POWER FOUNDATION OF INDIA

Power Foundation of India

(An autonomous Society under the Ministry of Power, Govt of India)

No. PFI/Prog/AERC/2026/032 Dated: 16/01/2026

To,

The Secretary
Assam Electricity Regulatory Commission
A.S.E.B Campus, Dwarandhar, G.S. Rd,
Sixth Mile, Guwahati, Assam 781022

Subject: PFI Comments: Assam DISCOMs True Up Petition for FY 2024-25 & ARR Petition for FY 2026-27

Reference: a) AERC inviting Comments on True Up of FY 2024-25 & ARR Petition for FY 2026-27
b) AERC Letter dated 24/12/2025 regarding Time Extension

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 other concerned stakeholders.

With reference to above, PFI has analyzed the True Up Petition for FY 2024-25 & ARR Petition for FY 2026-27 filed by Assam DISCOMs, Assam Power Distribution Company Limited before AERC. Our comments/ suggestions on the said Petition of are enclosed herewith for your consideration as *Annexure- I* respectively. We would also like to orally submit our comments/ suggestions on the day of Public Hearing through video conference.

The comments have also been emailed to aerc_ghy@gmail.com and aerc_ghy@hotmail.com

Warm Regards,

Encl: Annexure – I

Copy to:

1. **The Hon'ble Chairperson**
   Assam Electricity Regulatory Commission
2. **The Hon'ble Member**
   Assam Electricity Regulatory Commission

Yours Sincerely,

Executive Director, PFI

16/1/26

ANNEXURE-I

PFI Comments/Suggestions: APDCL True-up Petition for FY 2024-25

A. Sales and Revenue

A-1. Higher Distribution Loss & Transmission Loss

1) APDCL has claimed Distribution Loss of 15.44% in FY 2024-25 (Table-2 of the Petition), which is higher than the Distribution Loss target of 14.50% as approved by the Hon'ble Commission in Tariff Order dated 27/06/2024.

2) Further, APDCL has claimed STU Loss of 3.25% & CTU Loss of 3.49% against the approved target of 3.23% & 1.62% respectively by the Hon'ble Commission.

3) PFI has found that STU filed its petition indicating actual STU losses as 3.24%. Accordingly, the Hon'ble Commission may consider allowing STU losses based on the actual loss level as submitted by the STU. Further, PFI requests the Hon'ble Commission to consider CTU loss as claimed by APDCL of 3.49%.

4) It is observed that the Hon'ble Commission has already reduced excess power purchase arising from higher-than-approved Distribution Losses while undertaking the True-Up of FY 2023-24. The relevant extract from the True-Up Order for FY 2023-24 is reproduced below for reference:

> *"4.3.11 The Commission analysed the information submitted by APDCL regarding Distribution Losses. It is observed that APDCL's contention that the worsening HT:LT ratio increases Distribution Losses, though correct in theory, is not borne out by APDCL's own performance over the last 2-3 years. Though LT:HT ratio has worsened over the past 2-3 years, APDCL has reported improvement in Distribution Losses from 19.70% (FY 2018-19) to 15.50 % (FY 2023-24). Further, the Circle-wise and Division-wise Distribution Loss data submitted by APDCL shows that there are some Circles/Divisions with very high loss levels, which need to be targeted, to achieve the Loss levels approved by the Commission.*
>
> *4.3.12 The* ***Commission has considered the approved Distribution Loss level for FY 2023- 24 of 14.75%, for the purpose of truing up for FY 2023-24****, as approved in the Tariff Order dated March 29, 2023. The efficiency loss on account*

of higher than approved Distribution Losses, in terms of excess power purchase expenses, has been shared between APDCL and the consumers, as discussed subsequently in this Chapter."

5) Accordingly, PFI requests the Hon'ble Commission to consider Distribution Loss as 14.50%, STU Loss as 3.24% (as claimed by STU) and CTU Loss as 3.49%.

Particulars	Claimed by APDCL	Proposed PFI	Difference
Distribution Loss (%)	15.44%	14.50%	(0.94%)
STU Loss (%)	3.25%	3.24%	(0.01%)
CTU Loss (%)	3.49%	3.49%	(0.00%)

A-2. Energy balance

6) APDCL has computed energy requirement of 15,556 MU for FY 2024-25. However, it is observed that APDCL has considered different values of Seasonal Export in Table-4 (2183.51 MU) & Table-6 (2287.50 MU).

7) PFI observed that as per Audited Accounts, APDCL has procured 15,556 MU which is same as claimed by APDCL. Accordingly, PFI has considered 15,556 MU as energy requirement for the year.

8) PFI has recomputed the Energy Balance for APDCL based on Distribution Loss as 14.50% (as approved by the Hon'ble Commission), STU Loss as 3.24% (as claimed by STU) and CTU Loss as 3.49% (as claimed by APDCL), as follows:

Particulars	Claimed by APDCL	Proposed by PFI
Retail Energy Sales (MU)	10,482	10,482
Distribution loss (%)	**15.44%**	**14.50%**
Distribution loss (MU)	1,914	1,778
Energy requirement at Discom (MU)	12,396	12,260
STU Loss (%)	**3.25%**	**3.24%**
STU Loss (MU)	416	411
Energy requirement at STU (MU)	12,812	12,670
CTU Loss (%)	**3.49%**	**3.49%**

Particulars	Claimed by APDCL	Proposed by PFI
CTU Loss (MU)	456	541
Seasonal Export (MU)	2,288	2,288
Energy requirement (MU)	**15,556**	**15,498**

9) In view of above, APDCL has procured excess power of 58 MU (15556-15498) in lieu of higher distribution loss and transmission loss, the cost corresponding to excess power should not be passed on to the consumers of Assam. The same should be reduced from the Power Purchase cost as claimed by APDCL and borne by Govt. of Assam in form of subsidy.

B. Power Purchase Cost

B-1. Power Purchase Cost

10) APDCL has claimed incremental loss of Rs. 48 Cr. due to higher distribution loss.

11) PFI has analyzed the computation and observed that APDCL has computed incremental loss wrongly. Further, PFI in above para has computed the excess Power procured of 58 MU by APDCL lieu of higher distribution loss and transmission loss. The inefficiency of APDCL should not be passed on to the consumers of Assam. Accordingly, PFI has computed the excess Power Purchase Cost corresponding to excess Power by considering average rate of Power Purchase Cost as claimed by APDCL during the year Rs. 5.12 /kWh.

Particulars	Proposed PFI
Excess Power Procured by APDCL (MU)	58
Avg. Power Purchase Cost (Rs./kWh) as claimed by APDCL	5.12
Excess Power Purchase Cost (Rs. Cr.)	29
Share of loss/gain to be borne by APDCL (Rs. Cr.)	**20**

12) In view of above, PFI requests the Hon'ble Commission to reduce the Power Purchase Cost of APDCL by Rs. 20 Cr. against the higher distribution loss & transmission loss and borne by Govt. of Assam in form of subsidy.

B-2. Merit Order Despatch adherence

13) APDCL claimed that they have adhered Merit Order Despatch while procuring power subject to must run profile, technical minimum and market availability to meet the

increasing demand. Further, APDCL mentioned that due to higher scheduling from costlier NTPC stations such as Dadri and BTPS, substantial procurement from AGBPP at elevated variable costs, and increased reliance on traders and power exchanges, where prices are relatively higher, raised the average cost of supply.

14) Further, APDCL has submitted that Neyveli Lignite Corporation (NLC) supplied only 1.83 MU against the projected 3084.50 MU. The relevant extract from the Petition is as follows:

> 9.10 The actual power purchase quantum during FY 2024-25 was lower than the quantity approved by AERC primarily because Neyveli Lignite Corporation (NLC) did not supply power as anticipated, leading to a significant shortfall from this source. Although the allocation from Kahalgaon-I was extended for 12 months (from April 2024 to March 2025) and allowed APDCL to schedule additional power, this extended allocation had not been factored into the petition submitted before AERC. While the additional Kahalgaon-I power partially mitigated the impact of the NLC shortfall, the overall procurement remained lower than approved. Further variations arose due to seasonal reduction in hydro generation, the consistently low PLF of gas-based plants resulting in lower-than-expected scheduling, and the need to rely on real-time market procurement to meet peak requirements.

15) PFI has observed that APDCL has not submitted the reason or communication with NLC w.r.t lower power generation. It is also observed that APDCL has neither 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 nor submitted the reason of procuring power from costlier power plants than the cheaper power plants.

16) PFI further observed that APDCL has met the shortfall of 3000 MU mainly from Bilateral sources/ Traders (287 MU @ Rs. 7.19/kWh), Exchange (947 MU @ Rs. 4.80/kWh), Dadri (1132 MU @ Rs. 6.13/kWh) & Kahelgaon-I (2091 MU @ Rs. 3.98/kWh).

17) It is observed that APDCL has neither submitted the details of Bilateral sources/ Traders like Hon'ble Commission Order for approving such power nor submitted the reason of purchasing power at higher prices. Due to unavailability of Commission Order w.r.t. Bilateral Power Procurement, PFI is unable to verify or ascertain the same. Accordingly, PFI requests the Hon'ble Commission to consider the Avg. Power

Purchase cost claimed by APDCL i.e., Rs. 5.12/kWh as avg. rate of Bilateral purchase provisionally and to reduce the Power Purchase Cost by Rs. 59 Cr. and direct APDCL to submit the Bilateral Orders and related documents in the public domain to verify the claim.

18) Further, it is also observed that Hon'ble Commission has projected Avg. rate of Dadri as Rs. 4.88/kWh, however APDCL has claimed avg. rate as Rs. 6.13/kWh without mentioning the reason of such increase in cost. In view of inadequate information, PFI request the Hon'ble Commission to provisionally consider the avg. rate approved by the Hon'ble Commission i.e., Rs. 4.88/kWh as cost of Dadri and reduce the Power Purchase Cost by Rs. 142 Cr. and direct APDCL to submit the reason of procuring power at costlier rate and related documents in the public domain to verify the claim.

