

## **PFI Comments on PSPCL**

## **True Up of FY 2024-25 & ARR of FY 2026-27**

*Before : Hon'ble Punjab State Electricity Regulatory Commission*

***Public Hearing***

**Power Foundation of India**

**21/01/2026**

## OTHER COMMENTS - UNBUNDLING OF PSPCL

### PFI Observations

- PSPCL is carrying out the activity of BOTH Generation and Distribution having COMMON BOOKS OF ACCOUNTS – EXACT COST CENTRES CANNOT BE ESTABLISHED
- **Objective of Unbundling** - Enhance transparency and accountability, improving performance by addressing the function specific issues, and bringing competition
- Andhra Pradesh & Telangana have further bifurcated DISCOMs into Wheeling and Retail business
- **Section 131 of the Act** mandates reorganization of SEBs inline with the State Govt. transfer scheme
- **Section 42 of the Act** mandates DISCOMs to and Open Access develop and maintain an efficient, co-ordinated & economical distribution system
- **Draft Electricity (Amendment) Bill, 2025 has proposed**

**Bundled activity  
leads to  
determination  
COST and hence  
Tariff in  
non-scientific  
and  
non-transparent  
manner**

# TRUE-UP FY 2024-25

## SUMMARY: Punjab DISCOM's True-Up Petition for FY 2024-25 (Rs. Cr.)

Particulars	Claimed by PSPCL	PFI Working	To be met through Subsidy
Fuel Cost	3,489	3,093	(396)
Power Purchase Cost	29,607	29,264	(343)
Transmission Charges	1,684	1,684	0
Employee Expenses	7,071	3,487	(3,224)
R&M Expenses	884	492	(392)
Interest on Loan	941	633	(309)
Others + Prior Period impact	4,482	4,482	0
ARR	<b>48,159</b>	<b>43,495</b>	<b>(4,664)</b>
NTI	1,051	1,051	0
Net ARR	<b>47,108</b>	<b>42,444</b>	<b>(4,664)</b>
Revenue	47,771	50,099	(2,328)
Revenue (Gap)/Surplus	<b>663</b>	<b>7,655</b>	<b>(6,992)</b>

**PFI PROPOSED  
REVENUE  
SURPLUS OF  
RS. 7,655 CR.  
AS AGAINST  
RS. 665 CR.  
CLAIMED BY  
PSPCL**

# TRUE-UP FY 2024-25

## A. HIGHER DISTRIBUTION LOSS

### DISCOM Claim

Distribution Loss of **13.12%**

### PFI Observations

- PSERC to approve Distribution Loss as per target : **12.10%**
- The loss claimed by PSPCL is **higher than the approved target**, leading to excess energy procurement and higher power purchase cost

Table 8: Distribution loss trajectory provisionally approved by the Commission

Sr. No.	Particulars	FY 2023-24	FY 2024-25	FY 2025-26
1.	<b>Distribution loss trajectory* (%)</b>	12.30%	12.10%	11.90%

\*The distribution loss trajectory shall be subject to revision based on actual figures for FY 2022-23 true up but will not be considered if higher than the approved trajectory. Also, the reduction trajectory of 0.20% shall remain the minimum benchmark subject to actual during true up if achievement is better than 0.20%.

### PFI Remarks

- DISCOM should **consider the normative distribution loss** as approved by the Commission.
- Excess power purchase cost of **₹343 Cr** attributable to higher losses should be borne by the Government of Punjab as subsidy and not passed on to consumers.

# TRUE-UP FY 2024-25

## B. COLLECTION EFFICIENCY

### DISCOM Claim

Audited Accounts, **Collection Efficiency : 92%**

Particulars	UoM	Value
Revenue from Sale of Power	Rs. Cr.	26,539
Revenue from outside state sale	Rs. Cr.	540
Pending dues of Govt. departments	Rs. Cr.	2,328
Subsidy amount	Rs. Cr.	20,799
Less: Impact of True-up of FY 2023-24	Rs. Cr.	93
Less: GST on meter rent for FY 2024-25	Rs. Cr.	13
Subsidy amount considered against revenue	Rs. Cr.	20,693
Total Revenue	Rs. Cr.	50,099

### PFI Observations

- National Average Collection Efficiency- 96.51%.**
- Delay in disbursement of **Govt. subsidy of ₹3,907 Cr.** and pending dues from **Govt. dept. of ₹2,328 Cr.** for FY 2024-25, has resulted in lower collection efficiency.

### PFI Remarks

- Pending Government department **dues of ₹2,328 Cr** should be considered **additional to the revenue from sale of energy.**
- The shortfall arising due to delayed subsidy release should be **borne by the Government of Punjab** and not loaded onto consumer tariffs.

# TRUE-UP FY 2024-25

## C. EMPLOYEE EXPENSES

DISCOM Claim
Employee expenses of <b>₹7,071 Cr.</b>

Particulars	UoM	Values
Avg. employee expense per unit sold for FY 2024-25	Paisa/kWh	4.36
Sales Proposed by PSPCL	MU	65,449
<b>Employee expenses as per PFI</b>	<b>Rs. Cr.</b>	<b>2,851</b>

PFI Observations
<ul style="list-style-type: none"> <li><b>Employee expenses claimed by PSPCL are very high.</b></li> <li>PFI analysed the Employee Expenses of Haryana &amp; Uttar Pradesh. PFI propose Employee Expense as avg. of employee expenses per unit sold of UHBVNL, DHBVNL &amp; DVVNL as <b>₹2,851 Cr.</b></li> </ul>

PFI Remarks
<ul style="list-style-type: none"> <li>Employee Expenses should be restricted to ₹2,851 Cr.</li> <li>Excess Employee expenses of <b>₹3,224 Cr</b> should be borne by the State Government <b>as subsidy</b> and not passed on to consumers.</li> </ul>

