

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](mailto:secyerc@rajasthan.gov.in) & [rercjpr@yahoo.co.in](mailto: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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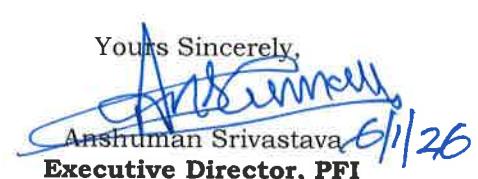
**1. The Hon'ble Chairperson**

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-I

### **PFI Comments/Suggestions: JVVNL 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 Jaipur Vidyut Vitran Nigam Limited (JVNL) on True-Up of FY 2024-25. PFI has reviewed and analyzed the said Tariff Petition, and our comments / suggestions are as follows:

#### **A. UNMETERED AGRICULTURE SALES**

- 3) PFI appreciates measures taken by Hon'ble RERC & JVVNL to ensure that all Agriculture Sales in FY 2024-25 are metered.

#### **B. COLLECTION EFFICIENCY**

- 4) It is observed that as per Audited Accounts of FY 2024-25, Govt. consumers have **pending dues of Rs. 662 Cr.** and Govt. of Rajasthan has not disbursed **subsidy of Rs. 2,691 Cr. during the year** (out of booked subsidy of Rs. 10,662 Cr.), this resulted in lower collection efficiency of DISCOM.
- 5) 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.
- 6) Accordingly, PFI has recomputed the collection efficiency and Revenue as follows:

Particulars	Claimed by DISCOM	Proposed by PFI
Dues of Govt. departments (Rs. Cr.)	-	662
Pending subsidy from Govt. of Rajasthan (Rs. Cr.)	-	2691
Collection Efficiency	99.69%	112.1%
Revenue (Rs. Cr.)	26,967	30,319

7) **In view of above, PFI requests the Hon'ble Commission to consider Revenue as Rs. 30,319 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. 3,353 Cr.**

### C. NO BIFURCATION OF TRANSMISSION LOSSES

8) JVVNL 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. However, Hon'ble RERC in True-Up 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. 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.**”*

9) As above, Hon'ble Commission may kindly impose a penalty on JVVNL 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.

10) 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.

## D. HIGHER POWER PURCHASE COST

### D.1 Imprudent Power Purchase Planning

11) JVVNL has procured a huge quantum of short-term energy (exchange & bilateral) – 4129 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 approved only 2,361 MU at the rate of Rs. 4.89/kWh. Such huge dependence on short-term arrangement which is volatile in nature and too costly reflects unwise/imprudent power procurement planning of JVVNL.

12) JVVNL has purchased 460 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.

13) It is submitted that Energy Sales increased from approved 34,021 MU to 35,392 MU. Energy Sales are an uncontrollable parameter, and hence more Power Purchase Quantum was required to meet these additional Sales of 1,371 MU. Considering Distribution Loss of 13.75% and Transmission Losses of 8.79% as claimed by JVVNL, additional Power Purchase Quantum corresponding to 1,371 MU Sales comes out to be 1,697 MU. But, to meet these unplanned Sales, JVVNL has procured an additional quantum of 2,228 MU (1,768 MU additional short-term purchase + 460 MU Bilateral power Purchase) when only 1,697 MU of additional Power Purchase was required.

14) It is further noted that JVVNL in FY 2024-25 has procured Power from costlier sources despite availability of cheaper sources of Power. JVVNL 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:

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				

Source	Power Purchase Quantum (MU) (Approved)	Power Purchase Quantum (MU) (Claimed)	Power Purchase Cost (Rs. Cr.) (Claimed)	Unit rate (Rs./kWh) (Claimed)
Adani Enterprises Ltd.	0	140	96	6.84
NVVN Bilateral	0	36	24	6.80
PTC India Ltd.	0	168	116	6.91
TATA Power Trading Co. Ltd.	0	65	47	7.10
Power Pulse Trading Solutions Ltd.	0	50	35	6.92
<b>Total</b>	<b>0</b>	<b>460</b>	<b>318</b>	
<b>Approved vis-à-vis claimed</b>		<b>460</b>		
<b>Cheaper Plants</b>				
Sasan Power Ltd.	1141	1047	158	1.51
SKS Energy	311	31	9	2.90
Khurja	368	76	37	4.87
<b>Total</b>	<b>1820</b>	<b>1154</b>	<b>204</b>	
<b>Approved vis-à-vis claimed</b>		<b>(666)</b>		

15) *Regulations 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..”**

16) 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.”