19) In view of the above, **PFI requests the Hon'ble Commission to reduce the Power Purchase Cost by Rs. 201 Cr. (142 +59) on account of procurement of power at higher price**. In this regard, the Hon'ble Commission may direct the DISCOM to submit detailed justification for procurement of power from costlier generating sources in preference to available cheaper sources. Any additional financial burden arising out of such procurement decisions, if found unjustified, should be borne by the Government of Assam in the form of subsidy, so as to safeguard consumer interest.

(Rs. Cr.)

Particulars	Claimed by APDCL	Proposed by PFI	Difference
Power Purchase Cost	9,289	9,068	(221)
Less: Due to higher Distribution loss		*20*	
Less: Higher cost of Dadri than projection		*142*	
Less: Higher cost of Bilateral trade		*59*	

B-2. Renewable Purchase Obligation

20) APDCL has not submitted any detailed information regarding its source-wise Renewable Purchase, RPO compliance and shortfall if any, as part of the present petition for FY 2024-25 with the Petition.

21) Further, with respect to Hon'ble Commission RPO trajectory, it is submitted that energy transition is the need of the hour and in order to achieve the Country's target of 500 GW of RE by 2030 and Net Zero by 2070, it is important that every designated consumer including DISCOM should procure Renewable Energy at least equivalent to meet the yearly RPO Targets. In last few years the share of Renewable Energy has increased significantly which resulted in the concern of grid stability due to intermittent nature of RE and raised the challenges of providing Round the Clock power at affordable prices. To overcome these concerns, Renewable Energy Implementing Agencies like SECI have evolved from plain Vanilla tenders (procuring only Solar or wind energy) to the new age Tenders like RTC or FDRE (Firm & Dispatchable Renewable Energy) Tenders assuring providing round the clock power or peak power through Renewable plus storage combination. The intent of National RPO target is to provide firm and dispatchable renewable energy by providing power through Solar, Wind, Hydro, other Renewable Energy sources and Energy Storage. Further to save the transmission loss and charges, it is also important to have Distributed Renewable Energy to meet the load at the injecting point.

22) The prime motive of RPO is to increase share of Renewable energy in the total consumption and in order to promote different sources MoP have come up with technology wise targets. Further, considering the cost and transmission congestion, MoP introduced Distributed Renewable Energy (DRE) Target which include renewable projects upto 10 MW. The prime objective of the introducing DRE is to promote the local available RE and to save the related Transmission network cost, charges and Loss. The Renewable Energy (Solar & Wind) are mostly dominated in 6-7 States like Gujarat, Rajasthan, Tamil Nadu, Andhra Pradesh, etc., due to higher solar irradiance and wind density resulting higher CUF and higher power generation. However, to transmit that energy to the State like Arunachal Pradesh, DISCOMs need to pay ISTS charges and to develop InSTS network, but in case the renewable energy is within the State, DISCOMs does not need to pay ISTS charges which is in the range of 50-70

paisa/kWh and transmission losses, resulting reduction in power procurement cost. PFI has analyzed that the positive impact of higher CUF get nearly nullified considering impact of interstate transmission system and intra-state transmission system losses. Thus, PFI requests the Hon'ble Commission and DISCOM to promote DRE in the State.

23) It is evident from the above paras that every source is important to provide round the clock power and have minimum impact on grid.

24) In view of above, PFI requests the **Hon'ble Commission to direct DISCOM to submit comprehensive and verified details of its RPO compliance for FY 2024-25, and if there is a shortfall and impose penalty on non-compliance of RPO targets as per buyout price of Rs. 245/MWh proposed by Hon'ble CERC vide its suo-moto Order 22/10/2025.**

C. Operation & Maintenance Expenses

C-1. Compensation on Injury, death & damage

25) PFI observes that APDCL has not highlighted or claimed expenses related to Compensation on injury, death & damage in the Petition. However, DISCOMs of other States have claimed the same as part of their O&M expenses without relevant details.

26) In this regard, PFI observes that Section 57 (2) and Section 59 (1) of the Electricity Act 2003 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 against 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.”

27) 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.

28) Further, Hon'ble APTEL vide its Judgment1 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.”

29) 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.

[1] https://www.aptel.gov.in/judgements/Judgment%20in%20APPEAL%20No.141%20of%202012_Replace_27092012_ssi.pdf

30) In view of above, PFI proposes the Hon'ble Commission direct DISCOM to submit case-by-case reason of accident and allow pass through of compensation, if any, only in cases where the reason is not attributable to the DISCOM. For rest of the cases, the compensation to be paid by Govt. of Assam to DISCOM in form of subsidy.

D. Interest & Finance Charges

31) APDCL has highlighted the Interest on GPF and Interest on NPS as part of Interest & Finance Charges and requested to allow the same to safeguard the financial viability of the DISCOM. APDCL has claimed Rs. 4.89 Cr. as Interest on GPF and Rs. 4.35 Cr. as Interest on NPS.

32) PFI has observed that PSERC in its Tariff Order dated dated 28/03/2025 has disallowed interest on GPF. Relevant extract is as follows:

> The reply of PSPCL clearly shows that it had been utilizing Trust funds for repayments of their long-term Loans. The Commission has been allowing interest on long term loans and working capital loans on normative basis, therefore, claim of PSPCL that they have been saving on interest by repaying long term loans is in their own interest and not beneficial to the consumers. Further, had PSPCL made timely payments, the GPF Trust could have earned more interest, which would have benefited the subscribers. The claim for excess interest on the GPF liability has already impacted the previous tariff structure, thereby increasing the financial burden on consumers.
>
> The Commission observed that since PSPCL did not meet the required deposit timelines and diverted funds, the interest claim on default payment is not allowable.
>
> **Thus, the Commission disallows interest on GPF of Rs. 44.91 Crore for FY 2023-24 as initial corpus along with interest was to be fully paid/deposited by PSPCL to the GP Fund Trust on or before 31.03.2023 and no interest on outstanding initial corpus balance was allowable after 31.03.2023.**

33) Further, it is observed that APDCL has claimed that they need to pay Interest on NPS on account of delay in uploading the details on NDSL or generation of PRAN.

34) In view of above, PFI requests the Hon'ble Commission to not allow Interest on NPS as this amounts to the interest charge towards delay on the part of APDCL, the same should not be passed to the consumers through Tariff but borne by Govt. of Assam in the form of subsidy.

E. Interest on Consumer Security Deposit

35) APDCL has mentioned Interest on Consumer Security Deposit (IoCSD) for FY 2024-25 as Rs. 97 Cr. as per Audited Accounts, however claimed IoCSD to be allowed as Rs. 82 Cr. as it was actually paid to the consumers as the remaining Rs. 16 Cr. is yet to be paid to the consumers.

36) It is observed that True-up Petition is based on the Actual expenses and income of the DISCOM supported by the Audited Annual Accounts. The same is also highlighted by the Hon'ble Commission in its second proviso of Clause 9.2 Tariff Regulations, 2021. The relevant extract is as follows:

> 9.2 The Generating company, Transmission Licensee, SLDC and the Distribution Licensee shall file an application for annual performance review of current year, true-up of previous year and tariff for the ensuing year not less than 120 days before the close of each year of the control period..
>
> Provided that the Generating Company or Transmission Licensee or Distribution Licensee or SLDC, as the case may be, submit to the Commission information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and actual revenue from tariff and charges.
>
> Provided further that the Petition for Truing Up shall be accompanied by Audited Annual Accounts. However , the Petitioner shall make available the CAG report whenever the Commission asks for.

37) Further, PFI requests the Hon'ble Commission to not consider the IoCSD which was not paid yet and not to consider any carrying cost on the same in future. The same may be borne by Govt. of Assam in the form of subsidy.

F. Other Debits

38) APDCL has claimed Rs. 29.06 Cr. as bad and doubtful debts equivalent to 1% of receivables in the Petition, in line with the provisions of the AERC regulations.

39) PFI observes that Audited Accounts does not showcase any such expenses. In view of this PFI requests the Hon'ble Commission to not consider the bad and doubtful debts and the same may be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Claimed by APDCL	Proposed by PFI	Difference
Bad & Doubtful Debts	29.06	0	(29.06)

G. Non-Tariff Income

40) PFI notes that the APDCL have not considered Late Payment Surcharge (LPS) / Delayed Payment Surcharge collected from consumers while computing Non-Tariff Income (NTI) for the relevant financial years, even though LPS has been actually realised and reflected in the audited accounts under "Other Income / Miscellaneous Income".

41) PFI submits that LPS is levied on consumers for delayed payment of electricity bills and does not have any direct nexus with the provision of electricity supply.

42) PFI submits before Hon'ble Commission that 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."

43) Based on the above, PFI has computed the financing cost of LPSC, as follows:

(Rs. Cr.)

Particulars	Proposed by PFI
Delayed payment charges from Consumers	211
Late Payment Surcharge @18%	1171
Less: Financing Cost @ Normative Interest 8.41%	98.52

44) PFI based on the methodology shown in the aforementioned APTEL Judgement has computed NTI for APDCL based on their Audited Accounts for FY 2024–25 as Rs. 112 Cr. (211 – 99).

(Rs. Cr.)

Sl. No.	Particulars	Claimed by APDCL	Proposed by PFI
1	Rentals from Meters, Service Lines, Capacitors etc.	13	13
2	Income from recoveries on account of theft of energy / Malpractices	0	0
3	**Delayed payment charges from Consumers**	**211**	**112**
4	Miscellaneous recoveries	54	54
5	Rebate on prompt payment of Power Purchase bills	27	27
6	Cross Subsidy Surcharge on Open Access Consumers	1	1
7	Wheeling charges collected	0	0
8	Short Term Open Access (STOA) credit	69	69
9	Income from SCED	8	8
10	**Non - Tariff Income**	**382**	**284**

Particulars	Claimed By APDCL	Proposed by PFI	Difference
Non - Tariff Income	382	284	(99)

45) In **view of above, PFI requests the Hon'ble Commission to consider Non – Tariff Income as Rs. 284 Cr. against the claimed by APDCL of Rs. 382 Cr.** the balance may be borne by the Govt. of Assam in the form of subsidy.