# Employee Expenses Analysis

O&M Benchmarking	True-up FY 2022-23				True-up FY 2023-24				True-up FY 2024-25			
	Punjab	Haryana		UP	Punjab	Haryana		UP	Punjab	Haryana		UP
Particulars	PSPCL (Dist.)	UHBVNL	DHBVNL	DVVNL	PSPCL (Dist.)	UHBVNL	DHBVNL	DVVNL	PSPCL (Dist.)	UHBVNL	DHBVNL	DVVNL
Employee Expenses	5929	1401	1683	567	6102	1,307	1723	379	6075	1586	1862	Petition not filed
R&M Expenses	287	94	131	542	356	173	196	583	445	172	222	
A&G Expenses	202	113	146	131	173	203	204	130	223	229	196	
<b>O&amp;M Expenses</b>	<b>6419</b>	<b>1607</b>	<b>1959</b>	<b>1239</b>	<b>6631</b>	<b>1683</b>	<b>2123</b>	<b>1092</b>	<b>6743</b>	<b>1986</b>	<b>2280</b>	
Sales	59301	21655	31008	22194	61122	22,301	31957	24,166	65449	25200	35779	
No. of Consumers ('000)	10514	3552	4113	6430	10748	3724	4258	6,205	11270	3771	4394	
<b>Employee Expenses (paise per unit)</b>	<b>10.0</b>	<b>6.5</b>	<b>5.4</b>	<b>2.6</b>	<b>10.0</b>	<b>5.9</b>	<b>5.4</b>	<b>1.6</b>	<b>9.3</b>	<b>6.3</b>	<b>5.2</b>	
R&M Expenses (paise per unit)	0.5	0.4	0.4	2.4	0.6	0.8	0.6	2.4	0.7	0.7	0.6	
A&G Expenses (paise per unit)	0.3	0.5	0.5	0.6	0.3	0.9	0.6	0.5	0.3	0.9	0.5	
O&M Expenses (paise per unit)	10.8	7.4	6.3	5.6	10.8	7.5	6.6	4.5	10.3	7.9	6.4	
<b>Employee Expenses (paise per thousand consumers)</b>	<b>56.4</b>	<b>39.4</b>	<b>40.9</b>	<b>8.8</b>	<b>56.8</b>	<b>35.1</b>	<b>40.5</b>	<b>6.1</b>	<b>53.9</b>	<b>42.0</b>	<b>42.4</b>	
R&M Expenses (paise per thousand consumers)	2.7	2.6	3.2	8.4	3.3	4.7	4.6	9.4	3.9	4.6	5.0	
A&G Expenses (paise per thousand consumers)	1.9	3.2	3.5	2.0	1.6	5.4	4.8	2.1	2.0	6.1	4.5	
O&M Expenses (paise per thousand consumers)	61.1	45.3	47.6	19.3	61.7	45.2	49.9	17.6	59.8	52.7	51.9	

# TRUE-UP FY 2024-25

## D. REPAIR AND MAINTENANCE EXPENSES

### DISCOM Claim

R&M expenses of **₹884 Cr**

Sr. No.	Particulars	Gen	Distribution	PSPCL
1	Opening GFA (including Bhakra Beas Management Board (BBMB))	20789	34403	55191
2	Net Addition during the Year	53	1528	1581
3	Closing GFA	20842	35931	56772
4	Average GFA (including BBMB)	20815	35167	55982
5	Average GFA of BBMB	722	0	722
6	Average GFA (Excluding BBMB)	20093	35167	55260
7	'K' factor	0.70%	1.01%	
8	Escalation factor	99.27%	99.27%	
<b>9</b>	<b>R&amp;M Expenses</b>	<b>139</b>	<b>353</b>	<b>492</b>

### PFI Observations

- R&M expenses claimed are **not in line with the normative norms**
- Allowable R&M expenses as per norms work out to **₹492 Cr.**

### PFI Remarks

- R&M expenses should be restricted to ₹492 Cr as per approved norms.
- Excess R&M expenses of **₹392 Cr** should be borne by the State Government **as subsidy** and not passed on to consumers.

# TRUE-UP FY 2024-25

## E. INTEREST ON LOAN

### DISCOM Claim

Claimed Interest on Loan of **₹1,758 Cr**, after considering Capitalisation of Shahpur Kandi Project, and Interest on GPF.

#### PFI Observations

- Shahpur Kandi Project is **under construction** and has not achieved COD; hence **capitalisation is not admissible**.
- The Commission has already **disallowed interest on GPF** in the Tariff Order for FY 2025-26 as they are Penal in nature.
- Interest on Loan admissible works out to **₹1,291 Cr**.

#### PFI Remarks

- Interest on Loan should be allowed at **₹1,291 Cr**.
- Excess interest cost of **₹467 Cr** should be borne by the Government of Punjab as subsidy.

# TRUE-UP FY 2024-25

## F. NORMS OF OPERATION OF GENERATING STATIONS

### DISCOM Claim

Claimed fuel cost based on **actual operational performance parameters** of GGSSTP & GHTP.

Particulars	Unit	GGSSTP (Approved)	GGSSTP (Actual)	GHTP (Approved)	GHTP (Actual)
Auxiliary Consumption	%	8.50	9.51	8.50	8.49
Station Heat Rate	kCal/kWh	2,415	2,740	U1-3: 2,415 / U4: 2,387	2,586
Secondary Fuel Oil	ml/kWh	0.5	1.05	0.5	0.31
Transit Loss	%	0.8	0.73	0.8	-0.93

### PFI Observations

- PSERC to approve normative Operational Performance Parameters as per target
- Fuel cost claimed is **₹3,489 Cr** against normative fuel cost of **₹3,093 Cr**.

### PFI Remarks

- Operational norms as specified by the Commission / CERC Regulations should be strictly applied.
- Fuel cost** should be allowed at **₹3,093 Cr** and excess fuel cost of **₹396 Cr** should be borne by the Government of Punjab as subsidy.

# ARR PETITION FY 2026- 27

# NON-COMPLIANCE OF RESOURCE ADEQUACY REGULATIONS

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- Hon'ble Commission issued **Resource Adequacy Regulations, 2024** and directed PSPCL
  - **To project / do demand forecasting on hourly or sub-hourly basis**
  - to utilize state-of-the-art tools, scientific and mathematical methodologies
  - to do power procurement planning for Long-term & medium-term
  - Ensure optimal procurement generation resource mix, etc.
- It is observed that, **PSPCL have neither complied with the Resource Adequacy Regulations** nor considered CEA Resource Adequacy Plan while projecting Sales and Power Procurement for FY 2026-27.
- MP-DISCOMs ARR Petition has projected Sales, Source-wise Power availability, surplus power and revenue from sale of surplus power on **hourly basis**.

