0.00
<b>Net Interest on Loan term loan</b>	<b>268.85</b>

**TABLE 6-187: INTEREST ON LONG TERM LOAN AS SUBMITTED BY PuVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Opening Loan	4,382.45
Loan Additions (70% of Investments)	991.88
Less: Repayments (Depreciation allowable for the year)	554.77
Closing Loan Balance	4,819.56
Weighted Average Rate of Interest	10.24%
<b>Interest on long term loan</b>	<b>471.14</b>
Less: Interest Capitalized	111.18
<b>Net Interest on Loan term loan</b>	<b>359.96</b>

**TABLE 6-188: INTEREST ON LONG TERM LOAN AS SUBMITTED BY KESCO FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
Opening Loan	134.75
Loan Additions (70% of Investments)	101.06
Less: Repayments (Depreciation allowable for the year)	39.33
Closing Loan Balance	196.49
Weighted Average Rate of Interest	10.63%
<b>Interest on long term loan</b>	<b>17.61</b>
Less: Interest Capitalized	0.00
<b>Net Interest on Loan term loan</b>	<b>17.61</b>



### **Commission's Analysis**

6.10.4. The Commission has considered debt equity ratio for the assets capitalized as 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 and FY 2022-23. Further, as per the Regulation 23.5 of MYT Regulations, 2019, 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 and closing loan while doing True Up for FY 2021-22. The closing loan balance of FY 2021-22 has been consideration as opening normative loan balance of FY 2022-23. Subsequently, normative loan addition during the FY 2022-23 is considered to derive the closing loan balance for FY 2022-23. The interest on long term loan provisionally considered by the Commission for FY 2022-23 is shown in the Table below:

**TABLE 6-189: INTEREST ON LONG TERM LOAN OF DVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	4,409.70	4,427.66	3,713.02
Loan Additions (70% of Capitalisation)	1,059.79	619.45	619.45
Less: Repayments (Allowable depreciation for the year)	510.92	515.11	477.57
Closing Loan Balance	4,958.57	4,532.00	3,854.90
Weighted Average Rate of Interest	11.21%	11.21%	11.21%
<b>Interest on long term loan</b>	<b>525.31</b>	<b>502.19</b>	<b>424.18</b>
Less: Interest Capitalized	240.43	0.00	0.00
<b>Net Interest on long term loans</b>	<b>284.87</b>	<b>502.19</b>	<b>424.18</b>

**TABLE 6-190: INTEREST ON LONG TERM LOAN OF MVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	4,515.80	4,875.32	3,795.53
Loan Additions (70% of Capitalisation)	1,704.46	693.85	693.85
Less: Repayments (Allowable depreciation for the year)	493.06	504.95	449.93
Closing Loan Balance	5,727.20	5,064.22	4,039.44
Weighted Average Rate of Interest	10.91%	10.91%	10.91%
<b>Interest on long term loan</b>	<b>558.96</b>	<b>542.20</b>	<b>427.40</b>
Less: Interest Capitalized	198.33	0.00	0.00
<b>Net Interest on long term loans</b>	<b>360.63</b>	<b>542.20</b>	<b>427.40</b>





**TABLE 6-191: INTEREST ON LONG TERM LOAN OF PVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	3,231.55	3,181.69	2,875.13
Loan Additions (70% of Capitalisation)	767.33	440.41	440.41
Less: Repayments (Allowable depreciation for the year)	414.31	467.45	446.23
Closing Loan Balance	3,584.57	3,154.65	2,869.31
Weighted Average Rate of Interest	8.40%	8.40%	8.40%
<b>Interest on long term loan</b>	<b>286.37</b>	<b>266.13</b>	<b>241.27</b>
Less: Interest Capitalized	73.65	0.00	0.00
<b>Net Interest on long term loans</b>	<b>212.72</b>	<b>266.13</b>	<b>241.27</b>

**TABLE 6-192: INTEREST ON LONG TERM LOAN OF PuVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	3,976.13	3,708.51	3,237.89
Loan Additions (70% of Capitalisation)	901.45	1,148.33	1,148.33
Less: Repayments (Allowable depreciation for the year)	471.13	474.38	444.66
Closing Loan Balance	4,406.44	4,382.45	3,941.56
Weighted Average Rate of Interest	10.24%	10.24%	10.24%
<b>Interest on long term loan</b>	<b>429.11</b>	<b>414.26</b>	<b>367.59</b>
Less: Interest Capitalized	157.62	97.76	97.76
<b>Net Interest on long term loans</b>	<b>271.49</b>	<b>316.50</b>	<b>269.83</b>

**TABLE 6-193: INTEREST ON LONG TERM LOAN OF KESCO FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	152.12	112.86	92.74
Loan Additions (70% of Capitalisation)	64.35	55.37	55.37
Less: Repayments (Allowable depreciation for the year)	36.43	33.48	32.20
Closing Loan Balance	180.04	134.75	115.91
Weighted Average Rate of Interest	10.63%	10.63%	10.63%
<b>Interest on long term loan</b>	<b>17.65</b>	<b>13.16</b>	<b>11.09</b>
Less: Interest Capitalized	0.00	0.00	0.00



Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Net Interest on long term loans	17.66	13.16	11.09

**TABLE 6-194: CONSOLIDATED INTEREST ON LONG TERM LOAN OF THE STATE DISCOMS FOR 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order dated July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Loan	16,285.30	16,306.05	13,714.31
Loan Additions (70% of Capitalisation)	4,497.38	2,957.41	2,957.41
Less: Repayments (Allowable depreciation for the year)	1,925.85	1,995.38	1,850.59
Closing Loan Balance	18,856.83	17,268.08	14,821.13
Weighted Average Rate of Interest		10.35%	10.31%
<b>Interest on long term loan</b>	<b>1,817.40</b>	<b>1,737.94</b>	<b>1,471.52</b>
Less: Interest Capitalized	670.03	97.76	97.76
<b>Net Interest on long term loans</b>	<b>1,147.37</b>	<b>1,640.18</b>	<b>1,373.76</b>

6.10.6. The Commission has considered normative closing loan balance of APR year i.e. FY 2022-23 as opening loan balance for FY 2023-24. The Commission has considered the rate of interest as claimed by the Petitioners, subject to truing up based on actual. Further, 70% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution etc. in capitalisation) has been considered as normative loan addition during the year. The interest on long term loan projected by the Petitioners and approved by the Commission is shown in the Table below:

**TABLE 6-195: INTEREST ON LONG TERM LOAN OF DVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	4,532.00	3,854.90
Loan Additions (70% of Capitalisation)	1,091.73	1,091.73
Less: Repayments (Allowable depreciation for the year)	579.13	541.58
Closing Loan Balance	5,044.61	4,405.05
Weighted Average Rate of Interest	11.21%	11.21%
<b>Interest on long term loan</b>	<b>536.77</b>	<b>462.97</b>
Less: Interest Capitalized	0.00	0.00
<b>Net Interest on long term loans</b>	<b>536.77</b>	<b>462.97</b>



**TABLE 6-196: INTEREST ON LONG TERM LOAN OF MVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	5,064.22	4,039.44
Loan Additions (70% of Capitalisation)	912.93	912.93
Less: Repayments (Allowable depreciation for the year)	565.30	510.30
Closing Loan Balance	5,411.85	4,442.08
Weighted Average Rate of Interest	10.91%	10.91%
<b>Interest on long term loan</b>	<b>571.47</b>	<b>462.67</b>
Less: Interest Capitalized	0.00	0.00
<b>Net Interest on long term loans</b>	<b>571.47</b>	<b>462.67</b>

**TABLE 6-197: INTEREST ON LONG TERM LOAN OF PVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	3,154.65	2,869.31
Loan Additions (70% of Capitalisation)	598.21	598.21
Less: Repayments (Allowable depreciation for the year)	506.32	485.10
Closing Loan Balance	3,246.55	2,982.42
Weighted Average Rate of Interest	8.40%	8.40%
<b>Interest on long term loan</b>	<b>268.85</b>	<b>245.77</b>
Less: Interest Capitalized	0.00	0.00
<b>Net Interest Charged</b>	<b>268.85</b>	<b>245.77</b>

**TABLE 6-198: INTEREST ON LONG TERM LOAN OF PuVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	4,382.45	3,941.56
Loan Additions (70% of Capitalisation)	991.88	991.88
Less: Repayments (Allowable depreciation for the year)	554.77	525.05
Closing Loan Balance	4,819.56	4,408.39
Weighted Average Rate of Interest	10.24%	10.24%
<b>Interest on long term loan</b>	<b>471.14</b>	<b>427.52</b>
Less: Interest Capitalized	111.18	111.18
<b>Net Interest on long term loans</b>	<b>359.96</b>	<b>316.33</b>

**TABLE 6-199: INTEREST ON LONG TERM LOAN OF KESCO FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	134.75	115.91
Loan Additions (70% of Capitalisation)	101.06	101.06



Particulars	Petitioner's Submission	Approved
Less: Repayments (Allowable depreciation for the year)	39.33	38.05
Closing Loan Balance	196.49	178.92
Weighted Average Rate of Interest	10.63%	10.63%
<b>Gross Interest on long term loan</b>	<b>17.61</b>	<b>15.67</b>
Less: Interest Capitalized	0.00	0.00
<b>Net Interest on long term loans</b>	<b>17.61</b>	<b>15.67</b>

**TABLE 6-200: CONSOLIDATED INTEREST ON LONG TERM LOAN OF THE STATE DISCOMS FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
Opening Loan	17,268.08	14,821.13
Loan Additions (70% of Capitalization)	3,695.83	3,695.83
Less: Repayments (Allowable depreciation for the year)	2,244.85	2,100.09
Closing Loan Balance	18,719.05	16,416.86
Rate of Interest	10.37%	10.34%
<b>Interest on long term loan</b>	<b>1,865.84</b>	<b>1,614.60</b>
Less: Interest Capitalized	111.18	111.18
<b>Net Interest on long term loans</b>	<b>1,754.65</b>	<b>1,503.41</b>

## INTEREST ON WORKING CAPITAL

### *Petitioner's Submission*

6.10.7. The Petitioners have determined the Interest on Working Capital for FY 2023-24 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

- 6.10.8. The Petitioners have claimed Interest on Working Capital which is as shown below: -

Particulars	Petitioner's Submission
DVVNL	144.43
MVVNL	177.06
PVVNL	137.93
PuVVNL	226.35
KESCO	26.54
<b>Consolidated</b>	<b>712.31</b>

**Commission's Analysis**

- 6.10.9. 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 10.20% (SBI MCLR, 1 Year, as on October 01, 2022 i.e., 7.7% 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 at the prevailing rate as on 1<sup>st</sup> 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.



6.10.10. The Interest on Working Capital as per MYT Regulations, 2019, approved by the Commission is shown below: -

**TABLE 6-201: INTEREST ON WORKING CAPITAL OF DVVNL APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	117.51	86.44
One and half month's equivalent of expected revenue	B	2,077.88	2,059.98
Maintenance spares @ 40% of R&M expenses for two months	C	43.68	40.66
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	E	882.93	882.93
Net Working Capital Requirement	F = D-E	1,356.15	1,304.15
Interest rate	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>144.43</b>	<b>133.02</b>

**TABLE 6-202: INTEREST ON WORKING CAPITAL OF MVVNL APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M expenses	A	136.54	99.78
One and half month's equivalent of expected revenue	B	2,303.44	2,285.06
Maintenance spares @ 40% of R&M expenses for two months	C	29.42	30.22
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act, 2003	E	806.83	806.83
Net Working Capital Requirement	F = D-E	1,662.56	1,608.22
Interest rate	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>177.06</b>	<b>164.04</b>



**TABLE 6-203: INTEREST ON WORKING CAPITAL OF PVVNL APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	138.33	100.90
One and half month's equivalent of expected revenue	B	3,293.01	3,310.09
Maintenance spares @ 40% of R&M expenses for two months	C	47.42	35.53
Less: Total Security Deposits by the Consumers reduced by Security Deposits under section 47(1)(b) of the Electricity Act 2003	E	2,183.64	2,183.64
Net Working Capital Requirement	F = D-E	1,295.12	1,262.88
Interest rate	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>137.93</b>	<b>128.81</b>

**TABLE 6-204: INTEREST ON WORKING CAPITAL OF PuVVNL APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	168.92	141.67
One and half month's equivalent of expected revenue	B	2,516.09	2,565.36
Maintenance spares @ 40% of R&M expenses for two months	C	69.66	55.25
Less: Security Deposit from consumers, if any	E	629.29	629.29
Net Working Capital Requirement	F = D-E	2,125.37	2,132.99
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>226.35</b>	<b>217.57</b>

**TABLE 6-205: INTEREST ON WORKING CAPITAL OF KESCO APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	26.12	25.02





Particulars	Derivation	Petitioner's Submission	Approved
One and half month's equivalent of expected revenue	B	412.93	417.70
Maintenance spares @ 40% of R&M expenses for two months	C	6.70	6.10
Less: Security Deposit from consumers, if any	E	196.59	196.59
Net Working Capital Requirement	F =D-E	249.16	252.22
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>26.54</b>	<b>25.73</b>

**TABLE 6-206: CONSOLIDATED INTEREST ON WORKING CAPITAL OF THE STATE DISCOMS APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars	Derivation	Petitioner's Submission	Approved
One Month's O&M Expenses	A	587.42	453.80
One and half month's equivalent of expected revenue	B	10,603.35	10,638.20
Maintenance spares @ 40% of R&M expenses for two months	C	196.88	167.75
Less: Security Deposit from consumers, if any	E	4,699.28	4,699.28
Net Working Capital Requirement	F =D-E	6,688.37	6,560.47
Interest rate (SBI MCLR (1 Year) on Oct 01, 2019 Plus 250 basis points)	G	10.65%	10.20%
<b>Interest on working capital</b>	<b>H = F x G</b>	<b>712.31</b>	<b>669.17</b>

## INTEREST ON CONSUMER SECURITY DEPOSIT

### *Petitioner's Submission*

6.10.11. The Petitioners submitted that the opening balance of security deposit has been considered equivalent to the closing loan balance for previous year as per the present Petition.



- 6.10.12. 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.
- 6.10.13. The Petitioners submitted that the opening balances of security deposits have been considered as per closing figures of FY 2022-23 and additions during the year FY 2023-24 is estimated as per the percentage increase in revenue assessment for FY 2023-24 w.r.t FY 2022-23. Accordingly, the Petitioners have computed the interest on security deposit for FY 2023-24, which is shown in the Table below:

**TABLE 6-207: INTEREST ON SECURITY DEPOSITS FOR STATE DISCOM FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
DVVNL	36.27
MVVNL	33.45
PVVNL	90.24
PuVVNL	26.17
KESCO	8.22
<b>Consolidated (5 Discom)</b>	<b>194.36</b>

**Commission's Analysis**

- 6.10.14. 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

- 6.10.15. The Commission has considered the projections of the Petitioners, subject to truing up based on audited accounts. Accordingly, the Commission approves the interest on security deposit for FY 2023-24, as shown in the Table below:



**TABLE 6-208: INTEREST ON SECURITY DEPOSITS FOR STATE DISCOM FOR FY 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
DVVNL	36.27	36.27
MVVNL	33.45	33.45
PVVNL	90.24	90.24
PuVVNL	26.17	26.17
KESCO	8.22	8.22
<b>Consolidated (5 Discom)</b>	<b>194.36</b>	<b>194.36</b>

### 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 have considered closing equity in APR for FY 2022-23 as opening for FY 2023-24. Equity addition during the year has been considered 30% of GFA addition during the year net of consumer contribution, capital grants & subsidies.

#### **Commission's Analysis**

6.11.3. The Commission has considered debt equity ratio for the assets capitalized as 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.

6.11.4. The Commission has discussed detailed approach taken for computation of closing equity of FY 2021-22. The closing equity balance of FY 2021-22 as approved in True Up has been considered as opening equity balance for FY 2022-23. Further, 30% of asset capitalised (net off deduction / de-capitalization and consumer contribution etc. in capitalisation) has been considered as equity addition during the year. Based on this, closing equity for FY 2022-23 has been provisionally determined. The Return on Equity provisionally computed by the Commission for FY 2022-23 is shown in the Table below:

**TABLE 6-209: RETURN ON EQUITY OF DVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	3,913.20	3,927.59	3,718.32
Additions (30% of Capitalization)	B	454.20	265.48	265.48
Closing Equity	C = A+B	<b>4,367.40</b>	<b>4,193.06</b>	<b>3,983.80</b>
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>621.05</b>	<b>609.05</b>	<b>577.66</b>

**TABLE 6-210: RETURN ON EQUITY OF MVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	3,562.75	3,726.83	3,423.86
Additions (30% of Capitalization)	B	730.48	297.36	297.36
Closing Equity	C = A+B	4,293.23	4,024.19	3,721.22
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>589.20</b>	<b>581.33</b>	<b>535.88</b>

**TABLE 6-211: RETURN ON EQUITY OF PVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	4027.11	4026.16	3917.06
Additions (30% of Capitalization)	B	328.85	188.75	188.75
Closing Equity	C = A+B	<b>4355.96</b>	<b>4214.90</b>	4105.81



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>628.73</b>	<b>618.08</b>	<b>601.72</b>

**TABLE 6-212: RETURN ON EQUITY OF PuVVNL FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	3794.55	3678.78	3514.53
Additions (30% of Capitalization)	B	386.33	492.14	492.14
Closing Equity	C = A+B	4180.89	4170.92	4006.67
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>598.16</b>	<b>588.73</b>	<b>564.09</b>

**TABLE 6-213: RETURN ON EQUITY OF KESCO FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	352.02	334.62	329.52
Additions (30% of Capitalization)	B	27.58	23.73	23.73
Closing Equity	C = A+B	<b>379.60</b>	<b>358.35</b>	353.25
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>54.87</b>	<b>51.97</b>	<b>51.21</b>

**TABLE 6-214: CONSOLIDATED RETURN ON EQUITY OF STATE DISCOMS FOR 2022-23 (Rs. Crore)**

Particulars	Formula	Approved in Tariff Order July 20, 2022	Petitioner's Submission	Provisionally Considered
Opening Equity	A	15,649.63	15,693.97	14,903.30
Additions (30% of Capitalization)	B	1,927.45	1,267.46	1,267.46
<b>Closing Equity</b>	<b>C = A+B</b>	<b>17,577.08</b>	<b>16,961.43</b>	<b>16,170.76</b>
Rate of Return on Equity (%)	D	15.00%	15.00%	15.00%
<b>Return on Equity</b>	<b>E = Average (A, C)*D</b>	<b>2,492.00</b>	<b>2,449.15</b>	<b>2,330.55</b>



- 6.11.5. Further, the Commission has considered closing equity balance of APR year i.e. FY 2022-23 derived above as opening equity balance for FY 2023-24. Further, 30% of approved asset capitalised (net off deduction / de-capitalization and consumer contribution etc. in capitalisation) has been considered as equity addition during the year.
- 6.11.6. It is observed that the Petitioners have filed the ARR / Tariff Petition after due date of filing as specified under Regulation 4 of MYT Regulations, 2019. Further, Regulation 22.1 of UPERC (Multi Year Tariff for Distribution and Transmission) (Second Amendment) Regulations, 2022 provides that if the Licensee files the MYT Petition beyond the due date as specified in these Regulations, then the rate of return on equity shall be reduced by 0.25% per month or part thereof. 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.*

*Provided that if the Licensee files the MYT Petition beyond the due date as specified in these Regulations, then the rate of return on equity shall be reduced by 0.25% per month or part thereof without prejudice to any other fine or penalty to which it may be liable under Electricity Act, 2003 and other Regulations of the Commission including but not limited to UPERC (Fees & Fines) Regulations, 2010 as amended from time to time.*

Unquote

- 6.11.7. As per MYT Regulations, 2019, the last date of filing of ARR Petition was November 30, 2022. However, the Petitioners filed the Petition on January 09, 2023. Accordingly, as per the second Amendment of MYT Regulations, 2019, the rate of return on equity is reduced to 14.50%. Therefore, the Commission has reduced the rate of return on equity for FY 2023-24 as per above said



Regulations and the same reduced rate of return on equity approved in this Tariff Order of FY 2023-24 shall also be considered at the time of True Up proceedings. Return on equity submitted by the Petitioners and approved by the Commission vis-à-vis is shown in the Tables below:

**TABLE 6-215: RETURN ON EQUITY OF DVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,193.06	3,983.80
Additions (30% of Capitalization)	B	467.89	467.89
Closing Equity	C = A+B	4,660.95	4,451.69
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	664.05	632.66
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		14.50%
Disallowance due to delay filing	G=E*0.25%		21.09
Net allowable RoE	H=E-G		611.57

**TABLE 6-216: RETURN ON EQUITY OF MVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4,024.19	3,721.22
Additions (30% of Capitalization)	B	391.26	391.26
Closing Equity	C = A+B	4,415.45	4,112.48
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	632.97	587.53
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		14.50%
Disallowance due to delay filing	G=E*0.25%		19.58
Net allowable RoE	H=E-G		567.94

**TABLE 6-217: RETURN ON EQUITY OF PVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4214.90	4105.81
Additions (30% of Capitalization)	B	256.38	256.38
Closing Equity	C = A+B	4471.28	4362.19
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	651.46	635.10





Particulars	Formula	Petitioner's Submission	Approved
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		14.50%
Disallowance due to delay filing	G=E*0.25%		21.17
Net allowable RoE	H=E-G		613.93

**TABLE 6-218: RETURN ON EQUITY OF PuVVNL FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	4170.92	4006.67
Additions (30% of Capitalization)	B	425.09	425.09
Closing Equity	C = A+B	4596.01	4431.76
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	657.52	632.88
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		14.50%
Disallowance due to delay filing	G=E*0.25%		21.10
Net allowable RoE	H=E-G		611.79

**TABLE 6-219: RETURN ON EQUITY OF KESCO FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	358.35	358.35
Additions (30% of Capitalization)	B	43.31	43.31
Closing Equity	C = A+B	401.66	401.66
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	57.00	57.00
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		14.50%
Disallowance due to delay filing	G=E*0.25%		1.90
Net allowable RoE	H=E-G		55.10

**TABLE 6-220: CONSOLIDATED RETURN ON EQUITY OF STATE DISCOMS FOR 2023-24 (Rs. Crore)**

Particulars	Formula	Petitioner's Submission	Approved
Opening Equity	A	16,961.43	16,175.85



Particulars	Formula	Petitioner's Submission	Approved
Additions (30% of Capitalization)	B	1,583.93	1,583.93
Closing Equity	C = A+B	<b>18,545.35</b>	17,759.78
Rate of Return on Equity (%)	D	15.00%	15.00%
Return on Equity	E = Average (A, C)*D	<b>2,663.01</b>	<b>2,545.17</b>
Rate of RoE due to delay filing (reduced by 0.25% per month)	F		<b>2,460.33</b>
Disallowance due to delay filing	G=E*0.25%		<b>14.50%</b>
Net allowable RoE	H=E-G		<b>2,460.33</b>

## 6.12. PROVISION ON BAD AND DOUBTFULL DEBT

### *Petitioner's Submission*

- 6.12.1. 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 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:*

Unquote

- 6.12.2. Accordingly, Petitioners have claimed bad and doubtful debt as 2% of the revenue receivables. The Petitioners namely DVVNL, MVVNL, PVVNL, PuVVNL and KESCO have claimed Rs. 258.11 Crore, Rs. 291.73 Crore, Rs. 457.60 Crore, Rs. 323.37 Crore and Rs. 65.32 Crore respectively towards provision for bad and doubtful debts for FY 2023-24.