17) As per the Regulatory provisions, 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.

**18) As observed from above, by considering the Power Purchase Cost as per the Regulatory provisions, the savings through optimized Power Purchase would be Rs. 318 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. 318 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.**

**19) Further, PFI observes that JVVNL 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 JVVNL to submit the details along with certification from Rajasthan SLDC that MoD has been followed in true letter and spirit.**

#### **E. RENEWABLE PURCHASE OBLIGATION TARGET**

20) JVVNL 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.

21) 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 2030<sup>1</sup>. 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.

22) 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)."*

23) 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.

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

<sup>1</sup> Press Information Bureau

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

## F. OPERATION & MAINTENANCE EXPENSES

### F.1 A&G EXPENSES – CONSULTANCY CHARGES

25) 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.

31.- Administrative and Other Expenses		(` in Lakhs)	
Particulars	Account Code	For the Year ended 31.03.2025	For the Year ended 31.03.2024
<b>Administrative and Other Expenses:</b>			
Rent	76.101	429.64	384.65
Rates & Taxes	76.102	760.50	79.75
Insurance	76.104-76.107, 76.109-76.110	138.37	163.65
Security Service Charges	76.108	4,815.13	4,274.06
Telephone, Telex & EPABX Expenses	76.111-76.114	230.91	316.52
Postage & Telegram	76.112	45.02	48.39
Legal Charges, Technical Fees	76.121	348.16	273.23
Payment to Auditors	76.122-76.128		
Statutory Audit Fees	76.122	9.44	11.48
Retainership Expenses of ex-employees	76.126	14.95	41.74
Hiring of Man Power on contract	76.127	153.79	125.43
Exp. for I.A. by outside agencies	76.128 & 76.129	203.08	8.55
Consultancy Charges	76.123	1,243.04	296.67
Professional Charges	76.125	34.76	33.76
Hiring of Vehicle	76.131 & 76.137	3,729.37	3,700.27
Travelling expenses	76.132-76.133	730.29	813.12
Vehicle Running expenses	76.136 & 76.138	147.92	122.90
Consumer Awareness Expenses	76.320	2,017.64	1,650.35
Power Expenses for Administration	76.158	1,245.13	1,271.98
Other miscellaneous expenses	76.139-76.194	1,211.19	2,280.81
Printing & Stationary	76.153	310.22	288.40
Decretal Charges	76.169	1,116.33	1,186.07
Hiring of Computerisation Service	76.170	198.79	164.27
Bill Collection Charges	76.176	628.02	507.99
Expenses on Ht Reading O/S Agency	76.184	304.23	280.63
Spot Billing Expenses	76.193	2,909.06	3,594.78
Brokerage Exp. Related - Auction	76.274	114.87	155.67
Freight & Material related expenses	76.210-76.300	4,232.08	4,190.23
Sub Total		27,371.87	26,348.29
Less: Administration and other expenses capitalised	76.900	8,638.11	7,155.68
<b>SUB TOTAL (A)</b>		<b>18,733.76</b>	<b>19,192.61</b>
Other Debits*			

26) Consultancy Charges rose from Rs. 2.96 Cr. in FY 2023-24 to Rs. 12.43 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	<b>2.97</b>	<b>12.43</b>
Total A&G	263	274
A&G w/o Consultancy Charges	261	261
Growth Rate		0.29%
Consultancy Charges to be allowed		2.98

27) PFI requests Hon'ble RERC to direct the DISCOM to submit detailed explanation for the same and in the meantime, provisionally allow only Rs. 2.98 Cr. of Consultancy Charges.

#### G. DEPRECIATION NOT AS PER REGULATORY PROVISIONS

28) JVVNL has claimed Rs. 1,303 Cr. of Depreciation in True-Up of FY 2024-25, however, Hon'ble RERC in ARR Order for FY 2024-25 approved Rs 868 Cr. of Depreciation.