# MP- DISCOMs – HOURLY Sales Projection & Power Availability

## Hourly Demand Projections of FY 2026-27 (MU)

Hourly Actual Schedule (MUs)													
Existing ToD	Dates /Hours	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	332.38	358.05	330.21	308.22	298.17	297.52	321.74	341.77	320.74	324.44	338.75	345.25
	01-02	327.60	351.90	323.35	304.28	294.14	293.82	316.57	328.37	308.57	317.43	331.11	335.52
	02-03	318.59	343.70	317.11	299.89	289.63	289.42	310.47	323.25	300.31	311.30	325.51	324.42
	03-04	315.02	338.54	312.11	297.29	287.24	287.86	309.80	328.52	305.80	315.45	329.60	325.78
	04-05	311.80	334.22	308.31	295.77	286.79	287.49	311.01	331.89	310.66	315.21	328.17	330.31
	05-06	315.97	338.12	314.20	304.67	296.51	296.94	323.76	342.47	328.04	326.09	330.91	339.32
Morning Peak	06-07	338.33	347.15	324.15	326.30	324.41	324.38	359.20	398.58	394.54	385.77	375.80	382.63
	07-08	347.76	345.34	320.67	329.57	334.88	337.45	379.41	451.72	474.26	471.21	429.19	409.18
	08-09	340.53	335.68	309.22	322.41	331.35	331.25	374.84	473.11	509.15	508.35	451.09	409.03
Off Peak/ Solar Hours	09-10	335.71	332.96	304.41	314.39	321.85	319.48	365.61	483.07	525.66	528.13	463.26	402.91
	10-11	332.18	337.46	306.02	305.05	310.97	308.94	356.00	479.30	520.88	536.84	472.24	390.37
	11-12	333.37	351.28	316.62	301.63	304.07	304.19	352.89	468.91	505.47	528.76	464.89	368.24
	12-13	331.38	357.23	323.58	296.59	294.91	295.66	343.82	458.68	492.41	513.77	450.69	345.68
	13-14	332.11	361.64	328.09	293.83	290.17	294.67	343.96	461.73	491.79	510.84	448.61	336.80
	14-15	335.99	365.40	331.02	295.92	290.07	294.79	346.79	457.34	481.58	499.90	440.74	331.37
Evening Peak	15-16	338.97	366.88	328.13	297.63	291.21	293.80	346.55	456.12	482.01	497.00	443.05	337.99
	16-17	328.75	347.97	313.71	295.04	290.44	291.34	342.48	448.25	477.70	487.26	429.54	340.79
	17-18	312.38	319.80	296.05	296.75	296.48	296.86	349.61	434.65	465.29	469.62	408.85	342.95
	18-19	311.19	311.81	293.02	302.55	310.30	317.15	369.51	404.95	430.80	442.98	384.50	344.36
	19-20	330.46	336.11	314.51	318.33	328.08	326.82	358.24	368.96	395.54	412.19	365.81	354.08
Off Peak Night	20-21	318.43	333.82	319.07	313.05	312.77	306.53	328.53	322.86	344.17	367.40	324.99	325.16
	21-22	314.99	333.75	317.40	306.15	303.38	298.24	318.13	307.71	312.23	333.49	306.71	312.48
	22-23	334.24	355.03	328.38	311.89	304.70	300.96	323.84	336.85	325.47	341.00	335.67	341.69
	23-24	340.16	362.36	331.44	312.94	302.51	300.28	324.53	346.98	326.44	336.34	344.84	349.98

## Hourly Availability Projections of FY 2026-27 (MU)

Hourly Actual Schedule (MUs)													
Existing ToD	Dates /Hours	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	350.87	370.16	344.63	313.57	329.78	330.10	385.17	368.60	384.26	399.26	354.01	375.33
	01-02	350.63	369.69	346.49	314.19	330.77	329.71	384.87	368.97	384.09	400.97	354.85	376.75
	02-03	351.22	371.29	352.93	315.55	324.16	330.32	385.71	370.64	378.24	395.65	356.59	377.61
	03-04	353.04	372.85	353.92	325.34	333.70	331.72	387.45	372.89	381.89	398.07	358.78	379.56
	04-05	355.02	374.46	356.25	327.41	347.63	343.84	388.36	375.50	389.03	398.20	360.49	380.89
	05-06	365.31	383.91	369.73	333.12	361.89	357.41	409.42	406.38	415.68	423.46	383.49	398.59
Morning Peak	06-07	400.23	415.09	393.48	358.57	380.68	379.86	429.42	437.35	472.32	480.17	431.71	444.93
	07-08	438.34	453.08	434.44	391.48	421.70	423.47	469.23	487.97	552.44	559.67	511.08	504.26
	08-09	463.99	489.76	462.89	418.57	448.74	450.47	499.27	529.25	589.02	600.60	552.21	552.04
Off Peak/ Solar Hours	09-10	485.16	501.53	482.11	447.82	464.04	464.02	527.94	557.70	612.76	625.76	575.93	580.17
	10-11	486.08	503.14	475.36	431.72	482.82	483.19	533.68	533.19	589.00	611.19	567.50	578.78
	11-12	501.02	522.22	492.63	448.56	499.77	502.73	549.83	550.10	606.73	626.65	591.05	606.42
	12-13	498.75	517.79	492.37	450.18	498.19	497.28	548.58	548.89	605.37	621.73	589.62	605.60
	13-14	498.56	511.62	486.65	446.05	486.18	489.19	537.76	538.32	598.77	617.52	582.56	592.01
	14-15	481.53	493.16	470.32	431.99	476.12	478.78	522.17	526.13	579.37	600.98	571.32	579.50
Evening Peak	15-16	454.98	480.07	443.89	407.00	462.39	452.60	491.28	491.99	546.21	567.94	528.20	538.12
	16-17	443.53	464.63	447.15	406.53	437.06	433.81	465.77	498.36	560.23	576.79	526.22	518.64
	17-18	403.39	425.69	410.77	369.41	401.95	391.62	431.66	465.67	524.52	527.77	478.32	458.32
	18-19	377.37	395.32	391.62	347.84	373.85	366.92	415.48	428.59	481.94	486.96	429.73	410.11
Off Peak Night	19-20	371.83	386.33	362.50	329.74	360.04	342.89	406.97	432.78	439.49	391.36	401.02	
	20-21	369.83	388.45	365.23	331.02	341.72	344.05	388.04	374.42	403.16	416.85	381.35	395.98
	21-22	360.10	379.92	354.68	331.17	339.49	342.34	393.42	367.87	397.76	402.16	362.46	384.16
	22-23	358.60	379.26	353.94	328.98	345.97	342.52	392.90	377.55	396.64	400.36	361.80	383.41
	23-24	357.27	377.18	351.51	326.98	344.19	351.56	390.84	376.00	394.01	396.88	359.49	381.81