### *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 2023-24 considering the revenue from the Tariff.
- 6.12.5. The Petitioners have claimed “Provision for write off of bad debt based” as 2% of the revenue claimed by the Petitioners. The details are as below:

**TABLE 6-221: CONSOLIDATED BAD AND DOUBTFUL DEBT FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Revenue claimed by Petitioners	Percentage of Revenue
	A	B	C=B/A
DVVNL	258.11	12,905.61	2.00%
MVVNL	291.73	14,586.75	2.00%
PVVNL	457.60	22,880.08	2.00%
PuVVNL	323.27	16,168.26	2.00%
KESCO	65.32	3,266.10	2.00%
<b>Consolidated (5 Discoms)</b>	<b>1,396.14</b>	<b>69,806.79</b>	<b>2.00%</b>

- 6.12.6. The Commission, for computation of provision for bad and doubtful debt has considered the lower of the 2% of the Revenue approved by the Commission for FY 2023-24 and the submission made by the Petitioners in the ARR Petition. As the bad & doubtful debt computed by the Commission has



exceeded the submission made by the Petitioners. Hence, the submission of the Petitioner has been considered.

- 6.12.7. Further, any variation on this account would be taken up at the time of True Up as the Commission will carry out the Truing Up of bad debts subject to writing off of the bad debts during the True Up proceedings. The provision of bad and doubtful debts allowed for FY 2023-24 is depicted in the tables below:

### 6.13. NON-TARIFF INCOME

#### *Petitioner's Submission*

- 6.13.1. The Petitioners submitted the estimated non-tariff income for FY 2023-23 as shown in the Table below:

**TABLE 6-222: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
DVVNL	50.65
MVVNL	38.06
PVVNL	48.73
PuVVNL	28.90
KESCO	17.46
<b>Consolidated (5 Discoms)</b>	<b>183.80</b>

#### *Commission's Analysis*

- 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. The Commission has approved Non-Tariff Income for FY 2023-24 as approved in the True-Up for FY 2021-22 as shown in the Table below:

**TABLE 6-223: NON-TARIFF INCOME OF THE STATE DISCOMS FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission	Approved
DVVNL	50.65	209.28
MVVNL	38.06	278.79
PVVNL	48.73	258.90
PuVVNL	28.90	613.95
KESCO	17.46	47.31
<b>Consolidated (5 Discoms)</b>	<b>183.80</b>	<b>1,408.23</b>



- 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 any provision of income tax for FY 2023-24. The Commission verified the income tax paid by the Petitioners from the audited accounts, which is Nil for FY 2021-22. Accordingly, the Commission has approved income tax for FY 2023-24 as Nil.

#### 6.15. GOUP SUBSIDY

##### *Petitioner's Submission*

- 6.15.1. The Petitioners submitted that the Government subsidy for FY 2023-24 is yet to be approved in state budget for FY 2023-24. As such this is not available at present. Therefore, the Petitioner has considered the values as budgeted for FY 2022-23 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 also submitted that the Commission may substitute this provisional amount of Government subsidy by the actual subsidy details communicated by the GoUP to the Commission for FY 2023-24 and the revenue gap shall be modified accordingly.

**TABLE 6-224: GOUP SUBSIDY AS SUBMITTED BY THE STATE DISCOMS FOR 2023-24 (Rs. Crore)**

Particulars	Petitioner's Submission
DVVNL	3,717.44
MVVNL	3,840.77
PVVNL	3,463.99
PuVVNL	3,960.46
KESCO	33.81
<b>Consolidated (5 Discoms)</b>	<b>15,020.00</b>

##### *Commission's Analysis*

- 6.15.3. The GoUP provides subsidy for certain sub-categories / slabs of domestic and agriculture consumers. The GoUP submitted the following category / sub-category / slab wise subsidy details vide Letter No. 798/24-1-2023-1307/2020 dated April 17, 2023:





**TABLE 6-225: GoUP SUBSIDY VIDE Letter No. 798/24-1-2023-1307/2020 dated April 17, 2023  
FOR FY 2023-24**

Consumer Category	FY 2023-24		
	Unit	Subsidy per Unit	Total Subsidy (Rs. Crore)
LMV-1: Domestic Light, Fan & Power			6,846.00
Lifeline (Rural and Urban)	Rs./Unit	3.50	4,500
Rural Schedule unmetered	Rs. /kW/Month	435	228
Rural Schedule metered (for all Consumers)	Rs. / unit		
0-100 Unit		2.70	1,465
101-150 Unit		2.65	653
Private Tube Wells/ Pumping Sets (Rural Schedule)			8,174
Rural Schedule metered and unmetered	Rs./BHP/Month	600	8174
Total Subsidy			15,020

6.15.4. As can be seen from the above Table that the GoUP has provided details for a subsidy totalling to Rs. 15,020 Crore. The final subsidy computation will be done after the True Up of FY 2023-24 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.

6.15.5. In earlier proceedings of ARR, GoUP & the State 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.



- 6.15.6. 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:

Quote

*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.*

Unquote

- 6.15.7. 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.
- 6.15.8. The Commission approves the subsidy amount as per the letter received from GoUP Letter (798/24-1-2023-1307/2020 dated April 17, 2023) as shown in the Table below:

**TABLE 6-226: GOUP SUBSIDY APPROVED BY THE COMMISSION FOR 2023-24 (Rs. Crore)**

Particulars*	Subsidy (as per GoUP Letter No. 798/24-1-2023-1307/2020 dated April 17, 2023) (Rs. Crore)
LMV-1: Domestic Light, Fan & Power	
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	4,517.81
Dom: Rural Schedule (unmetered)	228.14
Dom: Rural Schedule (metered) other than BPL	
Dom: 0-100	546.09
Dom: 101-150	967.68



Particulars*	Subsidy (as per GoUP Letter No. 798/24-1-2023-1307/2020 dated April 17, 2023) (Rs. Crore)
<b>SUBTOTAL (LMV-1)</b>	<b>6,259.72</b>
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>	
PTW: Rural Schedule (unmetered)	7,061.63
PTW: Rural Schedule (metered)	1,112.48
<b>SUBTOTAL (LMV-5)</b>	<b>8,174.11</b>
<b>Total Subsidy (LMV1 + LMV 5)</b>	<b>14,433.83</b>

6.15.9. The subsidy shown in the above table is determined based on the rate provided in the GoUP Letter No. 798/24-1-2023-1307/2020 dated April 17, 2023 and the billing determinants as approved by the Commission and is subject to True-Up.

#### 6.16. AGGREGATE REVENUE REQUIREMENT (ARR) FY 2023-24

6.16.1. The ARR projected by the Petitioners and approved by the Commission for FY 2023-24 is as shown in the tables below:

**TABLE 6-227: ARR SUMMARY FOR DVVNL FOR 2023-24 (Rs. Crore)**

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	12,513.14	13,029.11
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	675.51	670.52
<b>Gross O&amp;M Expenses</b>	<b>1,832.86</b>	<b>1,374.07</b>
Employee Expenses	947.14	628.55
R&M Expense	655.25	609.85
A&G Expense	144.60	135.67
Smart Metering OPEX	85.87	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	-	0.00
Depreciation	579.13	541.58
Interest on Long-Term Loan	536.77	462.97
Interest on Security Deposit from Consumers and Distribution system Users	36.27	36.27



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	41.23	0.00
Interest on Working Capital	144.43	133.02
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>16,359.34</b>	<b>16,394.63</b>
Less: Interest Capitalisation	0.00	0.00
Less: Employee Capitalisation	336.85	336.85
<b>Net Expenditure</b>	<b>16,022.49</b>	<b>16,057.79</b>
Bad and Doubtful debts	258.11	258.11
<b>Net Expenditure with Provisions</b>	<b>16,280.60</b>	<b>16,315.90</b>
Return on Equity	664.05	632.66
Less: Disallowance due to delay filing		21.09
Less: Non Tariff Income	50.65	209.28
Less: Revenue from Open Access Customers	-	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>16,894.01</b>	<b>16,571.11</b>
Revenue Assessment at Existing Tariff	12,905.61	16,479.87
Govt. Subsidy Received/Declared	3,717.44	
<b>Total Gap/(Surplus)</b>	<b>270.95</b>	<b>91.24</b>

**TABLE 6-228: ARR SUMMARY FOR MVVNL FOR 2023-24 (Rs. Crore)**

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	<b>14,475.23</b>	<b>14,735.36</b>
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	707.61	716.12
<b>Gross O&amp;M Expenses</b>	<b>2,186.55</b>	<b>1,648.24</b>
Employee Expenses	1,280.40	869.57
R&M Expense	441.24	453.24
A&G Expense	367.72	325.43
Smart Metering OPEX	97.19	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	-	0.00
Depreciation	565.30	510.30
Interest on Long-Term Loan	571.47	462.67
Interest on Security Deposit from Consumers and Distribution system Users	33.45	33.45



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	33.12	0.00
Interest on Working Capital	177.06	164.04
Income Tax	-	0.00
<b>Gross Expenditure</b>	<b>18,749.79</b>	<b>18,153.39</b>
Less: Interest Capitalisation	-	0.00
Less: Employee Capitalisation	450.88	450.88
<b>Net Expenditure</b>	<b>18,298.91</b>	<b>17,702.51</b>
Bad and Doubtful debts	291.73	291.73
<b>Net Expenditure with Provisions</b>	<b>18,590.64</b>	<b>17,994.24</b>
Return on Equity	632.97	587.53
Less: Disallowance due to delay filing		19.58
Less: Non Tariff Income	38.06	278.79
Less: Revenue from Open Access Customers	-	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>19,185.56</b>	<b>18,400.18</b>
Revenue Assessment at Existing Tariff	14,586.75	18,280.49
Govt. Subsidy Received/Declared	3,840.77	
<b>Total Gap/(Surplus)</b>	<b>758.04</b>	<b>119.70</b>

TABLE 6-229: ARR SUMMARY FOR PVVNL FOR 2023-24 (Rs. Crore)

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	<b>25,679.92</b>	<b>22,568.30</b>
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	1,015.90	1,049.81
<b>Gross O&amp;M Expenses</b>	<b>1,997.10</b>	<b>1,493.51</b>
Employee Expenses	1,034.36	770.78
R&M Expense	711.35	532.95
A&G Expense	196.96	189.79
Smart Metering OPEX	54.43	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	0.00
Depreciation	506.32	485.10
Interest on Long-Term Loan	268.85	245.77
Interest on Security Deposit from Consumers and Distribution system Users	90.24	90.24



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	61.46	0.00
Interest on Working Capital	137.93	128.81
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>29,757.72</b>	<b>26,324.49</b>
Less: Interest Capitalisation	0.00	0.00
Less: Employee Capitalisation	282.73	282.73
<b>Net Expenditure</b>	<b>29,474.99</b>	<b>26,041.75</b>
Bad and Doubtful debts	457.60	457.60
<b>Net Expenditure with Provisions</b>	<b>29,932.59</b>	<b>26,499.36</b>
Return on Equity	651.46	635.10
Less: Disallowance due to delay filing		21.17
Less: Non Tariff Income	48.73	258.90
Less: Revenue from Open Access Customers	0.00	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>30,535.32</b>	<b>26,591.45</b>
Revenue Assessment at Existing Tariff	22,880.08	26,480.72
Govt. Subsidy Received/Declared	3,463.99	-
<b>Total Gap/(Surplus)</b>	<b>4,191.26</b>	<b>110.73</b>

TABLE 6-230: ARR SUMMARY FOR PuVVNL FOR 2023-24 (Rs. Crore)

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	<b>16,283.43</b>	<b>16,763.39</b>
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	810.59	819.84
<b>Gross O&amp;M Expenses</b>	<b>2,437.92</b>	<b>2,009.32</b>
Employee Expenses	1,093.31	976.38
R&M Expense	1,044.85	828.73
A&G Expense	198.12	204.22
Smart Metering OPEX	101.64	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	0.00
Depreciation	554.77	525.05
Interest on Long-Term Loan	471.14	427.52
Interest on Security Deposit from Consumers and Distribution system Users	26.17	26.17



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	38.43	0.00
Interest on Working Capital	226.35	217.57
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>20,848.81</b>	<b>20,514.82</b>
Less: Interest Capitalisation	111.18	111.18
Less: Employee Capitalisation	309.25	309.25
<b>Net Expenditure</b>	<b>20,428.37</b>	<b>20,094.39</b>
Bad and Doubtful debts	323.37	323.37
<b>Net Expenditure with Provisions</b>	<b>20,751.73</b>	<b>20,417.75</b>
Return on Equity	657.52	632.88
Less: Disallowance due to delay filing		21.10
Less: Non Tariff Income	28.90	613.95
Less: Revenue from Open Access Customers	0.00	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>21,380.35</b>	<b>20,689.62</b>
Revenue Assessment at Existing Tariff	16,168.26	20,522.91
Govt. Subsidy Received/Declared	3,960.46	0.00
<b>Total Gap/(Surplus)</b>	<b>1,251.63</b>	<b>166.70</b>

TABLE 6-231: ARR SUMMARY FOR KESCO FOR 2023-24 (Rs. Crore)

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	<b>3,920.93</b>	<b>2,808.54</b>
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	112.02	119.86
<b>Gross O&amp;M Expenses</b>	<b>343.67</b>	<b>313.70</b>
Employee Expenses	195.06	187.82
R&M Expense	100.53	91.47
A&G Expense	31.34	34.40
Smart Metering OPEX	16.75	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	0.00
Depreciation	39.33	38.05
Interest on Long-Term Loan	17.61	15.67
Interest on Security Deposit from Consumers and Distribution system Users	8.22	8.22





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	9.98	0.00
Interest on Working Capital	26.54	25.73
Income Tax	0.00	0.00
<b>Gross Expenditure</b>	<b>4,478.30</b>	<b>3,310.57</b>
Less: Interest Capitalisation	0.00	0.00
Less: Employee Capitalisation	13.51	13.51
<b>Net Expenditure</b>	<b>4,464.79</b>	<b>3,297.06</b>
Bad and Doubtful debts	65.32	65.32
<b>Net Expenditure with Provisions</b>	<b>4,530.11</b>	<b>3,362.39</b>
Return on Equity	57.00	57.00
Less: Disallowance due to delay filing		1.90
Less: Non Tariff Income	17.46	47.31
Less: Revenue from Open Access Customers	0.00	0.00
<b>Net Annual Revenue Requirement of Licensee</b>	<b>4,569.65</b>	<b>3,389.37</b>
Revenue Assessment at Existing Tariff	3,266.10	3,341.60
Govt. Subsidy Received/Declared	37.34	-
<b>Total Gap/(Surplus)</b>	<b>1,266.22</b>	<b>44.77</b>

**TABLE 6-232: CONSOLIDATED ARR SUMMARY FOR PETITIONERS FOR 2023-24 (Rs. Crore)**

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Cost of Power Procurement (including Inter-State Transmission Charges)	<b>72,872.66</b>	<b>69,904.70</b>
Transmission and Load Dispatch Charges (Intra-State Transmission Charges) including additional Gap Recovery for UPPTCL True-up of FY 2020-21	3,321.62	3,376.15
<b>Gross O&amp;M Expenses</b>	<b>8,798.09</b>	<b>6,838.84</b>
Employee Expenses	4,550.27	3,433.09
R&M Expense	2,953.22	2,516.23
A&G Expense	938.74	889.52
Smart Metering OPEX	355.87	0.00
Add: Additional O&M Expenses (50% of R&M Expenses)	0.00	0.00
Depreciation	2,244.85	2,100.09
Interest on Long-Term Loan	1,865.84	1,614.60
Interest on Security Deposit from Consumers and Distribution system Users	194.36	194.36



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Particulars	FY 2023-24	
	Petitioner's Submission	Approved
Finance/Bank Charges	184.22	0.00
Interest on Working Capital	712.31	669.17
<b>Gross Expenditure</b>	<b>90,193.96</b>	<b>84,697.90</b>
Less: Interest Capitalisation	111.18	111.18
Less: Employee Capitalisation	1,393.22	1,393.22
<b>Net Expenditure</b>	<b>88,689.55</b>	<b>83,193.50</b>
Bad and Doubtful debts	1,396.14	1,396.14
<b>Net Expenditure with Provisions</b>	<b>90,085.69</b>	<b>84,589.63</b>
Return on Equity	2,663.01	2,545.17
Less: Disallowance due to delay filing		84.84
Less: Non Tariff Income	183.80	1,408.23
Less: Revenue from Open Access Customers	0.00	0.00
Carrying cost on security deposit		62.22
<b>Net Annual Revenue Requirement of Licensee</b>	<b>92,564.89</b>	<b>85,579.51</b>
Revenue Assessment at Existing Tariff	69,806.79	85,105.59
Govt. Subsidy Received/Declared	15,020.00	-
<b>Total Gap/(Surplus)</b>	<b>7,738.10</b>	<b>473.92</b>

6.16.2. Analysis on few parameters for percentage are depicted below:

**TABLE 6-233: ANALYSIS ON FEW PARAMETERS FOR PERCENTAGE (%) CHANGE**

Parameters	Petitioner Submission	Approved	% Change
Total Sales (MU)	1,14,668.56	1,14,668.56	0.00%
Revenue from existing tariff (including Subsidy revenue) (Rs. Crore)	84,826.79	85,105.59	0.33%
Total Power Purchase (MU)	1,40,948.44	1,33,447.89	-5.32%
Total Power Purchase (Rs. Crore)	72,872.66	69,940.70	-4.07%
ARR (Rs. Crore)	92,564.89	85,579.51	-7.55%
Revenue Gap / (Surplus) (Rs. Crore)	7,738.10	473.92	-93.86%
<b>BST (Rs. / kWh)</b>	<b>5.41</b>	<b>5.47</b>	<b>1.11%</b>
<b>ABR excluding Subsidy (Rs. / kWh)</b>	<b>6.09</b>	<b>7.42</b>	<b>21.92%</b>
<b>ACoS (Rs. / kWh)</b>	<b>8.07</b>	<b>7.46</b>	<b>-7.53%</b>



## 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 2022-23 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 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

- 7.1.2. 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. 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.
- 7.1.4. The Petitioners submitted that the Regulatory Asset from FY 2000-01 to FY 2022-23 - (post issue of GOUP Letter) along with the carrying cost is depicted below which should also be considered while approving the ARR of FY 2023-24:

**TABLE 7-1: REGULATORY ASSETS FROM FY 2000-01 TO FY 2021-22 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	
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	



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
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Description	DVVNL	MVVNL	PVVNL	PUVVNL	Consolidated
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	
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	
True Up of 2014-15 and its Regulatory Assets / (Surplus) as on 31.03.16	(1,412.38)	59.48	(663.03)	480.08	
True Up of 2015-16 and its Regulatory Assets / (Surplus) as on 31.03.16	466.37	(217.37)	(1,899.05)	(523.45)	
<b>Total Regulatory Assets till Trued-UP FY 2015-16</b>	<b>9,572.03</b>	<b>8,660.18</b>	<b>1,709.22</b>	<b>10,703.28</b>	
<b>50% of DISCOM debt taken over as per UDAY</b>					
<b>Net RA / (Surplus) Left after UDAY</b>	<b>9,572.03</b>	<b>8,660.18</b>	<b>1,709.22</b>	<b>10,703.28</b>	
Carrying Cost @ 12.50% for FY 2016-17	1196.5	1082.52	213.65	1337.91	
Regulatory Assets/(Surplus) of FY 2016-17 in True Up	0	(265.48)	(2295.81)	(947.96)	
<b>Total Regulatory Assets Trued-Up till FY 2016-17</b>	<b>10,768.53</b>	<b>9,477.22</b>	<b>-372.94</b>	<b>11,093.23</b>	
<b>25% of Discom Debt Takenover as per UDAY</b>					
<b>Net RA / (Surplus) Left after UDAY</b>	<b>10,768.53</b>	<b>9,477.22</b>	<b>(372.94)</b>	<b>11,093.23</b>	
Carrying Cost @ 13.75% for FY 2017-18	1,480.67	1,303.12	-51.28	1,525.32	
Regulatory Assets/(Surplus) in True Up with carrying cost for FY 2017-18	0	(334.01)	0	0	
carrying cost @ 13.75% for FY 2017-18	-	-22.96	-	-	
<b>Total Net RA / (Surplus) till trued up for FY 2017-18</b>	<b>12,249.21</b>	<b>10,423.37</b>	<b>(424.22)</b>	<b>12,618.55</b>	
Carrying cost @ 14.05% for FY 2018-19	1,721.01	1,464.48	-59.6	1,772.91	
Net Revenue gap / (surplus) after True up of FY 2018-19	811.86	(1567.14)	580.12	575.9	
Carrying cost @ 14.05% for FY 2018-19	57.03	-110.09	40.75	40.46	
<b>Total Net RA / (Surplus) trued up till FY 2018-19</b>	<b>14,839.11</b>	<b>10,210.62</b>	<b>137.05</b>	<b>15,007.81</b>	
Carrying cost @ 13.80% for FY 2019-20	2,047.80	1,409.07	18.91	2,071.08	
<b>Total Net RA / (Surplus) trued up till FY 2019-20</b>	<b>16,886.91</b>	<b>11,619.68</b>	<b>155.97</b>	<b>17,078.89</b>	
Carrying cost @ 10.65% for FY 2020-21	1,798.46	1,237.50	16.61	1,818.90	



Description	DVVNL	MVVNL	PVVNL	PUVVNL	Consolidated
<b>Total Net RA / (Surplus) trued up till FY 2020-21</b>	<b>18,685.37</b>	<b>12,857.18</b>	<b>172.58</b>	<b>18,897.79</b>	
Carrying cost @ 9.50% for FY 2021-22	1,775.11	1,221.43	16.40	1,795.29	
<b>Total Net RA / (Surplus) trued up till FY 2021-22</b>	<b>20,460.48</b>	<b>14,078.61</b>	<b>188.98</b>	<b>20,693.08</b>	<b>55,421.15</b>

### Commission's Analysis

- 7.1.5. 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 UP 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.
- 7.1.6. 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.
- 7.1.7. 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. 55,421.15 Crore is based on the same methodology prescribed by the Commission.
- 7.1.8. 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

- 7.1.9. Further, the Commission in the Tariff Order for FY 2022-23 dated July 20, 2022 had also not accepted the submission of the Petitioners regarding Regulatory Assets. The relevant extract of the Tariff Order for FY 2022-23 is as under:

Quote

*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.*

Unquote

- 7.1.10. Further, the matter was also considered by the SAC in its meeting held on May 08, 2023 and they were also of the view of not accepting the proposal of the Petitioners taking into considerations all the above.
- 7.1.11. 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.
- 7.1.12. The following Tariff Orders have been challenged in the Hon'ble APTEL and proceedings are ongoing. The final judgements may have a significant impact on the Tariff of the consumers. List of ongoing proceedings before Hon'ble APTEL is as under:

S. No.	Tariff Order	Status
1	Tariff Order for FY 2020-21 dated November 11, 2020	Pending
2	Tariff Order for FY 2021-22 dated July 29, 2021	Pending
3	Tariff Order for FY 2022-23 dated July 20, 2022	Pending



## 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 2023-24 taking into consideration the Electricity Act, 2003, Tariff Policy and MYT Regulations, 2019 etc. 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 Members 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, transparency, autonomy, adoption of IT & latest technologies, 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 2023-24. 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 data of Billing Determinants, 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 that they have designed Tariff Proposal on consolidated basis to mitigate the revenue gap for True-Up of FY 2021-22 and ARR of FY 2023-24. Further, to estimate full cost Tariff, the Petitioners have adopted the same principle as approved by the Commission in the Tariff Order for FY 2022-23.
- 8.1.9. The Petitioners further submitted that the subsidy for applicable consumer category is not yet declared by the GoUP. Therefore, the Petitioner has considered the same per unit rate of subsidy and cross-subsidy as approved by the Commission for FY 2022-23.
- 8.1.10. The summary of category / sub-category / slab-wise existing and proposed tariff is as under:

**TABLE 8-1: CATEGORY WISE SUMMARY OF EXISTING AND PROPOSED TARIFF**

Consumer Category/ Sub-Category	Fixed Charges (Rs.)	Energy Charges (Rs./kWh)	Fixed Charges (Rs.)	Energy Charges (Rs./ kWh)
	Payable		Payable	
	Existing Tariff		Proposed Tariff	
<b>LMV-1: Domestic Light, Fan &amp; Power</b>				
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	50	3.00	55	3.50
<b>Dom: Rural Schedule (unmetered)</b>	500		550	
<b>Dom: Rural Schedule (metered) other than BPL</b>				
0-100 kWh/month	90	3.35	100	4.35
101-150 kWh/month	90	3.85	100	4.85
151-300 kWh/month	90	5.00	100	6.00
Above 300 kWh/Month (Starting from 301 units)	90	5.50	100	7.00
<b>Dom: Supply at Single Point for Bulk Load</b>	<b>110</b>	<b>7.00</b>	<b>120</b>	<b>8.50</b>
<b>Other Metered Domestic Consumers other than BPL</b>				
0-100 kWh/month	110	5.50	120	6.50
101-150 kWh/month	110	5.50	120	6.50
151-300 kWh/month	110	6.00	120	7.00
Above 300 kWh/Month (Starting from 301 units)	110	6.50	120	8.00
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>				
Non Dom: Rural Schedule (metered)	110	5.50	115	6.50
Non Dom: Other Metered Non-Domestic Supply				
Load upto 4 kW				
Upto 300 kWh / month	330	7.50	350	8.50
Above 300 kWh/Month	330	8.40	350	9.40



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Consumer Category/ Sub-Category	Fixed Charges (Rs.)	Energy Charges (Rs./kWh)	Fixed Charges (Rs.)	Energy Charges (Rs./ kWh)
	Payable		Payable	
Above 4 kW				
Upto 1000 kWh / month	450	7.50	470	8.50
Above 1000 kWh/Month	450	8.75	470	9.75
<b>LMV-3: Public Lamps</b>				
<b>Unmetered</b>				
Unmetered - Gram Panchayat	2100	-	2200	-
Unmetered - Nagar Palika & Nagar Panchayat	3200	-	3300	-
Unmetered - Nagar Nigam	4200	-	4350	-
<b>Metered</b>				
Metered - Gram Panchayat	200	7.50	220	9.20
Metered - Nagar Palika & Nagar Panchayat	250	8.00	270	9.70
Metered - Nagar Nigam	250	8.50	270	10.20
<b>LMV-4: Light, fan &amp; Power for Institutions</b>				
Inst: Public	300	8.25	330	9.90
Inst: Private	350	9.00	380	10.65
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>				
<b>Consumers getting supply as per "Rural Schedule"</b>				
PTW: Rural Schedule (unmetered)	170	-	190	-
PTW: Rural Schedule (metered)	70	2.00	90	2.20
PTW: Rural Schedule (Energy Efficient Pumps) (metered)	70	1.65	90	1.80
<b>Consumers getting supply as per "Urban Schedule (Metered Supply)"</b>				
PTW: Urban Schedule (metered)	130	6.00	150	6.20
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW)</b>				
<b>Consumers getting supply as per "Rural Schedule"</b>				
Up to 20 kW	268.3	6.75	287	7.91
Above 20 kW	268.3	6.75	287	7.91
<b>Consumers getting supply other than "Rural Schedule"</b>				
For load upto 20 kW	290	7.30	310	8.55
For load above 20 kW	290	7.30	310	8.55
<b>LMV-7: Public Water Works</b>				
<b>Metered</b>				
Rural	347	7.86	370	9.25



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

Consumer Category/ Sub-Category	Fixed Charges (Rs.)	Energy Charges (Rs./kWh)	Fixed Charges (Rs.)	Energy Charges (Rs./ kWh)
	Payable		Payable	
Urban	375	8.50	400	10.00
<b>Unmetered</b>				
Rural	3053		3237.5	-
Urban	3300		3500	-
<b>LMV-9: Temporary Supply</b>				
<b>Metered</b>				
Metered TS: Individual residential consumers	200	8.00	300	9.50
Metered TS: Others	300	9.00	400	10.50
<b>Unmetered</b>				
Unmetered TS: Ceremonies	4750		4750	-
Unmetered TS: Temp shops	560		560	-
<b>LMV-11: Electrical Vehicles</b>				
<b>Multi Story Buildings</b>				
LMV-1b		6.20	0	6.20
HV-1b		5.90	0	5.90
<b>Public Charging Station</b>				
LT		7.70		7.70
HT		7.30	0	7.30
<b>HV-1: Non-Industrial Bulk Loads</b>				
<b>Commercial Loads / Private Institutions / Non-Domestic Bulk Power with contracted Load 75 kW &amp; above and getting supply at single point on 11 kV &amp; above voltage level.</b>				
Supply at 11 kV	430	8.32	450	9.57
Supply above 11 kV	400	8.12	425	9.37
<b>Public Institutions, Registered Societies, Residential Colonies / Townships</b>				
Supply at 11 kV	380	7.70	400	8.95
Supply above 11 Kv	360	7.50	385	8.75
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW)</b>				
<b>HV2 Urban Schedule: Supply at 11 kV</b>	300	7.10	330	8.30



Consumer Category/ Sub-Category	Fixed Charges (Rs.)	Energy Charges (Rs./kWh)	Fixed Charges (Rs.)	Energy Charges (Rs./ kWh)
	Payable		Payable	
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	290	6.80	315	8.00
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	270	6.40	295	7.60
HV2 Urban Schedule: Supply above 132 kV	270	6.10	295	7.30
HV2 Rural Schedule: Supply at 11 kV	277.5	6.57	305.25	7.68
<b>HV-3: Railway Traction</b>				
HV3 Railway Traction (at, below and above 132 kV)	400	8.50	440	9.90
HV3 Metro Traction (at, below and above 132 kV)	300	7.30	330	8.70
<b>HV-4: Lift Irrigation &amp; P. Canals above 100 BHP (75 kW)</b>				
HV4 Supply at 11Kv	350	8.50	375	9.95
HV4 Supply above 11kV & upto 66kV	340	8.40	370	9.85
HV4 Supply above 66 kV & upto 132kV	330	8.25	365	9.70

8.1.11. The Petitioners requested the Commission to approve the Tariff proposed.

8.1.12. However, the Commission observed that the submission made by the Petitioners is not in line with MYT Regulations, 2019 and principles adopted by the Commission in the Tariff Order for FY 2022-23 as they have not proposed 'Tariff Excluding Subsidy'.

8.1.13. The same was also discussed in the State Advisory Committee (SAC) held on May 08, 2023. The Commission has taken note of the strong opposition by the SAC Members, stakeholders and public at large against the Tariff proposal of the State Discoms.

8.1.14. Further, the Commission has computed cumulative Surplus of Rs. (7,988.81) Crore against cumulative Gap of Rs. 17,372.76 Crore claimed by the Petitioners.

8.1.15. The Commission is of view that the Petitioners are in Surplus, therefore no Tariff hike is required for FY 2023-24.

## 8.2. COMPLIANCE OF 13<sup>TH</sup> AMENDMENT TO UP ELECTRICITY SUPPLY CODE, 2005

8.2.1. The Commission is in receipt 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 / allottees 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.

- 8.2.2. DVVNL, PuVVNL and KESCO 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.
- 8.2.3. In case of MVVNL and PVVNL, the compliance is in progress and the proceedings are in process. It is expected that compliance by MVVNL and PVVNL will be complete within near few months.
- 8.2.4. 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 had abolished 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 in its Tariff Order for FY 2022-23 dated July 20, 2022.



### **8.3. GREEN ENERGY TARIFF**

- 8.3.1. 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.
- 8.3.2. 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.
- 8.3.3. The Govt. of India (GoI) has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on June 06, 2022 (amended on January 27, 2023), which provide a methodology to compute Green Energy Tariff. However, as the new MYT Regulations have to be framed shortly by the Commission, it will be in the interest of all stakeholders and consumers to have their views and accordingly adopt / tweak the formulas as per the State specific parameters and data.
- 8.3.4. Taking consideration of the above, the Commission approved 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, in its Tariff Order for FY 2022-23 dated July 20, 2022 which was approved at Rs. 0.54 / unit.



8.3.5. The Green Energy Tariff for FY 2023-24, to be payable by the consumers opting the same, is determined by the Commission by considering the 50% of the difference between the APPC of Renewable sources (Solar & Wind) and the APPC of Thermal sources (variable Charge). Although, the APPC of Renewable Sources (Solar & Wind) does not include the socialized transmission cost of ISTS/ Intra State transmission system charges, still the Commission, in order to promote green energy, has decided not to load the same in the Green Energy Tariff as it is already socialized in the regular transmission charges. Hence, the additional cost of green energy as compared to conventional thermal sources is Rs. 0.88 per kWh. However, the Commission at this stage decides to approve 'Green Energy Tariff' at 50% of this additional cost. The detailed calculation of the 'Green Energy Tariff' for FY 2023-24 is shown in table below:

**TABLE 8-2: GREEN ENERGY TARIFF FOR FY 2023-24**

Particulars	Units (MUs)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Charges (Rs. Crore)	Tariff (Rs./kWh)
<b>Renewable Sources</b>					
Solar (N)	5,000.62	-	2,187.50	2,187.50	4.37
Wind (O)	4,921.64	-	1,481.73	1,481.73	3.01
<b>Total (Solar &amp; Wind) - (1)</b>	<b>9,922.26</b>	-	<b>3,669.23</b>	<b>3,669.23</b>	<b>3.70</b>
<b>Thermal Sources</b>					
State Generating Stations (A)	37,014.59	-	9,632.47	9,632.47	2.60
Thermal (NTPC) (C)	15,485.08	-	3,643.29	3,643.29	2.35
THDC - THERMAL (H)	-	-	-	-	-
IPP/JV -THERMAL (K)	48,059.33	-	15,031.60	15,031.60	3.13
Short Term Source (L)	-	-	-	-	-
NVVN + NSM (Thermal) (S)	516.83	-	172.29	172.29	3.33
<b>Energy Charges of the Thermal Generating Sources (Total) - (2)</b>	<b>1,01,075.84</b>	-	<b>28,479.65</b>	<b>28,479.65</b>	<b>2.82</b>
<b>Difference (RE &amp; Thermal) ((3)= (2)-(1))</b>					<b>0.88</b>
<b>Green Tariff @ 50% ((4) = 50%*(3))</b>					<b>0.44</b>

8.3.6. 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.

- 8.3.7. 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.
- 8.3.8. 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.

#### **8.4. REQUEST TO ABOLISH PROTECTIVE LOAD AND PROTECTIVE LOAD CHARGES**

##### ***Petitioner's Submission***

- 8.4.1. The Petitioners submitted that the Commission in Tariff Schedule for FY 2022-23 dated July 20, 2022 had provided for the applicability of protective load as under:

Quote

##### ***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 roistering imposed by the Licensee, except under emergency roistering. 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 roistering, the load shall not exceed the sanctioned protective load. In case the consumer exceeds the sanctioned protective load during scheduled roistering, he shall be liable to pay twice the prescribed additional charges for such excess load.*

Unquote

- 8.4.2. The consumers receiving electricity supply from an independent feeder at 11 kV or higher voltage, which creates from a sub-station, have the option to avail



of the protective load facility. This facility enables consumers to receive electricity supply during scheduled roistering periods imposed by the Licensee, except under emergency circumstances. As per the Electricity Supply Code, 2005 and its amendments, consumers who opt for this facility shall pay an additional charge equal to 100% of the base demand charges on the sanctioned protective load per month as a protective load charge. However, public institutions classified as LMV-4 (A) shall pay only 25% of the base demand charges as an additional charge.

- 8.4.3. It is important to note that the protective load charge is only applicable to consumers who opt for the protective load facility. Discoms are providing uninterrupted power supply to all rural and urban feeders with industrial loads above 50%, thus protecting them from scheduled roistering. Further all urban feeders are already getting uninterrupted power supply. As a result, the relevance of the protective load charge is no longer applicable.
- 8.4.4. Therefore, the Commission is requested to abolish this clause to prevent any ambiguity regarding the matter.

#### ***Commission's Analysis***

- 8.4.5. The Commission is of view that as above additional submission was not presented in the original ARR / Tariff Petition and hence has not undergone stakeholder's scrutiny and hence cannot be accepted.

### **8.5. APPLICABILITY OF TARIFF CATEGORY & RATES**

- 8.5.1. 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. The LMV-10 category that was part of earlier 'Rate Schedule' has been removed, as this category was abolished by the Commission in the earlier Tariff Orders. The applicability of all such consumers has been made part of LMV-1 in the 'Rate Schedule' for FY 2023-24. 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 2023-24, the average load of opening and closing load of FY 2023-24 has been considered. 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. Category-wise revenue worked-out based on above assumptions and projected billing determinants claimed by the Petitioners. The computations are based on 'Tariff Payable' and do not include the subsidy.

**TABLE 9-1: CATEGORY WISE REVENUE OF DVVNL CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	719.28	3,944.89	4,664.16
LMV-2-Non domestic light fan & power	291.07	914.04	1,205.11
LMV-3 Public lamps	33.93	60.49	94.42
LMV-4 Light, fan & power for public/private institution	60.20	251.96	312.16
LMV-5 Private tube well/pumping sets	601.54	222.88	824.42
LMV-6 Small & medium power upto 100 HP/75 kW	119.92	466.63	586.56
LMV-7 Public water works	145.75	1,017.64	1,163.39
Lmv-9 Temporary supply	4.04	35.81	39.85
LMV- 10 Departmental employees	98.77		98.77
LMV-11 Electric Vehicle	-	1.15	1.15
HV-1 Non industrial bulk load	57.98	285.95	343.93
HV-2 Large & heavy power above 100 BHP (75 kW)	280.40	2,170.00	2,450.40
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	14.46	92.65	107.11
Bulk supply	-	1,014.20	1,014.20
<b>Total</b>	<b>2,427.33</b>	<b>10,478.28</b>	<b>12,905.61</b>



**TABLE 9-2: CATEGORY WISE REVENUE OF MVVNL CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,024.39	5,927.89	6,952.28
LMV-2-Non domestic light fan & power	485.31	1,481.45	1,966.77
LMV-3 Public lamps	44.39	269.09	313.49
LMV-4 Light, fan & power for public/private institution	66.16	277.20	343.36
LMV-5 Private tube well/pumping sets	393.67	61.42	455.09
LMV-6 Small & medium power upto 100 HP/75kW	94.49	405.29	499.78
LMV-7 Public water works	258.06	952.98	1,211.04
Lmv-9 Temporary supply	9.11	29.23	38.35
LMV- 10 Departmental employees	86.15		86.15
LMV-11 Electric Vehicle	-	4.55	4.55
HV-1 Non industrial bulk load	185.72	805.59	991.31
HV-2 Large & heavy power above 100 BHP (75 kW)	239.59	1,361.72	1,601.31
HV-3 Railway traction	2.52	27.79	30.31
HV-4 Lift irrigation & p. canal above 100 BHP (75 kW)	9.38	68.63	78.01
Extra State Consumers	-	14.95	14.95
<b>Total</b>	<b>2,898.95</b>	<b>11,687.80</b>	<b>14,586.75</b>

**TABLE 9-3: CATEGORY WISE REVENUE OF PVVNL CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,538.45	7,326.69	8,865.14
LMV-2-Non domestic light fan & power	637.18	1,653.08	2,290.26
LMV-3 Public lamps	68.94	134.16	203.09
LMV-4 Light, fan & power for public/private institution	77.73	196.63	274.35
LMV-5 Private tube well/pumping sets	787.98	762.08	1,550.06
LMV-6 Small & medium power upto 100 HP/75kW	252.43	1,070.95	1,323.37
LMV-7 Public water works	133.16	736.17	869.32
LMV-9 Temporary supply	35.76	118.55	154.31
LMV- 10 Departmental employees	85.12		85.12
LMV-11 Electric Vehicle	-	0.92	0.92
HV-1 Non industrial bulk load	388.08	1,570.31	1,958.39





Category	Fixed Charges	Energy Charges	Total Revenue
HV-2 Large & heavy power above 100 BHP (75 kW)	603.82	4,628.02	5,231.85
HV-3 Railway traction	11.77	60.91	72.67
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	0.09	1.13	1.21
<b>Total</b>	<b>4,620.49</b>	<b>18,259.59</b>	<b>22,880.08</b>

**TABLE 9-4: CATEGORY WISE REVENUE OF PUVVNL CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	1,274.70	6,782.31	8,057.02
LMV-2-Non domestic light fan & power	491.05	1,782.04	2,273.09
LMV-3 Public lamps	58.81	104.07	162.88
LMV-4 Light, fan & power for public/private institution	63.15	318.87	382.03
LMV-5 Private tube well/pumping sets	400.01	221.32	621.33
LMV-6 Small & medium power upto 100 HP/75 kW	100.83	475.17	576.00
LMV-7 Public water works	394.23	1,224.61	1,618.84
Lmv-9 Temporary supply	2.19	12.71	14.90
LMV- 10 Departmental employees	62.74		62.74
LMV-11 Electric Vehicle	-	5.41	5.41
HV-1 Non industrial bulk load	99.94	511.60	611.54
HV-2 Large & heavy power above 100 BHP (75 kW)	176.96	1,113.19	1,290.15
HV-3 Railway traction	-	-	-
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	41.19	448.11	489.31
Extra State Consumers	-	3.03	3.03
<b>Total</b>	<b>3,165.81</b>	<b>13,002.44</b>	<b>16,168.26</b>

**TABLE 9-5: CATEGORY WISE REVENUE OF KESCO CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	185.60	1,072.04	1,257.64
LMV-2-Non domestic light fan & power	111.23	328.60	439.84
LMV-3 Public lamps	21.39	22.72	44.11
LMV-4 Light, fan & power for public/private institution	10.18	65.46	75.64



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Category	Fixed Charges	Energy Charges	Total Revenue
LMV-5 Private tube well/pumping sets	0.04	0.06	0.10
LMV-6 Small & medium power upto 100 HP/75kW	52.12	288.70	340.82
LMV-7 Public water works	23.60	104.03	127.63
Lmv-9 Temporary supply	1.23	8.75	9.98
LMV- 10 Departmental employees	28.18		28.18
LMV-11 Electric Vehicle	-	3.94	3.94
HV-1 Non industrial bulk load	30.49	196.46	226.95
HV-2 Large & heavy power above 100 BHP (75 kW)	59.55	645.83	705.38
HV-3 Railway traction	1.46	4.43	5.89
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	-	-	-
<b>Total</b>	<b>525.07</b>	<b>2,741.03</b>	<b>3,266.10</b>

**TABLE 9-6: CONSOLIDATED CATEGORY WISE REVENUE OF 5 STATE DISCOMS CLAIMED FOR FY 2023-24 (Rs. Crore)**

Category	Fixed Charges	Energy Charges	Total Revenue
LMV-1 Domestic light fan & power	4,742.41	25,053.83	29,796.24
LMV-2-Non domestic light fan & power	2,015.85	6,159.22	8,175.06
LMV-3 Public lamps	227.47	590.53	818.00
LMV-4 Light, fan & power for public/private institution	277.42	1,110.12	1,387.54
LMV-5 Private tube well/pumping sets	2,183.24	1,267.76	3,451.00
LMV-6 Small & medium power upto 100 HP/75kW	619.78	2,706.74	3,326.52
LMV-7 Public water works	954.80	4,035.42	4,990.22
LMV-9 Temporary supply	52.34	205.05	257.39
LMV- 10 Departmental employees	360.96		360.96
LMV-11 Electric Vehicle	-	15.97	15.97
HV-1 Non industrial bulk load	762.21	3,369.92	4,132.12
HV-2 Large & heavy power above 100 BHP (75 kW)	1,360.32	9,918.76	11,279.09
HV-3 Railway traction	15.74	93.12	108.87
HV-4 Lift irrigation & p. canal above 100 BHP (75kW)	65.13	610.52	675.65
Bulk supply	-	17.98	17.98
Extra State Consumers	-	1,014.20	1,014.20
<b>Total</b>	<b>13,637.66</b>	<b>56,169.14</b>	<b>69,806.79</b>



9.1.3. 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 2023-24 CLAIMED BY PETITIONERS**

Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore) (at 'Tariff Payable' i.e. 'Tariff Excluding Subsidy')	ABR (Rs/Unit) (at 'Tariff Payable')
<b>CONSUMER CATEGORY / SUB-CATEGORY / SLAB</b>			
<b>LMV-1: Domestic Light, Fan &amp; Power</b>			
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	12,858.67	4,753.75	3.7
Dom: Rural Schedule (unmetered)	755.21	262.23	3.47
Dom: Rural Schedule (metered) other than BPL	11,669.37	5,697.36	4.88
0-100 kWh/month	5,709.19	2,333.88	4.09
101-150 kWh/month	2,369.91	1,182.75	4.99
151-300 kWh/month	2,169.15	1,313.63	6.06
Above 300 kWh/Month (Starting from 301 units)	1,421.11	867.1	6.1
Dom: Supply at Single Point for Bulk Load	782.43	596.38	7.62
Other Metered Domestic Consumers other than BPL	27,143.80	18,504.54	6.82
0-100 kWh/month	11,566.87	7,248.76	6.27
101-150 kWh/month	3,318.79	2,349.90	7.08
151-300 kWh/month	5,463.82	3,818.98	6.99
Above 300 kWh/Month (Starting from 301 units)	6,794.32	5,086.90	7.49
<b>Sub Total</b>	<b>53,209.48</b>	<b>29,814.26</b>	<b>5.6</b>
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>			
Non Dom: Rural Schedule (metered)	1,564.71	993.58	6.35
Non Dom: Other Metered Non-Domestic Supply	6,772.09	7,464.59	11.02
Load upto 4 kW	5,296.88	5,580.35	10.54
Upto 300 kWh / month	3,844.15	4,042.02	10.51
Above 300 kWh/Month	1,452.73	1,538.33	10.59
Above 4 kW	1,475.21	1,884.24	12.77
Upto 1000 kWh / month	774.11	1,004.46	12.98
Above 1000 kWh/Month	701.1	879.78	12.55
<b>Sub Total</b>	<b>8,336.80</b>	<b>8,458.18</b>	<b>10.15</b>
<b>LMV-3: Public Lamps</b>			