29) PFI has observed that JVVNL has erred in computing Depreciation and has considered the Depreciation as per the Audited Accounts (Note:30). JVVNL 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)	18460
Capitalization during the year (Form 3.10)	3050
Closing balance of GFA	21510
Average depreciable assets during the year	19985
Average depreciation rate (as approved)	4.39%
Depreciation for FY 2024-25	877

30) 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. 877 Cr. may be allowed by the Hon'ble Commission as against Rs. 1,303 Cr. claimed by JVVNL.

#### H. OTHER DEBITS

##### H.1 COMPENSATION FOR INJURIES, DEATH AND DAMAGES

31) PFI notes that JVVNL has claimed Rs. 6.55 Cr. (0.16 + 6.39) as Compensation for Injuries, Death & Damages (Table-15 of the True-Up Petition).

S. No.	Particulars	Amount (Rs. Cr.)
<b>A</b>	<b>Other Debits</b>	
1	Compensation for Injured/Death of Employees	0.16
2	Compensation for Injured/Death of Outsider	6.39
3	Loss due to impairment of PPE	0.00
4	Loss on obsolete store	0.00
5	Loss on valuation of Inventory	14.89
6	Loss on Exchange Rate variation	37.62
7	Loss on sale of scrap/fixed assets	5.09
8	Loss due to theft of Fixed Asset	1.32
	<b>Total Other Debits (A)</b>	<b>65.48</b>
<b>B</b>	<b>Rebates allowed To Consumers (B)</b>	<b>408.67</b>
C1	Prior Period Income/ (Expense)	(320.65)
C2	Exceptional Income/ (Expense)	2,260.75
<b>C</b>	<b>Net Prior period Income/(Expenses) (C)</b>	<b>1,940.10</b>
	<b>Net Chargeable to Revenue</b>	<b>(1,465.95)</b>

32) 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.”*

33) 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.

34) 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.”*

35) PFI observes that JVVNL 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.

36) 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.

37) **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.**

## **H.2 LOSS DUE TO THEFT OF FIXED ASSET**

38) JVVNL has claimed Rs. 1.32 Cr. in other debits on account of loss due to theft of fixed asset.

39) 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.

40) 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.

*“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.”*

**41) In view of above, PFI requests the Hon'ble Commission to reduce Rs. 1.32 Cr. of losses due to theft of fixed asset from Other Debts.**

### **H.3 EXPENDITURE FOR LPS WAIVED OFF**

42) PFI further notes that JVVNL has claimed Rs. 408.67 Cr. of Rebate Allowed to consumers which includes Rs. 22.73 Cr. of DPS/LPS waived off (Table-15 of the True-Up Petition & Note 31 of Audited Accounts).

Particulars	Account Code	For the Year ended 31.03.2025	For the Year ended 31.03.2024
<b>Rebate Allowed To consumers:</b>			
Rebate for supply on Specific Voltage/ Defective Meter/ Prompt Payment/ Power Factor Incentives/ TOD/ Incremental Consumption etc.	78.8XX	38,593.43	34,251.39
DPS/LPS Waived off	78.816, 78.827 & 78.828	2,273.13	6,408.85
<b>SUB TOTAL (C)</b>		<b>40,866.56</b>	<b>40,660.24</b>
<b>GRAND TOTAL (A+B+C)</b>		<b>86,234.75</b>	<b>84,552.50</b>

43) 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 JVVNL 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."

**44) In view of above, PFI requests the Hon'ble Commission to reduce Rs. 22.73 Cr. of DPS/LPS waived off from Other Debits as per the Regulatory principles.**

#### **H.4 PRIOR PERIOD EXPENSES**

45) PFI has observed that JVVNL has claimed Rs. 320.65 Cr. of Prior Period Expenses in FY 2024-25. Break up of Prior Period expenses from Note:33 of the Audited Accounts of JVVNL for FY 2024-25 is as follows:

33:- Prior Period Income / (Expenses)		(₹ in Lakhs)	
Particulars	Account Code	For the Year ended 31.03.2025	For the Year ended 31.03.2024
<b>Income relating to previous year:</b>			
Billing to Consumers related to prior period	65.200	(3,749.45)	(289.72)
Interest income for prior period	65.400	-	0.03
Other excess provision in prior period	65.800	228.36	124.70
Other Income relating to Prior period	65.900	43.73	(1,524.39)
<b>Sub Total</b>		(3,477.36)	(1,689.38)
<b>Less: Prior period expenses/loss</b>			
Prior Period Adjustment of Power Purchase	83.100	146.08	20,542.41
Employee cost	83.500	684.76	(7.78)
Depreciation	83.600	20.36	15.72
Interest & Other Financial Charges	83.700	(28.70)	2,075.46
Administration & General Expense	83.820	27,764.94	(870.30)
<b>Sub Total</b>		28,587.44	21,755.51
<b>TOTAL</b>		(32,064.80)	(23,444.89)

46) As above, JVVNL has claimed Prior Period expenses pertaining to employee cost, depreciation, Interest and Finance Charges and administrative expenses summing to Rs. 284.41 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 2024-25 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 JVVNL audited accounts is disallowed as prior period expenses as the Commission has already approved the above expenses in the earlier true up orders as per the norms specified in the Tariff Regulations.”*

**47) In view of above, PFI requests Hon’ble RERC to consider reducing Rs. 284 Cr. from the Prior Period expenses of JVVNL for FY 2024-25.**

#### I. PROVISION FOR BAD DEBTS

48) JVVNL has claimed Rs. 200.86 Cr. as Provision of Bad Debts for FY 2024-25. It is pertinent to state that the True-Up exercise is based on actuals expenses that have happened during the year and provisions for future expenses can not be claimed in the True-Up. Actual Bad Debts written off during FY 2024-25 are Rs. 82.74 Cr (Form D 4.3).

49) Moreover, 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.”*

50) Based on total receivables of Rs. 7,416.18 Cr., normative bad debt written off comes out to be Rs. 18.54 Cr. **Accordingly, PFI requests Hon’ble RERC to allow Rs. 18.54 Cr. of Bad Debt against the claimed Rs. 200.86 Cr.**

#### J. NON-TARIFF INCOME – FINANCING COST OF LPSC

51) 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.”***

52) 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)**

<b>Particular</b>	<b>FY 2009-10</b>
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.”

53) 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:

<b>Particulars</b>	<b>FY 2024-25</b>
LPSC as per Accounts	299
Principal Amount on which above LPSC was levied @18%	1664
WC Rate of DISCOM	11.95%
Financing Cost of LPSC	199
Net LPSC in NTI	<b>101</b>

54) As above, LPSC for JVVNL has been worked out as Rs. 101 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.

## **K. SUMMARY OF TRUE-UP FY 2024-25**

- 1) As stipulated above, summary of PFI Comments on True-up of FY 2024-25 for JVVNL 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)	35392	35392	0
2	Distribution Loss	13.75%	13.75%	
3	Collection Efficiency	99.69%	112.10%	
3a	<i>Add: Govt. department dues and Outstanding subsidy</i>		3,353	
4	Power Purchase Cost	19830	19394	(43)
4a	<i>Less: Excessive Short-term Power Purchase (Bilateral)</i>		436	
5	Transmission Charges	2352	2352	0
6	Operation & Maintenance (O&M) Expenses (7a+7b+7c)	3249	3240	(9)
6a	Employee Expenses	2586	2586	
6b	Administrative & General (A&G) Expenses	186	177	
6b-i	<i>Less: Unexplained Spike in Consultancy Charges</i>		9	
6c	Repair & Maintenance (R&M) Expenses	477	477	
7	Return on Equity	0	0	0
8	Interest on Loan	1062	1062	0
9	Interest on Working Capital	2729	2729	0
10	Depreciation	1303	877	(426)
10a	<i>Less: Opening GFA equal to Closing GFA of FY 2023-24</i>		426	
11	Other Costs	1159	662	(497)
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>		1	
11c	<i>Less: Bad Debts over and above the Audited Accounts</i>		182	
11d	<i>Less: Expenditure for LPS Waived Off</i>		23	
11e	<i>Less: Prior Period Expenses Double Accounting</i>		284	
12	<b>Aggregate Revenue Requirement (ARR)</b>	<b>31,684</b>	<b>30,316</b>	(1368)
13	Less: Non-Tariff Income	1,114	1,215	
13a	<i>Add: LPSC net of financing cost</i>		101	
14	Other Income	2,442	2,442	
15	<b>Net ARR</b>	<b>28,128</b>	<b>26,659</b>	
16	Revenue from Sale of Power	26,967	30,320	(3,353)
17	<i>Add: Subsidy and Govt. Dept. dues</i>		3,353	
18	<b>Revenue (Gap)/Surplus</b>	<b>(1,161)</b>	<b>7,014</b>	<b>(4,721)</b>