## Projection of Hourly Scheduling of Solar, Wind, other RE & Thermal Energy

### Solar Energy

Hourly Schedule Summary (MUs)													
Existing ToD	Dates /Hours	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	01-02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	02-03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	03-04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	04-05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	05-06	1.94	1.99	1.89	1.97	1.93	2.00	2.21	2.19	2.28	2.28	2.59	2.79
Morning Peak	06-07	25.34	27.98	22.79	23.74	17.37	18.12	13.41	9.13	7.37	7.39	24.17	33.70
	07-08	64.48	66.13	63.00	57.51	56.46	58.80	57.58	48.93	54.53	54.91	79.54	85.75
	08-09	97.83	104.47	91.86	85.53	84.02	87.32	90.87	94.97	105.65	109.03	132.78	142.67
	09-10	123.40	120.59	115.08	117.72	113.56	115.94	124.19	129.24	149.10	152.51	169.42	176.57
	10-11	142.99	142.73	128.40	127.51	133.42	136.62	148.66	149.76	173.88	184.62	201.62	210.19
	11-12	158.77	162.95	147.78	147.64	151.33	157.38	166.42	170.16	195.89	204.26	228.37	241.27
Off Peak/Solar Hours	12-13	158.75	162.84	149.69	151.66	153.27	155.21	168.67	172.48	198.46	204.49	231.15	244.11
	13-14	158.75	158.72	145.77	149.57	143.21	148.97	159.75	163.49	193.66	202.11	225.90	235.66
	14-15	140.98	138.39	128.24	133.38	131.30	136.56	141.93	147.59	169.26	182.45	212.38	218.69
	15-16	113.41	110.19	101.17	107.14	115.41	107.55	104.34	106.56	127.28	142.90	163.89	173.38
	16-17	84.03	84.07	78.25	81.30	77.95	76.94	64.09	67.47	77.90	88.67	113.53	122.79
	17-18	40.94	43.92	41.82	43.41	42.65	34.09	26.45	28.07	31.52	31.71	57.09	60.12
Evening Peak	18-19	9.73	11.95	20.93	19.67	13.46	7.95	6.62	4.56	5.03	5.05	5.68	5.73
	19-20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	20-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	21-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	22-23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	23-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### Wind Energy

Hourly Schedule Summary (MUs)													
Existing ToD	Dates /Hours	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	19.77	26.11	26.27	25.97	23.07	19.43	18.69	14.18	13.03	13.02	13.33	16.83
	01-02	21.36	27.69	28.53	28.32	24.57	20.87	19.54	15.02	13.90	13.89	14.12	18.51
	02-03	23.73	30.13	30.53	29.90	25.99	22.78	21.24	16.69	15.64	15.63	15.69	20.19
	03-04	25.32	31.76	32.05	32.30	28.19	24.26	22.94	18.35	17.38	17.36	17.25	21.88
	04-05	26.91	33.40	34.36	33.93	29.83	25.82	23.79	20.02	19.11	19.10	18.82	23.56
	05-06	28.52	35.10	36.41	35.63	32.25	28.06	25.49	21.66	20.82	21.68	20.36	25.25
Morning Peak	06-07	30.20	36.84	37.31	37.38	33.16	29.04	27.19	24.49	24.29	26.17	22.84	27.06
	07-08	28.69	35.31	36.69	35.88	32.59	28.48	25.49	23.29	23.93	24.79	22.32	25.68
	08-09	27.15	33.76	35.24	34.34	31.12	26.97	23.79	21.35	21.76	21.67	20.43	23.95
	09-10	23.98	30.48	31.38	31.15	27.99	23.93	21.24	17.72	17.43	17.36	16.72	20.52
	10-11	21.58	28.02	29.79	29.47	26.45	22.44	19.54	15.91	15.44	15.36	14.95	18.77
	11-12	20.00	26.38	27.48	27.05	24.89	20.94	18.69	14.99	14.43	14.35	14.08	17.06
Off Peak/Solar Hours	12-13	17.60	23.89	25.13	24.59	22.48	18.61	16.14	12.35	11.54	11.49	11.59	14.50
	13-14	16.00	22.23	23.55	22.93	20.85	17.04	14.44	10.60	9.63	9.59	9.95	12.79
	14-15	17.58	23.83	25.06	24.53	22.42	18.56	16.14	12.39	11.61	11.54	11.62	14.50
	15-16	19.94	26.28	27.33	26.88	24.77	20.81	18.69	15.12	14.64	14.54	14.21	17.06
	16-17	21.52	27.89	29.67	29.31	26.28	22.29	19.54	16.09	15.96	15.86	15.40	18.82
	17-18	23.84	30.26	31.09	30.79	27.72	23.67	21.24	17.99	18.18	18.03	17.31	20.55
Evening Peak	18-19	25.38	31.80	32.57	32.33	29.16	25.13	22.94	19.19	19.26	19.14	18.87	22.29
	19-20	26.95	33.32	33.82	33.87	30.49	26.72	23.79	20.13	19.26	19.25	18.97	23.65
	20-21	28.53	34.96	35.35	35.49	31.37	27.38	25.49	21.69	20.83	21.68	20.36	25.25
	21-22	30.08	36.58	36.02	36.95	31.99	28.00	27.19	23.36	22.57	24.30	21.95	26.94
	22-23	28.49	35.00	35.26	35.33	31.29	27.27	25.49	21.69	20.84	21.70	20.38	25.25
	23-24	26.91	33.36	33.73	33.72	29.75	25.87	23.79	20.02	19.10	19.10	18.82	23.56