H. Summary of APDCL True-up for FY 2024-25

46) As stipulated in above Sections, summary of True-Up for FY 2024-25 of APDCL is as follows. Hon'ble Commission is requested to kindly consider the same.

Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference
1	Sales	10,482	10,482	0
2	Distribution Loss	15.44%	14.50%	(0.94%)
3	Transmission Loss			
3a	*CTU*	*3.49%*	*3.49%*	
3b	*STU*	*3.25%*	*3.24%*	*(0.01%)*
4	Power Purchase Cost	9,289	9,068	(221)
4a	***Less:*** *Due to higher Distribution Loss & Transmission Loss*	*47 (wrongly computed by APDCL)*	*20*	
4b	***Less:*** *Higher Energy Charge Rate*		*201*	
5	Operation & Maintenance (O&M) Expenses (5a+5b+5c)	1,384	1,384	0
5a	Employee Expenses	938	938	0
5b	Administrative & General (A&G) Expenses	126	126	0
5c	Repair & Maintenance (R&M) Expenses	320	320	0
6	Return on Equity (RoE)	175	175	0
7	Interest on Finance Charges	11	11	0
8	Interest on Working Capital	22	22	0
9	Depreciation	107	107	0
10	Others (Interest on Consumer Security Deposit & Other Debits)	111	82	(29)
10a	*Less: Bad Debts*		*29*	
11	**Aggregate Revenue Requirement (ARR)**	**11,099**	**10,849**	**(250)**
12	Sharing efficiency gains and losses	(121)	(121)	0
13	Non-Tariff Income	382	284	(99)
14	**Net ARR**	**10,596**	**10,444**	**(151)**
15	Revenue	11,347	11,347	0
16	**Standalone (Gap)/Surplus**	**751**	**903**	**151**

47) In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Assam and socialised, rather it should be borne by Govt. of Assam in the form of subsidy**. Accordingly, the revised subsidy is Rs. 729 Cr. instead of booked subsidy of Rs. 578 Cr. for FY 2024-25 which should be paid by Govt. of Assam to APDCL.**

PFI Comments/Suggestions: APDCL ARR for FY 2026-27

I. Sales Projection

48) APDCL has projected Sales of 13,182 MU for FY 2026-27 against the Hon'ble Commission projection of 13,253 MU.

49) PFI observed that there is huge & unrealistic variation in sales projection by APDCL and actual sales in past period. The summary is as follows:

(MU)

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Projected by APDCL	10,333	11,145	12,198	13,182
Actual claimed by APDCL in True-up Petition or APR Petition	9,992	10,482	11,462	
Variation	341	662 (6%)	736 (6%)	
Y-o-Y growth		5%	9%	15%

50) It is evident from the above table that in FY 2024-25 & FY 2025-26, the variation in projected sales and actual sales is around 6%. It is further observed that APDCL has projected increase of around 1700 MU (13,182-11,462) in sales in one year which is approx.15% Y-o-Y growth (FY 2026-27 projection vs FY 2025-26 APR).

51) PFI further analyzed the category-wise growth projected for FY 2026-27 over the revised sales estimate by APDCL for FY 2025-26, it is observed from the analysis that in most of the categories APDCL projected growth of 15% and go as high as 50%, summary is as follows:

Category/Consumption Slab	FY 2025-26	FY 2026-27	Y - O - Y		
	Estimated	Projected	FY 2024-25 vs. FY 2023-24	FY 2025-26 vs. FY 2024-25	FY 2026-27 vs. FY 2025-26
LT Category					
JEEVAN DHARA	119	100	(27%)	(6%)	(16%)
0 to 120 units per month	3,765	4,343	3%	11%	15%
121 to 240 units per month	571	658	36%	(16%)	15%

Category/Consumption Slab	FY 2025-26	FY 2026-27	Y - O - Y		
	Estimated	Projected	FY 2024-25 vs. FY 2023-24	FY 2025-26 vs. FY 2024-25	FY 2026-27 vs. FY 2025-26
Balance units	301	347	(20%)	41%	15%
Domestic-B above 5 kw to 30 kw	688	785	7%	8%	14%
Commercial Load above 0.5 to 30 kw	1,527	1,772	7%	30%	16%
A. Non-commercial and Non-domestic users	133	151	(1%)	(16%)	14%
B. Government Primary and Secondary / Higher Secondary Schools	25	28	(26%)	(21%)	14%
Public Lighting	27	34	4%	23%	23%
Agriculture upto 7.5 HP	28	33	0%	(42%)	15%
Small Industries Rural upto 30kw	102	112	9%	6%	10%
Small Industries Urban	33	34	(4%)	1%	4%
Temporary	29	39	342%	40%	34%
Electric Vehicle Charging Station (LT)	41	49	24%	571%	(29%)
HT Domestic 30kw and above	27	33	21%	5%	23%
HT Commercial	673	739	7%	25%	10%
Public Water Works	139	208	14%	(32%)	50%
Bulk Supply Govt. Edu Inst	104	125	10%	(17%)	21%
Bulk Supply Others	636	763	10%	20%	20%
HT Small Industries upto 50 kw	20	22	9%	64%	10%
HT Industries-1 50 kw to 150 kw	87	96	7%	1%	10%
HT Industries-II above 150 kw	1,417	1,627	(1%)	(4%)	15%
Option 1	*1,243*	*1,413*	*0%*	*(4%)*	*14%*
Option 2	*174*	*214*	*(10%)*	*(4%)*	*23%*
Tea Coffee & Rubber	592	653	6%	5%	10%
Oil & Coal	193	219	8%	40%	14%
HT Irrigation Load above 7.5 HP	23	24	5%	12%	6%
HT Temporary	1	1	30%	166%	(34%)
HT Railway Traction	71	84	27%	(37%)	18%

Category/Consumption Slab	FY 2025-26	FY 2026-27	Y - O - Y		
	Estimated	Projected	FY 2024-25 vs. FY 2023-24	FY 2025-26 vs. FY 2024-25	FY 2026-27 vs. FY 2025-26
HT EV Charging Station	92	104	577%	596%	13%
Total	**11,462**	**13,182**	**4.9%**	**9%**	**15%**

52) It is evident from the above table that APDCL has not projected the growth in scientific manner and abruptly projected growth in the range of 15-50%.

53) In order to project sales for FY 2026-27, PFI has considered the CAGR growth of 2 years by considering actual sales of FY 2023-24 & FY 2024-25 and revised estimate of FY 2025-26, growth projected by APDCL and revised sales considered in FY 2025-26. Accordingly, PFI has projected sales of 11,953 MU. The summary is as follows:

Category/Consumption Slab	FY 2025-26	FY 2026-27	Y - O - Y			Two Year CAGR	Proposed by PFI
	Estimated	Projected	FY 25 vs. FY 24	FY 26 vs. FY 25	FY 27 vs. FY 26		Sales Projection
LT Category							
JEEVAN DHARA	119	100	(27%)	(6%)	(16%)	(17%)	99
0 to 120 units per month	3,765	4,343	3%	11%	15%	7%	4,021
121 to 240 units per month	571	658	36%	(16%)	15%	7%	609
Balance units	301	347	(20%)	41%	15%	6%	320
Domestic-B above 5 kw to 30 kw	688	785	7%	8%	14%	8%	688
Commercial Load above 0.5 to 30kw	1,527	1,772	7%	30%	16%	18%	1,527
A. Non-commercial and Non-domestic users	133	151	(1%)	(16%)	14%	(9%)	121
B. Government Primary and Secondary / Higher Secondary Schools	25	28	(26%)	(21%)	14%	(23%)	19
Public Lighting	27	34	4%	23%	23%	13%	31
Agriculture upto 7.5 HP	28	33	0%	(42%)	15%	(24%)	22
Small Industries Rural upto 30kw	102	112	9%	6%	10%	8%	110
Small Industries Urban	33	34	(4%)	1%	4%	(2%)	33
Temporary	29	39	342%	40%	34%	149%	29

Category/Consumption Slab	FY 2025-26	FY 2026-27	Y - O - Y			Two Year CAGR	Proposed by PFI
	Estimated	Projected	FY 25 vs. FY 24	FY 26 vs. FY 25	FY 27 vs. FY 26		Sales Projection
Electric Vehicle Charging Station (LT)	41	29	24%	571%	(29%)	188%	41
HT Domestic 30kw and above	27	33	21%	5%	23%	12%	31
HT Commercial	673	739	7%	25%	10%	16%	777
Public Water Works	139	208	14%	(32%)	50%	(12%)	123
Bulk SupplyGovt. Edu Inst	104	125	10%	(17%)	21%	(5%)	99
Bulk Supply Others	636	763	10%	20%	20%	15%	729
HT Small Industries upto 50 kw	20	22	9%	64%	10%	34%	22
HT Industries-1 50kw to 150 kw	87	96	7%	1%	10%	4%	90
HT Industries-II above 150 kw	1,417	1,627	(1%)	(4%)	15%	(3%)	1,378
Option 1	1,243	1,413	*0%*	*(4%)*	*14%*	(2%)	1,217
Option 2	174	214	*(10%)*	*(4%)*	*23%*	(7%)	162
Tea Coff & Rubber	592	653	6%	5%	10%	5%	622
Oil & Coal	193	219	8%	40%	14%	23%	219
HT Irrigation Load above 7.5 HP	23	24	5%	12%	6%	8%	24
HT Temporary	1	1	30%	166%	(34%)	86%	2
HT Railway Traction	71	84	27%	(37%)	18%	(10%)	64
HT EV Charging Station	92	104	577%	596%	13%	587%	104
Total	**11,462**	**13,182**	**4.9%**	**9%**	**15%**	**7%**	**11,953**

54) In view of above, PFI requests the Hon'ble Commission to consider the Sales of 11,953 MU as projected by PFI instead of 13,182 MU as claimed by APDCL. Further, in case of any variation in Sales and corresponding Power Purchase Cost, the same will be recovered through FPPAS on monthly basis.

