

No. PFI/Prog/RERC /2026/002

Dated: 06 January 2026

To,

The Secretary

Rajasthan Electricity Regulatory Commission
Vidhyut Viniyamak Bhawan, Sahakar Marg
Near State Motor Garage
Jaipur, Rajasthan- 302001

Subject: PFI Comments - Rajasthan DISCOM's True-up FY 2024-25 and ARR FY 2026-27

Ref: RERC inviting Comments on DISCOM's True-up petition for FY 2024-25 and ARR/Tariff Petition for FY 2026-27

Dear Sir,

Power Foundation of India (PFI) is a Policy Research and Advocacy entity and a registered society under the aegis of Ministry of Power, Government of India. PFI is supported by leading Central Power Sector Organizations to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and concerned stakeholders.

With reference to above, PFI has analyzed True-up Petitions for FY 2024-25 & ARR / Tariff Petitions for FY 2026-27 filed by Rajasthan DISCOMs - Jodhpur Vidyut Vitran Nigam Limited (JdVVNL), Jaipur Vidyut Vitran Nigam Limited (JVNL) and Ajmer Vidyut Vitran Nigam Limited (AVNL) before Rajasthan Electricity Regulatory Commission (RERC). Our comments/ suggestions on the said Tariff Petitions are enclosed herewith for your consideration as *Annexure-I, II & III*.

The comments have also been emailed to secyerc@rajasthan.gov.in & rercjpr@yahoo.co.in. We would also like to orally submit our comments/ suggestions on the day of Public Hearing through video conference.

Warm Regards,

Encl: Annexure – I, II & III

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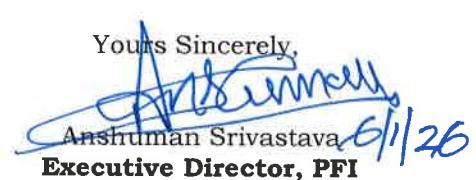
1. The Hon'ble Chairperson

Rajasthan Electricity Regulatory Commission

2. The Hon'ble Member

Rajasthan Electricity Regulatory Commission

Yours Sincerely,



Anshuman Srivastava
Executive Director, PFI
6/1/26

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ANNEXURE-III

PFI Comments/Suggestions: JdVVNL True-Up Petition FY 2024-25

- 1) PFI is a Policy Research and Advocacy entity, a registered society under the aegis of the Ministry of Power, Government of India, and supported by leading Central Power Sector Organizations, to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and stakeholders concerned with the Power Sector.
- 2) Hon'ble Rajasthan Electricity Regulatory Commission (RERC/Commission) has sought comments / suggestions from various stakeholders on the Tariff Petition filed by Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) on True-Up of FY 2024-25. PFI has reviewed and analyzed the said Tariff Petition, and our comments / suggestions are as follows:

A. COLLECTION EFFICIENCY

- 3) It is observed that as per Audited Accounts of FY 2024-25, Govt. consumers have **pending dues of Rs. 398 Cr.** and Govt. of Rajasthan has not disbursed **subsidy of Rs. 2,495 Cr. during the year** (out of booked subsidy of Rs. 11,809 Cr.), this resulted in lower collection efficiency of DISCOM.
- 4) Such dues put additional financial burden on the DISCOM in the form of short-term loan leading at higher Interest Rate. Since, these two components are attributable to Govt. of Rajasthan, therefore the State Govt. should bear the burden so that the same is not socialized at large among the consumers through Tariff. PFI has considered these two parameters for computing the collection efficiency of DISCOM and the same was considered for computing the Revenue (Gap)/Surplus for the year.
- 5) Accordingly, PFI has recomputed the collection efficiency and Revenue as follows:

Particulars	Claimed by DISCOM	Proposed by PFI
Dues of Govt. departments (Rs. Cr.)	-	398
Pending subsidy from Govt. of Rajasthan (Rs. Cr.)	-	2495
Collection Efficiency	98.36%	110.6%
Revenue (Rs. Cr.)	23,308	26,202

6) In view of above, PFI requests the Hon'ble Commission to consider Revenue as Rs. 26,202 Cr. for FY 2024-25 after factoring in Govt. Department Dues & Unpaid Subsidy during the Year. **The increase in revenue is on account of Govt. of Rajasthan and hence should be borne by the GoR in the form of additional subsidy of Rs. 2,893 Cr.**

B. LOSSES

B 1. HIGH DISTRIBUTION LOSS

7) JdVVNL submitted it has achieved distribution losses of 20.10% as against the target of 15% approved by Hon'ble Commission for FY 2024-25. JdVVNL has made substantial investment in various loss reduction schemes with the objective of reduction of losses but still losses are not as per trajectory set by the Commission vide its earlier tariff orders.

8) PFI notes that as per Regulation 75(5) of RERC Tariff Regulations, 2019, the losses on account of DISCOMs' failure to achieve the target set by the Commission be shared in the ratio of 50:50 between the DISCOM & consumers. However, Hon'ble RERC in True-Up of FY 2023-24 has decided not to allow any sharing on account of continued failure to achieve the targeted losses as done in the earlier orders and directed that the respective Discom shall have to bear the burden of excess Distribution losses. Hon'ble Commission allowed Energy requirements and Power Purchase Cost corresponding to the Targeted losses only. Relevant extract of the said Tariff Order is as follows"

"3.30 It is further noted that during previous years and in the year under consideration, Discoms have made substantial investment in various loss reduction schemes with an objective of reduction of losses but still losses of Discoms are not as per trajectory set by the Commission vide its earlier tariff orders. Discoms are also not able to bring in requisite improvement in metering, billing & collection activities etc. Therefore, in Commission's view, the consumers should not be burdened on account of continuous non achievement of targets by Discoms despite every year being allowed requisite investment. Therefore, the Commission has decided not to allow sharing on account of continues failure to achieve the targeted losses as done in the earlier orders and the respective Discom shall have to bear

the burden of excess losses wherever applicable and meet the same in future years by improving their working.”

9) In view of above, PFI requests Hon'ble Commission to approve Energy requirements and Power Purchase Cost corresponding to the targeted losses only. PFI has worked out revised Power Purchase Cost in the later Sections of this submission based on targeted Distribution losses for FY 2024-25.

B.2 NO BIFURCATION OF TRANSMISSION LOSS

10) JdVVNL has not submitted the bifurcation of Transmission losses i.e. Inter and Intra state losses, in True-Up Petition for FY 2024-25 and have claimed combined Transmission losses of 8.79% for FY 2024-25. However, Hon'ble RERC in True-Up order of FY 2023-24 in Tariff Order dtd. 18/09/2025 directed the DISCOM to keep separate account of interstate and intrastate losses and give bifurcation in next True Up Petition, failing which the Commission may also impose a penalty apart from disallowing the excess transmission losses. Relevant extract of the said Tariff Order is as follows:

*“3.132 The Discom has furnished total transmission losses (inter and intra state) in MUs terms, therefore, to segregate the same, the Commission has used the intrastate losses of 4.33% based on RVPN true up order for FY 2023-24 and the interstate transmission losses of 3.56% based on 52 Weeks average of All India transmission Losses as discussed in previous paras. **Discom is again directed to keep a separate account of interstate and intrastate losses and give bifurcation while filing next true up petition. Failing which the Commission may also impose a penalty apart from disallowing the excess transmission losses.**”*

11) As above, Hon'ble Commission may kindly impose a penalty on JdVVNL as it has not submitted the bifurcation of Transmission losses, Inter and Intra, in True-Up Petition for FY 2024-25 and have claimed combined Transmission losses of 8.79% for FY 2024-25.

12) In the absence of bifurcation of transmission losses it becomes difficult to ascertain if higher transmission losses are attributable to the CTU or to the STU.

C. HIGHER POWER PURCHASE COST

C.1 DISTRIBUTION LOSS OVER AND ABOVE NORMATIVE

13) As elaborated above, JdVVNL has achieved distribution losses of 20.10% as against the target of 15%. PFI has reworked the Energy Balance accordingly.