### Other Must Run Energy

Existing ToD	Dates /Hours	Apr-26	May-26	Jun-26	Jul-26	Aug-2	Sep-2	Oct-2	Nov-2	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	279.66	296.45	271.73	239.92	201.13	205.63	249.24	288.93	265.55	260.72	288.27	292.02
	01-02	274.71	289.82	262.89	235.27	196.11	200.77	243.84	275.32	253.26	253.21	279.91	281.07
	02-03	264.88	280.03	254.55	229.33	197.62	200.48	236.73	268.97	250.88	253.82	273.00	268.99
	03-04	259.81	273.56	248.29	223.31	191.35	197.55	234.41	272.58	252.82	256.16	275.42	268.77
	04-05	254.74	267.45	242.22	219.94	177.97	184.69	234.60	273.35	250.17	254.04	272.02	271.36
	05-06	249.30	262.77	239.26	224.48	180.56	186.98	226.51	252.47	240.53	238.69	250.29	262.73
Morning Peak	06-07	237.98	242.22	226.46	221.17	191.12	194.45	242.69	293.69	276.40	267.66	259.64	261.26
	07-08	210.32	203.80	183.16	192.43	162.36	165.92	222.95	304.59	300.32	297.65	250.83	233.69
	08-09	177.68	158.00	144.67	158.71	133.01	133.21	188.03	280.09	294.85	291.08	228.31	185.34
	09-10	151.63	143.40	121.03	121.99	108.74	108.32	149.77	262.36	279.84	277.75	210.80	150.85
	10-11	146.81	145.69	129.02	128.47	97.95	79.71	134.52	282.30	297.90	299.26	226.47	139.28
	11-12	133.38	140.56	122.60	107.73	56.44	55.80	115.05	254.49	263.54	274.90	194.81	88.74
Off Peak/Solar Hours	12-13	134.08	149.46	129.77	101.21	47.89	52.36	106.89	245.85	251.59	265.18	181.96	65.87
	13-14	136.39	159.68	139.54	102.30	54.95	59.03	117.33	259.54	258.02	267.51	187.09	68.24
	14-15	156.53	182.26	158.68	118.79	65.09	69.90	135.87	268.50	270.10	274.76	191.28	77.51
	15-16	184.78	195.94	181.16	144.44	79.85	94.74	167.14	303.16	306.61	306.99	238.41	125.98
	16-17	185.12	191.91	16									

## Projection of Hourly Surplus Energy, Market Rate and Revenue

### Surplus/(Deficit) Energy at normative loss level

### Assumed Market Rate (Rs./kWh)

Existing ToD	Dates/Hour s	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	21	14	17	7	33	35	66	29	65	77	17	32
	01-02	25	20	25	12	38	38	70	43	77	86	26	43
	02-03	35	30	38	18	36	43	77	49	80	87	33	55
	03-04	40	37	44	30	48	46	80	46	78	85	31	56
	04-05	45	42	50	34	63	59	79	46	80	85	34	53
	05-06	51	48	58	30	67	63	88	66	90	100	55	62
Morning Peak	06-07	64	70	72	34	58	58	72	41	80	97	58	65
	07-08	93	110	116	64	89	88	92	38	80	91	84	97
	08-09	126	156	156	98	119	121	127	58	82	94	103	145
	09-10	152	171	180	135	144	147	164	77	89	100	115	179
Off Peak/Solar Hours	10-11	156	168	171	129	174	176	180	56	70	77	97	191
	11-12	170	173	178	149	198	201	199	83	103	100	128	240
	12-13	169	163	171	155	205	204	207	92	115	110	141	262
	13-14	169	152	161	154	198	197	196	79	109	109	136	257
	14-15	148	130	141	138	188	186	178	71	100	103	133	250
	15-16	118	115	118	111	173	161	147	38	66	73	87	202
Evening Peak	16-17	117	119	136	113	148	145	125	52	84	92	99	180
	17-18	93	108	117	75	107	97	84	33	61	60	71	118
	18-19	68	86	101	47	65	52	48	26	53	46	47	68
	19-20	43	52	50	13	34	45	57	40	39	30	28	49
	20-21	53	57	48	20	31	40	62	54	61	52	58	73
	21-22	47	48	39	27	38	46	77	62	87	71	58	74
Off Peak Night	22-23	26	26	28	19	43	44	71	43	73	62	28	44
	23-24	19	17	22	16	43	53	68	31	69	63	17	34