Particulars	Projected by APDCL	Proposed by PFI	Difference
Sales (MU)	13,182	11,953	(1,209)

J. Energy Balance

55) APDCL has claimed Energy Balance of 17,972 MU (Table 2 of the ARR Petition) considering Distribution Loss of 13%, Intra-state Transmission Loss of 3.19% and Inter-state Transmission Loss of 2.52%.

56) PFI in the above para has recomputed the Sales as 11,953 MU by considering the more realistic by considering CAGR of 2 years or Y-o-Y growth or projected by APDCL. Accordingly, PFI has recomputed the Energy Balance by considering Distribution Loss, Intra-state Transmission Loss and Inter-state Transmission Loss as claimed by APDCL. The energy balance for APDCL is as follows:

Particulars	**Claimed by APDCL**	**PFI Working**
Retail Energy Sales (MU)	13,182	11,953
Distribution loss (%)	**13.00%**	**13.00%**
Distribution loss (MU)	1,970	1,786
Energy requirement at Discom (MU)	15,152	13,739
STU Loss (%)	**3.19%**	**3.19%**
STU Loss (MU)	499	453
Energy requirement at STU (MU)	15,651	14,192
CTU Loss (%)	**2.52%**	**2.52%**
CTU Loss (MU)	405	367
Seasonal Export (MU)	1,917	1,917
Energy requirement at Source (MU)	17,973	16,476

57) Accordingly, PFI requests the Hon'ble Commission to consider Energy Balance of 16,476 MU instead of 17,973 MU as claimed by APDCL.

Particulars	**Projected by APDCL**	**Proposed by PFI**	**Difference**
Energy Requirement (MU)	17,973	16,476	(1,497)

K. Revenue Projection

58) APDCL has projected revenue from Sale of Power as Rs. 11,727 Cr. considering Sales of 13,182 MU.

59) PFI in the above para has recomputed the sales by considering the more realistic by considering CAGR of 2 years or Y-o-Y growth or projected by APDCL and highlighted additional projection of 1209 MU (13,182-11,953) and accordingly, recomputed the Revenue by considering the Average Billing Rate (ABR) as submitted by APDCL in the Petition. The comparison of revenue projected and revenue as per PFI sales is as follows:

Category/ Consumption Slab	Projected by APDCL		Proposed by PFI	
	Sales (MU)	ABR (Rs./kWh)	Sales (MU)	Revenue (Rs. Cr.)
LT Category				
JEEVAN DHARA	100	7.67	99	76
DOMESTIC A	5,348	7.23	4,950	3,579
0 to 120 units per month	4,343	7.23	4,021	2,907
121 to 240 units per month	658	7.23	609	440
Balance units	347	7.23	320	231
Domestic-B above 5 kw to 30 kw	785	9.15	688	629
Commercial Load above 0.5 to 30kw	1,772	10.22	1,527	1,560
A. Non-commercial and Non-domestic users	151	10.25	121	124
B. Government Primary and Secondary / Higher Secondary Schools	28	11.19	19	21
Public Lighting	34	8.60	31	27
Agriculture upto 7.5 HP	33	8.96	22	19
Small Industries Rural upto 30kw	112	8.34	110	92
Small Industries Urban	34	8.58	33	28
Temporary	39	10.00	29	29
Electric Vehicle Charging Station (LT)	29	8.72	41	36
HT Domestic 30kw and above	33	8.91	31	27
HT Commercial	739	10.90	777	847
Public Water Works	208	9.95	123	122
Bulk Supply Govt. Edu Inst	125	10.41	99	103
Bulk Supply Others	763	10.46	729	763
HT Small Industries upto 50 kw	22	8.39	22	19
HT Industries-1 50kw to 150 kw	96	9.88	90	89
HT Industries-II above 150 kw	1,627	9.81	1,378	1,352
Option 1	1,413	9.81	1,217	1,194
Option 2	214	9.81	162	159

Category/ Consumption Slab	Projected by APDCL		Proposed by PFI	
	Sales (MU)	ABR (Rs./kWh)	Sales (MU)	Revenue (Rs. Cr.)
Tea Coff & Rubber	653	11.04	622	687
Oil & Coal	219	10.38	219	227
HT Irrigation Load above 7.5 HP	24	10.23	24	25
HT Temporary	1	10.69	2	2
HT Railway Traction	84	10.18	64	65
HT EV Charging Station	104	8.35	104	87
Total	**13,182**		**11,953**	**10,635**

60) In view of above, PFI requests the Hon'ble Commission to consider Revenue from Sale of Power as Rs. 10,635 Cr. for FY 2026-27 against the projected revenue of Rs. 11,727 Cr. The balance may be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected by APDCL	Proposed by PFI	Difference
Revenue from Sale of Power	11,727	10,635	(1,092)

L. Power Purchase Cost

61) APDCL has claimed that they have considered same Fixed Cost for the APGCL and Central Generating Stations (North-Eastern & Eastern Region) equal to the actual fixed cost incurred during FY 2024-25. Further, APDCL has considered Energy Charge Rate of Plants by escalating 5% over the average ECR of plants during Apr'25 to Sept'25.

62) Further, APDCL has projected Transmission Charges as approved by the Hon'ble Commission in MYT Order dated 25/03/2025.

63) It is submitted that the Central Government, vide Ministry of Finance 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[2], has abolished the Compensation Cess of Rs. 400/MT, with effect from

[2] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2165754&reg=3&lang=2

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.

64) Further, as per PFI analysis, 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. Further, for the power sector, the average reduction is around Rs. 260 per tonne, translating into a cut of 17–18 paise per kWh in the cost of generation.

65) In view of recent GOI notifications dated 17/09/2025 and expected reduction in coal price and subsequent Energy Charge rate of Thermal Plants, PFI requested to the Hon'ble Commission to consider FC & ECR for FY 2026-27 equal to FY 2025-26 without any escalation.

66) Further, 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.

67) Accordingly, PFI has recomputed the Power Purchase Cost for FY 2026-27 after considering ECR of Plants equivalent to ECR of FY 2025-26. The summary of Power Purchase Cost is as follows:

(Rs. Cr.)

Particulars	Quantum (MU)	DISCOM Claimed	Proposed by PFI	Difference
Power Purchase Cost	17973	9103	8746	(357)

68) Further, PFI in the above para has recomputed the energy balance for APDCL based on revised sales, and computed additional quantum procured as 1,497 MU and the same was reduced from the Power Purchase Quantum. PFI has reduced the excess Power Purchase Quantum by the average Energy Charge Rate of Rs. 3.06/kWh as computed above without considering escalation. Accordingly, PFI has computed additional Power Purchase Cost as Rs. 458 Cr.

69) In view of above, PFI requests the Hon'ble Commission to consider the following:

- **Consider Fixed Charge and Energy Charge Rate of Plants as proposed by the PFI in above paras as it will reduce the upfront loading of Tariff**
- **Reduce the Power Purchase cost by Rs. 357 Cr. against the projected escalation in Energy Charge Rate**
- **Reduce the Power Purchase cost by Rs. 458 Cr. against the reduction in Sales, the additional Power purchase cost as claimed by DISCOM, should be borne by Govt. of Assam in the form of subsidy.**

(Rs. Cr.)

Particulars	Claimed By APDCL	Proposed by PFI	Difference
Power Purchase Cost	9103	8287	(815)

M. Renewable Purchase Obligation

70) APDCL has projected shortfall of 302.45 MU (260 MU – Wind and 43 MU- DRE) during FY 2026-27 against the RPO Target of 35.95% for FY 2026-27.

71) Accordingly, PFI submits that the projected shortfall of 302.45 MU under Wind and DRE RPO for FY 2026-27 remains unaddressed, as APDCL has neither made any provision for procurement of Renewable Energy Certificates (RECs) nor proposed any alternative mechanism to meet the stipulated RPO targets. PFI, therefore, requests the Hon'ble Commission to direct APDCL to submit a concrete plan for meeting the Wind and DRE RPO shortfall, either through physical procurement, REC purchase, or any other permissible mechanism under the prevailing RPO Regulations, along with the associated cost implications for prudent consideration.

N. Operation & Maintenance Expenses

N-1. Employee Expenses

72) APDCL has projected employee expenses as Rs. 1031 Cr. for FY 2026-27 based on the provisional expenses of Previous years i.e., FY 2025-26 of Rs. 986 Cr. as per AERC Tariff Regulations.

73) PFI observed that APDCL has claimed Terminal Benefits of Rs. 100 Cr. while claiming the Employee Expenses for FY 2024-25. The same employee expense was considered by APDCL to project the employee expenses for FY 2025-26 and subsequently for FY 2026-27.

74) PFI observed that including Terminal Benefit while projecting employee expenses for ARR is not in line with the Regulatory provision set by AERC in clause 38.2.d. of AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021. Relevant clause is as follows:

> d) The expenses beyond the control of the distribution licensee such as dearness allowance, pension liabilities and terminal benefits in Employee cost etc., shall be excluded from the norms in the trajectory;

75) Accordingly, PFI requests the Hon'ble Commission to not consider Terminal Benefits of Rs. 100 Cr. while allowing Employee expenses. PFI has recomputed the Employee Expenses for APDCL as follows:

(Rs. Cr.)