Particulars	UoM	Claimed by DISCOM	PFI Working
Energy Sales	MU	29756	29756
Distribution Loss	%	20.10%	15%
Distribution Loss	MU	7486	5251
Energy Requirement at DISCOM Periphery	MU	37242	35007
Transmission Loss	%	8.79%	8.79%
Transmission Loss	MU	3589	3374
Power Purchase Quantum	MU	40831	38381
APPC (Exc. Transmission Charges)	Rs./kWh	4.38	4.38
Power Purchase Cost	Rs. Cr.	17,897	16,823

14) Based on the reworked Energy balance, the Power Purchase Cost should be reduced by Rs. 1,074 Cr. The inefficiency of the DISCOM can not be socialized to the consumers of Rajasthan and rather should be borne by the Govt. of Rajasthan in the form of additional subsidy.

C.2 IMPRUDENT POWER PURCHASE PLANNING

15) JdVVNL has procured a huge quantum of short-term energy through Power exchange & bilateral sources- 4,145 MU (~10% of total power purchase quantum). Short-term purchase from the exchanges was at the rate of Rs. 5.18/kWh. However, the Hon'ble Commission in ARR of FY 2024-25 in Tariff Order dtd. 26/07/2024 did not approve procurement of power from short term sources. Such huge dependence on short-term arrangement which is volatile in nature and too costly reflects unwise/imprudent power procurement planning of JdVVNL.

16) JdVVNL has purchased 416 MU from Bilateral Sources at a very high rate of Rs. 6.91/kWh. Details have not been provided on whether prior approval of these sources was sought from the Commission.

17) It is submitted that total Energy Sales increased from approved 28,417 MU to 29,756 MU. Energy Sales are an uncontrollable parameter, and hence more Power Purchase Quantum was required to meet these additional Sales of 1,339 MU. Considering actual Distribution Loss of 20.10% and Transmission Losses of 8.79% as claimed by JdVVNL, additional Power Purchase Quantum corresponding to 1,3339 MU Sales

comes out to be 1,749 MU. But, to meet these unplanned Sales, JdVVNL has procured an additional quantum of 4,145 MU (3729 MU short-term purchase + 416 MU Bilateral power Purchase).

18) It is further noted that JdVVNL in FY 2024-25 has procured Power from costlier sources despite availability of cheaper sources of Power. JdVVNL has not adopted the principles of Merit Order Despatch and has also deviated from the approved Power Purchase while procuring such costlier Power in FY 2024-25. The details are as follows:

Table 1: Power Purchase Cost Calculation

Source	Power Purchase Quantum (MU) (Approved)	Power Purchase Quantum (MU) (Claimed)	Power Purchase Cost (Rs. Cr.) (Claimed)	Unit rate (Rs./kWh) (Claimed)
Costlier Power Purchase				
PTC India Ltd	0	152	105	6.91
NVVM	0	32	22	6.81
Tata Power Trading Company Ltd	0	59	42	7.12
Adani Enterprises Ltd	0	127	87	6.84
Power Pulse Trading Solutions Pvt Ltd	0	46	32	6.92
Total	0	416	287	6.91
Approved vis-à-vis claimed				
Cheaper Plants				
Sasan Power Ltd.	1032	1001	151	1.51
SKS Energy	282	28	8	2.92
Khurja	333	67	334	4.89
Total	1647	1098	192	1.74
Approved vis-à-vis claimed				
		(549)		

19) Regulation 78 of RERC (Terms and Conditions for the determination of Tariff) Regulations, 2019, specifies the Regulatory provisions for Power Purchase Cost by the DISCOMs. Relevant extracts of the said Regulations are as follows:

“78. Power Procurement Cost

(1) *The Distribution Licensee shall procure electricity in accordance with provisions of the Regulations made by the Commission in this regard....”*

20) Further, RERC (Power purchase & procurement process of distribution licensee) Regulations, 2004, stipulates the following, with regard to competitive Power procurement by the DISCOM:

"4 Criterion for Power Purchases

...

(2) The criterion of power purchase will in general follow the principle of least cost commensurate with power system stability, system voltage, frequency profile and system losses.

(3) While effecting power purchases, generation of electricity at zero cost shall get preference.

...

7 Power purchase arrangements or agreements

Any new power purchase arrangement or agreement and amendments to existing Power Purchase Agreement (PPA) entered into by distribution licensee(s), shall be subject to the Commission scrutiny (after execution) under section 86 of the Act, in respect of:

- (a) Necessity.
- (b) Reasonability of cost.
- (c) Promoting efficiency, economy & equitability & competition.
- (d) Conformity with regulations for investment approval.
- (e) Conformity with requirements of quality, continuity and reliability of supply.
- (f) Conformity with safety and environmental standards.
- (g) Conformity with criterion of power purchase as laid down by the Commission.
- (h) Conformity with policy directives of the State Government and National Power policies.”

21) As per the Regulatory provisions, as shown above, the Power Purchase Cost shall be on least cost basis. In view of above, it may be prudent for Hon'ble RERC to not consider the Power from such costly bilateral sources if not approved in-principally by the Commission.

22) **As observed from above, by considering the Power Purchase Cost as per the Regulatory provisions, the savings through optimized Power Purchase would be Rs. 287 Cr.** PFI requests Hon'ble RERC to determine the Power Purchase Cost for FY 2024-25 as per the Regulatory provisions stipulated for Power Purchase and reduce Rs. 287 Cr. on account of costlier Power Purchase procured not following the approved Power Purchase sources. The same amount can not be socialized to the consumers of Rajasthan and rather may be borne by the Govt. of Rajasthan in the form of Subsidy.

23) **Further, PFI observes that JdVVNL has not submitted monthly reports certified by SLDC that Merit Order Despatch principle has been followed in true spirit while scheduling the Power from various Generating Stations. Therefore, PFI requests Hon'ble Commission to direct JdVVNL to submit the details along with certification from Rajasthan SLDC that MoD has been followed in true letter and spirit.**

D. RENEWABLE PURCHASE OBLIGATION TARGET

24) JdVVNL in True-Up Petition of FY 2024-25 has not given the summary of Renewable Purchase Obligation (RPO) Compliance of FY 2024-25. RERC (Renewable Energy Obligation) (Seventh Amendment) Regulations, 2021, provides for the minimum consumption of RPO which is to be followed in toto by DISCOMs.

25) PFI notes that the Government of India (GoI) has set a target of non-fossil energy capacity of 500 GW by 2030 and a target of achieving 50% of the cumulative electric power installed capacity from non-fossil fuel-based sources by 2030¹. These targets also contribute to India's long-term goal of reaching net-zero emissions by 2070. Over the last few years India has experienced significant development in the Renewable Energy (RE) Sector. Progressive National and State level policies have contributed significantly to this development and this contribution is also fulfilled through RPO targets specified by State Electricity Regulatory Commissions (SERCs) under Section 86 (1) (e) of the Electricity Act, 2003.

26) It is pertinent to note that **RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) (First amendment) Regulations, 2016**, stipulates penalty in case of shortfall in the meeting the specified RE targets. Relevant extract of the said RERC Regulations is as follows:

"(d) The obligated entities in default shall pay, by 30th November of the Assessment Year, the RPO charge assessed equivalent to the product of shortfall and forbearance price of solar or non-solar REC, as applicable on 31st March of the relevant Financial Year, to a separate account maintained by the State Agency. All sums received by the State Agency shall be paid to STU for crediting in a fund created and maintained by the STU within one month from the last day of the month in which such sums are received. Provided that the fund so created shall be utilized by STU for development of transmission infrastructure for evacuation of power from Renewable Energy generating stations or promoting renewable energy sources as approved by the Commission for which the STU shall submit the proposal(s)."

27) As above, the RERC RPO Regulations provides for depositing the amount in lieu of Shortfall of RPO @ forbearance price of solar or non-solar REC, as applicable on 31st March of the relevant Financial Year.

¹ Press Information Bureau

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=2073038#:~:text=As%20part%20of%20the%20updated,fuel%20sources%20by%202030%2C%20and>

28) In view of above, PFI requests Hon'ble RERC to impose penalty in lieu of RPO Shortfall of JdVVNL, if any. Such deposits in RPO Fund may be reduced from the ARR of FY 2024-25.

E. OPERATION & MAINTENANCE EXPENSES

E.1 A&G EXPENSES – CONSULTANCY CHARGES

29) It is observed that Consultancy Charges have grown tremendously from FY 2023-24 to FY 2024-25. Relevant extract from the audited accounts is as follows.