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. 15,383 Cr. instead of booked subsidy of Rs. 10,662 Cr. for FY 2024-25 which should be paid by Govt. of Rajasthan to JVVNL.**

## PFI Comments/Suggestions: JVVNL ARR Petition FY 2026-27

### A. UNDERESTIMATION OF SUBSIDISING SALES

1) PFI observed that JVVNL 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	10.87	20%	10%	20%
Large Industry	8.99	8%	4%	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)	3,758	4,507
Large Industry Sales (MU)	9,554	10,288
Avg. ECR (Rs./kWh)		3.16
Increase in Power Purchase Cost (Rs. Cr.)		571
Increase in Revenue (Rs. Cr.)		1,475
<b>Net Impact (Rs. Cr.)</b>		<b>903</b>

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. 903 Cr.**

## B. HIGH POWER PURCHASE COST

- 5) JVVNL 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
- 6) 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.
- 7) 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.
- 8) 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.
- 9) In view of above, PFI request to the Hon'ble Commission to consider ECR for FY 2026-27 as submitted by JVVNL 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.

10) 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.

11) 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	FGUTTPS (UN)-1	0	0	3.89	0	0	1
2	FGUTTPS (UN)-2	30	11	3.96	12	23	24
3	FGUTTPS (UN)-3	23	7	3.94	9	16	17
4	FGUTTPS (UN)-4	91	38	3.75	34	72	75
5	F.S.T.P.S (FARRAKA)	-	0	0.00	-	-	
6	KH-1	50	7	3.01	15	22	23
7	KH-2	278	26	2.71	75	101	106
8	KHPS-1	232	34	2.17	50	84	88
9	NCTPS 1D	205	0	0.00	-	-	166
10	NCTPS 2	1	2	4.78	0	3	3
11	RIHAND-1	260	21	1.73	45	66	69
12	RIHAND-2	336	22	1.79	60	82	86
13	RIHAND-3	383	47	1.72	66	113	118
14	SINGUARLI	819	62	1.78	146	208	217
15	SINGUARLI-Hydel	3	0	5.03	1	1	1
16	TANDA-II STPS	225	46	3.21	72	118	123
17	NTPC - MEJA	190	47	3.10	59	106	118
18	NTPC NSM-BUNDLED SOLAR	531	0	4.51	239	239	249
19	NTPC NSM-BUNDLED THERMAL	764	0	3.65	279	279	299
20	SALAL	55	3	1.90	10	14	15
21	TANAKPUR	22	5	3.12	7	12	13
22	CHAMERA-I	251	15	1.23	31	46	47
23	URI	113	8	1.61	18	26	29
24	CHAMERA-II	112	10	1.32	15	24	27
25	DHAULIGANG	84	8	1.79	15	23	24
26	DULHASTI	156	24	2.84	44	68	72
27	URI-II	109	12	3.01	33	45	53