Particulars	Projected by APDCL	Proposed by PFI
Employee Expenses for Previous Year	986	886
Less: Terminal Benefits		*(100)*
Growth Factor	1.0%	1.0%
CPI Inflation	3.55%	3.55%
Employee Expenses	**1,031**	**927**

76) In **view of above, PFI requests the Hon'ble Commission to consider Employee expense as Rs. 927 Cr.** against the projected Employee Expenses of Rs. 1031 Cr. the balance may be borne by the Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Employee Expenses	1031	927	(105)

O. Capitalization

77) APDCL has claimed capitalization of Rs. 2631 Cr. in FY 2026-27.

78) PFI analyzed the capitalization in last few years, and it is observed that in last 3 years, the average capitalization is Rs. 860 Cr. only and the projected capitalization by APDCL is on higher side. Further, APDCL has not submitted any details about the key assets expected to be capitalized during the year. The summary of Capitalization is as follows:

Year	Investment Capitalized (Rs. Cr.)
FY 2023-24 (True-up)	876.79
FY 2024-25 (True-up)	219.08
FY 2025-26 (APR)	1484.89

79) In view of actual capitalization trend in last 3 years, PFI requests the Hon'ble Commission to consider Rs. 860 Cr. as capitalization amount for FY 2026-27.

80) Further, PFI requests the Hon'ble Commission to consider the funding of capitalization in the same ratio as proposed by APDCL. Accordingly, Debt, Equity & Grant of proposed capitalization is as follows:

(Rs. Cr.)

Particulars	PFI Working
Debt	50
Equity	21
Grant	789
Total	**860**

P. Depreciation

81) APDCL has proposed depreciation of Rs. 154 Cr. and consider average depreciation rate as 4.76%.

82) PFI in above para has recomputed the capitalization and accordingly recomputed the depreciation as Rs. 41 Cr. considering average depreciation rate as 4.76%. PFI requests the Hon'ble Commission to consider depreciation as Rs. 41 Cr. for FY 2026-27 instead of projected Rs. 154 Cr. The balance depreciation may be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Depreciation	154	41	(113)

Q. Interest & Finance Charges

83) APDCL has claimed Interest & Finance Charges of Rs. 11 Cr. after considering the Debt of Rs. 153 Cr. based on capitalization of Rs. 2631 Cr.

84) PFI in the above para has recomputed the capitalization and accordingly recomputed the debt portion as Rs. 50 Cr.

85) Accordingly, PFI has recomputed the Interest and Finance charges as follows:

Particulars	Projected by APDCL	Proposed by PFI
Opening normative loan	126	126
Addition of normative loan during the year	153	50
Normative Repayment during the year	154	41
Net Normative Closing Loan	125	135
Rate of Interest	9.02%	9.02%
Total Interest & Finance charges	**11**	**12**

86) Accordingly, PFI requests the Hon'ble Commission to consider Interest & Finance charges as Rs. 12 Cr. instead of projected charges of Rs. 11 Cr. by APDCL.

R. Return on Equity

87) APDCL has claimed Return on Equity of Rs. 190 Cr. after considering the Equity of Rs. 66 Cr. based on capitalization of Rs. 2631 Cr.

88) PFI in the above para has recomputed the capitalization and accordingly recomputed the equity portion as Rs. 21 Cr.

89) Accordingly, PFI has recomputed the Return on Equity as follows:

Particulars	Projected by APDCL	Proposed by PFI
Opening Equity	1327	1327
Addition of Equity during the year	66	21
Closing Equity	1392	1348
Average Equity	1360	1337
Rate of Return on Equity	14%	14%
Return on Equity	**190**	**187**

90) Accordingly, PFI requests the Hon'ble Commission to consider Return on Equity as Rs. 187 Cr. instead of projected Return on equity of Rs. 190 Cr. by APDCL. The balance should be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Return on Equity	190	187	(3)

S. Interest on Working Capital

91) APDCL has proposed IoWC as Rs. 15 Cr. for FY 2026-27.

92) PFI has recomputed the IoWC for APDCL as per the proposed changes in the above paras, as follows:

(Rs. Cr.)

Particulars	Projected by APDCL	Proposed by PFI
O&M Expenses-One month	119	110
45 days Receivables	1446	1329
Maintenance spares @ 15% of O&M Expenses	214	198
Less: One-month Power Purchase Cost	874	769
Less: Consumer Security Deposit	781	781

Particulars	Projected by APDCL	Proposed by PFI
Total Working Capital	124	87
Rate of Interest on WC	11.90%	11.90%
Interest on WC	15	10

93) Accordingly, PFI requests the Hon'ble Commission to consider Interest on Working Capital as Rs. 10 Cr. The balance may be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Interest on Working Capital	15	10	(5)

T. Non-Tariff Income

94) APDCL has considered Non-Tariff Income of Rs. 382 Cr. as actuals claimed in FY 2024-25 True-up Petition.

95) PFI in True-up section has recomputed the Non-Tariff Income as Rs. 284 Cr. by considering the LPSC after netting off the Financing cost associated with the same.

96) PFI requests the Hon'ble Commission to consider Non-Tariff Income for FY 2026-27 as Rs. 284 Cr. as computed by PFI.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Non - Tariff Income	379	284	(95)

97) In **view of above, PFI requests the Hon'ble Commission to consider Non – Tariff Income** as Rs. 284 Cr. against the projected Non – Tariff Income of Rs. 379 Cr. the balance may be borne by the Govt. of Assam in the form of subsidy.

U. Bad & doubtful debts

98) APDCL has projected Rs. 14.82 Cr. as other debits equivalent to 50% of the projected bad debts for FY 2026-27.

99) PFI has observed that as per the clause 81.8 of AERC (Terms and Conditions for determination of Multi year Tariff) Regulations, 2024, DISCOM can claim provision for bad and doubtful debts upto 1% of the amount shown as receivable in the Audited Accounts. The relevant extract is as follows:

81.8 Provision for Bad and doubtful debts

81.8.1 The Commission may allow a provision for bad and doubtful debts upto 1% of the amount shown as receivables in the audited accounts of the Distribution Licensee, duly allocated for the Wheeling Business for each year of the Control period:

Provided that if subsequent to the write off of a particular bad debt, revenue is realized from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such sum is realized.

Provided that where the cumulative amount of such provisioning for bad and doubtful debts exceeds five (5) per cent of the amount shown as receivables in the audited accounts in any year of the Distribution Licensee duly allocated for the Wheeling Business, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.

100) PFI has observed that APDCL is pioneer in installing Smart Meters and as per RDSS portal, APDCL has achieved 75% of the target as of 15/01/2026. Further, APDCL has installed prepaid smart meters, which result in prompt payment from the consumers resulting lower pendency of dues on consumers. PFI requests the Hon'ble Commission to amend the AERC Tariff Regulations, 2024 and reduce the provision of 1% to 0.5% as allowed by other SERCs of Haryana, UP, MP etc.

101) Further, PFI has also pointed in the True-up section that Audited Accounts does not mention any expense under the head Bad & doubtful debt. Accordingly, PFI requests the Hon'ble Commission to not consider the bad and doubtful debts as claimed by APDCL. Other debits as claimed by DISCOM, should be borne by Govt. of Assam in the form of subsidy.

(Rs. Cr.)

Particulars	Projected By APDCL	Proposed by PFI	Difference
Other Debits	15	0	(15)

V. Time of Day Tariff

102) APDCL has claimed that currently applicable ToD tariff will result in revenue loss of Rs. 163 Cr. in FY 2026-27 against the projected increase in revenue. Further, APDCL requested the Hon'ble Commission to consider the same and recover the revenue loss through ARR.

103) PFI analyzed the ToD Tariff and observes that ToD approved by the Hon'ble Commission is as per MoP Electricity (Rights of consumers) Rules, 2020 and its amendments. Further, PFI observes that APDCL has not submitted any detailed impact of the revised ToD tariff like reduction in peak load, reduction/increase in power purchase cost, reason of revenue loss etc. with the claim and requested to pass through the revenue loss through ARR.

104) PFI requests the Hon'ble Commission not to consider the request of APDCL to pass expected revenue loss through ARR as it will reduce the upfront loading of the same in Tariff. Revenue Loss as claimed by DISCOM, should be borne by Govt. of Assam in the form of subsidy. PFI further requests Hon'ble Commission to direct APDCL to submit detailed report on the impact of new ToD tariff.

W. Summary

105) As stipulated in above Sections, summary of ARR for FY 2026-27 of APDCL is as follows. Hon'ble Commission is requested to kindly consider the same.

Sr. No.	Particulars	Projected by DISCOM	Proposed by PFI	Difference
1	Sales	13,182	11,953	(1,229)
2	Distribution Loss	13.00%	13.00%	0.00%
3	Transmission Loss			
3a	*CTU*	*2.52%*	*2.52%*	*0.00%*
3b	*STU*	*3.19%*	*3.19%*	*0.00%*
4	Power Purchase Cost	9,103	8,287	(816)
4a	***Less:** Escalation in ECR*		*357*	
4b	***Less:** Reduction in Sales*		*458*	

Sr. No.	Particulars	Projected by DISCOM	Proposed by PFI	Difference
5	Transmission Charges	1,380	1,380	0
6	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	1,426	1,321	(105)
6a	Employee Expenses	1,031	927	(105)
6a-i	***Less:** Terminal Benefits*		*100*	
6b	Administrative & General (A&G) Expenses	130	130	0
6c	Repair & Maintenance (R&M) Expenses	264	264	0
7	Return on Equity (RoE)	190	187	(3)
8	Interest on Finance Charges	11	12	(1)
9	Interest on Working Capital	15	10	(5)
10	Depreciation	154	41	(113)
11	Others (Interest on Consumer Security Deposit & Other debits)	94	79	(15)
11a	***Less:** Other debits incl. bad debts*		15	
12	**Aggregate Revenue Requirement (ARR)**	**12,373**	**11,317**	**(1,056)**
13	Non-tariff Income	379	284	(95)
14	Less: Other Income	877	877	0
15	Add: Assessed impact of revision in ToD timeslots and Tariff	163	0	(163)
16	**Net ARR**	**11,280**	**10,156**	**(1,124)**
17	Revenue from Sale of Power	11727	10,635	(1,092)
18	**Revenue (Gap)/Surplus**	**447**	**479**	**32**

106) In view of the above, the elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers of Assam. Accordingly, PFI requests the Hon'ble Commission to consider an ARR of Rs. 10,156 Crore instead of the Projected Rs. 11,280 Crore. **PFI requests the Hon'ble Commission to kindly consider the same.** Further, the Govt. of Assam should provide additional subsidy of Rs. 32 Cr., on account of higher claims of APDCL as tabulated above, over and above the subsidy decided by Govt. of Assam for FY 2026-27.