28 :- Other Expenses		JODHPUR VIDYUT VITRAN NIGAM LIMITED, JODHPUR	
Particulars	Account Code	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Administrative and Other Expenses:			
Rent, Rates & Taxes	76.000-76.102	58.08	176.31
License & Reg. fee of Plant & Machine	76.103	195.29	196.93
Insurance	76.104-76.109	49.96	53.03
Security Service Charges	76.108	1,075.51	907.61
Telephone, Telex & EPABX Expenses	76.111, 76.113	497.96	360.61
Postage & Telegram	76.112	30.97	39.47
Tax Audit Fee	76.116	0.45	0.66
Cost Audit Fee	76.117	0.06	0.13
Legal Charges, Technical Fees	76.121, 76.124	108.70	243.28
Payment to Auditors	76.122	10.00	11.12
Consultancy Charges	76.123	1,122.42	221.60
Professional Charges	76.125	19.44	16.51
Payment for Revenue Audit	76.126	30.66	9.64
Travelling Exp. - Actual Fare & Other	76.131-76.133	1,995.85	2,103.83
News Paper & Magazines	76.150	0.20	0.09
Vehicle Running Expenses	76.136-76.139	2,211.14	2,212.53
Printing & Stationary	76.153	286.19	410.00
Electricity charges	76.158	345.91	353.84
Bill Collection Charges	76.176	424.33	392.97
Bill Distribution Charges	76.177	316.72	433.75
Meter Reading Charges	76.184	1,078.98	582.53
Other Miscellaneous Expenses	76.xxx	1,185.18	1,418.79
Freight & Material Related Expenses	76.210-76.320	5,258.14	4,412.03
Sub Total		16,302.43	14,560.62
Less: Administration and other expenses capitalised	76.900	6,149.00	4,453.41
Total (A)		10,153.43	10,107.21

30) Consultancy Charges rose from Rs. 2.21 Cr. in FY 2023-24 to Rs. 11.22 Cr. in FY 2024-25. No detailed explanation has been provided for this tremendous jump. PFI has reworked the Consultancy Charges as follows.

Particulars	FY 2023-24 (Rs. Cr.)	FY 2024-25 (Rs. Cr.)
Consultancy Charges	2.22	11.22
Total A&G	146	163
A&G w/o Consultancy Charges	143	152
Growth Rate		6%
Consultancy Charges to be allowed		2.35

31) **PFI requests Hon'ble RERC to direct the DISCOM to submit detailed explanation for the same. In the meantime, provisionally allow only Rs. 2.35 Cr. of Consultancy Charges.**

F. DEPRECIATION NOT AS PER REGULATORY PROVISIONS

32) JdVVNL has claimed Rs. 1,091 Cr. of Depreciation in True-Up petition of FY 2024-25, however, Hon'ble RERC in ARR Order for FY 2024-25 approved Rs 706 Cr. of Depreciation.

33) PFI has observed that JdVVNL has erred in computing Depreciation and has considered the Depreciation as per the Audited Accounts (Note:30). JdVVNL has not considered the opening GFA same as approved by Hon'ble Commission as closing for FY 2023-24 (in True-Up). PFI has reworked the Depreciation as per the Regulatory principles considering opening GFA for FY 2024-25 same as closing GFA for FY 2023-24 approved by Hon'ble Commission in True-Up of FY 2023-24, as tabulated below:

Particulars	FY 2024-25
Depreciable assets at the beginning of the year (closing balance of True up FY 2023-24)	12544
Capitalization during the year (Form 3.10)	4363.24
Closing balance of GFA	16907
Average depreciable assets during the year	14726
Average depreciation rate (as approved)	5.11%
Depreciation for FY 2024-25	752

34) **In view of above, PFI requests the Hon'ble Commission to allow Depreciation as per the Regulatory principles adopted by Hon'ble RERC. So, Rs. 752 Cr. may be allowed by the Hon'ble Commission as against Rs. 1,091 Cr. claimed by JdVVNL.**

G. OTHER DEBITS

G.1 COMPENSATION FOR INJURIES, DEATH AND DAMAGES

35) PFI notes that JdVVNL has claimed Rs. 7.02 Cr. as Compensation for Injuries, Death & Damages (Table-15 of the True-Up Petition).

1	Comp.For Int.Dth.Damage.	7.02
2	Loss due to theft of Fixed Asset	1.85
	Total Other debits (A)	8.87
B	Rebates allowed To Consumers (B)	140.12
C	Prior Period Income	499.85
D	Exceptional Items	2789.38
	Total	(3140.24)

36) However, PFI observes that Section 57 (2) and Section 59 (1) of the Act focus on two key points i.e., Compensation and Furnishing Case-wise information. Relevant sections are as follows:

“Section 57. (Consumer Protection: Standards of performance of licensee):

(1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard....”

Section 59. (Information with respect to levels of performance):

(1) Every licensee shall, within the period specified by the Appropriate Commission, furnish to the Commission the following information, namely:-

*(a) the level of performance achieved under sub-section (1) of the section 57;
(b) the number of cases in which compensation was made under subsection (2) of section 57 and the aggregate amount of the compensation.”*

37) Conjoint reading of Section 57 & Section 59 leads to the conclusion that DISCOMs need to submit case-by-case details to the Commission and the Commission will determine the compensation only after going through the merits of each case.

38) Further, Hon'ble APTEL vide its Judgment dated 27/09/2012 in Appeal No.141 of 2012 provided clarification of Section 57(2) stating that SERCs will determine compensation on a case-by-case basis after analyzing the failure in meeting standard of performance and other details, relevant extract from said judgement is as follows:

“Section 57(2) provides for a case-by-case determination of compensation. Such compensation has to be paid to the affected person. This will make it clear that the State Commission will have to determine on the basis of allegation that a particular standard of performance had been violated, as to how and what extent the person has been affected due to such violation.”

39) PFI observes that JdVVNL has not submitted any details or reference of communications forwarded to the Hon'ble Commission w.r.t. electrical accidents and action taken and have only claimed the compensation amount in the Petition.

40) It is pertinent to note that all penalties and compensation payable by the DISCOM to any party for failure to meet any Standards of Performance or for damages, as a consequence of the orders of the Commission, Courts, Consumer Grievance Redressal Forum, and Ombudsman, etc., should not be allowed to be recovered through the Aggregate Revenue Requirement.

41) **In view of above, PFI proposes the Hon'ble Commission to direct DISCOMs to submit case-by-case reason of accident and allow pass through of compensation only in cases where the reason is not attributable to the DISCOM.**

G.2 LOSS DUE TO THEFT OF FIXED ASSET

42) JDVVNL has claimed Rs. 1.85 Cr. in other debits on account of loss due to theft of fixed asset.

43) It is submitted that Hon'ble RERC approves insurance as part of the ARR & hence any loss due to theft can be claimed under this insurance.

44) Further, Hon'ble RERC in True-Up Order for FY 2023-24 dtd. 18/09/2025 did not allow any expense due to theft of fixed assets. Relevant extract from the said Order is as follows.

45) *“3.94 Since the Commission has allowed the insurance charges, therefore the claim on account of loss due to theft of Fixed Assets of Rs. 2.77 Crore is not considered by the Commission.”*

46) **In view of above, PFI requests the Hon'ble Commission to reduce Rs. 1.85 Cr. of losses due to theft of fixed asset from Other Debts.**

G.3 EXPENDITURE FOR DPS/LPS WAIVED OFF

47) PFI further notes that JdVVNL has claimed Rs. 140.12 Cr. of Rebate Allowed to consumers which includes Rs. 16.62 Cr. of DPS/LPS waived off (Table-15 of the True-Up Petition & Note 28 of Audited Accounts).