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Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore) (at 'Tariff Payable' i.e. 'Tariff Excluding Subsidy')	ABR (Rs/Unit) (at 'Tariff Payable')
Unmetered	81.06	169.84	20.95
Unmetered - Gram Panchayat	7.03	9.73	13.85
Unmetered - Nagar Palika & Nagar Panchayat	35.14	73.02	20.78
Unmetered - Nagar Nigam	38.9	87.08	22.39
Metered	711.1	648.16	9.11
Metered - Gram Panchayat	27.46	23.64	8.61
Metered - Nagar Palika & Nagar Panchayat	223.13	198.1	8.88
Metered - Nagar Nigam	460.51	426.42	9.26
<b>Sub Total</b>	<b>792.16</b>	<b>818</b>	<b>10.33</b>
<b>LMV-4: Light, fan &amp; Power for Institutions</b>			
Inst: Public	1,038.93	1,058.74	10.19
Inst: Private	281.12	321.64	11.44
<b>Sub Total</b>	<b>1,320.05</b>	<b>1,380.38</b>	<b>10.46</b>
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>			
Consumers getting supply as per "Rural Schedule"	17,697.59	2,451.02	1.38
PTW: Rural Schedule (unmetered) (Total)	16,095.42	2,000.79	1.24
PTW: Rural Schedule (unmetered)	16,095.42	2,000.79	1.24
PTW: Rural Schedule (metered) (Total)	1,602.17	450.22	2.81
PTW: Rural Schedule (metered)	1,602.17	450.22	2.81
PTW: Rural Schedule (Energy Efficient Pumps) (metered)	-	-	-
Consumers getting supply as per "Urban Schedule (Metered Supply)"	1,578.88	999.99	6.33
PTW: Urban Schedule (metered)	1,578.88	999.99	6.33
<b>Sub Total</b>	<b>19,276.47</b>	<b>3,451.00</b>	<b>1.79</b>
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW)</b>			
Consumers getting supply as per "Rural Schedule"	686.23	591.6	8.62
Up to 20 kW	563.49	486.64	8.64
Above 20 kW	122.75	104.96	8.55
Consumers getting supply other than "Rural Schedule"	3,051.35	2,930.22	9.6
<b>Sub Total</b>	<b>3,737.58</b>	<b>3,521.82</b>	<b>9.42</b>



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Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore) (at 'Tariff Payable' i.e. 'Tariff Excluding Subsidy')	ABR (Rs/Unit) (at 'Tariff Payable')
<b>LMV-7: Public Water Works</b>			
Metered	4,912.65	2,147.91	4.37
Rural	2,201.33	1,941.77	8.82
Urban	2,711.32	2,606.61	9.61
Unmetered	552.7	2,844.32	51.46
Rural	274.2	206.14	7.52
Urban	278.5	237.72	8.54
<b>Sub Total</b>	<b>5,465.35</b>	<b>4,992.23</b>	<b>9.13</b>
<b>LMV-9: Temporary Supply</b>			
Metered	233.51	241.92	10.36
Metered TS: Individual residential consumers	51.07	46.66	9.14
Metered TS: Others	182.44	195.26	10.7
Unmetered	15.11	14.36	9.5
Unmetered TS: Ceremonies	0.21	0.09	4.38
Unmetered TS: Temp shops	14.91	14.27	9.57
<b>Sub Total</b>	<b>248.63</b>	<b>256.28</b>	<b>10.31</b>
<b>LMV-10: Departmental Employees</b>	<b>638.5</b>	<b>361.25</b>	<b>5.66</b>
<b>LMV-11: Electrical Vehicles</b>	-	-	-
Multi Story Buildings	-	-	-
LMV-1b	-	-	-
HV-1b	-	-	-
Public Charging Station	21.41	15.97	7.46
LT	8.45	6.51	7.7
HT	12.96	9.46	7.3
<b>Sub Total</b>	<b>21.41</b>	<b>15.97</b>	<b>7.46</b>
<b>HV-1: Non-Industrial Bulk Loads</b>			
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.	2,107.82	2,085.99	9.9
Supply at 11 Kv	1,937.39	1,844.78	9.52
Supply above 11 Kv	170.43	241.21	14.15



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Billing Determinants as per ARR	Energy Sales (MU)	Total Revenue (Rs. Crore) (at 'Tariff Payable' i.e. 'Tariff Excluding Subsidy')	ABR (Rs/Unit) (at 'Tariff Payable')
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	2,107.82	2,023.33	9.6
Supply at 11 Kv	1,937.39	1,776.64	9.17
Supply above 11 Kv	170.43	246.69	14.47
<b>Sub Total</b>	<b>4,215.65</b>	<b>4,109.32</b>	<b>9.75</b>
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW)</b>			
HV2 Urban Schedule: Supply at 11 kV	9,997.89	8,046.64	8.05
HV2 Urban Schedule: Supply above 11 kV & upto 66 Kv	2,754.16	2,108.75	7.66
HV2 Urban Schedule: Supply above 66 kV & upto 132 kv	600.46	442.54	7.37
HV2 Urban Schedule: Supply above 132 kV	210.2	145.37	6.92
HV2 Rural Schedule: Supply at 11 kV	675.68	535.79	7.93
<b>Sub Total</b>	<b>14,238.40</b>	<b>11,279.09</b>	<b>7.92</b>
<b>HV-3: Railway Traction</b>			
HV3 Railway Traction (at, below and above 132 kV)	-	-	-
HV3 Metro Traction (at, below and above 132 kV)	127.56	108.87	8.53
<b>Sub Total</b>	<b>127.56</b>	<b>108.87</b>	<b>8.53</b>
<b>HV-4: Lift Irrigation &amp; P. Canals above 100 BHP (75 kW)</b>			
HV4 Supply at 11kV	383.41	360.68	9.41
HV4 Supply above 11kV & upto 66kV	338.04	314.3	9.3
HV4 Supply above 66 kV & upto 132kV	0.82	0.67	8.25
<b>Sub Total</b>	<b>722.26</b>	<b>675.65</b>	<b>9.35</b>
<b>Extra State Consumer</b>	<b>23.87</b>	<b>17.98</b>	<b>7.53</b>
<b>Bulk Supply Consumer</b>	<b>2,299.76</b>	<b>1,014.20</b>	<b>4.41</b>
<b>Grand Total</b>	<b>1,14,673.95</b>	<b>69,806.79</b>	<b>6.13</b>



9.1.4. The Petitioners also informed that apart from revenue of Rs. 69,806.79 Crore, they would be getting GoUP subsidy of Rs. 13,600 Crore.

### Commission's Analysis

9.1.5. 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)/ 2023 - 093 dated March 24, 2023 to which they submitted the following category / sub-category / slab wise subsidy details vide Letter No. 978/24-1-2023-1307/2020 dated April 17, 2023:

**TABLE 9-8: GoUP SUBSIDY VIDE Letter No. 978/24-1-2023-1307/2020 dated April 17, 2023 FOR FY 2023-24**

Consumer Category	FY 2023-24		
	Unit	Subsidy / Unit	Total Subsidy (Rs. Crore)
LMV-1: Domestic Light, Fan & Power			6,846
Lifeline (Rural and Urban)	Rs./Unit	3.50	4,500
Rural Schedule unmetered	Rs. /kW/Month	435	228
Rural Schedule metered (for all Consumers)	Rs. / unit		
0-100 Unit		2.70	1,465
101-150 Unit		2.65	653
Private Tube Wells/ Pumping Sets (Rural Schedule)			8,174
Rural Schedule metered and unmetered	Rs./BHP/Month	600	7,062
			112
<b>Total Subsidy</b>			<b>15,020</b>

9.1.6. As can be seen from the above Table that the GoUP has provided details for a subsidy totalling to Rs. 15,020 Crore instead of Rs. 13,600 Crore as claimed by the Petitioners in their ARR / Tariff Petitions. The final subsidy computation will be done after the True Up of FY 2023-24 based on actual / audited data. The Commission has checked the subsidy requirement based on the approved Billing Determinants and the subsidy available for consumers being covered by the GoUP letter and has found the same to be adequate.

9.1.7. The Commission has computed the revenue based on approved Billing Determinants for FY 2023-24. The category / sub-category wise details of the revenue at approved Tariff for FY 2023-24 is annexed at Annexure –II in this Tariff Order. The following Tables summarize the revenue approved by the Commission for FY 2023-24 at approved Tariff Rates (Tariff Excluding Subsidy):





**TABLE 9-9: APPROVED REVENUE FOR DVVNL (INCLUDING DF OF AGRA) (Rs. Crore)**

Consumer Categories	FY 2023-4
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	6,883.82
LMV-2: Non-Domestic	1,467.60
LMV-3: Public Lamps	126.51
LMV-4: Institutions	347.43
LMV-5: Private Tube Wells	2,581.12
LMV 6: Small and Medium Power	570.15
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,193.69
LMV-9: Temporary Supply	49.03
LMV-10: Departmental Employees	128.67
LMV-11: Electric Vehicles	3.75
HV-1: Non-Industrial Bulk Loads	500.86
HV-2: Large and Heavy Power	2,520.12
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	107.11
Extra State Consumer	0.00
<b>Total</b>	<b>16,479.87</b>

**TABLE 9-10: APPROVED REVENUE FOR MVVNL (Rs. Crore)**

Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	9,464.33
LMV-2: Non-Domestic	1,921.74
LMV-3: Public Lamps	313.49
LMV-4: Institutions	343.36
LMV-5: Private Tube Wells	1,612.53
LMV 6: Small and Medium Power	482.77
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,264.92
LMV-9: Temporary Supply	38.35



Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-10: Departmental Employees	117.98
LMV-11: Electric Vehicles	4.55
HV-1: Non-Industrial Bulk Loads	991.31
HV-2: Large and Heavy Power	1,601.31
HV-3: Railway Traction	30.31
HV-4: Lift Irrigation	78.01
Extra State Consumer	15.54
<b>Total</b>	<b>18,280.49</b>

**TABLE 9-11: APPROVED REVENUE FOR PVVNL (Rs. Crore)**

Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	10,248.38
LMV-2: Non-Domestic	2,186.68
LMV-3: Public Lamps	203.09
LMV-4: Institutions	274.35
LMV-5: Private Tube Wells	3,891.96
LMV 6: Small and Medium Power	1,276.62
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	876.13
LMV-9: Temporary Supply	154.31
LMV-10: Departmental Employees	104.20
LMV-11: Electric Vehicles	0.87
HV-1: Non-Industrial Bulk Loads	1,958.39
HV-2: Large and Heavy Power	5,231.85
HV-3: Railway Traction	72.67
HV-4: Lift Irrigation	1.21
Extra State Consumer	0.00
<b>Total</b>	<b>26,480.72</b>

**TABLE 9-12: APPROVED REVENUE FOR PuVVNL (Rs. Crore)**

Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	11,193.11
LMV-2: Non-Domestic	2,253.35
LMV-3: Public Lamps	162.88



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Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-4: Institutions	382.03
LMV-5: Private Tube Wells	1,749.99
LMV 6: Small and Medium Power	567.12
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	1,708.44
LMV-9: Temporary Supply	14.90
LMV-10: Departmental Employees	92.49
LMV-11: Electric Vehicles	5.13
HV-1: Non-Industrial Bulk Loads	611.54
HV-2: Large and Heavy Power	1,290.15
HV-3: Railway Traction	0.00
HV-4: Lift Irrigation	488.63
Extra State Consumer	3.15
<b>Total</b>	<b>20,522.91</b>

**TABLE 9-13: APPROVED TARIFF REVENUE FOR KESCO (Rs. Crore)**

Consumer Categories	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	1,374.95
LMV-2: Non-Domestic	420.15
LMV-3: Public Lamps	44.11
LMV-4: Institutions	75.64
LMV-5: Private Tube Wells	0.09
LMV 6: Small and Medium Power	320.40
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	127.63
LMV-9: Temporary Supply	9.98
LMV-10: Departmental Employees	30.43
LMV-11: Electric Vehicles	0.00
HV-1: Non-Industrial Bulk Loads	226.95
HV-2: Large and Heavy Power	705.38
HV-3: Railway Traction	5.89
HV-4: Lift Irrigation	0.00
Extra State Consumer	0.00
<b>Total</b>	<b>3,341.60</b>



**TABLE 9-14: APPROVED REVENUE FOR ALL STATE DISCOMS (INCLUDING DF OF AGRA) (Rs. Crore)**

Consumer Categories (Consolidated)	FY 2023-24
	Revenue (Tariff Excluding Subsidy)
LMV-1: Domestic	39,164.58
LMV-2: Non-Domestic	8,249.52
LMV-3: Public Lamps	850.08
LMV-4: Institutions	1,422.82
LMV-5: Private Tube Wells	9,835.70
LMV 6: Small and Medium Power	3,217.06
LMV-7 & LMV-8 Public Water Works, State Tube Wells & Pump Canals upto 100 HP	5,170.80
LMV-9: Temporary Supply	266.57
LMV-10: Departmental Employees	473.76
LMV-11: Electric Vehicles	14.30
HV-1: Non-Industrial Bulk Loads	4,289.06
HV-2: Large and Heavy Power	11,348.81
HV-3: Railway Traction	108.87
HV-4: Lift Irrigation	674.98
Extra State Consumer	18.69
<b>Total</b>	<b>85,105.59</b>

9.1.8. It has been observed that the the Petitioners have been calculating the revenue by applying bucket filling approach wherein slab wise consumption has been considered. As per this approach, the units are allocated to the first slab followed by the second slab. Once the units associated with second slab are fulfilled, the next slab is considered. The Commission has considered the submission made in the formats and the number of units shown against the slab has been considered. The Licensees are directed to submit Billing Determinants in the similar manner based on which revenue is calculated by them in future ARR / Tariff filings.

## 9.2. TREATMENT OF GAP / (SURPLUS)

9.2.1. Taking into consideration the ARR & revenue at approved Tariff for FY 2023-24, the estimated Gap / (Surplus) for FY 2023-24 of State owned Discoms is as given in the Table below:

**TABLE 9-15: ESTIMATION OF GAP/(SURPLUS) FOR DVVNL FOR FY 2023-24 (Rs. Crore)**



Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

DVVNL	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>16,894.01</b>	<b>16,571.11</b>
Revenue of (Tariff Excluding Subsidy)	12,905.61	16,479.87
GoUP Subsidy	3,717.44	-
<b>Gap/ (Surplus)</b>	<b>270.95</b>	<b>91.24</b>

**TABLE 9-16: ESTIMATION OF ARR GAP/SURPLUS FOR MVVNL FOR FY 2023-24 (Rs. Crore)**

MVVNL	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>19,185.56</b>	<b>18,400.18</b>
Revenue of (Tariff Excluding Subsidy)	14,586.75	18,280.49
GoUP Subsidy	3,840.77	-
<b>Gap/ (Surplus)</b>	<b>758.04</b>	<b>119.70</b>

**TABLE 9-17: ESTIMATION OF ARR GAP/SURPLUS FOR PVVNL FOR FY 2023-24 (Rs. Crore)**

PVVNL	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>30,535.32</b>	<b>26,591.45</b>
Revenue of (Tariff Excluding Subsidy)	22,880.08	26,480.72
GoUP Subsidy	3,463.99	-
<b>Gap/ (Surplus)</b>	<b>4,191.26</b>	<b>110.73</b>

**TABLE 9-18: ESTIMATION OF ARR GAP/SURPLUS FOR PuVVNL FOR FY 2023-24 (Rs. Crore)**

PuVVNL	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>21,380.35</b>	<b>20,689.62</b>
Revenue of (Tariff Excluding Subsidy)	16,168.26	20,522.91
GoUP Subsidy	3,960.46	-
<b>Gap/ (Surplus)</b>	<b>1,251.63</b>	<b>166.70</b>



**TABLE 9-19: ESTIMATION OF ARR GAP/SURPLUS FOR KESCO FOR FY 2023-24 (Rs. Crore)**

KESCO	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>4,569.65</b>	<b>3,389.37</b>
Revenue of (Tariff Excluding Subsidy)	3,266.10	3,341.60
GoUP Subsidy	37.34	-
<b>Gap/ (Surplus)</b>	<b>1,266.22</b>	<b>47.77</b>

**TABLE 9-20: CONSOLIDATED ESTIMATION OF ARR GAP/SURPLUS OF STATE DISCOMS FOR FY 2023-24 (Rs. Crore)**

Consolidated (5 Discoms)	Claimed	Approved
<b>Net Aggregate Revenue Requirement</b>	<b>92,564.89</b>	<b>85,579.51</b>
Revenue of (Tariff Excluding Subsidy)	69,806.79	85,105.59
GoUP Subsidy	15,020.00	-
<b>Gap/ (Surplus)</b>	<b>7,738.10</b>	<b>473.92</b>

- 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:

Quote

*28.5 Carrying cost for the gap / surplus of the Distribution Licensee will be provided by the Commission after prudence check at the interest rates as provided for working capital in these Regulations.*

Unquote

- 9.2.3. The Commission has computed cumulative Surplus consolidated of 5 State Discoms, as shown in the Table below:

**TABLE 9-21: CUMULATIVE GAP/(SURPLUS) FOR ALL 5 STATE DISCOMS (CONSOLIDATED) (Rs. Crore)**

Revenue Gap / (Surplus)#	Form	FY 2021-22		FY 2022-23		FY 2023-24	
		Claimed (True-UP)	Approved (True-Up)	Claimed (APR)	Provisionally Considered (APR)	Claimed (ARR)	Approved (ARR)
ARR	A	73,412.08	64,930.92	83,945.73	80,898.85	92,564.89	85,579.51
Revenue	B	71,391.49	71,438.32	79,773.58	79,773.58	84,826.79	85,105.59
Opening (i.e. closing of last year)	C	14,423.01	(3,799.58)	3,486.76	(10,977.03)	8,976.07	(7,701.36)
Gap/(surplus)during the year	D=B-A	2,020.60	(6,507.40)	4,172.14	4,172.14	7,738.10	473.92
Closing GAP/(Surplus)	E=C+D	16,443.60	(10,306.97)	7,658.90	(6,795.45)	16,714.17	(7,227.44)



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Revenue Gap / (Surplus)#	Form	FY 2021-22		FY 2022-23		FY 2023-24	
		Claimed (True-UP)	Approved (True-Up)	Claimed (APR)	Provisionally Considered (APR)	Claimed (ARR)	Approved (ARR)
Carrying cost rate (%) @IWC	F	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%
Carrying cost (Rs. Crore) for the year	$G=(E+D/2)*F$	1466.16	(670.06)	1,317.17	(905.91)	658.59	(761.37)
<b>Cumulative Gap/(Surplus)</b>	<b>H=E+G</b>	<b>3,486.76</b>	<b>(10,977.03)</b>	<b>8,976.07</b>	<b>(7,701.36)</b>	<b>17,372.76</b>	<b>(7,988.81)</b>

Note: The opening of the year in the Petitioners column is the value of closing as per their submission in Previous Tariff Order.

#Discom wise revenue Gap / (Surplus) is annexed as Annexure – III of this Tariff Order.

9.2.4. Further, the computations of ARR and revenue for FY 2023-24 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.

9.2.5. Further, the Commission had approved a surplus of Rs. 13,337.17 Crore 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. Further, the Petitioner have challenged Tariff Orders for FY 2020-21, FY 2021-22 and FY 2022-23, IN Hon'ble APTEL which will also impact the consumer tariff. Hence, it is decided to deal the same in future tariff proceedings at appropriate time otherwise it may cause volatility in tariff and tariff shock to the consumers. 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. 7.46 / kWh.

**TABLE 9-22: AVERAGE BILLING RATE (TARIFF EXCLUDING SUBSIDY)**

Consumer Sub-Category	Average Billing Rate
	Rs. / kWh
LMV-1: Domestic Light, Fan & Power	7.18
LMV-2: Non-Domestic Light, Fan & Power	9.58





Consumer Sub-Category	Average Billing Rate
	Rs. / kWh
LMV-3: Public Lamps	10.30
LMV-4: Light, Fan & Power for Institutions	10.51
LMV-5: Private Tube Wells/ Pumping Sets	5.10
LMV 6: Small and Medium Power up to 100 HP (75 kW)	8.26
LMV-7 & 8: Public Water Works & LMV, State Tube Wells & Pump Canals up to 100 HP	9.41
LMV-9: Temporary Supply	10.37
LMV-10: Departmental Employees	7.35
LMV-11: Electrical Vehicles	7.30
HV-1: Non-Industrial Bulk Loads	9.79
HV-2: Large and Heavy Power above 100 BHP (75 kW)	7.84
HV-3: Railway Traction	8.53
HV-4: Lift Irrigation & P. Canals above 100 BHP (75 kW)	9.36
Extra State Consumer	7.83
<b>Grand Total</b>	7.42
<b>ACoS</b>	7.46

- 9.3.2. Cross subsidisation for most of the categories has reduced as compared to last year.
- 9.3.3. 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 2023-24 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.
- 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 2023-24 (Rs. Crore)**

Particulars	Allocation % (Submitted by Petitioners)		Allocation (FY 2023-24)		
	Wheeling	Supply	Wheeling	Supply	Total
Power Purchase Expenses (incl PGCIL charges)	0%	100%	0.00	72,872.66	72,872.66
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	3,321.62	3,321.62
<b>Gross O&amp;M Expenses</b>					
Gross Employee cost	60%	40%	2,730.16	1,820.11	4,550.27
Gross A&G expenses	40%	60%	380.61	570.91	951.52
Gross R&M expenses	90%	10%	2,687.56	298.62	2,986.17
Smart Metering OPEX	0%	100%	0.00	355.87	355.87
Gross Interest & Finance charges	90%	10%	2,625.67	291.74	2,917.41
Depreciation	90%	10%	2,010.82	223.42	2,234.24
<b>Gross Expenditure</b>			<b>10,434.81</b>	<b>79,754.95</b>	<b>90,189.76</b>
<b>Expense capitalization</b>					
Employee cost capitalized	60%	40%	835.93	557.29	1,393.22
Interest capitalized	90%	10%	100.07	11.12	111.18
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
<b>Net Expenditure</b>			<b>9,498.81</b>	<b>79,186.54</b>	<b>88,685.35</b>
Provision for Bad & Doubtful debts	0%	100%	0.00	1,396.14	1,396.14



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Particulars	Allocation % (Submitted by Petitioners)		Allocation (FY 2023-24)		
	Wheeling	Supply	Wheeling	Supply	Total
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
<b>Total net expenditure with provisions</b>			<b>9,498.81</b>	<b>80,582.68</b>	<b>90,081.49</b>
Add: Return on Equity	90%	10%	2,384.64	264.96	2,649.60
Less: Non-Tariff Income	0%	100%	0.00	183.80	183.80
<b>Aggregate Revenue Requirement (ARR)</b>			<b>11,883.45</b>	<b>80,663.84</b>	<b>92,547.29</b>

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 2023-24**

S. No	Particulars	Units	Claimed
1	Wheeling ARR	Rs. Crore	11,884.70
2	Retail sales	MU	1,14,673.95
3	Average Wheeling charge	Rs. / kWh	1.04

**TABLE 10-3: VOLTAGE-WISE WHEELING CHARGES SUBMITTED BY PETITIONERS FOR FY 2023-24**

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%	0.83
ii	Medium Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	80%	0.83
iii	Short Term (@ 80% of Average Wheeling Charge)	Rs. / kWh	80%	0.83
2	Connected above 11 kV			
i	Long Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.52
ii	Medium Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.52
iii	Short Term (@ 50% of Average Wheeling Charge)	Rs. / kWh	50%	0.52



### Commission's Analysis

10.3.5. The Commission has considered the allocation as per the Licensee and has approved the wheeling and retail supply ARR for FY 2023-24 considering the approved ARR as shown in the Table below:

**TABLE 10-4: WHEELING AND RETAIL SUPPLY ARR APPROVED BY THE COMMISSION FOR FY 2023-24**

Particulars	Allocation %		Allocation (FY 2023-24)		
	Wheeling	Supply	Wheeling	Supply	Total
Power Purchase Expenses (including PGCIL charges)	0%	100%	0.00	69,904.70	69,904.70
Apportionment of O&M Expenses & Interest & Finance Charges of UPPCL	0%	100%	0.00	0.00	0.00
Transmission Charges - Intra State	0%	100%	0.00	3,376.15	3,376.15
<b>Gross O&amp;M Expenses</b>					
Gross Employee cost	60%	40%	2,059.86	1,373.24	3,433.09
Gross A&G expenses	90%	10%	2,264.60	251.62	2,516.23
Gross R&M expenses	40%	60%	355.81	533.71	889.52
Gross Interest & Finance charges	90%	10%	2,230.32	247.81	2,478.13
Depreciation	90%	10%	1,890.08	210.01	2,100.09
<b>Gross Expenditure</b>			<b>8,800.67</b>	<b>75,897.24</b>	<b>84,697.90</b>
<b>Expense capitalization</b>					
Employee cost capitalized	60%	40%	835.93	557.29	1,393.22
Interest capitalized	90%	10%	100.07	11.12	111.18
A&G expenses capitalized	40%	60%	0.00	0.00	0.00
<b>Net Expenditure</b>			<b>7,864.67</b>	<b>75,328.83</b>	<b>83,193.50</b>
Provision for Bad & Doubtful debts	0%	100%	0.00	1,396.14	1,396.14
Provision for Contingency Reserve	0%	100%	0.00	0.00	0.00
<b>Total net expenditure with provisions</b>			<b>7,864.67</b>	<b>76,724.97</b>	<b>84,589.63</b>
Add: Return on Equity	90%	10%	2,214.30	246.03	2,460.33
Less: Non-Tariff Income	0%	100%	0.00	1,408.23	1,408.23
Carrying cost on security deposit	0%	100%	0.00	62.22	62.22
<b>Aggregate Revenue Requirement (ARR)</b>			<b>10,078.97</b>	<b>75,500.54</b>	<b>85,579.51</b>

10.3.6. Based on the above, the wheeling charges for FY 2023-24 has been worked out by the Commission as shown in the Table below:



**TABLE 10-5: WHEELING CHARGES APPROVED BY THE COMMISSION FOR FY 2023-24 ('WC' OF D)**

S. No	Particulars	Units	Claimed	Approved (FY 2023-24)
1	Wheeling ARR (A)	Rs. Crore	11,884.70	10,078.97
2	Retail sales (B)	MU	1,14,673.95	1,14,668.56
3	Wheeling charge (WC) ((A/B)*10)	Rs. / kWh	1.04	0.88

10.3.7. The wheeling charges determined above shall not be payable if the Open Access customer is availing supply directly through the State transmission network.