X. Bifurcation of DISCOM ARR into Wheeling & Retail Business

107) In order to implement the provisions of Electricity Act, 2003 related to competition and Open Access as per Section 42 and the provisions of the proposed Electricity (Amendment) Bill, 2025 mandating de-regulation of the consumers above 1 MW and parallel licensing within same area through shared network, there is a urgent need of filling separate Petition for Wheeling and Retail by DISCOMs which is being already followed by DISCOMs of Andhra Pradesh & Telangana (Appendix- 1 & 2). Such filling of Petition should be transparently and accurately linked to the Audited Accounts.

108) It is observed that even the Hon'ble Commission vide its AERC Regulations also directed APDCL to segregate accounts for Wheeling Business and Retail Supply Business and submit separate ARR for each. The relevant extract is as follows:

> **74 Separation of accounts**
>
> 74.1 The distribution licensee shall segregate the accounts of the licensed business into Wheeling Business and Retail Supply Business and submit separate ARRs for respective businesses. The ARR for wheeling business shall be used to determine wheeling charges recoverable from open access consumers and the ARR for Retail Supply Business to determine retail supply tariff for sale of electricity to different categories of consumers of the licensee which will be inclusive of wheeling charges.
>
> Provided that till such time the accounts are segregated as per provisions of these regulations, the distribution licensee shall prepare an allocation statement to apportion costs and revenues to respective business. The allocation statement shall be approved by the Board of Directors of the distribution licensee and accompanied with an explanation of the methodology which should be consistent over the control period.

109) In view of above, PFI requests the Hon'ble Commission to direct DISCOM to submit separate Petition for Wheeling and Retail Business along with break-up of business-wise expenses and income in Audited Accounts as per the AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021.

Y. Demand Side Management (DSM) Fund

110) PFI observed that APDCL has also not submitted any proposal related to **DSM initiatives**. DSM is a strategic approach to energy conservation that seeks to manage consumer demand for energy rather than simply supply it. It is a coordinated set of activities and programs undertaken by electric utilities, developers, government agencies, and end-use customers to ensure that electric power service can be delivered to consumers at the lowest cost consistent with reliable supply. DSM also seeks to promote energy conservation and peak load reduction through voluntary or mandatory actions taken by the above-mentioned participants.

111) In view of above, PFI requests the Hon'ble Commission to direct APDCL to focus on the DSM activities and submit detailed proposal w.r.t. activities proposed under DSM.

Z. PM SURYA GHAR – MUFT BIJLI YOJNA

112) PM Surya Ghar: Muft Bijli Yojana, the world's largest domestic rooftop solar initiative, is transforming India's energy landscape with a bold vision to supply solar power to one crore households by March 2027. By March 2025, installations under the scheme are expected to exceed 10 lakhs, with the numbers doubling to 20 lakh by October 2025, reaching 40 lakhs by March 2026, and ultimately achieving the target of one crore by March 2027[3]. The scheme is projected to add 30 GW of solar capacity through rooftop installations in the residential sector, significantly contributing to India's renewable energy goals.

113) Through this rooftop solar scheme many domestic consumers will have Net metering connections which will have a sizeable impact on the domestic category sales. However, in the Tariff Petition for ARR of FY 2026-27, it is noted that APDCL have submitted any proposal related to PM Surya Ghar – Muft Bijli Yojna.

114) In view of above, PFI submits that Sales forecast for APDCL in ARR of FY 2026-27 may be done considering the impact of PM Surya Ghar – Muft Bijli Yojna.

[3] https://pib.gov.in/PressReleasePage.aspx?PRID=2081250

AA. ENERGY STORAGE

115) India's evolving energy storage policy framework underscores its commitment to enhancing grid flexibility and supporting renewable energy integration. Since 2019, a robust regulatory ecosystem has been crafted to support energy storage deployment through national initiatives around technical standards, legal frameworks, transmission charges, Resource Adequacy (RA) planning, market mechanisms, and financial incentives, as well as state-level initiatives.

116) In a significant regulatory development, the MoP clarified Legal Status to ESS on January 29, 2022. The order identifies Energy Storage Systems (ESS) as an essential component of the power system under the Electricity Act of 2003, permitting ESS to function as a standalone or integrated element within generation, transmission, or distribution networks. The ESS can be operated by various entities, and standalone ESS projects can be licensed independently and granted connectivity under specific rules, encouraging broader ESS applications and ownership models.

117) The Waiver of Inter-State Transmission System (ISTS) Charges for solar, wind (onshore and offshore), and green hydrogen projects was mandated by the Ministry of Power (MoP) on November 23, 2021, with subsequent amendments in November 2021, December 2022, May 2023, June 2023 & June 2025. The relevant extract is as follows:

"a) ISTS charges waiver for Hydro PSP Projects for which the construction work has been awarded on or before 30th June 2028 shall be 100%.

b) ISTS charges waiver for co-located Battery Energy Storage System (BESS) Projects commissioned on or before 30th June, 2028 shall be 100%, if the power from such BESS projects is consumed outside of the state, where such BESS project is commissioned.

Provided that a BESS project shall be considered as co-located, if the BESS and RE projects are connected at the same ISTS sub-station.

c) There will not be any ISTS charges waiver for Hydro PSP Projects, for which the construction work awarded after 30th June, 2028 and for co-located BESSs commissioned after 30th June, 2028.

d) For BESS projects which are not co-located, the ISTS charges waiver shall be as per the extant orders issued by the Ministry of Power and CERC Regulations."

118) The Central Electricity Authority (CEA) on 28/06/2023, has established RA planning guidelines at both national and state levels, an important step forward, and has recently come up with state-wise RA reports with up to 5-year or 10-year RA projections. The CEA Resource Adequacy guidelines also outline a framework for incorporating ESS in RA planning.

119) Recent national and state government policies have begun to lay a foundation that will support ESS deployment and its integration into RA planning and procurement, electricity markets, and system operations.

120) The CEA in its Report for Resource Adequacy Plan4 for the State of Assam for the period from FY 2025-26 to FY 2035-36 has identified that:

- Assam is likely to witness an energy deficit ranging from 1.8 BU to 21.4 BU in different years from 2025-26 to 2035-36 with the existing and planned capacity addition only.
- The year-wise Storage capacity requirement is as follows:

Year	Additional Requirement (MW)
FY 2025-26	0
FY 2026-27	25
FY 2027-28	25
FY 2028-29	234
FY 2029-30	234
FY 2030-31	234
FY 2031-32	234
FY 2032-33	294
FY 2033-34	294
FY 2034-35	460
FY 2035-36	667

[4] https://cea.nic.in/wp-content/uploads/resource_adequacy_st/2025/07/RA_Report_Assam_2035_36.pdf

121) In view of the above, PFI submits that Energy Storage is an effective tool for Energy arbitrage for DISCOMs in optimization of their Power Purchase Cost. For instance, in BESS, Batteries can be charged in the off-peak hours and can be discharged in Peak hours, thus, avoiding reliance of DISCOMs on high-cost short term Power from markets or not scheduling the high-cost Power Plants. With steep reduction in Battery prices and active participation by various companies, APDCL necessitates to also consider Energy Storage as part of their Power Procurement Planning in line with Resource Adequacy Planning formulated by CEA for Assam.

BB. NFA approach for Return on Equity

122) Under Section 181 of the Electricity Act, 2003, SERC has been defined specific functions to frame Regulations. Sub-Section (1) of Section 181 stipulates that "The State Commission may, by notification make regulations consistent with this Act and the rules generally to carry out the provisions of this Act."

123) Section 61 of the Electricity Act, 2003, pertains specifically to framework of Tariff Regulations by appropriate Commission. Sub-Section (d) of Section 61 stipulates that while framing Tariff Regulations, appropriate Commission may be guided by various factors including "safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;"

124) Taking an ideal case of Transformer, whose useful life is 25 years. Based on such useful life, Depreciation is first calculated for 12 years which is linked to 70% of loan repayment. Balance Depreciation till 90% is segregated over balance useful life of 25 years.

125) As mandated u/s 61 (d), stipulated above, there has to be recovery of cost of Electricity in a reasonable manner. Beneficiaries pay for the cost of electricity for 25 years. Initially, Capital Cost is split into 70:30::Debt:Equity which is being currently dealt as follows :

- **For 1st 12 years:** *(ref: Regulation 35.3 AERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2021.)*

- Loan Repayment equivalent to 70% of Capital Cost, is being linked to Depreciation and its Interest portion is allowed as separate line item in Fixed Cost.

- Return on Equity is allowed yearly on 30% of Capital Cost without depreciating the equity base since, depreciation is being linked to Debt component.

35.3 The repayment for each year of the Control period shall be deemed to be equal to the depreciation allowed for that year:

- **Balance Useful Life of 13 years**

  - Loan has been fully repaid whose principal payment was linked to Depreciation i.e., asset has now been 70% Depreciated.

  - Depreciation is still allowed as an expense in Fixed Cost till 25 years but Equity Base is not reduced.

  - Till 100% Loan repayment, which translates to recovery of 70% of Capital Cost, Depreciation used to reduce the Loan Base by linking with loan repayment but once loan is fully repaid Depreciation is still allowed as an expense in Annual Fixed Charges and RoE is allowed on total Equity Base which is same as that on Year 1.