Existing ToD	Dates/Hour s	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	7.31	6.15	6.00	5.24	4.25	3.92	5.06	2.80	2.37	2.53	3.11	4.49
	01-02	6.60	5.15	5.25	4.37	3.83	3.31	3.91	2.65	2.28	2.38	3.09	4.29
	02-03	5.60	4.69	4.52	4.01	3.61	3.12	3.56	2.62	2.20	2.29	3.01	3.88
	03-04	5.10	3.86	4.19	3.79	3.53	2.97	3.32	2.59	2.20	2.27	2.97	3.71
	04-05	5.18	3.79	3.55	3.73	3.44	2.90	3.20	2.62	2.28	2.38	3.05	3.90
	05-06	5.84	3.53	3.28	4.38	3.76	3.20	3.38	2.86	2.82	2.92	3.49	4.54
Morning Peak	06-07	6.69	3.54	3.32	4.49	4.32	3.79	3.53	3.39	3.75	4.12	5.95	6.17
	07-08	4.07	2.51	2.57	3.33	3.48	3.03	3.42	3.93	6.20	8.40	9.25	6.01
	08-09	2.62	1.60	1.90	2.71	2.58	1.88	2.98	3.60	7.03	9.15	7.35	3.63
	09-10	2.21	1.46	1.66	2.43	2.03	1.53	2.62	3.22	6.05	7.78	5.79	3.39
	10-11	1.94	1.36	1.49	2.11	1.63	1.35	2.25	2.55	4.01	4.44	3.66	2.91
	11-12	1.92	1.41	1.53	2.04	1.59	1.35	2.12	2.22	3.19	3.42	3.35	2.74
Off Peak/Solar Hours	12-13	1.88	1.46	1.55	1.96	1.49	1.40	2.05	1.96	2.78	3.07	3.12	2.56
	13-14	1.85	1.45	1.54	1.88	1.42	1.28	2.05	1.85	2.51	2.69	2.78	2.38
	14-15	2.23	1.97	1.87	2.21	1.77	1.54	2.60	2.38	2.84	2.98	2.85	2.58
	15-16	2.73	2.46	2.20	2.62	2.27	1.87	3.04	2.92	3.22	3.22	3.15	2.94
	16-17	3.11	2.77	2.61	2.87	2.80	2.37	3.49	3.68	4.20	4.04	3.65	3.49
	17-18	3.71	3.17	2.99	3.15	3.26	3.17	4.89	7.40	8.28	6.80	4.76	3.73
Evening Peak	18-19	6.52	3.89	3.51	4.22	5.10	5.90	8.03	8.30	8.96	9.57	8.40	6.59
	19-20	9.05	6.40	6.10	7.76	8.64	8.83	6.80	4.25	4.92	7.91	7.72	8.63
	20-21	8.81	7.10	6.85	8.53	8.71	8.11	5.55	3.58	3.51	4.45	4.18	7.52
	21-22	8.30	7.74	7.99	8.51	8.62	6.67	5.50	3.31	3.14	3.51	3.77	5.56
	22-23	8.14	8.92	8.56	8.58	8.27	6.34	5.34	3.03	2.72	3.00	3.36	5.68
	23-24	8.17	8.89	8.03	7.83	6.67	5.39	5.28	2.86	2.61	2.78	3.04	5.13

Existing ToD	Dates/Hour s	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	-	-	-	-	1	-	45	-	-	-	-	-
	01-02	-	-	-	-	-	34	-	-	-	-	-	-
	02-03	-	-	-	-	-	39	-	-	-	-	-	-
	03-04	1	-	-	-	8	-	23	-	-	-	-	-
	04-05	7	-	-	-	11	-	20	-	-	-	-	-
	05-06	16	-	-	-	27	6	32	-	-	-	1	-
Morning Peak	06-07	26	-	-	-	23	14	32	-	13	48	6	1
	07-08	43	-	5	-	41	23	37	-	29	47	25	29
	08-09	13	-	17	-	37	10	58	-	27	47	41	53
	09-10	28	-	30	31	31	19	68	-	32	50	51	69
	10-11	13	-	6	12	51	11	68	-	22	11	11	57
	11-12	26	-	22	24	49	10	74	-	5	20	20	97
Off Peak/Solar Hours	12-13	27	-	25	30	7	10	63	-	2	27	100	-
	13-14	26	-	15	29	7	10	63	-	-	2	95	-
	14-15	27	-	0	29	51	48	74	-	-	4	100	-
	15-16	13	-	-	13	76	40	80	-	-	-	78	-
	16-17	32	-	26	26	68	53	83	-	20	32	17	96
	17-18	39	3	35	-	50	35	62	3	11	16	12	38
Evening Peak	18-19	33	12	44	-	39	26	29	-	7	5	-	11
	19-20	6	-	14	-	9	18	38	2	-	-	-	-
	20-21	17	-	11	-	7	15	45	7	-	14	4	19
	21-22	11	-	3	-	15	22	61	-	12	-	-	22
	22-23	-	-	-	-	20	19	54	-	-	-	-	-
	23-24	-	-	-	-	21	29	52	-	-	-	-	-

Existing ToD	Dates/Hour s	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Off Peak Night	00-01	-	-	-	-	-	-	1	-	23	-	-	-
	01-02	-	-	-	-	-	-	-	-	13	-	-	-
	02-03	-	-	-	-	-	-	-	-	14	-	-	-
	03-04	1	-	-	-	-	-	3	-	8	-	-	-
	04-05	4	-	-	-	-	-	4	-	7	-	-	-
	05-06	9	-	-	-	-	-	10	2	11	-	-	1
Morning Peak	06-07	17	-	-	-	-	-	10	5	11	-	5	20
	07-08	18	-	-	1	-	-	14	7	13	-	18	39
	08-09	3	-	-	3	-	-	9	2	17	-	19	43
	09-10	6	-	-	5	-	-	6	3	18	-	20	39
	10-11	2	-	-	1	2	-	8	1	15	-	10	4
	11-12	5	-	-	3	5							

## NFA approach for Return on Equity... (1/4)

- Sub-Section (d) of Section 61 of the Act focus on “**safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner**”
- *SERCs Tariff Regulations allows to recover cost of the asset for 25 years and allows split of Capital Cost into 70 : 30 :: Debt : Equity.* The treatment is as follows:

### For 1<sup>st</sup> 12 years

- Loan Repayment linked to Depreciation and it's Interest portion is allowed as separate line item in Fixed Cost.
- Return on Equity without depreciating the equity base

### Balance Useful Life of 13 years

- **Loan has been fully repaid whose principal re-payment was linked to Depreciation.**
- **Depreciation is still allowed as an expense till 25 years but Equity Base is not reduced.**
- Till 100% Loan repayment, Depreciation used to reduce the Loan Base, 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.
- **After 12 years, RoE should be allowed on Net Fixed Asset basis and Equity Base should be reduced by Depreciation**
- **NFA approach already adopted by DERC, GERC, APERC, etc.**

# GFA Approach

## 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
Decapitalisation	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

## 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
Decapitalisation	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	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

## 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	23.58	20.19	16.88	13.46	10.10	6.73	3.37
Depreciation Rate %		5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%	5.83%
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	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

## 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	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

## 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	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	244.88

# 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	Decapitalisation	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 Depreciation	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%	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	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	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
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	Decapitalisation	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	11th Year	12th Year	13th Year	14th Year	15th Year	16th Year	17th Year	18th Year	19th Year	20th Year	
B	Opening Accumulated Depreciation	Rs Cr	40.66	43.54	46.25	49.61	52.98	56.34	59.71	63.08	66.44	69.81	73.17
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
D	Depreciation Rate %	5.83%	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	15	14	13	12	11	10	9	8	7	6	5	
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
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
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
I	Asset Net of Depreciation	Rs Cr	56.46	53.75	50.39	47.02	43.65	40.29	36.92	33.56	30.19	26.83	23.27