10.3.8. 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.





Approval of ARR and Tariff for State Discoms for FY 2023-24,  
APR of FY 2022-23 and True-up of FY 2021-22

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10.4.4. The Petitioners submitted the category-wise Cross Subsidy Surcharge computed by the Petitioner for FY 2023-24 is shown in the Table below:

**TABLE 10-6: CROSS SUBSIDY SURCHARGE PROPOSED IN THE PETITION AT EXISTING TARIFF BY THE PETITIONERS FOR FY 2023-24**

Cross Subsidy Surcharge For FY 2023-24																
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)	3,636.13	3,874.79	9.38	4.84	0.26	0.25	0.39	0.83	1.73	0.04	0.03	0.15	-	1.58	1.58
2	HV-1 (Supply above 11 kV)	495.99	340.86	14.55	4.84	0.26	0.25	0.39	0.52	1.42	0.04	0.03	0.01	-	7.90	2.91
3	HV-2 (Supply upto 11 kV)	8,046.64	9,997.89	8.05	4.84	0.26	0.25	0.39	0.83	1.73	0.04	0.03	0.15	-	0.24	0.24
4	HV-2 (Supply above 11 kV & upto 66 kV)	2,108.75	2,754.16	7.66	4.84	0.26	0.25	0.39	0.52	1.42	0.04	0.03	0.01	-	1.01	1.01
5	HV-2 (Supply above 66 kV & above 132 kV)	442.54	600.46	7.37	4.84	0.26	0.25	0.39	0.52	1.42	0.04	0.03	-	-	0.76	0.76
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)															
8	HV-3 (For Metro Traction)	108.87	127.56	8.53	4.84	0.26	0.25	0.39	0.67	1.57	0.04	0.03	0.00	0.00	1.77	1.71
9	HV-4 (Supply at 11 kV)	360.68	383.41	9.41	4.84	0.26	0.25	0.39	0.83	1.73	0.04	0.03	0.15	0.00	1.60	1.60
10	HV-4 (Supply above 11 kV upto 66kV)	314.30	338.04	9.30	4.84	0.26	0.25	0.39	0.52	1.42	0.04	0.03	0.01	0.00	2.65	1.86

\*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.

**TABLE 10-7: CROSS SUBSIDY SURCHARGE AT PROPOSED TARIFF SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

Cross Subsidy Surcharge For FY 2023-24																
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)	4147.04	3874.79	10.70	4.84	0.262	0.247	0.390	0.829	1.73	3.70%	3.22%	14.64%	0.00	2.90	2.14



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APR of FY 2022-23 and True-up of FY 2021-22*

Cross Subsidy Surcharge For FY 2023-24																
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									
2	HV-1 (Supply above 11 kV)	553.81	340.86	16.25	4.84	0.262	0.247	0.390	0.518	1.42	3.70%	3.22%	0.84%	0.00	9.60	3.25
3	HV-2 (Supply upto 11 kV)	9340.44	9997.89	9.34	4.84	0.262	0.247	0.390	0.829	1.73	3.70%	3.22%	14.64%	0.00	1.54	1.54
4	HV-2 (Supply above 11 kV & upto 66 kV)	2459.76	2754.16	8.93	4.84	0.262	0.247	0.390	0.518	1.42	3.70%	3.22%	0.84%	0.00	2.28	1.79
5	HV-2 (Supply above 66 kV & above 132 kV)	520.05	600.46	8.66	4.84	0.262	0.247	0.390	0.518	1.42	3.70%	3.22%	0.02%	0.00	2.05	1.73
6	HV-2 (above 132 kV)	172.13	210.20	8.19	4.84	0.262	0.247	0.390	0.518	1.42	3.70%	3.22%	0.02%	0.00	1.58	1.58
7	HV-3 (Supply at & above 132 kV)	128.30	127.56	10.06	4.84	0.262	0.247	0.390	0.674	1.57	3.70%	3.22%	0.02%	0.00	3.30	2.01
8	HV-3 (For Metro Traction)	418.76	383.41	10.92	4.84	0.262	0.247	0.390	0.829	1.73	3.70%	3.22%	14.64%	0.00	3.12	2.18
9	HV-4 (Supply at 11 kV)	365.99	338.04	10.83	4.84	0.262	0.247	0.390	0.518	1.42	3.70%	3.22%	0.84%	0.00	4.18	2.17
10	HV-4 (Supply above 11 kV upto 66kV)	4147.04	3874.79	10.70	4.84	0.262	0.247	0.390	0.829	1.73	3.70%	3.22%	14.64%	0.00	2.90	2.14

\*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.

10.4.5. The CSS submission made by the Petitioners is shown in the Table below:

**TABLE 10-8: CROSS SUBSIDY SURCHARGE SUBMITTED BY THE PETITIONERS FOR FY 2023-24**

S No.	Categories	Proposed CSS (at existing Tariff)	Proposed CSS (at proposed Tariff)
1	HV-1 (Supply at 11 kV)	1.58	2.14
2	HV-1 (Supply above 11 kV)	2.91	3.25
3	HV-2 (Supply at 11 kV)	0.24	1.54
4	HV-2 (Supply above 11 kV and upto 66 kV)	1.01	1.79
5	HV-2 (Supply above 66 kV and upto 132 kV)	0.76	1.73
6	HV-2 (Supply above 132 kV)	0.31	1.58
7	HV-3 (at and above 132 kV)	-	2.01



S No.	Categories	Proposed CSS (at existing Tariff)	Proposed CSS (at proposed Tariff)
8	HV3 For Metro traction	1.71	2.18
9	HV-4 (Supply at 11 kV)	1.60	2.17
10	HV-4 (Supply above 11 kV and upto 66 kV)	1.86	2.14

### Commission's Analysis

10.4.6. The Commission observed that the Petitioners have not submitted any billing determinants for HV-3 at and above 132 kV. The Commission vide Letter dated January 31, 2023 asked the Petitioners justification for not providing the Billing Determinants in the aforesaid consumer category. In response the Petitioners submitted that most of the consumer of these category has left the consumer status of Discoms and the Petitioners have not collected any open access charges from the HV-3 consumers due to Deemed Licensee status of the consumers.

10.4.7. 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 10-9: DISTRIBUTION / RETAIL SUPPLY CHARGES FOR PURPOSE OF COMPUTATION OF 'DC' OF D FOR FY 2023-24**

S. No	Particulars	Units	Approved (FY 2023-24)
1	Supply ARR (excluding Power Purchase & Transmission charges) (A)	Rs. Crore	2,219.70
2	Retail sales (B)	MU	1,14,668.56
3	Retail Supply / Distribution charge (DC) ((A/B)*10)	Rs. / kWh	0.19



**TABLE 10-10: INTRA-STATE TRANSMISSION CHARGES FOR PURPOSE OF COMPUTATION OF 'TC' OF D FOR FY 2023-24**

S.No	Particulars	Units	Approved (FY 2023-24)
1	Transmission Charge (Rs. Crore) (A)	Rs. Crore	3,376.15
2	Energy Handled in Open access (Retail sales) (B)	MU	1,14,668.56
3	Intra-state Transmission Charge (TC) ((A/B) * 10)	Rs. / kWh	0.2944

**TABLE 10-11: INTER-STATE TRANSMISSION CHARGE FOR PURPOSE OF COMPUTATION OF 'PC' OF D FOR FY 2023-24**

S. No	Particulars	Units	Approved (FY 2023-24)
1	Transmission Cost (A)	Rs. Crore	4,712.46
2	Energy Handled in Open access (Retail sales) (B)	MU	1,14,668.56
3	Inter-State Transmission Charge (PC) ((A/B) * 10)	Rs. / kWh	0.411

**TABLE 10-12: AGGREGATE OF TRANSMISSION, DISTRIBUTION & WHEELING CHARGES, APPLICABLE TO RELEVANT VOLTAGE LEVEL) D = PC + TC + DC + WC FOR THE STATE DISCOMS FOR FY 2023-24**

S. No	Particulars	Units	Approved (FY 2023-24)
1	PC + TC + DC + WC upto 132 kV	Rs. / kWh	1.78
2	TC + PC (above 132 kV)	Rs. / kWh	0.71

10.4.8. 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 10-13: DISTRIBUTION LOSS AT VARIOUS VOLTAGE LEVELS FOR FY 2023-24 SUBMITTED BY PETITIONERS**

FY 2023-24 Voltage Level (kV)	DVVNL Loss (%)	MVVNL Loss (%)	PVVNL Loss (%)	PuVVNL Loss (%)	KESCO Loss (%)	Consolidated Loss (%)
220 kV	0.00%	0.00%	0.12%	0.00%	0.00%	0.04%
132 kV	0.09%	0.05%	0.03%	0.00%	0.00%	0.02%
33 kV	0.03%	3.64%	0.03%	2.10%	0.98%	1.35%
11 kV	18.11%	12.09%	14.91%	14.34%	0.42%	14.38%



10.4.9. The Commission has also observed in a few voltage levels, the 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 data for each consumer category supported with detailed computation in the submission of the Licensees. Moreover, there is high level of variation in losses at different voltage levels.

10.4.10. Accordingly, voltage wise loss at each voltage level considered for computation of Cross Subsidy Surcharge as under:

**TABLE 10-14: VOLTAGE WISE LOSSES APPROVED FOR OPEN ACCESS COMPUTATION  
(CONSOLIDATED-5 DISCOMS)**

S.No	Particulars	Loss Levels (%)
1	Inter State Transmission Loss (PGCIL)	1.02%
2	Intra State Transmission Loss (UPPTCL)	3.22%
4	Distribution Loss above 33 kV (132kV,66 kV)	3.00%
4	Distribution Loss at 33 kV	4.00%
5	Distribution Loss at 11 kV	6.00%
6	Approved Distribution Loss of all 5 Discoms (Consolidated)	10.30%

10.4.11. The above losses are solely for the purposes of computation of CSS. However, for billing purpose of open access consumers, actual losses will be considered.

10.4.12. The computation of Inter-state transmission loss for the purpose of computation of CSS is as under:

**TABLE 10-15: INTER-STATE TRANSMISSION LOSS FOR THE PURPOSE OF COMPUTATION OF  
CROSS SUBSIDY SURCHARGE**

Particulars	Unit	Derivation	Consolidated
Retail Sales	MU	A	1,14,668.56
Distribution Losses	%	B	10.30%
Energy at Discom Periphery for Retail Sales	MU	$C=A/(1-B)$	<b>1,27,835.63</b>
Intra-State Transmission Losses	%	D	3.22%
Energy available at State Periphery for Transmission	MU	$E=C/(1-D)$	<b>1,32,089.22</b>
Inter-State Transmission Loss*	%	$F=1-E/G$	1.02%
Power Purchase Required & Billed Energy (MU) (Ex-Bus)	MU	G	<b>1,33,447.89</b>



\* This computation is for the purpose of computing the CSS only and has been done by taking into consideration the total Ex-bus transmitted energy and the energy requirement at the State periphery which is inclusive of Inter-State and Intra-State sources

10.4.13. 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 10-16: COST OF SUPPLY AS COMPUTED BY THE COMMISSION FOR FY 2023-24 (Rs. / kWh)**

S No.	Categories	Wh. Charge (D= PC+TC+DC+WC)	Wt. Avg. Pr. Cost (FC)	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	0.71	2.03	2.86	4.89	1.02%	3.22%	0.00%	0.00	5.81
2	HV Categories above 33 KV (132, 66kV)	1.78	2.03	2.86	4.89	1.02%	3.22%	3.00%	0.00	7.04
3	HV Categories at 33 KV	1.78	2.03	2.86	4.89	1.02%	3.22%	4.00%	0.00	7.09
4	HV Categories at 11 KV	1.78	2.03	2.86	4.89	1.02%	3.22%	6.00%	0.00	7.20

Note: L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level.

**TABLE 10-17: CROSS SUBSIDY SURCHARGE COMPUTED BY THE COMMISSION FOR FY 2023-24 (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)	9.39	9.39	7.20	2.19	1.88
2	HV-1 (Supply above 11 kV)	14.06	14.06	7.09	6.97	2.12
3	HV-2 (Supply at 11 kV)	7.95	7.95	7.20	0.75	0.75
4	HV-2 (Supply above 11 kV and upto 66kV)	7.58	7.58	7.09	0.49	0.49



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APR of FY 2022-23 and True-up of FY 2021-22

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)
5	HV-2 (Supply above 66 kV and upto 132kV)	7.37	7.37	7.04	0.33	0.33
6	HV-2 (Supply above 132 kV )	6.92	6.92	5.81	1.11	0.49
7	HV-3 (at and above 132 kV)	-	-	-	-	-
9	HV3 For Metro traction	8.53	8.53	7.09	1.44	1.44
10	HV-4 (Supply at 11 kV)	9.41	9.41	7.20	2.20	1.51
11	HV-4 (Supply above 11 kV and upto 66kV)	9.30	9.30	7.09	2.21	1.81

\*R = 0, as there is no Regulatory Surcharge at present

10.4.14. The Petitioners have submitted two CSS computations the first one is based on existing Tariff and second one is based on proposed Tariff. Both the Tables are shown above. However, as there has been no Tariff revision hence the CSS computation in regard to existing Tariff submitted by the Petitions has been taken into consideration. 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 at existing Tariff. The approved CSS for FY 2023-24 is as under:

**TABLE 10-18: CROSS SUBSIDY SURCHARGE APPROVED BY THE COMMISSION FOR FY 2023-24 (RS. /kWh)**

Categories	Units	FY 2023-24			Approved CSS for FY 2023-24
		Approved in T.O for FY 2022-23 dt. July 20, 2023	Claimed by Petitioner (at existing Tariff)	Computed	
		A	B	C	
HV-1 (Supply at 11 kV)	Rs. / kWh	1.89	1.58	1.88	1.58
HV-1 (Supply above 11 kV)	Rs. / kWh	2.12	2.91	2.12	2.12
HV-2 (Supply at 11 kV)	Rs. / kWh	0.77	0.24#	0.75	0.75





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Categories	Units	FY 2023-24			Approved CSS for FY 2023-24
		Approved in T.O for FY 2022-23 dt. July 20, 2023	Claimed by Petitioner (at existing Tariff)	Computed	
		A	B	C	
HV-2 (Supply above 11 kV and upto 66kV)	Rs. / kWh	0.67	1.01	0.49	0.49
HV-2 (Supply above 66 kV and upto 132kV)	Rs. / kWh	0.76	0.76	0.33	0.33
HV-2 (Supply above 132 kV)	Rs. / kWh	0.49	0.31	0.49	0.31
HV-3 (For Railway Traction)*	Rs. / kWh	2.01	-	-	2.01
HV-3 (For Metro Traction)	Rs. / kWh	1.77	1.71	1.44	1.44
HV-4 (Supply at 11 kV)	Rs. / kWh	1.51	1.60	1.51	1.51
HV-4 (Supply above 11 kV and upto 66kV)	Rs. / kWh	1.81	1.86	1.81	1.81
HV-4 (Supply above 66 kV and upto 132kV)	Rs. / kWh	1.99	-	-	1.99

\* The Petitioners have not proposed Cross Subsidy Surcharge for HV-3 (Railway Traction) and HV-4 (supply above 66 kV and upto 132 kV) 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 2022-23 in the Tariff Order dated July 20, 2022.

# There is some data discrepancy used in determining the CSS by the Petitioners and hence the value computed by the Commission is approved.



## 11. DIRECTIVES

### 11.1. COMPLIANCE WITH DIRECTIVES ISSUED IN THE ORDER DATED JULY 20, 2022

11.1.1. The Commission has issued certain directives to the Petitioners in the Tariff Order dated July 20, 2022. 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**

S.No.	Directives	Status of Compliance
1	The Commission 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.	The Petitioners have submitted the voltage wise Energy Sales and Losses are given in the MYT Formats for ARR of FY 2023-24 and also furnished in the Petitions. Also, the Petitioners have submitted the Energy Audit report and Cost Audit Report for FY 2021-22.  MVVNL hasn't submitted Energy Audit report for FY 2021-22.
2	The Commission directs the Petitioners, not to book excess sales under the unmetered categories.	The Petitioners submitted that they are obligated to follow the Commission's Directive and complies the directions mentioned under Section 2.1.2 along with the Petition. However, the Commission observed that Discoms have booked excess energy in unmetered category.
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.	The Petitioners have submitted the Petition for approval of capex under RDSS Scheme along with the break-up of its components.
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	The Petitioners submitted FAR for FY 2021-22.



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S.No.	Directives	Status of Compliance
	Petitioners, assets created out of Grants and assets created out of consumer contribution.	
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 filing each year.	The Petitioner has submitted billing determinants of Distribution Franchisee Agra.  However, with regards to audit of 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), DVVNL has not submitted any audit report in this regard.
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.	The Petitioners submitted that the Commission is requested to deal with this matter separately under Petition No. 780 of 2012.
7	The Petitioners are directed to ensure 100% feeder metering and DT metering.	Petitioners have submitted details of the Feeder and DT metering. It has been observed that 100% feeder metering has been done however, DT metering is still incomplete. Further, Petitioners submitted that metering of balance DTs would be done under operationalization of RDSS.
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.	It is submitted that OTS scheme is not governed under the provision of UPERC MYT Regulations, 2019. Petitioners have not separately claimed any OTS related relaxation in the Petition. All OTS scheme is introduced by UPPCL to boost up its revenue collections. The revenue collected through the scheme



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S.No.	Directives	Status of Compliance
		and other regular activities is recorded as a revenue from consumers.
9	All procurements made by the Petitioners should be through Competitive Bidding only.	The Petitioners have submitted that all the power procurement is done through Competitive Bidding and as per the directions given by the Commission from time to time.
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.	It is submitted that as per requirement, this is submitted under ARR submissions for FY 2023-24
11	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 State Discoms submits 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. Which has already been submitted along the Petition.
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.	The State Discoms submitted that they are obligated to follow the Commission's Directive
13	The Commission directs that metering of LMV-10 consumers should be completed immediately.	It is submitted that Section 23 (7) of Electricity Reforms Act, 1999 provides that "terms and condition of service of the 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



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S.No.	Directives	Status of Compliance
		rate of electricity”, which means concession in rate of electricity to the extent it is not inferior to what was existing before 14th January, 2000. Accordingly, efforts are being made to comply with the Hon’ble Commission directions. However, problem is being faced in maintaining industrial relations with employee unions due to discontinuation of Tariff of LMV-10.
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 equipment on the electric poles and infrastructure of the licensees. The licensees are directed to develop a business plan in this regard and submit the same for the approval of the Commission. The Commission may allow some part of this income as incentive to the licensee through revenue sharing based on implementation of the same.	The Petitioners submitted that various initiatives are being taken-up at its associated Stations / Sub-Stations at Discom level. Further, UPERC (Facilitation of Telecommunication Network) Regulations, 2022 is under progress on it and submission is already given in this regard to the Commission from UPPCL vide Letter No. 528 dated October 18, 2022.
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.	Tariff Petitions are filed online as per the directions of the Commission and the Petitioners comply the same.
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	The Petitioners submitted that UPPCL has appointed M/s ISGF for the same. The Pilot Project report on Block Chain Technology is submitted along with ARR / Tariff Petition.