Rebates allowed To Consumers :			
TOD Rebate	78.817	3,031.80	-
Rebate on VCR under amnesty scheme	78.818	886.59	247.86
Incentive On Prompt Payment to consumers	78.819	552.99	685.54
Rebate for supply on specific voltage	78.822	766.30	738.34
Due to round off of Rupees	78.823	3.10	1.63
Rebate to Star rated Pumps	78.832	-	0.27
Rebate allowed by settlement committees	78.827	566.95	2,018.06
Lps/Dps written off	78.828	1,662.58	2,699.37
Rebate On account of Defective Meters	78.833	1,647.17	1,536.64
Power Factor Incentive	78.835	4,837.80	4,960.36
Reb.for rural dom.cons availing block supply	78.837	-	9.62
Transportation assistance to farmers	78.838	57.12	33.75
Total (C)		14,012.41	12,931.44
Grand Total [(A)+(B)+(C)]		28,422.92	22,001.06

48) However, based on RERC Tariff Regulations 2019, Hon'ble Commission does not allow any expenditure on account of DPS/LPS waived off. At the same time, the Commission does not allow any income towards DPS. Relevant extracts of the True-Up Order for FY 2023-24 dtd. 18/09/2025 wherein the Commission did not allow the expenditure on account of DPS/LPS waived off as follows:

*“3.182 JdVVNL has shown the rebate allowed to consumers of Rs. 406.60 Crore which is inclusive of LPS/DPS waiver of Rs. 64.09 Crore and rebate of defective meters of Rs. 5.41 Crore. As, the Commission has not considered impact of DPS from consumers in the truing up of ARR as per Regulation 36 of RERC Tariff Regulations, 2019, hence the rebate given on this account is also not being considered to be passed on in the ARR. **Therefore, the expenditure on account of waiver of LPS/DPS of Rs. 64.09 Crore is also not considered by the Commission.** Further, Discom has shown rebate of Defective meter of Rs. 5.41 Crore which is also not considered in this order as it is the duty of the Discom to keep the meters correct and replace defective meters within the specified time.”*

49) **In view of above, PFI requests the Hon'ble Commission to reduce Rs. 16.62 Cr. of DPS/LPS waived off from Other Debits as per the Regulatory principles.**

G.4 PRIOR PERIOD EXPENSES

50) PFI has observed that JdVVNL has claimed Rs. 499.85 Cr. of Prior Period Expenses in FY 2024-25. Break up of Prior Period expenses from Note 29 of the Audited Accounts of JdVVNL for FY 2024-25 is as follows:

29 :- Prior Period Items

Particulars	Account Code	(Amount in lakh ₹)	
		For the year ended 31 March, 2025	For the year ended 31 March, 2024
Income relating to previous year :			
Prior Period Receipts from Consumer	65.200	243.94	-
Int.income for prior periods.	65.400	-	0.35
Excess Provision for Int. & Fin. Charges	65.700	-	-
Other Excess Provision in prior period	65.800	(5,888.32)	128.26
Other Income related to prior period	65.900	1,783.12	(75.29)
Sub Total		(3,861.26)	53.33
Less : Prior period expenses/loss :			
Short Prov.for Power Purchase in prev.yr.	83.100	44.18	11,266.43
Operating Exp.of previous year	83.300	163.35	205.97
Employees Cost rel.to previous year	83.500	2,033.77	4,146.25
Depreciation Cost rel.to previous year	83.600	(58,898.04)	-
Interest & other finance charges relating to previous year	83.700	1,690.51	94.42
Administration & general expenses	83.820	1,119.51	631.70
Sub Total		(53,846.72)	16,344.76
Total		49,985.46	(16,291.44)

51) As above, JdVVNL has claimed Prior Period expenses pertaining to employee cost, depreciation, Interest and Finance Charges and administrative expenses summing to Rs. 540.54 Cr. PFI has observed that Hon'ble RERC in True-Up of FY 2024-25 in Tariff Order dtd. 18/09/2025 did not allow Prior Period expenses pertaining to operation expenses, employee cost, depreciation, administrative expenses on the basis that such expenses are already approved by the Commission. Relevant extracts of the True-Up Order for FY 2023-24 where the Commission did not allow such expense are as follows:

“3.172 While carrying out the true up of any financial year, the Commission allows the employee cost, depreciation, interest and finance charges and administrative and general expenses as per Tariff Regulations. Hence, expenses of Rs. 12.14 Crore on account of above expenses as shown in JdVVNL audited accounts is disallowed as prior period expenses the Commission has already approved the above expenses in the earlier true up orders as per the norms specified in the Tariff Regulations.”

52) **Based on above, prior period expenses should be reduced by Rs. 541 Cr.**

H. PROVISION FOR BAD DEBTS

53) JdVVNL has claimed Rs. 33.70 Cr. as Provision of Bad Debts for FY 2024-25. However, as per Regulation 26 of RERC Tariff Regulations 2019, actual bad debts written off are also allowed only to the extent of 0.25% of receivables. Relevant extract from the said Regulations is as follows.

“26. Bad and doubtful debts The Commission may consider a provision for writing off of bad and doubtful debts up to 0.25% of receivables subject to writing off of bad and

doubtful debts in the previous year in accordance with the procedure laid down by Distribution Licensee."

54) **Based on total receivables of Rs. 5,075.64 Cr., normative bad debt written off comes out to be Rs. 14.95 Cr. Accordingly, PFI requests Hon'ble RERC to allow Rs. 14.95 Cr. of Bad Debt against the claimed Rs. 33.70 Cr.**

I. NON-TARIFF INCOME - FINANCING COST OF LPSC

55) PFI observes that as per RERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 LPSC is not considered part of NTI. Relevant extract of the Regulations is as follows.

"36. Non-Tariff Income (1) All revenues including but not limited to transformer rent, income from fixed deposit/ statutory investment(s), income from rent on land/buildings, income from sale of scrap, income from sale of ash/rejected coal, income from advertisement, Interest on advances to suppliers/contractors, etc., shall be considered as Non-Tariff Income:

Provided that Late Payment Surcharge and Interest on Late Payment earned by the Generating Company or the Licensee shall not be considered under Non-tariff Income."

56) However, Hon'ble APTEL in its judgment dtd. 28/11/2013 in Appeal Nos. 14 of 2012 in the matter of NDPL Vs DERC has decided that LPSC received by DISCOMs from the consumers shall be treated as NTI and its Financing Cost has to be allowed by Commission. Relevant extract of the said Judgment is as follows:

"131. The Submissions made by the Appellant on this Issue are as under:

- a) *LPSC is levied on consumers who pay their bill after the due date. LPSC received by the distribution licensee is treated as Non-Tariff Income under Regulation 5.23 of the MYT Regulations and the same is deducted to arrive at the ARR. Regulation 5.23 provides as follows:*
- b) *"5.23. All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge, meter rent (if any), income from investments other than contingency reserves, miscellaneous receipts from the consumers and income to licenses business from the Other Business of the Distribution Licensee shall constitute Non-Tariff Income of the Licensee."*

c) This Tribunal in Appeal No. **153 of 2009** has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates....

...

133. Let us see the findings of the Delhi Commission in the impugned order which reads as under:

Table 144: Funding of LPSC (Rs Cr)

Particular	FY 2009-10
LPSC Collected (@ 18%)	16.09
Principle amount on which LPSC was charged	89.39
Interest Rate for funding of Principle of LPSC	9.5%
Interest approved on funding of Principle amount of LPSC	8.49

135. The Appellant has submitted that the financing of LPSC is required to meet the requirements of working capital. Delhi Commission has submitted that allowing financing cost for LPSC means allowing of additional working capital for the time period between the due date and the actual date of payment. Hence, financing cost of LPSC has to be at the same rate as that approved for working capital funding. The view taken by the Delhi Commission is correct and need not be interfered with.

136. Accordingly decided against the Appellant."

57) Based on the above, PFI requests Hon'ble RERC to consider LPSC as part of Non-Tariff Income, netting off the Financing cost associated with the same. PFI based on the methodology shown in the aforementioned APTEL Judgement has computed NTI, as shown below:

Particulars	FY 2024-25
LPSC as per Accounts	237
LPSC Rate (18%)	1314
WC Rate of DISCOM	11.95%
Financing Cost of LPSC	157
Net LPSC in NTI	79

58) As above, LPSC for JdVVNL has been worked out as Rs. 79 Cr. for FY 2024-25. Basis the judgement of Hon'ble APTEL, PFI requests Hon'ble RERC to consider the same while doing True-Up of FY 2024-25.

J. SUMMARY OF TRUE-UP FY 2024-25

59) As stipulated in above sections, summary of PFI Comments on True-up of FY 2024-25 for JdVVNL is as follows, Hon'ble Commission is requested to kindly consider the same.