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.)
28	PARBATI III	101	14	1.39	14	28	29
29	SEWA II	36	7	2.47	9	15	17
30	CHAMERA-III	80	13	2.09	17	30	32
31	KISHANGANGA	39	30	9.40	36	66	18
32	SJVNL NATHPA-JHAKRI	437	32	1.21	53	85	90
33	SJVNL RAMPUR	56	17	2.55	14	31	34
34	SJVNL GREEN	102	0	0.00	-	-	10
	NEYVELI LIGNITE CORPORATION LTD	435	99	0.91	40	138	142
36	NLC SOLAR	7	0	0.00	-	-	3
37	ARAVALI POWER CO PVT LTD	38	8	4.28	16	25	32
38	NVVN BUNDLED SOLAR	142	0	10.61	151	151	157
39	NVVN BUNDLED THERMAL	716	91	2.60	186	277	282
40	COASTAL GUJRAT (36:36:28)	427	88	3.74	160	248	254
	ADANI POWER RAJASTHAN LIMITED	2,554	361	3.60	920	1,281	1,337
42	SASAN POWER LTD(36:36:28)	1,061	16	1.36	144	160	164
43	PTC (KARCHAM WANGTOO)	285	18	1.04	30	48	50
44	PTC (DB)	922	195	2.02	186	380	398
45	PTC (MARUTI)	441	90	2.18	96	186	197
	PTC(Sikkim Urja Ltd) (old Name-PTC (TEESTA)		0	0.00	-	-	-
47	SKS		0	2.88	-	-	-
48	NAPP	140	0	2.98	42	42	44
49	RAPP-I &II	329	0	3.32	109	109	114
50	RAPP-III&IV	414	0	3.32	138	138	143
51	RAPP-V & VI	352	0	3.93	138	138	144
52	RAPP-V	516	0	0.00	-	-	254
53	THDC		0	0.00	-	-	-
54	TEHRI	190	23	2.21	42	65	70
55	KOTESHWAR	69	15	3.20	22	37	38
56	KHURJA	459	20	2.26	103	123	252
57	PTC TALA (BHUTAN)	22	0	2.27	5	5	5
58	R.V.U.N.		0	0.00	-	-	-
59	KTPS(1 to 7)	2,947	205	3.85	1,134	1,339	1,382
60	STPS(1 to 6)	1,758	212	5.11	897	1,110	1,154
61	SSCTPP (7&8)	2,433	449	3.62	882	1,331	1,385
62	DCCPP	-	0	6.34	-	-	-
63	CTPP (1-4)	2,404	253	3.69	886	1,139	1,185
64	CSCTPP (5 & 6)	2,858	467	2.75	787	1,254	1,305
65	RGTPP(1-3)	254	16	4.95	126	142	147
66	KaTPP#1&2	2,317	396	3.29	761	1,157	1,204

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.)
67	MAHI	63	8	0.30	2	10	10
68	MAHI MMH	-	0	4.24	-	-	-
69	MANGROL	0	0	4.14	0	0	0
70	STPS MMH	1	0	4.06	0	0	0
71	GLTPP		0	0.00	-	-	-
72	RAJWEST POWER LIMITED	1,859	413	2.95	549	961	1,006
73	Shared BBMB(BHAKRA,DEHAR&PONG)	1,068	0	0.77	82	82	85
74	Shared CHAMBAL/SATPURA	219	0	0.00	-	-	-
75	R.F.F.	70	0	3.85	27	27	28
76	UNALLOCATED SOURCES		77	3.21	-	77	-
77	BILATERAL SOURCES		0	6.91	-	-	-
78	WIND FIRMS	3,204.9	35	4.56	1,462	1,497	1,411
79	WIND FIRMS (REC)	75	0	2.67	20	20	21
80	SOLAR	3,480	0	2.64	919	920	886
81	SOLAR (REC)	70	0	2.49	17	17	17
82	KUSUM SOLAR	895	0	3.26	292	292	287
83	BIOMASS	353	0	7.93	280	280	274
84	NTPC GREEN ENERGY LTD(BHADLA-II -Solar)	151	0	5.01	76	76	78
85	Other Charges						10
86	New Nuclear	973	-		480	480	480
87	New DRE	2,620			852	852	852
88	New Solar	1,618			412	412	412
89	New Biomass	89			71	71	71
90	CAPTIVE						-
91	U.I.CHARGES						-
92	BANKING						-
93	INTER DISCOM						-
94	EXCHANGE PURCHASE						-
95	EXCHANGE SALE						-
96	ISTS CHARGES					858	858
97	INSTS CHARGES					1,693	1,693
	<b>Total</b>	<b>47,473</b>	<b>4,123</b>		<b>15,021</b>	<b>21,696</b>	<b>22,618</b>

12) 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 socialize it to the consumers of Rajasthan, rather Rs. 922 Cr. should be borne by the Govt. of Rajasthan in the form of Subsidy.**