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S.No.	Directives	Status of Compliance
	settlement etc. so that P2P rooftop solar energy may become operational for the prosumers and consumers of the State.	
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.	The Petitioners submitted that they have filed the Petition for seeking approval of long term battery energy storage purchase agreement and bidding document for invitation of e-tender for installation of energy storage system in State of Uttar Pradesh under Petition no. 1868/2022. It is humbly submitted that directions from the Commission for implementation of Battery Storage would be complied along with Energy Storage Obligations (ESO) as per guidelines
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.	The Petitioners submitted the detail along with ARR / Tariff Petition.
19	The Petitioners are directed to submit DSM account details separately from the power purchase along with ARR/ Tariff fillings.	The Petitioners submitted that they would comply the Suo-Moto proceedings no. 59SM / 60SM / 61SM of 2022. Accordingly, UPSLDC is providing the DSM account details to the Commission on monthly basis from October 01, 2022 as per the Commission's Order dated September 29, 2022
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.	Not applicable (No land has been capitalized during the year).
21	Provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption and consumer category, along with Petition.	The required details are provided under MYT Format F7A along with the ARR Petition.
22	Wherever the opening values in the new audited account the closing shown in the previous audited account, the reasons for the same to be provided as part of balance sheet.	As per the Audited Balance Sheet of FY 2021-22, if the opening value is not matching with the last year closing value, there are some prior period items which required a retrospective adjustment as per which the prior period items identified during the



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S.No.	Directives	Status of Compliance
		current year are re- stated in the previous relevant year .
23	Provide the detailed breakup of CWIP claimed for the year along with the Petition.	The details are captured in the ARR Formats/ Balance Sheet and the same is provided along with the Tariff Filing.
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.	The Petitioners submitted that they 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.
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.	Complied and submitted along with ARR Tariff Filing as per compliance directives.
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.	Reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses is submitted in the ARR Petition.
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.	Audited Balance Sheet is prepared as per the provisions of Company's Act. Further, Petitioners submits that UPPCL is the sole power supplier for all State Discoms. The Petitioners receive the energy bill from UPPCL only.
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.	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.
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.	Audited Balance Sheet is prepared as per the requirements of Company's Act.
30	Submit the PPA's, Commission's approval and bills of each source from which power is	The required details are provided along with





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S.No.	Directives	Status of Compliance
	procured, along with the True-up / ARR Petition.	the ARR/ Tariff Petition.
31	The Petitioners are directed to provide Discom wise details of all the expenses allocated by UPPCL, along with the True-up / ARR petition.	The details are captured in the ARR Formats/ Balance Sheet and the same is provided along with the Filing.  However, the Petitioners have not provided the required data in the present proceedings.
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.	Complied and submitted along with ARR Petition.
33	Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange.	Load curve has been submitted.
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.	The Petitioners submitted that the required details of Fatal / Non-Fatal accidents at HV / LV sides of Feeder / Substations of Discom is compiled in P10 Format.
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.	Complied as per the provisions of the Tariff Policy, 2016. Roadmap for cross-subsidy reduction to be done as per directions / guidelines of the Commission
36	The Petitioners are directed to provide consolidated data for all Discoms along with each Discoms in ARR / Tariff Petition.	The Petitioners submitted that they are obligated to follow the Commission's Directive.
37	The Petitioners are directed to show SOP and CGRF expenses separately in the Audited Balance Sheet.	The Petitioners submitted that they are obligated to follow the Commission's Directive.
38	The Petitioners are directed to provide the details of approval of power purchase sources in the annexed format (Annexure II).	The Petitioners submitted that the desired information is captured under MYT Format F13B for all three years i.e. True- up, APR and ARR. It is further submitted that details like Generator-wise Inter & Intra Losses and



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S.No.	Directives	Status of Compliance
		Charges is not been captured under the current practice. Therefore, same cannot be provided. It is requested that the Commission may kindly allow relaxation in this regard.
39	Apart from the above directions the Petitioners to comply to the directions provided at various places in this Tariff Order.	The Petitioners submitted that they are obligated to follow the Commission's Directive.
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.	The Petitioners comply the proceedings under Petition No. 780 of 2012.
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.	The Petitioners humbly submitted the details along with ARR / Tariff Petition.
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	The Petitioners submitted that various departmental trainings to the new joinees as well as existing employees are being conducted time to time on various technical,



S.No.	Directives	Status of Compliance
	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, in-house 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.	commercial and IT related matters. Further, the Petitioner has prepared software for compliance of UPERC SOP Regulations, 2019 and making required arrangements. The initial training in this regard has been conducted by the implementing agency
43	The Commission 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.	The Petitioners submitted that the provisions for Additional R&M expenses that were approved by the Commission for FY 2021-22 are already included under R&M expenses and part of it and the mechanism of SOP Regulations are complied. Further, the Petitioner has prepared software for compliance of UPERC SOP Regulations, 2019 and making required arrangements. These expenditures fall in various heads under O&M Expenses. The Commission is requested to allow the R&M expenses as mentioned under True-up Section.
44	The Commission directs that the direction of earlier Tariff Orders which have not been complied shall be complied immediately.	The Petitioners submitted that they are obligated to follow the Commission's Directive.

## 11.2. DIRECTIVES ISSUED IN THIS ORDER

- 11.2.1. The Commission directs the Petitioners to submit the voltage wise (440 V, 11 kV, 33 kV, 66 kV, 132 kV) - Energy Sales and Losses. Also, it is mandatory to submit energy audit report and the cost audit report (prepared in accordance with Companies (Cost Records and Audit) Rules, 2014) along with the ARR / Tariff filing each year.



- 11.2.2. The Commission directs the Petitioners, not to book excess sales under the unmetered categories.
- 11.2.3. 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 order to safeguard the consumers from unjust and unfair charges.
- 11.2.4. 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.
- 11.2.5. 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 would cross-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 filing each year.
- 11.2.6. 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.
- 11.2.7. The Petitioners are directed to ensure 100% feeder metering and DT metering and separation of agriculture feeders.
- 11.2.8. 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 2022-23, in the next filing.
- 11.2.9. All procurements made by the Petitioners should be through Competitive Bidding only.



- 11.2.10. The Petitioners are directed to procure all power through tariff-based competitive bidding process, power exchange or DEEP Portal. As power purchase is dependent on the sales, and increase in sale above the approved limits would require additional power to be purchased from the Exchange. With regard to cost of the power, if the same is in approved limits of increase in sales approved by the Commission, Petitioners need not to take prior approval of the Commission. However, if Petitioners need to purchase the power beyond the approved limits then the Petitioners are required to take prior approval of the Commission irrespective of sources of power purchase.
- 11.2.11. The Commission directs the Petitioners to submit the MOD stack in accordance with MOD Regulation, 2021.
- 11.2.12. The Commission directs the Petitioners to ensure to file its ARR/ Tariff Petition on time strictly in accordance with the applicable MYT Regulations, 2019.
- 11.2.13. The Commission directs that metering of LMV-10 consumers should be completed immediately.
- 11.2.14. The Petitioners are directed to provide the Billing Determinants and revenue collected from LMV - 10 consumers along with ARR / Tariff filing from next year onwards.
- 11.2.15. 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. As similar scheme has already been approved by the Commission for UPPTCL
- 11.2.16. 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.



- 11.2.17. 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.
- 11.2.18. Provide the details of all the pending cases filed by Petitioners against the Commission in various forums along with the status of the same.
- 11.2.19. The Petitioners are directed to submit DSM account details separately from the power purchase along with ARR/ Tariff fillings.
- 11.2.20. 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.
- 11.2.21. Provide the list of Open Access consumers (Long Term, Short Term, Medium Term) along with their consumption and consumer category, along with Petition.
- 11.2.22. The Commission directs the Petitioners, 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.
- 11.2.23. The Petitioners are directed to provide complete details of energy managed through net metering on monthly basis including energy banked / adjusted and the amount / energy settled at the end of financial year and the treatment done for the same in the financial statements and regulatory submissions every year along with ARR / Tariff fillings.
- 11.2.24. Wherever the opening values in the 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 audited accounts henceforth.
- 11.2.25. Provide the detailed breakup of CWIP claimed for the year along with the Petition.
- 11.2.26. 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 future filings.
- 11.2.27. Submit the reconciliation of the actual O&M expenses (i.e. employee expenses, A&G expenses, R&M expenses) vis-à-vis the normative expenses for the year in the future filings.



- 11.2.28. 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 accounts henceforth.
- 11.2.29. Ensure that the actual category / sub-category wise Billing Determinants (No. of Consumers, Connected Load & Sales) & category wise actual Revenue are made part of the audited accounts henceforth.
- 11.2.30. 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 accounts henceforth.
- 11.2.31. Submit the PPA's, Commission's approval and bills of each source from which power is procured, along with the future True-up / ARR petitions.
- 11.2.32. The Petitioners are directed to provide Discom wise details of all the expenses allocated by UPPCL, along with the future True-up / ARR petitions.
- 11.2.33. Submit the details of actual Number of consumers, Connected Load, Sales and Revenue for LMV-10 category consumer, along with the future True-up Petitions.
- 11.2.34. Provide the daily load curves and monthly load curves for last year along with the corresponding N2 region demand curves of exchange and based on this submit a report on the existing ToD time slabs.
- 11.2.35. The Commission observed that the 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.
- 11.2.36. The Petitioners are directed to submit a proposal in regard to the category / sub-category wise 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.
- 11.2.37. The Petitioners are directed to provide consolidated data for all Discoms along with each Discoms in future ARR / Tariff Petitions.
- 11.2.38. The Petitioners are directed to show SOP and CGRF expenses separately in the Audited Balance Sheet.





- 11.2.39. 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.
- 11.2.40. As per the approved roll out plan dated November 15, 2018 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.
- 11.2.41. The Petitioners are directed to submit year-wise (since inception) details of Smart Meters installed with break-up of category / sub-category wise in the next ARR / Tariff filings.
- 11.2.42. 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, in-house 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.
- 11.2.43. The Petitioners shall not purchase power from High Price Day Ahead Market (HP-DAM) without prior approval of the Commission.



- 11.2.44. The Petitioners shall file quarterly progress report before the Commission on SoP implementation as per UPERC (Standards of Performance) Regulations, 2019.
- 11.2.45. The Petitioners shall file quarterly progress report before the Commission on CGRF implementation as per UPERC (Consumer Grievance Redressal Forum) Regulations, 2019.
- 11.2.46. The Commission directs the Petitioners to follow the RPO trajectory set by the Commission in its First Amendment to the RPO Regulations, 2010 dated August 16, 2019 & any others of the Commission and submit RPO compliance along with Tariff Fillings and other orders of the Commission from time to time.
- 11.2.47. The Commission directs the Petitioners to submit the roadmap for DBT in their next ARR / Tariff 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.
- 11.2.48. The Commission directs the Petitioners to show revenue under different head comprising of revenue from operations (sale of energy to consumers), wheeling charges, CSS and any other charges approved by the Commission separately in the audited accounts and ARR / Tariff Petition.
- 11.2.49. 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.

**(Sanjay Kumar Singh)**  
Member

**(Vinod Kumar Srivastava)**  
Member (Law)

**(Raj Pratap Singh)**  
Chairman

Place: Lucknow

Date: May 24, 2023



## 13. ANNEXURE

### 13.1. RATE SCHEDULE FOR FY 2023-24

#### Rate Schedule for FY 2023-24

(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:

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in BHP} / 0.746) * 0.90$$

$$\text{Fixed Charges in kVA} = (\text{Fixed Charges in kW} * 0.90)$$

$$\text{Energy Charges in kVAh} = (\text{Energy Charges in kWh} * 0.90)$$

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 - 'LIST OF POWER FACTOR APPARATUS' of annexed to 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 paise shall be rounded down to previous rupee and 50 paise 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. 0.44 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 2023-24

### 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) 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.
- c) 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':**

- 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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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

- 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. 978/24-1-2023-1307/2020 Dated 17.04.2023) and Cross Subsidy	Tariff Payable
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Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22

	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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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	(+) 20%
06:00 hrs – 18:00 hrs	0%

4. For 'Maintenance Charges', 'Provision of Lamps' and 'Verification of Load' Point refer to 'PUBLIC LAMPS' annexed to this Rate Schedule.



#### **RATE SCHEDULE LMV – 4:**

#### **LIGHT, FAN & POWER FOR PUBLIC INSTITUTIONS AND PRIVATE INSTITUTIONS:**

#### **1. APPLICABILITY:**

Applicable for load less than 75 kW.

#### **LMV- 4 (A) - PUBLIC INSTITUTIONS:**

This schedule shall apply to:

- (a) Government Hospitals / Government Research Institutions / Offices of the Government Organizations other than companies registered under Companies Act 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
<b>(A) For Public Institutions</b>	Rs. 300.00 / kW / month	Rs. 8.25 / kWh
<b>(B) For Private Institutions</b>	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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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
Un-Metered	Rs. 770.00 / BHP / month	-	Rs. 600.00 / 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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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. 670.00 / BHP / month	Rs. 760.00 / BHP / month	Rs. 6.50 / kWh	Rs. 600.00 / BHP / month	Rs. 600.00 / 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. 978/24-1-2023-1307/2020 Dated 17.04.2023) 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. 670.00 / BHP / month	Rs. 740.00 / BHP / month	Rs. 6.50 / kWh	Rs. 600.00 / BHP / month	Rs. 600.00 / 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:**

<b>Contracted Load</b>	<b>Fixed Charge</b>	<b>Energy Charge</b>
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)**

<b>Hours</b>	<b>% of Energy Charges</b>
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
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 to 'STATE TUBE – WELLS' annexed to this Rate Schedule.



## **RATE SCHEDULE LMV – 9:**

### **TEMPORARY SUPPLY:**

#### **1. APPLICABILITY:**

##### **A) Un-metered Supply for Illumination / Public Address / Temporary Shops in Melas:**

This schedule shall apply to temporary supply of light, fan & power up to 20 KW, Public address system and illumination loads during functions, ceremonies and festivities and temporary shops, not exceeding three months 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
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**B. Metered\*:**

Description	Fixed Charge	Energy Charge
Individual Residential Consumers	Rs. 200.00 / kW / Month	Rs. 8.00 / kWh
	From 3 <sup>rd</sup> 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 3 <sup>rd</sup> 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 - 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:

<b>Category</b>	<b>Demand Charge</b>	<b>Energy Charge</b>
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:

<b>Category</b>	<b>Demand Charge</b>	<b>Energy Charge</b>
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 consumers 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:**

	<b>For supply up to 11 kV</b>	<b>For supply above 11 kV and up to 66 kV</b>	<b>For supply above 66 kV and up to 132 kV</b>	<b>For supply above 132 kV</b>
<b>BASE RATE</b>				
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:**

<b>Voltage Level</b>	<b>Charges</b>
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:**

<b>Voltage Level</b>	<b>Charges</b>
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

##### **d) 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 31<sup>st</sup> 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:		



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S. No.	NATURE OF CHARGES	UNIT	RATES (₹)
	a. By higher capacity Meter		
	b. Installation of Meter and its subsequent removal in case of Temporary Connections	Per Job	50.00
	c. Changing of position of Meter Board at the consumer's request	Per Job	75.00
4.	Service of Wireman:		
	a. Replacement of Fuse		
	b. Inserting and Removal of Fuse in respect of night loads.	Per Job	100.00
	c. Hiring of services by the consumer during temporary supply or otherwise.	Per Job	25.00
		Per wireman /day of 6 Hrs.	60.00
5.	Resealing of Meters on account of any reason in addition to other charges payable in terms of other provision of charging of penalties, etc.)	Per Meter	100.00
	Checking of Capacitors (other than initial checking) on consumer's request:		
6.	a. At 400 V / 230 V		
	b. At 11 kV and above.	Per Job	100.00
		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



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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. CATEGORY / SUB-CATEGORY WISE AVERAGE BILLING RATE FOR FY 2023-24

#### CATEGORY / SUB-CATEGORY WISE CONSOLIDATED FOR 5 DISCOMS AVERAGE BILLING RATE (ABR) FOR FY 2023-24

Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
<b>LMV-1: Domestic Light, Fan &amp; Power</b>	
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month) *	3.70
Dom: Rural Schedule (unmetered) *	3.47
Dom: Rural Schedule (metered) other than BPL *	5.36
Dom: Supply at Single Point for Bulk Load	7.45
Other Metered Domestic Consumers other than BPL	7.19
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>	
Non Dom: Rural Schedule	7.14
Non Dom: Other Metered Non-Domestic Supply	10.12
<b>LMV-3: Public Lamps</b>	
Gram Panchayat	8.61
Nagar Palika & Nagar Panchayat	8.88
Nagar Nigam	9.26
<b>LMV-4: Light, fan &amp; Power for Institutions</b>	
Inst: Public	10.24
Inst: Private	11.48
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>	
Consumers getting supply as per "Rural Schedule"	
PTW: Rural Schedule (unmetered) *	1.24
PTW: Rural Schedule (metered) *	2.81
Consumers getting supply as per "Urban Schedule (Metered Supply)"	6.31
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW) #</b>	
Consumers getting supply other than "Rural Schedule"	
Connected Load upto 20 kW	8.76



Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
Connected Load above 20 kW	8.00
<b>LMV-7 &amp; 8: Public Water Works, State Tube Wells &amp; Pump Canals upto 100 HP #</b>	
Urban Schedule (Metered)	9.62
Urban Schedule (Unmetered)	11.44
<b>LMV-9: Temporary Supply</b>	<b>10.37</b>
<b>LMV-10: Departmental Employees</b>	<b>7.35</b>
<b>LMV-11: Electrical Vehicles</b>	<b>7.30</b>
<b>HV-1: Non-Industrial Bulk Loads</b>	
Commercial Loads / Private Institutions / Non-Domestic Bulk Power with contracted Load 75 kW & above and getting supply at single point on 11 kV &	
Supply at 11 kV	9.56
Supply above 11 kV	13.70
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	9.21
Supply above 11 kV	14.47
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW) #</b>	
HV2 Urban Schedule: Supply at 11 kV	7.95
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	7.58
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	7.37
HV2 Urban Schedule: Supply above 132 kV	6.92
<b>HV-3: Railway Traction</b>	
HV3 Railway Traction ###	8.53



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Consumer Sub-Category	Average Billing Rate (ABR)
	Rs. / kWh
HV3 Metro traction	8.53
<b>HV-4: Lift Irrigation &amp; P. Canals above 100 BHP (75 kW)</b>	
HV4 Supply at 11kV	9.41
HV4 Supply above 11kV & upto 66kV	9.30
HV4 Supply above 66 kV & upto 132kV ##	9.30
Extra State Consumer	7.83
ABR Fixed Charges (17,998.43 /1,14,668.16*10)	1.57
ABR Variable Charges (67,107.16 /1,14,668.16*10)	5.85
<b>ABR Total (85,105.59 /1,14,668.16*10)</b>	<b>7.42</b>

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.

### The Petitioners have not provided Billing Determinants for this category hence, the ABR of 'HV3 Metro Traction' is considered.



Annexure - I

LIST OF PERSONS WHO HAVE ATTENDED PUBLIC HEARING

श्रीमती लीला वती देवी	अभ्योक्ता	
अवधेश कुमार का उप राज्य विद्युत अभ्योक्ता परिषद	चेयरमैन	
D.S.N. Singh	अध्यक्ष	
Daya Shankar Mishra	Ram Nagar Industrial Association	
D.S. MISHRA	President	Ram Nagar Ind. Association



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SL. NO.	NAME	DESIGNATION
01	श्रीमती लीलावती देवी	उपभोक्ता
02	श्री अजय कुमार श्रीवास्तव	उपभोक्ता
03	श्री विश्वनाथ राव	उपभोक्ता
04	श्री अवधेश कुमार वर्मा	डायरेक्टर उपभोक्ता परिषद
05	डॉ. एन.एन. ठिंट	उपभोक्ता
06	श्री जीव राम वर्मा	उपभोक्ता
07	श्री ए.ए.एम. चौधरी	मु.अभियन्ता
08	श्री हरीश पाण्डेय	अभियन्ता
09	श्री राहुल शर्मा	उपभोक्ता
10	श्री प्रमोद कुमार	HRD. Office Noida



श्री विरेन्द्र कुमार सिंह	LDC	TFC Vng
श्री नरेन्द्र प्रताप सिंह	उपभोक्ता	
श्री रमेश कुमार शुक्ला	उपभोक्ता	
श्री रामेश जायदवाल	मध्यमंत्रि	मध्यमंत्रि राम नगर इण्डस्ट्रियल एरिया
श्री देवा शंकर मिश्रा	अध्यक्ष	अध्यक्ष राम नगर इण्डस्ट्रियल एरिया
श्री शिवराज श्रीवास्तव	उपभोक्ता	
श्री निरंजना कुमार सिंह	उपभोक्ता	
श्री कमल सिंह	उपभोक्ता	
श्री अभिनव गुप्ता	उपभोक्ता	
श्री दीन दयाल केशरी	उपभोक्ता	



श्री प्रदीप कायव	उपमोक्ता	
श्री राकेश	उपमोक्ता	
श्री सत्येन्द्र कायव	उपमोक्ता	
श्री संतोष कुंभार	उपमोक्ता	
Smitkryadar	११	





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Arunk Rai	SE	MVNL
Rajesh Kumar	SE	MVNL
शिवप्रदीप शर्मा अध्यक्ष - उप राज्य विद्युत आयोग, पारस	SE	MVNL
Shailishi Kr Sharma	SDO	MVNL
Pankaj Singh	Consumer	MVNL UPCL
Vishal Kr. Dahiya	JGM / Fraction	UP METRO RAIL CORP
Chammet Singh	CEEW CSO, Consumer	CEEW
Bhanat Sharma	CSO, Zuckner	CEEW
Subash Kr Sharma	Chief Comm MVNL	MVNL
Sanyasachi	Advocate	Airtel





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Shekhar Saxena	Mgr Power	NPCL
DIVYANSHU BHATT	Advocate	UP Metro Rail Corporation Ltd.
NIRDOSH GUPTA RUSHIKA BELLANI VIKAS DUBEY	Representative	UP Metro Rail Corporation Ltd.
Nihar Vashney	Vice President Rimjhim Ispat Kempur	Rimjhim Ispat Kempur
M.K. MATHUR	Dir (fin) UPPTCL	UPPTCL
Ajay Soni	secretary U.P. Roller Flour Millers Association	U.P. Roller Flour Millers Association
Vinit Bohra Praw	AO, UPPTCL	UPPTCL
Prabhat Gupta	D. CAO, UPPTCL	UPPTCL
S. L. Gupta	JTA Chairman	JTA



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ANUP YADAV	इ.स.स.स.	J.V. T... Life IT Co...
V.N. Gupta	Associate Chairman of Council of U.P.	Secretary General
A. Singh	Deputy Chief Revisor	Deputy Secy
Rajeev Kumar	Associated Chairman of Council	Joint Secretary
Vinod Kumar	J.F.	BLDC Housing
M.R. GUPTA	EE	SLDC
Arunish Singh	E	Hindustan
S. Singh	T.S.	Hindustan
RAMOS	व.स.स.	Ref. BHATS



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Rohit Kumar Yadav	Mantini awas	Employee
Ubatel (UG)	सुसु	UPDN
Yugesh Felhu		Assochan UP
सुसु	सुसु	सुसु
सुसु	सुसु	
सुसु	सुसु	



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Deepak Tigg Shashant Bhat	AGM-ARPS	Consultant UPERC
Chandrakant Shrivast	JAM/Tractin	DMRC
Malavir		self
Rinkesh Chaurhary		Self
Atul Shrivast +1		SI NCRTE
RAKESH KOHLI +6	V-President	NOIDA (NE, Entrepreneur ARC
E. D. SINGH.		consumer
Omidatt	Diet Preside	BKU. Lochakdi Hearing
Ranjit Singh Chandra	Advocate	Hearing
Nasir	Student	Hearing
Ankur Kumar	Student	.
Deepak	student	





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बिप्लव कुमार बिप्लव	1991 सोपुलटय/बिपुल 300	
PULKIT AGARWA	ADVOCATE	NCRTC
PANKAJ KUMAR ROY	Consultant	Permal
PALLAVI MISRA	Resident	Per Consumer
H. S. SINGH	Consumer.	
IS Rame	IIA	Chairman
Vishvard Gautam	IIA	Gen. Sec.
RANESH BANSAL	IIA	Treasurer
Pronod kumar	IIA	J. Secy.
Vaibhaw Srivastava	Resident	Manager M&T
S. Ramesh Samarth	Resident	Sector - 78 ACU - 2
Vijay	Consumer	Sector - 201 ACU



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		BEHALF OF
Ambresh Jyoti	Sr Journalist Nac bharti	Rem
J K. Gupta	E.E.	EUBJ-2628
Mahender Singh	Supervisor	Self
SONU	Cur	Self
Punat S.	NOFAA	ACH
Rajv	मौमराज सिंह	
Arjun	पुमसिंह	
	Amit Sharma	
Sanjay	सिंह	
21/11/23		



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	DESIGNATION	APPEARING ON BEHALF OF
Jeevan Daise	Business	Self
Dr. Sukarm Pal Singh Tomas	-	Self
Ajay Kumar	D-21 Awaral Com. & ay Sperant	Self
Ravi Arora, Kailash	III E. DG UPDEL	Hemul
S P Saxena + Nishant	SGEM	Self
शशि कर्मा	असिस्टेंट	Self
Khubi das	self-	U.P.C.L
Koninul Kumar	self	U.P.C.L
<del>XXXXXXXXXX</del>		X -



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Devi Prasad Singh Harek & Sharekhat	Consultant UPERC
Pushpendra Kumar	SDO - Bhood UPCL.
Vishnu Bhagwan Agrawal.	National chamber Industry chairman.
Ravi Agrawal.	ASSO cham UP
Moham Suman	EE HV cell.
Pankaj Kumar	President Chairman Head of chamber of AGRA
Rakesh Chaudhary	President Hotels & Restaurant Association
R.P. Singh	SE Circle DVNL Agra
अवधेश कुमार अवधेश कुमार	अवधेश कुमार अवधेश कुमार
C. Agrawal.	Personal.