(Rs. Cr.)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales (MU)	29756	29756	0
2	Distribution Loss	20%	15.00%	
3	Collection Efficiency	98.36%	110.60%	
3a	<i>Add: Govt. department dues and Outstanding subsidy</i>		2,893	
4	Power Purchase Cost	17897	16536	(1361)
4a	<i>Less: Excessive Short-term Power Purchase (Bilateral)</i>		287	
4b	<i>Less: Power Purchase Cost over normative Distribution Loss</i>		1074	
5	Transmission Charges	2098	2098	0
6	Operation & Maintenance (O&M) Expenses (7a+7b+7c)	2611	2602	(9)
6a	Employee Expenses	1979	1979	
6b	Administrative & General Expenses	101	92	
6b-i	<i>Less: Unexplained Spike in Consultancy Charges</i>		9	
6c	Repair & Maintenance Expenses	531	531	
7	Return on Equity	0	0	0
8	Interest on Loan	1358	1358	0
9	Interest on Working Capital	2661	2661	0
10	Depreciation	1091	752	(339)
10a	<i>Less/Add: Opening GFA equal to Closing GFA of FY 2023-24</i>		339	
11	Other Costs	34	(551)	(585)
11a	<i>Less: Comp. for Electrical accident on account of reasons attributable to DISCOM</i>		7	
11b	<i>Less: Loss due to Theft of Fixed Assets</i>		2	
11c	<i>Less: Bad Debts over and above the Audited Accounts</i>		19	
11d	<i>Less: Expenditure for LPS Waived Off</i>		17	
11e	<i>Less: Prior Period Expenses Double Accounting</i>		541	
12	Aggregate Revenue Requirement (ARR)	27,750	25,456	(2,294)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
13	Less: Non-Tariff Income	951	1,030	
13a	<i>Add: LPSC net of financing cost</i>		79	
14	Other Income	3302	3,302	
15	Net ARR	23,497	21,124	
16	Revenue from Sale of Power	23308	26,201	(2,893)
17	<i>Add: Subsidy and Govt. Dept. dues</i>		2,893	
18	Revenue (Gap)/Surplus	(189)	7,970	(5,187)

In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by Govt. of Rajasthan in the form of subsidy. **Accordingly, the revised subsidy is of Rs. 16,996 Cr. instead of booked subsidy of Rs. 11,809 Cr. for FY 2024-25 which should be paid by Govt. of Rajasthan to JdVVNL.**

PFI Comments/Suggestions: JdVVNL ARR Petition FY 2026-27

A. UNDERESTIMATION OF SUBSIDISING SALES

1) PFI observed that JdVVNL has projected subsidizing sales for FY 2026-27 at a lower CAGR than that considered for FY 2025-26 revised projections. The same can be concluded from the table below.

Category	ABR (Rs./kWh)	Growth from FY 25 to FY 26	Growth from FY 26 to FY 27	Growth from FY 26 to FY 27
			Claimed by DISCOM	Proposed by PFI
Non-Domestic	10.60	27%	6%	27%
Large Industry	9.86	8%	7%	8%

2) Such underestimation leads to less projection of Revenue from subsidizing sales which have higher Average Billing Rate. PFI has reworked sales for subsidizing categories of Non-Domestic & Large Industry considering the same growth rate as that from FY 2024-25 to FY 2025-26.

3) As a result of these increased sales, both the Power Purchase Cost & Revenue will increase but the growth in Revenue will outweigh the increase in Power Purchase Cost eventually leading to decrease in Revenue Gap. The net impact of revised projection of subsidizing sales has been calculated in the table below.

Particulars	Claimed by DISCOM	PFI Working
Non-Domestic Sales (MU)	2227	2820
Large Industry Sales (MU)	3074	3327
Avg. ECR (Rs./kWh)		3.16
Increase in Power Purchase Cost (Rs. Cr.)		326
Increase in Revenue (Rs. Cr.)		879
Net Impact (Rs. Cr.)		553

4) **As shown above, PFI requests Hon'ble RERC to consider sales as projected by PFI keeping the growth rate same as that for FY 2024-25 to FY 2025-26. Doing the same will lead to decrease in the Revenue Gap by Rs. 553 Cr.**

B. HIGH POWER PURCHASE COST

- 1) JdVVNL has considered an escalation of 2% on energy charge rate of FY 2024-25 & on fixed charges of FY 2024-25 for all generating stations
- 2) It is submitted that the Central Government, vide MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025, has increased the GST rate on coal from 5% to 18%; and vide Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025, has abolished the Compensation Cess of Rs. 400/MT, with effect from 22/09/2025. The abolition of the Compensation Cess and the increase in the GST rate on coal have impact on the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Act, except in case of the generating companies having captive coal mines.
- 3) It is expected that rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators. Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden, with coal grades G6 to G17 seeing decreases in the range of Rs. 13.40 per tonne to Rs. 329.61 per tonne. For the power sector, the average reduction is estimated to be around Rs. 260 per tonne, translating into a cut of 17–18 paise per kWh in the cost of generation.
- 4) Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading in Tariff, due to increased Power Purchase Cost, for the consumers of Rajasthan.
- 5) In view of above, PFI request to the Hon'ble Commission to consider ECR for FY 2026-27 as submitted by JdVVNL for FY 2024-25 without any escalation. Further, with respect to increase in Fixed Charge, PFI request to the Hon'ble Commission to consider the actual Fixed Charge payment considered by JBVNL for FY 2024-25 based on the actuals.

6) Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase & Transmission cost through automatic route.

7) PFI has computed the Power Purchase Cost for FY 2026-27 considering energy charge rate & fixed cost the same as FY 2024-25 actuals.