126) **So, a utility, after 12 years (when loan has been fully repaid) receives Depreciation in Fixed Charges and also RoE on full Equity Base. Rather, after 12 years, RoE should be allowed on Net Fixed Asset basis and Equity Base should be reduced by Depreciation since Depreciation is allowed as an expense even after 12 years recovered from consumers.**

Other SERCs where NFA approach is adopted

127) Andra Pradesh Electricity Regulatory Commission, Delhi Electricity Regulatory Commission.

CERC Order dtd. 13/08/2021 – NFA Approach for Emission Control System

128) Hon'ble CERC in it's Order dtd. 13/08/2021 related to determination of Compensation on account of installation of Emission Control System has considered NFA approach as follows:

"36. We have considered all the suggestions and comments of the stakeholders. ***However, the Commission notes that the approach of net fixed assets and cost of employed suggested in the draft Suo-Motu order satisfies the principle of economic restitution.*** *The Commission is aware of the concerns and financial position of the generating companies. However, compensation for change in law cannot be a mechanism to improve their financial position. Accordingly, the proposed approach of servicing investment through cost of capital employed is appropriate, being consistent with the principle of economic restitution."*

CERC Order dtd. 30/07/2016 – NFA Approach for BTPS

129) Hon'ble CERC in it's Order dtd. 30/07/2016 related to Truing up of Fixed Cost of 705 MW of BTPS (3 x 95 + 2 x 210) for the period from 1/4/2009 to 31/03/2014, had decided NFA approach post repayment of loan, tabulated as follows:

"63. The respondent, BRPL has requested the Commission to direct the petitioner to furnish the actual Corporate tax paid against the BTPS duly audited and certified by the Auditors. In response the petitioner has submitted that the Commission has already upheld the contention of the Petitioner, and therefore, this is a settled matter. ***As per methodology under NFA approach, return would be provided on constant equity component till the loans are fully paid and once the loans are fully repaid subsequent depreciation recovery would be utilized towards notional reduction in equity****. In other words, return on equity would be calculated on reducing equity base once the loan is fully repaid notionally. The net equity worked out on cash basis as on 1.4.2009 is ₹17946.58 lakh whereas ₹17848.20 lakh has been considered by the petitioner for purpose of tariff. The grossing up of the base rate has been done with respect to the actual tax rate applicable to the petitioner for the years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14. Accordingly, return on equity has been worked out on the normative net equity as on 1.4.2009 after accounting for the admitted actual additional capital expenditure for the period 2009-14 as above. Return on Equity has been computed as under:-*

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Opening notional equity	17923.71	15699.11	13873.71	14063.84	12366.63
Addition due to Additional Capitalisation	14.65	174.78	781.73	279.06	25.00
Repayment of Equity (balance of depreciation after repayment of loan)	2239.25	2000.18	591.60	1976.27	2448.21
Closing Equity	15699.11	13873.71	14063.84	12366.63	9943.42
Average Equity	16811.41	14786.41	13968.77	13215.23	11155.02
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
Tax rate (%)	33.990	33.218	32.445	32.445	33.990
Rate of Return on Equity (Pre Tax) (%)	23.481	23.210	22.944	22.944	23.481
Return on Equity (Pre Tax)	**3947.49**	**3431.93**	**3204.99**	**3032.10**	**2619.31**

130) In view of above, it is noted that since beneficiaries are required to pay for the useful value of the assets in operation, therefore NFA approach would be in tandem with Section 61 (d) of the Act.

131) GFA approach leads DISCOMs to earn return on depreciated assets. Therefore, the capital cost may be divided in the ratio of loans and equity and the loan amount may be reduced to the extent of depreciation accrued. Once the loan is fully repaid, further depreciation must reduce the Equity component as still depreciation is allowed to be recovered in Fixed Cost even after full repayment of loan.

132) Working Methodology of GFA and proposed NFA Approach is Annexed herewith as Appendix-3 (only RoE, IoL and Depreciation), wherein it may be noted that from 20th Year onwards Equity Base is reduced, after repayment of Loan, through Depreciation. Cumulative RoE till 25 years is Rs. 105.60 Cr. whereas under NFA approach is Rs. 95.71 Cr.

133) However, the DISCOMs have not submitted the details in line with the Hon'ble Commission Regulation.

134) In view of above, PFI requests the Hon'ble Commission to direct DISCOMs to submit the details in line of Regulation.

PRAYERS BEFORE HON'BLE AERC:-

1) **To consider the comments / suggestions of Power Foundation of India (PFI) on ARR & Tariff Petition of APDCL.**
2) **To reduce Power Purchase Cost against the higher distribution loss. Inefficiencies of APDCL should not be allowed to pass through to the end consumers and the Govt. of Assam should bear the same in the form of subsidy.**
3) **The inefficiencies of APDCL should not be allowed to socialize to consumers at large rather it should be borne by Government of Assam through additional Subsidy of Rs. 729 Cr. against the subsidy of Rs. 578 Cr. for FY 2024-25. Further, Govt. of Assam should provide additional subsidy of Rs. 32 Cr. on account of higher claims of APDCL, over and above the subsidy to be decided by Govt. of Assam for FY 2026-27.**
4) **To direct DISCOM to submit details of RPO compliance in line with MoP Trajectory.**
5) **To direct APDCL to submit the projection for Energy Balance, Power Purchase Quantum & Cost on monthly basis.**
6) **To direct DISCOM to consider Energy Storage as part of their Power Procurement Planning in line with Resource Adequacy Planning formulated by CEA for Assam.**
7) **To direct APDCL to submit separate Petition for Wheeling and Retail Business along with break-up of business-wise expenses and income in Audited Accounts.**
8) **To consider the additional submissions, if any, made by PFI for APDCL Tariff Petition for True-up & ARR Petition.**

Appendix 1

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(Distribution & Retail Supply Licensee)

Filing of Revised ARR & Revised Proposed Wheeling Tariffs

for

Distribution Business

for

FY 2026-27

29th **November 2025**

O.P. No....75....of 2025

Appendix 2

Southern Power AP

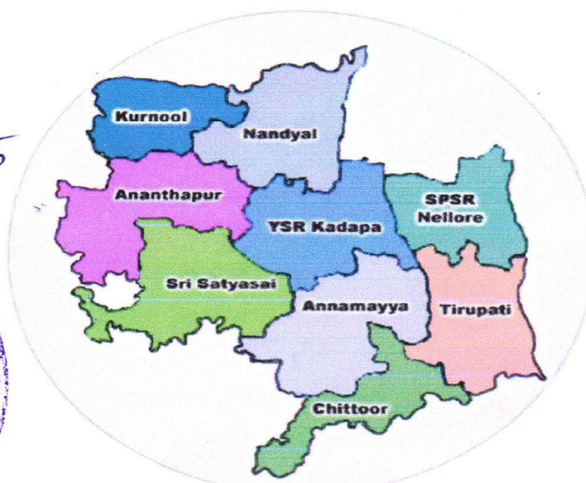
SOUTHERN POWER DISTRIBUTION COMPANY OF A.P LIMITED

19-13-65/A, Vidyut Nilayam, Srinivasapuram, Tirupati (www.apspdcl.in)

Aggregate Revenue Requirement and Tariff Proposal for the Retail Supply Business for FY 2026-27

SCL
30/11/2025

Andhra Pradesh Electricity Regulatory Commission ★ Kurnool ★
3279
30 NOV 2025
1of10



30th November 2025

Appendix 3

[redacted]

GFA Approach

Assumptions:

a) **Initial Capital Cost = Rs. 100 Cr., (b) Useful Life = 25 Years (c) D:E::70:30 (d) Cost of Debt = 8% e) RoE = 16%**

Capital Expenditure

Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Opening GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100
Addition	Rs Cr	0	0	0	0	0	0	0	0	0	0
Decapitilisation	Rs Cr	0	0	0	0	0	0	0	0	0	0
Closing GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100

Depreciation

Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Opening Accumulated	Rs Cr	0	5.25	10.19	14.85	19.23	23.36	27.25	30.91	34.36	37.60
Balance Dep.	Rs Cr	90.00	84.75	79.81	75.15	70.77	66.64	62.75	59.09	55.64	52.40
Depreciation Rate	%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
Balance useful life	Years	25	24	23	22	21	20	19	18	17	16
Current Year Depreciation	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
Closing Accumulated	Rs Cr	5.25	10.19	14.85	19.23	23.36	27.25	30.91	34.36	37.60	40.66
Average Accumulated Depreciation	Rs Cr	2.63	7.72	12.52	17.04	21.30	25.30	29.08	32.63	35.98	39.13
Asset Net of Depreciation	Rs Cr	94.75	89.81	85.15	80.77	76.64	72.75	69.09	65.64	62.40	59.34

Interest on Loan

Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Opening Loan	Rs Cr	70.00	64.75	59.81	55.15	50.77	46.64	42.75	39.09	35.64	32.40
Repayment during the year	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
Closing Loan	Rs Cr	64.75	59.81	55.15	50.77	46.64	42.75	39.09	35.64	32.40	29.34
Average Loan	Rs Cr	67.38	62.28	57.48	52.96	48.70	44.70	40.92	37.37	34.02	30.87

Return on Equity

Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Gross Fixed Asset	Rs Cr	100.00	89.81	85.15	80.77	76.64	72.75	69.09	65.64	62.40	59.34
Average Equity	Rs Cr	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Average Capex loan	Rs Cr	70.00	62.86	59.61	56.54	53.65	50.93	48.36	45.95	43.68	41.54
Cost of Debt, Rd	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Rate of Return on Equity, Re	%	16.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Return on Equity	Rs Cr	4.80	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Interest on Loan	Rs Cr	5.39	4.98	4.60	4.24	3.90	3.58	3.27	2.99	2.72	2.47
Return on Working Capital	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Annual Fixed Cost

Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
Return on Equity	Rs Cr	4.80	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Interest on Loan	Rs Cr	5.39	4.98	4.60	4.24	3.90	3.58	3.27	2.99	2.72	2.47
Depreciation	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
Annual Fixed Cost	**Rs Cr**	**15.44**	**14.13**	**13.45**	**12.82**	**12.22**	**11.66**	**11.13**	**10.64**	**10.17**	**9.73**

Capital Expenditure

Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
Opening GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Addition	Rs Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decapitilisation	Rs Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Depreciation

Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
Opening Accumulated	Rs Cr	40.66	43.54	46.25	49.61	52.98	56.34	59.71	63.08	66.44	69.81	73.17	76.54	79.90	83.27	86.63
Balance Dep.	Rs Cr	49.34	46.46	43.75	40.39	37.02	33.66	30.29	26.92	23.56	20.19	16.83	13.46	10.10	6.73	3.37
Depreciation Rate	%	5.83%	5.83%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%
Balance useful life	Years	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
Current Year Depreciation	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37
Closing Accumulated	Rs Cr	43.54	46.25	49.61	52.98	56.34	59.71	63.08	66.44	69.81	73.17	76.54	79.90	83.27	86.63	90.00
Average Accumulated Depreciation	Rs Cr	42.10	44.89	47.93	51.30	54.66	58.03	61.39	64.76	68.12	71.49	74.85	78.22	81.59	84.95	88.32
Asset Net of Depreciation	Rs Cr	56.46	53.75	50.39	47.02	43.66	40.29	36.92	33.56	30.19	26.83	23.46	20.10	16.73	13.37	10.00

Interest on Loan

Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
Opening Loan	Rs Cr	29.34	26.46	23.75	20.39	17.02	13.66	10.29	6.92	3.56						
Repayment during the year	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37						
Closing Loan	Rs Cr	26.46	23.75	20.39	17.02	13.66	10.29	6.92	3.56	**0.19**						
Average Loan	Rs Cr	27.90	25.11	22.07	18.70	15.34	11.97	8.61	5.24	1.88						

Return on Equity

Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
Gross Fixed Asset	Rs Cr	56.46	53.75	50.39	47.02	43.66	40.29	36.92	33.56	30.19	26.83	23.46	20.10	16.73	13.37	10.00
Average Equity	Rs Cr	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Average Capex loan	Rs Cr	39.52	37.63	35.27	32.92	30.56	28.20	25.85	23.49	21.14	18.78	16.42	14.07	11.71	9.36	7.00
Cost of Debt, Rd	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Rate of Return on Equity, Re	%	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Return on Equity	Rs Cr	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Interest on Loan	Rs Cr	2.23	2.01	1.77	1.50	1.23	0.96	0.69	0.42	0.15	0.00	0.00	0.00	0.00	0.00	0.00
Return on Working Capital	Rs Cr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Annual Fixed Cost

Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year	Total
Return on Equity	Rs Cr	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	**105.60**
Interest on Loan	Rs Cr	2.23	2.01	1.77	1.50	1.23	0.96	0.69	0.42	0.15	0.00	0.00	0.00	0.00	0.00	0.00	**49.08**
Depreciation	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	**90.00**
Annual Fixed Cost	**Rs Cr**	**9.31**	**8.92**	**9.33**	**9.06**	**8.79**	**8.52**	**8.25**	**7.98**	**7.72**	**7.57**	**7.57**	**7.57**	**7.57**	**7.57**	**7.57**	**244.68**

NFA APPROACH

Capital Expenditure												
S.No.	Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
A	Opening GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100
B	Additional Capitalisation	Rs Cr	0	0	0	0	0	0	0	0	0	0
C	Decapitilisation	Rs Cr	0	0	0	0	0	0	0	0	0	0
D	Closing GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100
E	Average GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100

Depreciation												
S.No.	Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
B	Opening Accumulated	Rs Cr	0	5.25	10.19	14.85	19.23	23.36	27.25	30.91	34.36	37.60
C	Balance Dep.	Rs Cr	90.00	84.75	79.81	75.15	70.77	66.64	62.75	59.09	55.64	52.40
D	Depreciation Rate	%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
E	Balance useful life	Years	25	24	23	22	21	20	19	18	17	16
F	Current Year Depreciation	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
G	Closing Accumulated Depreciation	Rs Cr	5.25	10.19	14.85	19.23	23.36	27.25	30.91	34.36	37.60	40.66
H	Average Accumulated Depreciation	Rs Cr	2.63	7.72	12.52	17.04	21.30	25.30	29.08	32.63	35.98	39.13
I	Asset Net of Depreciation	Rs Cr	94.75	89.81	85.15	80.77	76.64	72.75	69.09	65.64	62.40	59.34

Interest on Loan												
S.No.	Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
A	Opening Loan	Rs Cr	70.00	64.75	59.81	55.15	50.77	46.64	42.75	39.09	35.64	32.40
B	Repayment during the year	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
C	Closing Loan	Rs Cr	64.75	59.81	55.15	50.77	46.64	42.75	39.09	35.64	32.40	29.34
D	Average Loan	Rs Cr	67.38	62.28	57.48	52.96	48.70	44.70	40.92	37.37	34.02	30.87

Return on Equity												
S.No.	Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
A	Asset Net of Depreciation	Rs Cr	100.00	89.81	85.15	80.77	76.64	72.75	69.09	65.64	62.40	59.34
B	Average Equity	Rs Cr	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
C	Average Capex loan	Rs Cr	70.00	62.86	59.61	56.54	53.65	50.93	48.36	45.95	43.68	41.54
G	Cost of Debt, Rd	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
H	Rate of Return on Equity, Re	%	16.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
J	Return on Equity	Rs Cr	4.80	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
K	Interest on Loan	Rs Cr	5.39	4.98	4.60	4.24	3.90	3.58	3.27	2.99	2.72	2.47

Annual Fixed Cost _ RoE on NFA Basis												
S.No.	Particulars	UoM	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year	10th Year
A	Return on Equity	Rs Cr	4.80	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
B	Interest on Loan	Rs Cr	5.39	4.98	4.60	4.24	3.90	3.58	3.27	2.99	2.72	2.47
D	Depreciation	Rs Cr	5.25	4.94	4.66	4.38	4.13	3.89	3.66	3.45	3.25	3.06
F	**Annual Fixed Cost**	**Rs Cr**	**15.44**	**14.13**	**13.45**	**12.82**	**12.22**	**11.66**	**11.13**	**10.64**	**10.17**	**9.73**

Capital Expenditure

S.No.	Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
A	Opening GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
B	Additional Capitalisation	Rs Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	Decapitilisation	Rs Cr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	Closing GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
E	Average GFA	Rs Cr	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Depreciation

S.No.	Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
B	Opening Accumulated	Rs Cr	40.66	43.54	46.25	49.61	52.98	56.34	59.71	63.08	66.44	69.81	73.17	76.54	79.90	83.27	86.63
C	Balance Dep.	Rs Cr	49.34	46.46	43.75	40.39	37.02	33.66	30.29	26.92	23.56	20.19	16.83	13.46	10.10	6.73	3.37
D	Depreciation Rate	%	5.83%	5.83%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%
E	Balance useful life	Years	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
F	Current Year Depreciation	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37
G	Closing Accumulated Depreciation	Rs Cr	43.54	46.25	49.61	52.98	56.34	59.71	63.08	66.44	69.81	73.17	76.54	79.90	83.27	86.63	90.00
H	Average Accumulated Depreciation	Rs Cr	42.10	44.89	47.93	51.30	54.66	58.03	61.39	64.76	68.12	71.49	74.85	78.22	81.59	84.95	88.32
I	Asset Net of Depreciation	Rs Cr	56.46	53.75	50.39	47.02	43.66	40.29	36.92	33.56	30.19	26.83	23.46	20.10	16.73	13.37	10.00

Interest on Loan

S.No.	Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
A	Opening Loan	Rs Cr	29.34	26.46	23.75	20.39	17.02	13.66	10.29	6.92	3.56						
B	Repayment during the year	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37						
C	Closing Loan	Rs Cr	26.46	23.75	20.39	17.02	13.66	10.29	6.92	3.56	0.19						
D	Average Loan	Rs Cr	27.90	25.11	22.07	18.70	15.34	11.97	8.61	5.24	1.88						

Return on Equity

S.No.	Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year
A	Asset Net of Depreciation	Rs Cr	56.46	53.75	50.39	47.02	43.66	40.29	36.92	33.56	30.19	26.83	23.46	20.10	16.73	13.37	10.00
B	Average Equity	Rs Cr	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	26.63	23.27	19.90	16.54	13.17	9.81
C	Average Capex loan	Rs Cr	39.52	37.63	35.27	32.92	30.56	28.20	25.85	23.49	21.14	18.78	16.42	14.07	11.71	9.36	7.00
G	Cost of Debt, Rd	%	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
H	Rate of Return on Equity, Re	%	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
J	Return on Equity	Rs Cr	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	3.73	3.26	2.79	2.32	1.84	1.37
K	Interest on Loan	Rs Cr	2.23	2.01	1.77	1.50	1.23	0.96	0.69	0.42	0.15	0.00	0.00	0.00	0.00	0.00	0.00

Annual Fixed Cost _ RoE on NFA Basis

S.No.	Particulars	UoM	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	21st Year	22nd Year	23rd Year	24th Year	25th Year	Total
A	Return on Equity	Rs Cr	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	*3.73*	*3.26*	*2.79*	*2.32*	*1.84*	*1.37*	**95.71**
B	Interest on Loan	Rs Cr	2.23	2.01	1.77	1.50	1.23	0.96	0.69	0.42	0.15	0.00	0.00	0.00	0.00	0.00	0.00	**49.08**
D	Depreciation	Rs Cr	2.88	2.71	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	**90.00**
F	**Annual Fixed Cost**	**Rs Cr**	**9.31**	**8.92**	**9.33**	**9.06**	**8.79**	**8.52**	**8.25**	**7.98**	**7.72**	**7.09**	**6.62**	**6.15**	**5.68**	**5.21**	**4.74**	**234.78**