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	
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			
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	
A	Asset Net of Depreciation	Rs Cr	56.46	53.75	50.39	47.02	43.65	40.29	36.92	33.56	30.19	26.83	23.46
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	26.63
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
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	
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	
J	Return on Equity	Rs Cr	4.20	4.20	4.20								

## NFA approach for Return on Equity... (2/4)

- GFA approach leads DISCOMs to earn return on depreciated assets. 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.
- PFI analyzed the GFA vs NFA approach by considering an example of Rs. 100 investment with useful life of 25 years, cost of Debt as 8% & Return on Equity as 16%. Fixed cost to be passed on to consumers during the useful life of asset is as follows:

Particulars	Under GFA Approach	Under NFA approach
RoE	106	96
Interest on Loan	49	49
Depreciation	90	90
<b>Total (Rs. Cr.)</b>	<b>245</b>	<b>235</b>

## SUMMARY: Punjab DISCOM's ARR Petition for FY 2026-27 (Rs. Cr.)

Particulars	Claimed by PSPCL	To be allowed	Variation
<b>Fuel Cost</b>	4,066	3,401	(665)
<b>Power Purchase Cost</b>	32,122	31,477	(645)
<b>Transmission Charges</b>	3,817	3,817	0
<b>Interest on Loan</b>	1,021	840	(180)
<b>Interest on Working Capital</b>	391	817	426
<b>Employee Expenses</b>	7,881	3,672	(4,210)
<b>Others</b>	4,118	4,118	0
<b>ARR</b>	<b>53,416</b>	<b>48,141</b>	<b>(5,274)</b>
<b>NTI</b>	1,051	1,051	0
<b>Net ARR</b>	<b>52,365</b>	<b>47,090</b>	<b>(5,274)</b>
<b>Revenue</b>	53,850	53,264	(586)
<b>Revenue (Gap)/Surplus</b>	1,485	6,174	4,689

PFI Proposed Revenue Surplus of **Rs. 6,174 Cr.** as against **Rs. 1,485 Cr.** Claimed by PSPCL for FY 2026-27.

# ARR PETITION FOR FY 2026-27

## A. UNMETERED SALES

### DISCOM claim

Projected 6% growth in Agricultural Pump sets sales

Particulars	Projected by PSPCL	Proposed by PFI	Difference
CAGR Growth	6%	3.20%	(2.8%)
Unmetered AP Sales (MU)	16,790	15,916	(874)
<b>Total Sales (MU)</b>	<b>74,308</b>	<b>73,434</b>	<b>(874)</b>

### PFI Observations

AP consumption continues to be largely unmetered despite repeated Commission direction of 100% metering.

### PFI Remarks

- PFI proposed to consider Agri sales as 15,916 MU and proposed an action plan to meter unmetered sales in next 5 years

## PFI action plan

- PFI has proposed an action plan under which all the unmetered AP consumers will be metered within next 5 years

Particulars		FY 2024-25 *	FY 2025-26 **	CAGR Growth- 5 yr (FY 2024-25 vs FY 2019-20)	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Claimed by PSPCL	Unmetered AP Sale	14,818	15,411		16649	17648	18707		
	Metered AP Sale	125	131		141	149	158		
	<b>Total</b>	<b>14,943</b>	<b>15,542</b>		<b>16790</b>	<b>17797</b>	<b>18865</b>		
Approve d by PSERC	Unmetered AP Sale	14,818	15,411	<b>2.38%</b>	12,623	9,693	6,616	3,387	-
	Metered AP Sale	125	131	<b>4.97%</b>	3,293	6,687	10,328	14,228	18,402
	<b>Total</b>	<b>14,943</b>	<b>15,542</b>	<b>2.40%</b>	<b>15,916</b>	<b>16,381</b>	<b>16,944</b>	<b>17,615</b>	<b>18,402</b>

# ARR PETITION FOR FY 2026-27

## B. DISTRIBUTION LOSS

### DISCOM claim

**Proposed distribution loss of 12.75%, based on actual loss of FY 2024-25.**

Particulars	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Actual Distribution Loss claimed by PSPCL	12.75%	12.50%	12.20%	
Distribution Loss proposed by PFI	11.43%	10.97%	10.50%	10.03%

### PFI Observations

- There is **no Commission-approved target** for FY 2026-27.
- Other DISCOMs with similar consumer mix have achieved **single-digit distribution losses**.
- The Commission-approved target for FY 2025-26 is **11.90%**.

### PFI Remarks

- Distribution loss for FY 2026-27 should be considered at 11.43%, based on Commission's loss trajectory and ongoing CAPEX and RDSS loss reduction works.
- Additional power purchase cost due to higher losses claimed by PSPCL should be borne by the Government of Punjab as subsidy.

- PFI proposed a distribution loss trajectory for PSPCL for the period FY 2026-27 to FY 2029-30 as follows:

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
AT&C Loss under RDSS	18.03%	16.50%	15.00%	14.00%	13.50%					
Actual Distribution Loss claimed by PSPCL	12.99%	12.59%	12.76%	11.81%	13.12%	12.95%	<b>12.75%</b>	12.50%	12.20%	
Distribution Loss approved by Commission		12.34%	12.04%	12.30%	12.10%	11.90%				
<b>Distribution Loss proposed by PFI</b>					<b>12.10%</b>	<b>11.90%</b>	<b>11.43%</b>	<b>10.97%</b>	<b>10.50%</b>	<b>10.03%</b>

- In view of above, **PFI proposed the Hon'ble Commission to consider Distribution Loss as 11.43% for FY 2026-27** against the proposed distribution loss of 12.75%.

Particulars	Projected by PSPCL	Proposed by PFI	Difference
Distribution Loss	12.75%	11.43%	(1.32%)
Collection Efficiency	0	99.50%	

## ARR PETITION FOR FY 2026-27

### C. NORMS OF OPERATION OF THERMAL GENERATING STATIONS

#### DISCOM claim

- **Proposed relaxation in operational norms** for thermal generating stations and computed fuel cost accordingly.
- Fuel cost claimed is **₹4,066 Cr** for FY 2026-27.