Sr. No.	Source of Power (Station wise)	PPQ FY 2026-27 (MU) (A)	Fixed Cost of FY 2024-25 (Rs. Cr.) (B)	ECR of FY 2024-25 (Rs./kWh) (C)	Variable Cost (Rs. Cr.) (D)=(C)*(A)/10	Power Purchase Cost proposed by PFI (Rs. Cr.) (E)=(B)+(D)	Power Purchase Cost Claimed (Rs. Cr.)
1	ANTA GTPS	-	1.59	0.06	0.00	1.59	
2	AURIYA GTPS	-	3.18	0.18	0.00	3.18	
3	DADRI GTPS	-	2.85	0.12	0.00	2.85	
4	FGUTTPS -I	0.00	0.27	1.69	0.00	0.27	0.49
5	FGUTTPS -II	27.04	10.32	11.37	83.14	93.45	22.03
6	FGUTTPP III	20.52	6.74	8.66	36.49	43.23	15.53
7	FGUTTPS -IV	81.84	34.39	7.95	532.40	566.79	68.18
8	K.H.S.T.P.S. I	45.52	6.33	3.84	79.67	86.00	20.86
9	K.H.S.T.P.S. & II	251.44	23.52	2.73	1728.39	1,751.91	95.59
10	KHPS-I	209.65	30.57	1.35	594.17	624.74	79.62
11	NCTPS 1	184.96	-	(0.05)	-0.97	-0.97	149.92
12	NCTPS 2	0.73	2.11	15.19	1.12	3.22	2.59
13	RHIND STPS	235.22	19.40	41.98	987.55	1,006.95	62.73
14	RIHAND II	303.87	19.67	51.62	1568.72	1,588.39	77.43
15	RIHAND III	346.30	42.65	53.66	1858.23	1,900.88	106.99
16	SINGUARLI	740.01	55.88	140.86	10423.57	10,479.46	196.37
17	SINGUARLI-Hydel	2.40	-	0.81	0.20	0.20	1.26
18	TANDA-II STPS	202.78	41.41	68.86	1396.38	1,437.79	111.32
19	Other	-	-	15.45	0.00	-	-
20	NTPC BHADLA-II (Solar)	136.20	-	69.49	946.46	946.46	70.85
21	NTPC NSM-BUNDLED TOTAL	1,169.73	89.73	389.22	45527.97	45,617.70	494.38
22	TOTAL (with adj.)	1,169.73	99.23	387.02	45271.03	45,370.26	70.85
23	NTPC - MEJA	171.97	42.79	57.00	980.23	1,023.03	106.72
24	TOTAL (with adj.)	171.9731003	42,7941575	56.9989329	980.23	1,023.02	70.85
25	SALAL HEP	49.86	3.14	5.97	29.76	32.89	13.27
26	TANAKPUR HEP	20.30	4.58	4.34	8.81	13.39	11.59
27	CHAMERA-I	226.47	13.70	16.40	371.32	385.01	42.85
28	URI HEP	101.70	7.09	8.97	91.20	98.28	26.37
29	CHAMERA-II	101.54	8.70	6.88	69.83	78.52	24.14
30	DHOLIGANGA	76.05	6.86	7.68	58.37	65.24	22.04
31	DULHASTI	141.26	21.61	27.06	382.25	403.87	64.83
32	URI HEP II	98.25	10.77	15.57	152.94	163.71	48.03
33	PARBATI III	91.63	12.29	3.33	30.54	42.83	26.54
34	SEWA II	32.06	5.97	3.87	12.42	18.38	15.35
35	CHAMERA-III	72.17	12.06	8.92	64.39	76.45	28.83
36	KISHANGANGA	34.88	3.61	1.80	6.28	9.89	16.26
37	TOTAL (with adj.)	1,046.15	121.97	115.47	12079.58	12,201.54	340.11
38	NATHPA-JHAKRI	394.36	29.07	25.94	1022.86	1,051.93	81.43
39	Rampur	50.24	15.16	15.23	76.52	91.68	30.26
40	SJVNL (Green)	91.71	84.16	44.40	407.18	491.34	-
41	ARAVALI POWER CO PVT LTD	34.76	7.30	15.41	53.58	60.88	29.25
42	NVNV BUNDLED POWER (TOTAL)	774.70	82.62	321.27	24888.92	24,971.54	396.17
43	COASTAL GUJRAT (36:36:28)	385.88	68.41	229.44	8853.64	8,922.05	229.61
44	TOTAL (with adj.)	385.88	68.41	308.67	11911.01	11,979.42	70.85
45	ADANI POWER RAJASTHAN LIMITED	2,306.79	325.90	1,070.15	246860.55	2,47,186.45	1,207.57
46	TOTAL (with adj.)	2,306.79	325.90	1,071.65	247207.28	2,47,533.18	70.85
47	SASAN POWER LTD(36:36:28)	958.59	12.10	108.10	10362.53	10,374.63	148.09
48	TOTAL (with adj.)	958.59	12.10	138.66	13292.12	13,304.22	70.85
49	KARCHAM WANGTOO (PTC)	257.36	16.13	16.11	414.64	430.77	45.04
50	PTC (DB)	833.17	175.66	163.61	13631.17	13,806.82	359.79
51	PTC (MARUTI) (39:29:32)	398.47	81.65	100.52	4005.35	4,087.00	177.54
52	TOTAL (with adj.)	398.47	81.65	100.69	4012.16	4,093.81	70.85
53	NAPP	126.77	-	42.01	532.52	532.52	39.31
54	RAPP-I &II	297.15	-	109.71	3260.16	3,260.16	102.72
55	RAPP-III&IV	374.28	-	89.11	3335.19	3,335.19	129.33
56	RAPP-V & VI	317.92	-	99.82	3173.37	3,173.37	129.94
57	RAPP-V	466.20	-	-	0.00	-	229.68
58	TEHRI	172.04	20.55	22.88	393.67	414.22	63.19
59	KOTESHWAR	62.35	12.22	13.15	81.97	94.19	34.05

Sr. No.	Source of Power (Station wise)	PPQ FY 2026-27 (MU) (A)	Fixed Cost of FY 2024-25 (Rs. Cr.) (B)	ECR of FY 2024-25 (Rs./kWh) (C)	Variable Cost (Rs. Cr.) (D)=(C)*(A)/10	Power Purchase Cost proposed by PFI (Rs. Cr.) (E)=(B)+(D)	Power Purchase Cost Claimed (Rs. Cr.)
60	KHURJA	393.06	18.05	15.47	608.12	626.17	205.39
61	KTPS (1 to 7)	2,662.05	169.37	1,066.06	283790.19	2,83,959.57	1,247.81
62	STPS (1 to 6)	1,587.45	191.55	1,250.84	198564.83	1,98,756.38	1,042.60
63	SSCTPP (7&8)	2,197.68	405.56	855.65	188044.59	1,88,450.15	1,250.71
64	DCCPP	-	1.34	11.19	0.00	1.34	-
65	CTPP (1&4)	2,170.94	228.12	841.70	182728.72	1,82,956.83	1,070.33
66	CSCTPP (5&6)	2,580.87	421.97	747.97	193041.58	1,93,463.55	1,178.32
67	RGTP (1-3)	229.54	14.47	76.69	1760.41	1,774.88	133.15
68	KaTPP#1&2	2,092.40	357.91	838.85	175522.09	1,75,880.00	1,087.65
69	MAHI	57.24	7.36	2.19	12.56	19.92	9.44
70	MANGROL	0.03	-	0.81	0.00	0.00	0.01
71	STPS MMH	0.58	-	0.12	0.01	0.01	0.25
72	RAJWEST POWER LIMITED	1,678.60	373.06	626.92	105234.42	1,05,607.48	908.69
73	BBMB(BHAKRA,DEHAR&PONG	964.32	-	65.32	6299.28	6,299.28	77.05
74	CHAMBAL	198.24	-	-	0.00	-	-
75	NCES	-	-	885.97	0.00	-	-
76	WIND FIRMS	2,894.54	-	35.52	10280.44	10,280.44	1,273.97
77	KUSUM Solar	808.16	-	13.15	1062.48	1,062.48	259.57
78	BIOMASS	-	-	16.18	0.00	-	-
79	KALPTARU	38.95	-	17.26	67.25	67.25	34.35
80	CHAMBAL POWER	15.33	-	7.93	12.15	12.15	14.57
81	SATHYAM POWER PVT. LTD	17.53	-	10.48	18.37	18.37	13.60
82	S M Environmental	20.01	-	3.29	6.58	6.58	13.82
83	Transtech green power pvt ltd	13.25	-	1.11	1.48	1.48	10.17
84	Rajasthan State Ganganagar Sugar Mills Ltd.	0.15	-	-	0.00	-	0.11
85	Orient green power	19.63	-	135.84	266.68	266.68	15.57
86	sanjog sugars eco pvt ltd	19.95	-	-	0.00	-	14.82
87	TNA Renewable Energy Pvt Ltd	18.37	-	135.84	249.49	249.49	13.90
88	Indeen Bio Power Limited	31.27	-	-	0.00	-	23.67
89	Jasrasar Green Power Private Limited	40.62	-	-	0.00	-	30.75
90	KTA Power Pvt. Ltd.	30.45	-	-	0.00	-	23.05
91	Jindal Urban Waste Management (Jaipur) Ltd.	26.58	-	-	0.00	-	19.43
92	Sardarshahar Agri Energy Private Limited	26.30	-	-	0.00	-	-
93	INTER DISCOM	-	-	-	-	-	-
94	EXCHANGE PURCHASE	-	-	-	-	-	-
95	EXCHANGE SALE	-	-	-	-	-	-
96	ISTS CHARGES	-	-	-	858	858	-
97	INSTS CHARGES	-	-	-	1,693	1,693	-
Total		42876	5870		15,021		

8) Therefore, PFI has reworked the Power Purchase Cost for FY 2026-27 taking into account the actual Cost of these Plants. Based on the reworking Power Purchase Cost should be reduced by Rs. 922 Cr. (Rs. 22,618 Cr. claimed – Rs. 21,696 Cr. PFI proposed). Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27. It will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading in Tariff, due to increased Power Purchase Cost, for the consumers of Rajasthan.

Adherence to Merit Order Despatch

As per the Regulatory provisions, the Power Purchase Cost shall be on least cost basis and strictly on Merit Order Despatch.