**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**

13) PFI observed that Employee expenses of JVVNL 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	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													
<b>O&amp;M Expenses (Rs. Cr.)</b>	<b>1,510</b>	<b>1,941</b>	<b>1,896</b>	<b>782</b>	<b>1,959</b>	<b>1,239</b>	<b>1,417</b>	<b>1,466</b>	<b>1,752</b>	<b>974</b>	<b>2,123</b>	<b>1,092</b>	<b>2,611</b>	<b>2,290</b>	<b>3,249</b>	<b>982</b>	<b>2,280</b>													
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													
<b>Employee Expenses (paise per unit)</b>	<b>57.6</b>	<b>68.9</b>	<b>51.8</b>	<b>20.8</b>	<b>54.3</b>	<b>25.5</b>	<b>51.0</b>	<b>47.9</b>	<b>42.6</b>	<b>25.4</b>	<b>53.9</b>	<b>15.7</b>	<b>66.6</b>	<b>58.6</b>	<b>73.1</b>	<b>23.6</b>	<b>52.0</b>	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													
<b>Employee Expenses (Rs. per consumer)</b>	<b>2810</b>	<b>2932</b>	<b>3112</b>	<b>1644</b>	<b>4091</b>	<b>881</b>	<b>2477</b>	<b>1980</b>	<b>2630</b>	<b>2008</b>	<b>4047</b>	<b>612</b>	<b>4113</b>	<b>2650</b>	<b>4695</b>	<b>1925</b>	<b>4237</b>													
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

14) It is evident from above table that O&M expenses especially Employee Expenses of JVVNL are on higher side as compared to other DISCOMs, this clearly indicates the operational inefficiency of JVVNL.

15) 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 JDGCL & 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 (Tariff Regs. 2025)	%	5.65%
Avg. employee expense per unit sold for FY 2026-27	Paisa/kWh	51.56
Sales Proposed by PFI	MU	40,636
<b>Employee expenses as per PFI</b>	<b>Rs. Cr.</b>	<b>2,095</b>

Particulars	Projected by JVVNL	Proposed by PFI	Difference
Employee Expenses (inc. terminal benefits)	3,288	2,095	(1,193)

16) In view of above, PFI proposes to reduce the employee expenses by Rs. 1,193 Cr. and the balance employee expense as claimed by JVVNL should be borne by Govt. of Rajasthan in the form of subsidy.

#### D. HIGH DISTRIBUTION CIRCLES

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

Form D 7.2													
Distribution Losses													
Name of Distribution Licensee		JVVNL											
Licensed Area of Supply		Jaipur Discom											
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	6	7	8	9	10	11	12	13	14
Bharatpur	11 kV	388	388	1358.55	1121.65	233.12	17.16%	NA	NA	NA	NA	NA	NA
Deeg	11 kV	256	256	1044.51	665.06	364.15	34.86%	NA	NA	NA	NA	NA	NA
Dholpur	11 kV	320	320	1248.87	927.32	311.57	24.95%	NA	NA	NA	NA	NA	NA
Gangapurcity	11 kV	389	389	837.22	691.70	143.22	17.11%	NA	NA	NA	NA	NA	NA
Karauli	11 kV	397	397	980.73	771.36	204.23	20.82%	NA	NA	NA	NA	NA	NA
Sawaimadhopur	11 kV	337	337	900.07	784.97	115.22	12.80%	NA	NA	NA	NA	NA	NA
Alwar	11 kV	781	781	3905.92	3286.15	612.74	15.69%	NA	NA	NA	NA	NA	NA
Bhiwadi	11 kV	524	524	5454.92	5036.42	436.74	8.01%	NA	NA	NA	NA	NA	NA
Dausa	11 kV	706	706	1930.02	1612.80	313.06	16.22%	NA	NA	NA	NA	NA	NA
Dudu	11 kV	156	156	455.78	422.24	35.16	7.71%	NA	NA	NA	NA	NA	NA
JCC - North	11 kV	605	605	3702.82	3455.48	262.02	7.08%	NA	NA	NA	NA	NA	NA
JCC - South	11 kV	630	630	3745.99	3457.59	300.87	8.03%	NA	NA	NA	NA	NA	NA
JPDC - North	11 kV	834	834	2670.45	2369.85	303.52	11.37%	NA	NA	NA	NA	NA	NA
JPDC - South	11 kV	758	758	2788.71	2541.11	254.81	9.14%	NA	NA	NA	NA	NA	NA
Kotputli	11 kV	645	645	3665.82	2889.25	757.75	20.67%	NA	NA	NA	NA	NA	NA
Tonk	11 kV	535	535	1543.47	1181.76	162.52	12.10%	NA	NA	NA	NA	NA	NA
Baran	11 kV	611	611	1823.75	1437.07	377.30	20.69%	NA	NA	NA	NA	NA	NA
Bundi	11 kV	468	468	1533.23	1366.92	168.38	10.98%	NA	NA	NA	NA	NA	NA
Jhalawar	11 kV	673	673	1786.91	1494.34	289.79	16.16%	NA	NA	NA	NA	NA	NA
Kota	11 kV	570	570	1792.59	1589.33	205.13	11.44%	NA	NA	NA	NA	NA	NA
Total Discom	11 kV	10583	10,583	42970.35	37102.38	5850.29	13.61%	NA	NA	NA	NA	NA	NA
DF	0	0	-	2031.86	2049.34	0.00	0.00%	NA	NA	NA	NA	NA	NA
Total Discom +DF	0	10583	10,583	45002.21	39151.92	5850.29	13.00%	NA	NA	NA	NA	NA	NA