GHTP		
Particulars	Claimed by PSPCL	PFI Working
Net Generation (MU)	4614	4613
Total Fuel cost (Rs. Cr.)	2064	1767
Per unit Cost (Rs./kWh)	4.47	3.83
GGSSTP		
Particulars	Claimed by PSPCL	PFI Working
Net Generation (MU)	4501	4501
Total Fuel cost (Rs. Cr.)	2003	1633
Per unit Cost (Rs./kWh)	4.45	3.63

#### PFI Observations

- PSERC Tariff Regulations, 2025 mandate adoption of **CERC norms** for operation of generating stations.
- Allowing relaxed norms leads to **inflated fuel cost**.
- Fuel cost based on normative parameters works out to **₹3,401 Cr.**

#### PFI Remarks

- Fuel cost should be allowed at **₹3,401 Cr** based on normative operational parameters.
- Excess fuel cost of **₹665 Cr** should be **borne by the Government of Punjab as subsidy.**

# ARR PETITION FOR FY 2026-27

## D. POWER PURCHASE COST

### DISCOM claim

Projected Power Purchase Cost of ₹32,122 Cr.

Sr. No.	Source of Power	Power Scheduled as per PSPCL (MU)	Surplus Energy (MU)	Energy Charge Rate (Rs./kWh)	Excess Power Purchase Cost (Rs. Cr)
1	Pragati-III Gas Plant Bawana	767	767	6.13	470
2	NCTPS Unit-2C	18	18	4.71	9
3	Unchahar-II	395	395	4.19	166
4	Unchahar-II	101	101	4.17	42
5	Talwandi Sabo TPS	15,320	1,031	4.16	429
<b>Total</b>			<b>2,312</b>		<b>645</b>

### PFI Observations

- In nine months of FY 2025-26, **monthly FPPAS has been negative**, indicating no cost escalation.
- Recent GoI notification on **removal of compensation cess and GST rationalisation on coal** is expected to reduce generation cost.
- Revised energy requirement based on PFI's sales and loss assumptions is **lower than PSPCL's projection**.

### PFI Remarks

- Fixed cost and ECR should be considered **same as FY 2025-26**, without escalation.
- Power Purchase Cost should be reduced by **₹645 Cr** in line with revised energy requirement.
- Additional cost claimed by PSPCL should be **borne by the State Government as subsidy**.

# ARR PETITION FOR FY 2026-27

## E. Renewable Purchase Obligation

### DISCOM claim

Projected shortfall of 5250 MU at 36% consolidated RPO Target

TABLE

Sl.No	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2024-25	0.67%	0.38%	1.50%	27.35%	<b>29.91%</b>
2.	2025-26	1.45%	1.22%	2.10%	28.24%	<b>33.01%</b>
3.	2026-27	1.97%	1.34%	2.70%	29.94%	<b>35.95%</b>
4.	2027-28	2.45%	1.42%	3.30%	31.64%	<b>38.81%</b>
5.	2028-29	2.95%	1.42%	3.90%	33.10%	<b>41.36%</b>
6.	2029-30	3.48%	1.33%	4.50%	34.02%	<b>43.33%</b>

### PFI Observations

- RPO Trajectory by Hon'ble Commission is not in line with MoP RPO Trajectory notified on 23/10/2023.
- Every source of Renewable Energy is important to provide the RTC power to consumers
- PSPCL proposed to procure 5700 MU short-term Power

### PFI Remarks

- Request the Hon'ble Commission to align the RPO with MoP Trajectory
- Direct PSPCL to fulfil RPO target and explore option to procure 5700 MU (shortfall) from renewable energy

## F. INTEREST ON LOAN

### DISCOM claim

Interest on Loan of ₹1,021 Cr.

#### PFI Observations

- Interest cost has not been computed strictly as per regulatory provisions.
- PSPCL has included inadmissible components such as higher capitalization and guarantee-related charges.
- Admissible Interest on Loan works out to ₹840 Cr.

#### PFI Remarks

- Interest on Loan should be allowed at ₹840 Cr.
- Excess interest cost of ₹180 Cr should be borne by the Government of Punjab as subsidy.

## G. INTEREST ON WORKING CAPITAL

### DISCOM claim

Interest on Working Capital of ₹391 Cr for FY 2026-27.

#### PFI Observations

- Outstanding Subsidy of Rs. 9,800 Cr. and pending Govt. dept. dues of Rs. 2,328 Cr.
- Huge dues resulted in additional financial burden on stressed DISCOM.
- Request Commission to allow actual Interest on Working Capital.

#### PFI Remarks

- Interest on Working Capital should be allowed at ₹817 Cr.
- Excess interest cost of ₹426 Cr should be allowed by the Commission.

## ARR PETITION FOR FY 2026-27

### H. ENERGY STORAGE SYSTEMS (ESS)

#### DISCOM claim

PSPCL has not proposed any Energy Storage capacity addition during FY 2026-27.

YEAR-WISE STORAGE CAPACITY REQUIREMENT AS PER CEA RESOURCE ADEQUACY REPORT	
Year	Additional Requirement (MW)
FY 2025-26	0
FY 2026-27	0
<b>FY 2027-28</b>	<b>262</b>
FY 2028-29	0
FY 2029-30	500
FY 2030-31	917
FY 2031-32	95
FY 2032-33	37
FY 2033-34	1000
FY 2034-35	0
FY 2035-36	0
Total	2812

#### PFI Observations

- As per CEA Resource Adequacy Plan, Punjab requires 262 MW / 1048 MWh of storage by FY 2027-28.
- Absence of ESS planning may increase reliance on high-cost peak power.

#### PFI Remarks

- PSPCL should be directed to initiate Energy Storage procurement in line with CEA projections.
- ESS should be integrated into power procurement planning to optimize power purchase cost.

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***Power Foundation of India requests Hon'ble PSERC to consider our  
prayers which we have submitted as comments/suggestions related  
to True-up Petition for FY 2024-15 and ARR Petition for FY 2026-27  
vide our Letter dated 30/12/2025***

**Thank You!**