C. O&M EXPENSES BENCHMARKING

- 5) PFI observed that Employee expenses of JdVVNL are very high when compared with other DISCOMs. Accordingly, PFI has done benchmarking of O&M Expenses on per consumer and per sales for JVVNL, AVVNL & JdVVNL (Rajasthan), DGVCL (Gujarat), DHBVNL (Haryana) & DVVNL (Uttar Pradesh), the summary of benchmarking is as follows:

O&M Benchmarking	FY 2022-23 (approved during True-Up)						FY 2023-24 (approved during True-Up)						FY 2024-25 (claimed in Petition)					
	Rajasthan			Gujarat	Haryana	UP	Rajasthan			Gujarat	Haryana	UP	Rajasthan			Gujarat	Haryana	UP
Particulars	JdVVNL	AVVNL	JVVNL	DGVCL	DHBVNL	DVVNL	JdVVNL	AVVNL	JVVNL	DGVCL	DHBVNL	DVVNL	JdVVNL	AVVNL	JVVNL	DGVCL	DHBVNL	DVVNL
Employee Expenses (Rs. Cr.)	1,271	1,637	1,540	594	1,683	567	1,155	1,140	1,373	752	1,723	379	1,979	1,575	2,586	742	1,862	
R&M Expenses (Rs. Cr.)	144	153	204	64	131	542	148	175	212	66	196	583	531	446	477	71	222	
A&G Expenses (Rs. Cr.)	96	151	152	124	146	131	114	150	167	156	204	130	101	269	186	169	196	
O&M Expenses (Rs. Cr.)	1,510	1,941	1,896	782	1,959	1,239	1,417	1,466	1,752	974	2,123	1,092	2,611	2,290	3,249	982	2,280	
Sales (MU)	22,060	23,767	29,727	28,517	31,008	22,194	22,664	23,787	32,258	29,555	31,957	24,166	29,695	26,860	35,392	31,404	35,779	
No. of Consumers ('000)	4,522	5,582	4,949	3,614	4,113	6,430	4,664	5,759	5,221	3,745	4,258	6,205	4,811	5,943	5,508	3,853	4,394	
Employee Expenses (paise per unit)	57.6	68.9	51.8	20.8	54.3	25.5	51.0	47.9	42.6	25.4	53.9	15.7	66.6	58.6	73.1	23.6	52.0	Petition not filed
R&M Expenses (paise per unit)	6.5	6.4	6.9	2.3	4.2	24.4	6.5	7.4	6.6	2.2	6.1	24.1	17.9	16.6	13.5	2.3	6.2	
A&G Expenses (paise per unit)	4.4	6.3	5.1	4.3	4.7	5.9	5.0	6.3	5.2	5.3	6.4	5.4	3.4	10.0	5.3	5.4	5.5	
O&M Expenses (paise per unit)	68.5	81.6	63.8	27.4	63.2	55.8	62.5	61.6	54.3	33.0	66.4	45.2	87.9	85.3	91.8	31.3	63.7	
Employee Expenses (Rs. per consumer)	2810	2932	3112	1644	4091	881	2477	1980	2630	2008	4047	612	4113	2650	4695	1925	4237	
R&M Expenses (Rs. per consumer)	318	274	412	178	319	843	317	305	406	177	461	939	1104	750	866	185	504	
A&G Expenses (Rs. per consumer)	213	270	306	343	354	203	244	261	320	417	479	209	210	453	338	438	447	
O&M Expenses (Rs. per consumer)	3340	3476	3830	2164	4764	1927	3038	2545	3356	2602	4987	1760	5427	3853	5899	2549	5188	

Note: In all States Terminal Benefits has been considered as part of Employee Expenses

- 6) It is evident from above table that O&M expenses especially Employee Expenses of JdVVNL are on higher side as compared to other DISCOMs, this clearly indicates the operational inefficiency of JdVVNL.
- 7) Based on the above table, PFI proposed the Hon'ble Commission to limit the employee expenses to the extent of average of employee expenses per unit sold for JDGVCL & DHBVNL for FY 2024-25. Accordingly, PFI has computed the employee expenses for FY 2026-27 as follows:

Particulars	UoM	Values
Avg. employee expense per unit sold for FY 2024-25	Paisa/kWh	46.20
Inflation factor	%	5.65%
Avg. employee expense per unit sold for FY 2026-27	Paisa/kWh	51.56
Sales Proposed by PFI	MU	34,681
Employee expenses as per PFI	Rs. Cr.	1,788

Particulars	Projected by JdVVNL	Proposed by PFI	Difference
Employee Expenses (inc. terminal benefits)	2699	1,788	(911)

8) In view of above, PFI proposes to reduce the employee expenses by Rs. 911 Cr. and the balance employee expense as claimed by JdVVNL should be borne by Govt. of Rajasthan in the form of subsidy.

D. HIGH DISTRIBUTION CIRCLES

9) JdVVNL has claimed 13.0% Distribution loss for FY 2026-27, as per Form D 7.2 of the Petition, as shown below.

FY 2026-27												
S. No.	Voltage Level	No of Feeders	Feeders metered	Energy Input	Total Output	Total Losses	Total Losses (% of Energy Input)	Total Technical Loss	Total technical Losses (% of Energy Input)	Total Commercial Loss	Total Commercial Losses (% of Energy Input)	
1	2	3	4	5	8	9	10	11	12	13	14	
JODHPUR CC	11 kV	432	432	2134.77	2089.00	312.15	14.62%	NA	NA	NA	NA	
JODHPUR DC	11 kV	1,640	1,640	4636.93	3263.56	487.66	10.52%	NA	NA	NA	NA	
PHALODI	11 kV	1,463	1,463	4362.79	3101.59	463.46	10.62%	NA	NA	NA	NA	
PALI	11 kV	971	971	1980.68	2079.08	310.67	15.68%	NA	NA	NA	NA	
SIROHI	11 kV	448	448	1454.32	1480.06	221.16	15.21%	NA	NA	NA	NA	
JALORE+SANCHO	11 kV	1,384	1,384	3182.52	3090.64	461.82	14.51%	NA	NA	NA	NA	
BARMER	11 kV	940	940	2560.41	2621.50	391.72	15.30%	NA	NA	NA	NA	
BALOTARA	11 kV	508	508	1146.78	1014.98	151.66	13.23%	NA	NA	NA	NA	
JAISALMER	11 kV	694	694	1754.34	1678.21	250.77	14.29%	NA	NA	NA	NA	
BIKANER DISTRIC	11 kV	1,951	1,951	6695.01	4991.85	745.91	11.14%	NA	NA	NA	NA	
CHURU	11 kV	1,037	1,037	3545.61	3072.79	459.15	12.95%	NA	NA	NA	NA	
HANUMANGARH	11 kV	839	839	2092.01	2117.09	316.35	15.12%	NA	NA	NA	NA	
SRIGANGANAGA R+ANOOPGARH	11 kV	727	727	2294.80	2142.20	320.10	13.95%	NA	NA	NA	NA	
D.F. Bikaner		-	-	1050.30	1092.84	163.30	15.55%	NA	NA	NA	NA	
Jodhpur Discom	11 kV	13034	13034	38891.26	33835.40	5055.86	13.00%	NA	NA	NA	NA	

10) However, PFI has observed that the DISCOM has some high loss Circles wherein the loss level is more than 13%, as given below:

- Jodhpur CC: 14.62%
- Pali: 15.68%
- Karauli: Barmer: 15.30%
- Hanumangarh: 15.12%

11) JdVVNL has submitted that it has taken various initiatives towards immaculate planning but have not been able to show results for such high loss levels areas. PFI requests Hon'ble Commission to take into account such high loss levels Circles and may direct the DISCOM to reduce Distribution losses in such Circles

12) It is pertinent to state that, the Government of India has approved the RDSS to support DISCOMs in improving their operational efficiencies. One of the

components on which RDSS Scheme focuses is Metering. Under this part, Prepaid Smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) it to be done. The Total sanctioned funds under RDSS for Rajasthan DISCOMs is Rs. 28,391 Cr. ([Source: RDSS portal](#)). The Hon'ble RERC vide Tariff Order dated 3/10/2025 for FY 2025-26 has also allowed Capital Expenditure under RDSS and other Govt. schemes. Hon'ble RERC may direct JdVVNL to utilize such funding and improve the high Distribution losses levels Circles.

E. OTHER ISSUES PERTAINING NON-ALIGNMENT WITH MoP (GoI) RULES

E.1 REVENUE GAP (ELECTRICITY (AMENDMENT) RULES, 2024 DTD. 10/01/2024)

13) MoP vide *Electricity (Amendment) Rules, 2024* dtd. 10/01/2024 has specified the following with regards to Revenue Gap between approved Annual Revenue Requirement and estimated Annual Revenue from approved tariff:

“23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff– The tariff shall be **cost reflective** and there **shall not be any gap** between approved Annual Revenue Requirement and estimated annual revenue from approved tariff except under natural calamity conditions:

Provided that such gap, Created if any, shall not be more than three percent of the approved Annual Revenue Requirement.....”