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Narven Agard	Personal	Yaklax
Pankaj Gaur	Personal	Pulwa
Rakesh Gupta	Personal	Consumer
Azeez	"	"
B S Jha	Consumer & Personal	Consumer
Sanjay Kumar	Personal	Consumer
Chaitanya	Personal	Consumer
Sujoo Kumar	Personal	Consumer
Abdul Salam	Personal GHT	Consumer
Brijai Singh	Personal	



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Panchadev & Saini	Public	Public
N. K. Gupta	Public	Public
Vijay Kant	Public	Public
Indrap	Public	Public
Bardeshwar	Public	Public
Kamal Kumar	Public	Public
2021/2021		ERT
Hitesh	Public	Public
Raj Kumar Pandey	Public	Public
Vikas		



Dabojyoti Ganguly		Consumer
ASHUTOSH SHARMA		Consumer Tarent Power
Nikhil Singh	Computer operation	
OP Katti	types handup disposal	
YM Jha	-	
Pradeep K. Singh	-	
Akhilash Chandra Singh	-	
S. C. Maheshwari	-	
<del>Manoj</del> Manoj		
Ramendra Kumar		



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Bihul Danu Ki	Consumer	Consumer
VISHAL PANJWANI	CONSUMER	CONSUMER
Sangeer Srivastava	Consumer	Consumer
Bhanu Pratap Singh	Consumer	Consumer
Atul Kumar	Consumer	Consumer
Brij Mohan Shams	Consumer	Consumer
Ankursh	Consumer	Consumer
Nitesh	Consumer	Consumer
Chitresh	Consumer	Consumer
Rishav	Consumer	Consumer



Sudhvir Bighal	TG II	DVVNL
LOCHAN SINGH	TG II	DVVNL
AKASH KUMAR PREMI	TG II	DVVNL
Amir Kumar Mudgal	TG II	DVVNL
Shachi Tandra	peon	DVVNL
Mohoh singh	Ruhar	DVVNL
VIJAY SHARMA	Operator	DVVNL
श्रीकांत रे	Peon	DVVNL
Pande UNBT	E.A.	DVVNL
Pinky Devi	E.A.	DVVNL





Deepi Mittal	Consumer	Self consume
Saekoder Sharma	Consumer	Self consume
Splia Sarthay	Consumer	Consumer
Sarjendra mar	Consumer	Consumer
हे-उ गुण्डा रानी	Consumer	Self
वीरलाल सिंह	उपभोक्ता	स्वयं
VINAY	Consumer	Self
Akath	Consumer	Self
Shivendra	Consumer	Self
Rajat	Consumer	Self



Rakeb	AD	
Saroj Kumar	SB R	
JACHAL KOSTA	JE	DVVLL
Shashil Kant Sia		
V.K. SUTR		
Om		
Devi		
Abul Basim		
Shri Indira Bhargava	TE	DVVNL
Rawan Kumar	TG-II	DVVNL



So S. Wheeler	JE (weld)	Department
Sandeep Kumar	Assistant Accountant	Department
Avinash Tiwari	PMA Agro Circle	Report ment
Shubham Dubay	PMA-RDSS Sikandra	Report
शिवशंकर शर्मा	To Power	
नरेश कुमार	T.P.	
श्रीशंकर शर्मा		
संजीव कुमार		
Suresh Kumar		DVVNL
Pramod Kumar		EDD-1





Sunny bharti	Edd - 2	
Abhishek Sharma	Edd - Kharagpur	
Mridul Mehta Verma	TZ, WAPCOS PMA - RDSS	
Ashish Shukla	wipcos	
Jeenujeet Kanya	DC wapcos Ltd	
Lovekesh	Edd II	
MD. Amin		
Khusboo	EDD-I	
Saarth	EDD I	
Arun Singh	EDD-IV	



1	Rakesh B. Singh	EA	EDD-I Sikandarpur Agro
	Himang-Singh	JE	EDD-II Kamla Nagar Agro
	Vikram Singh	TG-II	EDD-II Kamla Nagar Agro
	Rajeev Kumar	TG-III	EDD-II Kamla Nagar Agro.
	HARI SINGH	AE	DWNL STR
	Ravindra Arup		-
	Vinod Kumar	AE	
	Kulvir Singh	EA	EDD-IV
	Rahul	SHAMIK	EDD IV
	TARUNKANT	Advocate	<u>TOR Rent</u>



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Sanjiv Kumar			4
Himani Kulshrestha			.
Shivani			
Sunita Kumar			
Vikas Mahore	E.A.	DVVNL, Agri	
Sunita Kumar		Consumer	
Shiv Prasad	T.G. II	DVVNL, Agri	
Mamta Kulshrestha	E.A.	DVVNL	
P. K. PAL	TG II	DVVNL	
रिजिस्ट्रार	—	—	



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Himaleya	CEA	
Raj Kumar Singh	EA	
Shubendra Singh	SDO	
Vivek Sureshwar	SDO	
Sushil Kumar	SFA	
Sweetie	Opam	
Shubendra Kant	Comp Assistant	
Pranshu Aris	Farmer	Consumer
Ashu Gupta	BB	Depl
Ram Jani	EA	Depl



Bhupendra Singh Sobti	31.5.21 30.90 31.5.21 31.5.21 30.90 31.5.21 30.90	
Ramesh Kumar		
Jashpal Singh		
Ranjit Singh		
BHOODEL		
Rajeev	HOLD 4 Rm.	-
Shivan Lal	11.01.21	
Anand Singh	4.11.21	
Vikram Singh	7.8	
Ramesh K. Verma		
राजेश कुमार वर्मा		





महेश्वर - २२ P. Id Station	<u>Farm</u>	
PUSHA	E: A.	DVVNL.
B.B. Singh	Punead	L. B
Mohit Goyal	AELM	DVNL
Chandresh	Operator	DVVNL
Mohit-Woman Shukla	do -	do -
Pranod Singh	do	do
Anup Singh	E.R	
Rishabh singh	AE	
Rajesh Jaiswal	BB	



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AKHIL MOHAN MISHRA	President	Agri Furniture Association	-
Ashok Goyal	Vice President	n	-
PRADIP WASAN	PRESIDENT	BODLA BICHURI AS3	
MAHESH CHANDAN	C.A.		
UPENDRA SHUKLA	owner	near kailash Sheelgah	
Saurabh ARYA	owner	D.A.V	
Manika Thakur	Baluganj		
Sandhya Sen	C.O.		
Vandana Parashar			
गोपाल चंद्र			





Tarun K Gaudar	Personnel	Consumer
Pranav Kumar Agre	Consumer	Consumer
Kamendra Singh	Consumer	Consumer
Saurabh Shukla	Personnel	Consumer
Suresh Pandey	Gen	Business
Priyanka Jain	Consumer	Consumer
Rohit Kumar	Consumer	Cons
Abhay	Consumer	Consumer
Shesha Ghoshal	Consumer	Consumer
Nitin Malsherkar	S.D.O.	Department



MUNINDRA SHIRMA	Cooldie	HQR ASS. ASST
Rakesh Rao	AE (IT)	DVVNL
DEYUSH SREVASTAVA	EE (IT)	DVVNL
Sanjay Saxena	Tech	DVVNL
Raghad Agarwal.	Amicus	DVVNL
Shaina Khan.	OA - III	DVVNL.
Manish Kr. Mehta	E. A.	DVVNL
Jash Tripathi	Cooldie	DVVNL
Asha		
Anil k saw	SE	— do —



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B.P. Singh	AO	DVVNL	
वैश्या			
Prem Shankar	AO	DVVNL Civil	
Akash Bhardi	Computer operator	DVVNL HO	
Rajiv Khan	Computer operator	DVVNL HO	
		DVVNL	
वैश्या शर्मा	computer	DVVNL	
Lal Singh			
Sunil Kumar			



	Asha deew	कम अनुभव	D.V. II	89
	Rahul Kumar	OA-IT	एडि-IT	92
	Rouini	computer desider	MD office	81
	Kailash	Computer operator	MD office	7
	श्री	539540954		
6	shri chandra	EE (C)	D.V. III	C
17	Sanjay LARWAL	Project Engg	CHIEF office	:
18	विद्युत नियामक आयोग	IT II	ETD	
49	Tarzan			
50				





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R C Srinivasan	S-P	Kesco
ROHIT CHAUHAN	Discom Manager	KESCO
Sohal Sisk Siskar 2022		
Narendran Nigam	Chief	Chief
Sanjay Sankar	DW, Kesco	Kesco
अवधेश कुमार शर्मा - अध्यक्ष 30 वर्ष तक विद्युत आयोग अमानत		DV-VNL Kesco
श्री 2121	Consumer	Kesco
Arunkumar	SDO-II RDD-II	Agm

Surendra Jais RDD - Divali	EA	RDD-II
Rameesh	+GT	DVVNL
Surendra	TGT	DVVNL



**Annexure – II: Category / Sub-category wise details of the revenue at approved Tariff for FY 2023-24**

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
<b>LMV-1: Domestic Light, Fan &amp; Power</b>							
Life Line Consumers (both Rural and Urban) (up to 100 kWh/month)	1,59,13,497	1,45,41,613	1,55,70,123	12,908	903.35	8,390.22	9,293.57
Dom: Rural Schedule (unmetered)	2,22,461	5,82,725	2,91,363	755	490.36	-	490.36
Dom: Rural Schedule (metered) other than BPL	60,37,672	84,15,468	1,02,17,493	11,669	754.63	7,585.09	8,339.73
0-100 kWh/month	32,02,660	35,13,789	42,88,091	2,023	315.98	1,314.67	1,630.65
101-150 kWh/month	16,05,682	22,65,377	27,40,853	3,652	202.75	2,373.55	2,576.30
151-300 kWh/month	7,38,786	19,23,655	23,18,167	2,666	171.79	1,733.06	1,904.85
Above 300 kWh/Month (starting from 301 unit)	4,90,543	7,12,647	8,70,381	3,329	64.11	2,163.81	2,227.92
Dom: Supply at Single Point for Bulk Load	457	4,01,744	3,82,830	857	38.84	599.97	638.81
Other Metered Domestic Consumers other than BPL	95,41,533	1,91,95,365	2,04,56,330	28,368	1,962.76	18,439.35	20,402.11
0-100 kWh/month	29,11,246	62,50,389	66,64,854	4,350	639.30	2,827.35	3,466.66
101-150 kWh/month	7,80,430	40,25,105	42,85,490	4,209	411.37	2,735.59	3,146.96
151-300 kWh/month	24,92,890	40,09,786	42,70,447	5,367	409.87	3,488.85	3,898.72
Above 300 kWh/Month (starting from 301 unit)	34,52,214	49,10,085	52,35,539	14,442	502.21	9,387.55	9,889.76
<b>LMV-1: Domestic Light, Fan &amp; Power</b>	<b>3,17,15,621</b>	<b>4,31,36,915</b>	<b>4,69,18,138</b>	<b>54,558</b>	<b>4,149.95</b>	<b>35,014.64</b>	<b>39,164.58</b>
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>							
Non Dom: Rural Schedule (metered)	4,01,168	9,56,199	10,58,839	1,565	99.74	1,017.06	1,116.81
Non Dom: Other Metered Non-Domestic Supply	16,45,709	44,02,433	46,88,343	7,046	1,483.30	5,649.41	7,132.72
Upto 4 kW	15,15,964	32,13,711	34,08,112	5,404	983.34	4,302.45	5,285.79
Upto 300 kWh / month	11,64,827	24,83,859	26,85,244	2,634	767.61	1,975.56	2,743.17
Above 300 kWh/Month	3,51,137	7,29,852	7,22,868	2,770	215.73	2,326.89	2,542.62
Above 4 kW	1,29,745	11,88,721	12,80,231	1,641	499.96	1,346.96	1,846.92



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Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
Upto 1000 kWh / month	1,20,227	6,68,237	7,19,503	714	281.02	535.74	816.76
Above 1000 kWh/Month	9,518	5,20,484	5,60,729	927	218.95	811.22	1,030.16
<b>LMV-2: Non Domestic Light, Fan &amp; Power</b>	<b>20,46,877</b>	<b>53,58,632</b>	<b>57,47,182</b>	<b>8,610</b>	<b>1,583.05</b>	<b>6,666.48</b>	<b>8,249.52</b>
<b>LMV-3: Public Lamps</b>							
Unmetered	1,006	59,630	33,103	112	201.13	-	201.13
Unmetered - Gram Panchayat	570	5,150	2,575	7	9.73	-	9.73
Unmetered - Nagar Palika & Nagar Panchayat	293	25,355	12,677	35	73.02	-	73.02
Unmetered - Nagar Nigam	144	29,126	17,850	70	118.38	-	118.38
Metered	7,088	1,75,375	2,15,986	713	57.63	591.32	648.95
Metered - Gram Panchayat	3,662	11,014	14,355	27	3.04	20.59	23.64
18:00 hrs - 06:00 hrs	3,662	11,014	14,355	27	3.04	20.59	23.64
Metered - Nagar Palika & Nagar Panchayat	1,898	56,737	73,915	223	19.60	178.51	198.10
18:00 hrs - 06:00 hrs	1,898	56,737	73,915	223	19.60	178.51	198.10
Metered - Nagar Nigam	1,528	1,07,624	1,27,717	463	34.99	392.22	427.21
18:00 hrs - 06:00 hrs	1,528	1,06,624	1,26,717	463	34.99	392.22	427.21
<b>LMV-3: Public Lamps</b>	<b>8,095</b>	<b>2,35,005</b>	<b>2,49,089</b>	<b>825</b>	<b>258.76</b>	<b>591.32</b>	<b>850.08</b>
<b>LMV-4: Light, fan &amp; Power for Institutions</b>							
Inst: Public	1,44,488	5,66,502	5,99,847	1,055	209.94	870.43	1,080.38
Inst: Private	17,823	1,71,041	1,81,089	298	73.95	268.49	342.44
<b>LMV-4: Light, fan &amp; Power for Institutions</b>	<b>1,62,311</b>	<b>7,37,543</b>	<b>7,80,936</b>	<b>1,353</b>	<b>283.89</b>	<b>1,138.93</b>	<b>1,422.82</b>
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>							
Consumers getting supply as per "Rural Schedule"	13,92,185	83,98,431	85,40,142	17,698	7,728.52	1,041.41	8,769.93
PTW: Rural Schedule (unmetered) (Total)	11,76,559	73,16,632	73,16,632	16,095	6,796.82	-	6,796.82
PTW: Rural Schedule (unmetered)	11,76,559	73,16,632	73,16,632	16,095	6,796.82	-	6,796.82
PTW: Rural Schedule (metered) (Total)	2,15,626	10,81,799	12,23,510	1,602	931.70	1,041.41	1,973.11





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Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
PTW: Rural Schedule (metered)	2,15,626.33	10,81,799.35	12,23,509.76	1,602.17	931.70	1,041.41	1,973.11
PTW: Rural Schedule (Energy Efficient Pumps) (metered)	-	-	-	-	-	-	-
Consumers getting supply as per "Urban Schedule (Metered Supply)"	40,660	2,40,916	2,69,248	1,585	39.49	1,026.28	1,065.77
PTW: Urban Schedule (metered)	40,225	2,37,702	2,65,904	1,579	39.49	1,026.28	1,065.77
<b>LMV-5: Private Tube Wells/ Pumping Sets</b>	<b>14,32,846</b>	<b>86,39,348</b>	<b>88,09,389</b>	<b>19,283</b>	<b>7,768.01</b>	<b>2,067.69</b>	<b>9,835.70</b>
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW)</b>							
Consumers getting supply as per "Rural Schedule"	60,365	5,14,163	5,47,998	686	128.22	463.38	591.60
Connected Load upto 20 kW (Discount of 7.5%)	58,533	4,81,828	4,53,604	563	112.92	380.50	493.41
Connected Load above 20 kW (Discount of 7.5%)	1,832	32,335	94,393	123	15.30	82.88	98.18
Consumers getting supply other than "Rural Schedule"	1,63,007	19,14,413	20,43,850	3,207	382.10	2,243.36	2,625.46
Connected Load upto 20 kW	1,22,039	14,22,065	13,62,368	2,051	363.37	1,458.18	1,821.55
Summer Months (April to September)							
05:00 hrs to 11:00 hrs(TOD @ -15%)	18,674	2,11,995	2,03,213	152	54.18	94.53	148.72
11:00 hrs to 17:00 hrs(TOD @ 0%)	54,550	6,22,659	5,96,934	442	159.16	322.71	481.87
17:00 hrs to 23:00 hrs (TOD @ +15%)	26,085	2,88,406	2,82,744	215	74.54	180.18	254.71
23:00 hrs to 05:00 hrs (TOD @ 0%)	22,730	2,99,005	2,79,478	183	75.49	133.33	208.82
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	18,674	2,01,315	2,03,213	152	-	111.21	111.21
11:00 hrs to 17:00 hrs (TOD @ 0%)	54,550	6,17,318	5,96,934	442	-	322.71	322.71
17:00 hrs to 23:00 hrs (TOD @ +15%)	26,085	2,77,726	2,82,744	215	-	180.18	180.18
23:00 hrs to 05:00 hrs (TOD @ -15%)	22,730	3,25,706	2,79,478	183	-	113.33	113.33
Connected Load above 20 kW	30,510	3,98,493	5,83,872	1,156	18.74	785.18	803.91



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Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
Summer Months (April to September)							
05:00 hrs to 11:00 hrs	4,668	56,473	87,091	82	18.74	50.90	69.64
11:00 hrs to 17:00 hrs	13,638	1,75,010	2,55,829	238	-	173.77	173.77
17:00 hrs to 23:00 hrs	6,521	86,275	1,21,176	116	-	97.02	97.02
23:00 hrs to 05:00 hrs	5,683	80,735	1,19,776	98	-	71.79	71.79
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	4,668	56,473	87,091	82	-	59.88	59.88
11:00 hrs to 17:00 hrs (TOD @ 0%)	13,638	1,75,010	2,55,829	238	-	173.77	173.77
17:00 hrs to 23:00 hrs (TOD @ +15%)	6,521	86,275	1,21,176	116	-	97.02	97.02
23:00 hrs to 05:00 hrs (TOD @ -15%)	5,683	80,735	1,19,776	98	-	61.02	61.02
<b>LMV 6: Small and Medium Power upto 100 HP (75 kW)</b>	<b>2,23,372</b>	<b>24,28,575</b>	<b>25,91,848</b>	<b>3,893</b>	<b>510.32</b>	<b>2,706.74</b>	<b>3,217.06</b>
<b>LMV-7 &amp; 8: Public Water Works, State Tube Wells &amp; Pump Canals</b>							
Rural Schedule Metered (7.5% Discount)	34,172	4,62,850	5,37,287	2,201	208.15	1,730.24	1,938.40
Urban Schedule Metered	31,244	6,49,953	7,19,012	2,740	308.02	2,329.40	2,637.42
Rural Scheduled Un-Metered (7.5% Discount)	2,138	75,036	37,518	274	276.33	-	276.33
Urban Scheduled Un-Metered	2,172	80,040	40,020	278	318.66	-	318.66
<b>LMV-7 &amp; 8: Public Water Works, State Tube Wells &amp; Pump Canals</b>	<b>69,726</b>	<b>12,67,879</b>	<b>13,33,837</b>	<b>5,495</b>	<b>1,111.16</b>	<b>4,059.64</b>	<b>5,170.80</b>
<b>LMV-9: Temporary Supply</b>							
Metered	24,798	1,16,611	1,21,600	242	39.75	212.46	252.22
Metered TS: Individual residential consumers	7,548	25,694	26,412	54	6.25	43.21	49.46
Metered TS: Others	17,249	90,917	95,188	188	33.50	169.25	202.75
Unmetered	101	3,725	1,864	15	14.36	-	14.36



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
Illumination / Public Address / ceremonies for loads upto 20 kW / connection plus Rs.100.00 / kW for each additional kW [for one day only]	1	2	2	-	0.09	-	0.09
Temporary shops set-up during festivals / melas or otherwise and having load up to 2 kW	100	3,723	1,862	15	14.27	-	14.27
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>LMV-9: Temporary Supply</b>	<b>24,898</b>	<b>1,20,336</b>	<b>1,23,464</b>	<b>257</b>	<b>54.11</b>	<b>212.46</b>	<b>266.57</b>
<b>LMV-10: Departmental Employees</b>	<b>1,00,895</b>	<b>4,10,175</b>	<b>4,17,320</b>	<b>644.83</b>	<b>54.61</b>	<b>419.14</b>	<b>473.76</b>
<b>LMV-11: Electrical Vehicles</b>							
Multi Story Buildings	-	-	-	-	-	-	-
LMV-1b	-	-	-	-	-	-	-
HV-1b	-	-	-	-	-	-	-
Public Charging Station	129	15,158	16,395	19.58	-	-	-
LT	119	3,092	3,397	8.45	-	-	-
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	16	461	507	0.63	-	0.41	0.41
11:00 hrs to 17:00 hrs (TOD @ 0%)	50	1,402	1,542	1.92	-	1.48	1.48
17:00 hrs to 23:00 hrs (TOD @ +15%)	21	586	644	0.80	-	0.71	0.71
23:00 hrs to 05:00 hrs (TOD @ 0%)	20	574	631	0.79	-	0.61	0.61
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	16	461	507	0.63	-	0.49	0.49
11:00 hrs to 17:00 hrs (TOD @ 0%)	50	1,402	1,542	1.92	-	1.48	1.48
17:00 hrs to 23:00 hrs (TOD @ +15%)	21	586	644	0.80	-	0.71	0.71
23:00 hrs to 05:00 hrs (TOD @ -15%)	20	574	631	0.79	-	0.52	0.52



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
HT	11	12,066	12,997	11.14	-	-	-
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	1	1,139	1,253	0.59	-	0.36	0.36
11:00 hrs to 17:00 hrs (TOD @ 0%)	4	3,468	3,815	1.79	-	1.31	1.31
17:00 hrs to 23:00 hrs (TOD @ +15%)	2	1,449	1,594	0.75	-	0.63	0.63
23:00 hrs to 05:00 hrs (TOD @ 0%)	2	1,419	1,561	0.73	-	0.53	0.53
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	1	1,139	1,253	0.59	-	0.43	0.43
11:00 hrs to 17:00 hrs (TOD @ 0%)	4	3,468	3,815	1.79	-	1.31	1.31
17:00 hrs to 23:00 hrs (TOD @ +15%)	2	1,449	1,594	0.75	-	0.63	0.63
23:00 hrs to 05:00 hrs (TOD @ -15%)	2	1,419	1,561	0.73	-	0.45	0.45
<b>LMV-11: Electrical Vehicles</b>	<b>129</b>	<b>15,158</b>	<b>16,395</b>	<b>19.58</b>	<b>-</b>	<b>14.30</b>	<b>14.30</b>
<b>HV-1: Non-Industrial Bulk Loads</b>							
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.	3,080	9,31,599	9,83,349	2,239	362.36	1,859.13	2,221.49
Supply at 11 kV	1,716	6,38,070	6,70,875	2,044	253.28	1,700.36	1,953.64
Supply above 11 kV	1,364	2,93,530	3,12,475	196	109.08	158.76	267.85
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	3,431	12,16,407	12,85,785	2,143	420.99	1,646.58	2,067.57
Supply at 11 kV	2,075	8,45,643	8,91,275	1,965	297.01	1,513.09	1,810.10
Supply above 11 kV	1,356	3,70,765	3,94,510	178	123.97	133.49	257.46
<b>HV-1: Non-Industrial Bulk Loads</b>	<b>6,511</b>	<b>21,48,007</b>	<b>22,69,135</b>	<b>4,382.27</b>	<b>783.35</b>	<b>3,505.71</b>	<b>4,289.06</b>