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

- Deeg: 34.86%
- Dholpur: 25.95%
- Karauli: 20.82%
- Kotputli: 20.67%
- Baran: 20.69%

19) JVVNL 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

20) 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 JVVNL to utilize such funding and improve the high Distribution losses levels Circles.

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

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

21) 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.***

....”

22) 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.

23) **It is noted that in ARR of FY 2026-27 JVVNL has claimed Revenue Surplus of Rs. 1994 Cr. at proposed Tariff.**

24) 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. ...”*

25) 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.

26) 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.

27) 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.

- 28) 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.
- 29) **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)**

- 30) *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.
- 31) 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.
- 32) **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.**
- 33) 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.

34) 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.

35) 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

36) **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

37) As stipulated above, summary of PFI Comments on ARR of FY 2026-27 for JVVNL 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)	39152	40636	1484
1a	<i>Add: Underestimation of Subsidized Sales</i>		1484	
2	Distribution Loss	13%	13%	

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
3	Power Purchase Cost	20066	19144	(922)
3a	<i>Less: Power Purchase cost considering escalation over FY 2025-26 (Impact of removal of Coal Cess)</i>		922	
4	Transmission Charges	2552	2552	0
5	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	4132	2939	(1193)
5a	Employee Expenses	3288	2095	
5a-i	<i>Less: Benchmarking of Similar States</i>		1193	
5b	Administrative & General (A&G) Expenses	209	209	
5c	Repair & Maintenance (R&M) Expenses	635	635	
6	Return on Equity/ Return on Capital Employed (ROE/ROCE)	0	0	0
7	Interest on Loan	1367	1367	0
8	Interest on Working Capital	227	227	0
9	Other Interest charges	1862	1862	0
10	Depreciation	1956	1956	0
11	Other Costs	0	0	0
12	<b>Aggregate Revenue Requirement (ARR)</b>	<b>32,162</b>	<b>30,047</b>	(2,115)
13	Less: Non-Tariff Income	505	505	
14	Other Income	3,908	3,908	
15	<b>Net ARR</b>	<b>27,749</b>	<b>25,634</b>	
16	Revenue from Sale of Power	29745	30648	(903)
16a	<i>Add: Underestimation of Subsidized Sales</i>		903	
17	<b>Revenue (Gap)/Surplus</b>	<b>1,996</b>	<b>5,014</b>	<b>(3,018)</b>

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. 3,018 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 JVVNL.
- 2) To reduce Power Purchase Cost from costly bilateral sources if they were not 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 JVVNL 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. 15,383 Cr. instead of booked subsidy of Rs. 10,662 Cr. for FY 2024-25 which should be paid by Govt. of Rajasthan to JVVNL. Further, Govt. of Rajasthan should provide additional subsidy of Rs. 3,018 Cr., on account of higher claims of JVVNL 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 JVVNL.