14) The Rules have clearly specified that the tariff shall be cost reflective and there shall not be any gap between approved Aggregate Revenue Requirement and Estimated Annual Revenue from approved tariff except under natural calamity conditions. And if at all, the Gap is Created it shall not be more than 3% percent of the approved Annual Revenue Requirement.

15) **It is noted that in ARR of FY 2026-27 JdVVNL has claimed Revenue Surplus of Rs. 1406 Cr. at proposed Tariff.**

16) Hon'ble APTEL in its judgement dated 11/11/2011 in OP 1 of 2011 has laid the significance of cost reflective tariff as follows:

“56. It is to be pointed out in this context, that the legislative intent in enacting the Act, 2003 is to secure effective Regulations characterised by tariff rationalisation with timely cost reflective tariff determination based on the principles set out in Section 61 read with the National Tariff Policy. …”

- 17) Section 62 of the Act empowers SERCs to determine the Tariff on cost plus basis for the utilities regulated by them engaged in generation, transmission and distribution of electricity. Section 63 empowers SERCs to adopt the Tariff discovered through transparent process of bidding. Determination of cost-reflective tariff of Distribution Licensees by SERCs plays a significant role as it lays the foundation of routing revenue up the supply chain.
- 18) Hon'ble Supreme Court's in its judgement in PTC India Vs. CERC dated 15/03/2010 has ruled that the term "tariff" includes within its ambit not only the fixation of rates but also the rules and regulations relating to it. Through Sections 61 and 62 of the Act, the Appropriate Commission shall determine the actual tariff in accordance with the provisions of the Act, including the terms and conditions which may be specified by the Appropriate Commission under Section 61 of the said Act. Under the 2003 Act, it becomes clear from Section 62 with Section 64, that although tariff fixation is legislative in character, the same under the Act is made appealable vide Section 111. These provisions, namely Sections 61, 62 and 64 indicate the dual nature of functions performed by the Regulatory Commissions, viz, decision-making and specifying terms and conditions for tariff determination.
- 19) Similarly, Hon'ble APTEL vide its judgment dated 04/09/2012 in Appeal No. 94 of 2012 has stated that the term 'Regulate' has got a wider scope and implication not merely confined to determination of tariff. Section 61 and 79 not only deal with the tariff but also deal with the terms and conditions of tariff. The terms and conditions necessarily include all terms related to tariff.
- 20) Further, Tariff Policy, 2016, also states that in terms of Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

21) **In view of above, PFI submits before RERC to determine cost-reflective Tariff for FY 2026-27 as per the principles stipulated in MoP rules dated 10/01/2024.**

E.2 TIME OF DAY (ELECTRICITY (RIGHTS OF CONSUMERS) AMENDMENT RULES, 2023 DTD. 14/06/2023)

22) *Electricity (Rights of Consumers) Amendment Rules, 2023* dtd. 14/06/2023 stipulates that every consumer category except Agriculture should have Time of Day (TOD) Tariff with effect from 01/04/2025 and shall be made effective immediately after installation of Smart Meters, for consumers with Smart Meters.

23) Further, the Rules also stipulate that ToD Tariff for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff. Further ToD during Off-peak hours should be at least 20% less than the normal tariff (not more than 80% of the normal tariff). Rajasthan DISCOMs have proposed ToD Tariff for consumers above 10 kW but have not proposed any Peak and Off-peak Tariff for the same.

24) **Further, Rajasthan DISCOMS has also not submitted the status of ToD in their area (tariff category wise). The said status report should provide benefit derived from ToD through flattening of Load Curve and avoiding procurement of costly power in Peak Period.**

25) PFI observes that the cost of power purchase during peak hours is quite high. ToD Tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high-cost peaking power purchases. Accordingly, in ToD Tariff regime peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flattening the load curve. The ToD Tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the Tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency.

26) Introduction of higher peak hour Tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower Tariff during off peak hours. In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

27) The ToD Tariff would thus have immediate as well as long-term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs

28) **Thus, PFI requests RERC to formulate ToD Tariff for all eligible consumers in line with the MoP Electricity (Rights of Consumers) Amendment Rules, 2023 dtd. 14/06/2023 as amended from time to time.**

F. SUMMARY OF ARR FY 2026-27

29) As stipulated above, summary of PFI Comments on ARR of FY 2026-27 for JdVVNL is as follows, Hon'ble Commission is requested to kindly consider the same.

(Rs. Cr.)

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales (MU)	33835	34681	846
1a	<i>Add: Underestimation of Subsidized Sales</i>		846	
2	Distribution Loss	13%	13.00%	
3	Power Purchase Cost	18123	17201	(922)
3a	<i>Less: Power Purchase cost considering escalation over FY 2025-26 (Impact of removal of Coal Cess)</i>		922	
4	Transmission Charges	2304	2304	0
5	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	3417	2506	(911)
5a	Employee Expenses	2699	1788	
5a-i	<i>Less: Benchmarking of Similar States</i>		911	
5b	Administrative & General (A&G) Expenses	169	169	
5c	Repair & Maintenance (R&M) Expenses	549	549	

6	Return on Equity/ Return on Capital Employed (ROE/ROCE)		0	0
7	Interest on Loan	1664	1664	0
8	Interest on Working Capital	264	264	0
9	Other Interest charges	1565	1565	0
10	Depreciation	1796	1796	0
11	Other Costs		0	0
12	Aggregate Revenue Requirement (ARR)	29,133	27,300	(1,833)
13	Less: Non-Tariff Income	302	302	
14	Other Income	3,548	3,548	
15	Net ARR	25,283	23,450	
16	Revenue from Sale of Power	23,854	24407	(553)
16a	<i>Add: Underestimation of Subsidized Sales</i>		553	
17	Revenue (Gap)/Surplus	-1,429	957	(2,386)

In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by Govt. of Rajasthan in the form of subsidy. **Accordingly, the subsidy to be decided by Govt. of Rajasthan for FY 2024-25 should include Rs. 2,386 Cr. additionally.**

PRAYERS BEFORE HON'BLE RERC:-

- 1) To consider the comments / suggestions of Power Foundation of India (PFI) on True-Up Petition FY 2024-25 & Tariff Petition FY 2026-27 of JdVVNL.
- 2) To reduce Power Purchase Cost from costly bilateral sources if they were not in-principally approved by the Commission
- 3) To impose penalty for repeated non-compliance of Direction given by the Hon'ble Commission to bifurcate the Transmission Losses.
- 4) To direct DISCOMs to share detailed explanation for stark increase in consultancy charges.
- 5) To reduce Other Debits claimed by expenditure for LPS waived off, loss due to theft of fixed assets & double accounting in prior period expenses
- 6) To allow Depreciation and Bad Debts as per regulatory provisions.
- 7) To include LPS from consumers as part of Non-Tariff Income after adjusting for financing cost of the LPS.
- 8) To allow compensation for injuries, death and damages only for incidents where the fault was not attributable to the DISCOM.
- 9) To consider the same growth rate in sales projection for FY 2026-27 subsidizing categories as was observed from FY 2024-25 to FY 2025-26.
- 10) To reduce the employee expenses considering benchmarking of similar States.
- 11) To not escalate fixed and energy charge rate while determining the power purchase cost for FY 2026-27.
- 12) The inefficiencies of JdVVNL should not be allowed to socialize to consumers at large rather it should be borne by Government of Rajasthan through revised subsidy revised subsidy is of Rs. 16,996 Cr. instead of booked subsidy of Rs. 11,809 Cr. for FY 2024-25 which should be paid by Govt. of Rajasthan to JdVVNL. Further, Govt. of Rajasthan should provide additional subsidy of Rs. 2,386 Cr., on account of higher claims of JdVVNL as tabulated above, over and above the subsidy decided by Govt. of Rajasthan for FY 2026-27.
- 13) To consider the additional submissions, if any, made by PFI for True-Up Petition FY 2024-25 & Tariff Petition FY 2026-27 of JdVVNL.