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW)</b>							
HV2 Urban Schedule: Supply at 11 kV	13,696	35,27,114	37,03,939	10,189.11	959.09	7,144.48	8,103.57
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	3,050	7,73,352	8,12,927	1,156.04	214.15	697.67	911.82
11:00 hrs to 17:00 hrs (TOD @ 0%)	4,515	11,35,488	11,93,934	1,692.91	314.47	1,201.96	1,516.44
17:00 hrs to 23:00 hrs (TOD @ +15%)	2,942	7,54,292	7,92,911	1,093.84	208.87	893.12	1,101.99
23:00 hrs to 05:00 hrs (TOD @ 0%)	2,915	8,01,896	8,39,597	1,136.56	221.60	806.96	1,028.56
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	3,050	7,73,352	8,12,927	1,137.55		807.66	807.66
11:00 hrs to 17:00 hrs (TOD @ 0%)	4,515	11,35,488	11,93,934	1,665.77		1,182.70	1,182.70
17:00 hrs to 23:00 hrs (TOD @ +15%)	2,942	7,54,292	7,92,911	1,076.76		879.17	879.17
23:00 hrs to 05:00 hrs (TOD @ -15%)	2,915	8,01,896	8,39,597	1,118.87		675.24	675.24
HV2 Urban Schedule: Supply above 11 kV & upto 66 kV	457	8,82,801	9,26,858	2,798.33	233.96	1,887.58	2,121.54
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	104	2,02,066	2,12,169	318.56	54.06	184.12	238.18
11:00 hrs to 17:00 hrs (TOD @ 0%)	153	2,93,272	3,07,935	470.92	78.46	320.23	398.69
17:00 hrs to 23:00 hrs (TOD @ +15%)	103	1,99,966	2,09,964	314.96	53.50	246.30	299.79
23:00 hrs to 05:00 hrs (TOD @ 0%)	94	1,79,218	1,88,179	291.41	47.95	198.16	246.10
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	104	2,02,066	2,12,169	314.24		213.68	213.68
11:00 hrs to 17:00 hrs (TOD @ 0%)	153	2,93,272	3,07,935	465.18		316.32	316.32



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
17:00 hrs to 23:00 hrs (TOD @ +15%)	103	1,99,966	2,09,964	310.38		242.72	242.72
23:00 hrs to 05:00 hrs (TOD @ -15%)	94	1,79,218	1,88,179	287.28		166.05	166.05
HV2 Urban Schedule: Supply above 66 kV & upto 132 kV	29	2,30,549	2,43,457	600.46	57.59	384.95	442.54
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	7	53,053	56,024	69.97	13.25	38.07	51.32
11:00 hrs to 17:00 hrs (TOD @ 0%)	10	78,971	83,423	101.00	19.73	64.64	84.37
17:00 hrs to 23:00 hrs (TOD @ +15%)	6	51,252	54,097	68.66	12.80	50.54	63.34
23:00 hrs to 05:00 hrs (TOD @ 0%)	6	47,272	49,914	60.59	11.81	38.78	50.59
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	7	53,053	56,024	69.97		44.78	44.78
11:00 hrs to 17:00 hrs (TOD @ 0%)	10	78,971	83,423	101.00		64.64	64.64
17:00 hrs to 23:00 hrs (TOD @ +15%)	6	51,252	54,097	68.66		50.54	50.54
23:00 hrs to 05:00 hrs (TOD @ -15%)	6	47,272	49,914	60.59		32.96	32.96
HV2 Urban Schedule: Supply above 132 kV	6	70,839	74,363	210.20	17.64	127.73	145.37
Summer Months (April to September)							
05:00 hrs to 11:00 hrs (TOD @ -15%)	1	14,231	14,938	20.89	3.54	10.83	14.38
11:00 hrs to 17:00 hrs (TOD @ 0%)	2	25,308	26,566	37.53	6.30	22.89	29.20
17:00 hrs to 23:00 hrs (TOD @ +15%)	1	14,018	14,715	20.71	3.49	14.53	18.02
23:00 hrs to 05:00 hrs (TOD @ 0%)	1	17,283	18,143	25.96	4.30	15.84	20.14
Winter Months (October to March)							
05:00 hrs to 11:00 hrs (TOD @ 0%)	1	14,231	14,938	20.89		12.75	12.75
11:00 hrs to 17:00 hrs (TOD @ 0%)	2	25,308	26,566	37.53		22.89	22.89
17:00 hrs to 23:00 hrs (TOD @ +15%)	1	14,018	14,715	20.71		14.53	14.53
23:00 hrs to 05:00 hrs (TOD @ -15%)	1	17,283	18,143	25.96		13.46	13.46
HV2 Rural Schedule: Supply at 11 kV (Discount of 7.5%)	1,061	3,59,530	3,77,507	675.68	92.04	443.76	535.79
<b>HV-2: Large and Heavy Power above 100 BHP (75 kW)</b>	<b>15,250</b>	<b>50,70,833</b>	<b>53,26,124</b>	<b>14,473.80</b>	<b>1,360.32</b>	<b>9,988.49</b>	<b>11,348.81</b>



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

Category	Consolidated of 5 State Discoms				Revenue (Tariff Excluding Subsidy)		
	No. of Consumers (Nos)	Load (kW) (As on 31.03.2023)	Closing Load (kW) (As on 31.03.2024)	Sales (MU)	Fixed Charges (Rs. Crore)	Energy Charges (Rs. Crore)	Total Revenue for FY 2023-24 (Rs. Crore)
<b>HV-3: Railway Traction</b>							
HV3 Railway Traction						-	-
HV3 Metro traction	7	57,880	58,743	127.56	15.74	93.12	108.87
<b>HV-3: Railway Traction</b>	<b>7</b>	<b>57,880</b>	<b>58,743</b>	<b>127.56</b>	<b>15.74</b>	<b>93.12</b>	<b>108.87</b>
<b>HV-4: Lift Irrigation &amp; P. Canals</b>							
HV4 Supply at 11kV	103	1,08,964	1,11,886	383.41	34.78	325.89	360.68
HV4 Supply above 11kV & upto 66kV	37	98,249	1,00,063	338.04	30.34	283.96	314.30
HV4 Supply above 66 kV & upto 132kV						-	-
<b>HV-4: Lift Irrigation &amp; P. Canals</b>	<b>139</b>	<b>2,07,213</b>	<b>2,11,949</b>	<b>721.45</b>	<b>65.13</b>	<b>609.85</b>	<b>674.98</b>
<b>Extra State Consumer</b>	<b>2</b>	<b>5,699</b>	<b>5,699</b>	<b>23.87</b>	<b>-</b>	<b>18.69</b>	<b>18.69</b>
<b>Grand Total</b>	<b>3,58,06,678</b>	<b>6,98,39,198</b>	<b>7,48,59,246</b>	<b>1,14,66 8.16</b>	<b>17,998.4 0</b>	<b>67,107.19</b>	<b>85,105.59</b>





Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22

**Annexure –III: Discom wise Gap / (Surplus)**

Particulars	DVVNL						MVVNL					
	FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)		FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
ARR	14,197.48	12,971.34	14,317.71	13,587.39	16,894.01	16,571.11	17,072.20	15,176.62	16,592.83	15,800.56	19,185.56	18,400.18
Revenue	14,187.49	13,880.26	15,411.33	15,411.33	16,623.06	16,479.87	16,713.74	16,827.70	17,353.56	17,353.56	18,427.52	18,280.49
Opening Gap/ (Surplus)	2309.35	716.77	2539.20	(167.23)	1,656.49	(1,333.68)	2,597.18	(3,928.78)	3,219.40	(6,031.51)	2,695.86	(7,446.26)
Addition in Gap/(Surplus) during the year	9.99	(908.92)	(1,093.62)	(1,093.62)	270.95	91.24	358.46	(1,651.07)	(760.74)	(760.74)	758.04	119.70
Carrying Cost on Gap	219.86	24.92	210.91	(72.83)	105.46	(131.38)	263.76	(451.66)	237.20	(654.01)	118.60	(753.41)
Carrying Cost (%)	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%
Closing Gap/(Surplus)	2,539.20	(167.23)	1,656.49	(1,333.68)	2,032.90	(1,373.83)	3,219.40	(6,031.51)	2,695.86	(7,446.26)	3,572.50	(8,079.97)
<b>Cumulative Gap/(Surplus)</b>	<b>2,539.20</b>	<b>(167.23)</b>	<b>1,656.49</b>	<b>(1,333.68)</b>	<b>2,032.90</b>	<b>(1,373.83)</b>	<b>3,219.40</b>	<b>(6,031.51)</b>	<b>2,695.86</b>	<b>(7,446.26)</b>	<b>3,572.50</b>	<b>(8,079.97)</b>

Particulars	PVVNL						PuVVNL					
	FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)		FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
ARR	23,621.75	19,522.23	25,986.08	25,363.75	30,535.32	26,591.45	15,500.81	14,781.15	18,555.92	17,994.99	21,380.35	20,689.62
Revenue	21,543.33	21,602.47	24,753.67	24,753.67	26,344.07	26,480.72	16,202.41	16,349.50	19,059.55	19,059.55	20,128.72	20,522.91
Opening Gap/ (Surplus)	4681.56	(694.98)	7303.46	(2,940.06)	8963.44	(1,944.68)	4289.86	964.71	3962.48	(586.49)	3850.57	(1,175.64)
Gap/(Surplus) on Review of True-up for FY 2018-19	2,078.42	(2,080.24)	1,232.41	1,232.41	4,191.26	110.73	(701.59)	(1,568.35)	(503.64)	(503.64)	1,251.63	166.70



Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22

Particulars	PVVNL						PuVVNL					
	FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)		FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Addition in Gap/(Surplus) during the year	543.47	(164.83)	427.57	(237.03)	213.78	(192.71)	374.21	17.15	391.73	(85.51)	195.87	(111.41)
Carrying Cost on Gap	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%
Carrying Cost (%)	7,303.46	(2,940.06)	8,963.44	(1,944.68)	13,368.47	(2,026.66)	3,962.48	(586.49)	3,850.57	(1,175.64)	5,298.07	(1,120.35)
Closing Gap/(Surplus)	<b>7,303.46</b>	<b>(2,940.06)</b>	<b>8,963.44</b>	<b>(1,944.68)</b>	<b>13,368.47</b>	<b>(2,026.66)</b>	<b>3,962.48</b>	<b>(586.49)</b>	<b>3,850.57</b>	<b>(1,175.64)</b>	<b>5,298.07</b>	<b>(1,120.35)</b>

Particulars	KESCo						Consolidated (5 Discoms)					
	FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)		FY 2021-22 (True-up)		FY 2022-23 (APR)		FY 2023-24 (ARR)	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
ARR	3,019.84	2,479.58	3,949.08	3,833.83	4,569.65	3,389.37	73,412.08	64,930.92	83,945.73	80,898.85	92,564.89	85,579.51
Revenue	2,744.52	2,778.40	3,195.47	3,195.47	3,303.43	3,341.60	71,391.49	71,438.32	79,773.58	79,773.58	84,826.79	85,105.59
Opening Gap/(Surplus)	544.85	(857.29)	885.01	(1,251.74)	1688.37	(587.38)	14423.01	(3,799.58)	3486.76	(10,977.03)	8976.07	(7,701.36)
Gap/(Surplus) on Review of True-up for FY 2018-19	275.32	(298.81)	753.61	753.61	1,266.22	47.77	2,020.60	(6,507.40)	4,172.14	4,172.14	7,738.10	473.92
Addition in Gap/(Surplus) during the year	64.84	(95.64)	49.76	(89.24)	24.88	(57.48)	1,466.16	(670.06)	1,317.17	(905.91)	658.59	(761.37)
Carrying Cost on Gap	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%	9.50%	9.50%	10.65%	10.20%	10.65%	10.20%
Carrying Cost (%)	885.01	(1,251.74)	1,688.37	(587.38)	2,979.47	(597.08)	3,486.76	(10,977.03)	8,976.07	(7,701.36)	17,372.76	(7,988.81)
Closing Gap/(Surplus)	<b>885.01</b>	<b>(1,251.74)</b>	<b>1,688.37</b>	<b>(587.38)</b>	<b>2,979.47</b>	<b>(597.08)</b>	<b>3,486.76</b>	<b>(10,977.03)</b>	<b>8,976.07</b>	<b>(7,701.36)</b>	<b>17,372.76</b>	<b>(7,988.81)</b>

Note: The opening of the year in the Petitioners column is the value of closing as per their submission in Previous Tariff Order.



**Annexure –IV: Admittance Order**



**BEFORE**

**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION,  
LUCKNOW**

**Petition No. 1948 / 2023, 1945 / 2023, 1947 / 2023, 1949 / 2023 & 1946 / 2023**

**(Date of Order: 28-02-2023)**

**IN THE MATTER OF:**

1. Truing-Up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2023-24– (Petition No. - 1948 of 2023) of Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
2. Truing-Up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2023-24– (Petition No. - 1945 of 2023) of Madhyanchal Vidyut Vitran Nigam Ltd. (MNVNL).
3. Truing-Up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2023-24– (Petition No. - 1947 of 2023) of Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).
4. Truing-Up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2023-24– (Petition No. - 1949 of 2023) of Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
5. Truing-Up for FY 2021-22, Annual Performance Review (APR) for FY 2022-23 and Approval of Aggregate Revenue Requirement (ARR) for the FY 2023-24– (Petition No. - 1946 of 2023) of Kanpur Electricity Supply Company Ltd. (KESCO).

**ORDER**

**BACKGROUND:**

The Electricity Act, 2003 under Section 64 stipulates the Licensee to file an application before the State Electricity Regulatory Commission for determination of tariff in such manner as may be specified by the Commission as per the applicable Regulations.

The Commission has notified the Uttar Pradesh Electricity Regulatory Commission (Multi Year Tariff for Distribution and Transmission) Regulations, 2019 (hereinafter referred as 'MYT Regulations, 2019') on September 23, 2019. The MYT Formats for the same has been uploaded on the website of the Commission. Further, the additional formats have



been provided to the Petitioners vide Letters dated October 06, 2021, November 02, 2021 & December, 26, 2022 and Email dated September 19, 2022.

The MYT Regulations, 2019 shall be applicable for determination of tariff in all cases covered under these Regulations from April 01, 2020, to March 31, 2025, unless extended by the Commission.

The Distribution Licensee as per the Regulation 4 of MYT Regulations, 2019, have to file the Petition for determination of True-Up, Annual Performance Review (APR) and Aggregate Revenue Requirement (ARR) / Tariff for each year of the Control Period (FY 2020-21 to FY 2020-25), complete in all respect, before the Commission on or before November 30 of each year.

#### LICENSEES SUBMISSION AND COMMISSION'S DIRECTIONS:

The Licensees vide Letter No. 608/RAU/ARR/ FY 2023-24 dated November 29, 2022, has requested from the Commission for the additional time (approx. 2 months) to file the Petition of True-Up/APR/ARR on the following grounds:

- i. Requirement of time to comply the directives of the Commission given vide Tariff Order for FY 2022-23 dated July 20, 2022;
- ii. Requirement of time to furnish the additional formats provided by the Commission vide email dated September 09, 2022;
- iii. Pendency in approval of CAPEX under REVAMP scheme;

The Commission vide Letter No. UPERC/Secy/D(T)/2022-1400 dated January 01, 2023 has responded to the Petitioner that the delay in filing of the ARR Petition will be dealt in accordance with the provisions of MYT Regulations, 2019 as amended from time to time.

The State-owned Distribution Licensees (Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Paschimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd. and Kanpur Electricity Supply Company Ltd. hereinafter referred to as "DVVNL", "MVVNL", "PVVNL", "PuVVNL", "KESCO" respectively & collectively called as the State-owned Distribution Licensees / Discoms) have filed the Petitions for determination of True-Up for the FY 2021-22, Annual Performance Review of FY 2022-23 and Aggregate Revenue Requirement and Tariff for FY 2023-24 before the Commission on January 09, 2023. However, the due date for filing the Tariff Petition as per the Regulation 4.1 of MYT Regulations, 2019 was November 30, 2022.

#### PRELIMINARY OBSERVATION:

The Commission has conducted a preliminary analysis of the above Petitions and certain deficiencies were observed which were raised to the Petitioners vide Letter No. UPERC/Secy/D(T)/2023-1545 dated January 31, 2023, wherein information was sought

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which concerned Billing Determinants, power purchase, supply hours, details of penalties and compensation with regards to standards of performance, details of DBST computation, status of compliance of all the directives, billing determinants & Revenue for Torrent Power Agra DF.

Further, the Commission raised certain queries vide email dated February 13, 2023 and February 22, 2023 on issues such as category wise energy sales for distribution franchisee area (inclusive of distribution losses), abnormal trend in billing determinants for LMV-1, LMV-3 & LMV-5 category from last audited year, reconciliation of the opening and closing balances of the long-term loans for FY 2021-22 with the audited accounts for calculation of interest on long term loans, banking agreement executed and envisaged, details of four wheelers capitalised in GFA, computation of Cross Subsidy Surcharge (CSS) based revenue at proposed tariff, revenue on discom wise basis at proposed tariff and status in regard to Standard of Performance (SoP) & Consumer Grievances Redressal Forum (CGRF).

#### LICENSEES RESPONSE:

The State-owned Distribution Licensees submitted their response to the first Data Deficiency issued on February 14, 2023. It has been observed that for certain points raised in the first deficiency note and the queries that were raised subsequent to first deficiency note are still awaited.

The Technical Validation Session (TVS) on the ARR Petitions of all the Petitioners 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. Subsequently, minutes of meeting (M.O.M) comprising of pending data / information were issued.

#### COMMISSION'S DIRECTIONS:

The Commission admits the ARR Petition of the Petitioners. However, it is pertinent to mention here that the ARR Petition for FY 2023-24 submitted by the Petitioners for determination of ARR/Tariff has been delayed from the due date specified in the MYT Regulations, 2019 and the same will be dealt according to the Regulations.

The Commission further directs the State-owned Distribution Licensees to submit the response on the pending matters, immediately. Also, the Petitioners has been directed 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. Any fail, in compliance of such directions, will compel the Commission to dispose the concerned matter as found deems fit by it based on the available information.

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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 within three working days from the issuance of this Admittance Order shall 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, Tariff proposed, Gap/(Surplus) at proposed tariff, approved and actual Distribution and Transmission losses for FY 2021-22 & 2022-23 along with proposed losses for FY 2023-24, Power Purchase Cost, Bulk Supply Tariff, DBST, Average Cost of Supply, Proposed tariff for each category / sub-category / slab of consumers, wheeling charges, cross subsidy surcharge for Open Access consumers at revenue from proposed tariff, category-wise, sub-category & 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 in their original version (not in zipped or compress folder), which shall be signed digitally and in searchable pdf formats along with all Excel files and as per any other provision of the Regulations and Order of the Commission. The Petitioner shall also ensure that those files are broken into such size which can be easily downloaded. 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



*Approval of ARR and Tariff for State Discoms for FY 2023-24, APR of FY 2022-23 and True-up of FY 2021-22*

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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.

The Commission proposes to hold the Public Hearings in April, 2023, the details of which will be provided subsequently on the Commission's website [www.uperc.org](http://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)

Member (Law)

(Raj Pratap Singh)

Chairman

**Place:** Lucknow

**Date:** February 28, 2023


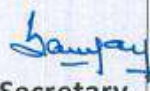




**Annexure –V: Public Notice issued by the Commission**


	<b>U.P. Electricity Regulatory Commission</b> 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)/2023-24/1782	Dated: March 21, 2023															
<b>Public Notice</b>																
<p>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 2023-24, Annual Performance Review for FY 2022-23 and True-Up for FY 2021-22 before the Uttar Pradesh Electricity Regulatory Commission (UPERC / Commission).</p> <p>The Commission vide Orders dated February 28, 2023, has admitted the Petitions and has decided to hold “Public Hearings” for inviting suggestions and objections from the stakeholders and public at large. The “Public Hearings” will be conducted as per below details:</p>																
<table border="1"><thead><tr><th>Licenses Covered</th><th>Date &amp; Time of Public Hearing</th><th>Place of Public Hearing</th></tr></thead><tbody><tr><td>PuVVNL</td><td>April 10, 2023 (Monday) @ 11:30 Hrs</td><td><b>Varanasi -</b> Commissioner Office Auditorium Opposite Vikas Bhavan, Hamraulia, Varanasi, Uttar Pradesh 221002</td></tr><tr><td>MVVNL &amp; UPPTCL</td><td>April 21, 2023 (Friday) @ 11:30 Hrs</td><td><b>Lucknow -</b> Auditorium (3<sup>rd</sup> Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow – 226010</td></tr><tr><td>DVVNL &amp; KESCO</td><td>April 27, 2023 (Thursday) @ 11:30 Hrs</td><td><b>Agra -</b> Rao Krishna Pal Singh Auditorium R.B.S. College, Pushpa Vihar Colony, Khandari, Agra, Uttar Pradesh -282002</td></tr><tr><td>PVVNL &amp; NPCL</td><td>April 28, 2023 (Friday) @ 11:30 Hrs</td><td><b>Greater Noida -</b> Auditorium 3, Gautam Budh University, Opposite Yamuna Expressway, Greater Noida, Uttar Pradesh -201312</td></tr></tbody></table>	Licenses Covered	Date & Time of Public Hearing	Place of Public Hearing	PuVVNL	April 10, 2023 (Monday) @ 11:30 Hrs	<b>Varanasi -</b> Commissioner Office Auditorium Opposite Vikas Bhavan, Hamraulia, Varanasi, Uttar Pradesh 221002	MVVNL & UPPTCL	April 21, 2023 (Friday) @ 11:30 Hrs	<b>Lucknow -</b> Auditorium (3 <sup>rd</sup> Floor) of Uttar Pradesh Electricity Regulatory Commission, Vidyut Niyamak Bhawan, Vibhuti Khand, Gomti Nagar, Lucknow – 226010	DVVNL & KESCO	April 27, 2023 (Thursday) @ 11:30 Hrs	<b>Agra -</b> Rao Krishna Pal Singh Auditorium R.B.S. College, Pushpa Vihar Colony, Khandari, Agra, Uttar Pradesh -282002	PVVNL & NPCL	April 28, 2023 (Friday) @ 11:30 Hrs	<b>Greater Noida -</b> Auditorium 3, Gautam Budh University, Opposite Yamuna Expressway, Greater Noida, Uttar Pradesh -201312	
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Ph : 0522-2720426, Fax : 0522-2720423, E-mail: secretary@uperc.org, www.uperc.org																
Ref: UPERC/D(Tariff)/2023-24/ 080	Dated: April 21, 2023															
<b>Public Notice in regard to change in Venue Address</b>																
<p>With reference to the earlier Public Notice No. UPERC/D(Tariff)/2023-24/1782 dated March 21, 2023 regarding details of Public Hearings to be held in the matter of determination of Aggregate Revenue Requirement (ARR) / Tariff for FY 2023-24, Annual Performance Review for FY 2022-23 and True-Up for FY 2021-22 of all the Distribution &amp; Transmission Licensees, due to unavoidable reasons, there has been a change in the time &amp; venue which is detailed as below:</p>																
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<b>Ref : UPERC/D (Tariff)/2023-24/1782</b>		<b>Dated: March 21, 2023</b>
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